

# Comprehensive Annual Financial Report

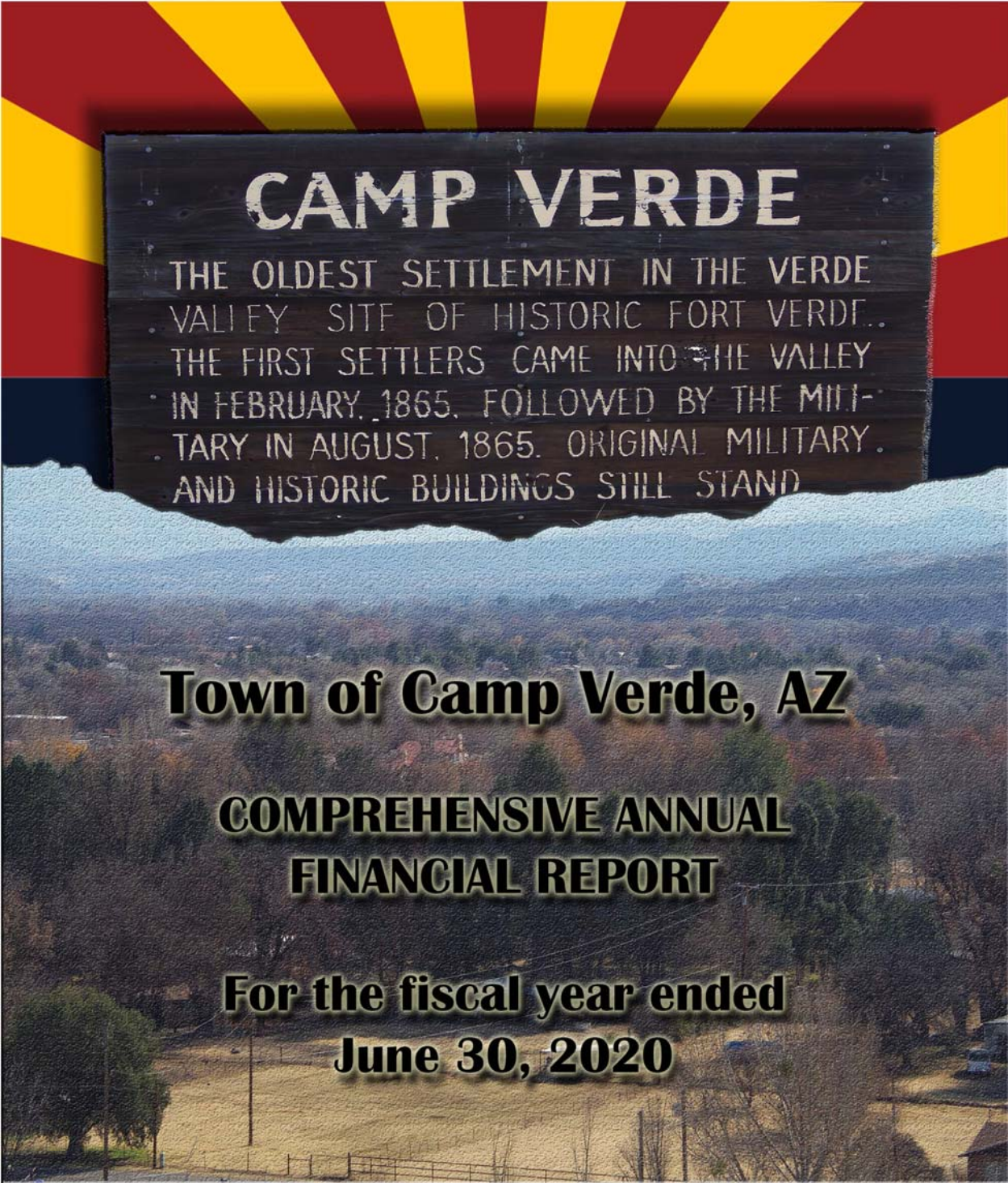
For the Fiscal Year Ended June 30, 2020



## Town of Camp Verde, Arizona

473 S Main Street  
Camp Verde, AZ 86322  
(928) 554-0000  
[www.campverde.az.gov](http://www.campverde.az.gov)

The Center Of It All



# CAMP VERDE

THE OLDEST SETTLEMENT IN THE VERDE VALLEY SITE OF HISTORIC FORT VERDE. THE FIRST SETTLERS CAME INTO THE VALLEY IN FEBRUARY, 1865. FOLLOWED BY THE MILITARY IN AUGUST, 1865. ORIGINAL MILITARY AND HISTORIC BUILDINGS STILL STAND

## **Town of Camp Verde, AZ**

### **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**For the fiscal year ended  
June 30, 2020**

Prepared by:  
The Finance Department

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# Town of Camp Verde

## Gateway to the Verde Valley

◆ 473 S. Main Street ◆ Camp Verde, Arizona 86322 ◆

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January 27, 2021

To the Honorable Mayor, Members of the Town Council and Citizens of the Town of Camp Verde:

We are pleased to submit the Town of Camp Verde Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2020. The Town annually publishes audited financial statements after the close of each fiscal year which includes a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) which are audited by a firm of licensed certified public accountants in accordance with generally accepted auditing standards (GAAS).

Town management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, Town management has established a comprehensive internal control framework that is designed both to protect the Town's assets from loss, theft or misuse and to compile sufficient reliable information for the preparation of the Town's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the Town's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free of material misstatement. To the best of our knowledge and belief, this financial report is complete and reliable in all material respects and is designed to fairly represent the financial position of the operations of the various funds of the Town.

Colby & Powell, PLC, Certified Public Accountants, have issued an unmodified ("clean") opinion on the Town of Camp Verde's financial statements for the fiscal year ended June 30, 2020. The independent auditors' report is located at the front of the financial section of this report.

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the Town operates. Part of this perspective is Management's Discussion and Analysis (MD&A) which can be found immediately following the independent auditor's report, provides a narrative introduction, overview and analysis of the basic financial statements of the Town. The MD&A should be reviewed in conjunction with this letter of transmittal.

### **PROFILE OF THE GOVERNMENT**

The Town of Camp Verde, Arizona, incorporated in 1986, is located in the Verde River Valley of Yavapai County and is recognized as the 2012 Centennial Center of Arizona. The Town's land size is 42.6 square miles and serves an estimated population of 11,162 people. Camp Verde is located on I-17, in-between Flagstaff and Phoenix and enjoys a mild climate at an elevation of 3,147 feet.

The Town operates under the council-manager form of government. The Town Council, which has policy-making and legislative authority, consists of a mayor and a six-member council. The Council is responsible for, among other things, passing ordinances and resolutions and adopting the annual budget. The members of the Town Council also appoint the membership of various Town committees and hire the Town Manager, Town Attorney and Magistrate. The Town Manager is responsible for carrying out the policies, ordinances and resolutions of the Council and for overseeing the day-to-day operations of the Town. The Town Council is elected on a nonpartisan “at large” basis. Council members are elected to four-year staggered terms with three council members elected every two years. The Mayor is also elected for a two-year term.

The Town provides a full range of services including: police, animal control, magistrate court, planning and zoning, building code enforcement, the construction and maintenance of streets and other infrastructure, wastewater, recreational activities, cultural events and a public library. The Town also operates and maintains a community swimming pool as well as community parks and sports fields. It is important to note that the Camp Verde Fire Department is not a part of the Town nor under the Town’s control but does work closely with the Town.

The annual budget serves as the foundation for the Town’s financial planning and control. All departments construct their programs and services based on the needs of the community and, no less importantly, the priorities of the Town Council. The Town Manger reviews departmental budget requests and may recommend changes to a department’s budget priorities and/or projects. The Town Manger then presents a proposed, balanced budget to the Town Council for review. The proposed budget is presented to the Town Council in June of each year. The proposed budget becomes the focal point of the community conversation with respect to the allocation of financial resources. At the conclusion of the process, the proposed budget, including any additions or deletions thereto, becomes the tentative budget which is presented for adoption by the Town Council in early June. A public hearing is scheduled on the tentative budget generally during the first business meeting in July. Subsequent to the close of that hearing, the Town’s final budget is adopted by the Council.

## **FACTORS AFFECTING FINANCIAL CONDITION**

### **Local Economy**

In its early years, the Town’s economy was based primarily upon agriculture and tourism. In later years, the Town experienced an increase in manufacturing activities as well as retail trade. Currently, the majority of the Town’s revenue base is comprised of tax revenues generated both from local sales taxes and State shared tax revenues which include allocations of state income tax, sales tax, fuel tax and motor vehicle-in-lieu tax. Camp Verde is located at the center of Arizona and within 1 hour of 4 dramatically different climates and cities, Phoenix to the South, Flagstaff to the North, Prescott to the West and Payson to East. This puts our Town in a great location to take advantage of travel and tourism within our area.

Local sales tax revenues have grown 62% in the 5-year period since FY15; an average growth rate of 10.1% per year. While FY20 saw revenues and services impacted by Covid-19, the Town still experienced a 6% increase in sales tax revenues. The Retail segment is still the frontrunner of the various sales tax categories at over \$2.2M, which is nearly 3-times greater than the next highest category, Restaurants which is at \$758 thousand in FY20.



The Town continues to maintain a very positive economic position with an unassigned general fund balance of \$2,216,094. Our 3 main general fund tax revenues from the State (state income, sales tax and vehicle license tax) have been growing between 2% and 4% each year since FY15. Currently, these 3 revenue lines make up 37% of the Town's total annual revenues in the General Fund.

### **Population**

The expectation for population in our area (Yavapai County) over the next several years is still a moderate growth scenario. However, with strong economic growth and large housing projects currently underway, we should expect to see a significant jump in local population over the next year or two.

### **Long-Term Financial Planning**

The Town's long-term planning outcomes from the strategic planning retreat are as follows:

**1. *The Town will prioritize and execute the completion of current parks and trails projects.***

Council has listed development of parks and ball fields as being a major priority over the last 4 years during strategic plan development. Completing these projects is of great importance to the Council.

**2. *Continue to work with all entities to maximize our expenditures and political power to protect, promote and utilize our natural resources.***

The natural public areas of our Town are a big part our community, heritage and recreation/tourism activities. While access to these areas is key to families and visitors, we must make sure these areas are protected from misuse and other destructive forces.

**3. *Implement policies, procedures and tools to effectively communicate amongst ourselves, our staff and our community in order to effectuate transparency.***

Miscommunication and distrust can sideline and even destroy positive progress towards any goal. The Town has seen these destructive forces in all 3 areas mentioned above and wishes to take a proactive step to curb these types of interactions making sure positive communication is a priority in all Town interactions.

**4. *Direct staff to work with county, college and local high schools to establish, train and retain a local workforce.***

If Camp Verde is going to grow economically, it must be able to attract businesses to this area. It is imperative to that end, that a growing workforce be cultivated and retained to support this growth.

**5. *Facilitate the purchase of a local water company through the collection of relevant information and directing potential mechanisms for purchase.***

Council sees the acquisition of a local water company as having a significant impact on the Town's ability to effectuate economic growth in our community.

Camp Verde is dedicated to enhancing the quality of life for its citizens and providing municipal services in a fiscally responsible manner. To this end, the Town has strived to remain financially strong and has maintained its Unassigned General Fund balance above \$2.0 million for the last 8 years.

**Major Initiatives for FY21**

- 1) Completion of the new Camp Verde Sports Complex.
- 2) Start engineering design for wastewater service expansion Northward along Highway 260.
- 3) Completion of a new rodeo arena.
- 4) Completion of major wastewater capital improvements.

**AWARDS & ACKNOWLEDGEMENTS**

**Awards**

Camp Verde has received the Government Finance Officers Association (GFOA) award for excellence in financial reporting for the last six years and the GFOA award for distinguish budget presentation for the last 5 years.

**Acknowledgements**

The preparation of this report would not have been possible without the dedicated support and cooperation of the Town Manager and Town employees from all departments. Credit must also be given to the Mayor and members of the Town Council for their desire and determination to maintain the highest standards of professionalism in the management of the Town of Camp Verde’s finances. Finally, a special thank you to the auditors of Colby & Powell for their insight, professionalism and efficiency.

Respectfully submitted,



Russell A. Martin  
Town Manager

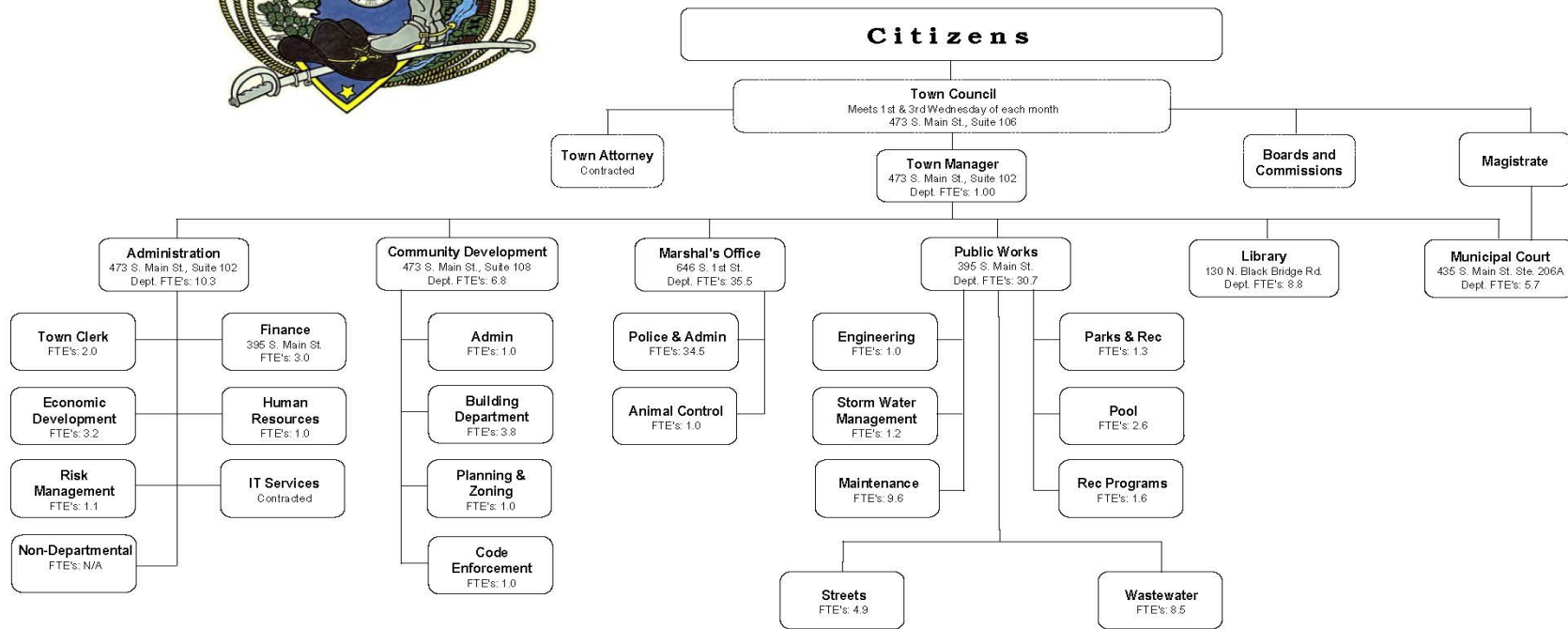


Michael E. Showers  
Finance Director



# Town of Camp Verde, Arizona

## Town Organization Chart





# Town of Camp Verde

## Key Officials and Staff



### Mayor and Council Members (Left to right)

Front row: Councilor Bill LeBeau, Mayor Charlie German & Councilor Joe Butner.

Back row: Councilor Robin Whatley, Councilor Allan "Buck" Buchanan, Councilor Jessie Murdock, Vice-Mayor Dee Jenkins.

Russ Martin, *Town Manager*  
Cindy Pemberton, *Town Clerk*  
Mike Showers, *Finance Director*  
Corey Rowley, *Marshal*  
Kathy Hellman, *Library Director*  
Paul Schlegel, *Presiding Magistrate*

### Department Heads

Melinda Lee, *Community Development Director*  
Ronald Long, *Engineer/Public Works Director*  
Steve Ayers, *Economic Development Director*  
Veronica Pineda, *Court Supervisor*  
Carol Brown, *Risk Management*  
Brandy Cabrera, *Human Resources*



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Town of Camp Verde  
Arizona**

For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

June 30, 2019

*Christopher P. Morill*

Executive Director/CEO



## **FINANCIAL SECTION**







**COLBY &  
POWELL, PLC**  
CERTIFIED PUBLIC ACCOUNTANTS

1535 W. Harvard Avenue, Suite 101 · Gilbert, Arizona 85233

Tel: (480) 635-3200 · Fax: (480) 635-3201

## **INDEPENDENT AUDITORS' REPORT**

To the Town Council  
Town of Camp Verde, Arizona

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Camp Verde, Arizona, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Camp Verde, Arizona, as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 - 15, Budgetary Comparison Schedules on pages 62 - 63, Schedule of the Town's Proportionate Share of the Net Pension/OPEB Liability – Cost-Sharing Pension Plans on page 65, Schedule of Changes in the Town's Net Pension/OPEB Liability (Asset) and Related Ratios – Agent Pension Plans on page 66 and Schedule of Town Pension/OPEB Contributions on page 68 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Camp Verde, Arizona's basic financial statements. The Introductory Section, the Other Financial Statements, Budgetary Comparison Schedules, and Statistical Section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Other Financial Statements and Budgetary Comparison Schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 auditing standards generally accepted in the United States of America.

In our opinion, the Other Financial Statements and Budgetary Comparison Schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Introductory and Statistical Sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

*Compliance Over the Use of Highway User Revenue Fund and Other Dedicated State Transportation Revenue Monies.*

In connection with our audit, nothing came to our attention that caused us to believe that the Town failed to use highway user revenue fund monies received by the Town pursuant to Arizona Revised Statutes Title 28, Chapter 18, Article 2 and any other dedicated state transportation revenues received by the Town solely for the authorized transportation purposes, insofar as they relate to accounting matters. 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 Town's noncompliance with the use of highway user revenue fund monies and other dedicated state transportation revenues, insofar as they relate to accounting matters.

The communication related to compliance over the use of highway user revenue fund and other dedicated transportation revenue monies in the preceding paragraphs is intended solely for the information and use of the members of the Arizona State Legislature, the Town Council, management, and other responsible parties within the Town and is not intended to be and should not be used by anyone other than these specified parties.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated January 27, 2021, on our consideration of the Town of Camp Verde, Arizona'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. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on 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 Town of Camp Verde, Arizona's internal control over financial reporting and compliance.



January 27, 2021

**TOWN OF CAMP VERDE, ARIZONA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
FISCAL YEAR ENDED JUNE 30, 2020**

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As management of the Town of Camp Verde, Arizona (Town), we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2020 (FY20). Please read it in conjunction with the Town's basic financial statements, which begin on page 16.

## **FINANCIAL HIGHLIGHTS**

- Construction continued on the Camp Verde Sports Complex which comprises a significant investment by the Town. Through June 30, 2020, the Town has spent \$4.67 million to develop the 110-acre park including \$759 thousand spent in FY20. Construction will continue throughout FY21, with most fields (soccer, baseball, football) being fully installed. The Town is also waiting to see if it will be awarded a federal grant in February of 2021 which would significantly impact what can be accomplished at the park in FY21 and FY22.
- Wastewater plant improvements continued with the use of funds from last year's \$3.5 million Water Infrastructure Authority (WIFA) loan. The \$3.5 million loan package includes a \$1 million debt forgiveness grant bringing the total amount due on the note to just below \$2.5 million. In FY20, nearly \$1.9 million was spent towards these plant improvements bringing the 3-year total to \$3.4 million.
- The Town has nearly finished construction of a rodeo arena at a cost to date of \$313 thousand with \$273 thousand of that spent during FY20. Events are already scheduled for FY21 which is expected to bolster Town TPT revenues as early as FY21 through hotel/motel, restaurant and retail sales.
- Local TPT revenues (sales tax) were short of budget by 4% (\$205K) but grew from FY19 actual revenues by 6% (\$251K). While on its own, this is not a particularly significant event, when considered within the back-drop of the Covid-19 pandemic, it becomes a very significant factor for the Town in FY20. While many municipalities had significant declines to their revenue streams and corresponding reductions in expenses and staffing, Camp Verde was able to not only keep all staff in place, but even reduced the use of budgeted reserve funds for the year by \$290 thousand. This highlights the resiliency of the Town's local funding sources during a time of significant economic stress.
- Among major governmental funds:
  - The General Fund had just over \$9.3 million in revenues, which primarily consisted of taxes, licenses and permits, charges for services, fines and forfeitures, and intergovernmental revenues. Total expenditures in the General Fund were just under \$8.0 million with net transfers out of \$1.56 million taking the General Fund unassigned fund balance down \$245 thousand to just over \$2.2 million.

**TOWN OF CAMP VERDE, ARIZONA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
FISCAL YEAR ENDED JUNE 30, 2020**



## OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The Town'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 supplementary information in addition to the basic financial statements themselves.

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

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

The *statement of net position* presents information on all of the Town's assets and liabilities, with the difference between the two 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 Town is improving or deteriorating.

The *statement of activities* presents information showing how the Town's 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*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused compensated absences).

In the government-wide financial statements, the Town's activities are presented in the following categories:

***Governmental activities*** – The Town's basic services are included here, such as general government, public safety, public works and streets, health and welfare, culture and recreation, and economic and community development. Sales taxes, intergovernmental, licenses and permits, charges for services, and fines and forfeits revenue finance most of these activities.

***Business-type activities*** – The Town's only business-type activity is the wastewater enterprise fund. The Town took over the Camp Verde Sanitary District wastewater operations on July 1, 2013. Those operations are included here and include fee-for-service billing of residential and commercial accounts as well as all expenses for operating and maintaining the sewer system.

### **Fund financial statements.**

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. The Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

**TOWN OF CAMP VERDE, ARIZONA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
FISCAL YEAR ENDED JUNE 30, 2020**

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## **OVERVIEW OF FINANCIAL STATEMENTS (CONTINUED)**

**Governmental funds** – Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating the Town's near-term financing requirements.

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 governmental funds with similar information presented for governmental activities in the government-wide financial statements.

By doing so, readers may better understand the long-term impact of the Town's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Town maintains twelve (12) individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances starting on page 18 for the General, Parks, HURF & Debt Service Funds, all of which are considered major funds. Data from the other eight (8) governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* in the combining and individual fund financial statements and schedules which can be found on pages 74-92.

**Proprietary funds** – The Town maintains one type of proprietary fund; an enterprise fund for wastewater activities. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The basic proprietary fund financial statements can be found on pages 22-25 of this report.

**Fiduciary funds** – Fiduciary funds are used to account for resources held for the benefit of parties outside the Town. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the Town's own programs. The Town maintains two separate fiduciary funds. Information on these funds can be found in the Other Financial Statements section of this report on page 96.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found immediately following the basic financial statements on pages 27-59.

**TOWN OF CAMP VERDE, ARIZONA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
FISCAL YEAR ENDED JUNE 30, 2020**

**OVERVIEW OF FINANCIAL STATEMENTS (CONTINUED)**

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the Town's budget process. The Town adopts an annual budget for all governmental funds. A budgetary comparison schedule has been provided for the General Fund as required supplementary information, which can be found on page 62.

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information on budgets.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

**Statement of Net Position**

Net position may serve over time as a useful indicator of a government's financial position. In the case of the Town, total assets exceeded total liabilities by just over \$28.4 million as of June 30, 2020, which remains fairly constant from the previous year. The following table presents a summary of the Town's net position for the fiscal years ended June 30, 2020 and 2019:

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
<b>Assets</b>						
Current assets	\$ 6,840,544	\$ 7,103,069	\$ 65,146	\$ 302,257	\$ 6,905,690	\$ 7,405,326
Capital assets, net	24,577,168	24,448,472	18,964,191	17,933,579	43,541,359	42,382,051
Other non-current assets	49,123	106,563	-	-	49,123	106,563
Total assets	<u>31,466,835</u>	<u>31,658,104</u>	<u>19,029,337</u>	<u>18,235,836</u>	<u>50,496,172</u>	<u>49,893,940</u>
<b>Liabilities</b>						
Current and other liabilities	2,413,685	2,189,285	341,341	392,363	2,755,026	2,581,648
Long-term liabilities	17,684,685	17,991,766	1,620,072	722,716	19,304,757	18,714,482
Total liabilities	<u>20,098,370</u>	<u>20,181,051</u>	<u>1,961,413</u>	<u>1,115,079</u>	<u>22,059,783</u>	<u>21,296,130</u>
<b>Deferred Inflows/(Outflows) of Resources</b>						
Def'd outflows related to pensions	(1,689,271)	(1,780,209)	(77,393)	(109,936)	(1,766,664)	(1,890,145)
Def'd inflows related to pensions	386,341	653,264	43,490	69,901	429,831	723,165
Net deferred inflows/(outflows) of resources	<u>\$ (1,302,930)</u>	<u>\$ (1,126,945)</u>	<u>\$ (33,903)</u>	<u>\$ (40,035)</u>	<u>\$ (1,336,833)</u>	<u>\$ (1,166,980)</u>
<b>Net Position</b>						
Net investment in capital assets	17,026,024	16,203,561	17,659,687	17,657,237	34,685,711	33,860,798
Restricted	976,341	760,508	-	-	976,341	760,508
Unrestricted	<u>(5,330,970)</u>	<u>(4,360,071)</u>	<u>(557,860)</u>	<u>(496,445)</u>	<u>(5,888,830)</u>	<u>(4,856,516)</u>
Total net position	<u>\$ 12,671,395</u>	<u>\$ 12,603,998</u>	<u>\$ 17,101,827</u>	<u>\$ 17,160,792</u>	<u>\$ 29,773,222</u>	<u>\$ 29,764,790</u>

**TOWN OF CAMP VERDE, ARIZONA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
FISCAL YEAR ENDED JUNE 30, 2020**

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**GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)**

***Governmental Activities.*** The Town's net position from governmental activities grew only 1% in FY20 (\$67K) while the Town's wastewater fund net position fell less than 1%. In total, Net position is virtually unchanged from FY19.

GASB 68 continues to have a significant effect on the Government-wide statements as well. Net pension liabilities have climbed to just short of \$7.2 million in FY20 from \$6.6 million dollars in FY19. This has a dramatic impact on the unrestricted net position of the Town as can be seen in the negative \$5.3 million balance. The \$7.2 million net pension liability makes up 41% of the Town's Long-term liabilities under Governmental Activities. The Town has chosen to fund the net pension liability through a 20-year adjustment to the annual state retirement payment percentage (as of FY17) as well as fully funding the budgeted PSPRS amounts regardless of employment FTE's at the Marshal's office.

***Business-Type Activities.*** A significant increase in capital assets (\$1M) and corresponding increase in long-term liabilities (\$900K) highlights the main substantive changes from FY19 as mentioned in the Financial Highlights section. The drop in current assets is attributable to a drop in cash due as well to the investment in capital assets.



**TOWN OF CAMP VERDE, ARIZONA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
FISCAL YEAR ENDED JUNE 30, 2020**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)**

**Statement of Activities**

The following table presents a summary of the changes in net position for the fiscal years ended June 30, 2020 and 2019:

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
<b>Revenues</b>						
<b>Program revenues:</b>						
Charges for services	\$ 812,503	\$ 825,718	\$ 1,964,175	\$ 1,477,127	\$ 2,776,678	\$ 2,302,845
Operating grants and contributions	1,526,156	1,214,867			1,526,156	1,214,867
Capital grants and contributions	108,449	359,275	177,757	822,243	286,206	1,181,518
<b>General revenues:</b>					-	-
Town sales taxes	4,640,417	4,389,578			4,640,417	4,389,578
Franchise taxes	274,961	287,034			274,961	287,034
State shared revenue	3,411,861	3,273,230			3,411,861	3,273,230
Investment earnings	30,368	76,691	1,095	3,107	31,463	79,798
Miscellaneous	34,540	30,296			34,540	30,296
<b>Total revenues</b>	<b>10,839,255</b>	<b>10,456,689</b>	<b>2,143,027</b>	<b>2,302,477</b>	<b>12,982,282</b>	<b>12,759,166</b>
<b>Expenses</b>						
General government	3,334,238	3,076,810			3,334,238	3,076,810
Public safety	3,554,285	3,060,944			3,554,285	3,060,944
Public works	1,504,521	1,483,664			1,504,521	1,483,664
Health and welfare	134,008	126,049			134,008	126,049
Culture and recreation	1,392,080	1,232,178			1,392,080	1,232,178
Community development	536,787	514,618			536,787	514,618
Interest on long-term debt	386,287	364,722			386,287	364,722
Wastewater			2,131,644	2,034,991	2,131,644	2,034,991
<b>Total expenses</b>	<b>10,842,206</b>	<b>9,858,985</b>	<b>2,131,644</b>	<b>2,034,991</b>	<b>12,973,850</b>	<b>11,893,976</b>
<b>Excess (deficiency) before net transfers</b>	<b>(2,951)</b>	<b>597,704</b>	<b>11,383</b>	<b>267,486</b>	<b>8,432</b>	<b>865,190</b>
Net Transfers In/(Out)	70,348		(70,348)		-	-
<b>Excess (deficiency) in net position</b>	<b>67,397</b>	<b>597,704</b>	<b>(58,965)</b>	<b>267,486</b>	<b>8,432</b>	<b>865,190</b>
<b>Net position, beginning</b>	<b>12,603,998</b>	<b>12,006,294</b>	<b>17,160,792</b>	<b>16,893,306</b>	<b>29,764,790</b>	<b>28,899,600</b>
<b>Net position, ending</b>	<b>\$ 12,671,395</b>	<b>\$ 12,603,998</b>	<b>\$ 17,101,827</b>	<b>\$ 17,160,792</b>	<b>\$ 29,773,222</b>	<b>\$ 29,764,790</b>

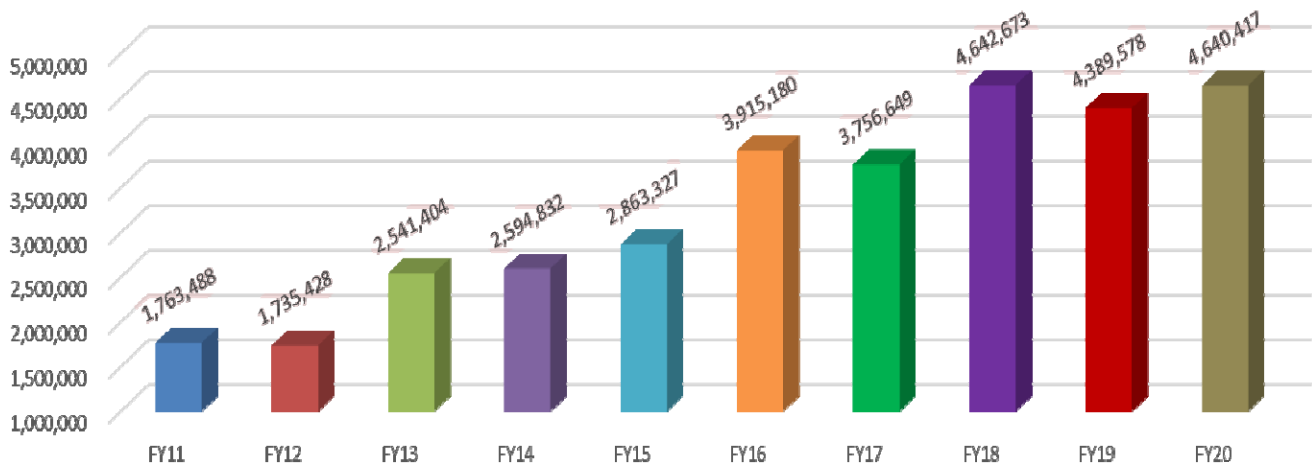
**Governmental Activities.** Total revenues from governmental activities increased by nearly \$383 thousand (4%) from last year to just over \$10.8 million. This increase was mostly from operating grants and contributions (\$311,289) and local sales tax revenues (\$250,839) while capital grants dropped \$250,826 from FY19.

**TOWN OF CAMP VERDE, ARIZONA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
FISCAL YEAR ENDED JUNE 30, 2020**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)**

Local sales taxes are the largest source of revenue for the Town at just over \$4.6 million in FY20 with state shared revenues a somewhat distant second place at just over \$3.4 million. The two components together make up 74% of the governmental activities revenues. Over the last 8 years, Local TPT revenues have grown steadily at an average annual growth rate of 13%; a 267% increase in total. Tax rates have been increased twice during that period, 1% in late 2012 (from 2% to 3%) and .65% in March of 2015 (3.0% to 3.65%). While those increases did have an impact on total revenues, after factoring out the .65% increase in FY15, the Town still shows a 10.2% average growth rate since FY14. If you discount the unusually large revenue growth years of FY16 & FY18, you can see a fairly steady 10% incline each year in the graph below. Total revenues for FY20 were slightly off that 10% growth rate from FY19 at 5.7%, but from a positive perspective, the Town was able to maintain that growth through the Covid-19 pandemic.

**Annual Local Tax Revenues**



State shared revenues are comprised of three main sources in FY20: 1) State sales taxes - \$1.16M, 2) State income taxes - \$1.45M and 3) Vehicle license taxes - \$789K. All 3 sources have grown at a slow but steady rate of roughly 4.9% since FY12.

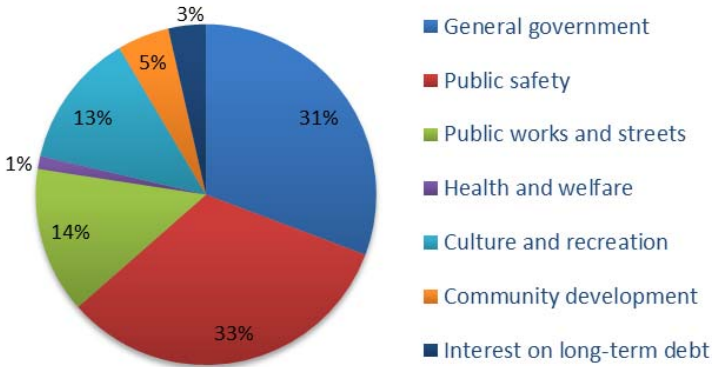
Expenses, meanwhile increased just over \$1 million in FY20 with the majority of the increases coming from within the Public safety segment (\$407K) and the General government segment (\$257K). Of the \$407K higher expenses in Public safety, nearly \$250K comes from wage increases and the corresponding benefit costs. The increases in the General government segment, include wages and benefit increases as well as an increase of just over \$140K due to ASRS pension liabilities. Culture and recreation was also higher slightly by just over \$160K.

**TOWN OF CAMP VERDE, ARIZONA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
FISCAL YEAR ENDED JUNE 30, 2020**

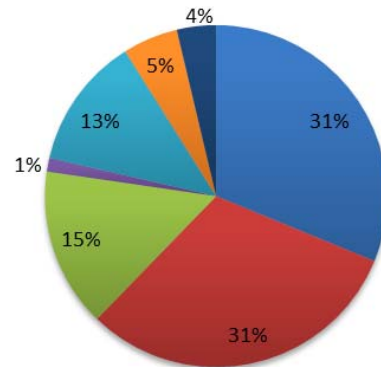
**GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)**

The table below shows how expenses are distributed within the Town governmental funds.

**Governmental  
Fiscal Year 2020 Expenses**



**Governmental  
Fiscal Year 2019 Expenses**



**Business-Type Activities.** In FY20, wastewater charges for services increased 33% from FY19 to nearly \$2 million. Of the \$468 thousand increase, \$168 thousand came from increased septage fees from hauled sewage. The other \$300 thousand came from an increase in connections and a 15% fee increase that went into effect in January of 2019. The rate increase was put into place to help support the \$2.5 million WIFA loan referenced in the Financial Highlights above. Capital grants and contributions dropped \$644 thousand to \$177,757 as the entire remaining forgivable loan principle from WIFA was drawn down during FY20.

**Functional Net Governmental Activities**

The following table presents the cost of the major Town functional activities. The table also shows each function's net cost (total cost less charges for services generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden that was placed on the State's and Town's taxpayers by each of these functions.

	Year Ended June 30, 2020		Year Ended June 30, 2019	
	Total Expenses	Net Exp / (Rev)	Total Expenses	Net (Exp) / Rev
<b>Governmental activities</b>				
General government	\$ 3,334,238	\$ 3,190,706	\$ 3,076,810	\$ 2,923,558
Public safety	3,554,285	3,038,145	3,060,944	2,602,592
Public works and streets	1,504,521	308,438	1,483,664	376,770
Health and welfare	134,008	134,008	126,049	126,049
Culture and recreation	1,392,080	1,106,696	1,232,178	883,085
Community development	536,787	230,818	514,618	182,349
Interest on long-term debt	386,287	386,287	364,722	364,722
<b>Net</b>	<b>\$ 10,842,206</b>	<b>\$ 8,395,098</b>	<b>\$ 9,858,985</b>	<b>\$ 7,459,125</b>
<b>Business-Type Activities</b>				
Wastewater	2,131,644	(10,288)	2,034,991	(264,379)
<b>Net</b>	<b>\$ 2,131,644</b>	<b>\$ (10,288)</b>	<b>\$ 2,034,991</b>	<b>\$ (264,379)</b>
<b>Total</b>	<b>\$ 12,973,850</b>	<b>\$ 8,384,810</b>	<b>\$ 11,893,976</b>	<b>\$ 7,194,746</b>

**TOWN OF CAMP VERDE, ARIZONA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
FISCAL YEAR ENDED JUNE 30, 2020**

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## FINANCIAL ANALYSIS OF THE TOWN'S FUNDS

As noted earlier, the Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds.** The focus of the Town's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of the Town's net resources available for spending at the end of the fiscal year.

As of the end of the Town's fiscal year, its governmental funds reported combined ending fund balances of just under \$5.9 million, a \$607 thousand drop from the prior year. *Unassigned fund balance* constitutes 38% of the ending governmental activities fund balance. Unassigned fund balance is the amount available for spending at the government's discretion. The remainder of FY20 total fund balance is reserved, committed or assigned to indicate that it is not available for new spending because it has already been assigned, committed or restricted as follows: Park fund expenses (\$2.37 million), HURF Fund expenses (\$665 thousand) and various other grants and special programs (\$634 thousand).

The General Fund is the principal operating fund of the Town. At the end of the current fiscal year, the total fund balance of the General Fund was just over \$2.2 million, which is down roughly \$245 thousand from last year. As a measure of the General Fund's liquidity, it may be useful to compare fund balance to fund expenditures. For FY20, fund balance in the General Fund is 28% of total General Fund expenditures. The fund balance in the Parks Fund shows the remaining funds available for development of the Camp Verde Sports Complex at \$2.37 million.

**Proprietary funds.** The proprietary fund financial statements are prepared on the same accounting basis and measurement as the government-wide financial statements, but provide additional detail of the Town's enterprise fund.

Wastewater fund balance dropped \$59 thousand during FY20 which is of little impact from FY19.

## BUDGETARY HIGHLIGHTS

A schedule comparing budget to actual financial activity for the General Fund is provided in this report as required supplementary information. While revenues for the year of \$9.3 million were under budget by 4% (\$409K), expenses were also under budget by 4% (\$369K) offsetting most of the shortage in revenues allowing the Town to use only \$279 thousand of unassigned reserve funds instead of the budgeted \$535 thousand.

**TOWN OF CAMP VERDE, ARIZONA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
FISCAL YEAR ENDED JUNE 30, 2020**

**BUDGETARY HIGHLIGHTS (CONTINUED)**

Budgetary highlights for the General Fund are as follows:

**Revenues**

- Local tax revenue was short of budget \$221,872 (4%). A shortage in restaurant tax revenues had the largest impact at just over \$100 thousand under budget while rental was an additional \$47 thousand under budget. Construction and utility tax revenues were each \$39 thousand short of budget. Retail, however, helped balance out some of the shortfall at \$81 thousand over budget for the year.
- Intergovernmental revenues were also short of budget for the year \$278,221 with state sales tax revenues being the most significant factor at \$214 thousand short of budget.
- Other revenue categories combined to be nearly \$91 thousand over budget.

**Expenses**

- Public works provided the most budget savings at \$88,707. The entire savings is due to lower wages and related expenses in the maintenance department as the department was short-staffed for part of the year and did not hire 1 budgeted position in the middle of the year.
- Similar savings in the Marshal's, Community Development and Economic Development departments saw all three departments under budget by over \$50 thousand each (total of \$178K).

**CAPITAL ASSETS**

As of June 30, 2020, the Town had invested \$32.8 million in governmental capital assets and \$8.4 million in business-type assets (both before depreciation) including land, buildings, facilities, vehicles, computers, equipment, and infrastructure assets. In FY20, the Town invested \$4.6 million into capital assets. Total depreciation expense for the year in governmental and business-type activities was \$1.09 million and \$904 thousand respectively. More information on capital assets can be found in the Notes to the Financial Statements under Note 5 – Capital Assets.

The following schedule presents capital asset balances and accumulated depreciation for the fiscal years ended June 30, 2020 and 2019:

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Land	\$ 5,974,797	\$ 5,914,797	\$ 1,275,828	\$ 1,275,828	\$ 7,250,625	\$ 7,190,625
Construction in progress	5,242,965	4,305,974	1,937,467	1,540,818	7,180,432	5,846,792
Buildings and improvements	9,121,321	8,977,666	895,854	725,075	10,017,175	9,702,741
Infrastructure	6,086,939	6,037,128	22,934,814	21,851,740	29,021,753	27,888,868
Machinery and equipment	5,166,957	5,305,624	1,368,224	1,083,700	6,535,181	6,389,324
Improvements other than buildings	1,226,163	1,226,163	-	-	1,226,163	1,226,163
Accumulated depreciation	(8,241,974)	(7,318,880)	(9,447,996)	(8,543,582)	(17,689,970)	(15,862,462)
<b>Total</b>	<b>\$ 24,577,168</b>	<b>\$ 24,448,472</b>	<b>\$ 18,964,191</b>	<b>\$ 17,933,579</b>	<b>\$ 43,541,359</b>	<b>\$ 42,382,051</b>

**TOWN OF CAMP VERDE, ARIZONA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
FISCAL YEAR ENDED JUNE 30, 2020**

**CAPITAL ASSETS (CONTINUED)**

Key factors for Capital assets during the current fiscal year include the following:

- Expenses at the Camp Verde Sports Park totaled \$759 thousand in FY20.
- The Town spent \$273 thousand on development of a new rodeo arena activity area.
- The Wastewater fund added \$1.9 million of plant improvements, most of which was funded through two separate WIFA loans.

**LONG-TERM LIABILITIES**

As of June 30, 2020, the Town had just over \$20.7 million in long-term debt and long-term liabilities; \$19.1 million for governmental activities and \$1.6 million for business-type activities. These amounts are up \$340 thousand from FY19. The most significant portion of the \$19.1 million governmental liabilities is the net pension liability of \$7.18 million which is up \$536 thousand from FY19.

The following table presents a summary of the Town's outstanding long-term debt and compensated absences for the fiscal years ended June 30, 2020 and 2019. More information on debt and long-term liabilities can be found in the Notes to the Financial Statements under Note 7 – Long-Term Liabilities.

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
2017 Revenue bonds	\$ 6,520,000	\$ 6,680,000	\$ -	\$ -	\$ 6,520,000	\$ 6,680,000
2017 Revenue bonds unamortized premium	182,193	189,481	-	-	182,193	189,481
2014 Revenue bonds	3,479,000	3,825,000			3,479,000	3,825,000
2011 Revenue bonds	388,918	477,177			388,918	477,177
Capital leases	779,432	1,136,182	167,084	276,342	946,516	1,412,524
Notes Payable	-	-	840,002	-	840,002	-
Net pension liability	7,178,176	6,642,138	565,090	555,632	7,743,266	7,197,770
Compensated absences	563,472	538,297	47,896	50,895	611,368	589,192
<b>Total</b>	<b>\$ 19,091,191</b>	<b>\$ 19,488,275</b>	<b>\$ 1,620,072</b>	<b>\$ 882,869</b>	<b>\$ 20,711,263</b>	<b>\$ 20,371,144</b>

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

The Town of Camp Verde's revenue base is funded primarily by town sales tax and shared revenues from the State of Arizona. These revenue sources tend to comprise approximately 75% on average of the Town's revenues. FY20 revenues continue a normal positive growth pattern (after factoring out FY16 & FY18 uncharacteristic growth). Budgeted revenues for FY20 continue this general growth trend with a 7% increase in local tax revenues over FY19.

FY20 saw the arrival of the expected new 400+ unit RV park and ground breaking of the 175-acre, 585-unit housing project.

**TOWN OF CAMP VERDE, ARIZONA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
FISCAL YEAR ENDED JUNE 30, 2020**

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**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET (CONTINUED)**

New businesses and continue to pop up, with many projects now in the development stage as Camp Verde has been able to take advantage of its designation as an opportunity zone for investors. Being designated as an opportunity zone give investors very generous federal tax breaks and as such has incentivized investors to look to Camp Verde for business investments.

For FY21, the Town is looking to accomplish several new and expanded projects. Firstly, the Town will be pursuing a WIFA loan for engineering costs of \$1.2 million towards the expansion of wastewater services Northward along Highway 260. Ultimately this project is expected to cost around \$8 million with a soon-to-be established special district to take on the repayment of the loan. Secondly, the Town is moving forward with discussions to purchase a local water utility which would give the Town control over both wastewater and water services. Finally, a second bond offering for the new Sports Park of approximately \$2.5 million will be pursued along with a federal matching grant that could significantly impact the amount of the park completed within the next 2 years.

Staffing levels are expected to increase again in FY21 by as much as 3 FTE's as the demand for services continues to grow.

**CONTACTING THE TOWN'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the Town's finances and to demonstrate the Town's accountability for the resources it receives. If you have questions about this report or need additional information, contact the Town Finance Department at:

Town of Camp Verde  
Finance Department  
395 South Main Street  
Camp Verde, Arizona 86322.

**TOWN OF CAMP VERDE, ARIZONA**  
**Statement of Net Position**  
**June 30, 2020**

	Primary Government		Total
	Governmental Activities	Business-type Activities	
<b>ASSETS</b>			
Cash and cash equivalents	\$ 2,219,244	\$ 150	\$ 2,219,394
Cash held by trustee	3,798,399	-	3,798,399
Accounts receivable - net	105,226	333,675	438,901
Due from other governments	380,844	943	381,787
Interactivity balances	270,717	(270,717)	-
Loans receivable	49,123	-	49,123
Net other postemployment benefits asset	66,114	1,095	67,209
Capital assets, not being depreciated	11,217,762	3,213,295	14,431,057
Capital assets, being depreciated, net	13,359,406	15,750,896	29,110,302
<b>Total assets</b>	<b>31,466,835</b>	<b>19,029,337</b>	<b>50,496,172</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows related to pensions and other postemployment benefits	1,689,271	77,393	1,766,664
<b>LIABILITIES</b>			
Accounts payable	543,558	319,924	863,482
Accrued expenses	290,826	21,417	312,243
Interest payable	166,380	-	166,380
Unearned revenue	4,889	-	4,889
Court bonds payable	1,526	-	1,526
Noncurrent liabilities			
Due within 1 year	1,406,506	240,548	1,647,054
Due in more than 1 year	17,684,685	1,379,524	19,064,209
<b>Total liabilities</b>	<b>20,098,370</b>	<b>1,961,413</b>	<b>22,059,783</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows related to pensions and other postemployment benefits	386,341	43,490	429,831
<b>NET POSITION</b>			
Net investment in capital assets	17,026,024	17,659,687	34,685,711
Restricted for:			
Highways and streets	664,702	-	664,702
Housing redevelopment	122,488	-	122,488
Special programs	189,151	-	189,151
Unrestricted (deficit)	(5,330,970)	(557,860)	(5,888,830)
<b>Total net position</b>	<b>\$ 12,671,395</b>	<b>\$ 17,101,827</b>	<b>\$ 29,773,222</b>

*The accompanying notes are an integral part of these financial statements*



**TOWN OF CAMP VERDE, ARIZONA**  
**Statement of Activities**  
**Year Ended June 30, 2020**

Functions / Programs	Expenses	Program Revenue			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business-type Activities	
<b>Primary government:</b>							
Governmental activities							
General government	\$ 3,334,238	\$ 35,781	\$ 107,751	\$ -	\$ (3,190,706)	\$ -	\$ (3,190,706)
Public safety	3,554,285	392,807	99,529	23,804	(3,038,145)	-	(3,038,145)
Public works	1,504,521	36,348	1,153,985	5,750	(308,438)	-	(308,438)
Health and welfare	134,008	-	-	-	(134,008)	-	(134,008)
Culture and recreation	1,392,080	53,812	164,891	66,681	(1,106,696)	-	(1,106,696)
Community development	536,787	293,755	-	12,214	(230,818)	-	(230,818)
Interest on long-term debt	386,287	-	-	-	(386,287)	-	(386,287)
<b>Total governmental activities</b>	<u>10,842,206</u>	<u>812,503</u>	<u>1,526,156</u>	<u>108,449</u>	<u>(8,395,098)</u>	<u>-</u>	<u>(8,395,098)</u>
Business-type activities							
Wastewater	2,131,644	1,964,175	-	177,757	-	10,288	10,288
<b>Total business-type activities</b>	<u>2,131,644</u>	<u>1,964,175</u>	<u>-</u>	<u>177,757</u>	<u>-</u>	<u>10,288</u>	<u>10,288</u>
<b>Total primary government</b>	<u>\$ 12,973,850</u>	<u>\$ 2,776,678</u>	<u>\$ 1,526,156</u>	<u>\$ 286,206</u>	<u>\$ (8,395,098)</u>	<u>\$ 10,288</u>	<u>\$ (8,384,810)</u>
<b>General revenue:</b>							
Taxes:							
Sales Taxes					4,640,417	-	4,640,417
Franchise tax					274,961	-	274,961
State shared revenue					3,411,861	-	3,411,861
Investment income					30,368	1,095	31,463
Miscellaneous					34,540	-	34,540
<b>Transfers in (out):</b>					<u>70,348</u>	<u>(70,348)</u>	<u>-</u>
Total general revenues and transfers					<u>8,462,495</u>	<u>(69,253)</u>	<u>8,393,242</u>
Change in net position					67,397	(58,965)	8,432
Net position July 1, 2019					12,603,998	17,160,792	29,764,790
Net position, June 30, 2020					<u>\$ 12,671,395</u>	<u>\$ 17,101,827</u>	<u>\$ 29,773,222</u>

*The accompanying notes are an integral part of these financial statements*

**TOWN OF CAMP VERDE, ARIZONA**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2020**

	General Fund	Parks Fund	HURF Fund	Debt Service Fund	Non-Major Governmental Funds	Total Governmental Funds
<b>ASSETS</b>						
Cash and cash equivalents	\$ 949,328	\$ -	\$ 637,393	\$ -	\$ 632,523	\$ 2,219,244
Cash held by trustee	1,017,938	2,780,461			-	3,798,399
Accounts receivable, net	105,226	-	-	-	-	105,226
Due from other governments	224,356	-	78,805	-	77,683	380,844
Loans receivable	-	-	-	-	49,123	49,123
Due from other funds	336,826	-	-	-	-	336,826
<b>Total assets</b>	<b>2,633,674</b>	<b>2,780,461</b>	<b>716,198</b>	<b>-</b>	<b>759,329</b>	<b>6,889,662</b>
<b>LIABILITIES</b>						
Accounts payable	93,079	406,785	38,645	-	5,049	543,558
Accrued liabilities	277,975	-	12,851	-	-	290,826
Court bonds payable	1,526	-	-	-	-	1,526
Unearned revenue	-	-	-	-	4,889	4,889
Due to other funds	-	-	-	-	66,109	66,109
<b>Total liabilities</b>	<b>372,580</b>	<b>406,785</b>	<b>51,496</b>	<b>-</b>	<b>76,047</b>	<b>906,908</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable revenue	45,000	-		-	49,123	94,123
<b>FUND BALANCES</b>						
Restricted	-	2,373,676	664,702	-	262,516	3,300,894
Committed	-	-	-	-	187,216	187,216
Assigned	-	-	-	-	184,427	184,427
Unassigned	2,216,094	-	-	-	-	2,216,094
<b>Total fund balances</b>	<b>2,216,094</b>	<b>2,373,676</b>	<b>664,702</b>	<b>-</b>	<b>634,159</b>	<b>5,888,631</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 2,633,674</b>	<b>\$ 2,780,461</b>	<b>\$ 716,198</b>	<b>\$ -</b>	<b>\$ 759,329</b>	<b>\$ 6,889,662</b>

*The accompanying notes are an integral part of these financial statements*

**TOWN OF CAMP VERDE, ARIZONA**  
**Reconciliation of the Balance Sheet to the Statement of Net Position**  
**Governmental Funds**  
**June 30, 2020**

Fund balances--total governmental funds		\$ 5,888,631
<p>Amounts reported for governmental activities in the Statement of Net Position are different because:</p>		
<p>Capital assets used in governmental activities are not current financial resources. Therefore, they were not reported in Governmental Funds Balance Sheet.</p>		
Capital assets	32,819,142	
Less accumulated depreciation	<u>(8,241,974)</u>	24,577,168
<p>Some receivables are not available to pay for current period expenditures and, therefore, are unavailable in the funds.</p>		
Loans receivable	49,123	
Accounts receivable	<u>45,000</u>	94,123
<p>Net pension assets held in trust for future benefits are not available for operations and, therefore, are not reported in the funds.</p>		
		66,114
<p>Deferred outflows and inflows of resources related to pensions/OPEB are applicable to future reporting periods and, therefore, are not reported in the funds.</p>		
Pension related deferred outflows	1,689,271	
Pension related deferred inflows	<u>(386,341)</u>	1,302,930
<p>Some liabilities, including bonds payable and net pension liabilities are not due and payable in the current period and therefore, are not reported in the funds.</p>		
Compensated absences	(563,472)	
Net pension liability/OPEB	(7,178,176)	
Revenue bonds payable	(10,570,111)	
Capital leases	(779,432)	
Interest payable	<u>(166,380)</u>	<u>(19,257,571)</u>
Net position of governmental activities		<u>\$ 12,671,395</u>

*The accompanying notes are an integral part of these financial statements*

**TOWN OF CAMP VERDE, ARIZONA**  
**Statement of Revenue, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**Year Ended June 30, 2020**

	General Fund	Parks Fund	HURF Fund	Debt Service Fund	Non-Major Governmental Funds	Total Governmental Fund
<b>Revenue</b>						
Taxes	\$ 4,915,378	\$ -	\$ -	\$ -	\$ -	\$ 4,915,378
Intergovernmental	3,696,699	-	1,153,985	-	180,310	5,030,994
Licenses and permits	244,194	-	-	-	-	244,194
Fines and forfeitures	160,820	-	-	-	24,611	185,431
Other revenue	105,773	-	11,198	-	112,136	229,107
Charges for services	157,973	-	-	-	-	157,973
Contributions	-	-	-	-	103,251	103,251
Investment income	27,705	-	-	-	2,663	30,368
<b>Total revenue</b>	<u>9,308,542</u>	<u>-</u>	<u>1,165,183</u>	<u>-</u>	<u>422,971</u>	<u>10,896,696</u>
<b>Expenditures</b>						
Current						
General government	3,183,122	-	-	-	8,326	3,191,448
Public safety	3,046,744	-	-	-	83,097	3,129,841
Public works and streets	238,428	-	701,869	-	-	940,297
Health and welfare	15,500	-	-	118,508	-	134,008
Culture and recreation	1,015,485	409	-	-	85,819	1,101,713
Community development	489,429	-	-	-	17,971	507,400
Capital outlay	1,534	758,508	29,219	-	427,306	1,216,567
Debt service						
Principal	2,483	-	-	964,170	-	966,653
Interest	1,268	-	-	400,546	-	401,814
<b>Total expenditures</b>	<u>7,993,993</u>	<u>758,917</u>	<u>731,088</u>	<u>1,483,224</u>	<u>622,519</u>	<u>11,589,741</u>
Excess (deficiency) of revenue over (under) expenditures	<u>1,314,549</u>	<u>(758,917)</u>	<u>434,095</u>	<u>(1,483,224)</u>	<u>(199,548)</u>	<u>(693,045)</u>
<b>Other financing sources</b>						
Capital lease acquisition	-	-	-	-	15,644	15,644
Transfers in (out)	(1,559,166)	17,973	(253,248)	1,483,224	381,565	70,348
<b>Total other financing sources</b>	<u>(1,559,166)</u>	<u>17,973</u>	<u>(253,248)</u>	<u>1,483,224</u>	<u>397,209</u>	<u>85,992</u>
<b>Net change in fund balances</b>	<u>(244,617)</u>	<u>(740,944)</u>	<u>180,847</u>	<u>-</u>	<u>197,661</u>	<u>(607,053)</u>
Fund balances, July 1, 2019	2,460,711	3,114,620	483,855	-	436,498	6,495,684
<b>Fund balances, June 30, 2020</b>	<u>\$ 2,216,094</u>	<u>\$ 2,373,676</u>	<u>\$ 664,702</u>	<u>\$ -</u>	<u>\$ 634,159</u>	<u>\$ 5,888,631</u>

*The accompanying notes are an integral part of these financial statements*

**TOWN OF CAMP VERDE, ARIZONA**  
**Reconciliation of the Statement of Revenue, Expenditures,**  
**and Changes in Fund Balances to the Statement of Activities**  
**Governmental Funds**  
**Year Ended June 30, 2020**

Net change in fund balances--total governmental funds \$ (607,053)

Governmental activities in the Statement of Activities were reported differently because:

Governmental funds report capital outlays as expenditures. However, in the Government-Wide Statement of Activities and Changes in Net Position, the cost of those assets are allocated over their estimated useful lives as depreciation expense.

Capital outlay	1,216,567	
Depreciation expense	<u>(1,087,871)</u>	128,696

Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is issued, whereas these amounts are amortized in the statement of activities.

Lease acquisition	(15,644)	
Principal payments on debt	<u>973,941</u>	958,297

Accrued interest payable related to long-term debt is recognized as an expense in the Statement of Activities, however is not recognized in the governmental funds because it is not payable from current financial resources. 8,239

Some expense reported in the Statement of Activities do not require the use of current financial resources and therefore, are not reported as expenditures in governmental funds. These items include:

Compensated absences	(25,175)	
Pension/OPEB related items	<u>(338,167)</u>	(363,342)

Certain revenues in governmental funds that provide current financial resources are not included in the Statement of Activities because they were recognized in a prior period. However, the other revenues that are unavailable in the governmental funds because they do not provide current financial resources due to unavailability are recognized in the Statement of Activities. (57,440)

Change in net position of governmental activities \$ 67,397

*The accompanying notes are an integral part of these financial statements*

**TOWN OF CAMP VERDE, ARIZONA**  
**Statement of Net Position**  
**Proprietary Fund**  
**June 30, 2020**

	Wastewater Fund
<b>ASSETS</b>	
<b>Current assets</b>	
Cash and cash equivalents	\$ 150
Accounts receivable - net	333,675
Due from other governments	943
<b>Total current assets</b>	334,768
<b>Noncurrent assets</b>	
Net other postemployment benefits asset	1,095
Capital assets, not being depreciated	3,213,295
Capital assets, being depreciated, net	15,750,896
<b>Total noncurrent assets</b>	18,965,286
<b>Total assets</b>	19,300,054
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred outflows related to pensions and other postemployment benefits	77,393
<b>LIABILITIES</b>	
<b>Current liabilities</b>	
Accounts payable	319,924
Accrued expenses	21,417
Compensated absences, current	47,896
Capital leases payable, current	110,959
Notes payable, current	81,693
Due to other funds	270,717
<b>Total current liabilities</b>	852,606
<b>Noncurrent liabilities</b>	
Capital leases payable	56,125
Notes payable	758,309
Net pension and other postemployment liability	565,090
<b>Total noncurrent liabilities</b>	1,379,524
<b>Total liabilities</b>	2,232,130
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred inflows related to pensions and other postemployment benefits	43,490
<b>NET POSITION</b>	
Net investment in capital assets	17,659,687
Unrestricted (deficit)	(557,860)
<b>Total net position</b>	\$ 17,101,827

*The accompanying notes are an integral part of these financial statements*

**TOWN OF CAMP VERDE, ARIZONA**  
**Statement of Revenue, Expenses, and Changes in Fund Net Position**  
**Proprietary Fund**  
**Year Ended June 30, 2020**

	Wastewater Fund
<b>Operating revenues</b>	
Sewer charges (net of bad debts of \$10,000)	\$ 1,963,655
Miscellaneous	520
<b>Total operating revenues</b>	<b>1,964,175</b>
<b>Operating expenses</b>	
Depreciation	904,414
Personnel	616,303
Repairs and maintenance	172,768
Other	134,852
Materials and supplies	129,069
Utilities	107,170
Professional services	32,206
Insurance	31,000
<b>Total operating expenses</b>	<b>2,127,782</b>
<b>Operating income (loss)</b>	<b>(163,607)</b>
<b>Nonoperating revenues (expenses)</b>	
Interest income	1,095
Interest expense	(3,862)
<b>Total nonoperating revenue (expenses)</b>	<b>(2,767)</b>
<b>Income (loss) before contributions</b>	<b>(166,374)</b>
Capital contributions	177,757
Transfers	(70,348)
<b>Increase (decrease) in net position</b>	<b>(58,965)</b>
Total net position, beginning of year,	17,160,792
<b>Total net position, end of year</b>	<b>\$ 17,101,827</b>

*The accompanying notes are an integral part of these financial statements*

**TOWN OF CAMP VERDE, ARIZONA**  
**Statement of Cash Flows**  
**Proprietary Fund**  
**Year Ended June 30, 2020**

	Wastewater Fund
<b>Cash flows from operating activities:</b>	
Receipts from customers	\$ 1,855,559
Payments to suppliers and providers of goods and services	(665,670)
Payments to employees	(597,885)
<b>Net cash provided (used) by             operating activities</b>	<b>592,004</b>
 <b>Cash flows from noncapital financing activities:</b>	
Transfers to other funds	(70,348)
Interfund borrowing	270,717
<b>Net cash provided (used) by             noncapital financing activities</b>	<b>200,369</b>
 <b>Cash flows from capital and related financing activities:</b>	
Proceeds from note payable	1,097,707
Principal payments on notes payable	(79,948)
Purchase of capital assets	(1,772,755)
Principal payments on capital leases payable	(109,258)
Interest paid	(3,862)
<b>Net cash provided (used) by capital and             related financing activities</b>	<b>(868,116)</b>
 <b>Cash flows from investing activities:</b>	
Interest received	1,095
<b>Net increase (decrease) in cash             and cash equivalents</b>	<b>(74,648)</b>
Cash and cash equivalents, beginning of year	74,798
<b>Cash and cash equivalents, end of year</b>	<b>\$ 150</b>

*The accompanying notes are an integral part of these financial statements*



**TOWN OF CAMP VERDE, ARIZONA**  
**Statement of Cash Flows**  
**Proprietary Fund**  
**Year Ended June 30, 2020**  
*(Continued)*

	Wastewater Fund
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>	
Operating income (loss)	\$ (163,607)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation	904,414
Bad debt expense	10,000
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources:	
Accounts receivable	(118,647)
Due from other governments	31
Net other postemployment benefits asset	362
Deferred outflows of resources related to pensions and other postemployment benefits	32,543
Accounts payable	(74,557)
Accrued expenses	21,417
Compensated absences	(2,999)
Net pension and other postemployment benefits and liabilities	9,458
Deferred inflows of resources related to pensions and other postemployment benefits	(26,411)
	592,004
<b>Net cash provided (used) by operating activities</b>	<b>\$ 592,004</b>

**Noncash capital financing activities**

At June 30, 2020 the Town had financed \$297,418 of capital assets on account. In addition, during the fiscal year, the Town received forgiveness on \$177,757 of debt.

*The accompanying notes are an integral part of these financial statements*

**TOWN OF CAMP VERDE, ARIZONA**  
**Statement of Fiduciary Assets and Liabilities**  
**June 30, 2020**

	<u>Agency Fund</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 453,667
<b>Total assets</b>	<u>453,667</u>
<b>LIABILITIES</b>	
Deposits held for others	<u>453,667</u>
<b>Total liabilities</b>	<u>\$ 453,667</u>

*The accompanying notes are an integral part of these financial statements*

**TOWN OF CAMP VERDE, ARIZONA**  
**Notes to Financial Statements**  
**June 30, 2020**

***NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES***

The financial statements of the Town of Camp Verde, Arizona (Town) have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The more significant of the Town's accounting policies are described below.

**A. Reporting Entity**

The Town is a municipal entity governed by an elected Mayor and six-member council. The accompanying financial statements present the activities of the Town (the primary government). The Town is a primary government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. Blended component units, although legally separate entities, are, in substance, part of the Town's operations. 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 Town. The Town has no component units.

**B. Basis of Presentation**

The basic financial statements include both government-wide statements and fund financial statements. The government-wide statements focus on the Town 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 usefulness of the information.

Government-wide statements—provide information about the primary government (the Town). The statements include a statement of net position and a statement of activities. These statements report the financial activities of the overall government, except for fiduciary activities. They also distinguish between the governmental and business-type activities of the Town. Governmental activities generally are financed through taxes and intergovernmental revenues. Business-type activities are financed in whole or in part by fees charged to external parties.

A statement of activities presents a comparison between direct expenses and program revenues for each function of the Town's governmental activities and each segment of its business-type activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. The Town does not allocate indirect expenses to programs or functions. Program revenues include charges to customers for goods or services, operating grants, capital grants and contributions. Revenues that are not classified as program revenues, including internally dedicated resources and all taxes, are reported as general revenues.

**TOWN OF CAMP VERDE, ARIZONA**  
**Notes to Financial Statements**  
**June 30, 2020**

***NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued***

Generally, the effect of interfund activity has been eliminated from the government-wide financial statements to minimize the double counting of internal activities. 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 Town’s funds. Separate statements are presented for the governmental and proprietary fund categories. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

Proprietary fund operating revenues, such as charges for services, result from transactions associated with the fund’s principal activity in which each party receives and gives up essentially equal values. Nonoperating revenues, such as investment earnings, results from transactions in which the parties do not exchange equal values. Revenues generated by ancillary activities are also reported as nonoperating revenues. Operating expenses include the cost of services, administrative expenses, and depreciation on capital assets. Other expenses, such as interest expense are considered to be nonoperating expenses.

The Town reports the following major governmental funds:

General Fund – This fund accounts for all financial resources of the Town, except those required to be accounted for in other funds.

Parks Fund – This fund accounts for the capital spending of resources via debt proceeds for the construction of the Town’s parks.

HURF Fund – This fund accounts for specific revenue received from the State of Arizona Highway User Revenue Fund, which is legally restricted to expenditures for authorized transportation purposes.

Debt Service Fund – This fund accounts for the payment of principal and interest due on certain debts of the Town.

The Town reports the following major enterprise fund:

Wastewater Fund – This fund is used to account for the provision of wastewater services to residents of the Town. All activities necessary to provide such service are accounted for in this fund.

Additionally, the Town reports the following fund types:

Agency Funds – These funds are used to account for assets held by the Town in a custodial capacity for the following purposes:

- Employee assistance.
- Camp Verde Sanitary District property tax collection and debt service remittance.

**TOWN OF CAMP VERDE, ARIZONA**  
**Notes to Financial Statements**  
**June 30, 2020**

***NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued***

**C. Basis of Accounting**

The government-wide and proprietary 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. Grants and donations are recognized as revenue as soon as all eligibility requirements the provider imposed have been met.

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 measurable and available. The Town considers all revenues reported in the governmental funds to be available if the revenues are collected within 60 days after year-end. The Town's major revenue sources that are susceptible to accrual are 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, 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 capital lease agreements are reported as other financing sources.

When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted resources as they are needed.

**D. Cash and Investments**

The Town considers cash on hand, demand deposits, cash and investments held by the State Treasurer, and highly liquid investments with maturities of three months from the date of acquisition to be cash equivalents.

Cash and investments are generally pooled except for funds required to be held by fiscal agents or restricted under provisions of bond indentures. Arizona Revised Statutes (A.R.S.) authorize the Town to invest public monies in the State Treasurer's Local Government Investment Pool, interest-bearing savings accounts, certificates of deposit, and repurchase agreements in eligible depositories; bonds or other obligations of the U.S. government that are guaranteed as to principal and interest by the U.S. government; and bonds of the State of Arizona or any of its counties, cities, towns, school districts, and special districts as specified by statute. The State Board of Deposit provides oversight for the State Treasurer's pool, and the Local Government Investment Pool Advisory Committee provides consultation and advice to the Treasurer. The fair value of a participant's position in the pool approximates the value of that participant's pool shares

**TOWN OF CAMP VERDE, ARIZONA**  
**Notes to Financial Statements**  
**June 30, 2020**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

**E. Allowance for Uncollectible Accounts**

Allowances for uncollectible accounts receivable are estimated by the Town. The amount recorded at June 30, 2020 for uncollectible Wastewater receivables is \$65,000.

**F. Capital Assets**

Capital assets are reported at actual cost. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value.

Capitalization thresholds (the dollar values above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets reported in the government-wide statements and proprietary funds are as follows:

	<u>Capitalization Threshold</u>	<u>Depreciation Method</u>	<u>Estimated Useful Life (years)</u>
Land	\$5,000	N/A	-
Construction in progress	5,000	N/A	-
Buildings	5,000	Straight-line	25 - 30
Improvements	5,000	Straight-line	18 - 75
Infrastructure	5,000	Straight-line	20 - 30
Furniture, machinery, and equipment	5,000	Straight-line	5 - 10
Vehicles	5,000	Straight-line	5 - 10

**G. Investment Income**

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

**H. Deferred Outflows/Inflows of Resources**

The statement of net position and balance sheet include separate sections for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources represent a consumption of net position that applies to future periods that will be recognized as an expense or expenditure in future periods. Deferred inflows of resources represent an acquisition of net position or fund balance that applies to future periods and will be recognized as a revenue in future periods.

**I. Compensated Absences**

Compensated absences consist of vacation leave, compensatory time, and a calculated amount of sick leave earned by employees based on services already rendered.

**TOWN OF CAMP VERDE, ARIZONA**  
**Notes to Financial Statements**  
**June 30, 2020**

***NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued***

Employees may accumulate up to 320 hours of vacation depending on years of service, but any vacation hours in excess of the maximum amount that are unused each January 1 are forfeited. Upon termination of employment, all unused and unforfeited vacation benefits are paid to employees.

Employees may accumulate up to 480 hours of sick leave hours. Any sick leave hours in excess of the maximum must be converted at a rate of 50% to vacation time or cash value each December 15. Upon termination of employment, unused sick leave benefits are paid to employees at rates of 10 to 50 percent depending upon years of service.

The current and long-term liabilities for accrued vacation leave, compensatory time, and sick leave are reported 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. Resources from the General Fund are generally used to liquidate the governmental funds liabilities for compensated absences.

**J. Fund Balance Reporting**

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 Town Council has approved, which is the highest level of decision-making authority within the Town. Only the Town Council can remove or change the constraints placed on committed fund balances.

Assigned fund balances are resources constrained by the Town's intent to be used for specific purposes, but that are neither restricted nor committed. The Town Council has authorized the Town Manager to assign resources for a specific purpose.

The unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not reported in the other classifications. Also, deficits in fund balances of the other governmental funds are reported as unassigned.

**TOWN OF CAMP VERDE, ARIZONA**  
**Notes to Financial Statements**  
**June 30, 2020**

***NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued***

The Town's policy for committed fund balances is through formal Town resolutions passed through the elected town council. The process of rescinding a committed fund balance requires the same process.

The Town's policy for assigned fund balances is through motions passed by the elected town council. Assigned fund balances do not require a formal resolution.

When an expenditure is incurred that can be paid from either restricted or unrestricted fund balances, it is the Town's policy to use (the Town will use) restricted fund balance first. It is the Town's policy to use (the Town will use) committed amounts first when disbursing unrestricted fund balances, followed by assigned amounts, and lastly unassigned amounts.

**K. Estimates**

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

**L. Deferred Outflows/Inflows of Resources**

The statement of net position and balance sheet include separate sections for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources represent a consumption of net position that applies to future periods that will be recognized as an expense or expenditure in future periods. Deferred inflows of resources represent an acquisition of net position or fund balance that applies to future periods and will be recognized as a revenue in future period.

**M. 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 pension 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.

**N. Budgets**

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. All annual appropriations lapse at year end. The Town is subject to the State of Arizona's Spending Limitation Law for Towns and Cities. This law does not permit the Town to spend more than budgeted revenues plus the carry-over unrestricted cash balance from the prior fiscal year. The limitation is applied to the total of the combined funds. The Town complied with this law during the year.



**TOWN OF CAMP VERDE, ARIZONA**  
**Notes to Financial Statements**  
**June 30, 2020**

***NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued***

Expenditures may not legally exceed budgeted appropriations at the department level. The individual Schedules of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual reports as listed in the table of contents present all departments which incurred an excess of expenditures/expenses over appropriations for the year ended June 30, 2020, if any.

***NOTE 2 – DEPOSITS AND INVESTMENTS***

Arizona Revised Statutes (A.R.S.) authorize the Town 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 Town Treasurer may invest trust funds in certain fixed income securities of corporations doing business in the United States or District of Columbia.

*Credit Risk* - The Town’s investment policy allows for investments in obligations guaranteed by the full faith and credit of the United States of America, government sponsored enterprises, government bonds with minimum credit ratings of Aa or AA, commercial paper with a minimum short-term rating of P1 or A1, negotiable certificates of deposit, corporate bonds carrying a minimum credit rating of A, and the Local Government Investment Pool. The Towns investment in U.S. Agencies and Money Market Funds were rated no lower than AAA by Standard & Poor’s.

*Custodial credit risk* - The Town’s policy requires collateral for deposits at 102 percent of all deposits federal depository insurance does not cover.

*Concentration of Credit Risk* - The Town’s investment policy does not allow for an investment in any one issuer that is in excess of five percent of the Town’s total investments. Securities issued by the United States of America or its agencies are exempt from this provision.

**TOWN OF CAMP VERDE, ARIZONA**  
**Notes to Financial Statements**  
**June 30, 2020**

**NOTE 2 – DEPOSITS AND INVESTMENTS – Continued**

*Interest Rate Risk* - In accordance with its investment policy, the Town manages its exposure to declines in fair values by limiting the maturities of its investment portfolio according to the needs of the Town. Investments are structured so that they mature concurrent with anticipated cash requirements for ongoing operations of the Town.

*Foreign currency risk* - Statutes do not allow foreign investments unless the investment is denominated in United States dollars.

At June 30, 2020, the Town had the following investments and maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (in Years)</u> <u>Less Than 1</u>	<u>Concentration of Credit Risk %</u>
U.S. Treasuries	\$ 270,363	\$ 270,363	100.00

The Town reported investments in the State Treasurer’s Investment Pool 5 with a reported amount of \$997,639. The Standard and Poor’s credit quality rating of the pool is AAA.

The State Board of Investment provides oversight for the State Treasurer’s pools. The fair value of a participant’s position in the pool approximates the value of that participant’s pool shares and the participant’s shares are not identified with specific investments.

*Fair Value Measurements.* The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Investments categorized as Level 1 are valued using prices quoted in active markets for those investments. Investments categorized as Level 2 are valued using other significant observable inputs.

*Investment Valuation Techniques.* U.S. treasuries, agencies, money market, and equity securities in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for identical securities. Governmental bonds, corporate bonds, and other fixed income instruments, classified in Level 2 of the fair value hierarchy are valued based on significant other observable inputs, which may include, but are not limited to, quoted prices for similar or identical assets or liabilities in markets that are active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, prepayment speeds, loss severities, credit risks and default rates) or other market corroborated inputs.

**TOWN OF CAMP VERDE, ARIZONA**  
**Notes to Financial Statements**  
**June 30, 2020**

**NOTE 2 – DEPOSITS AND INVESTMENTS – Continued**

The Town’s investments at June 30, 2020, categorized within the fair value hierarchy established by generally accepted accounting principles, were as follows:

<u>Investment Type</u>	<u>Amount</u>	<u>Rating</u>	<u>Fair Value Measurement Using Level 1</u>
U.S. Treasuries	\$ 270,363	Aaa/AA+/AAA	\$ 270,363
External Investment Pools at Fair Value			
State Treasurer's Investment Pool 5	<u>997,639</u>	AAA/S1 +	
Total Investments at Fair Value	<u>\$ 1,268,002</u>		

*Deposits* — At June 30, 2020, the carrying amount of the Town’s total cash in bank was \$949,056, and the bank balance was \$1,067,088. Of the bank balance, \$820,199 was covered by federal depository insurance and the remaining balance was covered by collateral held by the pledging financial institution in the Town’s name.

Deposits and investments at June 30, 2020 consist of the following:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Deposits			
Cash on hand	\$ 2,186	\$ 150	\$ 2,336
Cash held by trustee	3,798,399	-	3,798,399
Amount of deposits	949,056	-	949,056
Investments			
State treasurer's investment pool 5	997,639	-	997,639
U.S. Securities	<u>270,363</u>	<u>-</u>	<u>270,363</u>
Total	<u>\$ 6,017,643</u>	<u>\$ 150</u>	<u>\$ 6,017,793</u>

**TOWN OF CAMP VERDE, ARIZONA**  
**Notes to Financial Statements**  
**June 30, 2020**

**NOTE 3 – DUE FROM OTHER GOVERNMENTS**

Amounts due from other governments at June 30, 2020 consisted of the following:

	General Fund	HURF Fund	Non-Major Governmental Funds	Wastewater Fund
State of Arizona				
State and city sales tax revenues	\$ 187,107	\$ -	\$ -	\$ -
AZ Dept of Housing	-	-	17,950	-
Highway user revenues	-	78,805	-	-
AZ Dept of Public Safety	-	-	2,164	-
AZ Dept of Forestry and Fire Management	-	-	4,995	-
AZ State Parks and Trails	-	-	52,574	-
Yavapai County				
Vehicle licensing tax revenues	37,249	-	-	-
Miscellaneous	-	-	-	943
	<u>\$ 224,356</u>	<u>\$ 78,805</u>	<u>\$ 77,683</u>	<u>\$ 943</u>

**NOTE 4 – ACCOUNTS RECEIVABLE**

In connection with receivables, governmental funds reported unavailable revenue for amounts not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. As of June 30, 2020, the Town’s receivables for individual major governmental funds and non-major governmental funds in the aggregate, consisted of \$105,226 in various miscellaneous receivables. The Town considers these accounts to be 100% collectible.

As of June 30, 2020, the Town’s receivables for individual major proprietary funds consisted of wastewater fees billed to customers totaling \$398,675. In anticipation of uncollectible amounts, the Town has an allowance for doubtful accounts of \$65,000.

**TOWN OF CAMP VERDE, ARIZONA**  
**Notes to Financial Statements**  
**June 30, 2020**

**NOTE 5 – CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2020, was as follows:

	Balance July 1, 2019	Increase	Decreases	Balance June 30, 2020
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 5,914,797	\$ 60,000	\$ -	\$ 5,974,797
Construction in progress	4,305,974	1,102,334	(165,343)	5,242,965
<b>Total capital assets not being depreciated</b>	<u>10,220,771</u>	<u>1,162,334</u>	<u>(165,343)</u>	<u>11,217,762</u>
Capital assets being depreciated:				
Buildings and improvements	8,977,666	143,655	-	9,121,321
Infrastructure	6,037,128	49,811	-	6,086,939
Machinery and equipment	5,305,624	26,110	(164,777)	5,166,957
Improvements other than buildings	1,226,163	-	-	1,226,163
<b>Total</b>	<u>21,546,581</u>	<u>219,576</u>	<u>(164,777)</u>	<u>21,601,380</u>
Less accumulated depreciation for:				
Buildings and improvements	(1,652,060)	(278,124)	-	(1,930,184)
Infrastructure	(1,936,268)	(304,139)	-	(2,240,407)
Machinery and equipment	(3,187,532)	(465,774)	164,777	(3,488,529)
Improvements other than buildings	(543,020)	(39,834)	-	(582,854)
<b>Total</b>	<u>(7,318,880)</u>	<u>(1,087,871)</u>	<u>164,777</u>	<u>(8,241,974)</u>
<b>Total capital assets being depreciated, net</b>	<u>14,227,701</u>	<u>(868,295)</u>	<u>-</u>	<u>13,359,406</u>
Governmental activities capital assets, net	<u>\$ 24,448,472</u>	<u>\$ 294,039</u>	<u>\$ (165,343)</u>	<u>\$ 24,577,168</u>

**TOWN OF CAMP VERDE, ARIZONA**  
**Notes to Financial Statements**  
**June 30, 2020**

**NOTE 5 – CAPITAL ASSETS – Continued**

	Balance July 1, 2019	Increase	Decreases	Balance June 30, 2020
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 1,275,828	\$ -	\$ -	\$ 1,275,828
Construction in progress	1,540,818	1,678,031	(1,281,382)	1,937,467
<b>Total capital assets not       being depreciated</b>	<u>2,816,646</u>	<u>1,678,031</u>	<u>(1,281,382)</u>	<u>3,213,295</u>
Capital assets being depreciated:				
Buildings and improvements	725,075	170,779	-	895,854
Infrastructure systems	21,851,740	1,083,074	-	22,934,814
Vehicles and equipment	1,083,700	284,524	-	1,368,224
<b>Total</b>	<u>23,660,515</u>	<u>1,538,377</u>	<u>-</u>	<u>25,198,892</u>
Less accumulated depreciation for:				
Buildings and improvements	(167,961)	(27,703)	-	(195,664)
Infrastructure	(7,865,524)	(727,470)	-	(8,592,994)
Vehicles and equipment	(510,097)	(149,241)	-	(659,338)
<b>Total</b>	<u>(8,543,582)</u>	<u>(904,414)</u>	<u>-</u>	<u>(9,447,996)</u>
<b>Total capital assets being depreciated, net</b>	<u>15,116,933</u>	<u>633,963</u>	<u>-</u>	<u>15,750,896</u>
Business-type activities capital assets, net	<u>\$ 17,933,579</u>	<u>\$ 2,311,994</u>	<u>\$ (1,281,382)</u>	<u>\$ 18,964,191</u>

Depreciation expense was charged to each function as follows:

Governmental activities:	
Public works and streets	\$ 534,760
Public safety	214,724
Culture and recreation	253,884
General government	74,579
Community development	9,924
Total governmental activities depreciation expense	<u>\$ 1,087,871</u>
Business-type activities:	
Wastewater fund	<u>\$ 904,414</u>

**TOWN OF CAMP VERDE, ARIZONA**  
**Notes to Financial Statements**  
**June 30, 2020**

**NOTE 6 – LOANS RECEIVABLE**

The governmental funds report unavailable revenue as “deferred inflows of resources” in connection with the receivables for revenues that are not considered to be available to liquidate liabilities of the current period. However, the government-wide financial statements recognized the revenue when the receivable was recognized. Therefore, the unavailable revenue represents a reconciling item between the government-wide and fund financial statements. At June 30, 2020, the Town had \$49,123 of outstanding loans receivable from the CDBG Home Loan program. The receivable is recorded in the Housing Fund which is a nonmajor fund.

**NOTE 7 – LONG-TERM LIABILITIES**

The following schedule details the Town’s long-term liability and obligation activity for the year ended June 30, 2020.

	Balance July 1, 2019	Additions	Reductions	Balance June 30, 2020	Due within 1 year
Governmental activities:					
Compensated absences	\$ 538,297	\$ 550,739	\$ 525,564	\$ 563,472	\$ 554,626
Capital leases payable	1,136,182	15,644	372,394	779,432	227,883
Net pension and other postemployment benefits liability	6,642,138	536,038	-	7,178,176	-
Bonds payable:					
Revenue bonds	10,982,177	-	594,259	10,387,918	616,709
Unamortized premium	189,481	-	7,288	182,193	7,288
Governmental activities long-term liabilities	<u>\$ 19,488,275</u>	<u>\$ 1,102,421</u>	<u>\$ 1,499,505</u>	<u>\$ 19,091,191</u>	<u>\$ 1,406,506</u>
Business-type activities:					
Compensated absences	\$ 50,895	\$ 60,901	\$ 63,900	\$ 47,896	\$ 47,896
Capital leases payable	276,342	-	109,258	167,084	110,959
Notes payable from direct borrowings and direct placements	-	1,097,706	257,704	840,002	81,693
Net pension and other postemployment benefits liability	555,632	9,458	-	565,090	-
Business-type activities long-term liabilities	<u>\$ 882,869</u>	<u>\$ 1,168,065</u>	<u>\$ 430,862</u>	<u>\$ 1,620,072</u>	<u>\$ 240,548</u>

**TOWN OF CAMP VERDE, ARIZONA**  
**Notes to Financial Statements**  
**June 30, 2020**

**NOTE 7 – LONG-TERM LIABILITIES – Continued**

Bonds Payable:

In May 2011, the Town issued bonds totaling \$1,005,000 to finance the purchase of land for use by the Public Works Department. The principal and interest on the bonds are payable from excise tax revenues and state shared revenues. The Town has pledged future state shared revenues and excise tax revenues to repay the bond.

In October 2014, the Town issued bonds totaling \$4,904,000 to provide for an advance refunding of the 2005 revenue bond debt service payments for \$1,372,950 with the remaining funds for the building of a new library. The principal and interest on the bonds are payable from excise tax revenue and state shared revenues. The Town has pledged future state shared revenues and excise tax revenues to repay the bond.

In December 2017, the Town issued bonds totaling \$6,835,000 to finance capital improvements within the Town. The principal and interest on the bonds are payable from excise tax revenue and state shared revenues. The Town has pledged future state shared revenues and excise tax revenues to repay the bond.

Description	Original Amount	Maturity Ranges	Interest Rates	Outstanding Principal June 30, 2020
Revenue Bonds, Series 2011	\$ 1,005,000	2012-2024	3.91%	\$ 388,918
Revenue Refunding Bonds, Series 2014	4,904,000	2016-2031	2.84%	3,479,000
Revenue Bonds, Series 2017	6,835,000	2018-2044	2.00% - 4.00%	6,520,000
Totals	<u>\$12,744,000</u>			<u>\$10,387,918</u>

The following schedule details debt service requirements to maturity for the Town's bonds payable at June 30, 2020.

Year Ending June 30	Governmental Activities					
	2011 Bond Payable		2014 Bond Payable		2017 Bond Payable	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 91,709	\$ 13,414	\$ 360,000	\$ 93,692	\$ 165,000	\$ 217,100
2022	95,295	9,758	370,000	83,326	170,000	212,900
2023	99,021	5,959	378,000	72,704	175,000	207,725
2024	102,893	2,012	392,000	61,770	180,000	201,500
2025	-	-	400,000	50,524	190,000	194,100
2026-2030	-	-	1,297,000	134,204	1,060,000	848,900
2031-2035	-	-	282,000	4,004	1,295,000	619,025
2036-2040	-	-	-	-	1,515,000	395,894
2041-2045	-	-	-	-	1,770,000	141,719
Total	<u>\$ 388,918</u>	<u>\$ 31,143</u>	<u>\$ 3,479,000</u>	<u>\$ 500,224</u>	<u>\$ 6,520,000</u>	<u>\$ 3,038,863</u>



**TOWN OF CAMP VERDE, ARIZONA**  
**Notes to Financial Statements**  
**June 30, 2020**

***NOTE 7 – LONG-TERM LIABILITIES – Continued***

Notes Payable from direct borrowings and direct placements:

On April 20, 2018, the Town entered into a note agreement with the Water Infrastructure Finance Authority of Arizona (WIFA) for the construction of wastewater facility improvements. The original note term was for \$3,487,210 with \$1,000,000 forgivable principal and a \$2,487,210 repayment amount. As of June 30, 2020, the Town had drawn \$1,919,949 and has met the forgivable principal requirement and has been recorded as a capital contribution in the wastewater fund. As of June 30, 2020, the Town has \$1,567,261 available to draw on the note. The notes first payment was due and paid on July 1, 2019 with interest due semi-annually at 2.183% and principal due annually for 25 years. The note matures July 1, 2042.

Capital Leases Payable:

The Town has entered into lease agreements as lessee for financing the acquisition of machinery and equipment. The lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date. The Town's general revenues are used to pay the capital lease obligations for the governmental activities and the Town's wastewater revenues are used to pay the capital lease obligations for the business-type activities. The assets acquired through capital leases are as follows:

	Governmental Activities	Business-type Activities
Vehicles and equipment	\$ 1,456,292	\$ 542,451
Less: accumulated depreciation	(640,974)	(282,842)
Carrying value	\$ 815,318	\$ 259,609

**TOWN OF CAMP VERDE, ARIZONA**  
**Notes to Financial Statements**  
**June 30, 2020**

***NOTE 7 – LONG-TERM LIABILITIES – Continued***

The following schedule details debt service requirements to maturity for the Town’s capital leases payable at June 30, 2020.

Year Ending June 30	Governmental Activities	Business-type Activities
2021	\$ 264,696	\$ 113,120
2022	209,257	56,560
2023	209,207	-
2024	185,014	-
2025	203	-
Total minimum lease payments	868,377	169,680
Less amount representing interest	(88,945)	(2,596)
Present value of net minimum lease payments	<u>\$ 779,432</u>	<u>\$ 167,084</u>

***NOTE 8 – PLEDGED REVENUES***

As described in Note 7, the Town has pledged future state-shared revenues and excise tax revenues to repay revenue bonds.

The Town has pledged, as security for a lease-purchase agreement entered into by the Camp Verde Sanitary District, a portion of the Town’s sales tax. The lease-purchase agreement, executed by the Sanitary District in FY 2007, was amended during FY 2010. Per the amendment, the agreement is in the amount of \$2.04 million to provide financing for construction of a new wastewater treatment plant, outfall, and collector sewer lines, and is payable through 2032. The Town has committed to appropriate up to \$135,000 each year from sales tax revenues and state-shared revenues, to cover the principal and interest requirements on the Sanitary District’s debt.

The Camp Verde Sanitary District has pledged, as the sole security for the lease-purchase agreement, the annual appropriations from the Town. Total principal remaining on the District’s debt is \$1.25 million. For the current year, principal and interest paid by the Sanitary District totaled \$118,508. Total sales tax and state-shared revenues recognized by the Town totaled \$8.6 million.

**TOWN OF CAMP VERDE, ARIZONA**  
**Notes to Financial Statements**  
**June 30, 2020**

**NOTE 9 – INTERFUND BALANCES AND ACTIVITY**

Interfund transfers – During the year ended June 30, 2020, the Town transferred funds to cover shared expenses and interfund borrowings. Transfers made between funds during the year are as follows:

Transfers to	Transfers from					Total
	General Fund	HURF Fund	Sewer Fund	Housing Fund (non-major)	Federal Grants Fund (non-major)	
General Fund	\$ -	\$ 6,230	\$ 70,348	\$ 20,000	\$ 5,017	\$ 101,595
Parks Fund	-	-	-	-	17,973	17,973
Debt Service Fund	1,236,206	247,018	-	-	-	1,483,224
Capital Improvement Fund (non-major)	424,555	-	-	-	-	424,555
Total	<u>\$ 1,660,761</u>	<u>\$ 253,248</u>	<u>\$ 70,348</u>	<u>\$ 20,000</u>	<u>\$ 22,990</u>	<u>\$ 2,027,347</u>

Interfund receivables and payables – During the year ended June 30, 2020, the Town’s Non-Federal Grants, Federal Grants, and CDBG Grants Funds (all non-major) borrowed \$34,390, \$13,769, and \$17,950, respectively, from the General Fund to cover the cost of a reimbursable grant expenditures.

In addition, the Town’s Sewer Fund borrowed \$270,717 from the General Fund to cover operating expenses paid in excess of operating revenue received.

**TOWN OF CAMP VERDE, ARIZONA**  
**Notes to Financial Statements**  
**June 30, 2020**

***NOTE 10 – GOVERNMENTAL FUND BALANCE/NET POSITION COMPONENTS***

The Town’s restrictions on net position in the government-wide statement of net position are as follows:

	Governmental Activities
Restricted Net Position:	
Highway User Revenues	\$ 664,702
Housing redevelopment:	
Loans Receivable	49,123
Other	73,365
Court Special Revenue:	
Court Enhancement	64,493
Fill the Gap	19,568
Local JCEF	22,241
Nonfederal grants	
Anti-racketeering	128
Spay/Neuter	3,187
Walton grant	1,474
Federal grants	
Department of Justice	43
LSTA	662
9-1-1	1,361
Donations:	
Camp Verde Marshal's Office	1,600
Tree planting and benches	3,189
Library	24,114
Parks and Recreation	4,304
Safety fund	15,804
Economic development	8,245
K-9	13,311
Volunteers in Police Services	5,427
Total Restricted Net Position	\$ 976,341

**TOWN OF CAMP VERDE, ARIZONA**  
**Notes to Financial Statements**  
**June 30, 2020**

**NOTE 10 – GOVERNMENTAL FUND BALANCE/NET POSITION COMPONENTS –  
Continued**

The components of governmental fund balances are as follows:

	General Fund	Parks Fund	HURF Fund	Non-Major Govt'l Funds	Total Govt'l Funds
<b>Ending Fund balances, June 30, 2020</b>					
<b>Restricted for:</b>					
Park improvements	\$ -	\$ 2,373,676	\$ -	\$ -	\$ 2,373,676
Highways and streets	-	-	664,702	-	664,702
Housing redevelopment	-	-	-	73,365	73,365
Court special revenue					
Court enhancement	-	-	-	64,493	64,493
Fill the gap	-	-	-	19,568	19,568
Local JCEF	-	-	-	22,241	22,241
Nonfederal grants					
Anti-racketeering	-	-	-	128	128
Spay/Neuter	-	-	-	3,187	3,187
Walton grant	-	-	-	1,474	1,474
Federal grants					
Department of Justice	-	-	-	43	43
LSTA	-	-	-	662	662
9-1-1	-	-	-	1,361	1,361
Donations					
Camp Verde Marshal's office	-	-	-	1,600	1,600
Tree planting and benches	-	-	-	3,189	3,189
Library	-	-	-	24,114	24,114
Parks and recreation	-	-	-	4,304	4,304
Safety fund	-	-	-	15,804	15,804
Economic development	-	-	-	8,245	8,245
K-9	-	-	-	13,311	13,311
Volunteers in police service	-	-	-	5,427	5,427
Total restricted	<u>-</u>	<u>2,373,676</u>	<u>664,702</u>	<u>262,516</u>	<u>3,300,894</u>
<b>Committed for:</b>					
Legal defense	<u>-</u>	<u>-</u>	<u>-</u>	<u>187,216</u>	<u>187,216</u>
<b>Assigned for:</b>					
Capital improvements	<u>-</u>	<u>-</u>	<u>-</u>	<u>184,427</u>	<u>184,427</u>
<b>Unassigned:</b>	<u>2,216,094</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,216,094</u>
Ending Fund Balances	<u><u>\$ 2,216,094</u></u>	<u><u>\$ 2,373,676</u></u>	<u><u>\$ 664,702</u></u>	<u><u>\$ 634,159</u></u>	<u><u>\$ 5,888,631</u></u>

**TOWN OF CAMP VERDE, ARIZONA**  
**Notes to Financial Statements**  
**June 30, 2020**

**NOTE 11 – CONTINGENT LIABILITIES**

Federal and State grants and loans – The Town has received a number of grants from both the Federal and State governments. Amounts received or receivable from grantor agencies are subject to audit and adjustment; however, the Town expects no material disallowance of expenditures.

Lawsuits – At times the Town is a defendant in various lawsuits, although the outcome of these lawsuits is not always determinable, in the opinion of the Town’s legal counsel, any resolution of these matters will not have a material adverse effect on the financial condition of the Town.

**NOTE 12 – RISK MANAGEMENT**

The Town 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. The Town carries commercial insurance for all such risks of loss, including workers’ compensation and employees’ health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

**NOTE 13 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS**

The Town contributes to the pension plans described below. The plans are component units of the State of Arizona.

At June 30, 2020, the Town 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>		
	Governmental Activities	Business-Type Activities	Total
Net OPEB assets	\$ 66,114	\$ 1,095	\$ 67,209
Net pension and OPEB liabilities	7,178,176	565,090	7,743,266
Deferred outflows of resources related to pension and OPEB	1,689,271	77,393	1,766,664
Deferred inflows of resources related to pension and OPEB	386,341	43,490	429,831
Pension expense and OPEB	1,099,078	72,108	1,171,186

The Town reported \$760,911 of pension and OPEB contributions as expenditures in the governmental funds related to all plans to which it contributes.

**TOWN OF CAMP VERDE, ARIZONA**  
**Notes to Financial Statements**  
**June 30, 2020**

**NOTE 13 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS – Continued**

**A. Arizona State Retirement System**

**Plan Description** – Town 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, a cost-sharing multiple-employer defined benefit health insurance premium benefit (OPEB) plan, and a cost-sharing multiple-employer defined benefit long-term disability (OPEB) plan. The Arizona State Retirement System Board governs the ASRS according to the provisions of A.R.S. Title 38, Chapter 5, Articles 2 and 2.1. 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).

**Benefits Provided** – The ASRS provides retirement, health insurance premium supplement, long-term disability, and survivor benefits. State statute establishes benefits terms. Retirement benefits are calculated on the basis of age, average monthly compensation, and service credit as follows:

	<b>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 months of last 120 months	Highest 60 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 earning. 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.

Health insurance premium benefits are available to retired or disabled members with 5 years of credited service. The benefits are payable only with respect to allowable health insurance premiums for which the member is responsible. For members with 10 or more years of service, benefits range from \$100 per month to \$260 per month depending on the age of the member and dependents. For members with 5 to 9 years of service, the benefits are the same dollar amounts as above multiplied by a vesting fraction based on completed years of service.

**TOWN OF CAMP VERDE, ARIZONA**  
**Notes to Financial Statements**  
**June 30, 2020**

**NOTE 13 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS – Continued**

Active members are eligible for a monthly long-term disability benefit equal to two-thirds of monthly earnings. Members receiving benefits continue to earn service credit up to their normal retirement dates. Members with long-term disability commencement dates after June 30, 1999, are limited to 30 years of service or the service on record as of the effective disability date if their service is greater than 30 years.

**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, 2020, statute required active ASRS members to contribute at the actuarially determined rate of 12.11 percent (11.94 percent for retirement and 0.17 percent for long-term disability) of the members’ annual covered payroll, and the Town was required by statute to contribute at the actuarially determined rate of 12.11 percent (11.45 percent for retirement, 0.49 percent for health insurance premium benefit, and 0.17 percent for long-term disability) of the active members’ annual covered payroll. In addition, the Town was required by statute to contribute at the actuarially determined rate of 10.41 percent (10.29 percent for retirement, 0.05 percent for health insurance premium benefit, and 0.07 percent for long-term disability) of annual covered payroll of retired members who worked for the Town in positions that an employee who contributes to the ASRS would typically fill. The Town’s contributions to the pension, health insurance premium benefit, and long-term disability plans for the year ended June 30, 2020, were \$385,215, \$16,485, and \$5,719, respectively.

During fiscal year 2020, the Town paid for ASRS pension and OPEB contributions as follows: 80.7 percent from the General Fund, 7.0 percent from the HURF Fund (nonmajor) and 12.3 percent from the Wastewater Fund.

**Liability** – At June 30, 2020, the Town reported the following asset and liabilities for its proportionate share of the ASRS’ net pension/OPEB asset or liability.

	<b>Pension/OPEB (Asset)</b>
	<b>Liability</b>
Pension	\$ 4,573,431
Health insurance premium benefit	(8,901)
Long-term disability	20,794

The net asset and net liabilities were measured as of June 30, 2019. The total liability used to calculate the net asset or net liability was determined using update procedures to roll forward the total liability from an actuarial valuation as of June 30, 2018, to the measurement date of June 30, 2019.



**TOWN OF CAMP VERDE, ARIZONA**  
**Notes to Financial Statements**  
**June 30, 2020**

***NOTE 13 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS – Continued***

The Town’s proportion of the net asset or net liability was based on the Town’s actual contributions to the plan relative to the total of all participating employers’ contributions for the year ended June 30, 2019. The Town’s proportions measured as of June 30, 2019, and the change from its proportions measured as of June 30, 2018, were:

	<b>Proportion June 30, 2019</b>	<b>Increase (decrease) from June 30, 2018</b>
Pension	0.03143%	-0.00046%
Health insurance premium benefit	0.03221%	-0.00029%
Long-term disability	0.03192%	-0.00005%

**Expense** – For the year ended June 30, 2020, the Town recognized the following pension and OPEB expense.

	<b>Pension/OPEB Expense</b>
Pension	568,262
Health insurance premium benefit	11,177
Long-term disability	6,803

**TOWN OF CAMP VERDE, ARIZONA**  
**Notes to Financial Statements**  
**June 30, 2020**

**NOTE 13 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS – Continued**

**Deferred Outflows/Inflows of Resources**—At June 30, 2020, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions and OPEB from the following sources:

	<u>Pension</u>		<u>Health Insurance Premium Benefit</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 82,620	\$ 860	\$ -	\$ 10,641
Changes of assumptions or other inputs	19,332	182,123	17,505	-
Net difference between projected and actual earnings on pension plan investments	-	102,795	-	11,576
Changes in proportion and differences between Town contributions and proportionate share of contributions	96,188	45,098	67	18
Town contributions subsequent to the measurement date	385,215	-	16,485	-
Total	<u>\$ 583,355</u>	<u>\$ 330,876</u>	<u>\$ 34,057</u>	<u>\$ 22,235</u>
	<u>Long-Term Disability</u>			
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>		
Differences between expected and actual experience	\$ 2,457	\$ -		
Changes of assumptions or other inputs	3,111	-		
Net difference between projected and actual earnings on pension plan investments	-	444		
Changes in proportion and differences between Town contributions and proportionate share of contributions	510	24		
Town contributions subsequent to the measurement date	5,719	-		
Total	<u>\$ 11,797</u>	<u>\$ 468</u>		

The amounts reported as deferred outflows of resources related to ASRS pensions and OPEB resulting from Town contributions subsequent to the measurement date will be recognized as an increase of the net asset or a reduction of the net liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and OPEB will be recognized as expenses as follows:

Year ended June 30,	<u>Pension</u>	<u>Health Insurance Premium Benefit</u>	<u>Long-Term Disability</u>
	2021	\$ 2,669	\$ (3,840)
2022	(143,195)	(3,838)	583
2023	(19,741)	1,102	1,016
2024	27,531	2,165	1,095
2025	-	(252)	930
Thereafter	-	-	1,403

**TOWN OF CAMP VERDE, ARIZONA**  
**Notes to Financial Statements**  
**June 30, 2020**

**NOTE 13 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS – Continued**

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

Actuarial valuation date	June 30, 2018
Actuarial roll forward date	June 30, 2019
Actuarial cost method	Entry age normal
Investment rate of return	7.5%
Projected salary increases	2.7 - 7.2% for pensions/not applicable for OPEB
Inflation	2.3%
Permanent benefit increase	Included for pensions/not applicable for OPEB
Mortality rates	2017 SRA Scale U-MP for pension and health insurance premium benefit
Recovery rates	2012 GLDT for long-term disability
Healthcare cost trend rate	Not applicable

Actuarial assumptions used in the June 30, 2018 valuations were based on the results of an actuarial experience study for the 5-year period ended June 30, 2016.

The long-term expected rate of return on ASRS plan investments was determined to be 7.5 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of 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 arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Geometric Rate of Return</u>
Equity	50%	6.09%
Credit	20%	5.36%
Interest Rate Sensative Bonds	10%	1.62%
Real estate	20%	5.85%
Total	<u>100%</u>	

**Discount Rate** – The discount rate used to measure the ASRS total pension/OPEB liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the ASRS Board’s funding policy, which establishes the contractually required rate under Arizona statute. Based on those assumptions, the 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 plan investments was applied to all periods of projected benefit payments to determine the total pension/OPEB liability.

**TOWN OF CAMP VERDE, ARIZONA**  
**Notes to Financial Statements**  
**June 30, 2020**

**NOTE 13 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS – Continued**

**Sensitivity of the Town’s Proportionate Share of the ASRS Net Pension/OPEB (Asset) Liability to Changes in the Discount Rate** – The following table presents the Town’s proportionate share of the net pension/OPEB liability calculated using the discount rate of 7.5 percent, as well as what the Town’s proportionate share of the net pension/OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.5 percent) or 1 percentage point higher (8.5 percent) than the current rate:

	<u>1% Decrease (6.5%)</u>	<u>Current Discount Rate (7.5%)</u>	<u>1% Increase (8.5%)</u>
<b>Town's Proportionate share of the</b>			
Net pension liability	\$ 6,509,051	\$ 4,573,431	\$ 2,955,750
Net insurance premium benefit liability (asset)	45,090	(8,901)	(54,904)
Net long-term disability liability	23,013	20,794	18,642

**Plan Fiduciary Net Position** – Detailed information about the plans’ fiduciary net position is available in the separately issued ASRS financial report.

**B. Public Safety Personnel Retirement System**

**Plan Descriptions** – Town police employees participate in the Public Safety Personnel Retirement System (PSPRS). The PSPRS administers agent and cost-sharing multiple-employer defined benefit pension plans and agent and cost-sharing multiple-employer defined benefit health insurance premium benefit (OPEB) 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 plans, and those who became PSPRS members on or after July 1, 2017, participate in the cost-sharing plans (PSPRS Tier 3 Risk Pool) which are not further disclosed because of their relative insignificance to the Town’s financial statements.

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

**Benefits Provided** – The PSPRS provide retirement, health insurance premium supplement, disability, and survivor benefits. State statute establishes benefits terms.

**TOWN OF CAMP VERDE, ARIZONA**  
**Notes to Financial Statements**  
**June 30, 2020**

**NOTE 13 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS – Continued**

Retirement, disability, and survivor benefits are calculated on the basis of age, average monthly compensation, and service credit as follows:

	<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 credited service, age 52.5
Final average salary is based on	Highest 36 consecutive months of last 20 years	Highest 36 consecutive months of last 20 years
<b>Benefit percentage</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 services over 20 years, not to exceed 80%	1.5% to 2.5% per year of credited service, not to exceed 80%
Accidental disability retirement	50% or normal retirement, whichever is greater	
Catastrophic disability retirement	90% for the first 60 months then reduced to either 62.5% or normal retirement, whichever is greater	
Ordinary disability retirement	Normal retirement calculated with actual years of credited service or 20 years of credited service, whichever is greater, multiplied by years of credited service (not to exceed 20 years) divided by 20	
Survivor Benefit:		
Retired Members	80% to 100% of retired member's pension benefit	
Active Members	80% to 100% of accidental disability retirement benefit or 100% of average monthly compensation if death was result of injuries received on the job	

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

**TOWN OF CAMP VERDE, ARIZONA**  
**Notes to Financial Statements**  
**June 30, 2020**

**NOTE 13 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS – Continued**

Health insurance premium benefits are available to retired or disabled members with 5 years of credited service. The benefits are payable only with respect to allowable health insurance premiums for which the member is responsible. Benefits range from \$100 per month to \$260 per month depending on the age of the member and dependents.

**Employees Covered by Benefit Terms** – At June 30, 2020, the following employees were covered by the agent plans’ benefit terms:

	<b>PSPRS Police</b>	
	<b>Pension</b>	<b>Health</b>
Inactive employees or beneficiaries currently receiving benefits	9	9
Inactive employees entitled to but not yet receiving benefits	4	0
Active employees	13	13
Total	26	22

**Contributions** – State statutes establish the pension contribution requirements for active PSPRS employees. In accordance with state statutes, annual actuarial valuations determine employer contribution requirements for PSPRS pension and health insurance premium 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, 2020, are indicated below. Rates are a percentage of active members’ annual covered payroll.

	<b>Active Member- Pension</b>	<b>Town-Pension</b>	<b>Town-Health Insurance Premium Benefit</b>
PSPRS Police	7.65% - 11.65%	34.63%	0.16%
PSPRS Tier 3 Risk Pool	9.94%	31.85%	0.21%

The Town’s contributions to the plans for the year ended June 30, 2020, were:

	<b>Pension</b>	<b>Health Insurance Premium Benefit</b>
PSPRS Police	\$ 317,004	\$ 1,303
PSPRS Tier 3 Risk Pool	\$ 102,764	\$ 678

During fiscal year 2020, the Town paid for 100 percent of PSPRS pension and OPEB contributions from the General Fund.

**TOWN OF CAMP VERDE, ARIZONA**  
**Notes to Financial Statements**  
**June 30, 2020**

**NOTE 13 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS – Continued**

**Liability** – At June 30, 2020, the Town reported the following asset and liability:

	<b>Net Pension (Asset) Liability</b>	<b>Net OPEB (Asset) Liability</b>
PSPRS Police	\$ 3,149,041	\$ (58,308)

The net assets and net liabilities were measured as of June 30, 2019, and the total liability used to calculate the net asset or liability was determined by an actuarial valuation as of that date. The total liabilities as of June 30, 2019, reflect changes of actuarial assumptions to decrease the investment rate of return from 7.4 percent to 7.3 percent and update the mortality rates.

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

Actuarial valuation date	June 30, 2019
Actuarial cost method	Entry age normal
Investment rate of return	7.30%
Wage inflation	3.5% for pensions/not applicable for OPEB
Price inflation	2.5% for pensions/not applicable for OPEB
Cost-of-living adjustment	1.75% for pensions/not applicable for OPEB
Mortality rates	PubS-2010 tables
Healthcare cost trend rate	Not applicable

Actuarial assumptions used in the June 30, 2019, valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2016.

The long-term expected rate of return on PSPRS 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 plan investment expenses and inflation) are developed for each major asset class.

**TOWN OF CAMP VERDE, ARIZONA**  
**Notes to Financial Statements**  
**June 30, 2020**

**NOTE 13 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS – Continued**

The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Geometric Real Rate of Return</u>
Short term investments	2%	0.25%
Risk parity	4%	4.01%
Fixed Income	5%	3.00%
Real assets	9%	6.75%
GTS	12%	4.01%
Private credit	16%	5.36%
Real estate	10%	4.50%
Private equity	12%	8.40%
Non-U.S. equity	14%	5.00%
U.S. equity	16%	4.75%
Total	<u>100%</u>	

**Discount Rates** – At June 30, 2019, the discount rate used to measure the PSPRS total pension/OPEB liabilities was 7.3 percent, which was a decrease of 0.1 from the discount rate used as of June 30, 2018. The projection of cash flows used to determine the discount rate 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 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 plan investments was applied to all periods of projected benefit payments to determine the total pension/OPEB liability.



**TOWN OF CAMP VERDE, ARIZONA**  
**Notes to Financial Statements**  
**June 30, 2020**

**NOTE 13 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS – Continued**

**Changes in the Net Pension/OPEB Liability (Asset)**

	Pension Increase (Decrease)		Net Pension Liability (Asset) (a) - (b)
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	
Balances at June 30, 2019	\$ 6,783,051	\$ 4,049,518	\$ 2,733,533
Changes for the year			
Service Cost	166,836	-	166,836
Interest on the total pension liability	501,568	-	501,568
Differences between expected and actual experience in the measurement of the pension liability	192,074	-	192,074
Changes of assumptions or other inputs	174,465	-	174,465
Contributions-employer	-	336,486	(336,486)
Contributions-employee	-	70,712	(70,712)
Net investment income	-	219,811	(219,811)
Benefit payments, including refunds of employee contributions	(343,890)	(343,890)	-
Administrative expense	-	(4,813)	4,813
Other changes	-	(2,761)	2,761
Net changes	691,053	275,545	415,508
Balances at June 30, 2020	\$ 7,474,104	\$ 4,325,063	\$ 3,149,041

	Health Insurance Premium Benefit Increase (Decrease)		Net OPEB Liability (Asset) (a) - (b)
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	
Balances at June 30, 2019	\$ 157,387	\$ 191,369	\$ (33,982)
Changes for the year			
Service Cost	3,688	-	3,688
Interest on the total pension liability	11,648	-	11,648
Differences between expected and actual experience in the measurement of the OPEB liability	(25,518)	-	(25,518)
Changes of assumptions or other inputs	2,418	-	2,418
Contributions-employer	-	3,703	(3,703)
Net investment income	-	10,275	(10,275)
Benefit payments, including refunds of employee contributions	(7,330)	(7,330)	-
Administrative expense	-	(177)	177
Other changes	-	2,761	(2,761)
Net changes	(15,094)	9,232	(24,326)
Balances at June 30, 2020	\$ 142,293	\$ 200,601	\$ (58,308)

**TOWN OF CAMP VERDE, ARIZONA**  
**Notes to Financial Statements**  
**June 30, 2020**

**NOTE 13 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS – Continued**

**Sensitivity of the Town’s Net Pension/OPEB Liability to Changes in the Discount Rate –**

The following table presents the Town’s net pension/OPEB (assets) liabilities calculated using the discount rate of 7.3 percent, as well as what the Town’s net pension/OPEB (asset) 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:

	<u>1% Decrease (6.3%)</u>	<u>Current Discount Rate (7.3%)</u>	<u>1% Increase (8.3%)</u>
PSPRS Police			
Net pension (asset) liability	\$ 4,212,809	\$ 3,149,041	\$ 2,285,408
Net OPEB (asset) liability	(41,620)	(58,308)	(72,298)

**Plan Fiduciary Net Position** – Detailed information about the plans’ fiduciary net position is available in the separately issued PSPRS financial reports.

**Expense** – For the year ended June 30, 2020, the Town recognized the following pension and OPEB expense:

	<u>Pension Expense</u>	<u>OPEB Expense (Income)</u>
PSPRS Police	\$ 596,297	\$ (11,353)

**Deferred Outflows/Inflows of Resources** – At June 30, 2020, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions and OPEB from the following sources:

	<u>Pension</u>		<u>Health Insurance Premium Benefit</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 274,785	\$ 20,677	\$ -	\$ 51,769
Changes of assumptions or other inputs	373,584	-	2,015	3,806
Net difference between projected and actual earnings on pension plan investments	64,757	-	565	-
Contributions subsequent to the measurement date	419,768	-	1,981	-
Total	<u>\$ 1,132,894</u>	<u>\$ 20,677</u>	<u>\$ 4,561</u>	<u>\$ 55,575</u>

**TOWN OF CAMP VERDE, ARIZONA**  
**Notes to Financial Statements**  
**June 30, 2020**

***NOTE 13 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS – Continued***

The amounts reported as deferred outflows of resources related to pensions and OPEB resulting from Town contributions subsequent to the measurement date will be recognized as an increase in the net asset or a reduction of the net liability in the year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and OPEB will be recognized as expenses as follows:

Year ended June 30,	<b>PSPRS Police</b>	
	<b>Pension</b>	<b>Health</b>
2021	\$ 270,499	\$ (12,846)
2022	170,992	(12,848)
2023	151,356	(11,405)
2024	99,602	(10,705)
2025	-	(5,191)
Thereafter	-	-



**REQUIRED SUPPLEMENTARY INFORMATION**

**TOWN OF CAMP VERDE, ARIZONA**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual – General Fund**  
**Year Ended June 30, 2020**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenue</b>				
Taxes	\$ 5,137,250	\$ 5,137,250	\$ 4,915,378	\$ (221,872)
Intergovernmental	3,974,920	3,974,920	3,696,699	(278,221)
Fines and forfeitures	161,000	161,000	160,820	(180)
Licenses and permits	233,750	233,750	244,194	10,444
Charges for services	132,600	132,600	157,973	25,373
Investment income	16,000	16,000	27,705	11,705
Other revenue	62,385	62,385	105,773	43,388
<b>Total revenue</b>	<u>9,717,905</u>	<u>9,717,905</u>	<u>9,308,542</u>	<u>(409,363)</u>
<b>Expenditures</b>				
Marshal	3,113,771	3,113,771	3,044,304	69,467
Magistrate	457,680	457,680	420,793	36,887
Community development	548,625	548,625	490,945	57,680
Library	564,880	564,880	560,449	4,431
Risk management	359,325	359,325	366,109	(6,784)
Information technology	208,700	208,700	221,452	(12,752)
Parks and recreation	500,165	500,165	455,036	45,129
Town clerk	192,505	192,505	179,634	12,871
Town manager	175,660	175,660	174,491	1,169
Finance	333,885	333,885	333,603	282
Economic development	286,695	286,695	236,019	50,676
Non-departmental	331,535	331,535	323,285	8,250
Public works	1,022,345	1,022,345	933,638	88,707
Mayor and council	49,190	49,190	41,697	7,493
Human resources	218,015	218,015	212,538	5,477
<b>Total expenditures</b>	<u>8,362,976</u>	<u>8,362,976</u>	<u>7,993,993</u>	<u>368,983</u>
Excess (deficiency) of revenue over (under) expenditures	<u>1,354,929</u>	<u>1,354,929</u>	<u>1,314,549</u>	<u>(40,380)</u>
<b>Other financing sources</b>				
Transfers in (out)	<u>(1,889,916)</u>	<u>(1,878,666)</u>	<u>(1,559,166)</u>	<u>319,500</u>
<b>Net change in fund balances</b>	<u>(534,987)</u>	<u>(523,737)</u>	<u>(244,617)</u>	<u>279,120</u>
Fund balances, July 1, 2019	<u>2,460,711</u>	<u>2,460,711</u>	<u>2,460,711</u>	<u>-</u>
<b>Fund balances, June 30, 2020</b>	<u><u>\$ 1,925,724</u></u>	<u><u>\$ 1,936,974</u></u>	<u><u>\$ 2,216,094</u></u>	<u><u>\$ 279,120</u></u>

*See accompanying notes to budgetary comparison schedule.*

**TOWN OF CAMP VERDE, ARIZONA**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual – HURF Fund**  
**Year Ended June 30, 2020**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenue</b>				
Intergovernmental	\$ 966,200	\$ 966,200	\$ 1,153,985	\$ 187,785
Investment income	16,000	16,000	-	(16,000)
Other revenue	-	-	11,198	11,198
<b>Total revenue</b>	<u>982,200</u>	<u>982,200</u>	<u>1,165,183</u>	<u>182,983</u>
<b>Expenditures</b>				
Streets	712,030	712,030	731,088	(19,058)
Excess (deficiency) of revenue over (under) expenditures	<u>270,170</u>	<u>270,170</u>	<u>434,095</u>	<u>163,925</u>
<b>Other financing sources</b>				
Transfers in (out)	<u>(225,850)</u>	<u>(253,250)</u>	<u>(253,248)</u>	<u>2</u>
<b>Net change in fund balances</b>	44,320	16,920	180,847	163,927
Fund balances, July 1, 2019	<u>483,855</u>	<u>483,855</u>	<u>483,855</u>	<u>-</u>
<b>Fund balances, June 30, 2020</b>	<u><u>\$ 528,175</u></u>	<u><u>\$ 500,775</u></u>	<u><u>\$ 664,702</u></u>	<u><u>\$ 163,927</u></u>

*See accompanying notes to budgetary comparison schedule.*

**TOWN OF CAMP VERDE, ARIZONA**  
**Required Supplementary Information**  
**Notes to Budgetary Comparison Schedules**  
**June 30, 2020**

***NOTE 1 – BUDGETING AND BUDGETARY CONTROL***

Arizona Revised Statutes (A.R.S.) require the Town to prepare and adopt a balanced budget annually for each governmental fund. The Town Council 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.

Expenditures may not legally exceed appropriations in individual funds. In certain instances, transfers of appropriations between departments or from the contingency account to a department may be made upon the Town Councils' approval. However, the Town Manager may approve budget reallocations within functional departments without the Town Councils' approval.

***NOTE 2 – BUDGETARY BASIS OF ACCOUNTING***

The Town's budget is prepared on a basis consistent with generally accepted accounting principles.

***NOTE 3 – EXPENDITURES IN EXCESS OF APPROPRIATIONS***

For the year ended June 30, 2020, expenditures exceeded final budget amounts at the department level (the legal level of budgetary control) in the Risk Management, Information Technology, and HURF departments.



**TOWN OF CAMP VERDE, ARIZONA**  
**Required Supplementary Information**  
**Schedule of the Town's Proportionate**  
**Share of the Net Pension/OPEB Liability**  
**Cost-Sharing Plans**  
**June 30, 2020**

	<b>ASRS - Pension</b>							
	<b>Reporting Fiscal Year (Measurement Date)</b>							
	<b>2020 (2019)</b>	<b>2019 (2018)</b>	<b>2018 (2017)</b>	<b>2017 (2016)</b>	<b>2016 (2015)</b>	<b>2015 (2014)</b>	<b>2014 Through 2011</b>	
Town's proportion of the net pension liability	0.031430%	0.031890%	0.030200%	0.029430%	0.029330%	0.027452%	Information	
Town's proportionate share of the net pension liability	\$ 4,573,431	\$ 4,447,533	\$ 4,704,571	\$ 4,750,298	\$ 4,568,105	\$ 4,061,925	not available	
Town's covered payroll	\$ 3,364,321	\$ 2,945,686	\$ 2,945,686	\$ 2,702,700	\$ 2,675,211	\$ 2,474,579		
Town's proportionate share of the net pension liability as a percentage of its covered payroll	135.94%	150.98%	159.71%	175.76%	170.76%	164.15%		
Plan fiduciary net position as a percentage of the total pension liability	73.24%	73.40%	69.92%	67.06%	68.35%	69.49%		
	<b>ASRS-Health Insurance Premium Benefit</b>				<b>ASRS-Long-Term Disability</b>			
	<b>Reporting Fiscal Year (Measurement Date)</b>				<b>Reporting Fiscal Year (Measurement Date)</b>			
	<b>2020 (2019)</b>	<b>2019 (2018)</b>	<b>2018 (2017)</b>	<b>2017 through 2011</b>	<b>2020 (2019)</b>	<b>2019 (2018)</b>	<b>2018 (2017)</b>	<b>2017 through 2011</b>
Town's proportion of the net OPEB (asset)	0.032210%	0.032500%	0.030640%	Information	0.031920%	0.031970%	0.030320%	Information
Town's proportionate share of the net OPEB (asset)	\$ (8,901)	\$ (11,703)	\$ (16,680)	not available	\$ 20,794	\$ 16,704	\$ 10,990	not available
Town's covered payroll	\$ 3,364,321	\$ 2,945,686	\$ 2,945,686		\$ 3,364,321	\$ 2,945,686	\$ 2,945,686	
Town's proportionate share of the net OPEB (asset) as a percentage of its covered payroll	-0.26%	-0.40%	-0.57%		0.62%	0.57%	0.37%	
Plan fiduciary net position as a percentage of the total OPEB liability	101.62%	102.20%	103.57%		72.85%	77.83%	84.44%	

*See accompanying notes to pension/OPEB plan schedules.*

**TOWN OF CAMP VERDE, ARIZONA**  
**Required Supplementary Information**  
**Schedule of Changes in the Town's**  
**Net Pension/OPEB Liability (Asset) and Related Ratios**  
**Agent Pension Plans**  
**June 30, 2020**

**PSPRS - Pension**

	Reporting Fiscal Year (Measurement Date)						2014 through 2011
	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)	
Total pension liability							Information not available
Service cost	\$ 166,836	\$ 150,833	\$ 203,294	\$ 160,518	\$ 164,394	\$ 135,654	
Interest on the total pension liability	501,568	467,939	430,229	398,485	377,049	317,555	
Changes of benefit terms	-	-	53,055	253,675	-	69,633	
Differences between expected and actual experience in the measurement of the pension liability	192,074	88,460	99,752	(51,869)	39,167	41,958	
Changes of assumptions or other inputs	174,465	-	160,550	212,804	-	443,060	
Benefit payments, including refunds of employee contributions	(343,890)	(344,531)	(322,536)	(347,173)	(264,036)	(264,648)	
Net change in total pension liability	691,053	362,701	624,344	626,440	316,574	743,212	
Total pension liability - beginning	6,783,051	6,420,350	5,796,006	5,169,566	4,852,992	4,109,780	
Total pension liability - ending (a)	<u>\$ 7,474,104</u>	<u>\$ 6,783,051</u>	<u>\$ 6,420,350</u>	<u>\$ 5,796,006</u>	<u>\$ 5,169,566</u>	<u>\$ 4,852,992</u>	
Plan fiduciary net position							
Contributions - employer	\$ 336,486	\$ 440,207	\$ 251,099	\$ 267,840	\$ 225,914	\$ 170,919	
Contributions - employee	70,712	76,338	98,238	248,471	96,283	79,176	
Net investment income	219,811	262,053	392,528	18,359	110,474	357,316	
Benefit payments, including refunds of employee contributions	(343,890)	(344,531)	(322,536)	(347,173)	(264,036)	(264,648)	
Hall/Parker Settlement	-	(107,502)	-	-	-	-	
Administrative expense	(4,813)	(4,688)	(3,873)	(3,042)	(3,075)	-	
Other changes	(2,761)	47	1,007	(17,573)	(2,569)	(88,819)	
Net change in plan fiduciary net position	275,545	321,924	416,463	166,882	162,991	253,944	
Plan fiduciary net position - beginning	4,049,518	3,727,594	3,311,131	3,144,249	2,981,258	2,727,314	
Plan fiduciary net position - ending (b)	<u>\$ 4,325,063</u>	<u>\$ 4,049,518</u>	<u>\$ 3,727,594</u>	<u>\$ 3,311,131</u>	<u>\$ 3,144,249</u>	<u>\$ 2,981,258</u>	
Town's net pension liability (asset) - ending (a) - (b)	<u>\$ 3,149,041</u>	<u>\$ 2,733,533</u>	<u>\$ 2,692,756</u>	<u>\$ 2,484,875</u>	<u>\$ 2,025,317</u>	<u>\$ 1,871,734</u>	
Plan fiduciary net position as a % of the total pension liability	57.87%	59.70%	58.06%	57.13%	60.82%	61.43%	
Covered payroll	\$ 746,654	\$ 768,379	\$ 898,338	\$ 845,274	\$ 919,242	\$ 873,953	
Town's net pension liability as a % of covered-employee payroll	421.75%	355.75%	299.75%	293.97%	220.32%	214.17%	

*See accompanying notes to pension/OPEB plan schedules.*

**TOWN OF CAMP VERDE, ARIZONA**  
**Required Supplementary Information**  
**Schedule of Changes in the Town's**  
**Net Pension/OPEB Liability (Asset) and Related Ratios**  
**Agent Pension Plans**  
**June 30, 2020**

**PSPRS - Health Insurance Premium Benefit**

	Reporting Fiscal Year (Measurement Date)			2017 through 2011
	2020 (2019)	2019 (2018)	2018 (2017)	
Total OPEB liability				
Service cost	\$ 3,688	\$ 3,842	\$ 4,851	Information not available
Interest on the total OPEB liability	11,648	12,826	13,808	
Changes of benefit terms	-	-	5,646	
Differences between expected and actual experience in the measurement of the OPEB liability	(25,518)	(27,735)	(20,723)	
Changes of assumptions or other inputs	2,418	-	(6,818)	
Benefit payments	(7,330)	(5,892)	(8,205)	
Net change in total OPEB liability	(15,094)	(16,959)	(11,441)	
Total OPEB liability - beginning	157,387	174,346	185,787	
Total OPEB liability - ending (a)	<u>\$ 142,293</u>	<u>\$ 157,387</u>	<u>\$ 174,346</u>	
Plan fiduciary net position				
Contributions - employer	\$ 3,703	\$ 2,175	\$ 3,796	
Net investment income	10,275	12,614	19,613	
Benefit payments	(7,330)	(5,892)	(8,205)	
Administrative expense	(177)	(192)	(175)	
Other changes	2,761	-	-	
Net change in plan fiduciary net position	9,232	8,705	15,029	
Plan fiduciary net position - beginning	191,369	182,664	167,635	
Plan fiduciary net position - ending (b)	<u>\$ 200,601</u>	<u>\$ 191,369</u>	<u>\$ 182,664</u>	
Town's net OPEB (asset) liability - ending (a) - (b)	<u>\$ (58,308)</u>	<u>\$ (33,982)</u>	<u>\$ (8,318)</u>	
Plan fiduciary net position as a percentage of the total OPEB liability	140.98%	121.59%	104.77%	
Covered payroll	\$ 746,654	\$ 768,379	\$ 898,338	
Town's net OPEB (asset) liability as a percentage of covered payroll	-7.81%	-4.42%	-0.93%	

*See accompanying notes to pension/OPEB plan schedules.*

**TOWN OF CAMP VERDE, ARIZONA**  
**Required Supplementary Information**  
**Schedule of Town Pension/OPEB Contributions**  
**June 30, 2020**

	<b>ASRS - Pension</b>							<b>2013 through 2011</b>
	<b>Reporting Fiscal Year</b>							
	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	
Statutorily required contribution	\$ 385,215	\$ 370,616	\$ 333,697	\$ 317,545	\$ 293,243	\$ 291,063	\$ 264,780	Information not available
Town's contributions in relation to the statutorily required contribution	<u>(385,215)</u>	<u>(370,616)</u>	<u>(333,697)</u>	<u>(317,545)</u>	<u>(293,243)</u>	<u>(291,063)</u>	<u>(264,780)</u>	
Town's contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
Town's covered payroll	<u>\$ 3,364,321</u>	<u>\$ 3,314,991</u>	<u>\$ 3,061,440</u>	<u>\$ 2,945,686</u>	<u>\$ 2,702,700</u>	<u>\$ 2,675,211</u>	<u>\$ 2,474,579</u>	
Town's contributions as a percentage of covered payroll	11.45%	11.18%	10.90%	10.78%	10.85%	10.89%	10.70%	

	<b>ASRS-Health Insurance Premium Benefit</b>					<b>ASRS-Long-Term Disability</b>				
	<b>Reporting Fiscal Year</b>					<b>Reporting Fiscal Year</b>				
	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016 through 2011</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016 through 2011</b>
Statutorily required contribution	\$ 16,485	\$ 15,249	\$ 13,470	\$ 16,496	Information not available	\$ 5,719	\$ 5,304	\$ 4,898	\$ 4,123	Information not available
Town's contributions in relation to the statutorily required contribution	<u>(16,485)</u>	<u>(15,249)</u>	<u>(13,470)</u>	<u>(16,496)</u>		<u>(5,719)</u>	<u>(5,304)</u>	<u>(4,898)</u>	<u>(4,123)</u>	
Town's contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
Town's covered payroll	<u>\$ 3,364,321</u>	<u>\$ 3,314,991</u>	<u>\$ 3,061,440</u>	<u>\$ 2,945,686</u>		<u>\$ 3,364,321</u>	<u>\$ 3,314,991</u>	<u>\$ 3,061,440</u>	<u>\$ 2,945,686</u>	
Town's contributions as a percentage of covered payroll	0.49%	0.46%	0.44%	0.56%		0.17%	0.16%	0.16%	0.14%	

*See accompanying notes to pension/OPEB plan schedules.*

**TOWN OF CAMP VERDE, ARIZONA**  
**Required Supplementary Information**  
**Schedule of Town Pension/OPEB Contributions**  
**June 30, 2020**

<b>PSPRS - Pension</b>							<b>2013</b>	
<b>Reporting Fiscal Year</b>							<b>through</b>	
	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2011</b>
Actuarially determined contribution	\$ 419,768	\$ 336,486	\$ 440,207	\$ 251,099	\$ 267,840	\$ 225,914	\$ 170,919	Information not available
Town's contributions in relation to the actuarially determined contribution	<u>(419,768)</u>	<u>(336,486)</u>	<u>(440,207)</u>	<u>(251,099)</u>	<u>(267,840)</u>	<u>(225,914)</u>	<u>(170,919)</u>	
Town's contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
Town's covered payroll	<u>\$ 1,295,143</u>	<u>\$ 746,654</u>	<u>\$ 768,379</u>	<u>\$ 898,338</u>	<u>\$ 845,274</u>	<u>\$ 919,242</u>	<u>\$ 873,953</u>	
Town's contributions as a percentage of covered payroll	32.41%	45.07%	57.29%	27.95%	31.69%	24.58%	19.56%	

<b>PSPRS-Health Insurance Premium Benefit</b>					<b>2016</b>
<b>Reporting Fiscal Year</b>					<b>through</b>
	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2011</b>
Actuarially determined contribution	\$ 1,981	\$ 3,703	\$ 2,175	\$ 3,796	Information not available
Town's contributions in relation to the actuarially determined contribution	<u>(1,981)</u>	<u>(3,703)</u>	<u>(2,175)</u>	<u>(3,796)</u>	
Town's contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
Town's covered payroll	<u>\$ 1,295,143</u>	<u>\$ 746,654</u>	<u>\$ 768,379</u>	<u>\$ 898,338</u>	
Town's contributions as a percentage of covered payroll	0.15%	0.50%	0.28%	0.42%	

*See accompanying notes to pension/OPEB plan schedules.*

**TOWN OF CAMP VERDE, ARIZONA**  
**Required Supplementary Information**  
**Notes to Pension/OPEB Plan Schedules**  
**June 30, 2020**

***NOTE 1 – ACTUARIALLY DETERMINED CONTRIBUTION RATES***

Actuarial determined contribution rates for PSPRS are calculated as of June 30 two 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 2018 actuarial valuation	20 years
Asset valuation method	7-year smoothed market value; 80%/120% market corridor

Actuarial assumptions:

Investment rate of return	In the 2017 actuarial valuation, the investment rate of return was decreased from 7.5% to 7.4%. In 2013 actuarial valuation, the investment rate of return was decreased from 8.0% to 7.85%.
Projected salary increases	In 2017 actuarial valuation, projected salary increases were decreased from 4.5% - 8.5% to 4.0% - 8.0%. In 2013 actuarial valuation, projected salary increases were decreased from 5.0% - 9.0% to 4.5% - 8.5%.
Wage growth	In 2017 actuarial valuation, wage growth was decreased from 4.0% to 3.5%. In 2014 actuarial valuation, wage growth was decreased from 4.5% to 4.0%. In the 2013 actuarial valuation, wage growth decreased from 5.0% to 4.5%.
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 2017 actuarial valuation, changed to RP-2014 tables, with 75% of MP-2016 fully generational projection scales. RP-2000 mortality table (adjusted by 105% for both males and females)

***NOTE 2 – FACTORS THAT AFFECT TRENDS***

Arizona courts have ruled that provisions of a 2011 law that changed the mechanism for funding permanent pension benefit increases and increased employee pension contribution rates were unconstitutional or a breach of contract because those provisions apply to individuals who were members as of the law's effective date. As a result, the PSPRS 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 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

**TOWN OF CAMP VERDE, ARIZONA**  
**Required Supplementary Information**  
**Notes to Pension/OPEB Plan Schedules**  
**June 30, 2020**

***NOTE 2 – FACTORS THAT AFFECT TRENDS – Continued***

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-required pension contributions beginning in fiscal year 2016 for members who were retired as of the law's effective date. These changes will increase the PSPRS-required contributions beginning in fiscal year 2019 for members who retired or will retire after the law's effective date. Also, the Town refunded excess employee contributions to PSPRS members. PSPRS allowed the Town to reduce its actual employer contributions for the refund amounts. As a result, the Town's pension contributions were less than the actuarially or statutorily determined contributions for 2018 and 2019.





## **OTHER FINANCIAL STATEMENTS**

**TOWN OF CAMP VERDE, ARIZONA**  
**Combining Balance Sheet – All Non-Major Governmental Funds**  
**By Fund Type**  
**June 30, 2020**

	Special Revenue Funds	Capital Improvement Fund	Total Non-major Governmental Funds
	<u>          </u>	<u>          </u>	<u>          </u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 444,396	\$ 188,127	\$ 632,523
Accounts receivable, net	-	-	-
Due from other governments	77,683	-	77,683
Loans receivable	49,123	-	49,123
<b>Total assets</b>	<u><u>\$ 571,202</u></u>	<u><u>\$ 188,127</u></u>	<u><u>\$ 759,329</u></u>
 <b>LIABILITIES</b>			
Accounts payable	\$ 1,349	\$ 3,700	\$ 5,049
Deferred revenue	4,889	-	4,889
Due to other funds	66,109	-	66,109
<b>Total liabilities</b>	<u>72,347</u>	<u>3,700</u>	<u>76,047</u>
 <b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue	<u>49,123</u>	<u>-</u>	<u>49,123</u>
 <b>FUND BALANCES</b>			
Restricted	262,516	-	262,516
Committed	187,216	-	187,216
Assigned	-	184,427	184,427
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>
 <b>Total fund balances</b>	<u>449,732</u>	<u>184,427</u>	<u>634,159</u>
 <b>Total liabilities, deferred inflows of resources, and fund balances</b>	<u><u>\$ 571,202</u></u>	<u><u>\$ 188,127</u></u>	<u><u>\$ 759,329</u></u>

**TOWN OF CAMP VERDE, ARIZONA**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances –**  
**All Non-Major Governmental Funds**  
**By Fund Type**  
**June 30, 2020**

	Special Revenue Funds	Capital Improvement Fund	Total Non-Major Governmental Funds
<b>Revenue</b>			
Intergovernmental	\$ 180,310	\$ -	\$ 180,310
Fines and forfeitures	24,611	-	24,611
Contributions	103,251	-	103,251
Investment income	2,663	-	2,663
Other revenue	112,136	-	112,136
<b>Total revenue</b>	<u>422,971</u>	<u>-</u>	<u>422,971</u>
<b>Expenditures</b>			
Current			
General government	7,002	1,324	8,326
Public safety	83,097	-	83,097
Culture and recreation	77,483	8,336	85,819
Economic and community development	17,971	-	17,971
Capital outlay	45,487	381,819	427,306
<b>Total expenditures</b>	<u>231,040</u>	<u>391,479</u>	<u>622,519</u>
Excess (deficiency) of revenue over (under) expenditures	<u>191,931</u>	<u>(391,479)</u>	<u>(199,548)</u>
<b>Other financing sources</b>			
Capital lease acquisition	-	15,644	15,644
Transfers (out)	(42,990)	424,555	381,565
<b>Total other financing sources</b>	<u>(42,990)</u>	<u>440,199</u>	<u>397,209</u>
<b>Net change in fund balances</b>	148,941	48,720	197,661
Fund balances, July 1, 2019	300,791	135,707	436,498
<b>Fund balances, June 30, 2020</b>	<u>\$ 449,732</u>	<u>\$ 184,427</u>	<u>\$ 634,159</u>



## NON-MAJOR SPECIAL REVENUE FUNDS

Special Revenue funds are used to account for proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes (other than major capital projects). The funds are usually required by statute, ordinance, or federal grant regulation to finance specified activities of the Town. The Town maintains the following non-major Special Revenue funds.

**Housing Fund** – accounts for revolving loan funds as well as the revenues and expenditures related to the HOME Grant.

**Court Special Revenue Fund**- accounts for Local JCEF, Fill the Gap and Court Enhancement revenues.

**Non-Federal Grants Fund**- accounts for all nonfederal grants received by the Town.

**Federal Grants Fund**- accounts for the activity related to the Town's Federal grants.

**CDBG Grants Fund**- accounts for the activity related to the Town's Community Development Block grants.

**9-1-1 Fund**- accounts for 9-1-1 distributions.

**Donations Fund**- accounts for gifts, donations, bequests and private grants made to the Town.

**TOWN OF CAMP VERDE, ARIZONA**  
**Combining Balance Sheet Non-Major Special Revenue Funds**  
**June 30, 2020**

	Housing Fund	Court Special Revenue Fund	Nonfederal Grants Fund	Federal Grants Fund
<b>ASSETS</b>				
Cash and cash equivalents	\$ 73,365	\$ 106,311	\$ -	\$ -
Due from other governments	-	-	40,363	19,370
Loans receivable	49,123	-	-	-
<b>Total assets</b>	<u>122,488</u>	<u>106,311</u>	<u>40,363</u>	<u>19,370</u>
<b>LIABILITIES</b>				
Accounts payable	-	9	1,184	7
Deferred revenue	-	-	-	4,889
Due to other funds	-	-	34,390	13,769
<b>Total liabilities</b>	<u>-</u>	<u>9</u>	<u>35,574</u>	<u>18,665</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue	49,123	-	-	-
<b>FUND BALANCES</b>				
Restricted	73,365	106,302	4,789	705
Committed	-	-	-	-
<b>Total fund balances</b>	<u>73,365</u>	<u>106,302</u>	<u>4,789</u>	<u>705</u>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<u>\$ 122,488</u>	<u>\$ 106,311</u>	<u>\$ 40,363</u>	<u>\$ 19,370</u>

CDBG Grants Fund	9-1-1 Fund	Donations Fund	Total Non-Major Special Revenue Funds
\$ -	\$ 1,361	\$ 263,359	\$ 444,396
17,950	-	-	77,683
-	-	-	49,123
<u>17,950</u>	<u>1,361</u>	<u>263,359</u>	<u>571,202</u>
-	-	149	1,349
-	-	-	4,889
<u>17,950</u>	<u>-</u>	<u>-</u>	<u>66,109</u>
<u>17,950</u>	<u>-</u>	<u>149</u>	<u>72,347</u>
-	-	-	49,123
-	1,361	75,994	262,516
-	-	187,216	187,216
<u>-</u>	<u>1,361</u>	<u>263,210</u>	<u>449,732</u>
<u>\$ 17,950</u>	<u>\$ 1,361</u>	<u>\$ 263,359</u>	<u>\$ 571,202</u>

**TOWN OF CAMP VERDE, ARIZONA**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Non-Major Special Revenue Funds**  
**June 30, 2020**

	Housing Fund	Court Special Revenue Fund	Nonfederal Grants Fund	Federal Grants Fund
<b>Revenue</b>				
Intergovernmental	\$ -	\$ -	\$ 113,393	\$ 61,167
Fines and forfeitures	-	24,586	-	-
Contributions	-	-	-	-
Investment income	343	-	-	-
Other revenue	3,885	-	-	-
<b>Total revenue</b>	<u>4,228</u>	<u>24,586</u>	<u>113,393</u>	<u>61,167</u>
<b>Expenditures</b>				
Current				
General government	-	1,775	232	4,995
Public safety	-	-	62,413	19,637
Culture and recreation	-	-	8,056	-
Economic and community development	2,195	-	-	15,776
Capital outlay	-	-	39,737	-
<b>Total expenditures</b>	<u>2,195</u>	<u>1,775</u>	<u>110,438</u>	<u>40,408</u>
Excess (deficiency) of revenue over (under) expenditures	<u>2,033</u>	<u>22,811</u>	<u>2,955</u>	<u>20,759</u>
<b>Other financing sources</b>				
Transfers (out)	<u>(20,000)</u>	-	-	<u>(22,990)</u>
<b>Net change in fund balances</b>	<u>(17,967)</u>	<u>22,811</u>	<u>2,955</u>	<u>(2,231)</u>
Fund balances, July 1, 2019	<u>91,332</u>	<u>83,491</u>	<u>1,834</u>	<u>2,936</u>
<b>Fund balances, June 30, 2020</b>	<u>\$ 73,365</u>	<u>\$ 106,302</u>	<u>\$ 4,789</u>	<u>\$ 705</u>



CDBG Grants Fund	9-1-1 Fund	Donations Fund	Total Non-Major Special Revenue Funds
\$ 5,750	\$ -	\$ -	\$ 180,310
-	-	25	24,611
-	-	103,251	103,251
-	-	2,320	2,663
-	-	108,251	112,136
<u>5,750</u>	<u>-</u>	<u>213,847</u>	<u>422,971</u>
-	-	-	7,002
-	-	1,047	83,097
-	-	69,427	77,483
-	-	-	17,971
5,750	-	-	45,487
<u>5,750</u>	<u>-</u>	<u>70,474</u>	<u>231,040</u>
-	-	143,373	191,931
-	-	-	(42,990)
-	-	143,373	148,941
-	1,361	119,837	300,791
<u>\$ -</u>	<u>\$ 1,361</u>	<u>\$ 263,210</u>	<u>\$ 449,732</u>

**TOWN OF CAMP VERDE, ARIZONA**  
**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual – Non-Major Special Revenue Funds**  
**Year Ended June 30, 2020**

	Housing Fund			Court Special Revenue Fund		
	Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
<b>Revenue</b>						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	-	-	-	31,000	24,586	(6,414)
Contributions	-	-	-	-	-	-
Investment income	750	343	(407)	-	-	-
Other revenue	16,000	3,885	(12,115)	-	-	-
<b>Total revenue</b>	<u>16,750</u>	<u>4,228</u>	<u>(12,522)</u>	<u>31,000</u>	<u>24,586</u>	<u>(6,414)</u>
<b>Expenditures</b>						
Current						
General government	60,000	-	60,000	29,500	1,775	27,725
Public safety	-	-	-	76,000	-	76,000
Public works	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Community development	-	2,195	(2,195)	-	-	-
Capital outlay	-	-	-	-	-	-
<b>Total expenditures</b>	<u>60,000</u>	<u>2,195</u>	<u>57,805</u>	<u>105,500</u>	<u>1,775</u>	<u>103,725</u>
Excess (deficiency) of revenue over (under) expenditures	<u>(43,250)</u>	<u>2,033</u>	<u>45,283</u>	<u>(74,500)</u>	<u>22,811</u>	<u>97,311</u>
<b>Other financing sources</b>						
Transfers in (out)	<u>(20,000)</u>	<u>(20,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balances</b>	<u>(63,250)</u>	<u>(17,967)</u>	<u>45,283</u>	<u>(74,500)</u>	<u>22,811</u>	<u>97,311</u>
Fund balances, July 1, 2019	<u>91,332</u>	<u>91,332</u>	<u>-</u>	<u>83,491</u>	<u>83,491</u>	<u>-</u>
<b>Fund balances, June 30, 2020</b>	<u><u>\$ 28,082</u></u>	<u><u>\$ 73,365</u></u>	<u><u>\$ 45,283</u></u>	<u><u>\$ 8,991</u></u>	<u><u>\$ 106,302</u></u>	<u><u>\$ 97,311</u></u>

Nonfederal Grants Fund			Federal Grants Fund		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$ 1,144,000	\$ 113,393	\$(1,030,607)	\$ 308,450	\$ 61,167	\$ (247,283)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>1,144,000</u>	<u>113,393</u>	<u>(1,030,607)</u>	<u>308,450</u>	<u>61,167</u>	<u>(247,283)</u>
971,480	232	971,248	5,000	4,995	5
87,880	62,413	25,467	12,000	19,637	(7,637)
75,000	-	75,000	11,000	-	11,000
1,705	8,056	(6,351)	2,849	-	2,849
-	-	-	-	15,776	(15,776)
8,292	39,737	(31,445)	28,000	-	28,000
<u>1,144,357</u>	<u>110,438</u>	<u>1,033,919</u>	<u>58,849</u>	<u>40,408</u>	<u>18,441</u>
<u>(357)</u>	<u>2,955</u>	<u>3,312</u>	<u>249,601</u>	<u>20,759</u>	<u>(228,842)</u>
-	-	-	(275,445)	(22,990)	(252,455)
(357)	2,955	3,312	(25,844)	(2,231)	(481,297)
1,834	1,834	-	2,936	2,936	-
<u>\$ 1,477</u>	<u>\$ 4,789</u>	<u>\$ 3,312</u>	<u>\$ (22,908)</u>	<u>\$ 705</u>	<u>\$ (481,297)</u>

**TOWN OF CAMP VERDE, ARIZONA**  
**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual – Non-Major Special Revenue Funds**  
**Year Ended June 30, 2020**  
**(Continued)**

	CDBG Grants Fund			9-1-1 Fund		
	Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
<b>Revenue</b>						
Intergovernmental	\$ 345,000	\$ 5,750	\$ (339,250)	\$ -	\$ -	\$ -
Fines and forfeitures	-	-	-	-	-	-
Contributions	-	-	-	-	-	-
Investment income	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-
<b>Total revenue</b>	<u>345,000</u>	<u>5,750</u>	<u>(339,250)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Expenditures</b>						
Current						
General government	-	-	-	-	-	-
Public safety	-	-	-	1,361	-	1,361
Public works	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Community development	-	-	-	-	-	-
Capital outlay	308,450	5,750	302,700	-	-	-
<b>Total expenditures</b>	<u>308,450</u>	<u>5,750</u>	<u>302,700</u>	<u>1,361</u>	<u>-</u>	<u>1,361</u>
Excess (deficiency) of revenue over (under) expenditures	<u>36,550</u>	<u>-</u>	<u>(36,550)</u>	<u>(1,361)</u>	<u>-</u>	<u>1,361</u>
<b>Other financing sources</b>						
Transfers in (out)	-	-	-	-	-	-
<b>Net change in fund balances</b>	<u>36,550</u>	<u>-</u>	<u>(36,550)</u>	<u>(1,361)</u>	<u>-</u>	<u>1,361</u>
Fund balances, July 1, 2019	-	-	-	1,361	1,361	-
<b>Fund balances, June 30, 2020</b>	<u>\$ 36,550</u>	<u>\$ -</u>	<u>\$ (36,550)</u>	<u>\$ -</u>	<u>\$ 1,361</u>	<u>\$ 1,361</u>

Donations Fund			Totals		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$ -	\$ -	\$ -	\$ 1,452,450	\$ 180,310	\$(1,272,140)
-	25	25	31,000	24,611	(6,389)
35,650	103,251	67,601	35,650	103,251	67,601
-	2,320	2,320	750	2,663	1,913
106,242	108,251	2,009	122,242	112,136	(10,106)
141,892	213,847	71,955	1,642,092	422,971	(1,219,121)
-	-	-	1,065,980	7,002	1,058,978
204,867	1,047	203,820	382,108	83,097	299,011
-	-	-	86,000	-	86,000
63,558	69,427	(5,869)	68,112	77,483	(9,371)
75	-	75	75	17,971	(17,896)
-	-	-	36,292	45,487	(9,195)
268,500	70,474	198,026	1,638,567	231,040	1,407,527
(126,608)	143,373	269,981	3,525	191,931	(2,626,648)
-	-	-	(295,445)	(42,990)	252,455
(126,608)	143,373	269,981	(291,920)	148,941	(2,374,193)
119,837	119,837	-	300,791	300,791	-
\$ (6,771)	\$ 263,210	\$ 269,981	\$ 8,871	\$ 449,732	\$(2,374,193)



## **CAPITAL PROJECTS FUNDS**

**Parks Fund- (Major fund)**-accounts for the capital spending of resources via debt proceeds for the construction of the Town's parks.

**Capital Improvement Fund- (Non-major fund)**-accounts for all financial resources of the Town related to purchasing assets that meet the appropriate threshold for capitalization and take more than one year to make ready for use by the Town.

**TOWN OF CAMP VERDE, ARIZONA**  
**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual –Capital Projects Funds**  
**Year Ended June 30, 2020**

	Parks Fund (Major)		
	Budget	Actual	Variance - Positive (Negative)
<b>Expenditures</b>			
Current			
General government	\$ -	\$ -	\$ -
Public works and streets	-	-	-
Culture and recreation	-	409	(409)
Capital outlay	3,989,823	758,508	3,231,315
<b>Total expenditures</b>	<u>3,989,823</u>	<u>758,917</u>	<u>3,230,906</u>
Excess (deficiency) of revenue over (under) expenditures	<u>(3,989,823)</u>	<u>(758,917)</u>	<u>(3,230,906)</u>
<b>Other financing sources</b>			
Bond proceeds	870,000	-	(870,000)
Capital lease acquisition	-	-	-
Transfers in(out)	17,975	17,973	(2)
<b>Total other financing     sources</b>	<u>887,975</u>	<u>17,973</u>	<u>(870,002)</u>
<b>Net change in fund balances</b>	(3,101,848)	(740,944)	2,360,904
Fund balances, July 1, 2019	<u>3,114,620</u>	<u>3,114,620</u>	<u>-</u>
<b>Fund balances, June 30, 2020</b>	<u><u>\$ 12,772</u></u>	<u><u>\$ 2,373,676</u></u>	<u><u>\$ 2,360,904</u></u>



Capital Improvement Fund (Non-Major)			Total		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$ -	\$ 1,324	\$ (1,324)	\$ -	\$ 1,324	\$ (1,324)
44,299	-	44,299	44,299	-	44,299
22,754	8,336	14,418	22,754	8,745	14,009
1,170,766	381,819	788,947	5,160,589	1,140,327	4,020,262
<u>1,237,819</u>	<u>391,479</u>	<u>846,340</u>	<u>5,227,642</u>	<u>1,150,396</u>	<u>4,077,246</u>
(1,237,819)	(391,479)	(846,340)	(5,227,642)	(1,150,396)	(4,077,246)
-	-	-	870,000	-	(870,000)
-	15,644	15,644	-	15,644	15,644
<u>949,450</u>	<u>424,555</u>	<u>(524,895)</u>	<u>967,425</u>	<u>442,528</u>	<u>(524,897)</u>
949,450	440,199	(509,251)	1,837,425	458,172	(1,379,253)
(288,369)	48,720	337,089	(3,390,217)	(692,224)	2,697,993
135,707	135,707	-	3,250,327	3,250,327	-
<u>\$ (152,662)</u>	<u>\$ 184,427</u>	<u>\$ 337,089</u>	<u>\$ (139,890)</u>	<u>\$ 2,558,103</u>	<u>\$ 2,697,993</u>



## **DEBT SERVICE FUND**

**Debt Service Fund**- (Major fund)- accounts for the accumulation of resources for, and the payment of, long-term debt principal, interest and related costs.

**TOWN OF CAMP VERDE, ARIZONA**  
**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual – Debt Service Fund**  
**Year Ended June 30, 2020**

	<u>Budget</u>	<u>Actual</u>	Variance - Positive (Negative)
<b>Expenditures</b>			
Current			
Health and welfare	\$ 118,510	\$ 118,508	\$ 2
Debt service			
Principal	982,750	964,170	18,580
Interest	394,610	400,546	(5,936)
<b>Total expenditures</b>	<u>1,495,870</u>	<u>1,483,224</u>	<u>12,646</u>
Excess (deficiency) of revenue over (under) expenditures	<u>(1,495,870)</u>	<u>(1,483,224)</u>	<u>12,646</u>
<b>Other financing sources</b>			
Transfers in	<u>1,517,040</u>	<u>1,483,224</u>	<u>(33,816)</u>
<b>Total other financing     sources</b>	<u>1,517,040</u>	<u>1,483,224</u>	<u>(33,816)</u>
<b>Net change in fund balances</b>	21,170	-	(21,170)
Fund balances, July 1, 2019	-	-	-
<b>Fund balances, June 30, 2020</b>	<u><u>\$ 21,170</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (21,170)</u></u>

## **ENTERPRISE FUNDS**

Enterprise funds are used to report any activity for which a fee is charged to external users for goods or services.

**Wastewater Fund** - accounts for the costs to operate, construct, and finance the Town's wastewater treatment system.

**TOWN OF CAMP VERDE, ARIZONA**  
**Schedule of Revenues, Expenses, and Changes in Net Position**  
**Budget and Actual – Wastewater Fund**  
**Year Ended June 30, 2020**

	Budget	Actual	Variance- Positive (Negative)
<b>Operating revenues</b>			
Sewer charges	\$ 1,758,600	\$ 1,963,655	\$ 205,055
Miscellaneous	-	520	520
<b>Total operating revenues</b>	<u>1,758,600</u>	<u>1,964,175</u>	<u>205,575</u>
<b>Operating expenses</b>			
Depreciation	1,000,000	904,414	95,586
Personnel	628,255	616,303	11,952
Repairs and maintenance	125,500	172,768	(47,268)
Other	92,180	134,852	(42,672)
Materials and supplies	182,500	129,069	53,431
Utilities	118,350	107,170	11,180
Professional services	53,450	32,206	21,244
Insurance	31,000	31,000	-
<b>Total operating expenses</b>	<u>2,231,235</u>	<u>2,127,782</u>	<u>103,453</u>
<b>Operating income (loss)</b>	<u>(472,635)</u>	<u>(163,607)</u>	<u>309,028</u>
<b>Nonoperating revenues (expenses)</b>			
Interest income	1,200	1,095	(105)
Interest expense	(57,285)	(3,862)	53,423
<b>Total nonoperating revenues (expenses)</b>	<u>(56,085)</u>	<u>(2,767)</u>	<u>53,318</u>
<b>Income (loss) before contributions</b>	(528,720)	(166,374)	362,346
Capital contributions	3,000,000	177,757	(2,822,243)
Transfers	(58,344)	(70,348)	(12,004)
<b>Increase (decrease) in net position</b>	2,412,936	(58,965)	(2,471,901)
Total net position, beginning of year	<u>17,160,792</u>	<u>17,160,792</u>	<u>-</u>
<b>Total net position, end of year</b>	<u>\$ 19,573,728</u>	<u>\$ 17,101,827</u>	<u>\$ (2,471,901)</u>

## **AGENCY FUNDS**

Agency Funds are used to account for assets held by the government as an agent for individuals, private organizations, other governments and/or other funds.

**Employee Assistance Fund** – accounts for monies received from employees for providing other employees monetary assistance when in special need exists.

**Camp Verde Sanitary District Fund**- accounts for monies received from Sanitary District property tax revenues for the purpose of meeting the Districts debt service requirements.

**TOWN OF CAMP VERDE, ARIZONA**  
**Combining Statement of Changes in Assets and Liabilities**  
**Agency Funds**  
**Year Ended June 30, 2020**

<b>Employee Assistance Fund</b>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
<u>Assets</u>				
Restricted cash and investments	\$ 21,643	\$ 4,980	\$ 1,000	\$ 25,623
Total assets	<u>\$ 21,643</u>	<u>\$ 4,980</u>	<u>\$ 1,000</u>	<u>\$ 25,623</u>
<u>Liabilities</u>				
Deposit held for employees payable	\$ 21,643	\$ 4,980	\$ 1,000	\$ 25,623
Total liabilities	<u>\$ 21,643</u>	<u>\$ 4,980</u>	<u>\$ 1,000</u>	<u>\$ 25,623</u>
<b>Camp Verde Sanitary District Fund</b>				
<u>Assets</u>				
Restricted cash and investments	\$ 415,442	\$ 905,426	\$ 892,824	\$ 428,044
Total assets	<u>\$ 415,442</u>	<u>\$ 905,426</u>	<u>\$ 892,824</u>	<u>\$ 428,044</u>
<u>Liabilities</u>				
Deposit held for debt service payments	\$ 415,442	\$ 905,426	\$ 892,824	\$ 428,044
Total liabilities	<u>\$ 415,442</u>	<u>\$ 905,426</u>	<u>\$ 892,824</u>	<u>\$ 428,044</u>



**STATISTICAL SECTION**



## STATISTICAL SECTION

The statistical section presents financial statement trends as well as detailed financial and operational information not available elsewhere in the report. The statistical section is intended to enhance the reader's understanding of the information presented in the financial statements, notes to the financial statements, and other supplementary information presented in this report. The statistical section is comprised of the five categories of statistical information presented below.

### **Financial Trends**

These schedules contain information on financial trends to help the reader understand how the Town's financial position and financial activities have changed over time.

### **Revenue Capacity**

These schedules contain information to help the reader assess the factors affecting the Town's ability to generate revenue.

### **Debt Capacity**

These schedules present information to help the reader evaluate the Town's current levels of outstanding debt as well as assess the Town's ability to make debt payments and/or issue additional debt in the future.

### **Demographic and Economic Information**

These schedules present various demographic and economic indicators to help the reader understand the environment in which the Town's financial activities take place and to help make comparisons with other municipalities.

### **Operating Information**

These schedules contain information about the Town's operations and various resources to help the reader draw conclusions as to how the Town's financial information relates to the services provided by the Town.

**TOWN OF CAMP VERDE, ARIZONA**  
**Net Position by Component**  
**Last Ten Fiscal Years**  
**(Accrual basis of accounting)**

	Fiscal Year Ended June 30									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
<b>Governmental activities:</b>										
Net investment in capital assets	\$ 17,026,024	\$ 16,203,561	\$ 15,032,500	\$ 13,845,131	\$ 12,264,826	\$ 11,390,529	\$ 10,488,341	\$ 10,132,430	\$ 9,300,597	\$ 8,422,141
Restricted	976,341	760,508	1,219,663	1,304,975	2,947,478	5,567,076	2,270,348	2,460,792	2,719,944	2,545,163
Unrestricted	(5,330,970)	(4,360,071)	(4,245,869)	(3,096,115)	(2,973,565)	(5,937,276)	2,411,149	2,263,284	1,946,642	2,376,365
Total governmental activities net position	<u>\$ 12,671,395</u>	<u>\$ 12,603,998</u>	<u>\$ 12,006,294</u>	<u>\$ 12,053,991</u>	<u>\$ 12,238,739</u>	<u>\$ 11,020,329</u>	<u>\$ 15,169,838</u>	<u>\$ 14,856,506</u>	<u>\$ 13,967,183</u>	<u>\$ 13,343,669</u>
<b>Business-type activities:</b>										
Net investment in capital assets	\$ 17,957,105	\$ 17,657,237	\$ 16,848,035	\$ 17,001,697	\$ 17,609,349	\$ 18,069,267	\$ 18,613,499	N/A	N/A	N/A
Restricted	-	-	-	-	-	-	-			
Unrestricted	(855,278)	(496,445)	45,271	332,351	529,976	360,957	834,434			
Total business-type activities net position	<u>\$ 17,101,827</u>	<u>\$ 17,160,792</u>	<u>\$ 16,893,306</u>	<u>\$ 17,334,048</u>	<u>\$ 18,139,325</u>	<u>\$ 18,430,224</u>	<u>\$ 19,447,933</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Primary government</b>										
Net investment in capital assets	\$ 34,983,129	\$ 33,860,798	\$ 31,880,535	\$ 30,846,828	\$ 29,874,175	\$ 29,459,796	\$ 29,101,840	\$ 10,132,430	\$ 9,300,597	\$ 8,422,141
Restricted	976,341	760,508	1,219,663	1,304,975	2,947,478	5,567,076	2,270,348	2,460,792	2,719,944	2,545,163
Unrestricted	(6,186,248)	(4,856,516)	(4,200,598)	(2,763,764)	(2,443,589)	(5,576,319)	3,245,583	2,263,284	1,946,642	2,376,365
Total net position	<u>\$ 29,773,222</u>	<u>\$ 29,764,790</u>	<u>\$ 28,899,600</u>	<u>\$ 29,388,039</u>	<u>\$ 30,378,064</u>	<u>\$ 29,450,553</u>	<u>\$ 34,617,771</u>	<u>\$ 14,856,506</u>	<u>\$ 13,967,183</u>	<u>\$ 13,343,669</u>

**Source:** The Town's financial records.

**Note:** The Town took over the Camp Verde Sanitary District Operations July 1, 2013 and classifies them above as business-type activities.

**TOWN OF CAMP VERDE, ARIZONA**  
**Expenses, Program Revenues, and Net Expense**  
**Last Ten Fiscal Years**  
**(Accrual basis of accounting)**

	Fiscal Year Ended June 30									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
<b>Expenses</b>										
Governmental activities:										
General government	\$ 3,334,238	\$ 3,076,810	\$ 3,224,281	\$ 3,076,473	\$ 2,780,681	\$ 2,776,465	\$ 2,383,176	\$ 2,361,960	\$ 2,125,678	\$ 2,407,140
Public safety	3,554,285	3,060,944	3,178,404	3,156,111	2,786,970	3,050,800	2,601,915	2,317,487	2,209,435	2,233,318
Public works and streets	1,504,521	1,483,664	1,357,338	1,378,204	1,566,914	1,156,551	1,006,300	820,957	816,853	669,205
Health and welfare	134,008	126,049	123,589	123,627	123,664	123,700	131,233	136,266	131,300	131,331
Culture and recreation	1,392,080	1,232,178	1,418,639	1,075,309	817,187	724,730	684,280	735,840	561,166	630,502
Community development	536,787	514,618	521,685	550,246	473,270	507,702	411,023	456,020	348,532	460,601
Interest on long-term debt	386,287	364,722	271,290	169,556	108,958	224,557	107,141	125,025	112,867	100,851
Total governmental activities	<u>10,842,206</u>	<u>9,858,985</u>	<u>10,095,226</u>	<u>9,529,526</u>	<u>8,657,644</u>	<u>8,564,505</u>	<u>7,325,068</u>	<u>6,953,555</u>	<u>6,305,831</u>	<u>6,632,948</u>
Business-type activities:										
Wastewater	\$ 2,131,644	\$ 2,034,991	\$ 2,019,766	\$ 1,964,571	\$ 1,727,706	\$ 1,677,262	\$ 1,667,612	N/A	N/A	N/A
Total business-type activities	<u>2,131,644</u>	<u>2,034,991</u>	<u>2,019,766</u>	<u>1,964,571</u>	<u>1,727,706</u>	<u>1,677,262</u>	<u>1,667,612</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenses	<u>12,973,850</u>	<u>11,893,976</u>	<u>12,114,992</u>	<u>11,494,097</u>	<u>10,385,350</u>	<u>10,241,767</u>	<u>8,992,680</u>	<u>6,953,555</u>	<u>6,305,831</u>	<u>6,632,948</u>
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
General government	\$ 35,781	\$ 95,309	\$ 32,261	\$ 34,813	\$ 33,045	\$ 25,234	\$ 51,173	\$ 18,221	\$ 43,244	\$ 304,918
Public safety	392,807	402,866	358,508	441,567	481,762	457,097	412,704	454,195	373,510	88,421
Public works and streets	36,348	2,005	7,755	7,348	13,905	16,214	42,817	500	5,942	3,429
Culture and recreation	53,812	70,304	58,029	57,730	48,260	42,332	43,565	35,274	36,957	43,746
Community development	293,755	255,234	227,727	189,053	226,745	194,789	188,391	190,062	151,498	101,929
Operating grants and contributions	1,526,156	1,214,867	1,061,122	1,084,810	1,145,358	1,084,065	1,103,424	1,032,082	1,012,413	1,490,745
Capital grants and contributions	108,449	359,275	119,670	307,300	891,401	438,025	182,421	647,539	969,961	-
Total governmental activities	<u>2,447,108</u>	<u>2,399,860</u>	<u>1,865,072</u>	<u>2,122,621</u>	<u>2,840,476</u>	<u>2,257,756</u>	<u>2,024,495</u>	<u>2,377,873</u>	<u>2,593,525</u>	<u>2,033,188</u>
Business-type activities:										
Charges for services	\$ 1,964,175	\$ 1,477,127	\$ 1,152,934	\$ 1,135,373	\$ 1,085,853	\$ 1,029,111	\$ 1,036,287	N/A	N/A	N/A
Capital grants and contributions	177,757	822,243	-	-	316,450	-	-	N/A	N/A	N/A
Total business-type activities	<u>2,141,932</u>	<u>2,299,370</u>	<u>1,152,934</u>	<u>1,135,373</u>	<u>1,402,303</u>	<u>1,029,111</u>	<u>1,036,287</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total program revenues	<u>4,589,040</u>	<u>4,699,230</u>	<u>3,018,006</u>	<u>3,257,994</u>	<u>4,242,779</u>	<u>3,286,867</u>	<u>3,060,782</u>	<u>2,377,873</u>	<u>2,593,525</u>	<u>2,033,188</u>
<b>Net Expense</b>	<u>\$ (8,384,810)</u>	<u>\$ (7,194,746)</u>	<u>\$ (9,096,986)</u>	<u>\$ (8,236,103)</u>	<u>\$ (6,142,571)</u>	<u>\$ (6,954,900)</u>	<u>\$ (5,931,898)</u>	<u>\$ (4,575,682)</u>	<u>\$ (3,712,306)</u>	<u>\$ (4,599,760)</u>

**Source:** The Town's financial records.

**Note:** The Town took over the Camp Verde Sanitary District Operations July 1, 2013.

**TOWN OF CAMP VERDE, ARIZONA**  
**General Revenues and Total Changes in Net Position**  
**Last Ten Fiscal Years**  
**(Accrual basis of accounting)**

	Fiscal Year Ended June 30									
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
<b>Net Expense</b>	\$ (8,384,810)	\$ (7,194,746)	\$ (9,096,986)	\$ (8,236,103)	\$ (6,142,571)	\$ (6,954,900)	\$ (5,931,898)	\$ (4,575,682)	\$ (3,712,306)	\$ (4,599,760)
<b>General Revenues:</b>										
Governmental activities:										
Taxes:										
Sales taxes	\$ 4,640,417	\$ 4,389,578	\$ 4,642,673	\$ 3,756,648	\$ 3,915,180	\$ 2,863,839	\$ 2,597,901	\$ 2,544,473	\$ 1,738,752	\$ 1,763,488
Franchise taxes	274,961	287,034	286,341	270,925	285,834	266,973	267,059	250,327	245,501	243,353
State shared revenues	3,411,861	3,273,230	3,233,989	3,099,871	3,020,345	2,942,726	2,758,435	2,567,890	2,325,940	2,441,489
Investment earnings	30,368	76,691	17,889	27,872	29,593	15,456	27,714	33,251	13,787	12,985
Miscellaneous	34,540	30,296	13,379	91,581	80,456	7,086	13,090	69,009	11,840	53,507
Loss on Sale of Assets	0	0	0	0	(262,368)	0	0	0	0	0
Transfers	70,348	0	0	(24,740)	(33,462)	0	0	0	0	0
Total governmental activities	<u>8,462,495</u>	<u>8,056,829</u>	<u>8,194,271</u>	<u>7,222,157</u>	<u>7,035,578</u>	<u>6,096,080</u>	<u>5,664,199</u>	<u>5,464,950</u>	<u>4,335,820</u>	<u>4,514,822</u>
Business-type activities:										
Investment earnings	\$ 1,095	\$ 3,107	\$ 2,769	\$ 1,181	\$ 1,042	\$ 909	\$ 1,621	N/A	N/A	N/A
Special item*	-	-	425,000	-	-	-	20,077,637	-	-	-
Loss on Disposal of Assets	-	-	-	(2,000)	-	-	-	-	-	-
Transfers	(70,348)	-	-	24,740	33,462	-	-	-	-	-
Total business-type activities	<u>(69,253)</u>	<u>3,107</u>	<u>427,769</u>	<u>23,921</u>	<u>34,504</u>	<u>909</u>	<u>20,079,258</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Changes in Net Position</b>	<u>\$ 8,432</u>	<u>\$ 865,190</u>	<u>\$ (474,946)</u>	<u>\$ (990,025)</u>	<u>\$ 927,511</u>	<u>\$ (857,911)</u>	<u>\$ 19,811,559</u>	<u>\$ 889,268</u>	<u>\$ 623,514</u>	<u>\$ (84,938)</u>

**Source:** The Town's financial records.

**Note:** \* - The Town took over the Camp Verde Sanitary District (CVSD) Operations July 1, 2013. In doing so, just over \$20 million in assets were transferred to the Town. All debt, however, remains with CVSD and is not a part of the Town's liabilities. In 2018, a settlement was finally reached in a lawsuit which had begun prior to 7/1/13 in which the Wastewater Fund received \$425,000.

**TOWN OF CAMP VERDE, ARIZONA**  
**Fund Balances – Governmental Funds**  
**Last Ten Fiscal Years**  
**(Modified accrual basis of accounting)**

	Fiscal Year Ended June 30									
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
General Fund:										
Reserved										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 22,096
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	662,091	662,056	632,000	632,000	1,033,628
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	2,216,094	2,460,711	2,819,665	2,388,992	2,917,783	1,912,675	1,844,848	1,621,049	1,284,934	1,950,054
Total General Fund	<u>\$ 2,216,094</u>	<u>\$ 2,460,711</u>	<u>\$ 2,819,665</u>	<u>\$ 2,388,992</u>	<u>\$ 2,917,783</u>	<u>\$ 2,574,766</u>	<u>\$ 2,506,904</u>	<u>\$ 2,253,049</u>	<u>\$ 1,916,934</u>	<u>\$ 3,005,778</u>
All Other Governmental Funds:										
Reserved										
Unreserved, reported in:										
HURF fund										
Parks fund										
Housing grant fund										
Non-major Special revenue funds										
Non-major Debt service funds										
Non-major Capital projects funds										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ 79,345	\$ 83,198
Restricted	3,300,894	3,822,120	6,816,399	1,227,680	2,852,211	5,456,179	2,143,445	2,473,096	2,483,485	2,294,509
Committed	187,216	77,146	25,743	25,347	30,181	-	11,214	686,629	694,215	185,200
Assigned	184,427	135,707	474,100	215,085	551,200	431,842	491,190	-	-	-
Unassigned	-	-	-	-	(29,569)	(669,290)	(614,955)	(587,984)	(378,467)	(559,961)
Total all other governmental funds	<u>\$ 3,672,537</u>	<u>\$ 4,034,973</u>	<u>\$ 7,316,242</u>	<u>\$ 1,468,112</u>	<u>\$ 3,404,023</u>	<u>\$ 5,218,731</u>	<u>\$ 2,030,894</u>	<u>\$ 2,571,741</u>	<u>\$ 2,878,578</u>	<u>\$ 2,002,946</u>

**Source:** The Town's financial records.

**Note:** The Town implemented GASB 54 for the fiscal year ended June 30, 2011.

**TOWN OF CAMP VERDE, ARIZONA**  
**Governmental Funds Excise Tax and Other Revenues**  
**Last Ten Fiscal Years**  
**(Modified accrual basis of accounting)**

	Fiscal Year Ended June 30									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
<b>Pledged Excise Tax and State Shared Revenues</b>										
Town Sales Tax	\$ 4,640,417	\$ 4,389,578	\$ 4,642,673	\$ 3,756,648	\$ 3,915,180	\$ 2,863,839	\$ 2,597,901	\$ 2,544,473	\$ 1,738,752	
Franchise Fees	274,961	287,034	286,341	270,925	285,834	266,973	267,059	250,327	245,501	
State-shared Sales Taxes	1,160,413	1,126,974	1,079,184	1,021,663	1,027,544	993,670	946,416	889,975	849,619	
State-shared Income Taxes	1,453,365	1,356,440	1,391,933	1,364,734	1,309,108	1,316,244	1,212,909	1,110,654	917,689	
Licenses and permits	244,194	278,387	204,715	184,215	198,155	174,518	160,321	159,532	123,738	
Fines and forfeits	185,431	218,620	167,992	199,528	297,865	234,142	275,700	372,122	335,496	
Net	<u>\$ 7,958,781</u>	<u>\$ 7,657,033</u>	<u>\$ 7,772,838</u>	<u>\$ 6,797,713</u>	<u>\$ 7,033,686</u>	<u>\$ 5,849,386</u>	<u>\$ 5,460,306</u>	<u>\$ 5,327,083</u>	<u>\$ 4,210,795</u>	
<b>Other Revenues</b>										
Intergovernmental	\$ 2,417,216	\$ 2,437,966	\$ 2,057,676	\$ 2,185,513	\$ 2,483,338	\$ 2,237,439	\$ 2,049,430	\$ 2,281,445	\$ 2,271,505	
Charges for services	157,973	81,166	115,919	169,610	122,360	86,718	92,682	86,994	86,787	
Contributions and donations	103,251	54,076	35,333	96,139	426,638	70,544	17,389	16,478	361,292	
Investment income	30,368	76,692	17,888	27,871	29,594	15,456	27,714	33,251	13,787	
Other	229,107	166,216	51,042	121,278	201,094	36,828	68,768	58,742	36,021	
Net	<u>\$ 2,937,915</u>	<u>\$ 2,816,116</u>	<u>\$ 2,277,858</u>	<u>\$ 2,600,411</u>	<u>\$ 3,263,024</u>	<u>\$ 2,446,985</u>	<u>\$ 2,255,983</u>	<u>\$ 2,476,910</u>	<u>\$ 2,769,392</u>	
<b>Total revenues</b>	<u>\$ 10,896,696</u>	<u>\$ 10,473,149</u>	<u>\$ 10,050,696</u>	<u>\$ 9,398,124</u>	<u>\$ 10,296,710</u>	<u>\$ 8,296,371</u>	<u>\$ 7,716,289</u>	<u>\$ 7,803,993</u>	<u>\$ 6,980,187</u>	
Taxes										\$ 2,006,841
Intergovernmental										3,899,960
Fines and forfeits										278,736
Licenses and permits										102,725
Charges for services										82,052
Contributions and donations										106,964
Investment income										12,984
Other										153,035
Total revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,643,297</u>

Source: The Town's financial records.

\*Revenue was rearranged starting in FY2012 for bond reporting requirements



**TOWN OF CAMP VERDE, ARIZONA**  
**Governmental Funds Expenditures and Debt Service Ratio**  
**Last Ten Fiscal Years**  
**(Modified accrual basis of accounting)**

	<b>Fiscal Year Ended June 30</b>									
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
<b>Expenditures:</b>										
Current -										
General government	\$ 3,191,448	\$ 3,068,302	\$ 3,132,285	\$ 2,790,435	\$ 2,550,697	\$ 2,630,384	\$ 2,316,759	\$ 2,307,763	\$ 2,064,569	\$ 2,333,981
Public safety	3,129,841	2,901,210	2,623,034	2,797,062	2,560,276	2,613,138	2,400,085	2,222,092	2,148,531	2,080,685
Public works and streets	940,297	994,488	883,136	869,501	1,056,558	815,101	741,300	655,285	688,127	528,172
Health and welfare	134,008	126,049	123,589	123,627	123,664	123,700	131,233	136,266	131,300	131,332
Culture and recreation	1,101,713	1,009,237	903,356	877,693	720,032	634,283	623,996	680,810	508,581	579,516
Community development	507,400	533,273	493,695	497,966	415,069	465,074	391,601	455,170	352,412	345,807
Capital outlay	1,216,567	5,188,461	1,746,897	3,047,920	4,254,033	860,979	969,031	1,801,828	913,146	2,059,278
Debt service -										
Principal retirement	966,653	845,021	776,788	658,242	375,191	326,949	319,327	164,828	302,011	141,408
Interest and fiscal charges	401,814	382,986	159,746	175,640	209,419	78,312	118,067	116,056	84,722	103,044
Bond issuance costs	-	-	257,580	-	-	-	-	-	-	25,000
<b>Total expenditures</b>	<u>\$ 11,589,741</u>	<u>\$ 15,049,027</u>	<u>\$ 11,100,106</u>	<u>\$ 11,838,086</u>	<u>\$ 12,264,939</u>	<u>\$ 8,547,920</u>	<u>\$ 8,011,399</u>	<u>\$ 8,540,098</u>	<u>\$ 7,193,399</u>	<u>\$ 8,328,223</u>
Expenditures for capitalized assets	\$ 1,216,567	\$ 5,188,461	\$ 1,746,897	\$ 3,047,920	\$ 4,254,033	\$ 860,979	\$ 969,031	\$ 1,801,828	\$ 913,146	\$ 1,884,647
Debt service as a percentage of noncapital expenditures	13%	12%	13%	9%	7%	5%	6%	4%	6%	4%

**Source:** The Town's financial records.

**TOWN OF CAMP VERDE, ARIZONA**  
**Other Financing Sources and Uses and Net Change in Fund Balances – Governmental Funds**  
**Last Ten Fiscal Years**  
**(Modified accrual basis of accounting)**

	<b>Fiscal Year Ended June 30</b>									
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
<b>Excess (deficiency) of revenues over expenditures</b>	\$ (693,045)	\$ (4,575,878)	\$ (1,049,410)	\$ (2,439,962)	\$ (1,968,229)	\$ (251,549)	\$ (295,110)	\$ (736,105)	\$ (213,212)	\$ (1,684,926)
<b>Other financing sources (uses):</b>										
Capital lease agreements	\$ 15,644	\$ 935,655	\$ 296,445	\$ -	\$ 530,000	\$ -	\$ 8,838	\$ 764,664	\$ -	\$ 208,237
Proceeds of long-term debt issuance	-	-	7,031,769	-	-	4,904,000	-	-	-	1,005,000
Payments to Refunding Bond Trustee	-	-	-	-	-	(1,396,752)	-	-	-	-
Transfers in	2,055,772	2,417,431	1,825,724	2,264,518	1,618,470	894,208	641,103	266,480	1,729,132	411,442
Transfers out	(1,985,424)	(2,417,431)	(1,825,724)	(2,289,258)	(1,651,932)	(894,208)	(641,103)	(266,480)	(1,729,132)	(411,442)
Total other financing sources (uses)	<u>85,992</u>	<u>935,655</u>	<u>7,328,214</u>	<u>(24,740)</u>	<u>496,538</u>	<u>3,507,248</u>	<u>8,838</u>	<u>764,664</u>	<u>-</u>	<u>1,213,237</u>
<b>Changes in fund balances</b>	<u>\$ (607,053)</u>	<u>\$ (3,640,223)</u>	<u>\$ 6,278,804</u>	<u>\$ (2,464,702)</u>	<u>\$ (1,471,691)</u>	<u>\$ 3,255,699</u>	<u>\$ (286,272)</u>	<u>\$ 28,559</u>	<u>\$ (213,212)</u>	<u>\$ (471,689)</u>

Source: The Town's financial records.

**TOWN OF CAMP VERDE, ARIZONA**  
**Tax Revenues by Category**  
**Last Ten Fiscal Years**  
**(Modified accrual basis of accounting)**

	<b>Fiscal Year Ended June 30</b>									
	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
Retail Trade	\$ 2,205,958	\$ 1,843,283	\$ 1,805,886	\$ 1,596,344	\$ 1,569,254	\$ 1,203,872	\$ 1,142,430	\$ 1,105,685	\$ 790,896	\$ 788,663
Restaurants & Bars	758,279	737,234	713,275	659,258	708,520	520,320	473,070	437,452	309,169	301,925
Communications & Utilities	366,405	369,908	373,162	358,356	394,159	269,845	230,848	251,911	127,280	167,542
Construction	369,451	494,937	882,868	320,451	366,968	212,866	182,702	236,112	128,008	142,535
Real Estate, Rental & Leasing	313,079	283,482	252,516	235,245	215,991	173,914	170,109	170,973	147,728	134,821
Accommodation	265,804	277,882	291,544	294,627	239,218	207,993	138,850	131,748	88,626	84,609
Arts & Entertainment	123,887	146,909	156,189	146,780	167,769	134,961	114,106	92,444	59,604	62,416
Manufacturing	10,960	10,992	14,000	14,663	15,015	67,644	75,231	72,694	57,808	52,222
Use Tax	208,474	207,262	134,415	116,350	151,626	N/A	N/A	N/A	N/A	N/A
Other	18,120	17,689	18,818	14,575	86,660	71,912	67,486	42,385	26,309	28,756
<b>Total</b>	<b>\$ 4,640,417</b>	<b>\$ 4,389,578</b>	<b>\$ 4,642,673</b>	<b>\$ 3,756,649</b>	<b>\$ 3,915,180</b>	<b>\$ 2,863,327</b>	<b>\$ 2,594,832</b>	<b>\$ 2,541,404</b>	<b>\$ 1,735,428</b>	<b>\$ 1,763,489</b>
Total revenue % growth by year	5.7%	-5.5%	23.6%	-4.0%	36.7%	10.3%	2.1%	46.4%	-1.6%	-13.3%

**Source:** The Town's financial records and the Arizona Dept. of Revenue.

**Note:** See tax rate changes on the following page.

Use Tax was separated out as a new category in FY16. Prior to FY16, most Use Tax Revenues were included in Retail Trade.

**TOWN OF CAMP VERDE, ARIZONA**  
**Tax Revenues by Source**  
**Last Ten Fiscal Years**  
**(Modified accrual basis of accounting)**

<u>Fiscal Year</u>	<u>City Sales Tax</u>	<u>Franchise Tax</u>	<u>Accomodation/ Bed Tax</u>	<u>Total</u>
2020	\$ 4,374,613	\$ 274,961	\$ 265,804	\$ 4,915,378
2019	4,111,696	287,034	277,882	4,676,612
2018	4,351,129	286,341	291,544	4,929,014
2017	3,462,021	270,925	294,627	4,027,573
2016	3,675,962	285,834	239,218	4,201,014
2015	2,655,846	266,973	207,993	3,130,812
2014	2,459,051	267,059	138,850	2,864,960
2013	2,412,725	250,327	131,748	2,794,800
2012	1,650,126	245,501	88,626	1,984,253
2011	1,678,879	243,353	84,609	2,006,841

**Source:** The Town's financial records and the Arizona Dept. of Revenue.

**TOWN OF CAMP VERDE, ARIZONA**  
**Direct and Overlapping Sales Tax Rates**  
**Last Ten Fiscal Years**

Overlapping Rates						
Fiscal Year Ended June 30	Town of Camp Verde				Yavapai County	Arizona State
	Sales Tax	Hospitality	Real Property Rentals	Construction		
2020	3.65	6.65	2.00	3.65	0.75	5.60
2019	3.65	6.65	2.00	3.65	0.75	5.60
2018	3.65	6.65	2.00	3.65	0.75	5.60
2017	3.65	6.65	2.00	3.65	0.75	5.60
2016	3.65	6.65	2.00	3.65	0.75	5.60
2015	3.65	6.65	2.00	3.65	0.75	5.60
2014	3.00	6.00	2.00	3.00	0.75	5.60
2013	3.00	6.00	2.00	3.00	0.75	5.60
2012	2.00	4.00	2.00	3.00	0.75	6.60
2011	2.00	4.00	2.00	3.00	0.75	6.60

**Source:** Arizona Department of Revenue.

**TOWN OF CAMP VERDE, ARIZONA**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**

Fiscal Year	Governmental Activities			Business-type Activities			Total Outstanding Debt		
	Revenue Bonds	Capital Leases	Loans Payable	Revenue Bonds	Capital Leases	Loans Payable	Total Debt	Percentage of Personal Income	Per Capita
2020	\$ 10,570,111	\$ 779,432	\$ -	\$ -	\$ 167,084	\$ 840,002	\$ 12,356,629	N/A	\$ 1,114
2019	11,171,658	1,136,182	-	-	276,342	-	12,584,182	0.13%	\$ 1,125
2018	11,755,884	469,090	-	-	383,926	60,175	12,669,075	0.14%	1,140
2017	5,134,856	535,903	-	-	489,862	-	6,160,621	0.07%	556
2016	5,533,522	795,481	-	-	-	-	6,329,003	0.08%	577
2015	5,702,227	471,967	-	-	-	-	6,174,194	0.08%	563
2014	2,281,084	625,670	-	-	-	-	2,906,754	0.04%	266
2013	2,446,200	770,465	-	-	-	-	3,216,665	0.05%	293
2012	2,600,000	11,463	5,276	-	-	-	2,616,739	0.04%	240
2011	2,685,000	224,305	9,665	-	-	-	2,918,970	0.05%	269

**Source:** The Town's financial records.

**Note:** FY20 personal income information was not available at the time the audit was completed.

**TOWN OF CAMP VERDE, ARIZONA**  
**Ratios of General Bonded Debt Outstanding**  
**Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>Revenue Bonds</u>	<u>Total Bonds</u>	<u>Per Capita</u>
2020	\$ 10,570,111	\$ 10,570,111	\$ 953
2019	11,171,658	11,171,658	999
2018	11,755,884	11,755,884	1,058
2017	5,134,856	5,134,856	463
2016	5,533,522	5,533,522	505
2015	5,702,227	5,702,227	520
2014	2,281,084	2,281,084	209
2013	2,446,200	2,446,200	223
2012	2,600,000	2,600,000	239
2011	2,685,000	2,685,000	247

**Source:** The Town's financial records.

**TOWN OF CAMP VERDE, ARIZONA**  
**Direct and Overlapping Governmental Activities Debt**  
**June 30, 2020**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable to Town</u>	<u>Estimated Amount Applicable to Town</u>
Overlapping:			
Yavapai County Community College*	\$ 10,540,000	2.7% (1)	\$ 281,252
Camp Verde Unified School District	966,000	92.7% (1)	895,572
Copper Canyon Fire	1,739,498	50.0% (2)	869,749
Camp Verde Sanitary District	8,056,156	100.0% (1)	<u>8,056,156</u>
Total Overlapping Debt			<u>\$ 10,102,729</u>
Direct:			
Town of Camp Verde	<u>\$ 11,349,543</u>	100.0%	<u>\$ 11,349,543</u>
Total Direct and Overlapping Debt			<u>\$ 21,452,272</u>

**Sources:** Arizona Department of Revenue (azdor.gov) Bonded Indebtedness report  
Yavapai County Assessor's Office final NAV report  
Copper Canyon Fire

**Notes:** 1) The estimated percentage applicable to Town is determined by dividing the Town's secondary net assessed value by the jurisdiction's secondary net assessed value.  
2) The estimated percentage applicable to Town is estimated Copper Canyon Fire's estimated operations coverage, 50% in Camp Verde and 50% in Rimrock/Lake Montezuma.



**TOWN OF CAMP VERDE, ARIZONA**  
**Legal Debt Margin Information**  
**Last Ten Fiscal Years**

**Fiscal Year Ended June 30**

**6% Debt Limit**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Debt Limit	\$ 4,543,761	\$ 4,321,124	\$ 4,079,704	\$ 3,918,861	\$ 3,757,240	\$ 3,687,892	\$ 3,699,522	\$ 3,934,590	\$ 4,277,044	\$ 4,901,991
Total applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	<u>\$ 4,543,761</u>	<u>\$ 4,321,124</u>	<u>\$ 4,079,704</u>	<u>\$ 3,918,861</u>	<u>\$ 3,757,240</u>	<u>\$ 3,687,892</u>	<u>\$ 3,699,522</u>	<u>\$ 3,934,590</u>	<u>\$ 4,277,044</u>	<u>\$ 4,901,991</u>
Total net debt applicable to the limit as a percentage of the debt limit	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

**Fiscal Year Ended June 30**

**20% Debt Limit**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Debt Limit	\$ 15,145,871	\$ 14,403,746	\$ 13,599,013	\$ 13,062,869	\$ 12,524,135	\$ 12,292,972	\$ 12,331,739	\$ 13,115,301	\$ 14,256,813	\$ 16,339,970
Total applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	<u>\$ 15,145,871</u>	<u>\$ 14,403,746</u>	<u>\$ 13,599,013</u>	<u>\$ 13,062,869</u>	<u>\$ 12,524,135</u>	<u>\$ 12,292,972</u>	<u>\$ 12,331,739</u>	<u>\$ 13,115,301</u>	<u>\$ 14,256,813</u>	<u>\$ 16,339,970</u>
Total net debt applicable to the limit as a percentage of the debt limit	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

**Source:** The Town's financial records and the Yavapai County Assessor's Office.

**TOWN OF CAMP VERDE, ARIZONA**  
**Pledged Revenue Coverage**  
**Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Revenue Bonds</b>				<b>Excise Tax Coverage</b>
	<b>Excise Tax Revenue</b>	<b>Debt Service</b>			
		<b>Principal</b>	<b>Interest</b>		
2020	\$ 8,327,239	\$ 594,259	\$ 340,999		8.9
2019	7,949,842	576,938	359,734		8.5
2018	8,163,003	410,741	146,450		14.7
2017	7,127,444	398,666	158,801		12.8
2016	7,221,359	168,706	197,473		19.7
2015	6,073,538	172,857	66,610		25.4
2014	5,623,395	165,115	105,755		20.8
2013	5,362,690	153,800	112,998		20.1
2012	4,310,193	85,000	102,793		23.0
2011	4,448,330	85,000	82,725		26.5

**Source:** The Town's financial records.

**TOWN OF CAMP VERDE, ARIZONA**  
**Demographic and Economic Statistics – Yavapai County**  
**Last Ten Calendar Years**

<u>Year</u>	<u>Town of Camp Verde Population</u>	<u>Yavapai County Population</u>	<u>County Personal Income (1)</u>	<u>County Per Capita Income</u>	<u>County Unemployment Rate</u>
2020	11,093	236,426	N/A	N/A	9.1 %
2019	11,187	235,099	\$ 9,731,391	\$ 41,393	4.6 %
2018	11,113	228,970	9,352,066	40,844	4.3 %
2017	11,083	225,364	8,753,027	37,398	4.5 %
2016	10,968	221,496	8,200,091	37,021	5.0 %
2015	10,970	217,778	7,840,057	36,000	5.7 %
2014	10,925	214,357	7,448,645	34,749	6.4 %
2013	10,960	213,294	6,857,938	32,153	7.9 %
2012	10,883	211,583	6,561,210	31,010	8.8 %
2011	10,849	211,247	6,335,379	29,990	10.7 %

**Sources:** Bureau of Economic Analysis (bea.gov)  
Arizona Office of Employment & Population Statistics (azstats.gov)  
WorldPopulationReview.com

**Note:** (1) - In thousands of dollars  
2019 County personal income was not available from BEA at the time of printing.

**TOWN OF CAMP VERDE, ARIZONA**  
**Principal Employers – Yavapai County**  
**Current, Prior, & Nine Years Ago Fiscal Years**

<u>Employer</u>	<u>2020</u>		<u>2019</u>	<u>2011</u>
	<u>Employees</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Employees</u>
Cliff Castle Casino & Hotel	456	13.4 %	456	N/A
Yavapai-Apache Nation	215	6.3	328	N/A
Yavapai County	300	8.8	309	N/A
Camp Verde School District	222	6.5	212	N/A
Town of Camp Verde	138	4.1	135	N/A
Bashas	115	3.4	117	N/A
Rainbow Acres	98	2.9	110	N/A
The Haven of Camp Verde	71	2.1	74	N/A
Copper Canyon Fire District	60	1.8	54	N/A
Goettles High Desert Mechanical	52	1.5	50	N/A
Total	<u>1,727</u>	<u>50.7 %</u>	<u>1,845</u>	<u>-</u>
Total Est'd Employment*	<u>3,403</u>		<u>3,751</u>	<u>N/A</u>

**Source(s):** The Town's financial records.

**Note:** Employment information for FY2011 is not available. The Town began tracking employment information in FY13.

Total employment for 2019 & 2020 is estimated by the Town.

**TOWN OF CAMP VERDE, ARIZONA**  
**Full-Time Equivalent City Government Employees by Function/Program**  
**Last Ten Fiscal Years**

	<b>Full-time Equivalent Employees as of June 30</b>									
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
<b>General Government</b>										
Management Services	5.2	5.2	5.1	4.6	4.6	5.2	5.1	5.1	5.1	5.4
Finance	3.0	3.0	3.0	3.0	3.1	2.2	2.2	2.0	2.0	1.0
Economic Development	3.1	2.9	3.2	2.8	2.0	1.6	1.6	1.0	1.0	0.0
Municipal Court	6.2	5.7	4.7	4.7	5.7	5.6	5.6	5.6	5.6	5.6
<b>Total General Government</b>	<u>17.5</u>	<u>16.8</u>	<u>16.0</u>	<u>15.1</u>	<u>15.4</u>	<u>14.6</u>	<u>14.5</u>	<u>13.7</u>	<u>13.7</u>	<u>12.0</u>
<b>Public Safety</b>										
Marshal's Department	33.8	34.0	31.0	31.4	33.1	32.2	30.2	26.7	28.0	26.0
Animal Control	1.0	1.0	0.5	1.0	1.0	1.0	1.0	1.0	1.0	1.0
<b>Total Public Safety</b>	<u>34.8</u>	<u>35.0</u>	<u>31.5</u>	<u>32.4</u>	<u>34.1</u>	<u>33.2</u>	<u>31.2</u>	<u>27.7</u>	<u>29.0</u>	<u>27.0</u>
<b>Public Works</b>										
Admin	2.2	2.2	2.5	2.6	2.8	2.8	2.4	1.7	1.0	1.0
Streets	5.2	5.0	4.9	4.7	6.1	5.2	6.2	5.8	5.4	5.0
Maintenance	10.0	9.6	9.1	8.1	8.0	7.4	7.2	6.2	6.4	7.0
<b>Total Public Works</b>	<u>17.4</u>	<u>16.8</u>	<u>16.5</u>	<u>15.4</u>	<u>16.9</u>	<u>15.4</u>	<u>15.8</u>	<u>13.7</u>	<u>12.8</u>	<u>13.0</u>
<b>Library</b>	9.4	8.3	7.5	6.4	6.2	6.2	5.8	5.3	5.4	4.2
<b>Parks &amp; Recreation</b>	7.3	6.1	5.6	5.6	4.6	4.6	4.3	3.5	3.6	3.6
<b>Community Development</b>	6.8	6.8	6.2	8.0	6.0	6.0	5.0	5.0	5.0	4.0
<b>Sewer</b>	8.5	8.6	8.4	8.4	8.1	7.2	7.1	N/A	N/A	N/A
<b>Total</b>	<u>101.7</u>	<u>98.4</u>	<u>91.7</u>	<u>91.3</u>	<u>91.3</u>	<u>87.1</u>	<u>83.7</u>	<u>68.9</u>	<u>69.4</u>	<u>63.8</u>

Source: The Town's financial records.

**TOWN OF CAMP VERDE, ARIZONA**  
**Capital Assets Statistics by Function**  
**Last Ten Fiscal Years**

Fiscal Year Ended June 30

<u>Function</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
<b>Public Safety</b>										
Police stations	1	1	1	1	1	1	1	1	1	1
Police patrol vehicles	23	19	24	25	23	31	31	22	19	17
<b>Streets</b>										
Streets (miles)	113	112	110	110	110	110	110	110	110	110
Streetlights	122	122	122	110	110	110	110	110	110	110
Traffic signals	7	7	5	6	6	6	6	6	6	6
<b>Parks and Recreation</b>										
Parks developed	4	4	4	4	4	4	4	4	4	4
Parks acreage	138	138	138	138	138	138	138	138	138	138
Swimming pools	1	1	1	1	1	1	1	1	1	1
Tennis courts	1	1	1	1	1	1	1	1	1	1
<b>Sewer</b>										
Pipeline (Miles)	37	34	34	31	31	29	29	29	29	29
Manholes	519	519	490	490	459	440	440	440	440	440
Connections	1,040	1,043	989	964	964	959				
Annual processed sewage (in millions of gals)	86	94	96	86	86	86				

**Source:** The Town's facilities records.

**TOWN OF CAMP VERDE, ARIZONA**  
**Operating Indicators By Function**  
**Last Ten Fiscal Years**

<u>Function</u>	<u>Fiscal Year Ended June 30</u>									
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
<b>General Government</b>										
Business Licenses	783	801	820	833	823	673	645	650	582	555
<b>Public Safety</b>										
Total Incidents	8,350	9,914	9,829	10,853	15,762	10,020	13,782	10,462	11,614	11,234
<b>Public Works</b>										
Street Resurfacing (miles)	-	-	-	-	0.92	-	-	-	0.31	-
<b>Library</b>										
Circulation	120,532	130,713	133,135	123,127	63,976	62,140	52,631	51,303	63,580	59,883
Traffic	81,829	101,854	95,490	87,357	67,978	67,824	33,787	27,766	25,831	22,336
<b>Community Development</b>										
Building Permits	432	409	428	400	324	331	362	387	312	341

Source: The Town's records.