



Annual Comprehensive Financial Report

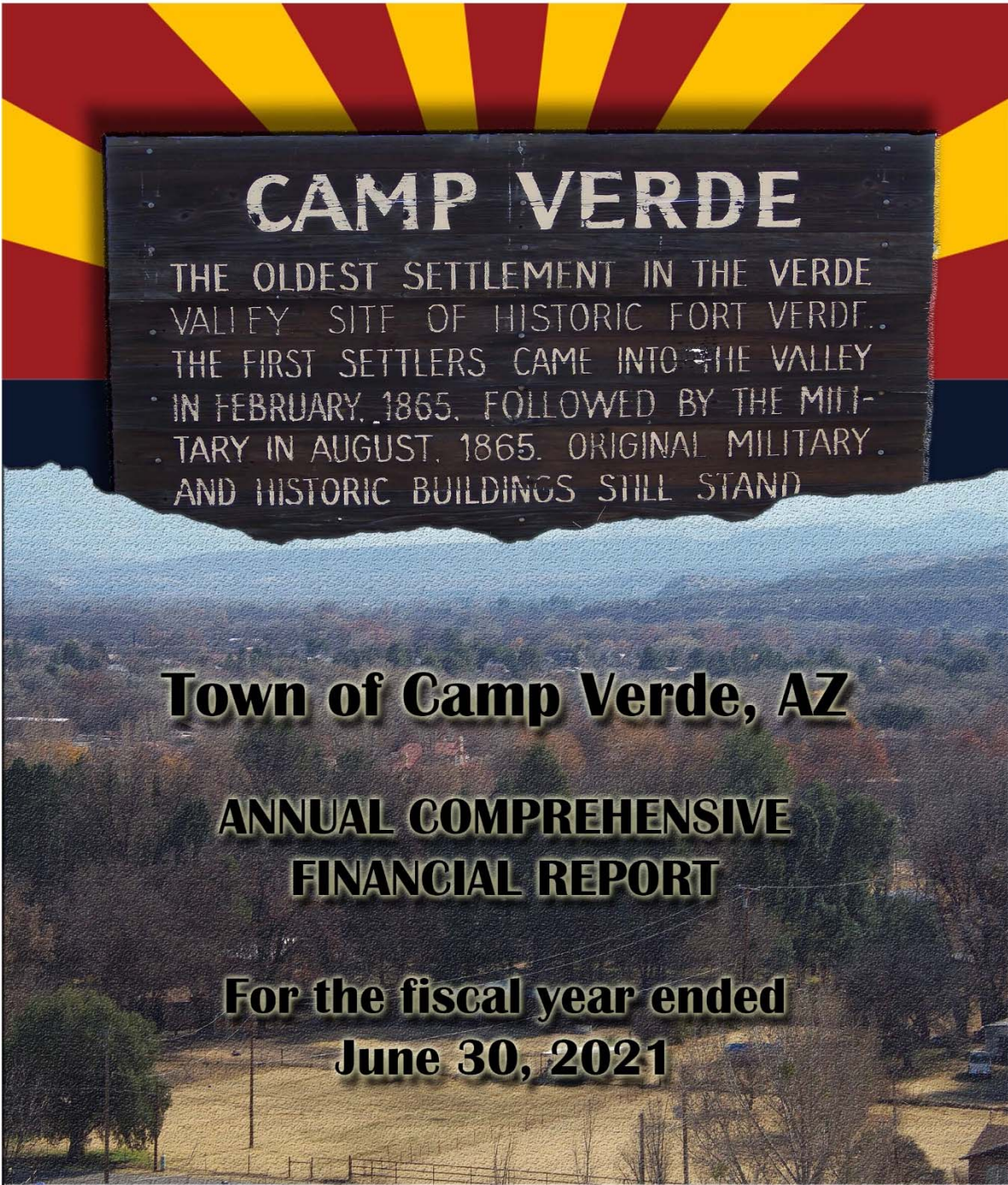
For the Fiscal Year Ended June 30, 2021



Town of Camp Verde, Arizona

473 S Main Street
Camp Verde, AZ 86322
(928) 554-0000
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

ANNUAL COMPREHENSIVE FINANCIAL REPORT

**For the fiscal year ended
June 30, 2021**

Prepared by:
The Finance Department

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Town of Camp Verde

Gateway to the Verde Valley

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March 25, 2022

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 Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2021. The Town of Camp Verde (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, 2021. 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 just over 12,000 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 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 represent 56% of total general fund revenues and have grown 68% in the 5-year period since FY16; an average annual growth rate of 10.9% per year. In reality though, a large part of that increase comes directly from FY21 which actually saw a 41% increase in local sales tax revenues from FY20. The Retail segment is still the frontrunner of the various sales tax categories at just under \$3.1M, which is 3-times greater than the next highest category, Restaurants sitting at \$1 million in FY21. The Town continues to maintain a very positive economic position

with an unassigned general fund balance of \$4,686,184. That is 111% higher than FY20's \$2,216,094.

Our 3 main general fund tax revenues from the State (state income, sales tax and vehicle license tax) have been generally growing between 2% and 4% each year since FY16. However, in FY21 these three combined for a 13.4% increase from FY20. Currently, these 3 revenue lines make up 33% 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 expect to see a significant jump in local population over the next several years.

Long-Term Financial Planning

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

1. *Create marketing program focused on business development, tourism and support, healthcare expansion and Main St. area.*

2. *Providing access to the Verde River.*

The Town is currently working to complete a new trailhead on the Verde river.

3. *Fully develop the Camp Verde Sports Complex.*

The Town is committed to completing all ballfields originally planned in the Sports Park. To that end, the Town is projecting to obtain a \$2.5 million matching grant to add to debt funding already provided.

4. *Become the water provider in Town through acquisition of a local water company.*

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.

5. *Expand wastewater services Northward along Hwy 260.*

The town has procured a \$1.2 million loan through WIFA for engineering costs to extend wastewater services along Highway 260. Once these engineering is complete, the Town expects to obtain a construction loan from WIFA to build out the extension line.

6. *Stimulate the growth of quality affordable housing.*

Currently, over 400 new modular homes are being built

7. *Encourage development that retains our rural and historical, western character while following the layout of the General Plan.*

8. *Retain current employee's while attracting and developing leaders of respect within their fields.*

Council has recently had a new wage study completed and updated the Town's wage schedule from the results of the study. Raises were given to all staff based conceptually on where they would be on the new schedule considering length of service and level of position. Council does not want wages to be a deterrent to employment with the Town.

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 9 years.

Major Initiatives for FY22

- 1) Completion of the new Camp Verde Sports Complex.
- 2) Complete engineering design for wastewater service expansion Northward along Highway 260.
- 3) Completion of major wastewater capital improvements.
- 4) Major wage scale overhaul including \$800,000 for increased wages and ERE.

AWARDS & ACKNOWLEDGEMENTS

Awards

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

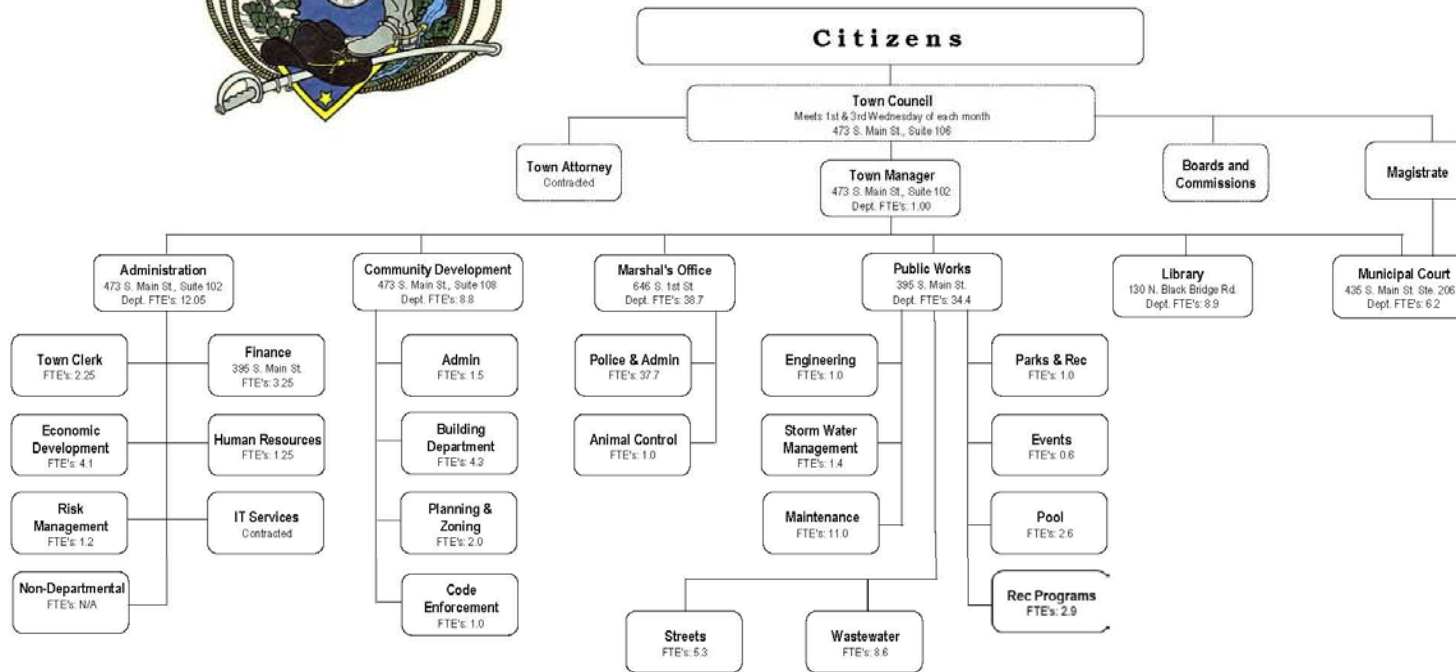


Michael E. Showers
Finance Director



Town of Camp Verde, Arizona

Town Organization Chart





Town of Camp Verde

Key Officials and Staff

Mayor and Council Members

Mayor Dee Jenkins, Vice-Mayor Joe Butner.
Councilor Bill LeBeau, Councilor Robin Whatley, Councilor Cris McPhail, Councilor Jessie Murdock, Councilor Jakie Baker.



Department Heads

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

John Knight, *Community Development Director*
Ronald Long, *Engineer/Public Works Director*
Steve Ayers, *Economic Development Director*
Veronica Pineda, *Court Supervisor*
Heather Vinson, *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 Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morill

Executive Director/CEO



FINANCIAL SECTION





COLBY &
POWELL, PLC

CERTIFIED PUBLIC ACCOUNTANTS

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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, 2021, 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, 2021, 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 - 17, Budgetary Comparison Schedule on page 64, Schedule of the Town's Proportionate Share of the Net Pension/OPEB Liability – Cost-Sharing Pension Plans on page 66, Schedule of Changes in the Town's Net Pension/OPEB Liability (Asset) and Related Ratios – Agent Pension Plans on page 67 and Schedule of Town Pension/OPEB Contributions on page 69 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 March 25, 2022, 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.



March 25, 2022

**TOWN OF CAMP VERDE, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
FISCAL YEAR ENDED JUNE 30, 2021**

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, 2021 (FY21). Please read it in conjunction with the Town's basic financial statements, which begin on page 18.

FINANCIAL HIGHLIGHTS

- Construction continued on the Camp Verde Sports Complex which comprises a significant investment by the Town. Through June 30, 2021, the Town has spent \$6.89 million developing the 110-acre park including \$2.2 million spent in FY21. Construction will continue throughout FY22, with most fields (soccer, baseball, football) being fully installed. The Town is also waiting to see if it will be awarded a federal grant (originally expected in February of 2021) which could add \$2.5 million of matching funds to the Sports Park.
- Wastewater plant improvements continued with the use of funds from a FY20 \$3.5 million Water Infrastructure Authority (WIFA) loan. The \$3.5 million loan package included a \$1 million debt forgiveness grant bringing the total amount due on the note to just below \$2.5 million. In FY21, the Town spent another \$350 thousand on these improvements bringing the total amount drawn down to just over \$2.5 million.
- The Town leased 6 new police vehicles in FY21 for a total purchase cost of just under \$360 thousand. All vehicles are leased through Enterprise Fleet management for a period of 5 years. Total lease payments in FY21 for these new vehicles was \$33,733.
- Homestead parkway, a new road off of Highway 260, was completed in FY21 allowing both housing and commercial projects to begin in that area. The total cost of the new road was \$395 thousand with \$364 thousand expensed in FY21. The future economic impact of that corridor is expected to be significant for future town tax revenues.
- Local TPT revenues (sales tax) climbed up significantly in FY21. Revenues grew 41% from FY20 bringing in \$1.9 million more in local TPT revenues. That increase alone, was 16% of the Town's total general Fund revenues in FY21. Local TPT revenues in total for FY21 were 56% of the Town's total General Fund revenue.
- Among major governmental funds:
 - The General Fund had \$11.7 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 \$8.8 million with net transfers out of \$476 thousand taking the General Fund unassigned fund balance up nearly \$2.5 million in FY21 to nearly \$4.7 million.

**TOWN OF CAMP VERDE, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
FISCAL YEAR ENDED JUNE 30, 2021**



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, 2021**



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 20 for the General, Parks, & Debt Service Funds, all of which are considered major funds. Data from the other nine (9) 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 76-94.

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 24-27 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 custodial fiduciary funds. The fiduciary fund financial statements can be found on pages 28-29 of this report.

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 30-61.

**TOWN OF CAMP VERDE, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
FISCAL YEAR ENDED JUNE 30, 2021**

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 64.

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 \$30.3 million as of June 30, 2021, which is an increase of nearly 2 million as compared to the previous year. The following table presents a summary of the Town's net position for the fiscal years ended June 30, 2021 and 2020:

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Assets						
Current assets	\$ 11,410,892	\$ 6,840,544	\$ 359,961	\$ 65,146	\$ 11,770,853	\$ 6,905,690
Capital assets, net	27,214,289	24,577,168	18,668,979	18,964,191	45,883,268	43,541,359
Other non-current assets	-	49,123	-	-	-	49,123
Total assets	<u>38,625,181</u>	<u>31,466,835</u>	<u>19,028,940</u>	<u>19,029,337</u>	<u>57,654,121</u>	<u>50,496,172</u>
Liabilities						
Current and other liabilities	4,025,331	2,413,685	420,495	341,341	4,445,826	2,755,026
Long-term liabilities	20,912,454	17,684,685	1,952,989	1,620,072	22,865,443	19,304,757
Total liabilities	<u>24,937,785</u>	<u>20,098,370</u>	<u>2,373,484</u>	<u>1,961,413</u>	<u>27,311,269</u>	<u>22,059,783</u>
Deferred Inflows/(Outflows) of Resources						
Def'd outflows related to pensions	(2,287,095)	(1,689,271)	(127,376)	(77,393)	(2,414,471)	(1,766,664)
Def'd inflows related to pensions	171,801	386,341	16,277	43,490	188,078	429,831
Net deferred inflows/(outflows) of resources	<u>\$ (2,115,294)</u>	<u>\$ (1,302,930)</u>	<u>\$ (111,099)</u>	<u>\$ (33,903)</u>	<u>\$ (2,226,393)</u>	<u>\$ (1,336,833)</u>
Net Position						
Net investment in capital assets	19,542,531	17,026,024	17,235,904	17,659,687	36,778,435	34,685,711
Restricted	3,754,595	976,341	-	-	3,754,595	976,341
Unrestricted	(7,494,436)	(5,330,970)	(469,349)	(557,860)	(7,963,785)	(5,888,830)
Total net position	<u>\$ 15,802,690</u>	<u>\$ 12,671,395</u>	<u>\$ 16,766,555</u>	<u>\$ 17,101,827</u>	<u>\$ 32,569,245</u>	<u>\$ 29,773,222</u>

**TOWN OF CAMP VERDE, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
FISCAL YEAR ENDED JUNE 30, 2021**



GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Governmental Activities. The Town's net position from governmental activities grew 25% in FY21 or \$3.1 million to \$15.8 million. There are a few significant factors behind the \$3.1 million increase and larger changes in assets and liabilities in the Statement of Net Position. Most notably the \$1.87 million of ARPA funds received at the very end of June, creating an unearned revenue liability of \$1.87 million and increasing cash by the same amount. The Town also took out a second loan (\$2.87 million) in FY21 for further Sports Park development. This increased the long-term liabilities as well as combining with previous loan funds expended to create more capital asset expenditures. Sports Park infrastructure expenses alone account for \$2.2 million of the increase in capital assets. Lastly, the creation of Homestead Parkway (\$364 thousand in FY21), the purchase of the 6 marshal's office vehicles mentioned above (\$360 thousand) and a CDBG sidewalk project (\$351 thousand in FY21) all increased capital assets significantly.

Business-Type Activities. The Town's wastewater fund net position fell only 2%. The decrease is seen completely in the increase in long-term liabilities, due to the continued draw down of debt funds for wastewater plant upgrades.

**TOWN OF CAMP VERDE, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
FISCAL YEAR ENDED JUNE 30, 2021**

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, 2021 and 2020:

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues						
Program revenues:						
Charges for services	\$ 857,560	\$ 812,503	\$ 1,940,715	\$ 1,964,175	\$ 2,798,275	\$ 2,776,678
Operating grants and contributions	2,641,493	1,526,156			2,641,493	1,526,156
Capital grants and contributions	595,216	108,449	-	177,757	595,216	286,206
General revenues:					-	-
Town sales taxes	6,557,976	4,640,417			6,557,976	4,640,417
Franchise taxes	297,149	274,961			297,149	274,961
State shared revenue	3,874,792	3,411,861			3,874,792	3,411,861
Investment earnings	5,106	30,368	261	1,095	5,367	31,463
Miscellaneous	21,515	34,540			21,515	34,540
Total revenues	<u>14,850,807</u>	<u>10,839,255</u>	<u>1,940,976</u>	<u>2,143,027</u>	<u>16,791,783</u>	<u>12,982,282</u>
Expenses						
General government	3,674,054	3,334,238			3,674,054	3,334,238
Public safety	3,903,672	3,554,285			3,903,672	3,554,285
Public works	1,533,711	1,504,521			1,533,711	1,504,521
Health and welfare	145,965	134,008			145,965	134,008
Culture and recreation	1,505,036	1,392,080			1,505,036	1,392,080
Community development	571,455	536,787			571,455	536,787
Interest on long-term debt	419,220	386,287			419,220	386,287
Wastewater			2,242,647	2,131,644	2,242,647	2,131,644
Total expenses	<u>11,753,113</u>	<u>10,842,206</u>	<u>2,242,647</u>	<u>2,131,644</u>	<u>13,995,760</u>	<u>12,973,850</u>
Excess (deficiency) before net transfers	3,097,694	(2,951)	(301,671)	11,383	2,796,023	8,432
Net Transfers In/(Out)	33,601	70,348	(33,601)	(70,348)	-	-
Excess (deficiency) in net position	3,131,295	67,397	(335,272)	(58,965)	2,796,023	8,432
Net position beginning	12,671,395	12,603,998	17,101,827	17,160,792	29,773,222	29,764,790
Net position, ending	<u>\$ 15,802,690</u>	<u>\$ 12,671,395</u>	<u>\$ 16,766,555</u>	<u>\$ 17,101,827</u>	<u>\$ 32,569,245</u>	<u>\$ 29,773,222</u>

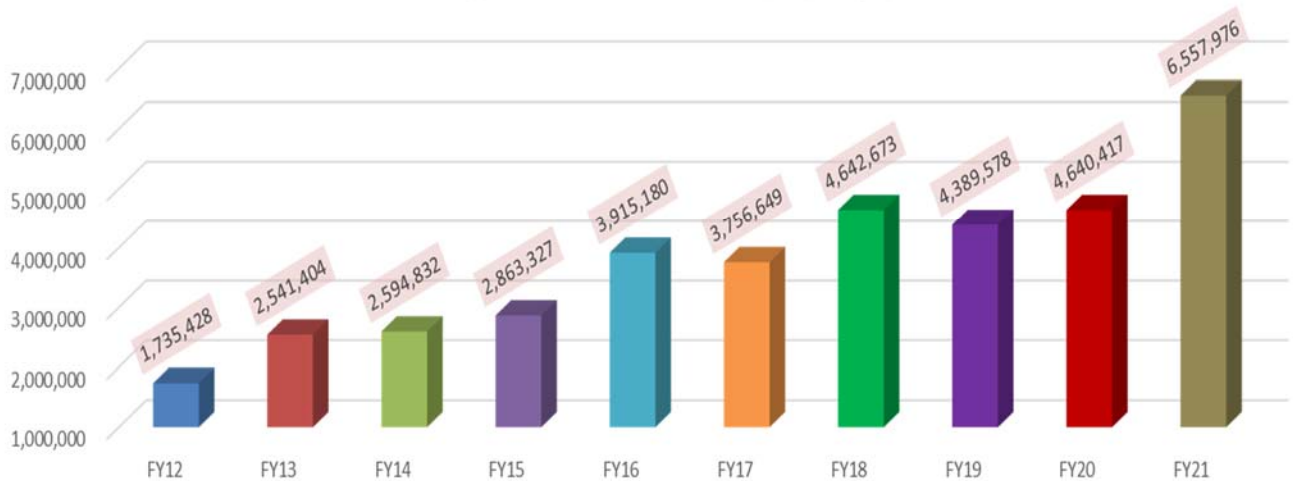
Governmental Activities. Total revenues from governmental activities increased by \$4.0 million (37%) from last year to just nearly \$14.9 million. The most significant factors for this increase come from increased local sales tax revenues (\$1.9 million) and grants and contributions (\$1.6 million).

**TOWN OF CAMP VERDE, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
FISCAL YEAR ENDED JUNE 30, 2021**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Local sales taxes are the largest source of revenue for the Town at nearly \$6.6 million in FY21 with state shared revenues a somewhat distant second place at just under \$3.9 million. The two components together make up 70% of the governmental activities revenues. As can be seen in the graph below, Local TPT revenues over the last 10 years have grown steadily at an average annual growth rate of 15.9%; a 278% 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%). Eliminating those tax change years, the average annual growth rate since FY16 has been a respectable 10.9%. Still, it is the 41% growth in FY21 that drives those numbers as FY17 and FY19 both saw drops in annual revenues and FY20 was a very modest 5.7%.

Annual Local Tax Revenues



State shared revenues are comprised of three main sources in FY21: 1) State sales taxes - \$1.32 million, 2) State income taxes - \$1.6 million and 3) Vehicle license taxes - \$949 thousand. All 3 sources have grown at a slow but steady average annual growth rate of 5.8% since FY12. However, in FY21, State shared revenues increased 13.4%.

Both the increases in State shared revenues and Local TPT revenues is believed to be both from pent up desires to get out after Covid-19 restrictions and tremendous commercial growth here in the Camp Verde area.

Expenses, meanwhile increased just under \$900 thousand in FY21 (8.4%) with the majority of the increases coming from within the Public safety segment (\$350 thousand). These increases were spread pretty evenly between wages and operating expenditures through normal budgeted increases.

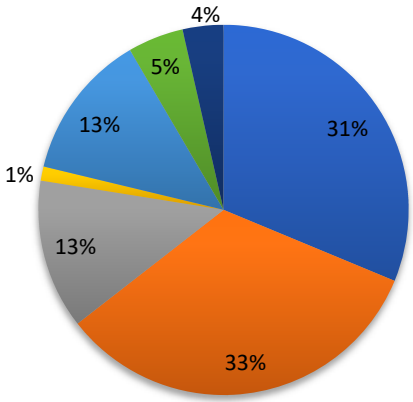
**TOWN OF CAMP VERDE, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
FISCAL YEAR ENDED JUNE 30, 2021**



GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

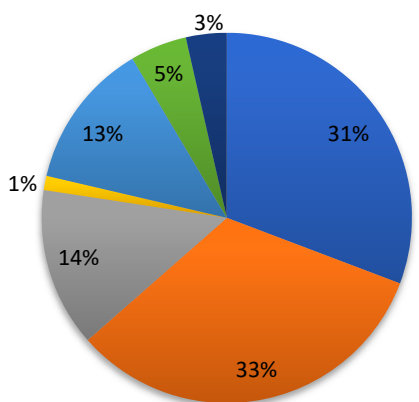
The table below shows how expenses are distributed within the Town governmental funds with changes from fiscal year 2020 and fiscal year 2021.

**Governmental
Fiscal Year 2021 Expenses**



- General government
- Public safety
- Public works and streets
- Health and welfare
- Culture and recreation
- Community development
- Interest on long-term debt

**Governmental
Fiscal Year 2020 Expenses**



Business-Type Activities. In FY21, wastewater charges for services actually dropped slightly due to only a slight increase in the monthly user fee accounts and no change in the wastewater rates along-side a \$40 thousand drop in connection fees. Expenses showed a normal growth of 5% with nothing significant to note.

**TOWN OF CAMP VERDE, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
FISCAL YEAR ENDED JUNE 30, 2021**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

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, 2021		Year Ended June 30, 2020	
	Total Expenses	Net Exp / (Rev)	Total Expenses	Net (Exp) / Rev
Governmental activities				
General government	\$ 3,674,054	\$ 3,639,109	\$ 3,334,238	\$ 3,190,706
Public safety	3,903,672	2,136,110	3,554,285	3,038,145
Public works and streets	1,533,711	158,761	1,504,521	308,438
Health and welfare	145,965	145,965	134,008	134,008
Culture and recreation	1,505,036	1,222,614	1,392,080	1,106,696
Community development	571,455	(62,935)	536,787	230,818
Interest on long-term debt	419,220	419,220	386,287	386,287
Net	\$ 11,753,113	\$ 7,658,844	\$ 10,842,206	\$ 8,395,098
Business-Type Activities				
Wastewater	2,242,647	301,932	2,131,644	(10,288)
Net	\$ 2,242,647	\$ 301,932	\$ 2,131,644	\$ (10,288)
Total	\$ 13,995,760	\$ 7,960,776	\$ 12,973,850	\$ 8,384,810

**TOWN OF CAMP VERDE, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
FISCAL YEAR ENDED JUNE 30, 2021**



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 over \$8.8 million, a \$2.94 million increase from the previous year. *Unassigned fund balance* constitutes 53% of the ending governmental activities fund balance, a 15 percentage-point increase from FY20. Unassigned fund balance is the amount available for spending at the government's discretion. The remainder of FY21 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 (\$2.7 million), HURF fund expenses (\$665 thousand) Capital improvements fund expenses (\$201 thousand) and various other grants and special programs (\$575 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 under \$4.7 million, which is roughly a \$2.5 million increase (114%) from the previous year. As a measure of the General Fund's liquidity, it may be useful to compare fund balance to fund expenditures. For FY21, fund balance in the General Fund is 54% of total General Fund expenditures.

The fund balance in the Parks Fund shows the remaining funds currently available for development of the Camp Verde Sports Complex at \$2.7 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.

The Wastewater fund balance dropped \$335 thousand during FY21 completely due to the non-cash depreciation expense of \$946 thousand.

BUDGETARY HIGHLIGHTS

A schedule comparing budget to actual financial activity for the General Fund is provided in this report as required supplementary information. Revenues of \$11.7 million for the year were over budget by 22% (\$2.1 million), while expenses were under budget by 5% (\$423 thousand). Budgetary highlights for the General Fund are as follows:

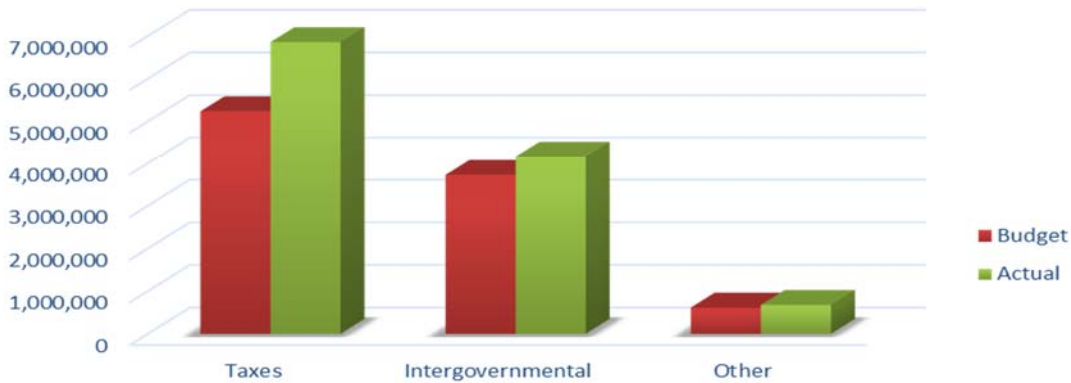
**TOWN OF CAMP VERDE, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
FISCAL YEAR ENDED JUNE 30, 2021**

BUDGETARY HIGHLIGHTS (CONTINUED)

Revenues

- Local tax revenues were more than \$1.6 million over budget with the most significant segments being Retail (\$1 million over), Construction (\$329 thousand over), Restaurants (\$164 thousand over) and Accommodation (\$156 thousand over).
- Intergovernmental revenues were also over budget for the year by \$443 thousand with state sales tax revenues being the most significant factor at \$167 thousand over budget.
- Other revenue

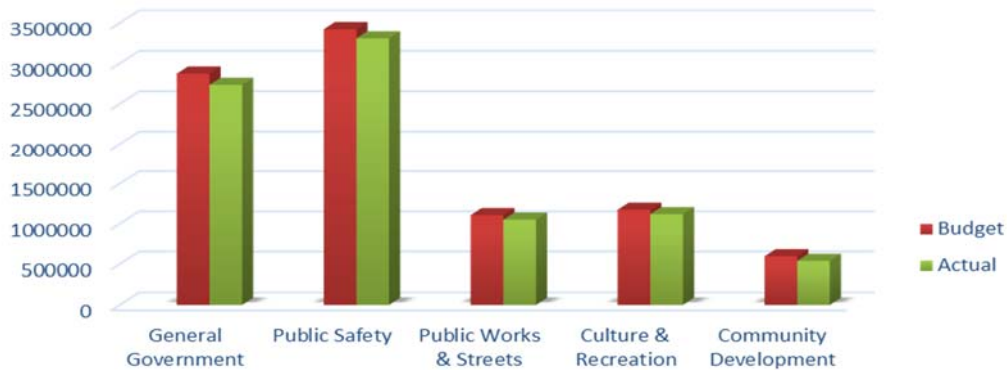
General Fund Revenues: Budget to Actual



Expenses

- The Magistrate (part of General Admin) and Marshal's departments contributed the most budgetary savings at \$114 thousand and \$113 thousand under budget respectively. Both departments saw significant savings within their wages and related expense lines mostly due to being short-staffed for a portion of the year while also keeping operational expenses below budget as well.
- The remaining departments contributed budget savings from \$58 thousand down to break-even amounts

General Fund Expenses: Budget to Actual



**TOWN OF CAMP VERDE, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
FISCAL YEAR ENDED JUNE 30, 2021**

CAPITAL ASSETS

As of June 30, 2021, the Town had invested \$36.5 million in governmental capital assets and \$29.1 million in business-type assets (both before depreciation) including land, buildings, facilities, vehicles, computers, equipment, and infrastructure assets. In FY21, the Town invested \$5.0 million into capital assets. Total depreciation expense for the year in governmental and business-type activities was \$1.1 million and \$946 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, 2021 and 2020:

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2019
Land	\$ 5,974,797	\$ 5,974,797	\$ 1,275,828	\$ 1,275,828	\$ 7,250,625	\$ 7,250,625
Construction in progress	7,002,130	5,242,965	1,999,630	1,937,467	9,001,760	7,180,432
Buildings and improvements	9,209,465	9,121,321	920,575	895,854	10,130,040	10,017,175
Infrastructure	7,070,544	6,086,939	23,418,406	22,934,814	30,488,950	29,021,753
Machinery and equipment	5,584,929	5,166,957	1,448,296	1,368,224	7,033,225	6,535,181
Improvements other than buildings	1,631,565	1,226,163	-	-	1,631,565	1,226,163
Accumulated depreciation	(9,259,141)	(8,241,974)	(10,393,756)	(9,447,996)	(19,652,897)	(17,689,970)
Total	\$ 27,214,289	\$ 24,577,168	\$ 18,668,979	\$ 18,964,191	\$ 45,883,268	\$ 43,541,359

Governmental funds.

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

- Expenses at the Camp Verde Sports Park increased Construction in progress \$2.2 million.
- The \$1.0 million increase in Infrastructure is due to completed Construction in progress items that were placed in service including Homestead parkway construction (\$395 thousand) and the 7th Street sidewalk CDBG project (\$410 thousand).
- The Town added seven new vehicles (6 for police, 1 for maintenance) through lease purchases increasing Machinery and equipment \$394 thousand.
- Land Improvement increases were mainly for Arena costs placed in service (\$313 thousand) and new bleachers at the arena (\$60 thousand).

Proprietary funds.

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

- Continued work on plant upgrades including chlorine contact chambers (\$267 thousand) and manhole cover replacements (\$99 thousand) were the significant factors in the \$483 thousand increase in Infrastructure.

**TOWN OF CAMP VERDE, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
FISCAL YEAR ENDED JUNE 30, 2021**

LONG-TERM LIABILITIES

As of June 30, 2021, the Town had just under \$24.4 million in long-term debt and long-term liabilities; \$22.2 million for governmental activities and \$2.1 million for business-type activities. These amounts are up nearly \$3.7million from FY20.

The following table presents a summary of the Town's outstanding long-term debt and compensated absences for the fiscal years ended June 30, 2021 and 2020. More information on debt and long-term liabilities can be found in the Notes to the Financial Statements under Note 6 – Long-Term Liabilities.

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
2020 Revenue bonds	\$ 2,897,000	\$ -	\$ -	\$ -	\$ 2,897,000	\$ -
2017 Revenue bonds	6,355,000	6,520,000	-	-	6,355,000	6,520,000
2017 Revenue bonds unamortized premium	174,905	182,193	-	-	174,905	182,193
2014 Revenue bonds	3,119,000	3,479,000			3,119,000	3,479,000
2011 Revenue bonds	-	388,918			-	388,918
Capital leases	806,769	779,432	56,125	167,084	862,894	946,516
Notes Payable	-	-	1,376,950	840,002	1,376,950	840,002
Net pension liability	8,336,918	7,178,176	658,669	565,090	8,995,587	7,743,266
Compensated absences	553,677	563,472	53,859	47,896	607,536	611,368
Total	\$ 22,243,269	\$ 19,091,191	\$ 2,145,603	\$ 1,620,072	\$ 24,388,872	\$ 20,711,263

Governmental funds.

Key factors for Long-term liabilities during the current fiscal year include the following:

- The most significant portion of the \$22.2 million governmental liabilities once again is the net pension liability of \$8.34 million which is up \$1.16 million from FY20.
- The Town incurred new debt in the amount of \$2.9 million. This loan was used to retire the 2011 revenue bonds early and provide another \$2.5 million for Sports Park development. It is believed that we will receive a \$2.5 million federal grant that can be used to match these funds on Sports Park expenditures.

Proprietary funds.

Key factors for Long-term liabilities during the current fiscal year include the following:

- The wastewater fund continued to draw down loan funds for capital expenditures on plant upgrades.

**TOWN OF CAMP VERDE, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
FISCAL YEAR ENDED JUNE 30, 2021**



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 typically to comprise approximately 75% on average of the Town's revenues though in FY21 that dropped to 70% due to federal grant funding related to Covid-19. FY21 revenues were extremely strong but after a dramatically unexpected year of 41% growth, the Town budgeted somewhat conservatively at 6% continued growth for local tax revenues in FY22.

More importantly though is the fact that the Town expects this dramatic increase of revenues to “be the new norm” and has budgeted accordingly for services in FY22 as we look to the future.

FY21 saw last year's new projects take hold successfully in both residential and commercial areas. New affordable homes continue to go in and the new RV park, along with all others, is continually filled. Businesses are expanding, new ventures are moving forward and homes are being filled. The Town's designation as an Opportunity Zone for investors continues to be a motivating force for investment funds within our Town. Many departments have started to feel the squeeze of a higher demand for services and have taken on necessary employees to maintain service levels. In FY22, nine new full-time positions were budgeted for.

For FY22, the Town is looking to accomplish several new and expanded projects. The Town expects to close on 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. The Town is still moving forward with discussions to purchase a local water utility which would give the Town control over both wastewater and water services. New federal Covid relief funds have given the Town a huge boost in numerous capital maintenance and expansion projects especially in wastewater services. Lastly, the Town expects to paydown it's entire PSPRS retirement liability with a new loan of around \$3.0 million which would allow for the direct offset of retirement expenses from wages.

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, 2021

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 5,055,817	\$ 133,353	\$ 5,189,170
Cash held by trustee	5,680,916	-	5,680,916
Accounts receivable - net	177,566	222,778	400,344
Due from other governments	452,036	1,088	453,124
Net other postemployment benefits asset	44,557	2,742	47,299
Capital assets, not being depreciated	12,976,927	3,275,458	16,252,385
Capital assets, being depreciated, net	14,237,362	15,393,521	29,630,883
Total assets	38,625,181	19,028,940	57,654,121
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions and other postemployment benefits	2,287,095	127,376	2,414,471
LIABILITIES			
Accounts payable	520,327	207,036	727,363
Accrued expenses	97,802	5,816	103,618
Interest payable	187,744	15,029	202,773
Unearned revenue	1,874,127	-	1,874,127
Court bonds payable	14,516	-	14,516
Noncurrent liabilities			
Due within 1 year	1,330,815	192,614	1,523,429
Due in more than 1 year	20,912,454	1,952,989	22,865,443
Total liabilities	24,937,785	2,373,484	27,311,269
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions and other postemployment benefits	171,801	16,277	188,078
NET POSITION			
Net investment in capital assets	19,542,531	17,235,904	36,778,435
Restricted for:			
Park improvements	2,696,881	-	2,696,881
Highways and streets	665,530	-	665,530
Housing redevelopment	123,451	-	123,451
Special programs	268,733	-	268,733
Unrestricted (deficit)	(7,494,436)	(469,349)	(7,963,785)
Total net position	\$ 15,802,690	\$ 16,766,555	\$ 32,569,245

The accompanying notes are an integral part of these financial statements

TOWN OF CAMP VERDE, ARIZONA
Statement of Activities
Year Ended June 30, 2021

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	
Primary government:							
Governmental activities							
General government	\$ 3,674,054	\$ 34,945	\$ -	\$ -	\$ (3,639,109)	\$ -	\$ (3,639,109)
Public safety	3,903,672	373,591	1,383,404	10,567	(2,136,110)	-	(2,136,110)
Public works	1,533,711	25,944	1,075,900	273,106	(158,761)	-	(158,761)
Health and welfare	145,965	-	-	-	(145,965)	-	(145,965)
Culture and recreation	1,505,036	48,145	147,189	87,088	(1,222,614)	-	(1,222,614)
Community development	571,455	374,935	35,000	224,455	62,935	-	62,935
Interest on long-term debt	419,220	-	-	-	(419,220)	-	(419,220)
Total governmental activities	<u>11,753,113</u>	<u>857,560</u>	<u>2,641,493</u>	<u>595,216</u>	<u>(7,658,844)</u>	<u>-</u>	<u>(7,658,844)</u>
Business-type activities							
Wastewater	2,242,647	1,940,715	-	-	-	(301,932)	(301,932)
Total business-type activities	<u>2,242,647</u>	<u>1,940,715</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(301,932)</u>	<u>(301,932)</u>
Total primary government	<u>\$ 13,995,760</u>	<u>\$ 2,798,275</u>	<u>\$ 2,641,493</u>	<u>\$ 595,216</u>	<u>\$ (7,658,844)</u>	<u>\$ (301,932)</u>	<u>\$ (7,960,776)</u>
General revenue:							
Taxes:							
Sales Taxes					6,557,976	-	6,557,976
Franchise tax					297,149	-	297,149
State shared revenue					3,874,792	-	3,874,792
Investment income					5,106	261	5,367
Miscellaneous					21,515	-	21,515
Transfers in (out):					<u>33,601</u>	<u>(33,601)</u>	<u>-</u>
Total general revenues and transfers					<u>10,790,139</u>	<u>(33,340)</u>	<u>10,756,799</u>
Change in net position					<u>3,131,295</u>	<u>(335,272)</u>	<u>2,796,023</u>
Net position July 1, 2020					<u>12,671,395</u>	<u>17,101,827</u>	<u>29,773,222</u>
Net position, June 30, 2021					<u>\$ 15,802,690</u>	<u>\$ 16,766,555</u>	<u>\$ 32,569,245</u>

The accompanying notes are an integral part of these financial statements

TOWN OF CAMP VERDE, ARIZONA
Balance Sheet
Governmental Funds
June 30, 2021

	General Fund	Parks Fund	Debt Service Fund	Non-Major Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 3,657,781	\$ -	\$ -	\$ 1,398,036	\$ 5,055,817
Cash held by trustee	2,933,171	2,747,745	-	-	5,680,916
Accounts receivable, net	177,566	-	-	-	177,566
Due from other governments	311,409	-	-	140,627	452,036
Due from other funds	13,096	-	-	-	13,096
Total assets	7,093,023	2,747,745	-	1,538,663	11,379,431
LIABILITIES					
Accounts payable	394,863	50,864	-	74,600	520,327
Accrued liabilities	94,342	-	-	3,460	97,802
Court bonds payable	14,516	-	-	-	14,516
Unearned revenue	-	-	-	6,009	6,009
Due to other funds	-	-	-	13,096	13,096
Total liabilities	503,721	50,864	-	97,165	651,750
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	1,903,118	-	-	-	1,903,118
FUND BALANCES					
Restricted	-	2,696,881	-	1,057,714	3,754,595
Committed	-	-	-	182,325	182,325
Assigned	-	-	-	201,459	201,459
Unassigned	4,686,184	-	-	-	4,686,184
Total fund balances	4,686,184	2,696,881	-	1,441,498	8,824,563
Total liabilities, deferred inflows of resources, and fund balances	\$ 7,093,023	\$ 2,747,745	\$ -	\$ 1,538,663	\$ 11,379,431

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, 2021

Fund balances--total governmental funds		\$ 8,824,563
<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	36,473,430	
Less accumulated depreciation	<u>(9,259,141)</u>	27,214,289
<p>Some receivables are not available to pay for current period expenditures and, therefore, are unavailable in the funds.</p>		
Accounts receivable		35,000
<p>Net pension assets held in trust for future benefits are not available for operations and, therefore, are not reported in the funds.</p>		
		44,557
<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	2,287,095	
Pension related deferred inflows	<u>(171,801)</u>	2,115,294
<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	(553,677)	
Net pension liability/OPEB	(8,336,918)	
Revenue bonds payable	(12,545,905)	
Capital leases	(806,769)	
Interest payable	<u>(187,744)</u>	<u>(22,431,013)</u>
Net position of governmental activities		<u>\$ 15,802,690</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, 2021

	General Fund	Parks Fund	Debt Service Fund	Non-Major Governmental Funds	Total Governmental Fund
Revenue					
Taxes	\$ 6,855,126	\$ -	\$ -	\$ -	\$ 6,855,126
Intergovernmental	4,169,073	-	-	3,051,901	7,220,974
Licenses and permits	315,361	-	-	-	315,361
Fines and forfeitures	150,616	-	-	18,785	169,401
Other revenue	34,960	-	-	56,920	91,880
Charges for services	173,612	-	-	-	173,612
Contributions	-	-	-	99,712	99,712
Investment income	2,361	745	-	2,000	5,106
Total revenue	<u>11,701,109</u>	<u>745</u>	<u>-</u>	<u>3,229,318</u>	<u>14,931,172</u>
Expenditures					
Current					
General government	3,503,717	-	-	41,600	3,545,317
Public safety	3,302,694	-	-	79,070	3,381,764
Public works and streets	238,219	-	-	765,687	1,003,906
Health and welfare	27,500	-	118,465	-	145,965
Culture and recreation	1,120,097	-	-	32,787	1,152,884
Community development	537,808	-	-	11,589	549,397
Capital outlay	20,887	2,195,460	-	1,557,634	3,773,981
Debt service					
Principal	2,822	-	1,170,919	-	1,173,741
Interest	1,132	-	427,609	-	428,741
Issuance cost	-	80,902	-	-	80,902
Total expenditures	<u>8,754,876</u>	<u>2,276,362</u>	<u>1,716,993</u>	<u>2,488,367</u>	<u>15,236,598</u>
Excess (deficiency) of revenue over (under) expenditures	<u>2,946,233</u>	<u>(2,275,617)</u>	<u>(1,716,993)</u>	<u>740,951</u>	<u>(305,426)</u>
Other financing sources					
Debt issuance	-	2,598,822	298,178	-	2,897,000
Capital lease acquisition	-	-	-	310,757	310,757
Transfers in (out)	(476,143)	-	1,418,815	(909,071)	33,601
Total other financing sources	<u>(476,143)</u>	<u>2,598,822</u>	<u>1,716,993</u>	<u>(598,314)</u>	<u>3,241,358</u>
Net change in fund balances	<u>2,470,090</u>	<u>323,205</u>	<u>-</u>	<u>142,637</u>	<u>2,935,932</u>
Fund balances, July 1, 2020	2,216,094	2,373,676	-	1,298,861	5,888,631
Fund balances, June 30, 2021	<u>\$ 4,686,184</u>	<u>\$ 2,696,881</u>	<u>\$ -</u>	<u>\$ 1,441,498</u>	<u>\$ 8,824,563</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, 2021

Net change in fund balances--total governmental funds \$ 2,935,932

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	3,769,666	
Depreciation expense	<u>(1,111,303)</u>	2,658,363

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	(310,757)	
Debt proceeds	(2,897,000)	
Principal payments on debt	<u>1,204,627</u>	(2,003,130)

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. (21,365)

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	9,795	
Pension/OPEB related items	<u>(367,935)</u>	(358,140)

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. (80,365)

Change in net position of governmental activities \$ 3,131,295

The accompanying notes are an integral part of these financial statements

TOWN OF CAMP VERDE, ARIZONA
Statement of Net Position
Proprietary Fund
June 30, 2021

	Wastewater Fund
ASSETS	
Current assets	
Cash and cash equivalents	\$ 133,353
Accounts receivable - net	222,778
Due from other governments	1,088
Total current assets	357,219
Noncurrent assets	
Net other postemployment benefits asset	2,742
Capital assets, not being depreciated	3,275,458
Capital assets, being depreciated, net	15,393,521
Total noncurrent assets	18,671,721
Total assets	19,028,940
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pensions and other postemployment benefits	127,376
LIABILITIES	
Current liabilities	
Accounts payable	207,036
Accrued expenses	5,816
Accrued interest	15,029
Compensated absences, current	53,013
Capital leases payable, current	56,125
Notes payable, current	83,476
Total current liabilities	420,495
Noncurrent liabilities	
Compensated absences	846
Notes payable	1,293,474
Net pension and other postemployment liability	658,669
Total noncurrent liabilities	1,952,989
Total liabilities	2,373,484
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to pensions and other postemployment benefits	16,277
NET POSITION	
Net investment in capital assets	17,235,904
Unrestricted (deficit)	(469,349)
Total net position	\$ 16,766,555

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, 2021

	Wastewater Fund
Operating revenues	
Sewer charges (net of bad debts of \$0)	\$ 1,937,593
Miscellaneous	3,122
Total operating revenues	1,940,715
Operating expenses	
Depreciation	945,760
Personnel	617,420
Repairs and maintenance	282,574
Other	66,787
Materials and supplies	119,070
Utilities	113,043
Professional services	32,745
Insurance	31,000
Total operating expenses	2,208,399
Operating income (loss)	(267,684)
Nonoperating revenues (expenses)	
Interest income	261
Interest expense	(34,248)
Total nonoperating revenue (expenses)	(33,987)
Income (loss) before contributions	(301,671)
Transfers	(33,601)
Increase (decrease) in net position	(335,272)
Total net position, beginning of year,	17,101,827
Total net position, end of year	\$ 16,766,555

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, 2021

	Wastewater Fund
Cash flows from operating activities:	
Receipts from customers	\$ 2,051,467
Payments to suppliers and providers of goods and services	(597,549)
Payments to employees	(627,058)
Net cash provided (used) by operating activities	826,860
 Cash flows from noncapital financing activities:	
Transfers to other funds	(33,601)
Interfund borrowing	(270,717)
Net cash provided (used) by noncapital financing activities	(304,318)
 Cash flows from capital and related financing activities:	
Proceeds from note payable	618,641
Principal payments on notes payable	(81,693)
Purchase of capital assets	(796,370)
Principal payments on capital leases payable	(110,959)
Interest paid	(19,219)
Net cash provided (used) by capital and related financing activities	(389,600)
 Cash flows from investing activities:	
Interest received	261
Net increase (decrease) in cash and cash equivalents	133,203
 Cash and cash equivalents, beginning of year	150
 Cash and cash equivalents, end of year	\$ 133,353

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, 2021
(Continued)

	Wastewater Fund
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating income (loss)	\$ (267,684)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation	945,760
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources:	
Accounts receivable	110,897
Due from other governments	(145)
Net other postemployment benefits asset	(1,647)
Deferred outflows of resources related to pensions and other postemployment benefits	(49,983)
Accounts payable	32,934
Accrued expenses	(15,601)
Compensated absences	5,963
Net pension and other postemployment benefits and liabilities	93,579
Deferred inflows of resources related to pensions and other postemployment benefits	(27,213)
	\$ 826,860
Net cash provided (used) by operating activities	

Noncash capital financing activities

At June 30, 2021 the Town had financed \$16,449 of capital assets on account. In addition, during the fiscal year, the Town paid \$162,271 of accounts payable used to finance capital assets from 2020.

The accompanying notes are an integral part of these financial statements

TOWN OF CAMP VERDE, ARIZONA
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2021

	Custodial Other
ASSETS	
Cash and cash equivalents	\$ 450,792
Property tax receivable	49,029
Total assets	\$ 499,821
 LIABILITIES	
	\$ -
 NET POSITION	
Restricted for:	
Individual, organizations, and other governments	499,821
Total net position	\$ 499,821

The accompanying notes are an integral part of these financial statements

TOWN OF CAMP VERDE, ARIZONA
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
June 30, 2021

	Custodial
	Other
<u>Additions:</u>	
Property tax collections from other governments	\$ 828,069
Contributions from other governments	118,466
Contributions from employees	4,534
Interest income	2,667
Total additions	\$ 953,736
<u>Deductions:</u>	
Distributions for employee assistance	500
Distributions for district debt service	904,081
Total deductions	904,581
Change in net position	49,155
Net position, July 1, 2020	450,666
Net position, June 30, 2021	\$ 499,821

The accompanying notes are an integral part of these financial statements

TOWN OF CAMP VERDE, ARIZONA
Notes to Financial Statements
June 30, 2021

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.

For the year ended June 30, 2021, the Town implemented the provisions of GASB Statement No. 84, Fiduciary Activities, which establishes criteria for identifying fiduciary activities for accounting and financial reporting purposes. As a result, the Town's fiduciary fund financial statements have been modified to reflect the implementation of this new guidance, including reclassifying activities previously reported in agency funds to custodial or governmental funds, as applicable.

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, 2021

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.

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:

Fiduciary 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, 2021

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, 2021

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, 2021 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:

	Capitalization Threshold	Depreciation Method	Estimated Useful Life (years)
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, 2021

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, 2021

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

TOWN OF CAMP VERDE, ARIZONA
Notes to Financial Statements
June 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

prior fiscal year. The limitation is applied to the total of the combined funds. The Town complied with this law during the year.

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, 2021, 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.

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.

TOWN OF CAMP VERDE, ARIZONA
Notes to Financial Statements
June 30, 2021

NOTE 2 – DEPOSITS AND INVESTMENTS – Continued

Investments in the State Treasurer’s investment pools are valued at the pool’s share price multiplied by the number of shares the Town held. The fair value of the participant’s position in the pools approximates the value of that participant’s pool shares. The State Board of Investment provides oversight for the State Treasurer’s investment pools.

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.

Deposits — At June 30, 2021, the carrying amount of the Town’s total cash in bank was \$4,220,108, and the bank balance was \$4,639,368. Of the bank balance, \$1,175,800 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.

Investments — At June 30, 2021, the investments consisted of the following:

Investment	Rating Organization	Credit Rating	Reported Amount	Fair Value
Arizona LGIP Pool 5	S&P	AAA	\$ 3,714,746	\$ 3,714,746

Deposits and investments at June 30, 2021 consist of the following:

	Governmental Activities	Business-type Activities	Total
Deposits			
Cash on hand	\$ 1,911	\$ 150	\$ 2,061
Cash held by trustee	5,680,916	-	5,680,916
Amount of deposits	1,341,572	130,791	1,472,363
Investments			
State treasurer's investment pool 5	3,714,746	-	3,714,746
Total	\$ 10,739,145	\$ 130,941	\$ 10,870,086

TOWN OF CAMP VERDE, ARIZONA
Notes to Financial Statements
June 30, 2021

NOTE 3 – DUE FROM OTHER GOVERNMENTS

Amounts due from other governments at June 30, 2021 consisted of the following:

	General Fund	Non-Major Governmental Funds	Wastewater Fund
	<u> </u>	<u> </u>	<u> </u>
State of Arizona			
State and city sales tax revenues	\$ 269,549	\$ -	\$ -
Highway user revenues	-	95,972	-
AZ Dept of Public Safety	-	1,976	-
USDA grant revenues	-	35,000	-
AZ Dept of Forestry and Fire Management	-	5,217	-
Yavapai County			
Vehicle licensing tax revenues	41,860	-	-
Miscellaneous	-	2,462	1,088
	<u>\$ 311,409</u>	<u>\$ 140,627</u>	<u>\$ 1,088</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, 2021, the Town’s receivables for individual major governmental funds and non-major governmental funds in the aggregate, consisted of \$94,123 in various miscellaneous receivables. The Town considers these accounts to be 100% collectible.

As of June 30, 2021, the Town’s receivables for individual major proprietary funds consisted of wastewater fees billed to customers totaling \$287,778. 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, 2021

NOTE 5 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2021, was as follows:

	Balance <u>July 1, 2020</u>	Increase	Decreases	Balance <u>June 30, 2021</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 5,974,797	\$ -	\$ -	\$ 5,974,797
Construction in progress	<u>5,242,965</u>	<u>3,001,639</u>	<u>(1,242,474)</u>	<u>7,002,130</u>
Total capital assets not being depreciated	<u>11,217,762</u>	<u>3,001,639</u>	<u>(1,242,474)</u>	<u>12,976,927</u>
Capital assets being depreciated:				
Buildings and improvements	9,121,321	88,144	-	9,209,465
Infrastructure	6,086,939	983,605	-	7,070,544
Machinery and equipment	5,166,957	533,350	(115,378)	5,584,929
Improvements other than buildings	<u>1,226,163</u>	<u>405,402</u>	<u>-</u>	<u>1,631,565</u>
Total	<u>21,601,380</u>	<u>2,010,501</u>	<u>(115,378)</u>	<u>23,496,503</u>
Less accumulated depreciation for:				
Buildings and improvements	(1,930,184)	(280,294)	-	(2,210,478)
Infrastructure	(2,240,407)	(322,212)	-	(2,562,619)
Machinery and equipment	(3,488,529)	(471,707)	94,136	(3,866,100)
Improvements other than buildings	<u>(582,854)</u>	<u>(37,090)</u>	<u>-</u>	<u>(619,944)</u>
Total	<u>(8,241,974)</u>	<u>(1,111,303)</u>	<u>94,136</u>	<u>(9,259,141)</u>
Total capital assets being depreciated, net	<u>13,359,406</u>	<u>899,198</u>	<u>(21,242)</u>	<u>14,237,362</u>
Governmental activities capital assets, net	<u>\$ 24,577,168</u>	<u>\$ 3,900,837</u>	<u>\$ (1,263,716)</u>	<u>\$ 27,214,289</u>

TOWN OF CAMP VERDE, ARIZONA
Notes to Financial Statements
June 30, 2021

NOTE 5 – CAPITAL ASSETS – Continued

	Balance <u>July 1, 2020</u>	Increase	Decreases	Balance <u>June 30, 2021</u>
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 1,275,828	\$ -	\$ -	\$ 1,275,828
Construction in progress	<u>1,937,467</u>	<u>397,340</u>	<u>(335,177)</u>	<u>1,999,630</u>
Total capital assets not being depreciated	<u>3,213,295</u>	<u>397,340</u>	<u>(335,177)</u>	<u>3,275,458</u>
Capital assets being depreciated:				
Buildings and improvements	895,854	24,721	-	920,575
Infrastructure systems	22,934,814	483,592	-	23,418,406
Vehicles and equipment	<u>1,368,224</u>	<u>80,072</u>	<u>-</u>	<u>1,448,296</u>
Total	<u>25,198,892</u>	<u>588,385</u>	<u>-</u>	<u>25,787,277</u>
Less accumulated depreciation for:				
Buildings and improvements	(195,664)	(32,813)	-	(228,477)
Infrastructure	(8,592,994)	(760,152)	-	(9,353,146)
Vehicles and equipment	<u>(659,338)</u>	<u>(152,795)</u>	<u>-</u>	<u>(812,133)</u>
Total	<u>(9,447,996)</u>	<u>(945,760)</u>	<u>-</u>	<u>(10,393,756)</u>
Total capital assets being depreciated, net	<u>15,750,896</u>	<u>(357,375)</u>	<u>-</u>	<u>15,393,521</u>
Business-type activities capital assets, net	<u>\$ 18,964,191</u>	<u>\$ 39,965</u>	<u>\$ (335,177)</u>	<u>\$ 18,668,979</u>

Depreciation expense was charged to each function as follows:

Governmental activities:	
Public works and streets	\$ 517,626
Public safety	253,962
Culture and recreation	253,585
General government	76,119
Community development	<u>10,011</u>
Total governmental activities depreciation expense	<u>\$ 1,111,303</u>
Business-type activities:	
Wastewater fund	<u>\$ 945,760</u>

TOWN OF CAMP VERDE, ARIZONA
Notes to Financial Statements
June 30, 2021

NOTE 6 – LONG-TERM LIABILITIES

The following schedule details the Town’s long-term liability and obligation activity for the year ended June 30, 2021.

	Balance July 1, 2020	Additions	Reductions	Balance June 30, 2021	Due within 1 year
Governmental activities:					
Compensated absences	\$ 563,472	\$ 500,143	\$ 509,938	\$ 553,677	\$ 544,984
Capital leases payable	779,432	310,757	283,420	806,769	223,543
Net pension and other postemployment benefits liability	7,178,176	1,158,742	-	8,336,918	-
Bonds payable:					
Revenue bonds	10,387,918	2,897,000	913,919	12,371,000	555,000
Unamortized premium	182,193	-	7,288	174,905	7,288
Governmental activities long-term liabilities	<u>\$ 19,091,191</u>	<u>\$ 4,866,642</u>	<u>\$ 1,714,565</u>	<u>\$ 22,243,269</u>	<u>\$ 1,330,815</u>
Business-type activities:					
Compensated absences	\$ 47,896	\$ 44,156	\$ 38,193	\$ 53,859	\$ 53,013
Capital leases payable	167,084	-	110,959	56,125	56,125
Notes payable from direct borrowings and direct placements	840,002	618,641	81,693	1,376,950	83,476
Net pension and other postemployment benefits liability	565,090	93,579	-	658,669	-
Business-type activities long-term liabilities	<u>\$ 1,620,072</u>	<u>\$ 756,376</u>	<u>\$ 230,845</u>	<u>\$ 2,145,603</u>	<u>\$ 192,614</u>

Bonds Payable:

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.

In July 2020, the Town issued bonds totaling \$2,897,000 to provide for an advance refunding of the 2011 revenue bond debt. The bond proceeds were used to defease \$298,178 of the 2011 revenue bond with the remainder of the bond proceeds to be used to finance the building of a park. 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.

TOWN OF CAMP VERDE, ARIZONA
Notes to Financial Statements
June 30, 2021

NOTE 6 – LONG-TERM LIABILITIES – Continued

Description	Original Amount	Maturity Ranges	Interest Rates	Outstanding Principal June 30, 2021
Revenue Refunding Bonds, Series 2014	4,904,000	2016-2031	2.84%	3,119,000
Revenue Bonds, Series 2017	6,835,000	2018-2044	2.00% - 4.00%	6,355,000
Revenue Refunding Bonds, Series 2020	2,897,000	2021-2035	2.96%	2,897,000
Totals	<u>\$14,636,000</u>			<u>\$12,371,000</u>

The following schedule details debt service requirements to maturity for the Town's bonds payable at June 30, 2021.

Year Ending June 30	Governmental Activities					
	2014 Bond Payable		2017 Bond Payable		2020 Bond Payable	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 370,000	\$ 83,326	\$ 170,000	\$ 212,900	\$ 15,000	\$ 85,529
2023	378,000	72,704	175,000	207,725	20,000	85,011
2024	392,000	61,770	180,000	201,500	20,000	84,419
2025	400,000	50,524	190,000	194,100	20,000	83,827
2026	245,000	41,365	195,000	186,400	191,000	80,704
2027-2031	1,334,000	96,844	1,105,000	805,600	1,033,000	314,722
2032-2036	-	-	1,340,000	573,200	1,598,000	121,804
2037-2041	-	-	1,560,000	348,775	-	-
2042-2045	-	-	1,440,000	91,563	-	-
Total	<u>\$3,119,000</u>	<u>\$ 406,533</u>	<u>\$6,355,000</u>	<u>\$2,821,763</u>	<u>\$2,897,000</u>	<u>\$ 856,017</u>

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, 2021, the Town had drawn \$2,538,590 and has met the forgivable principal requirement. As of June 30, 2021, the Town has \$948,620 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.

TOWN OF CAMP VERDE, ARIZONA
Notes to Financial Statements
June 30, 2021

NOTE 6 – LONG-TERM LIABILITIES – Continued

The following schedule details debt service requirements to maturity for the Town’s loan payable from direct borrowings and direct placements at June 30, 2021.

Year Ending June 30	Business-type Activities	
	Loan Payable from Direct Borrowings and Direct Placements	
	Principal	Interest
2022	\$ 83,476	\$ 29,148
2023	85,298	27,306
2024	87,161	25,423
2025	89,063	23,500
2026	91,008	21,533
2027-2031	485,719	76,654
2032-2036	455,225	21,308
Total	<u>\$ 1,376,950</u>	<u>\$ 224,871</u>

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	\$ 1,560,581	\$ 542,451
Less: accumulated depreciation	(911,070)	(360,335)
Carrying value	<u>\$ 649,511</u>	<u>\$ 182,116</u>

TOWN OF CAMP VERDE, ARIZONA
Notes to Financial Statements
June 30, 2021

NOTE 6 – LONG-TERM LIABILITIES – Continued

The following schedule details debt service requirements to maturity for the Town’s capital leases payable at June 30, 2021.

Year Ending June 30	Governmental Activities	Business-type Activities
2022	\$ 272,946	\$ 56,560
2023	272,896	-
2024	243,537	-
2025	70,205	-
2026	34,169	-
Total minimum lease payments	893,753	56,560
Less amount representing interest	(86,984)	(435)
Present value of net minimum lease payments	<u>\$ 806,769</u>	<u>\$ 56,125</u>

NOTE 7 – PLEDGED REVENUES

As described in Note 6, 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 \$1.09 million. For the current year, principal and interest paid by the Sanitary District totaled \$118,466. Total sales tax and state-shared revenues recognized by the Town totaled \$11 million.

TOWN OF CAMP VERDE, ARIZONA
Notes to Financial Statements
June 30, 2021

NOTE 8 – INTERFUND BALANCES AND ACTIVITY

Interfund transfers – During the year ended June 30, 2021, 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 (non-major)	Federal Grants Fund (non-major)	Non-Federal Grants Fund (non-major)	Wastewater Fund (Enterprise)	
General Fund	\$ -	\$ -	\$ 901,159	\$ 275	\$ 70,601	\$ 972,035
Debt Service Fund	1,171,903	246,912	-	-	-	1,418,815
Capital Improvement Fund (non-major)	276,275	-	473,862	-	-	750,137
CBDG Fund (non-major)	-	-	80,273	-	-	80,273
Donations Fund (non-major)	-	-	1,178	-	-	1,178
Wastewater fund	-	-	37,000	-	-	37,000
Total	<u>\$ 1,448,178</u>	<u>\$ 246,912</u>	<u>\$ 1,493,472</u>	<u>\$ 275</u>	<u>\$ 70,601</u>	<u>\$ 3,259,438</u>

TOWN OF CAMP VERDE, ARIZONA
Notes to Financial Statements
June 30, 2021

NOTE 9 – 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:	
Parks	\$ 2,696,881
Highway User Revenues	665,530
Housing redevelopment	123,451
Court Special Revenue:	
Court Enhancement	77,604
Fill the Gap	21,263
Local JCEF	22,787
Nonfederal grants	
Anti-racketeering	15,128
AZ Supreme Court Grants	4,549
Spay/Neuter	18
The Nature Conservancy	17,000
Federal grants	
UCF	63
Rain Grant	14,667
9-1-1	1,361
Donations:	
Camp Verde Marshal's Office	2,914
Library	23,418
Parks and Recreation	4,403
Safety fund	19,677
Economic development	16,667
K-9	21,311
Volunteers in Police Services	5,903
Total Restricted Net Position	\$ 3,754,595

TOWN OF CAMP VERDE, ARIZONA
Notes to Financial Statements
June 30, 2021

NOTE 9 – GOVERNMENTAL FUND BALANCE/NET POSITION COMPONENTS –
Continued

The components of governmental fund balances are as follows:

	General Fund	Parks Fund	Non-Major Gov't'l Funds	Total Gov't'l Funds
Ending Fund balances, June 30, 2021				
Restricted for:				
Park improvements	\$ -	\$ 2,696,881	\$ -	\$ 2,696,881
Highways and streets	-	-	665,530	665,530
Housing redevelopment	-	-	123,451	123,451
Court special revenue				
Court enhancement	-	-	77,604	77,604
Fill the gap	-	-	21,263	21,263
Local JCEF	-	-	22,787	22,787
Nonfederal grants				
Anti-racketeering	-	-	15,128	15,128
AZ Supreme Court Grants	-	-	4,549	4,549
Spay/Neuter	-	-	18	18
The Nature Conservancy	-	-	17,000	17,000
Federal grants				
UCF	-	-	63	63
Rain Grant	-	-	14,667	14,667
9-1-1	-	-	1,361	1,361
Donations				
Camp Verde Marshal's office	-	-	2,914	2,914
Library	-	-	23,418	23,418
Parks and recreation	-	-	4,403	4,403
Safety fund	-	-	19,677	19,677
Economic development	-	-	16,667	16,667
K-9	-	-	21,311	21,311
Volunteers in police service	-	-	5,903	5,903
Total restricted	<u>-</u>	<u>2,696,881</u>	<u>1,057,714</u>	<u>3,754,595</u>
Committed for:				
Legal defense	<u>-</u>	<u>-</u>	<u>182,325</u>	<u>182,325</u>
Assigned for:				
Capital improvements	<u>-</u>	<u>-</u>	<u>201,459</u>	<u>201,459</u>
Unassigned:	<u>4,686,184</u>	<u>-</u>	<u>-</u>	<u>4,686,184</u>
Ending Fund Balances	<u>\$ 4,686,184</u>	<u>\$ 2,696,881</u>	<u>\$ 1,441,498</u>	<u>\$ 8,824,563</u>

TOWN OF CAMP VERDE, ARIZONA
Notes to Financial Statements
June 30, 2021

NOTE 10 – 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 11 – 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 12 – 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, 2021, the Town reported the following aggregate amounts related to pensions and other postemployment benefits (OPEB) for all plans to which it contributes:

	Statement of Net Position and Statement of Activities		
	Governmental	Business-Type	Total
	Activities	Activities	
Net OPEB assets	\$ 44,557	\$ 2,742	\$ 47,299
Net pension and OPEB liabilities	8,336,918	658,669	8,995,587
Deferred outflows of resources related to pension and OPEB	2,287,095	127,376	2,414,471
Deferred inflows of resources related to pension and OPEB	171,801	16,277	188,078
Pension expense and OPEB	1,158,411	67,636	1,226,047

The Town reported \$829,408 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, 2021

NOTE 12 – 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.

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:

	Initial Membership Date:	
	Before July 1, 2011	On or after July 1, 2011
Years of service and age required to receive benefit	Sum of years and age equals 80 10 years, age 62 5 years, age 50* Any years, age 65	30 years, age 55 25 years, age 60 10 years, age 62 5 years age, 50* Any years, age 65
Final average salary is based on	Highest 36 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, 2021

NOTE 12 – 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, 2021, statute required active ASRS members to contribute at the actuarially determined rate of 12.22 percent (12.04 percent for retirement and 0.18 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 12.22 percent (11.65 percent for retirement, 0.39 percent for health insurance premium benefit, and 0.18 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 10.21 percent (10.14 percent for retirement, 0.07 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, 2021, were \$410,151, \$13,730, and \$6,337, respectively.

During fiscal year 2021, the Town paid for ASRS pension and OPEB contributions as follows: 75.7 percent from the General Fund, 7.2 percent from the HURF Fund (nonmajor) and 17.1 percent from the Wastewater Fund.

Liability – At June 30, 2021, the Town reported the following asset and liabilities for its proportionate share of the ASRS’ net pension/OPEB asset or liability.

	Pension/OPEB (Asset)
	Liability
Pension	\$ 5,331,370
Health insurance premium benefit	(22,295)
Long-term disability	23,661

The net asset and net liabilities were measured as of June 30, 2020. 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, 2019, to the measurement date of June 30, 2020.

TOWN OF CAMP VERDE, ARIZONA
Notes to Financial Statements
June 30, 2021

NOTE 12 – 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, 2020. The Town’s proportions measured as of June 30, 2020, and the change from its proportions measured as of June 30, 2019, were:

	Proportion June 30, 2020	Increase (decrease) from June 30, 2019
Pension	0.03077%	-0.00066%
Health insurance premium benefit	0.03149%	-0.00072%
Long-term disability	0.03119%	-0.00073%

Expense – For the year ended June 30, 2021, the Town recognized the following pension and OPEB expense.

	Pension/OPEB Expense
Pension	535,298
Health insurance premium benefit	7,077
Long-term disability	7,515

TOWN OF CAMP VERDE, ARIZONA
Notes to Financial Statements
June 30, 2021

NOTE 12 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS – Continued

Deferred Outflows/Inflows of Resources—At June 30, 2021, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions and OPEB from the following sources:

	Pension		Health Insurance Premium Benefit	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 48,231	\$ -	\$ -	\$ 43,930
Changes of assumptions or other inputs	-	-	12,360	-
Net difference between projected and actual earnings on pension plan investments	514,217	-	22,812	-
Changes in proportion and differences between Town contributions and proportionate share of contributions	-	87,430	97	11
Town contributions subsequent to the measurement date	410,151	-	13,730	-
Total	\$ 972,599	\$ 87,430	\$ 48,999	\$ 43,941
	Long-Term Disability			
	Deferred Outflows of Resources	Deferred Inflows of Resources		
Differences between expected and actual experience	\$ 2,059	\$ 609		
Changes of assumptions or other inputs	2,549	-		
Net difference between projected and actual earnings on pension plan investments	2,605	-		
Changes in proportion and differences between Town contributions and proportionate share of contributions	427	352		
Town contributions subsequent to the measurement date	6,337	-		
Total	\$ 13,977	\$ 961		

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, 2022. 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,	Pension	Health Insurance Premium Benefit	Long-Term Disability
2022	\$ 3,590	\$ (4,710)	\$ 1,114
2023	126,385	118	1,538
2024	185,998	1,157	1,615
2025	159,045	(1,206)	1,454
2026	-	(4,031)	779
Thereafter	-	-	179

TOWN OF CAMP VERDE, ARIZONA
Notes to Financial Statements
June 30, 2021

NOTE 12 – 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, 2019
Actuarial roll forward date	June 30, 2020
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, 2019 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%	6.39%
Fixed income - credit	20%	5.44%
Fixed income - interest rate sensi	10%	0.22%
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, 2021

NOTE 12 – 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>
Town's Proportionate share of the			
Net pension liability	\$ 7,290,576	\$ 5,331,370	\$ 3,693,574
Net insurance premium benefit liability (asset)	29,253	(22,295)	(66,164)
Net long-term disability liability	25,834	23,661	21,552

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.

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, 2021

NOTE 12 – 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:

	Initial Membership Date:	
	Before January 1, 2012	On or after January 1, 2012 and before July 1, 2017
Retirement and Disability		
Years of service and age required to receive benefit	20 years of service, any age 15 years of service, age 62	25 years of service or 15 years of 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
Benefit percentage		
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, 2021

NOTE 12 – 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, 2021, the following employees were covered by the agent plans’ benefit terms:

	PSPRS Police	
	Pension	Health
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, 2021, are indicated below. Rates are a percentage of active members’ annual covered payroll.

	Active Member- Pension	Town-Pension	Town-Health Insurance Premium Benefit
PSPRS Police	7.65% - 11.65%	34.38%	0.16%
PSPRS Tier 3 Risk Pool	9.94%	32.12%	0.21%

The Town’s contributions to the plans for the year ended June 30, 2021, were:

	Pension	Health Insurance Premium Benefit
PSPRS Police	\$ 335,005	\$ 1,208
PSPRS Tier 3 Risk Pool	\$ 136,109	\$ 890

During fiscal year 2021, 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, 2021

NOTE 12 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS – Continued

Liability – At June 30, 2021, the Town reported the following asset and liability:

	Net Pension (Asset) Liability	Net OPEB (Asset) Liability
PSPRS Police	\$ 3,640,556	\$ (25,004)

The net assets and net liabilities were measured as of June 30, 2020, and the total liability used to calculate the net asset or liability was determined by an actuarial valuation as of that date.

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

Actuarial valuation date	June 30, 2020
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, 2020, valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2017.

The long-term expected rate of return on PSPRS 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, 2021

NOTE 12 – 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>
U.S. public equity	23%	4.93%
International public equity	15%	6.09%
Global private equity	18%	8.42%
Other assets (capital appreciation)	7%	5.61%
Core bonds	2%	0.22%
Private credit	22%	5.31%
Diversifying strategies	12%	3.22%
Cash - Mellon	1%	-0.60%
Total	<u>100%</u>	

Discount Rates – At June 30, 2020, the discount rate used to measure the PSPRS total pension/OPEB liabilities was 7.3 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate 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, 2021

NOTE 12 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS – Continued

Changes in the Net Pension/OPEB Liability (Asset)

	Pension		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at June 30, 2020	\$ 7,474,104	\$ 4,325,063	\$ 3,149,041
Adjustment to Beginning of Year	-	(27,067)	27,067
Changes for the year			
Service Cost	146,644	-	146,644
Interest on the total pension liability	542,684	-	542,684
Differences between expected and actual experience in the measurement of the pension liability	288,889	-	288,889
Changes of assumptions or other inputs	-	-	-
Contributions-employer	-	387,583	(387,583)
Contributions-employee	-	75,575	(75,575)
Net investment income	-	55,105	(55,105)
Benefit payments, including refunds of employee contributions	(373,429)	(373,429)	-
Administrative expense	-	(4,494)	4,494
Net changes	604,788	140,340	464,448
Balances at June 30, 2021	\$ 8,078,892	\$ 4,438,336	\$ 3,640,556
	Health Insurance Premium Benefit		
	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (Asset) (a) - (b)
Balances at June 30, 2020	\$ 142,293	\$ 200,601	\$ (58,308)
Changes for the year			
Service Cost	4,616	-	4,616
Interest on the total pension liability	10,465	-	10,465
Differences between expected and actual experience in the measurement of the OPEB liability	21,798	-	21,798
Contributions-employer	-	1,306	(1,306)
Net investment income	-	2,470	(2,470)
Benefit payments, including refunds of employee contributions	(10,988)	(10,988)	-
Administrative expense	-	(201)	201
Net changes	25,891	(7,413)	33,304
Balances at June 30, 2021	\$ 168,184	\$ 193,188	\$ (25,004)

TOWN OF CAMP VERDE, ARIZONA
Notes to Financial Statements
June 30, 2021

NOTE 12 – 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	\$ 4,801,330	\$ 3,640,556	\$ 2,697,631
Net OPEB (asset) liability	(5,455)	(25,004)	(41,386)

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, 2021, the Town recognized the following pension and OPEB expense:

	<u>Pension Expense</u>	<u>OPEB Expense (Income)</u>
PSPRS Police	\$ 682,010	\$ (5,853)

Deferred Outflows/Inflows of Resources – At June 30, 2021, 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	\$ 422,420	\$ 12,879	\$ 18,165	\$ 40,065
Changes of assumptions or other inputs	216,568	-	1,612	2,802
Net difference between projected and actual earnings on pension plan investments	236,361	-	10,558	-
Contributions subsequent to the measurement date	471,114	-	2,098	-
Total	<u>\$ 1,346,463</u>	<u>\$ 12,879</u>	<u>\$ 32,433</u>	<u>\$ 42,867</u>

TOWN OF CAMP VERDE, ARIZONA
Notes to Financial Statements
June 30, 2021

NOTE 12 – 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, 2022. 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,	PSPRS Police	
	Pension	Health
2022	\$ 281,122	\$ (6,852)
2023	261,486	(5,409)
2024	209,732	(4,709)
2025	110,130	805
2026	-	3,633
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, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenue				
Taxes	\$ 5,234,800	\$ 5,234,800	\$ 6,855,126	\$ 1,620,326
Intergovernmental	3,726,145	3,726,145	4,169,073	442,928
Fines and forfeitures	171,500	171,500	150,616	(20,884)
Licenses and permits	222,500	222,500	315,361	92,861
Charges for services	140,550	140,550	173,612	33,062
Investment income	16,000	16,000	2,361	(13,639)
Other revenue	64,810	64,810	34,960	(29,850)
Total revenue	<u>9,576,305</u>	<u>9,576,305</u>	<u>11,701,109</u>	<u>2,124,804</u>
Expenditures				
Marshal	3,347,200	3,423,137	3,309,914	113,223
Magistrate	468,350	479,785	365,512	114,273
Community development	556,465	597,374	539,322	58,052
Library	602,475	637,980	637,890	90
Risk management	370,269	373,329	360,890	12,439
Information technology	217,000	222,300	251,792	(29,492)
Parks and recreation	529,815	536,872	482,207	54,665
Town clerk	225,360	242,211	238,541	3,670
Town manager	177,040	182,285	179,752	2,533
Finance	338,860	345,475	351,324	(5,849)
Economic development	268,755	274,660	268,197	6,463
Non-departmental	340,690	445,790	418,160	27,630
Public works	1,087,000	1,108,719	1,051,111	57,608
Mayor and council	49,269	49,269	39,689	9,580
Human resources	445,550	258,523	260,575	(2,052)
Total expenditures	<u>9,024,098</u>	<u>9,177,709</u>	<u>8,754,876</u>	<u>422,833</u>
Excess (deficiency) of revenue over (under) expenditures	<u>552,207</u>	<u>398,596</u>	<u>2,946,233</u>	<u>2,547,637</u>
Other financing sources				
Transfers in (out)	<u>(1,314,255)</u>	<u>(1,328,403)</u>	<u>(476,143)</u>	<u>852,260</u>
Net change in fund balances	<u>(762,048)</u>	<u>(929,807)</u>	<u>2,470,090</u>	<u>3,399,897</u>
Fund balances, July 1, 2020	<u>2,216,094</u>	<u>2,216,094</u>	<u>2,216,094</u>	<u>-</u>
Fund balances, June 30, 2021	<u><u>\$ 1,454,046</u></u>	<u><u>\$ 1,286,287</u></u>	<u><u>\$ 4,686,184</u></u>	<u><u>\$ 3,399,897</u></u>

See accompanying notes to budgetary comparison schedule.

TOWN OF CAMP VERDE, ARIZONA
Required Supplementary Information
Notes to Budgetary Comparison Schedules
June 30, 2021

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, 2021, expenditures exceeded final budget amounts at the department level (the legal level of budgetary control) in the Risk Management, Information Technology, Finance, and Human Resources 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, 2021

ASRS - Pension
Reporting Fiscal Year
(Measurement Date)

	2021	2020	2019	2018	2017	2016	2015	2014	2014
	(2020)	(2019)	(2018)	(2017)	(2016)	(2015)	(2014)	(2014)	Through
									2012
Town's proportion of the net pension liability	0.030770%	0.031430%	0.031890%	0.030200%	0.029430%	0.029330%	0.027452%		Information
Town's proportionate share of the net pension liability	\$ 5,331,370	\$ 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	\$ 3,314,991	\$ 3,061,440	\$ 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	158.47%	137.96%	145.28%	159.71%	175.76%	170.76%	164.15%		
Plan fiduciary net position as a percentage of the total pension liability	69.33%	73.24%	73.40%	69.92%	67.06%	68.35%	69.49%		

ASRS-Health Insurance Premium Benefit
Reporting Fiscal Year
(Measurement Date)

ASRS-Long-Term Disability
Reporting Fiscal Year
(Measurement Date)

	2021	2020	2019	2018	2017 through	2021	2020	2019	2018	2017 through
	(2020)	(2019)	(2018)	(2017)	2012	(2020)	(2019)	(2018)	(2017)	2012
Town's proportion of the net OPEB (asset)	0.031490%	0.032210%	0.032500%	0.030640%	Information	0.031190%	0.031920%	0.031970%	0.030320%	Information
Town's proportionate share of the net OPEB (asset)	\$ (22,295)	\$ (8,901)	\$ (11,703)	\$ (16,680)	not available	\$ 23,661	\$ 20,794	\$ 16,704	\$ 10,990	not available
Town's covered payroll	\$ 3,364,321	\$ 3,314,991	\$ 3,061,440	\$ 2,945,686		\$ 3,364,321	\$ 3,314,991	\$ 3,061,440	\$ 2,945,686	
Town's proportionate share of the net OPEB (asset) as a percentage of its covered payroll	-0.66%	-0.27%	-0.38%	-0.57%		0.70%	0.63%	0.55%	0.37%	
Plan fiduciary net position as a percentage of the total OPEB liability	104.33%	101.62%	102.20%	103.57%		68.01%	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, 2021

PSPRS - Pension

	Reporting Fiscal Year (Measurement Date)							2014 through 2012
	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)	
Total pension liability								Information not available
Service cost	\$ 146,644	\$ 166,836	\$ 150,833	\$ 203,294	\$ 160,518	\$ 164,394	\$ 135,654	
Interest on the total pension liability	542,684	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	288,889	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	(373,429)	(343,890)	(344,531)	(322,536)	(347,173)	(264,036)	(264,648)	
Net change in total pension liability	604,788	691,053	362,701	624,344	626,440	316,574	743,212	
Total pension liability - beginning	7,474,104	6,783,051	6,420,350	5,796,006	5,169,566	4,852,992	4,109,780	
Total pension liability - ending (a)	<u>\$ 8,078,892</u>	<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	\$ 387,583	\$ 336,486	\$ 440,207	\$ 251,099	\$ 267,840	\$ 225,914	\$ 170,919	
Contributions - employee	75,575	70,712	76,338	98,238	248,471	96,283	79,176	
Net investment income	55,105	219,811	262,053	392,528	18,359	110,474	357,316	
Benefit payments, including refunds of employee contributions	(373,429)	(343,890)	(344,531)	(322,536)	(347,173)	(264,036)	(264,648)	
Hall/Parker Settlement	-	-	(107,502)	-	-	-	-	
Administrative expense	(4,494)	(4,813)	(4,688)	(3,873)	(3,042)	(3,075)	-	
Other changes	-	-	47	1,007	(17,573)	(2,569)	(88,819)	
Net change in plan fiduciary net position	140,340	278,306	321,924	416,463	166,882	162,991	253,944	
Plan fiduciary net position - beginning	4,325,063	4,049,518	3,727,594	3,311,131	3,144,249	2,981,258	2,727,314	
Adjustment to Beginning of Year	(27,067)	(2,761)	-	-	-	-	-	
Plan fiduciary net position - ending (b)	<u>\$ 4,438,336</u>	<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>\$ 3,640,556</u>	<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	54.94%	57.87%	59.70%	58.06%	57.13%	60.82%	61.43%	
Covered payroll	\$ 801,280	\$ 746,654	\$ 768,379	\$ 898,338	\$ 845,274	\$ 919,242	\$ 873,953	
Town's net pension liability as a % of covered-employee payroll	454.34%	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, 2021

PSPRS - Health Insurance Premium Benefit

	Reporting Fiscal Year (Measurement Date)				2017 through 2012
	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	
Total OPEB liability					
Service cost	\$ 4,616	\$ 3,688	\$ 3,842	\$ 4,851	Information not available
Interest on the total OPEB liability	10,465	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	21,798	(25,518)	(27,735)	(20,723)	
Changes of assumptions or other inputs	-	2,418	-	(6,818)	
Benefit payments	(10,988)	(7,330)	(5,892)	(8,205)	
Net change in total OPEB liability	25,891	(15,094)	(16,959)	(11,441)	
Total OPEB liability - beginning	142,293	157,387	174,346	185,787	
Total OPEB liability - ending (a)	<u>\$ 168,184</u>	<u>\$ 142,293</u>	<u>\$ 157,387</u>	<u>\$ 174,346</u>	
Plan fiduciary net position					
Contributions - employer	\$ 1,306	\$ 3,703	\$ 2,175	\$ 3,796	
Net investment income	2,470	10,275	12,614	19,613	
Benefit payments	(10,988)	(7,330)	(5,892)	(8,205)	
Administrative expense	(201)	(177)	(192)	(175)	
Other changes	-	2,761	-	-	
Net change in plan fiduciary net position	(7,413)	9,232	8,705	15,029	
Plan fiduciary net position - beginning	200,601	191,369	182,664	167,635	
Plan fiduciary net position - ending (b)	<u>\$ 193,188</u>	<u>\$ 200,601</u>	<u>\$ 191,369</u>	<u>\$ 182,664</u>	
Town's net OPEB (asset) liability - ending (a) - (b)	<u>\$ (25,004)</u>	<u>\$ (58,308)</u>	<u>\$ (33,982)</u>	<u>\$ (8,318)</u>	
Plan fiduciary net position as a percentage of the total OPEB liability	114.87%	140.98%	121.59%	104.77%	
Covered payroll	\$ 801,280	\$ 746,654	\$ 768,379	\$ 898,338	
Town's net OPEB (asset) liability as a percentage of covered payroll	-3.12%	-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, 2021

	ASRS - Pension								
	Reporting Fiscal Year								
	2021	2020	2019	2018	2017	2016	2015	2014	2013 through 2012
Statutorily required contribution	\$ 410,151	\$ 385,113	\$ 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>(410,151)</u>	<u>(385,113)</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>	<u>\$ -</u>	
Town's covered payroll	<u>\$ 3,520,608</u>	<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	11.65%	11.45%	11.18%	10.90%	10.78%	10.85%	10.89%	10.70%	

	ASRS-Health Insurance Premium Benefit						ASRS-Long-Term Disability					
	Reporting Fiscal Year						Reporting Fiscal Year					
	2021	2020	2019	2018	2017	2016 through 2012	2021	2020	2019	2018	2017	2016 through 2012
Statutorily required contribution	\$ 13,730	\$ 16,462	\$ 15,249	\$ 13,470	\$ 16,496	Information not available	\$ 6,337	\$ 5,717	\$ 5,304	\$ 4,898	\$ 4,123	Information not available
Town's contributions in relation to the statutorily required contribution	<u>(13,730)</u>	<u>(16,462)</u>	<u>(15,249)</u>	<u>(13,470)</u>	<u>(16,496)</u>		<u>(6,337)</u>	<u>(5,717)</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>	<u>\$ -</u>	<u>\$ -</u>	
Town's covered payroll	<u>\$ 3,520,608</u>	<u>\$ 3,364,321</u>	<u>\$ 3,314,991</u>	<u>\$ 3,061,440</u>	<u>\$ 2,945,686</u>		<u>\$ 3,520,608</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	0.39%	0.49%	0.46%	0.44%	0.56%		0.18%	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, 2021

	PSPRS - Pension								
	Reporting Fiscal Year								
	2021	2020	2019	2018	2017	2016	2015	2014	2013 through 2012
Actuarially determined contribution	\$ 421,114	\$ 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>(421,114)</u>	<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>	<u>\$ -</u>	
Town's covered payroll	\$ 868,637	\$ 801,280	\$ 746,654	\$ 768,379	\$ 898,338	\$ 845,274	\$ 919,242	\$ 873,953	
Town's contributions as a percentage of covered payroll	48.48%	52.39%	45.07%	57.29%	27.95%	31.69%	24.58%	19.56%	

	PSPRS-Health Insurance Premium Benefit						
	Reporting Fiscal Year						
	2021	2020	2019	2018	2017	2016 through 2012	
Actuarially determined contribution	\$ 2,098	\$ 1,981	\$ 3,703	\$ 2,175	\$ 3,796	Information not available	
Town's contributions in relation to the actuarially determined contribution	<u>(2,098)</u>	<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>	<u>\$ -</u>		
Town's covered payroll	\$ 868,637	\$ 801,280	\$ 746,654	\$ 768,379	\$ 898,338		
Town's contributions as a percentage of covered payroll	0.24%	0.25%	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, 2021

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 2019 actuarial valuation	19 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, 2021

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, 2021

	Special Revenue Funds	Capital Improvement Fund	Total Non-major Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash and cash equivalents	\$ 1,160,284	\$ 237,752	\$ 1,398,036
Due from other governments	140,627	-	140,627
Total assets	<u>\$ 1,300,911</u>	<u>\$ 237,752</u>	<u>\$ 1,538,663</u>
LIABILITIES			
Accounts payable	\$ 38,307	\$ 36,293	\$ 74,600
Accrued liabilities	3,460	-	3,460
Unearned revenue	6,009	-	6,009
Due to other funds	13,096	-	13,096
Total liabilities	<u>60,872</u>	<u>36,293</u>	<u>97,165</u>
FUND BALANCES			
Restricted	1,057,714	-	1,057,714
Committed	182,325	-	182,325
Assigned	-	201,459	201,459
Total fund balances	<u>1,240,039</u>	<u>201,459</u>	<u>1,441,498</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,300,911</u>	<u>\$ 237,752</u>	<u>\$ 1,538,663</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, 2021

	Special Revenue Funds	Capital Improvement Fund	Total Non-Major Governmental Funds
Revenue			
Intergovernmental	\$ 3,051,901	\$ -	\$ 3,051,901
Fines and forfeitures	18,785	-	18,785
Contributions	39,712	60,000	99,712
Investment income	2,000	-	2,000
Other revenue	8,725	-	8,725
Total revenue	<u>3,121,123</u>	<u>60,000</u>	<u>3,181,123</u>
Expenditures			
Current			
General government	41,600	-	41,600
Public safety	79,070	-	79,070
Public works and streets	765,687	-	765,687
Culture and recreation	32,787	-	32,787
Economic and community development	11,589	-	11,589
Capital outlay	453,772	1,103,862	1,557,634
Total expenditures	<u>1,384,505</u>	<u>1,103,862</u>	<u>2,488,367</u>
Excess (deficiency) of revenue over (under) expenditures	<u>1,736,618</u>	<u>(1,043,862)</u>	<u>692,756</u>
Other financing sources			
Sale of assets	48,195	-	48,195
Capital lease acquisition	-	310,757	310,757
Transfers (out)	(1,659,208)	750,137	(909,071)
Total other financing sources	<u>(1,611,013)</u>	<u>1,060,894</u>	<u>(550,119)</u>
Net change in fund balances	125,605	17,032	142,637
Fund balances, July 1, 2020	<u>1,114,434</u>	<u>184,427</u>	<u>1,298,861</u>
Fund balances, June 30, 2021	<u>\$ 1,240,039</u>	<u>\$ 201,459</u>	<u>\$ 1,441,498</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.

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.

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, 2021

	Housing Fund	HURF Fund	Court Special Revenue Fund	Nonfederal Grants Fund
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
ASSETS				
Cash and cash equivalents	\$ 123,451	\$ 600,496	\$ 121,654	\$ 34,233
Due from other governments	-	95,972	-	2,462
Total assets	<u>\$ 123,451</u>	<u>\$ 696,468</u>	<u>\$ 121,654</u>	<u>\$ 36,695</u>
LIABILITIES				
Accounts payable	\$ -	\$ 27,478	\$ -	\$ -
Accrued liabilities	-	3,460	-	-
Unearned revenue	-	-	-	-
Due to other funds	-	-	-	-
Total liabilities	<u>-</u>	<u>30,938</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Restricted	123,451	665,530	121,654	36,695
Committed	-	-	-	-
Total fund balances	<u>123,451</u>	<u>665,530</u>	<u>121,654</u>	<u>36,695</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 123,451</u>	<u>\$ 696,468</u>	<u>\$ 121,654</u>	<u>\$ 36,695</u>

Federal Grants Fund	CDBG Grants Fund	9-1-1 Fund	Donations Fund	Total Non-Major Special Revenue Funds
\$ -	\$ -	\$ 1,361	\$ 279,089	\$ 1,160,284
42,193	-	-	-	140,627
<u>\$ 42,193</u>	<u>\$ -</u>	<u>\$ 1,361</u>	<u>\$ 279,089</u>	<u>\$ 1,300,911</u>
\$ 8,358	\$ -	\$ -	\$ 2,471	\$ 38,307
-	-	-	-	3,460
6,009	-	-	-	6,009
13,096	-	-	-	13,096
<u>27,463</u>	<u>-</u>	<u>-</u>	<u>2,471</u>	<u>60,872</u>
14,730	-	1,361	94,293	1,057,714
-	-	-	182,325	182,325
<u>14,730</u>	<u>-</u>	<u>1,361</u>	<u>276,618</u>	<u>1,240,039</u>
<u>\$ 42,193</u>	<u>\$ -</u>	<u>\$ 1,361</u>	<u>\$ 279,089</u>	<u>\$ 1,300,911</u>

TOWN OF CAMP VERDE, ARIZONA
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Special Revenue Funds
June 30, 2021

	Housing Fund	HURF Fund	Court Special Revenue Fund	Nonfederal Grants Fund
Revenue				
Intergovernmental	\$ -	\$ 1,075,900	\$ -	\$ 119,945
Fines and forfeitures	-	-	18,774	-
Contributions	-	-	-	-
Investment income	1,891	-	-	-
Other revenue	48,195	6,725	-	-
Total revenue	<u>50,086</u>	<u>1,082,625</u>	<u>18,774</u>	<u>119,945</u>
Expenditures				
Current				
General government	-	-	3,422	-
Public safety	-	-	-	63,411
Public works and streets	-	763,224	-	2,463
Culture and recreation	-	-	-	7,512
Economic and community development	-	-	-	-
Capital outlay	-	71,661	-	14,378
Total expenditures	<u>-</u>	<u>834,885</u>	<u>3,422</u>	<u>87,764</u>
Excess (deficiency) of revenue over (under) expenditures	<u>50,086</u>	<u>247,740</u>	<u>15,352</u>	<u>32,181</u>
Other financing sources				
Transfers (out)	<u>-</u>	<u>(246,912)</u>	<u>-</u>	<u>(275)</u>
Net change in fund balances	50,086	828	15,352	31,906
Fund balances, July 1, 2020	<u>73,365</u>	<u>664,702</u>	<u>106,302</u>	<u>4,789</u>
Fund balances, June 30, 2021	<u>\$ 123,451</u>	<u>\$ 665,530</u>	<u>\$ 121,654</u>	<u>\$ 36,695</u>

<u>Federal Grants Fund</u>	<u>CDBG Grants Fund</u>	<u>9-1-1 Fund</u>	<u>Donations Fund</u>	<u>Total Non-Major Special Revenue Funds</u>
\$ 1,585,413	\$ 270,643	\$ -	\$ -	\$ 3,051,901
-	-	-	11	18,785
-	-	-	39,712	39,712
-	-	-	109	2,000
-	-	-	2,000	56,920
<u>1,585,413</u>	<u>270,643</u>	<u>-</u>	<u>41,832</u>	<u>3,169,318</u>
38,178	-	-	-	41,600
9,082	-	-	6,577	79,070
-	-	-	-	765,687
2,250	-	-	23,025	32,787
11,589	-	-	-	11,589
16,817	350,916	-	-	453,772
<u>77,916</u>	<u>350,916</u>	<u>-</u>	<u>29,602</u>	<u>1,384,505</u>
<u>1,507,497</u>	<u>(80,273)</u>	<u>-</u>	<u>12,230</u>	<u>1,784,813</u>
<u>(1,493,472)</u>	<u>80,273</u>	<u>-</u>	<u>1,178</u>	<u>(1,659,208)</u>
14,025	-	-	13,408	125,605
705	-	1,361	263,210	1,114,434
<u>\$ 14,730</u>	<u>\$ -</u>	<u>\$ 1,361</u>	<u>\$ 276,618</u>	<u>\$ 1,240,039</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, 2021

	Housing Fund			HURF Fund		
	Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
Revenue						
Intergovernmental	\$ -	\$ -	\$ -	\$ 991,445	\$ 1,075,900	\$ 84,455
Fines and forfeitures	-	-	-	-	-	-
Contributions	-	-	-	-	-	-
Investment income	20	1,891	1,871	10,000	-	(10,000)
Other revenue	50,550	48,195	(2,355)	-	6,725	6,725
Total revenue	50,570	50,086	(484)	1,001,445	1,082,625	81,180
Expenditures						
Current						
General government	48,900	-	48,900	-	-	-
Public safety	-	-	-	-	-	-
Public works	-	-	-	767,430	763,224	4,206
Culture and recreation	-	-	-	-	-	-
Community development	-	-	-	-	-	-
Capital outlay	-	-	-	67,500	71,661	(4,161)
Total expenditures	48,900	-	48,900	834,930	834,885	45
Excess (deficiency) of revenue over (under) expenditures	1,670	50,086	48,416	166,515	247,740	81,225
Other financing sources						
Transfers in (out)	-	-	-	(443,912)	(246,912)	(197,000)
Total other financing sources	-	-	-	(443,912)	(246,912)	(197,000)
Net change in fund balances	1,670	50,086	48,416	(277,397)	828	(115,775)
Fund balances, July 1, 2020	73,365	73,365	-	664,702	664,702	-
Fund balances, June 30, 2021	\$ 75,035	\$ 123,451	\$ 48,416	\$ 387,305	\$ 665,530	\$ (115,775)

Court Special Revenue Fund			Nonfederal Grants Fund			Federal Grants Fund		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$ -	\$ -	\$ -	\$ 1,019,000	\$ 119,945	\$ (899,055)	\$ 5,631,791	\$ 1,585,413	\$(4,046,378)
31,000	18,774	(12,226)	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
31,000	18,774	(12,226)	1,019,000	119,945	(899,055)	5,631,791	1,585,413	(4,046,378)
128,700	3,422	125,278	5,050	-	5,050	10,000	38,178	(28,178)
-	-	-	89,000	63,411	25,589	12,000	9,082	2,918
-	-	-	385,000	2,463	382,537	-	-	-
-	-	-	-	7,512	(7,512)	12,000	2,250	9,750
-	-	-	-	-	-	-	11,589	(11,589)
-	-	-	-	14,378	(14,378)	92,000	16,817	75,183
128,700	3,422	125,278	479,050	87,764	391,286	126,000	77,916	48,084
(97,700)	15,352	113,052	539,950	32,181	(507,769)	5,505,791	1,507,497	(3,998,294)
-	-	-	(275)	(275)	-	(5,559,791)	(1,493,472)	(4,066,319)
-	-	-	(275)	(275)	-	(5,559,791)	(1,493,472)	(4,066,319)
(97,700)	15,352	113,052	539,675	31,906	(507,769)	(54,000)	14,025	(8,064,613)
106,302	106,302	-	4,789	4,789	-	705	705	-
\$ 8,602	\$ 121,654	\$ 113,052	\$ 544,464	\$ 36,695	\$ (507,769)	\$ (53,295)	\$ 14,730	\$(8,064,613)

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, 2021
(Continued)

	CDBG Grants Fund			9-1-1 Fund		
	Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
Revenue						
Intergovernmental	\$ 308,450	\$ 270,643	\$ (37,807)	\$ -	\$ -	\$ -
Fines and forfeitures	-	-	-	-	-	-
Contributions	-	-	-	-	-	-
Investment income	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-
Total revenue	<u>308,450</u>	<u>270,643</u>	<u>(37,807)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures						
Current						
General government	-	-	-	-	-	-
Public safety	-	-	-	1,361	-	1,361
Public works	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Community development	-	-	-	-	-	-
Capital outlay	433,450	350,916	82,534	-	-	-
Total expenditures	<u>433,450</u>	<u>350,916</u>	<u>82,534</u>	<u>1,361</u>	<u>-</u>	<u>1,361</u>
Excess (deficiency) of revenue over (under) expenditures	<u>(125,000)</u>	<u>(80,273)</u>	<u>44,727</u>	<u>(1,361)</u>	<u>-</u>	<u>1,361</u>
Other financing sources						
Transfers in (out)	125,000	80,273	44,727	-	-	-
Total other financing sources	<u>125,000</u>	<u>80,273</u>	<u>44,727</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	-	89,454	(1,361)	-	1,361
Fund balances, July 1, 2020	-	-	-	1,361	1,361	-
Fund balances, June 30, 2021	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 89,454</u>	<u>\$ -</u>	<u>\$ 1,361</u>	<u>\$ 1,361</u>

Donations Fund			Totals		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$ -	\$ -	\$ -	\$ 6,650,791	\$ 1,976,001	\$(4,674,790)
500	11	(489)	31,500	18,785	(12,715)
105,600	39,712	(65,888)	105,600	39,712	(65,888)
40,000	109	(39,891)	40,020	2,000	(38,020)
-	2,000	2,000	50,550	50,195	(355)
<u>146,100</u>	<u>41,832</u>	<u>(104,268)</u>	<u>6,878,461</u>	<u>2,086,693</u>	<u>(4,791,768)</u>
-	-	-	192,650	41,600	151,050
272,715	6,577	266,138	375,076	79,070	296,006
-	-	-	385,000	2,463	382,537
116,010	23,025	92,985	128,010	32,787	95,223
-	-	-	-	11,589	(11,589)
-	-	-	92,000	382,111	(290,111)
<u>388,725</u>	<u>29,602</u>	<u>359,123</u>	<u>1,172,736</u>	<u>549,620</u>	<u>623,116</u>
<u>(242,625)</u>	<u>12,230</u>	<u>254,855</u>	<u>5,705,725</u>	<u>1,537,073</u>	<u>(5,414,884)</u>
<u>5,000</u>	<u>1,178</u>	<u>3,822</u>	<u>(5,555,066)</u>	<u>(1,492,569)</u>	<u>4,062,497</u>
<u>5,000</u>	<u>1,178</u>	<u>3,822</u>	<u>(5,555,066)</u>	<u>(1,492,569)</u>	<u>4,062,497</u>
<u>(237,625)</u>	<u>13,408</u>	<u>258,677</u>	<u>150,659</u>	<u>44,504</u>	<u>(1,352,387)</u>
<u>263,210</u>	<u>263,210</u>	<u>-</u>	<u>449,732</u>	<u>449,732</u>	<u>-</u>
<u>\$ 25,585</u>	<u>\$ 276,618</u>	<u>\$ 258,677</u>	<u>\$ 600,391</u>	<u>\$ 494,236</u>	<u>\$(1,352,387)</u>



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, 2021

	Parks Fund (Major)		
	Budget	Actual	Variance - Positive (Negative)
Revenue			
Contributions	\$ -	\$ -	\$ -
Other revenue	-	745	745
Total revenue	-	745	745
Expenditures			
Capital outlay	9,327,620	2,276,362	7,051,258
Excess (deficiency) of revenue over (under) expenditures	(9,327,620)	(2,275,617)	(7,050,513)
Other financing sources			
Bond proceeds	2,500,000	2,598,822	98,822
Capital lease acquisition	-	-	-
Transfers in(out)	4,000,000	-	(4,000,000)
Total other financing sources	6,500,000	2,598,822	(3,901,178)
Net change in fund balances	(2,827,620)	323,205	3,150,825
Fund balances, July 1, 2020	2,373,676	2,373,676	-
Fund balances, June 30, 2021	\$ (453,944)	\$ 2,696,881	\$ 3,150,825

Capital Improvement Fund (Non-Major)			Total		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$ -	\$ 60,000	\$ 60,000	\$ -	\$ 60,000	\$ 60,000
-	-	-	-	745	745
-	60,000	60,000	-	60,745	60,745
2,203,394	1,103,862	1,099,532	11,531,014	3,380,224	8,150,790
(2,203,394)	(1,043,862)	(1,039,532)	(11,531,014)	(3,319,479)	(8,090,045)
-	-	-	2,500,000	2,598,822	98,822
255,000	310,757	55,757	255,000	310,757	55,757
1,811,566	750,137	(1,061,429)	5,811,566	750,137	(5,061,429)
2,066,566	1,060,894	(1,005,672)	8,566,566	3,659,716	(4,906,850)
(136,828)	17,032	153,860	(2,964,448)	340,237	3,304,685
184,427	184,427	-	2,558,103	2,558,103	-
\$ 47,599	\$ 201,459	\$ 153,860	\$ (406,345)	\$ 2,898,340	\$ 3,304,685

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, 2021

	<u>Budget</u>	<u>Actual</u>	Variance - Positive (Negative)
Expenditures			
Current			
Health and welfare	\$ 118,470	\$ 118,465	\$ 5
Debt service			
Principal	1,230,760	1,170,919	59,841
Interest	385,065	427,609	(42,544)
Total expenditures	<u>1,734,295</u>	<u>1,716,993</u>	<u>17,302</u>
Excess (deficiency) of revenue over (under) expenditures	<u>(1,734,295)</u>	<u>(1,716,993)</u>	<u>17,302</u>
Other financing sources			
Debt issuance	-	298,178	298,178
Transfers in	1,418,815	1,418,815	-
Total other financing sources	<u>1,418,815</u>	<u>1,716,993</u>	<u>298,178</u>
Net change in fund balances	(315,480)	-	315,480
Fund balances, July 1, 2020	-	-	-
Fund balances, June 30, 2021	<u>\$ (315,480)</u>	<u>\$ -</u>	<u>\$ 315,480</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, 2021

	<u>Budget</u>	<u>Actual</u>	Variance- Positive (Negative)
Operating revenues			
Sewer charges	\$ 2,061,600	\$ 1,937,592	\$ (124,008)
Miscellaneous	-	3,122	3,122
Total operating revenues	<u>2,061,600</u>	<u>1,940,714</u>	<u>(120,886)</u>
Operating expenses			
Depreciation	1,000,000	945,760	54,240
Personnel	655,869	617,420	38,449
Repairs and maintenance	121,500	282,574	(161,074)
Other	120,100	66,787	53,313
Materials and supplies	179,500	119,070	60,430
Utilities	133,000	113,043	19,957
Professional services	34,700	32,745	1,955
Insurance	31,000	31,000	-
Total operating expenses	<u>2,275,669</u>	<u>2,208,399</u>	<u>67,270</u>
Operating income (loss)	<u>(214,069)</u>	<u>(267,685)</u>	<u>(53,616)</u>
Nonoperating revenues (expenses)			
Interest income	1,200	261	(939)
Interest expense	(20,165)	(34,248)	(14,083)
Total nonoperating revenues (expenses)	<u>(18,965)</u>	<u>(33,987)</u>	<u>(15,022)</u>
Income (loss) before contributions	(233,034)	(301,672)	(68,638)
Capital contributions	2,850,000	-	(2,850,000)
Transfers	(28,000)	(33,601)	(5,601)
Increase (decrease) in net position	2,588,966	(335,273)	(2,924,239)
Total net position, beginning of year	<u>17,101,827</u>	<u>17,101,827</u>	<u>-</u>
Total net position, end of year	<u>\$ 19,690,793</u>	<u>\$ 16,766,554</u>	<u>\$ (2,924,239)</u>

FIDUCIARY FUNDS

Custodial Funds – to account for assets held by the Town in a fiduciary capacity.

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 District's debt service requirements.

TOWN OF CAMP VERDE, ARIZONA
Combining Statement of Fiduciary Net Position
Custodial Funds
June 30, 2021

	Other		Total Other
	Employee Assistance Fund	Camp Verde Sewer District Fund	
ASSETS			
Cash and cash equivalents	\$ 29,658	\$ 421,134	\$ 450,792
Property tax receivable	-	49,029	49,029
Total assets	<u>\$ 29,658</u>	<u>\$ 470,163</u>	<u>\$ 499,821</u>
LIABILITIES			
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
NET POSITION			
Restricted for:			
Individual, organizations, and other governments	<u>29,658</u>	<u>470,163</u>	<u>499,821</u>
Total net position	<u>\$ 29,658</u>	<u>470,163</u>	<u>499,821</u>

TOWN OF CAMP VERDE, ARIZONA
Combining Statement of Changes in Fiduciary Net Position
Custodial Funds
June 30, 2021

	Other		Total Other
	Employee Assistance Fund	Camp Verde Sewer District Fund	
<u>Additions:</u>			
Property tax collections from other governments	\$ -	\$ 828,069	\$ 828,069
Contributions from other governments	-	118,466	118,466
Contributions from employees	4,534	-	4,534
Interest income	1	2,666	2,667
Total additions	\$ 4,535	\$ 949,201	\$ 953,736
<u>Deductions:</u>			
Distributions for employee assistance	500	-	500
Distributions for district debt service	-	904,081	904,081
Total deductions	500	904,081	904,581
Change in net position	4,035	45,120	49,155
Net position, July 1, 2020	25,623	425,043	450,666
Net position, June 30, 2021	\$ 29,658	\$ 470,163	\$ 499,821

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									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Governmental activities:										
Net investment in capital assets	\$ 19,542,531	\$ 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
Restricted	3,754,595	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
Unrestricted	(7,494,436)	(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
Total governmental activities net position	<u>\$ 15,802,690</u>	<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>
Business-type activities:										
Net investment in capital assets	\$ 17,235,904	\$ 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
Restricted	-	-	-	-	-	-	-	-		
Unrestricted	(469,349)	(855,278)	(496,445)	45,271	332,351	529,976	360,957	834,434		
Total business-type activities net position	<u>\$ 16,766,555</u>	<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>
Primary government										
Net investment in capital assets	\$ 36,778,435	\$ 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
Restricted	3,754,595	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
Unrestricted	(7,963,785)	(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
Total net position	<u>\$ 32,569,245</u>	<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>

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									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Expenses										
Governmental activities:										
General government	\$ 3,674,054	\$ 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
Public safety	3,903,672	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
Public works and streets	1,533,711	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
Health and welfare	145,965	134,008	126,049	123,589	123,627	123,664	123,700	131,233	136,266	131,300
Culture and recreation	1,505,036	1,392,080	1,232,178	1,418,639	1,075,309	817,187	724,730	684,280	735,840	561,166
Community development	571,455	536,787	514,618	521,685	550,246	473,270	507,702	411,023	456,020	348,532
Interest on long-term debt	419,220	386,287	364,722	271,290	169,556	108,958	224,557	107,141	125,025	112,867
Total governmental activities	<u>11,753,113</u>	<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>
Business-type activities:										
Wastewater	\$ 2,242,647	\$ 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
Total business-type activities	<u>2,242,647</u>	<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>	-	-
Total expenses	<u>13,995,760</u>	<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>
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 34,945	\$ 35,781	\$ 95,309	\$ 32,261	\$ 34,813	\$ 33,045	\$ 25,234	\$ 51,173	\$ 18,221	\$ 43,244
Public safety	373,591	392,807	402,866	358,508	441,567	481,762	457,097	412,704	454,195	373,510
Public works and streets	25,944	36,348	2,005	7,755	7,348	13,905	16,214	42,817	500	5,942
Culture and recreation	48,145	53,812	70,304	58,029	57,730	48,260	42,332	43,565	35,274	36,957
Community development	374,935	293,755	255,234	227,727	189,053	226,745	194,789	188,391	190,062	151,498
Operating grants and contributions	2,641,493	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
Capital grants and contributions	595,216	108,449	359,275	119,670	307,300	891,401	438,025	182,421	647,539	969,961
Total governmental activities	<u>4,094,269</u>	<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>
Business-type activities:										
Charges for services	\$ 1,940,715	\$ 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
Capital grants and contributions	-	177,757	822,243	-	-	316,450	-	-	N/A	N/A
Total business-type activities	<u>1,940,715</u>	<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>	-	-
Total program revenues	<u>6,034,984</u>	<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>
Net Expense	<u>\$ (7,960,776)</u>	<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>

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>2021</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>
Net Expense	\$ (7,960,776)	\$ (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)
General Revenues:										
Governmental activities:										
Taxes:										
Sales taxes	\$ 6,557,976	\$ 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 taxes	297,149	274,961	287,034	286,341	270,925	285,834	266,973	267,059	250,327	245,501
State shared revenues	3,874,792	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
Investment earnings	5,106	30,368	76,691	17,889	27,872	29,593	15,456	27,714	33,251	13,787
Miscellaneous	21,515	34,540	30,296	13,379	91,581	80,456	7,086	13,090	69,009	11,840
Loss on Sale of Assets	0	0	0	0	0	(262,368)	0	0	0	0
Transfers	33,601	70,348	0	0	(24,740)	(33,462)	0	0	0	0
Total governmental activities	<u>10,790,139</u>	<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>
Business-type activities:										
Investment earnings	\$ 261	\$ 1,095	\$ 3,107	\$ 2,769	\$ 1,181	\$ 1,042	\$ 909	\$ 1,621	N/A	N/A
Special item*	-	-	-	425,000	-	-	-	20,077,637	-	-
Loss on Disposal of Assets	-	-	-	-	(2,000)	-	-	-	-	-
Transfers	(33,601)	(70,348)	-	-	24,740	33,462	-	-	-	-
Total business-type activities	<u>(33,340)</u>	<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>
Changes in Net Position	<u>\$ 2,796,023</u>	<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>

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>2021</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>
General Fund:										
Reserved										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	662,091	662,056	632,000	632,000
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	4,686,184	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
Total General Fund	<u>\$ 4,686,184</u>	<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>
All Other Governmental Funds:										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 79,345
Restricted	3,754,595	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
Committed	182,325	187,216	77,146	25,743	25,347	30,181	-	11,214	686,629	694,215
Assigned	201,459	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)
Total all other governmental funds	<u>\$ 4,138,379</u>	<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>

Source: The Town's financial records.

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

	<u>2021</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>
Pledged Excise Tax and State Shared Revenues										
Town Sales Tax	\$ 6,557,977	\$ 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	297,149	274,961	287,034	286,341	270,925	285,834	266,973	267,059	250,327	245,501
State-shared Sales Taxes	1,327,149	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	1,598,779	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	315,361	244,194	278,387	204,715	184,215	198,155	174,518	160,321	159,532	123,738
Fines and forfeits	169,401	185,431	218,620	167,992	199,528	297,865	234,142	275,700	372,122	335,496
Net	<u>\$10,265,816</u>	<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>
Other Revenues										
Intergovernmental	\$ 4,295,046	\$ 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	173,612	157,973	81,166	115,919	169,610	122,360	86,718	92,682	86,994	86,787
Contributions and donations	99,712	103,251	54,076	35,333	96,139	426,638	70,544	17,389	16,478	361,292
Investment income	5,106	30,368	76,692	17,888	27,871	29,594	15,456	27,714	33,251	13,787
Other	91,880	229,107	166,216	51,042	121,278	201,094	36,828	68,768	58,742	36,021
Net	<u>\$ 4,665,356</u>	<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>
Total revenues	<u>\$14,931,172</u>	<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>

Source: The Town's financial records.

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

	Fiscal Year Ended June 30									
	<u>2021</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>
Expenditures:										
Current -										
General government	\$ 3,545,317	\$ 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
Public safety	3,381,764	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
Public works and streets	1,003,906	940,297	994,488	883,136	869,501	1,056,558	815,101	741,300	655,285	688,127
Health and welfare	145,965	134,008	126,049	123,589	123,627	123,664	123,700	131,233	136,266	131,300
Culture and recreation	1,152,884	1,101,713	1,009,237	903,356	877,693	720,032	634,283	623,996	680,810	508,581
Community development	549,397	507,400	533,273	493,695	497,966	415,069	465,074	391,601	455,170	352,412
Capital outlay	3,773,981	1,216,567	5,188,461	1,746,897	3,047,920	4,254,033	860,979	969,031	1,801,828	913,146
Debt service -										
Principal retirement	1,173,741	966,653	845,021	776,788	658,242	375,191	326,949	319,327	164,828	302,011
Interest and fiscal charges	428,741	401,814	382,986	159,746	175,640	209,419	78,312	118,067	116,056	84,722
Bond issuance costs	80,902	-	-	257,580	-	-	-	-	-	-
Total expenditures	<u>\$ 15,236,598</u>	<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>
Expenditures for capitalized assets	\$ 3,773,981	\$ 1,216,567	\$ 5,188,461	\$ 1,746,897	\$ 3,047,920	\$ 4,254,033	\$ 860,979	\$ 969,031	\$ 1,801,828	\$ 913,146
Debt service as a percentage of noncapital expenditures	15%	13%	12%	13%	9%	7%	5%	6%	4%	6%

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)

	Fiscal Year Ended June 30									
	<u>2021</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>
Excess (deficiency) of revenues over expenditures	\$ (305,426)	\$ (693,045)	\$ (4,575,878)	\$ (1,049,410)	\$ (2,439,962)	\$ (1,968,229)	\$ (251,549)	\$ (295,110)	\$ (736,105)	\$ (213,212)
Other financing sources (uses):										
Capital lease agreements	\$ 310,757	\$ 15,644	\$ 935,655	\$ 296,445	\$ -	\$ 530,000	\$ -	\$ 8,838	\$ 764,664	\$ -
Proceeds of long-term debt issuance	2,897,000	-	-	7,031,769	-	-	4,904,000	-	-	-
Payments to Refunding Bond Trustee	-	-	-	-	-	-	(1,396,752)	-	-	-
Transfers in	3,222,438	2,055,772	2,417,431	1,825,724	2,264,518	1,618,470	894,208	641,103	266,480	1,729,132
Transfers out	(3,188,837)	(1,985,424)	(2,417,431)	(1,825,724)	(2,289,258)	(1,651,932)	(894,208)	(641,103)	(266,480)	(1,729,132)
Total other financing sources (uses)	<u>3,241,358</u>	<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>
Changes in fund balances	<u>\$ 2,935,932</u>	<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>

Source: The Town's financial records.

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

Fiscal Year Ended June 30

	<u>2021</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>
Retail Trade	\$ 3,090,788	\$ 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
Restaurants & Bars	1,004,271	758,279	737,234	713,275	659,258	708,520	520,320	473,070	437,452	309,169
Communications & Utilities	363,495	366,405	369,908	373,162	358,356	394,159	269,845	230,848	251,911	127,280
Construction	729,200	369,451	494,937	882,868	320,451	366,968	212,866	182,702	236,112	128,008
Real Estate, Rental & Leasing	373,318	313,079	283,482	252,516	235,245	215,991	173,914	170,109	170,973	147,728
Accommodation	440,814	265,804	277,882	291,544	294,627	239,218	207,993	138,850	131,748	88,626
Arts & Entertainment	198,681	123,887	146,909	156,189	146,780	167,769	134,961	114,106	92,444	59,604
Manufacturing	9,615	10,960	10,992	14,000	14,663	15,015	67,644	75,231	72,694	57,808
Use Tax	310,283	208,474	207,262	134,415	116,350	151,626	N/A	N/A	N/A	N/A
Other	37,511	18,120	17,689	18,818	14,575	86,660	71,912	67,486	42,385	26,309
Total	<u>\$ 6,557,976</u>	<u>\$ 4,640,417</u>	<u>\$ 4,389,578</u>	<u>\$ 4,642,673</u>	<u>\$ 3,756,649</u>	<u>\$ 3,915,180</u>	<u>\$ 2,863,327</u>	<u>\$ 2,594,832</u>	<u>\$ 2,541,404</u>	<u>\$ 1,735,428</u>
Total revenue % growth by year	41.3%	5.7%	-5.5%	23.6%	-4.0%	36.7%	10.3%	2.1%	46.4%	-1.6%

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>
2021	\$ 6,117,163	\$ 297,149	\$ 440,814	\$ 6,855,126
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

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		
2021	3.65	6.65	2.00	3.65	0.75	5.60
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

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
2021	\$12,545,905	\$ 806,769	\$ -	\$ -	\$ 56,125	\$ 1,376,950	\$ 14,785,749	N/A	1,186
2020	10,570,111	779,432	-	-	167,084	840,002	12,356,629	0.12%	1,017
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

Source: The Town's financial records.

Note: FY21 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>
2021	\$ 12,545,905	\$ 12,545,905	1,007
2020	10,570,111	10,570,111	870
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

Source: The Town's financial records.

TOWN OF CAMP VERDE, ARIZONA
Direct and Overlapping Governmental Activities Debt
June 30, 2021

<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*	\$ 6,865,000	2.9% (1)	\$ 196,454
Camp Verde Unified School District	812,000	92.7% (1)	753,046
Copper Canyon Fire	5,245,777	50.0% (2)	2,622,889
Camp Verde Sanitary District	7,273,681	100.0% (1)	<u>7,273,681</u>
Total Overlapping Debt			<u>\$ 10,846,070</u>
Direct:			
Town of Camp Verde	<u>\$ 13,352,674</u>	100.0%	<u>\$ 13,352,674</u>
Total Direct and Overlapping Debt			<u>\$ 24,198,744</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>2021</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>
Debt Limit	\$ 4,811,611	\$ 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
Total applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	<u>\$ 4,811,611</u>	<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>
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>2021</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>
Debt Limit	\$ 16,038,704	\$ 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
Total applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	<u>\$ 16,038,704</u>	<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>
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

<u>Fiscal Year</u>	<u>Revenue Bonds</u>			<u>Excise Tax Coverage</u>
	<u>Excise Tax Revenue</u>	<u>Debt Service</u>		
		<u>Principal</u>	<u>Interest</u>	
2021	\$ 10,729,917	\$ 913,919	\$ 366,051	8.4
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

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>
2021	12,463	241,173	N/A	N/A	5.2 %
2020	12,147	237,073	10,547,378	44,490	9.5 %
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 %

Sources: Bureau of Economic Analysis (bea.gov)
US Census Bureau (census.gov)
Az Commerce Authority (azcommerce.com)
Arizona Office of Employment & Population Statistics (azstats.gov)
WorldPopulationReview.com

Note: (1) - In thousands of dollars
2021 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>2021</u>		<u>2020</u>	<u>2012</u>
	<u>Employees</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Employees</u>
Cliff Castle Casino & Hotel	352	10.6 %	456	N/A
Yavapai-Apache Nation	215	6.4	215	N/A
Yavapai County	300	9.0	300	N/A
Camp Verde School District	221	6.6	222	N/A
Town of Camp Verde	135	4.0	138	N/A
Bashas	106	3.2	115	N/A
Rainbow Acres	120	3.6	98	N/A
Abundant Organics	90	2.7	N/A	N/A
Goettles High Desert Mechanical	67	2.0	52	N/A
McDonalds	66	2.0	45	N/A
Total	<u>1,672</u>	<u>50.1 %</u>	<u>1,641</u>	<u>-</u>
Total Est'd Employment*	<u>3,336</u>		<u>3,751</u>	<u>N/A</u>

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

Note: Employment information for FY2012 is not available. The Town began tracking employment information in FY13.
Total employment for 2020 & 2021 is estimated by the Town.

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

	Full-time Equivalent Employees as of June 30									
	<u>2021</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>
General Government										
Management Services	4.8	5.2	5.2	5.1	4.6	4.6	5.2	5.1	5.1	5.1
Finance	3.0	3.0	3.0	3.0	3.0	3.1	2.2	2.2	2.0	2.0
Economic Development	3.1	3.1	2.9	3.2	2.8	2.0	1.6	1.6	1.0	1.0
Municipal Court	5.8	6.2	5.7	4.7	4.7	5.7	5.6	5.6	5.6	5.6
Total General Government	<u>16.7</u>	<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>
Public Safety										
Marshal's Department	33.0	33.8	34.0	31.0	31.4	33.1	32.2	30.2	26.7	28.0
Animal Control	1.0	1.0	1.0	0.5	1.0	1.0	1.0	1.0	1.0	1.0
Total Public Safety	<u>34.0</u>	<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>
Public Works										
Admin	2.3	2.2	2.2	2.5	2.6	2.8	2.8	2.4	1.7	1.0
Streets	4.8	5.2	5.0	4.9	4.7	6.1	5.2	6.2	5.8	5.4
Maintenance	10.0	10.0	9.6	9.1	8.1	8.0	7.4	7.2	6.2	6.4
Total Public Works	<u>17.1</u>	<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>
Library	8.9	9.4	8.3	7.5	6.4	6.2	6.2	5.8	5.3	5.4
Parks & Recreation	7.1	7.3	6.1	5.6	5.6	4.6	4.6	4.3	3.5	3.6
Community Development	7.1	6.8	6.8	6.2	8.0	6.0	6.0	5.0	5.0	5.0
Sewer	<u>8.5</u>	<u>8.5</u>	<u>8.6</u>	<u>8.4</u>	<u>8.4</u>	<u>8.1</u>	<u>7.2</u>	<u>7.1</u>	N/A	N/A
Total	<u>99.4</u>	<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>

Source: The Town's financial records.

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

Function	Fiscal Year Ended June 30									
	<u>2021</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>
Public Safety										
Police stations	1	1	1	1	1	1	1	1	1	1
Police patrol vehicles	28	23	19	24	25	23	31	31	22	19
Streets										
Streets (miles)	113	113	112	110	110	110	110	110	110	110
Streetlights	122	122	122	122	110	110	110	110	110	110
Traffic signals	7	7	7	5	6	6	6	6	6	6
Parks and Recreation										
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
Sewer										
Pipeline (Miles)	37	37	34	34	31	31	29	29	29	29
Manholes	519	519	519	490	490	459	440	440	440	440
Connections	1,125	1,040	1,043	989	964	964	959			
Annual processed sewage (in millions of gals)	88	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>2021</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>
General Government										
Business Licenses	781	783	801	820	833	823	673	645	650	582
Public Safety										
Total Incidents	8,092	8,350	9,914	9,829	10,853	15,762	10,020	13,782	10,462	11,614
Public Works										
Street Resurfacing (miles)	-	-	-	-	-	0.92	-	-	-	0.31
Library										
Circulation	103,873	120,532	130,713	133,135	123,127	63,976	62,140	52,631	51,303	63,580
Traffic	59,797	81,829	101,854	95,490	87,357	67,978	67,824	33,787	27,766	25,831
Community Development										
Building Permits	659	432	409	428	400	324	331	362	387	312

Source: The Town's records.