



# Annual Comprehensive Financial Report

For the Fiscal Year Ended June 30, 2022



## Town of Camp Verde, Arizona

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

The Center Of It All



# CAMP VERDE

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

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

### **ANNUAL COMPREHENSIVE FINANCIAL REPORT**

**For the fiscal year ended  
June 30, 2022**

Prepared by:  
The Finance Department

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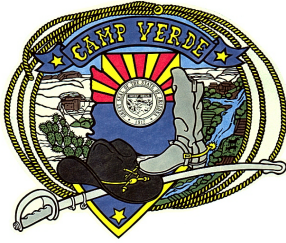
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# Town of Camp Verde

## Gateway to the Verde Valley

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

◆ Telephone: 928.554.0000 ◆ Fax: 928.554.0002 ◆

◆ [www.campverde.az.gov](http://www.campverde.az.gov) ◆

February 23, 2023

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, 2022. 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, 2022. 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, water, 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 Fire and EMS services in the Town of Camp Verde are provided by the Copper Canyon Fire and Medical District (CCFMD). CCFMD is an independent taxing authority that is not under the Town’s control but does work closely with the Town to provide services.

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 Manager reviews departmental budget requests and may recommend changes to a department’s budget priorities and/or projects. The Town Manager 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 86% in the 5-year period since FY17; an average annual growth rate of 13.3% per year. The significant growth period during these 5 years was in 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 over \$3.7M, which is 3.6 times greater than the next highest category, Restaurants sitting at



just over \$1 million in FY22. The Town continues to maintain a very positive economic position with an unassigned general fund balance of \$4,650,486. That is down 1% from FY21's \$4,686,184.

Our 3 main general fund tax revenues from the State (state income, sales tax and vehicle license tax) increased 8% from FY21 to FY22 and 13.4% increase from FY20 to FY21. 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. In 2020, Camp Verde's population per US Census data was 12,147. Current estimates for 2023 put that number at about 12,530 (World Population Review).

### **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.***

The Camp Verde 5-Year Community & Economic Development Strategic Plan was approved by Council in April of 2022.

**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 has nearly completed the Sports Complex and has obtained a federal matching grant to provide further funding for the \$11M complex.

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

The Town completed the long-awaited goal of purchasing the main local water company in June of 2022.

**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. Currently, engineering is nearly complete. The Town is hopeful to obtain a construction loan from WIFA to build out the extension line within a yet-to-be-formed improvement district.

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

Currently, over 400 new modular homes are being built. The Town has identified at least one developer who is in the process of utilizing federal funding to construct an 80-unit affordable housing project.

**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.**

For FY22, Council 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.

**Major Initiatives for FY23**

- 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) Restructuring of Town departments to create a new Utilities Department and adding a newly created Utilities director position.
- 5) Expending the Town's remaining \$3M Federal ARPA Grant funds

**AWARDS & ACKNOWLEDGEMENTS**

**Awards**

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



Gayle Mabery  
Interim Town Manager

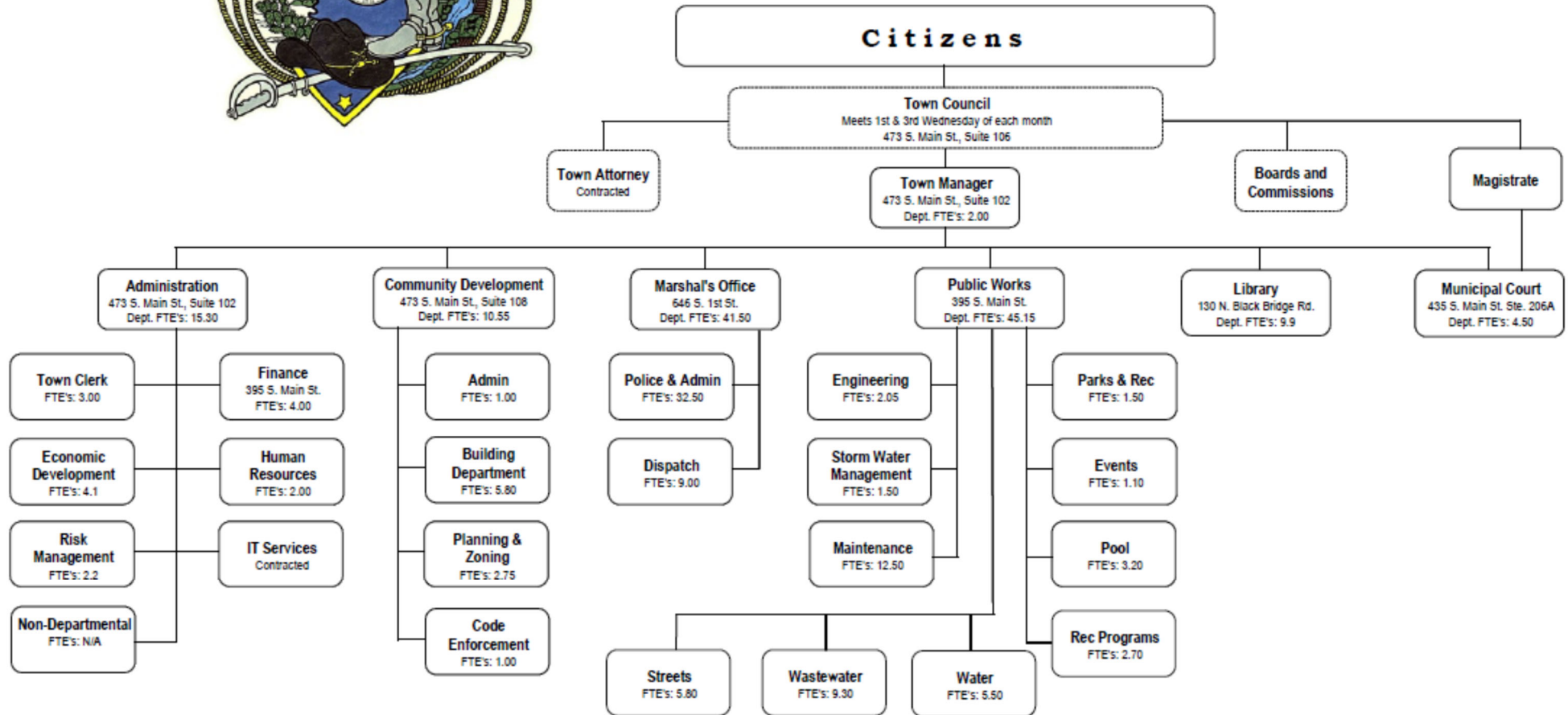


Michael E. Showers  
Finance Director



# Town of Camp Verde, Arizona

## Town Organization Chart





# Town of Camp Verde

## Key Officials and Staff

### Mayor and Council Members

Mayor Dee Jenkins  
Councilor Wendy Escoffier  
Councilor Cris McPhail  
Councilor Jackie Baker

Vice-Mayor Marie Moore  
Councilor Robin Godwin  
Councilor Jessie Murdock



### Department Heads

Gayle Mabery, *Interim Town Manager*  
Cindy Pemberton, *Town Clerk*  
Mike Showers, *Finance Director*  
Corey Rowley, *Marshal*  
Kathy Hellman, *Library Director*  
Gary Horton, *Presiding Magistrate*  
Jeff Low, *Utilities Director*

John Knight, *Community Development Director*  
Ken Krebs, *Public Works Director*  
Molly Spangler, *Economic Development Director*  
Veronica Pineda, *Court Supervisor*  
Heather Vinson, *Risk Management*  
Julia Kaiser, *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, 2021

*Christopher P. Morill*

Executive Director/CEO



## **FINANCIAL SECTION**







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

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

## **INDEPENDENT AUDITORS' REPORT**

To the Town Council  
Town of Camp Verde, Arizona

### **Opinions**

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, 2022, and the related notes to the financial statements, which collectively comprise the Town of Camp Verde, Arizona's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Camp Verde, Arizona, as of June 30, 2022, 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.

### **Basis for Opinions**

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of Camp Verde, Arizona and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Change in Accounting Principle**

As discussed in Note 1 to the financial statements, for the year ended June 30, 2022, the Town adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 87, *Leases*. Our opinions are not modified with respect to this matter.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation

and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town of Camp Verde, Arizona's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Camp Verde, Arizona's ability to continue as a going concern for a reasonable period of time.

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

## **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Budgetary Comparison Schedules, Schedule of the Town's Proportionate Share of the Net Pension/OPEB Liability – Cost-Sharing Pension Plans, Schedule of Changes in the Town's Net Pension/OPEB Liability (Asset) and Related Ratios – Agent Pension Plans, and Schedule of Town Pension/OPEB Contributions as listed on the table of contents 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.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated February 23, 2023, 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 results 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.

### **Other Reporting Required by Arizona Revised Statutes**

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 State transportation revenue monies in the preceding paragraph is intended solely for the information and use of the members of the Arizona State Legislature, (the Arizona Auditor General,) the Town Council and 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.



February 23, 2023

**TOWN OF CAMP VERDE, ARIZONA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
FISCAL YEAR ENDED JUNE 30, 2022**

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As management of the Town of Camp Verde, Arizona (Town), we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2022 (FY22). Please read it in conjunction with the Town's basic financial statements, which begin on page 20.

**FINANCIAL HIGHLIGHTS**

- The Town purchased a local water company for \$10 million with a loan from the Water Infrastructure Finance Authority of Arizona (WIFA). The \$10.2 million loan will be amortized over 25 years and comes with \$900 thousand of forgivable principle for a total loan amount of just under \$9.3 million at 1.496%. Estimated annual operations of this facility is \$1.6 million.
- The Town chose to pay-off its roughly \$3 million unfunded liability for police officer's retirement through the Arizona Public Safety Personnel Retirement System (PSPRS) with a revenue bond through Zions Bancorporation. The \$3 million loan included \$412 thousand to be invested with US Bank which is to be used to cover future shortfalls in funding against the computed PSPRS liability. This loan will be amortized over 13 years at 2.77%.
- \$1.9 million was transferred into the Town's Capital Improvement Projects Fund (CIP) from the Town's General Fund. The majority of FY22 expenses were used for street improvements (\$750 thousand). \$910 thousand remained unspent at the end of the year and will carry-over to FY23.
- Construction continued on the Camp Verde Sports Complex which comprises a significant investment by the Town. Through June 30, 2022, the Town has spent \$7.8 million developing the 110-acre park including \$1.1 million spent in FY22. Construction will continue throughout FY23, with all fields (soccer, baseball, football) being fully installed. The Town was awarded a \$2.5 million state parks grant in FY22 for use at the Sports Park. The grant is a dollar-for-dollar matching grant and will help extend remaining funds for this project.
- A WIFA loan for \$1.2 million was secured in FY21 to cover engineering costs for extending wastewater services Northward along Highway 260. In FY22, the town expended \$773 thousand of this loan on engineering fees.
- In June of 2021, the Town received its first disbursement under the federal American Rescue Plan Act (ARPA) of just under \$1.9 million. In FY22, the Town began spent \$713 thousand of those funds on various projects including \$345 thousand on emergency communication service projects.
- The Town leased 6 new police vehicles in FY22 for a total purchase cost of just over \$433 thousand. All vehicles are leased through Enterprise Fleet management for a period of 5 years.
- The Town was selected as the site for the Turquoise Circuit and Finals Rodeo finals in FY22. The event is held in November each year at the Town's brand-new rodeo grounds. Participants and spectators come from all over the Southwest for this 3-day event each year.

**TOWN OF CAMP VERDE, ARIZONA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
FISCAL YEAR ENDED JUNE 30, 2022**

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**FINANCIAL HIGHLIGHTS (CONTINUED)**

- Among major governmental funds:
  - The General Fund had \$12.5 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 also \$12.5 million, which included \$2.4 million of retirement expense funded by the Zions Bancorporation loan mentioned above. With net transfers out of just over \$3 million and debt financing of just over \$3 million, the General Fund unassigned fund balance had virtually no change from FY21, falling only \$35 thousand in FY22 to just over \$4.2 million.

**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 business-type activities includes both the wastewater and water enterprise funds. The Town took over the Camp Verde Sanitary District wastewater operations on July 1, 2013, and created the Wastewater Fund to house those operations. The Town purchased the Camp Verde Water Company in June of 2022 and created the Water Fund to house those operations. Operations in both of those funds are included here and include fee-for-service billing

**TOWN OF CAMP VERDE, ARIZONA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
FISCAL YEAR ENDED JUNE 30, 2022**

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**OVERVIEW OF FINANCIAL STATEMENTS (CONTINUED)**

of residential and commercial accounts as well as all expenses for operating and maintaining the infrastructure of each.

**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.

**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 thirteen (13) 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 22 for the General and ARPA Funds, both of which are considered major funds. Data from the other eleven (11) 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 78-97.

**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 26-29 of this report.

**Fiduciary funds** – Fiduciary funds are used to account for resources held for the benefit of parties outside the Town. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the Town's own programs. The Town maintains two separate fiduciary funds. Information on these funds can be found in the Other Financial Statements section of this report on pages 103-104.

**TOWN OF CAMP VERDE, ARIZONA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
FISCAL YEAR ENDED JUNE 30, 2022**

**OVERVIEW OF FINANCIAL STATEMENTS (CONTINUED)**

**Notes to the financial statements.** The notes provide additional information that is essential to understanding 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 32-64.

**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 and ARPA Funds as required supplementary information, which can be found on pages 66-67.

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, net position as of June 30, 2022, was just over \$37.4 million which is an increase of \$4.5 million compared to the previous year. The following table presents a summary of the Town's net position for the fiscal years ended June 30, 2022 and 2021:

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
<b>Assets</b>						
Current assets	\$ 11,460,967	\$ 11,410,892	\$ 1,710,433	\$ 359,961	\$ 13,171,400	\$ 11,770,853
Capital assets, net	29,278,436	27,214,289	28,969,473	18,668,979	58,247,909	45,883,268
Other non-current assets	-	-	-	-	-	-
Total assets	<u>40,739,403</u>	<u>38,625,181</u>	<u>30,679,906</u>	<u>19,028,940</u>	<u>71,419,309</u>	<u>57,654,121</u>
<b>Liabilities</b>						
Current and other liabilities	2,588,033	4,025,331	796,230	420,495	3,384,263	4,445,826
Long-term liabilities	20,838,192	20,912,454	11,831,229	1,952,989	32,669,421	22,865,443
Total liabilities	<u>23,426,225</u>	<u>24,937,785</u>	<u>12,627,459</u>	<u>2,373,484</u>	<u>36,053,684</u>	<u>27,311,269</u>
<b>Deferred Inflows/(Outflows) of Resources</b>						
Def'd outflows related to pensions	(4,421,954)	(2,287,095)	(135,736)	(127,376)	(4,557,690)	(2,414,471)
Def'd inflows related to pensions	2,304,235	171,801	172,231	16,277	2,476,466	188,078
Net deferred inflows/(outflows) of resources	<u>\$ (2,117,719)</u>	<u>\$ (2,115,294)</u>	<u>\$ 36,495</u>	<u>\$ (111,099)</u>	<u>\$ (2,081,224)</u>	<u>\$ (2,226,393)</u>
<b>Net Position</b>						
Net investment in capital assets	18,801,038	19,542,531	17,232,224	17,235,904	36,033,262	36,778,435
Restricted	3,407,667	3,754,595	-	-	3,407,667	3,754,595
Unrestricted	(2,777,808)	(7,494,436)	783,728	(469,349)	(1,994,080)	(7,963,785)
Total net position	<u>\$ 19,430,897</u>	<u>\$ 15,802,690</u>	<u>\$ 18,015,952</u>	<u>\$ 16,766,555</u>	<u>\$ 37,446,849</u>	<u>\$ 32,569,245</u>



**TOWN OF CAMP VERDE, ARIZONA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
FISCAL YEAR ENDED JUNE 30, 2022**

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

**Governmental Activities.** The Town's net position from governmental activities grew 23% in FY22 or \$3.6 million to \$19.4 million. The \$3.6 million was impacted both by a \$2.1 million increase in Capital assets and a \$1.4 million decrease in Current and other liabilities. The most significant increases in Capital assets came from investments in both machinery and equipment and right-to-use lease assets totaling nearly \$1.2 million. The Marshal's office received 6 new vehicles (\$433 thousand) and radio communication equipment upgrade (\$256 thousand) as a significant part of that expense amount. The Town also invested \$1.1 million in the infrastructure and maintenance equipment for the new Sports Complex. The last significant component in increased Capital assets was investment into streets improvements of \$659 thousand. Most notable in the decrease of Current and other liabilities was the removal of unearned revenue from the first years ARPA disbursement in FY21.

**Business-Type Activities.** Business-type activities total net position increased by \$1.2 million in FY22. This is significantly attributable to the purchase of the water company which increased total assets by \$11.6 million and total liabilities by \$10.7 million.

**Statement of Activities**

The following tables present a summary of the changes in net position for the fiscal years ended June 30, 2022 and 2021:

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
<b>Revenues</b>						
<b>Program revenues:</b>						
Charges for services	\$ 790,472	\$ 857,560	\$ 2,201,643	\$ 1,940,715	\$ 2,992,115	\$ 2,798,275
Operating grants and contributions	3,648,147	2,641,493	-	-	3,648,147	2,641,493
Capital grants and contributions	123,296	595,216	1,564,366	-	1,687,662	595,216
<b>General revenues:</b>					-	-
Town sales taxes	7,005,726	6,557,976			7,005,726	6,557,976
Franchise taxes	329,139	297,149			329,139	297,149
State shared revenue	4,200,788	3,874,792			4,200,788	3,874,792
Investment earnings	17,078	5,106	163	261	17,241	5,367
Miscellaneous	72,218	21,515			72,218	21,515
<b>Total revenues</b>	16,186,864	14,850,807	3,766,172	1,940,976	19,953,036	16,791,783

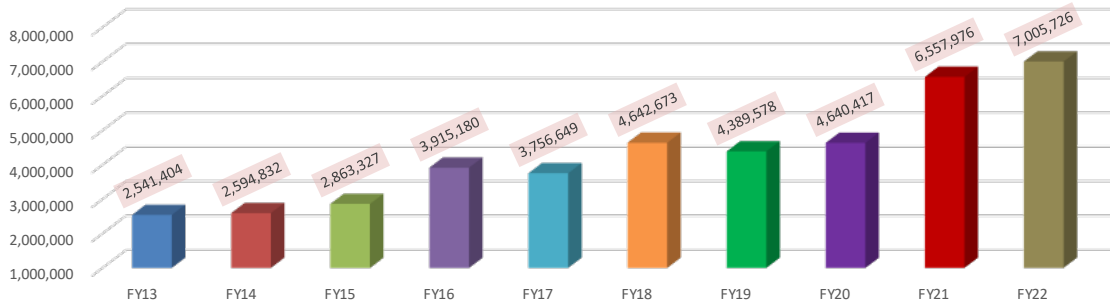
**Governmental Activities.** Total revenues from governmental activities increased by \$1.3 million (9%) from last year to just under \$16.2 million. The Town continues to see growth in local sales tax revenues, up nearly \$450 thousand (7%) from FY21. There was also an increase in various grants received by the Town of \$535 thousand and an increase in state shared revenues of \$326 thousand.

**TOWN OF CAMP VERDE, ARIZONA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
FISCAL YEAR ENDED JUNE 30, 2022**

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

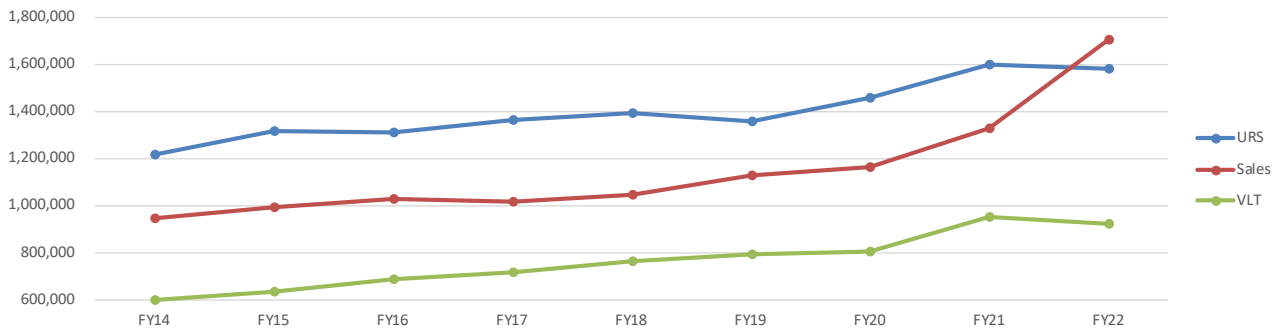
Local sales taxes are the largest source of revenue for the Town at just over \$7.0 million in FY22 with state shared revenues a somewhat distant second place at \$4.2 million. The two components together make up 69% of the governmental activities revenues. As can be seen in the graph below, Local TPT revenues over the last 10 years have grown steadily at an average annual growth rate of 11.9%; a 176% increase in total. Tax rates were increased by .65% in March of 2015 (3.0% to 3.65%). Eliminating the estimated increase from the .65%, the average annual growth rate drops to 9.75%. FY21 saw incredible growth of 41% in local sales tax revenues. The Town has seen new commercial projects come online and continued increases in population. In 2018, the Town had a significant portion of land along the Highway 260 corridor, North of Town designated as an Opportunity Zone by the Federal government which has dramatically increased investment activity within these areas.

**Annual Local Tax Revenues**



State shared revenues are comprised of three main sources in FY22: 1) State sales taxes (Sales) - \$1.7 million, 2) State income taxes (URS) - \$1.58 million and 3) Vehicle license taxes (VLT) - \$919 thousand. As seen in the chart below, the 3 sources together have grown at a slow but steady average annual growth rate of 4.33% from FY14 to FY21. However, FY22, State sales taxes grew by 28% while both URS and VLT saw slight declines.

**Annual State Shared Revenues**



While the FY21 increases in both 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, the FY22 drops are probably just the normalizing of what normal

**TOWN OF CAMP VERDE, ARIZONA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
FISCAL YEAR ENDED JUNE 30, 2022**

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

growth would have been over the same time period. The large increase in State sales tax seems to follow the increases the Town saw in FY21 local sales taxes with much more online and local spending as well as benefitting from the State opening significantly sooner than most other states from COVID restrictions.

Expenses, meanwhile, increased \$713 thousand in FY22 (6%) with the majority of the increases coming from within the General government segment (\$426 thousand) and the Public safety segment (\$115 thousand). New employee positions as well as general wage increases were the predominant reason for these increases.

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
<b>Expenses</b>						
General government	4,099,606	3,674,054			4,099,606	3,674,054
Public safety	4,019,027	3,903,672			4,019,027	3,903,672
Public works	1,559,995	1,533,711			1,559,995	1,533,711
Health and welfare	138,422	145,965			138,422	145,965
Culture and recreation	1,527,445	1,505,036			1,527,445	1,505,036
Community development	656,610	571,455			656,610	571,455
Interest on long-term debt	464,591	419,220			464,591	419,220
Wastewater			2,609,736	2,242,647	2,609,736	2,242,647
<b>Total expenses</b>	<b>12,465,696</b>	<b>11,753,113</b>	<b>2,609,736</b>	<b>2,242,647</b>	<b>15,075,432</b>	<b>13,995,760</b>
<b>Excess (deficiency) before net transfers</b>	<b>3,721,168</b>	<b>3,097,694</b>	<b>1,156,436</b>	<b>(301,671)</b>	<b>4,877,604</b>	<b>2,796,023</b>
Net Transfers In/(Out)	(92,961)	33,601	92,961	(33,601)	-	-
<b>Excess (deficiency) in net position</b>	<b>3,628,207</b>	<b>3,131,295</b>	<b>1,249,397</b>	<b>(335,272)</b>	<b>4,877,604</b>	<b>2,796,023</b>
<b>Net position (restated), beginning</b>	<b>15,802,690</b>	<b>12,671,395</b>	<b>16,766,555</b>	<b>17,101,827</b>	<b>32,569,245</b>	<b>29,773,222</b>
<b>Net position, ending</b>	<b>\$ 19,430,897</b>	<b>\$ 15,802,690</b>	<b>\$ 18,015,952</b>	<b>\$ 16,766,555</b>	<b>\$ 37,446,849</b>	<b>\$ 32,569,245</b>

**Business-Type Activities.** In FY22, wastewater revenues remained very stable, increasing 5% from new development. The wastewater fund, however, received \$664K from loan draws against an outstanding loan held by the Camp Verde Sanitary District (CVSD). The Town completed the needed improvements for the plant that is owned and operated by the Town and received reimbursement from the CVSD (who originally took out the loan before services were transferred to the Town in 2013) for those improvements. Expenses were virtually identical to FY21 increasing by only \$44 thousand. The remaining increases came from 1-months operation of the newly acquired water system.

**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.

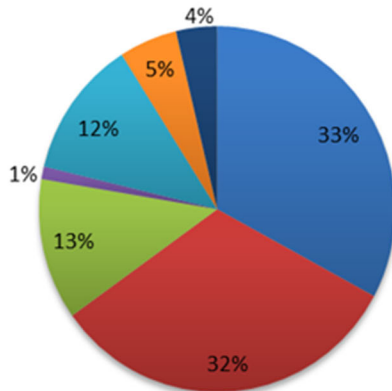
**TOWN OF CAMP VERDE, ARIZONA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
FISCAL YEAR ENDED JUNE 30, 2022**

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

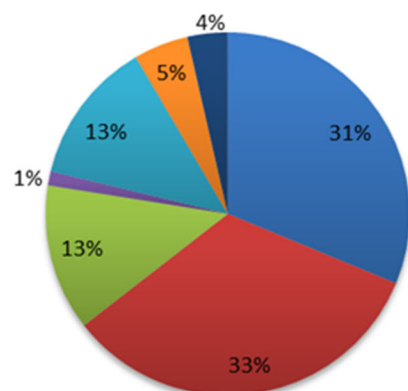
	Year Ended June 30, 2022		Year Ended June 30, 2021	
	Total Expenses	Net Exp / (Rev)	Total Expenses	Net (Exp) / Rev
<b>Governmental activities</b>				
General government	\$ 4,099,606	\$ 2,080,260	\$ 3,674,054	\$ 3,639,109
Public safety	4,019,027	3,757,851	3,903,672	2,136,110
Public works and streets	1,559,995	298,385	1,533,711	158,761
Health and welfare	138,422	108,317	145,965	145,965
Culture and recreation	1,527,445	970,005	1,505,036	1,222,614
Community development	656,610	224,372	571,455	(62,935)
Interest on long-term debt	464,591	464,591	419,220	419,220
<b>Net</b>	<b>\$ 12,465,696</b>	<b>\$ 7,903,781</b>	<b>\$ 11,753,113</b>	<b>\$ 7,658,844</b>
<b>Business-Type Activities</b>				
Water	323,258	(745,696)	-	-
Wastewater	2,286,478	(410,577)	2,242,647	301,932
<b>Net</b>	<b>\$ 2,609,736</b>	<b>\$ (1,156,273)</b>	<b>\$ 2,242,647</b>	<b>\$ 301,932</b>
<b>Total</b>	<b>\$ 15,075,432</b>	<b>\$ 6,747,508</b>	<b>\$ 13,995,760</b>	<b>\$ 7,960,776</b>

The table below shows how expenses are distributed within the Town governmental funds with changes from FY21 to FY22.

**Governmental  
Fiscal Year 2022 Expenses**



**Governmental  
Fiscal Year 2021 Expenses**



**TOWN OF CAMP VERDE, ARIZONA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
FISCAL YEAR ENDED JUNE 30, 2022**

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

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

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

As of the end of the Town's fiscal year, its governmental funds reported combined ending fund balances of just under \$10.0 million, a \$1.16 million increase from the previous year. *Unassigned fund balance* constitutes 42% of the ending governmental funds balance. Unassigned fund balance is the amount available for spending at the government's discretion. The remainder of FY22 total fund balance is restricted, 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 (\$1.7 million), HURF fund expenses (\$893 thousand) Capital improvements fund expenses (\$2.065 million), Public safety retirement funding reserve (\$416 thousand) and various other grants and special programs (\$664 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 \$4.65 million, which is virtually unchanged from the previous year's \$4.69 million. As a measure of the General Fund's liquidity, it may be useful to compare fund balance to fund expenditures. For FY22, fund balance in the General Fund is 37% 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 \$1.7 million. This, however, does not include the up to \$2.5 million federal grant monies available per grant matching requirements.

**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 funds.

The Wastewater net position increased \$510 thousand during FY22 while the larger portion of the increase in net position \$784 thousand comes from the addition of the Water Fund in FY22.

**TOWN OF CAMP VERDE, ARIZONA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
FISCAL YEAR ENDED JUNE 30, 2022**

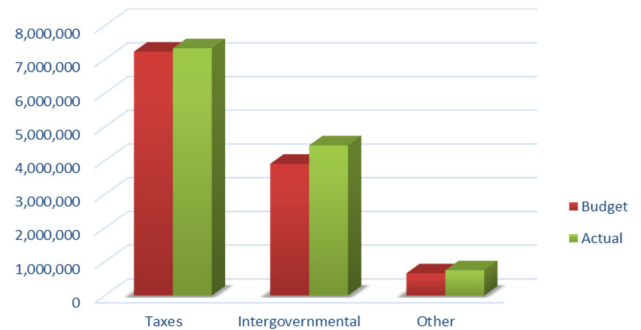
**BUDGETARY HIGHLIGHTS**

A schedule comparing budget to actual financial activity for the General Fund is provided in this report as required supplementary information. Revenues of \$12.5 million for the year were over budget by 6% (\$737 thousand) while expenses were under budget by 10% (\$1.47 million). Budgetary highlights for the General Fund are as follows:

**Revenues**

- Intergovernmental revenues were \$548 thousand over budget and are easily the most significant factor in the total overage of \$737 thousand. State sales taxes account for \$390 thousand of the over budget amount at \$1.7 million. Urban revenue sharing (or State income tax) is \$119 thousand over budget at \$1.58 million.

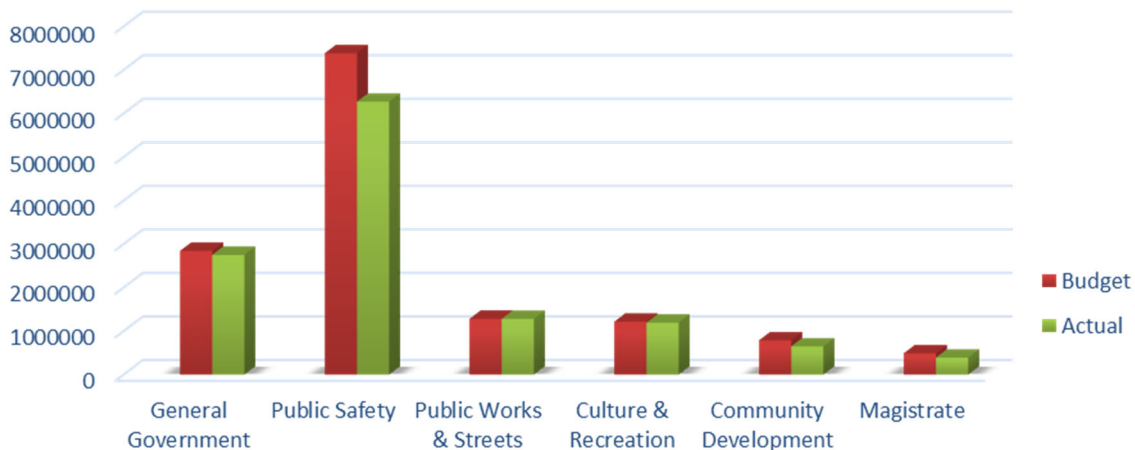
**General Fund Revenues: Budget to Actual**



**Expenses**

- Public safety had the most significant impact on budgetary expense savings at \$1.1 million under budget. This could be somewhat misleading though as a significant part of that savings (\$1.0 million) comes from impact of the new debt and police retirement funding. The expense budget for the retirement funding was \$3.5 million but only \$2.5 million was actually utilized. None of this was from normal operations. The remaining \$114 thousand of savings comes from employee wages and related expenses.
- The remaining \$354 thousand of expense savings comes from Community Development (\$139 thousand), Magistrate (\$100 thousand), General Government (\$92 thousand) and remaining departments (\$23 thousand).
- Generally, all budgeted expense savings can be linked back to employee wages and related expenses.

**General Fund Expenses: Budget to Actual**



**TOWN OF CAMP VERDE, ARIZONA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
FISCAL YEAR ENDED JUNE 30, 2022**

**CAPITAL ASSETS**

As of June 30, 2022, the Town had invested \$39.4 million in governmental capital assets and \$40.5 million in business-type assets (both before depreciation) including land, buildings, facilities, vehicles, computers, equipment, and infrastructure assets. In FY22, the Town invested \$14.49 million into capital assets. Total depreciation expense for the year in governmental and business-type activities was \$1.2 million and \$945 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, 2022 and 2021:

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Land	\$ 5,974,797	\$ 5,974,797	\$ 1,416,640	\$ 1,275,828	\$ 7,391,437	\$ 7,250,625
Construction in progress	8,168,773	7,002,130	2,886,933	1,999,630	11,055,706	9,001,760
Buildings and improvements	9,313,449	9,209,465	946,441	920,575	10,259,890	10,130,040
Infrastructure	7,851,018	7,070,544			7,851,018	7,070,544
Wastewater Infrastructure Systems			23,457,649	23,418,406	23,457,649	23,418,406
Water Infrastructure Systems			9,951,223	-	9,951,223	-
Vehicles and equipment	5,215,787	4,688,823	1,819,229	1,448,296	7,035,016	6,137,119
Improvements other than buildings	1,631,565	1,631,565	-	-	1,631,565	1,631,565
Intangibles (Lease assets)	1,234,750	896,106	-	-	1,234,750	896,106
Accumulated depreciation	(10,111,703)	(9,259,141)	(11,508,642)	(10,393,756)	(21,620,345)	(19,652,897)
Total	\$ 29,278,436	\$ 27,214,289	\$ 28,969,473	\$ 18,668,979	\$ 58,247,909	\$ 45,883,268

***Governmental funds.***

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

- Of the \$1.17 million increase in construction in progress, \$965 thousand was for construction at the Camp Verde Sports Park.
- Of the \$780 thousand increase to Infrastructure, \$659 thousand was for street improvements.
- As mentioned earlier, the Town acquired 6 new Marshal's department vehicles mostly through leases for \$433 thousand. The Town also spent \$256 thousand on critical communication upgrades, \$176 thousand on equipment at the new Sports Park and \$100 thousand on digital message boards.

***Proprietary funds.***

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

- Purchase of the Camp Verde Water Company added over \$10 million in Assets.
- Wastewater added \$966 thousand to construction in progress with \$773 thousand spent from a \$1.2 million WIFA loan for engineering services for the extension of wastewater services Northward along Highway 260. Another \$177 thousand was spent on various ARPA funded projects.

**TOWN OF CAMP VERDE, ARIZONA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
FISCAL YEAR ENDED JUNE 30, 2022**

**LONG-TERM LIABILITIES**

As of June 30, 2022, the Town had \$34.5 million in long-term debt and long-term liabilities; \$22.2 million for governmental activities and \$12.3 million for business-type activities. These amounts are up \$10.1 million from FY21.

The following table presents a summary of the Town's outstanding long-term debt and long-term liabilities for the fiscal years ended June 30, 2022 and 2021. 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	
	2022	2021	2022	2021	2022	2021
2022 Revenue bonds	\$ 3,015,000	\$ -	\$ -	\$ -	\$ 3,015,000	\$ -
2020 Revenue bonds	2,882,000	2,897,000	-	-	2,882,000	2,897,000
2017 Revenue bonds	6,185,000	6,355,000	-	-	6,185,000	6,355,000
2017 Revenue bonds unamortized premium	167,616	174,905	-	-	167,616	174,905
2014 Revenue bonds	2,749,000	3,119,000	-	-	2,749,000	3,119,000
2011 Revenue bonds	-	-	-	-	-	-
Financed purchases	164,240	-	-	-	164,240	-
Leases payable	724,473	806,769	-	56,125	724,473	862,894
Notes payable	-	-	11,479,281	1,376,950	11,479,281	1,376,950
Net pension liability	5,804,793	8,336,918	483,700	658,669	6,288,493	8,995,587
Contractor Reimbursable	-	-	257,968	-	257,968	-
Compensated absences	538,970	553,677	56,848	53,859	595,818	607,536
<b>Total</b>	<b>\$ 22,231,092</b>	<b>\$ 22,243,269</b>	<b>\$ 12,277,797</b>	<b>\$ 2,145,603</b>	<b>\$ 34,508,889</b>	<b>\$ 24,388,872</b>

***Governmental funds.***

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

- A new revenue bond with Zions Bancorporation to fund the unfunded balance from the Marshal's office retirement under PSPRS of \$3 million.
- The drop in net pension liabilities of \$2.5 million, while made up of numerous calculations, adjustments and contributions, was most significantly impacted by investment earnings within the state retirement plans.

***Proprietary funds.***

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

- A new debt in the amount of \$9.275 for the purchase for the Cap Verde Water Company.
- A new debt in the amount of \$1.2 million for the engineering of wastewater services Northward along Highway 260.
- Continued draws against the 2018 wastewater plant loan for construction expenses of \$469 thousand.



**TOWN OF CAMP VERDE, ARIZONA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
FISCAL YEAR ENDED JUNE 30, 2022**

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

The Town of Camp Verde has seen tremendous growth following the COVID shutdown. Being in a rural, centrally located position within Arizona has helped our Town's growth and recovery through the COVID timeframe. RV storage and resort sites continue to be filled at high capacities, restaurants are continuing to see strong revenues, affordable housing starts are still moving forward and new projects are continuing through the development stages. The Town's designation as an Opportunity Zone continues to draw attention and investment. Building on the success of FY21 and FY22, our FY23 local sales tax revenues (Transaction Privilege Taxes) are budgeted to grow 10% over FY22.

With the current and expected growth, the Town has budgeted to hire 12 new positions in FY23 across seven separate departments. FY23 will be the first full year of operations for the newly purchased water system. This will give the Town the ability to control the growth and direction of water delivery services with the Town's overall needs in mind. With the purchase of the water system, the Town has chosen to create a new Utilities department to manage Water, Wastewater and Stormwater services, pulling those duties away from the Public Works Department. Of primary concern for the new Utilities Director is the development of master plans for both water and wastewater utility funds to address current/build out production needs, storage needs, current development requirements, system water quality, create a GIS and Overall System Model, and determined Capital Improvement Needs.

Federal COVID relief funding (ARPA) will continue to allow the Town to complete much needed wastewater, broadband and communication projects as well as numerous other service delivery improvements. Going into FY23, the Town has \$3.3 million remaining for these various projects. At least half of these funds are focused on wastewater services.

The Highway 260 engineering study is nearly complete and will soon be ready to roll into the construction phase. Construction is expected to cost around \$8 million. The Town is fairly confident in its ability to obtain a federal EDA grant to help offset up to \$3 million of this cost. While the Town was planning on utilizing an improvement district as the driving tool for construction and debt repayment, we have come to find that this process has become extremely difficult. The Town will be pursuing legislative change in the next legislative session to make that process a viable option in FY25-26. Failing to get the legislation passed will force the Town to reconsider how to fund construction Northward along Highway 260.

The Town has seen a very successful period of growth over the last decade and is just coming through the two most successful years to date in FY21 and FY22. Management has kept a close eye on service needs and requirements as we move through this period. Keeping service delivery stable and efficient has been a clear goal of the management seen in its decisions to increase the employee base when and where needed as well as keeping wage rates at comparable levels to other municipalities. Camp Verde continues to look positively towards into future for its employers, its guests and its citizens.

**TOWN OF CAMP VERDE, ARIZONA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
FISCAL YEAR ENDED JUNE 30, 2022**

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**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, 2022**

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 7,532,036	\$ 1,040,065	\$ 8,572,101
Cash held by trustee	2,811,071	-	2,811,071
Cash - restricted	-	107,396	107,396
Accounts receivable - net	113,936	452,078	566,014
Due from other governments	780,288	922	781,210
Inventory	-	91,613	91,613
Net other postemployment benefits asset	223,636	18,359	241,995
Capital assets, not being depreciated	14,143,570	4,303,573	18,447,143
Capital assets, being depreciated, net	15,134,866	24,665,900	39,800,766
<b>Total assets</b>	<b>40,739,403</b>	<b>30,679,906</b>	<b>71,419,309</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows related to pensions and other postemployment benefits	4,421,954	135,736	4,557,690
<b>LIABILITIES</b>			
Accounts payable	802,675	302,529	1,105,204
Accrued expenses	160,634	-	160,634
Interest payable	208,150	26,643	234,793
Court bonds payable	23,674	-	23,674
Refundable deposits	-	20,490	20,490
Noncurrent liabilities			
Due within 1 year	1,392,900	446,568	1,839,468
Due in more than 1 year	20,838,192	11,831,229	32,669,421
<b>Total liabilities</b>	<b>23,426,225</b>	<b>12,627,459</b>	<b>36,053,684</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows related to pensions and other postemployment benefits	2,304,235	172,231	2,476,466
<b>NET POSITION</b>			
Net investment in capital assets	18,801,038	17,232,224	36,033,262
Restricted for:			
Park improvements	1,715,987	-	1,715,987
Highways and streets	893,294	-	893,294
Public safety retirement	416,139	-	416,139
Housing redevelopment	123,509	-	123,509
Special programs	258,738	-	258,738
Unrestricted (deficit)	(2,777,808)	783,728	(1,994,080)
<b>Total net position</b>	<b>\$ 19,430,897</b>	<b>\$ 18,015,952</b>	<b>\$ 37,446,849</b>

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

**TOWN OF CAMP VERDE, ARIZONA**  
**Statement of Activities**  
**Year Ended June 30, 2022**

Functions / Programs	Expenses	Program Revenue			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business-type Activities	
<b>Primary government:</b>							
Governmental activities							
General government	\$ 4,099,606	\$ 43,779	\$1,975,567	\$ -	\$ (2,080,260)	\$ -	\$ (2,080,260)
Public safety	4,019,027	240,906	18,207	2,063	(3,757,851)	-	(3,757,851)
Public works	1,559,995	15,895	1,199,119	46,596	(298,385)	-	(298,385)
Health and welfare	138,422	-	30,105	-	(108,317)	-	(108,317)
Culture and recreation	1,527,445	67,654	415,149	74,637	(970,005)	-	(970,005)
Community development	656,610	422,238	10,000	-	(224,372)	-	(224,372)
Interest on long-term debt	464,591	-	-	-	(464,591)	-	(464,591)
<b>Total governmental activities</b>	<u>12,465,696</u>	<u>790,472</u>	<u>3,648,147</u>	<u>123,296</u>	<u>(7,903,781)</u>	<u>-</u>	<u>(7,903,781)</u>
Business-type activities							
Water	323,258	168,954	-	900,000	-	745,696	745,696
Wastewater	2,286,478	2,032,689	-	664,366	-	410,577	410,577
<b>Total business-type activities</b>	<u>2,609,736</u>	<u>2,201,643</u>	<u>-</u>	<u>1,564,366</u>	<u>-</u>	<u>1,156,273</u>	<u>1,156,273</u>
Total primary government	<u>\$ 15,075,432</u>	<u>\$2,992,115</u>	<u>\$3,648,147</u>	<u>\$1,687,662</u>	<u>\$ (7,903,781)</u>	<u>\$ 1,156,273</u>	<u>\$ (6,747,508)</u>
<b>General revenue:</b>							
Taxes:							
Sales Taxes					7,005,726	-	7,005,726
Franchise tax					329,139	-	329,139
State shared revenue					4,200,788	-	4,200,788
Investment income					17,078	163	17,241
Miscellaneous					72,218	-	72,218
<b>Transfers in (out):</b>					<u>(92,961)</u>	<u>92,961</u>	<u>-</u>
Total general revenues and transfers					<u>11,531,988</u>	<u>93,124</u>	<u>11,625,112</u>
Change in net position					<u>3,628,207</u>	<u>1,249,397</u>	<u>4,877,604</u>
Net position July 1, 2021					<u>15,802,690</u>	<u>16,766,555</u>	<u>32,569,245</u>
Net position, June 30, 2022					<u>\$ 19,430,897</u>	<u>\$ 18,015,952</u>	<u>\$ 37,446,849</u>

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

**TOWN OF CAMP VERDE, ARIZONA**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2022**

	General Fund	ARPA Fund	Non-Major Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ 3,654,278	\$ 1,193,559	\$ 2,684,199	\$ 7,532,036
Cash held by trustee	922,845	-	1,888,226	2,811,071
Accounts receivable, net	113,936	-	-	113,936
Due from other governments	334,416	-	445,872	780,288
Due from other funds	39,857	-	-	39,857
<b>Total assets</b>	<b><u>5,065,332</u></b>	<b><u>\$ 1,193,559</u></b>	<b><u>5,018,297</u></b>	<b><u>11,277,188</u></b>
<b>LIABILITIES</b>				
Accounts payable	230,538	38,723	533,414	802,675
Accrued liabilities	160,634	-	-	160,634
Court bonds payable	23,674	-	-	23,674
Due to other funds	-	-	39,857	39,857
<b>Total liabilities</b>	<b><u>414,846</u></b>	<b><u>38,723</u></b>	<b><u>573,271</u></b>	<b><u>1,026,840</u></b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue	-	-	260,942	260,942
<b>Total deferred inflows of resources</b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>260,942</u></b>	<b><u>260,942</u></b>
<b>FUND BALANCES</b>				
Restricted	416,139	-	2,991,528	3,407,667
Committed	-	-	282,193	282,193
Assigned	-	1,154,836	910,363	2,065,199
Unassigned	4,234,347	-	-	4,234,347
<b>Total fund balances</b>	<b><u>4,650,486</u></b>	<b><u>1,154,836</u></b>	<b><u>4,184,084</u></b>	<b><u>9,989,406</u></b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b><u>\$ 5,065,332</u></b>	<b><u>\$ 1,193,559</u></b>	<b><u>\$ 5,018,297</u></b>	<b><u>\$ 11,277,188</u></b>

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

**TOWN OF CAMP VERDE, ARIZONA**  
**Reconciliation of the Balance Sheet to the Statement of Net Position**  
**Governmental Funds**  
**June 30, 2022**

Fund balances--total governmental funds		\$ 9,989,406
<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	39,390,139	
Less accumulated depreciation	<u>(10,111,703)</u>	29,278,436
<p>Some receivables are not available to pay for current period expenditures and, therefore, are unavailable in the funds.</p>		
Accounts receivable		260,942
<p>Net pension assets held in trust for future benefits are not available for operations and, therefore, are not reported in the funds.</p>		
		223,636
<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	4,421,954	
Pension related deferred inflows	<u>(2,304,235)</u>	2,117,719
<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	(538,969)	
Net pension liability/OPEB	(5,804,793)	
Revenue bonds payable	(14,998,617)	
Financed purchases	(164,240)	
Leases payable	(724,473)	
Interest payable	<u>(208,150)</u>	<u>(22,439,242)</u>
Net position of governmental activities		<u>\$ 19,430,897</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, 2022**

	General Fund	ARPA Fund	Non-Major Governmental Funds	Total Governmental Fund
<b>Revenue</b>				
Taxes	\$ 7,334,865	\$ -	\$ -	\$ 7,334,865
Intergovernmental	4,455,131	1,868,118	1,368,917	7,692,166
Licenses and permits	349,278	-	-	349,278
Fines and forfeitures	108,463	-	16,203	124,666
Other revenue	81,455	-	101,274	182,729
Charges for services	196,886	-	-	196,886
Contributions	-	-	63,254	63,254
Investment income	14,637	-	2,441	17,078
<b>Total revenue</b>	<u>12,540,715</u>	<u>1,868,118</u>	<u>1,552,089</u>	<u>15,960,922</u>
<b>Expenditures</b>				
Current				
General government	4,050,477	-	17,215	4,067,692
Public safety	6,158,628	-	71,702	6,230,330
Public works and streets	321,595	-	726,424	1,048,019
Health and welfare	20,000	-	118,422	138,422
Culture and recreation	1,193,053	-	74,670	1,267,723
Community development	646,256	-	14,979	661,235
Capital outlay	38,910	537,843	2,704,116	3,280,869
Debt service				
Principal	2,927	-	807,787	810,714
Interest	774	-	450,215	450,989
Issuance cost	99,300	-	-	99,300
<b>Total expenditures</b>	<u>12,531,920</u>	<u>537,843</u>	<u>4,985,530</u>	<u>18,055,293</u>
Excess (deficiency) of revenue over (under) expenditures	<u>8,795</u>	<u>1,330,275</u>	<u>(3,433,441)</u>	<u>(2,094,371)</u>
<b>Other financing sources</b>				
Debt issuance	3,015,000	-	-	3,015,000
Lease acquisition	-	-	337,175	337,175
Transfers in (out)	<u>(3,059,493)</u>	<u>(175,439)</u>	<u>3,141,971</u>	<u>(92,961)</u>
<b>Total other financing sources</b>	<u>(44,493)</u>	<u>(175,439)</u>	<u>3,479,146</u>	<u>3,259,214</u>
<b>Net change in fund balances</b>	<u>(35,698)</u>	<u>1,154,836</u>	<u>45,705</u>	<u>1,164,843</u>
Fund balances, July 1, 2021	4,686,184	-	4,138,379	8,824,563
<b>Fund balances, June 30, 2022</b>	<u>\$ 4,650,486</u>	<u>\$ 1,154,836</u>	<u>\$ 4,184,084</u>	<u>\$ 9,989,406</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, 2022**

Net change in fund balances--total governmental funds \$ 1,164,843

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	3,245,682	
Depreciation expense	<u>(1,181,535)</u>	2,064,147

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	(337,175)	
Debt proceeds	(3,015,000)	
Principal payments on debt	<u>817,518</u>	(2,534,657)

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. (20,406)

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	14,708	
Pension/OPEB related items	<u>2,713,630</u>	2,728,338

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. 225,942

Change in net position of governmental activities \$ 3,628,207

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

**TOWN OF CAMP VERDE, ARIZONA**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2022**

	Business-type Activities -- Enterprise Funds		
	Water	Wastewater	Total
	Fund	Fund	
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	\$ -	\$ 1,040,065	\$ 1,040,065
Accounts receivable - net	148,367	303,711	452,078
Due from other governments	-	922	922
Due from other funds	-	4,822	4,822
Inventory	91,613	-	91,613
<b>Total current assets</b>	<u>239,980</u>	<u>1,349,520</u>	<u>1,589,500</u>
<b>Noncurrent assets</b>			
Restricted cash	-	107,396	107,396
Net other postemployment benefits asset	-	18,359	18,359
Capital assets, not being depreciated	140,812	4,162,761	4,303,573
Capital assets, being depreciated, net	9,996,336	14,669,564	24,665,900
<b>Total noncurrent assets</b>	<u>10,137,148</u>	<u>18,958,080</u>	<u>29,095,228</u>
<b>Total assets</b>	<u>10,377,128</u>	<u>20,307,600</u>	<u>30,684,728</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows related to pensions and other postemployment benefits	-	135,736	135,736
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accounts payable	63,850	238,679	302,529
Accrued interest	12,525	14,118	26,643
Refundable deposits	20,490	-	20,490
Due to other funds	4,822	-	4,822
Compensated absences, current	-	52,590	52,590
Notes payable, current	308,680	85,298	393,978
<b>Total current liabilities</b>	<u>410,367</u>	<u>390,685</u>	<u>801,052</u>
<b>Noncurrent liabilities</b>			
Compensated absences	3,420	838	4,258
Contractor reimburseables	257,968	-	257,968
Notes payable	8,966,320	2,118,983	11,085,303
Net pension and other postemployment liability	-	483,700	483,700
<b>Total noncurrent liabilities</b>	<u>9,227,708</u>	<u>2,603,521</u>	<u>11,831,229</u>
<b>Total liabilities</b>	<u>9,638,075</u>	<u>2,994,206</u>	<u>12,632,281</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows related to pensions and other postemployment benefits	-	172,231	172,231
<b>NET POSITION</b>			
Net investment in capital assets	604,180	16,628,044	17,232,224
Unrestricted (deficit)	134,873	648,855	783,728
<b>Total net position</b>	<u>\$ 739,053</u>	<u>\$ 17,276,899</u>	<u>\$ 18,015,952</u>

*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 Funds**  
**Year Ended June 30, 2022**

	Business-type Activities -- Enterprise Funds		
	Water	Wastewater	Total
	Fund	Fund	
<b>Operating revenues</b>			
Charges for services (net of bad debts of \$0)	\$ 167,409	\$ 2,032,186	\$ 2,199,595
Miscellaneous	1,545	503	2,048
<b>Total operating revenues</b>	<u>168,954</u>	<u>2,032,689</u>	<u>2,201,643</u>
<b>Operating expenses</b>			
Depreciation	21,520	923,231	944,751
Personnel	36,789	598,236	635,025
Repairs and maintenance	9,405	303,727	313,132
Other	2,150	61,963	64,113
Materials and supplies	62,500	161,590	224,090
Utilities	3,099	128,644	131,743
Professional services	-	46,316	46,316
Insurance	-	34,100	34,100
<b>Total operating expenses</b>	<u>135,463</u>	<u>2,257,807</u>	<u>2,393,270</u>
<b>Operating income (loss)</b>	<u>33,491</u>	<u>(225,118)</u>	<u>(191,627)</u>
<b>Nonoperating revenues (expenses)</b>			
Interest income	-	163	163
Interest expense	(187,795)	(28,671)	(216,466)
<b>Total nonoperating revenue (expenses)</b>	<u>(187,795)</u>	<u>(28,508)</u>	<u>(216,303)</u>
<b>Income (loss) before contributions</b>	<u>(154,304)</u>	<u>(253,626)</u>	<u>(407,930)</u>
Capital contributions	900,000	664,366	1,564,366
Transfers	(6,643)	99,604	92,961
<b>Increase (decrease) in net position</b>	<u>739,053</u>	<u>510,344</u>	<u>1,249,397</u>
Total net position, beginning of year,	<u>-</u>	<u>16,766,555</u>	<u>16,766,555</u>
<b>Total net position, end of year</b>	<u>\$ 739,053</u>	<u>\$ 17,276,899</u>	<u>\$ 18,015,952</u>

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

**TOWN OF CAMP VERDE, ARIZONA**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**Year Ended June 30, 2022**

	Business-type Activities -- Enterprise Funds		
	Water	Wastewater	Total
	Fund	Fund	
<b>Cash flows from operating activities:</b>			
Receipts from customers	\$ 153,715	\$ 1,951,922	\$ 2,105,637
Payments to suppliers and providers of goods and services	(11,751)	(747,599)	(759,350)
Payments to employees	(33,369)	(604,573)	(637,942)
<b>Net cash provided (used) by operating activities</b>	<b>108,595</b>	<b>599,750</b>	<b>708,345</b>
<b>Cash flows from noncapital financing activities:</b>			
Interfund transfers	(6,643)	99,604	92,961
Interfund borrowing	4,822	(4,822)	-
<b>Net cash provided (used) by noncapital financing activities</b>	<b>(1,821)</b>	<b>94,782</b>	<b>92,961</b>
<b>Cash flows from capital and related financing activities:</b>			
Proceeds from note payable	175,000	910,807	1,085,807
Proceeds from capital grant	900,000	664,366	1,564,366
Principal payments on notes payable	-	(83,476)	(83,476)
Purchase of capital assets	(1,006,504)	(1,086,577)	(2,093,081)
Principal payments on financed purchases	-	(56,125)	(56,125)
Interest paid	(175,270)	(29,582)	(204,852)
<b>Net cash provided (used) by capital and related financing activities</b>	<b>(106,774)</b>	<b>319,413</b>	<b>212,639</b>
<b>Cash flows from investing activities:</b>			
Interest received	-	163	163
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>-</b>	<b>1,014,108</b>	<b>1,014,108</b>
Cash and cash equivalents, beginning of year	-	133,353	133,353
<b>Cash and cash equivalents, end of year</b>	<b>\$ -</b>	<b>\$ 1,147,461</b>	<b>\$ 1,147,461</b>
Cash and cash equivalents	\$ -	\$ 1,040,065	\$ 1,040,065
Cash and cash equivalents, restricted	-	107,396	107,396
<b>Cash and cash equivalents, end of year</b>	<b>\$ -</b>	<b>\$ 1,147,461</b>	<b>\$ 1,147,461</b>

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

**TOWN OF CAMP VERDE, ARIZONA**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**Year Ended June 30, 2022**  
*(Continued)*

	Business-type Activities -- Enterprise Funds		
	Water Fund	Wastewater Fund	Total
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>			
Operating income (loss)	\$ 33,491	\$ (225,118)	\$ (191,627)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	21,520	923,231	944,751
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources:			
Accounts receivable	(16,864)	(80,933)	(97,797)
Due from other governments	-	166	166
Inventory	1,553	-	1,553
Net other postemployment benefits asset	-	(15,617)	(15,617)
Deferred outflows of resources related to pensions and other postemployment benefits	-	(8,360)	(8,360)
Accounts payable	63,850	31,643	95,493
Accrued expenses	3,420	(5,816)	(2,396)
Refundable deposits	1,625	-	1,625
Compensated absences	-	(431)	(431)
Net pension and other postemployment benefits and liabilities	-	(174,969)	(174,969)
Deferred inflows of resources related to pensions and other postemployment benefits	-	155,954	155,954
<b>Net cash provided (used) by operating activities</b>	<b>\$ 108,595</b>	<b>\$ 599,750</b>	<b>\$ 708,345</b>

**Noncash capital financing activities**

Noncash capital financing activities include the purchase of water infrastructure assets totaling \$9,100,000 provided through a loan by WIFA. Other noncash financing activities include the accrual of interest payable totaling \$12,525 for Water Fund and \$911 for Sewer Fund.

*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, 2022**

	Custodial Other
<b>ASSETS</b>	
Cash and cash equivalents	\$ 437,736
Property tax receivable	49,029
<b>Total assets</b>	486,765
 <b>LIABILITIES</b>	
	-
 <b>NET POSITION</b>	
Restricted for:	
Individual, organizations, and other governments	486,765
<b>Total net position</b>	\$ 486,765

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

	Custodial
	Other
<b><u>Additions:</u></b>	
Property tax collections from other governments	\$ 874,804
Loan proceeds - WIFA	664,366
Contributions from other governments	118,423
Contributions from employees	6,526
Interest income	2,087
<b>Total additions</b>	<b>1,666,206</b>
<b><u>Deductions:</u></b>	
Distributions for employee assistance	500
Distributions for district debt service	1,014,396
Distributions to other governments	664,366
<b>Total deductions</b>	<b>1,679,262</b>
<b>Change in net position</b>	<b>(13,056)</b>
<b>Net position, July 1, 2021</b>	<b>499,821</b>
<b>Net position, June 30, 2022</b>	<b>\$ 486,765</b>

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

**TOWN OF CAMP VERDE, ARIZONA**  
**Notes to Financial Statements**  
**June 30, 2022**

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

**A. Reporting Entity**

The 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



**TOWN OF CAMP VERDE, ARIZONA**  
**Notes to Financial Statements**  
**June 30, 2022**

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

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.

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.

ARPA Fund – This fund accounts for the spending of resources received from the Federal government as it relates to the American Rescue Plan Act (ARPA) specifically for expenditures related to the impact of COVID-19.

The Town reports the following major enterprise fund:

Water Fund – This fund is used to account for the provision of clean water services to residents of the Town. All activities necessary to provide such service are accounted for in this 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, 2022**

***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.

Under the terms of grant agreements, the Town funds certain programs by a combination of grants and general revenues. Therefore, when program expenses are incurred, there are both restricted and unrestricted resources available to finance the program. The Town applies grant resources to such programs before using general revenues.

Governmental funds in the fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when 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, 2022**

**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, 2022 for uncollectible Water Fund and Wastewater Fund receivables are \$0 and \$65,000 respectively.

**F. Capital Assets**

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

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

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

**G. Inventories**

Inventories in the government-wide and proprietary funds' financial statements are recorded as assets when purchased and expensed when consumed. These inventories are stated at cost using the first-in first-out method (FIFO).

**H. Investment Income**

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

**TOWN OF CAMP VERDE, ARIZONA**  
**Notes to Financial Statements**  
**June 30, 2022**

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

**I. 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 assets 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 assets or fund balance that applies to future periods and will be recognized as a revenue in future periods.

**J. 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.

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.

**K. 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.

**TOWN OF CAMP VERDE, ARIZONA**  
**Notes to Financial Statements**  
**June 30, 2022**

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

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.

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.

**L. 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.

**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.

**TOWN OF CAMP VERDE, ARIZONA**  
**Notes to Financial Statements**  
**June 30, 2022**

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

**N. Budgets**

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

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, 2022, if any.

**O. Leases**

As lessee, the Town recognizes lease liabilities with an initial, individual value of \$5,000 or more. The Town uses its estimated incremental borrowing rate to measure lease liabilities unless it can readily determine the interest rate implicit in the lease. The Town's estimated incremental borrowing rate is based on the Town's borrowing rate for unsecured debt for a comparable amount and time period, and then decreased the based on full collateral.

As lessor, the Town recognizes lease receivables with an initial, individual value of \$5,000 or more. If there is no stated rate in the lease contract (or if the stated rate is not the rate the Town charges the lessee) and the implicit rate cannot be determined, the Town uses its own estimated incremental borrowing rate as the discount rate to measure lease receivables. The Town's estimated incremental borrowing rate is calculated as described above.

**TOWN OF CAMP VERDE, ARIZONA**  
**Notes to Financial Statements**  
**June 30, 2022**

***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 Town's 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.

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.

**TOWN OF CAMP VERDE, ARIZONA**  
**Notes to Financial Statements**  
**June 30, 2022**

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

*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, 2022, the carrying amount of the Town’s total cash in bank was \$5,409,509, and the bank balance was \$5,577,970. Of the bank balance, \$730,202 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.

Restricted cash – Restricted cash in the Wastewater Fund consisted of debt service reserves totaling \$107,396.

*Investments* — At June 30, 2022, the investments consisted of the following:

<u>Investment</u>	<u>Rating Organization</u>	<u>Credit Rating</u>	<u>Reported Amount</u>	<u>Fair Value</u>
Arizona LGIP Pool 5	S&P	AAA	<u>\$ 6,079,440</u>	<u>\$ 6,079,440</u>

Deposits and investments at June 30, 2022 consist of the following:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<b>Deposits</b>			
Cash on hand	\$ 1,269	\$ 350	\$ 1,619
Cash held by trustee	2,811,071	-	2,811,071
Amount of deposits	1,451,327	1,147,111	2,598,438
<b>Investments</b>			
State treasurer's investment pool 5	<u>6,079,440</u>	<u>-</u>	<u>6,079,440</u>
<b>Total</b>	<u>\$ 10,343,107</u>	<u>\$ 1,147,461</u>	<u>\$ 11,490,568</u>



**TOWN OF CAMP VERDE, ARIZONA**  
**Notes to Financial Statements**  
**June 30, 2022**

***NOTE 3 – DUE FROM OTHER GOVERNMENTS***

Amounts due from other governments at June 30, 2022 consisted of the following:

	General Fund	Non-Major Governmental Funds	Wastewater Fund
State of Arizona			
State and city sales tax revenues	\$ 300,745	\$ -	\$ -
Vehicle licensing tax revenues	33,671	-	-
AZ State Parks and Trails	-	233,377	-
Highway user revenues	-	118,728	-
AZ State Library revenues	-	52,250	-
Yavapai County	-	15,435	-
Northern Arizona Council of Governments	-	1,515	-
Federal Communications Commission	-	20,706	-
Miscellaneous	-	3,861	922
	\$ 334,416	\$ 445,872	\$ 922

***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, 2022, the Town’s receivables for individual major governmental funds and non-major governmental funds in the aggregate, consisted of \$113,936 in various miscellaneous receivables. The Town considers these accounts to be 100% collectible.

As of June 30, 2022, the Town’s receivables for individual major proprietary funds consisted of wastewater fees billed to customers totaling \$368,711 and water fees billed to customers totaling \$148,367. In anticipation of uncollectible amounts, the Town has an allowance for doubtful accounts of \$65,000 for wastewater and \$0 for water.

**TOWN OF CAMP VERDE, ARIZONA**  
**Notes to Financial Statements**  
**June 30, 2022**

**NOTE 5 – CAPITAL ASSETS**

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

	Balance July 1, 2021	Increase	Decreases/ Reclassifications	Balance June 30, 2022
Governmental activities:				
Capital assets not being depreciated/amortized:				
Land	\$ 5,974,797	\$ -	\$ -	\$ 5,974,797
Construction in progress	7,002,130	1,166,643	-	8,168,773
<b>Total capital assets not being depreciated</b>	<u>12,976,927</u>	<u>1,166,643</u>	<u>-</u>	<u>14,143,570</u>
Capital assets being depreciated/amortized:				
Buildings and improvements	9,209,465	103,984	-	9,313,449
Infrastructure	7,070,544	780,474	-	7,851,018
Machinery and equipment	4,688,823	855,937	(328,973)	5,215,787
Improvements other than buildings	1,631,565	-	-	1,631,565
Intangibles:				
Right-to-use lease assets				
Machinery and equipment	896,106	338,644	-	1,234,750
<b>Total</b>	<u>23,496,503</u>	<u>2,079,039</u>	<u>(328,973)</u>	<u>25,246,569</u>
Less accumulated depreciation/amortization for:				
Buildings and improvements	(2,210,478)	(281,865)	-	(2,492,343)
Infrastructure	(2,562,619)	(374,411)	-	(2,937,030)
Machinery and equipment	(3,629,275)	(288,656)	328,973	(3,588,958)
Improvements other than buildings	(619,944)	(40,470)	-	(660,414)
Intangibles:				
Right-to-use lease assets				
Machinery and equipment	(236,825)	(196,133)	-	(432,958)
<b>Total</b>	<u>(9,259,141)</u>	<u>(1,181,535)</u>	<u>328,973</u>	<u>(10,111,703)</u>
<b>Total capital assets being depreciated, net</b>	<u>14,237,362</u>	<u>897,504</u>	<u>-</u>	<u>15,134,866</u>
Governmental activities capital assets, net	<u>\$ 27,214,289</u>	<u>\$ 2,064,147</u>	<u>\$ -</u>	<u>\$ 29,278,436</u>

**TOWN OF CAMP VERDE, ARIZONA**  
**Notes to Financial Statements**  
**June 30, 2022**

**NOTE 5 – CAPITAL ASSETS – Continued**

	Balance July 1, 2021	Increase	Decreases/ Reclassifications	Balance June 30, 2022
Business-type activities:				
Capital assets not being depreciated/amortized:				
Land	\$ 1,275,828	\$ 140,812	\$ -	\$ 1,416,640
Construction in progress	1,999,630	966,334	(79,031)	2,886,933
<b>Total capital assets not being depreciated</b>	<u>3,275,458</u>	<u>1,107,146</u>	<u>(79,031)</u>	<u>4,303,573</u>
Capital assets being depreciated/amortized:				
Buildings and improvements	920,575	25,866	-	946,441
Sewer infrastructure systems	23,418,406	39,243	-	23,457,649
Water infrastructure systems	-	9,951,223	-	9,951,223
Vehicles and equipment	1,448,296	200,798	170,135	1,819,229
<b>Total</b>	<u>25,787,277</u>	<u>10,217,130</u>	<u>170,135</u>	<u>36,174,542</u>
Less accumulated depreciation/amortization for:				
Buildings and improvements	(228,477)	(35,761)	-	(264,238)
Sewer infrastructure systems	(9,353,146)	(720,767)	-	(10,073,913)
Water infrastructure systems	-	(20,732)	-	(20,732)
Vehicles and equipment	(812,133)	(167,491)	(170,135)	(1,149,759)
<b>Total</b>	<u>(10,393,756)</u>	<u>(944,751)</u>	<u>(170,135)</u>	<u>(11,508,642)</u>
<b>Total capital assets being depreciated/amortized, net</b>	<u>15,393,521</u>	<u>9,272,379</u>	<u>-</u>	<u>24,665,900</u>
Business-type activities capital assets, net	<u>\$ 18,668,979</u>	<u>\$ 10,379,525</u>	<u>\$ (79,031)</u>	<u>\$ 28,969,473</u>

Depreciation expense was charged to each function as follows:

Governmental activities:	
Public works and streets	\$ 529,775
Public safety	304,148
Culture and recreation	281,525
General government	56,076
Community development	<u>10,011</u>
Total governmental activities depreciation expense	<u>\$ 1,181,535</u>
Business-type activities:	
Water fund	\$ 21,520
Wastewater fund	<u>923,231</u>
Total business-type activities depreciation expense	<u>\$ 944,751</u>

**TOWN OF CAMP VERDE, ARIZONA**  
**Notes to Financial Statements**  
**June 30, 2022**

**NOTE 6 – LONG-TERM LIABILITIES**

The following schedule details the Town’s long-term liability and obligation activity for the year ended June 30, 2022.

	Balance July 1, 2021	Additions	Reductions	Balance June 30, 2022	Due within 1 year
<b>Governmental activities:</b>					
Compensated absences	\$ 553,677	\$ 704,330	\$ 719,038	\$ 538,969	\$ 530,507
Financed purchases	268,339	-	104,099	164,240	107,408
Leases payable	538,430	337,175	151,132	724,473	192,697
Net pension and other postemployment benefits liability	8,336,918	-	2,532,125	5,804,793	-
<b>Bonds payable:</b>					
Revenue bonds	12,371,000	3,015,000	555,000	14,831,000	555,000
Unamortized premium	174,905	-	7,288	167,617	7,288
<b>Governmental activities long-term liabilities</b>	<b>\$22,243,269</b>	<b>\$ 4,056,505</b>	<b>\$4,068,682</b>	<b>\$22,231,092</b>	<b>\$ 1,392,900</b>
<b>Business-type activities:</b>					
Compensated absences	\$ 53,859	\$ 62,658	\$ 59,669	\$ 56,848	\$ 52,590
Financed purchases	56,125	-	56,125	-	-
Contractor reimburseable	-	257,968	-	257,968	-
Notes payable from direct borrowings and direct placements	1,376,950	11,085,807	983,476	11,479,281	393,978
Net pension and other postemployment benefits liability	658,669	-	174,969	483,700	-
<b>Business-type activities long-term liabilities</b>	<b>\$ 2,145,603</b>	<b>\$11,406,433</b>	<b>\$1,274,239</b>	<b>\$12,277,797</b>	<b>\$ 446,568</b>

**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 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.

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, 2022**

**NOTE 6 – LONG-TERM LIABILITIES – Continued**

In February 2022, the Town issued bonds totaling \$3,015,000 to pay down the Town’s Public Safety Retirement System pension liability with the remaining balance restricted to cover any future unfunded pension balances. The principal and interest on the bonds are payable from excise tax revenue and state shared revenues. The Town has pledged future state shared revenues and excise tax revenues to repay the bond.

Description	Original Amount	Maturity Ranges	Interest Rates	Outstanding Principal June 30, 2022
Revenue Refunding Bonds, Series 2014	\$ 4,904,000	2016-2031	2.84%	\$ 2,749,000
Revenue Bonds, Series 2017	6,835,000	2019-2045	2.00% - 4.00%	6,185,000
Revenue Refunding Bonds, Series 2020	2,897,000	2021-2036	2.96%	2,882,000
Revenue Bonds, Series 2022	<u>3,015,000</u>	2023-2036	2.77%	<u>3,015,000</u>
Totals	<u>\$17,651,000</u>			<u>\$14,831,000</u>

The following schedule details debt service requirements to maturity for the Town’s bonds payable at June 30, 2022.

Year Ending June 30	Governmental Activities							
	2014 Bond Payable		2017 Bond Payable		2020 Bond Payable		2022 Bond Payable	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 378,000	\$ 72,704	\$ 175,000	\$ 207,725	\$ 20,000	\$ 85,011	\$ 155,000	\$ 75,105
2024	392,000	61,770	180,000	201,500	20,000	84,419	185,000	76,660
2025	400,000	50,524	190,000	194,100	20,000	83,827	190,000	71,466
2026	245,000	41,365	195,000	186,400	191,000	80,704	195,000	66,134
2027	252,000	34,307	205,000	178,400	194,000	75,006	200,000	60,663
2028-2032	1,082,000	62,537	1,150,000	760,500	1,129,000	282,724	1,095,000	215,299
2033-2037	-	-	1,385,000	528,475	1,308,000	78,795	995,000	56,023
2038-2042	-	-	1,610,000	299,809	-	-	-	-
2043-2047	-	-	1,095,000	51,953	-	-	-	-
Total	<u>\$ 2,749,000</u>	<u>\$ 323,207</u>	<u>\$ 6,185,000</u>	<u>\$ 2,608,862</u>	<u>\$ 2,882,000</u>	<u>\$ 770,488</u>	<u>\$ 3,015,000</u>	<u>\$ 621,350</u>

**TOWN OF CAMP VERDE, ARIZONA**  
**Notes to Financial Statements**  
**June 30, 2022**

**NOTE 6 – LONG-TERM LIABILITIES – Continued**

Notes Payable from direct borrowings and direct placements:

	Business-type Activities	
	Water Fund	Wastewater Fund
	<p>Water Infrastructure Finance Authority (WIFA) loan issued on April 20, 2018, for \$3,487,210 with a \$1,000,000 forgivable principal portion. The note bears interest at 2.183%. Due in annual principal and semi-annual interest installments. Matures July 1, 2042. As of June 30, 2022, the Town had \$479,479 available to draw down. Proceeds were used for wastewater improvement projects. The Town has pledged future utility revenues to repay the loan.</p>	\$ -
<p>Water Infrastructure Finance Authority (WIFA) loan issued on January 29, 2021, for \$1,200,000. The note bears interest at 1.00%. Due in annual principal and semi-annual interest installments. Matures July 1, 2023. Proceeds were used for wastewater improvement projects. The Town has pledged future utility revenues to repay the loan.</p>	-	441,666
<p>Water Infrastructure Finance Authority (WIFA) loan issued on December 10, 2021, for \$10,175,000 with a \$900,000 forgivable principal portion. The note bears interest at 1.496%. Due in annual principal and semi-annual interest installments. Matures August 1, 2046. Proceeds were used for the purchase of the Water utility. The Town has pledged future utility revenues to repay the loan.</p>	9,275,000	-
	\$ 9,275,000	\$ 2,204,281

The following schedule details debt service requirements to maturity for the Town’s loan payable from direct borrowings and direct placements at June 30, 2022.

Year Ending June 30	Business-type Activities					
	Loan Payable from Direct Borrowings and Direct Placements					
	Wastewater Fund - WIFA		Wastewater Fund - WIFA		Water Fund - WIFA	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ -	\$ 12,000	\$ 85,298	\$ 32,853	\$ 308,680	\$ 92,111
2024	441,666	12,000	87,161	35,664	313,297	131,779
2025	-	-	89,063	33,741	317,984	127,057
2026	-	-	91,008	31,776	322,740	122,265
2027	-	-	92,994	29,767	327,568	117,401
2028-2032	-	-	496,322	104,815	1,712,822	511,464
2033-2037	-	-	552,914	59,933	1,844,816	378,482
2038-2042	-	-	267,855	6,959	1,986,984	235,251
2043-2047	-	-	-	-	2,140,109	80,982
Total	\$ 441,666	\$ 24,000	\$ 1,762,615	\$ 335,508	\$ 9,275,000	1,796,792

**TOWN OF CAMP VERDE, ARIZONA**  
**Notes to Financial Statements**  
**June 30, 2022**

**NOTE 6 – LONG-TERM LIABILITIES – Continued**

FINANCED PURCHASES:

The Town has acquired equipment under contract agreements at a total purchase price of \$489,817. The following schedule details debt service requirements to maturity for the Town’s financed purchases at June 30, 2022:

Year Ending June 30	Financed Purchases		
	Governmental Activities		
	Principal	Interest	Total
2023	\$ 107,408	\$ 4,463	\$ 111,871
2024	56,630	991	57,621
2025	202	-	202
Total	<u>\$ 164,240</u>	<u>\$ 5,454</u>	<u>\$ 169,694</u>

Leases—The Town has acquired the right-to-use of equipment under the provisions of various lease agreements.

The total amount of leased right-to-use assets and the related accumulated amortization are as follows:

	Governmental Activities
Vehicles and equipment	\$ 1,234,750
Less: accumulated amortization	<u>(432,958)</u>
Carrying value	<u>\$ 801,792</u>

The following schedule details debt service requirements to maturity for the Town’s leases payable at June 30, 2022:

Year Ending June 30	Leases Payable		
	Governmental Activities		
	Principal	Interest	Total
2023	\$ 192,697	\$ 43,550	\$ 236,247
2024	232,220	28,526	260,746
2025	129,163	16,063	145,226
2026	101,335	8,053	109,388
2027	69,058	1,514	70,572
Total	<u>\$ 724,473</u>	<u>\$ 97,706</u>	<u>\$ 822,179</u>

**TOWN OF CAMP VERDE, ARIZONA**  
**Notes to Financial Statements**  
**June 30, 2022**

**NOTE 6 – LONG-TERM LIABILITIES – Continued**

Contractor reimbursable – The Town has contracted with various contractors for the build of water delivery systems that extend to new development. Under agreements made with contractors, the cost of the delivery systems are paid by the contractor with the provision that the Town reimburse the contractor for costs over a period of 10 years with annual repayment terms based on 10% of collections received from those using the portion of the delivery system installed by the contractor. Unpaid balances after 10 years under such terms will be forgiven. The Town expects that all the contractor reimbursable will be due and payable within the 10-year term. Total contractor reimbursable at June 30, 2022 totaled \$257,968.

**NOTE 7 – PLEDGED REVENUES**

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 million. For the current year, principal and interest paid by the Sanitary District totaled \$118,423. Total sales tax and state-shared revenues recognized by the Town totaled \$11.2 million.

**NOTE 8 – INTERFUND BALANCES AND ACTIVITY**

Interfund transfers – During the year ended June 30, 2022, the Town transferred funds to cover shared expenses and interfund borrowings as follows:

Transfers from	Transfers to						Total
	General Fund	HURF Fund (non-major)	Parks Fund (non-major)	Debt Service Fund (non-major)	Capital Improvement Fund (non-major)	Wastewater Fund (Enterprise)	
General Fund	\$ -	\$ -	\$ 125,000	\$ 1,128,414	\$ 1,888,557	\$ -	\$ 3,141,971
ARPA Fund	-	-	-	-	-	175,439	175,439
HURF Fund (non-major)	-	-	-	229,870	-	-	229,870
Non-Federal							
Grants Fund (non-major)	-	29,765	50,000	-	-	-	79,765
Parks Fund (non-major)	-	-	-	18,140	-	-	18,140
Water Fund	6,643	-	-	-	-	-	6,643
Wasterwater Fund	75,835	-	-	-	-	-	75,835
<b>Total</b>	<b>\$ 82,478</b>	<b>\$ 29,765</b>	<b>\$ 175,000</b>	<b>\$ 1,376,424</b>	<b>\$ 1,888,557</b>	<b>\$ 175,439</b>	<b>\$ 3,727,663</b>



**TOWN OF CAMP VERDE, ARIZONA**  
**Notes to Financial Statements**  
**June 30, 2022**

***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	\$ 1,715,987
Highway User Revenues	893,294
Public safety retirement	416,139
Housing redevelopment	123,509
Court Special Revenue:	
Court Enhancement	88,409
Fill the Gap	23,004
Local JCEF	23,030
Nonfederal grants	
Anti-racketeering	15,128
AZ Supreme Court Grants	4,549
Spay/Neuter	18
Federal grants	
UCF	63
RDBG grant	10,000
9-1-1	1,361
Donations:	
Camp Verde Marshal's Office	9,161
Government Finance Officers Association	3,035
Library	23,654
Parks and Recreation	4,424
Safety fund	22,583
Economic development	16,022
Animal shelter	100
K-9	8,294
Volunteers in Police Services	5,903
Total Restricted Net Position	\$ 3,407,667

**TOWN OF CAMP VERDE, ARIZONA**  
**Notes to Financial Statements**  
**June 30, 2022**

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

The components of governmental fund balances are as follows:

	General Fund	ARPA Fund	Non-Major Govt'l Funds	Total Govt'l Funds
<b>Ending Fund balances, June 30, 2022</b>				
<b>Restricted for:</b>				
Park improvements	\$ -	\$ -	\$ 1,715,987	\$ 1,715,987
Highways and streets	-	-	893,294	893,294
Public safety retirement	416,139	-	-	416,139
Housing redevelopment	-	-	123,509	123,509
Court special revenue				
Court enhancement	-	-	88,409	88,409
Fill the gap	-	-	23,004	23,004
Local JCEF	-	-	23,030	23,030
Nonfederal grants				
Anti-racketeering	-	-	15,128	15,128
AZ Supreme Court Grants	-	-	4,549	4,549
Spay/Neuter	-	-	18	18
Federal grants				
UCF	-	-	63	63
RDBG Grant	-	-	10,000	10,000
9-1-1	-	-	1,361	1,361
Donations				
Camp Verde Marshal's office	-	-	9,161	9,161
Government Finance Officers Association	-	-	3,035	3,035
Library	-	-	23,654	23,654
Parks and recreation	-	-	4,424	4,424
Safety fund	-	-	22,583	22,583
Economic development	-	-	16,022	16,022
Animal shelter	-	-	100	100
K-9	-	-	8,294	8,294
Volunteers in police service	-	-	5,903	5,903
Total restricted	<u>416,139</u>	<u>-</u>	<u>2,991,528</u>	<u>3,407,667</u>
<b>Committed for:</b>				
Legal defense	<u>-</u>	<u>-</u>	<u>282,193</u>	<u>282,193</u>
<b>Assigned for:</b>				
Capital improvements	<u>-</u>	<u>1,154,836</u>	<u>910,363</u>	<u>2,065,199</u>
<b>Unassigned:</b>	<u>4,234,347</u>	<u>-</u>	<u>-</u>	<u>4,234,347</u>
Ending Fund Balances	<u><u>\$ 4,650,486</u></u>	<u><u>\$ 1,154,836</u></u>	<u><u>\$ 4,184,084</u></u>	<u><u>\$ 9,989,406</u></u>

**TOWN OF CAMP VERDE, ARIZONA**  
**Notes to Financial Statements**  
**June 30, 2022**

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

	<b>Statement of Net Position and Statement of Activities</b>		
	Governmental	Business-Type	Total
	Activities	Activities	
Net OPEB assets	\$ 223,636	\$ 18,359	\$ 241,995
Net pension and OPEB liabilities	5,804,793	483,700	6,288,493
Deferred outflows of resources related to pension and OPEB	4,421,954	135,736	4,557,690
Deferred inflows of resources related to pension and OPEB	2,304,235	172,231	2,476,466
Pension expense and OPEB	598,895	39,331	638,226

The Town reported \$3,432,838 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, 2022**

**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](http://www.azasrs.gov).

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

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

\*With actuarially reduced benefits.

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

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

**TOWN OF CAMP VERDE, ARIZONA**  
**Notes to Financial Statements**  
**June 30, 2022**

**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, 2022, statute required active ASRS members to contribute at the actuarially determined rate of 12.41 percent (12.22 percent for retirement and 0.19 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 12.41 percent (12.01 percent for retirement, 0.21 percent for health insurance premium benefit, and 0.19 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 10.22 percent (10.13 percent for retirement, 0.09 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, 2022, were \$470,687, \$15,517, and \$7,560, respectively.

During fiscal year 2022, the Town paid for ASRS pension and OPEB contributions as follows: 82.5 percent from the General Fund, 6.5 percent from the HURF Fund (nonmajor), and 11 percent from the Wastewater Fund.

**Liability** – At June 30, 2022, the Town reported the following asset and liabilities for its proportionate share of the ASRS’ net pension/OPEB asset or liability.

	<b>Pension/OPEB (Asset) Liability</b>
Pension	\$ 4,110,053
Health insurance premium benefit	(156,248)
Long-term disability	6,542

The net asset and net liabilities were measured as of June 30, 2021. 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, 2020, to the measurement date of June 30, 2021. The total liabilities as of June 30, 2021, reflect changes in actuarial assumptions based on the results of an actuarial experience study for the 5-year period ended June 30, 2020, including decreasing the discount rate from 7.5 percent to 7.0 percent and changing the projected salary increases from 2.7–7.2 percent to 2.9–8.4 percent.

**TOWN OF CAMP VERDE, ARIZONA**  
**Notes to Financial Statements**  
**June 30, 2022**

***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, 2021. The Town’s proportions measured as of June 30, 2021, and the change from its proportions measured as of June 30, 2020, were:

	<b>Proportion June 30, 2021</b>	<b>Increase (decrease) from June 30, 2020</b>
Pension	0.03128%	0.00051%
Health insurance premium benefit	0.03207%	0.00058%
Long-term disability	0.03169%	0.00050%

**Expense** – For the year ended June 30, 2022, the Town recognized the following pension and OPEB expense.

	<b>Pension/OPEB Expense</b>
Pension	347,832
Health insurance premium benefit	(18,037)
Long-term disability	4,938

**TOWN OF CAMP VERDE, ARIZONA**  
**Notes to Financial Statements**  
**June 30, 2022**

**NOTE 12 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS – Continued**

**Deferred Outflows/Inflows of Resources**—At June 30, 2022, the deferred outflows of resources and deferred inflows of resources related to pensions and OPEB from the following sources were:

	Pension		Health Insurance Premium	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 62,654	\$ -	\$ -	\$ 54,187
Changes of assumptions or other inputs	534,956	-	7,746	6,317
Net difference between projected and actual earnings on pension plan	-	1,302,209	-	57,960
Changes in proportion and differences between Town contributions and proportionate share of contributions	51,452	31,294	65	220
Town contributions subsequent to the measurement date	470,687	-	15,517	-
Total	\$ 1,119,749	\$ 1,333,503	\$ 23,328	\$ 118,684

	Long-Term Disability	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,890	\$ 533
Changes of assumptions or other inputs	2,092	8,243
Net difference between projected and actual earnings on pension plan	-	4,530
Changes in proportion and differences between Town contributions and proportionate share of contributions	577	301
Town contributions subsequent to the measurement date	7,560	-
Total	\$ 12,119	\$ 13,607

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, 2023. 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
2023	\$ 12,250	\$ (25,977)	\$ (1,195)
2024	39,130	(24,918)	(1,116)
2025	(287,070)	(27,325)	(1,280)
2026	(448,751)	(30,202)	(1,966)
2027	-	(2,451)	(769)
Thereafter	-	-	2,722

**TOWN OF CAMP VERDE, ARIZONA**  
**Notes to Financial Statements**  
**June 30, 2022**

**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, 2020
Actuarial roll forward date	June 30, 2021
Actuarial cost method	Entry age normal
Investment rate of return	7.0%
Projected salary increases	2.9 - 8.4% 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, 2020 valuations were based on the results of an actuarial experience study for the 5-year period ended June 30, 2020.

The long-term expected rate of return on ASRS plan investments was determined to be 7.0 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

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

**Discount Rate** – At June 30, 2021, the discount rate used to measure the ASRS total pension/OPEB liability was 7.0 percent, which was a decrease of 0.5 from the discount rate used as of June 30, 2020. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the ASRS Board’s funding policy, which establishes the contractually required rate under Arizona statute. Based on those assumptions, the 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, 2022**

**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 7.0 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 (6.0 percent) or 1 percentage point higher (8.0 percent) than the current rate:

	<b>1% Decrease (6.0%)</b>	<b>Current Discount Rate (7.0%)</b>	<b>1% Increase (8.0%)</b>
<b>Town's Proportionate share of the</b>			
Net pension liability	\$ 6,464,769	\$ 4,110,053	\$ 2,146,871
Net insurance premium benefit liability (asset)	(103,452)	(156,248)	(201,141)
Net long-term disability liability	8,518	6,542	4,629

**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) or employees who became members on or after July 1, 2017, may participate in the Public Safety Personnel Defined Contribution Retirement Plan (PSPDCRP). The PSPRS administers agent and cost-sharing multiple-employer defined benefit pension plans and agent and cost-sharing multiple-employer defined benefit health insurance premium benefit (OPEB) plans. A nine-member board known as the Board of Trustees and the participating local boards govern the PSPRS according to the provisions of A.R.S. Title 38, Chapter 5, Article 4. Employees who were PSPRS members before July 1, 2017, participate in the agent plans, and those who became PSPRS members on or after July 1, 2017, participate in the cost-sharing plans (PSPRS Tier 3 Risk Pool) which are not further disclosed because of their relative insignificance to the Town’s financial statements.

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

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

**TOWN OF CAMP VERDE, ARIZONA**  
**Notes to Financial Statements**  
**June 30, 2022**

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

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

**TOWN OF CAMP VERDE, ARIZONA**  
**Notes to Financial Statements**  
**June 30, 2022**

**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, 2022, the following employees were covered by the agent plans’ benefit terms:

	<b>PSPRS Police</b>	
	<b>Pension</b>	<b>Health</b>
Inactive employees or beneficiaries currently receiving benefits	9	9
Inactive employees entitled to but not yet receiving benefits	6	0
Active employees	10	10
Total	25	19

**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, 2022, are indicated below. Rates are a percentage of active members’ annual covered payroll.

	<b>Active Member- Pension</b>	<b>Town-Pension</b>	<b>Town-Health Insurance Premium Benefit</b>
PSPRS Police	7.65% - 11.65%	35.22%	0.22%
PSPRS Tier 3 Risk Pool	9.94%	9.05%	0.13%

The Town’s contributions to the plans for the year ended June 30, 2022, were:

	<b>Pension</b>	<b>Health Insurance Premium Benefit</b>
PSPRS Police	\$ 2,990,305	\$ 3,083

During fiscal year 2022, 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, 2022**

***NOTE 12 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS – Continued***

**Liability** – At June 30, 2022, the Town reported the following asset and liability:

	<b>Net Pension</b>	<b>Net OPEB</b>
	<b>(Asset) Liability</b>	<b>(Asset) Liability</b>
PSPRS Police	\$ 2,171,898	\$ (85,747)

The net assets and net liabilities were measured as of June 30, 2021, 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, 2021
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, 2021, valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2017.

The long-term expected rate of return on PSPRS 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, 2022**

***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	24%	4.08%
International public equity	16%	5.20%
Global private equity	20%	7.67%
Other assets (capital appreciation)	7%	5.43%
Core bonds	2%	0.42%
Private credit	20%	5.74%
Diversifying strategies	10%	3.99%
Cash - Mellon	1%	-0.31%
Total	<u>100%</u>	

**Discount Rates** – At June 30, 2021, 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, 2022**

**NOTE 12 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS – Continued**

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

	<b>Pension</b>		
	<b>Increase (Decrease)</b>		
	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (Asset) (a) - (b)</b>
Balances at June 30, 2021	\$ 8,078,892	\$ 4,438,336	\$ 3,640,556
Changes for the year			
Service Cost	155,009	-	155,009
Interest on the total pension liability	588,235	-	588,235
Differences between expected and actual experience in the measurement of the pension liability	(523,832)	-	(523,832)
Changes of assumptions or other inputs	-	-	-
Contributions-employer	-	380,135	(380,135)
Contributions-employee	-	68,845	(68,845)
Net investment income	-	1,244,955	(1,244,955)
Benefit payments, including refunds of employee contributions	(351,765)	(351,765)	-
Administrative expense	-	(5,865)	5,865
Net changes	(132,353)	1,336,305	(1,468,658)
Balances at June 30, 2022	<u>\$ 7,946,539</u>	<u>\$ 5,774,641</u>	<u>\$ 2,171,898</u>
	<b>Health Insurance Premium Benefit</b>		
	<b>Increase (Decrease)</b>		
	<b>Total OPEB Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net OPEB Liability (Asset) (a) - (b)</b>
Balances at June 30, 2021	\$ 168,184	\$ 193,188	\$ (25,004)
Changes for the year			
Service Cost	4,653	-	4,653
Interest on the total pension liability	12,222	-	12,222
Differences between expected and actual experience in the measurement of the OPEB liability	(24,929)	-	(24,929)
Contributions-employer	-	1,255	(1,255)
Net investment income	-	51,646	(51,646)
Benefit payments, including refunds of employee contributions	(10,822)	(10,822)	-
Administrative expense	-	(212)	212
Net changes	(18,876)	41,867	(60,743)
Balances at June 30, 2022	<u>\$ 149,308</u>	<u>\$ 235,055</u>	<u>\$ (85,747)</u>

**TOWN OF CAMP VERDE, ARIZONA**  
**Notes to Financial Statements**  
**June 30, 2022**

**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	\$ 3,238,083	\$ 2,171,898	\$ 1,300,269
Net OPEB (asset) liability	(69,254)	(85,747)	(99,630)

**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, 2022, the Town recognized the following pension and OPEB expense:

	<u>Pension Expense</u>	<u>OPEB Expense (Income)</u>
PSPRS Police	\$ 319,569	\$ (16,076)

**Deferred Outflows/Inflows of Resources** – At June 30, 2022, 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	\$ 286,105	\$ 397,955	\$ 14,532	\$ 48,305
Changes of assumptions or other inputs	107,260	-	1,209	1,798
Net difference between projected and actual earnings on pension plan	-	541,032	-	21,582
Contributions subsequent to the measurement date	2,990,305	-	3,083	-
<b>Total</b>	<u>\$ 3,383,670</u>	<u>\$ 938,987</u>	<u>\$ 18,824</u>	<u>\$ 71,685</u>

**TOWN OF CAMP VERDE, ARIZONA**  
**Notes to Financial Statements**  
**June 30, 2022**

***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, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and OPEB will be recognized as expenses as follows:

Year ended June 30,	<b>PSPRS Police</b>	
	<b>Pension</b>	<b>Health</b>
2023	\$ (52,996)	\$ (17,975)
2024	(104,750)	(17,275)
2025	(204,352)	(11,761)
2026	(183,524)	(8,933)
2027	-	-
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, 2022**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenue</b>				
Taxes	\$ 7,234,800	\$ 7,234,800	\$ 7,334,865	\$ 100,065
Intergovernmental	3,907,160	3,907,160	4,455,131	547,971
Fines and forfeitures	162,000	162,000	108,463	(53,537)
Licenses and permits	259,500	259,500	349,278	89,778
Charges for services	172,350	172,350	196,886	24,536
Investment income	2,500	2,500	14,637	12,137
Other revenue	65,410	65,410	81,455	16,045
<b>Total revenue</b>	<u>11,803,720</u>	<u>11,803,720</u>	<u>12,540,715</u>	<u>736,995</u>
<b>Expenditures</b>				
Marshal	3,839,320	7,385,380	6,271,000	1,114,380
Magistrate	487,245	488,890	389,312	99,578
Community development	786,925	786,925	647,519	139,406
Library	640,270	647,640	630,156	17,484
General government	2,982,060	2,842,120	2,750,354	91,765
Parks and recreation	560,560	567,890	562,897	4,993
Public works	1,239,630	1,281,220	1,280,682	538
<b>Total expenditures</b>	<u>10,536,010</u>	<u>14,000,065</u>	<u>12,531,920</u>	<u>1,468,144</u>
Excess (deficiency) of revenue over (under) expenditures	<u>1,267,710</u>	<u>(2,196,345)</u>	<u>8,795</u>	<u>2,205,140</u>
<b>Other financing sources</b>				
Transfers in (out)	(2,190,165)	(3,203,722)	(3,059,493)	144,229
Debt issuance	-	3,500,000	3,015,000	(485,000)
<b>Total other financing sources</b>	<u>(2,190,165)</u>	<u>296,278</u>	<u>(44,493)</u>	<u>(340,771)</u>
<b>Net change in fund balances</b>	<u>(922,455)</u>	<u>(1,900,067)</u>	<u>(35,698)</u>	<u>1,864,369</u>
Fund balances, July 1, 2021	<u>4,686,184</u>	<u>4,686,184</u>	<u>4,686,184</u>	<u>-</u>
<b>Fund balances, June 30, 2022</b>	<u><u>\$ 3,763,729</u></u>	<u><u>\$ 2,786,117</u></u>	<u><u>\$ 4,650,486</u></u>	<u><u>\$ 1,864,369</u></u>

*See accompanying notes to budgetary comparison schedule.*

**TOWN OF CAMP VERDE, ARIZONA**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual – ARPA Fund**  
**Year Ended June 30, 2022**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenue</b>				
Intergovernmental	\$ 1,334,693	\$ 1,334,693	\$ 1,868,118	\$ 533,425
<b>Expenditures</b>				
Capital outlay	<u>1,334,693</u>	<u>1,334,693</u>	<u>537,843</u>	<u>796,850</u>
Excess (deficiency) of revenue over (under) expenditures	<u>-</u>	<u>-</u>	<u>1,330,275</u>	<u>1,330,275</u>
<b>Other financing sources</b>				
Transfers in (out)	<u>-</u>	<u>-</u>	<u>(175,439)</u>	<u>(175,439)</u>
<b>Net change in fund balances</b>	<u>-</u>	<u>-</u>	<u>1,154,836</u>	<u>1,154,836</u>
Fund balances, July 1, 2021	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balances, June 30, 2022</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,154,836</u></u>	<u><u>\$ 1,154,836</u></u>

*See accompanying notes to budgetary comparison schedule.*

**TOWN OF CAMP VERDE, ARIZONA**  
**Required Supplementary Information**  
**Notes to Budgetary Comparison Schedules**  
**June 30, 2022**

***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.

**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, 2022**

**ASRS - Pension**  
**Reporting Fiscal Year**  
**(Measurement Date)**

	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	
	<b>(2021)</b>	<b>(2020)</b>	<b>(2019)</b>	<b>(2018)</b>	<b>(2017)</b>	<b>(2016)</b>	<b>(2015)</b>	<b>(2014)</b>	<b>Through</b>	
									<b>2013</b>	
Town's proportion of the net pension liability	0.031280%	0.030770%	0.031430%	0.031890%	0.030200%	0.029430%	0.029330%	0.027452%		Information
Town's proportionate share of the net pension liability	\$ 4,110,053	\$ 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	\$ 3,520,608	\$ 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	116.74%	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	78.58%	69.33%	73.24%	73.40%	69.92%	67.06%	68.35%	69.49%		

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

	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	
	<b>(2021)</b>	<b>(2020)</b>	<b>(2019)</b>	<b>(2018)</b>	<b>(2017)</b>	<b>through</b>	
						<b>2012</b>	
Town's proportion of the net OPEB (asset)	0.032070%	0.031490%	0.032210%	0.032500%	0.030640%		Information
Town's proportionate share of the net OPEB (asset)	\$ (156,248)	\$ (22,295)	\$ (8,901)	\$ (11,703)	\$ (16,680)		not available
Town's covered payroll	\$ 3,520,608	\$ 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	-4.44%	-0.66%	-0.27%	-0.38%	-0.57%		
Plan fiduciary net position as a percentage of the total OPEB liability	130.24%	104.33%	101.62%	102.20%	103.57%		

*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, 2022**

**PSPRS - Pension**

	Reporting Fiscal Year (Measurement Date)								2014 through 2013
	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)	
Total pension liability									Information not available
Service cost	\$ 155,009	\$ 146,644	\$ 166,836	\$ 150,833	\$ 203,294	\$ 160,518	\$ 164,394	\$ 135,654	
Interest on the total pension liability	588,235	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	(523,832)	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	(351,765)	(373,429)	(343,890)	(344,531)	(322,536)	(347,173)	(264,036)	(264,648)	
Net change in total pension liability	(132,353)	604,788	691,053	362,701	624,344	626,440	316,574	743,212	
Total pension liability - beginning	8,078,892	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>\$ 7,946,539</u>	<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	\$ 380,135	\$ 387,583	\$ 336,486	\$ 440,207	\$ 251,099	\$ 267,840	\$ 225,914	\$ 170,919	
Contributions - employee	68,845	75,575	70,712	76,338	98,238	248,471	96,283	79,176	
Net investment income	1,244,955	55,105	219,811	262,053	392,528	18,359	110,474	357,316	
Benefit payments, including refunds of employee contributions	(351,765)	(373,429)	(343,890)	(344,531)	(322,536)	(347,173)	(264,036)	(264,648)	
Hall/Parker Settlement	-	-	-	(107,502)	-	-	-	-	
Administrative expense	(5,865)	(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	1,336,305	140,340	278,306	321,924	416,463	166,882	162,991	253,944	
Plan fiduciary net position - beginning	4,438,836	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>\$ 5,775,141</u>	<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>\$ 2,171,398</u>	<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	72.67%	54.94%	57.87%	59.70%	58.06%	57.13%	60.82%	61.43%	
Covered payroll	\$ 661,880	\$ 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	328.07%	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, 2022**

**PSPRS - Health Insurance Premium Benefit**

	Reporting Fiscal Year (Measurement Date)					2017 through 2013
	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	
Total OPEB liability						
Service cost	\$ 4,653	\$ 4,616	\$ 3,688	\$ 3,842	\$ 4,851	Information not available
Interest on the total OPEB liability	12,222	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	(24,929)	21,798	(25,518)	(27,735)	(20,723)	
Changes of assumptions or other inputs	-	-	2,418	-	(6,818)	
Benefit payments	(10,822)	(10,988)	(7,330)	(5,892)	(8,205)	
Net change in total OPEB liability	(18,876)	25,891	(15,094)	(16,959)	(11,441)	
Total OPEB liability - beginning	168,184	142,293	157,387	174,346	185,787	
Total OPEB liability - ending (a)	<u>\$ 149,308</u>	<u>\$ 168,184</u>	<u>\$ 142,293</u>	<u>\$ 157,387</u>	<u>\$ 174,346</u>	
Plan fiduciary net position						
Contributions - employer	\$ 1,255	\$ 1,306	\$ 3,703	\$ 2,175	\$ 3,796	
Net investment income	51,646	2,470	10,275	12,614	19,613	
Benefit payments	(10,822)	(10,988)	(7,330)	(5,892)	(8,205)	
Administrative expense	(212)	(201)	(177)	(192)	(175)	
Other changes	-	-	2,761	-	-	
Net change in plan fiduciary net position	41,867	(7,413)	9,232	8,705	15,029	
Plan fiduciary net position - beginning	193,188	200,601	191,369	182,664	167,635	
Plan fiduciary net position - ending (b)	<u>\$ 235,055</u>	<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>\$ (85,747)</u>	<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	157.43%	114.87%	140.98%	121.59%	104.77%	
Covered payroll	\$ 661,880	\$ 801,280	\$ 746,654	\$ 768,379	\$ 898,338	
Town's net OPEB (asset) liability as a percentage of covered payroll	-12.96%	-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, 2022**

**ASRS - Pension**  
**Reporting Fiscal Year**

	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013 through 2012</b>
Statutorily required contribution	\$ 470,687	\$ 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>(470,687)</u>	<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>	<u>\$ -</u>	
Town's covered payroll	<u>\$ 3,978,756</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>	<u>\$ 2,702,700</u>	<u>\$ 2,675,211</u>	<u>\$ 2,474,579</u>	
Town's contributions as a percentage of covered payroll	11.83%	11.65%	11.45%	11.18%	10.90%	10.78%	10.85%	10.89%	10.70%	

**ASRS-Health Insurance Premium Benefit**  
**Reporting Fiscal Year**

	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016 through 2012</b>
Statutorily required contribution	\$ 15,517	\$ 13,730	\$ 16,462	\$ 15,249	\$ 13,470	\$ 16,496	Information not available
Town's contributions in relation to the statutorily required contribution	<u>(15,517)</u>	<u>(13,730)</u>	<u>(16,462)</u>	<u>(15,249)</u>	<u>(13,470)</u>	<u>(16,496)</u>	
Town's contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
Town's covered payroll	<u>\$ 3,978,756</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%	0.39%	0.49%	0.46%	0.44%	0.56%	

**ASRS-Long-Term Disability**  
**Reporting Fiscal Year**

	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016 through 2012</b>
Statutorily required contribution	\$ 7,560	\$ 6,337	\$ 5,717	\$ 5,304	\$ 4,898	\$ 4,123	Information not available
Town's contributions in relation to the statutorily required contribution	<u>(7,560)</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>	
Town's covered payroll	<u>\$ 3,978,756</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	0.19%	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, 2022**

**PSPRS - Pension**  
**Reporting Fiscal Year**

	<u>2022</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>
Actuarially determined contribution	\$ 490,464	\$ 379,445	\$ 387,583	\$ 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>(2,990,305)</u>	<u>(380,135)</u>	<u>(387,583)</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>\$ (2,499,841)</u>	<u>\$ (690)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
Town's covered payroll	<u>\$ 1,434,967</u>	<u>\$ 868,637</u>	<u>\$ 801,280</u>	<u>\$ 746,654</u>	<u>\$ 768,379</u>	<u>\$ 898,338</u>	<u>\$ 845,274</u>	<u>\$ 919,242</u>	<u>\$ 873,953</u>	
Town's contributions as a percentage of covered payroll	34.18%	43.68%	48.37%	45.07%	57.29%	27.95%	31.69%	24.58%	19.56%	

**PSPRS-Health Insurance Premium Benefit**  
**Reporting Fiscal Year**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016 through 2013</u>
Actuarially determined contribution	\$ 3,083	\$ 1,255	\$ 1,306	\$ 3,703	\$ 2,175	\$ 3,796	Information not available
Town's contributions in relation to the actuarially determined contribution	<u>(3,083)</u>	<u>(1,255)</u>	<u>(1,306)</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>	<u>\$ -</u>	
Town's covered payroll	<u>\$ 1,434,967</u>	<u>\$ 868,637</u>	<u>\$ 801,280</u>	<u>\$ 746,654</u>	<u>\$ 768,379</u>	<u>\$ 898,338</u>	
Town's contributions as a percentage of covered payroll	0.21%	0.14%	0.16%	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, 2022**

***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 2020 actuarial valuation	16 years
Asset valuation method	7-year smoothed market value; 80%/120% market corridor

**Actuarial assumptions:**

Investment rate of return	In the 2019 actuarial valuation, the investment rate of return was decreased from 7.4% to 7.3%. In 2017 actuarial valuation, the investment rate of return was decreased from 7.5% to 7.4%. In 2016 actuarial valuation, the investment rate of return was decreased from 7.85% to 7.5%. In 2013 actuarial valuation, the investment rate of return was decreased from 8.00% to 7.85%.
Projected salary increases	In 2017 actuarial valuation, projected salary increases were decreased from 4.0% - 8.0% to 3.5% - 7.5% for PSPRS. In the 2014 actuarial valuation, projected salary increases were decreased from 4.5% - 8.5% for PSPRS. In 2013 actuarial valuation, projected salary increases were decreased from 5.0% - 9.0% to 4.5% - 8.5% for PSPRS.
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 2019 actuarial valuation, changed to PubS 2010 tables. In the 2017 actuarial valuation, changed to RP-2014 tables, with 75% of MP-2016 fully generational projection scales. RP-2000 mortality table (adjusted by 105% for both males and females)

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

Arizona courts have ruled that provisions of a 2011 law that changed the mechanism for funding permanent pension benefit increases and increased employee pension contribution rates were unconstitutional or a breach of contract because those provisions apply to individuals who were members as of the law's effective date. As a result, the PSPRS 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, 2022**

***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, 2022**

	Special Revenue Funds	Capital Projects Funds	Debt Service Fund	Total Non-major Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ 1,432,471	\$ 1,251,728	\$ -	\$ 2,684,199
Cash held by trustee	-	1,888,226	-	1,888,226
Due from other governments	445,872	-	-	445,872
<b>Total assets</b>	<u>\$ 1,878,343</u>	<u>\$ 3,139,954</u>	<u>\$ -</u>	<u>\$ 5,018,297</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 19,810	\$ 513,604	\$ -	\$ 533,414
Due to other funds	39,857	-	-	39,857
<b>Total liabilities</b>	<u>59,667</u>	<u>513,604</u>	<u>-</u>	<u>573,271</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue	260,942	-	-	260,942
<b>FUND BALANCES</b>				
Restricted	1,275,541	1,715,987	-	2,991,528
Committed	282,193	-	-	282,193
Assigned	-	910,363	-	910,363
<b>Total fund balances</b>	<u>1,557,734</u>	<u>2,626,350</u>	<u>-</u>	<u>4,184,084</u>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<u>\$ 1,878,343</u>	<u>\$ 3,139,954</u>	<u>\$ -</u>	<u>\$ 5,018,297</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, 2022**

	Special Revenue Funds	Capital Projects Funds	Debt Service Fund	Total Non-Major Governmental Funds
<b>Revenue</b>				
Intergovernmental	\$ 1,368,917	\$ -	\$ -	\$ 1,368,917
Fines and forfeitures	16,203	-	-	16,203
Contributions	63,254	-	-	63,254
Investment income	653	1,788	-	2,441
Other revenue	101,274	-	-	101,274
<b>Total revenue</b>	<u>1,550,301</u>	<u>1,788</u>	<u>-</u>	<u>1,552,089</u>
<b>Expenditures</b>				
Current				
General government	17,215	-	-	17,215
Public safety	59,796	11,906	-	71,702
Public works and streets	726,424	-	-	726,424
Health and welfare	-	-	118,422	118,422
Culture and recreation	48,185	26,485	-	74,670
Economic and community development	14,979	-	-	14,979
Capital outlay	86,137	2,617,979	-	2,704,116
Principal	-	-	807,787	807,787
Interest	-	-	450,215	450,215
<b>Total expenditures</b>	<u>952,736</u>	<u>2,656,370</u>	<u>1,376,424</u>	<u>4,985,530</u>
Excess (deficiency) of revenue over (under) expenditures	<u>597,565</u>	<u>(2,654,582)</u>	<u>(1,376,424)</u>	<u>(3,433,441)</u>
<b>Other financing sources</b>				
Lease acquisition	-	337,175	-	337,175
Transfers (out)	(279,870)	2,045,417	1,376,424	3,141,971
<b>Total other financing sources</b>	<u>(279,870)</u>	<u>2,382,592</u>	<u>1,376,424</u>	<u>3,479,146</u>
<b>Net change in fund balances</b>	<u>317,695</u>	<u>(271,990)</u>	<u>-</u>	<u>45,705</u>
Fund balances, July 1, 2021	<u>1,240,039</u>	<u>2,898,340</u>	<u>-</u>	<u>4,138,379</u>
<b>Fund balances, June 30, 2022</b>	<u>\$ 1,557,734</u>	<u>\$ 2,626,350</u>	<u>\$ -</u>	<u>\$ 4,184,084</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, 2022**

	Housing Fund	HURF Fund	Court Special Revenue Fund	Nonfederal Grants Fund
<b>ASSETS</b>				
Cash and cash equivalents	\$ 123,509	\$ 789,477	\$ 134,787	\$ 7,042
Due from other governments	-	118,728	-	17,899
<b>Total assets</b>	<b>123,509</b>	<b>908,205</b>	<b>134,787</b>	<b>24,941</b>
<b>LIABILITIES</b>				
Accounts payable	-	14,911	344	1,943
Due to other funds	-	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>14,911</b>	<b>344</b>	<b>1,943</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue	-	-	-	3,303
<b>FUND BALANCES</b>				
Restricted	123,509	893,294	134,443	19,695
Committed	-	-	-	-
<b>Total fund balances</b>	<b>123,509</b>	<b>893,294</b>	<b>134,443</b>	<b>19,695</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 123,509</b>	<b>\$ 908,205</b>	<b>\$ 134,787</b>	<b>\$ 24,941</b>

Federal Grants Fund	CDBG Grants Fund	9-1-1 Fund	Donations Fund	Total Non-Major Special Revenue Funds
\$ -	\$ -	\$ 1,361	\$ 376,295	\$ 1,432,471
<u>307,849</u>	<u>1,396</u>	<u>-</u>	<u>-</u>	<u>445,872</u>
<u>307,849</u>	<u>1,396</u>	<u>1,361</u>	<u>376,295</u>	<u>1,878,343</u>
536	1,150	-	926	19,810
<u>39,611</u>	<u>246</u>	<u>-</u>	<u>-</u>	<u>39,857</u>
<u>40,147</u>	<u>1,396</u>	<u>-</u>	<u>926</u>	<u>59,667</u>
<u>257,639</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>260,942</u>
10,063	-	1,361	93,176	1,275,541
<u>-</u>	<u>-</u>	<u>-</u>	<u>282,193</u>	<u>282,193</u>
<u>10,063</u>	<u>-</u>	<u>1,361</u>	<u>375,369</u>	<u>1,557,734</u>
<u>\$ 307,849</u>	<u>\$ 1,396</u>	<u>\$ 1,361</u>	<u>\$ 376,295</u>	<u>\$ 1,878,343</u>

**TOWN OF CAMP VERDE, ARIZONA**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Non-Major Special Revenue Funds**  
**June 30, 2022**

	Housing Fund	HURF Fund	Court Special Revenue Fund	Nonfederal Grants Fund
<b>Revenue</b>				
Intergovernmental	\$ -	\$ 1,146,961	\$ -	\$ 84,871
Fines and forfeitures	-	-	16,201	-
Contributions	-	-	-	4,000
Investment income	58	-	-	-
Other revenue	-	2,000	-	-
<b>Total revenue</b>	<u>58</u>	<u>1,148,961</u>	<u>16,201</u>	<u>88,871</u>
<b>Expenditures</b>				
Current				
General government	-	-	3,412	-
Public safety	-	-	-	4,000
Public works and streets	-	710,988	-	15,436
Culture and recreation	-	-	-	6,670
Economic and community development	-	-	-	-
Capital outlay	-	10,104	-	-
<b>Total expenditures</b>	<u>-</u>	<u>721,092</u>	<u>3,412</u>	<u>26,106</u>
Excess (deficiency) of revenue over (under) expenditures	<u>58</u>	<u>427,869</u>	<u>12,789</u>	<u>62,765</u>
<b>Other financing sources</b>				
Transfers (out)	<u>-</u>	<u>(200,105)</u>	<u>-</u>	<u>(79,765)</u>
<b>Net change in fund balances</b>	58	227,764	12,789	(17,000)
Fund balances, July 1, 2021	<u>123,451</u>	<u>665,530</u>	<u>121,654</u>	<u>36,695</u>
<b>Fund balances, June 30, 2022</b>	<u>\$ 123,509</u>	<u>\$ 893,294</u>	<u>\$ 134,443</u>	<u>\$ 19,695</u>

Federal Grants Fund	CDBG Grants Fund	9-1-1 Fund	Donations Fund	Total Non-Major Special Revenue Funds
\$ 129,689	\$ 1,396	\$ -	\$ 6,000	\$ 1,368,917
-	-	-	2	16,203
10,000	-	-	49,254	63,254
-	-	-	595	653
-	-	-	99,274	101,274
<u>139,689</u>	<u>1,396</u>	<u>-</u>	<u>155,125</u>	<u>1,550,301</u>
13,803	-	-	-	17,215
39,083	-	-	16,713	59,796
-	-	-	-	726,424
1,854	-	-	39,661	48,185
14,979	-	-	-	14,979
74,637	1,396	-	-	86,137
<u>144,356</u>	<u>1,396</u>	<u>-</u>	<u>56,374</u>	<u>952,736</u>
<u>(4,667)</u>	<u>-</u>	<u>-</u>	<u>98,751</u>	<u>597,565</u>
-	-	-	-	(279,870)
(4,667)	-	-	98,751	317,695
14,730	-	1,361	276,618	1,240,039
<u>\$ 10,063</u>	<u>\$ -</u>	<u>\$ 1,361</u>	<u>\$ 375,369</u>	<u>\$ 1,557,734</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, 2022**

	Housing Fund			HURF Fund		
	Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
<b>Revenue</b>						
Intergovernmental	\$ -	\$ -	\$ -	\$ 967,500	\$ 1,146,961	\$ 179,461
Fines and forfeitures	-	-	-	-	-	-
Contributions	-	-	-	-	-	-
Investment income	200	58	(142)	-	-	-
Other revenue	-	-	-	-	2,000	2,000
<b>Total revenue</b>	<u>200</u>	<u>58</u>	<u>(142)</u>	<u>967,500</u>	<u>1,148,961</u>	<u>181,461</u>
<b>Expenditures</b>						
Current						
General government	70,000	-	70,000	-	-	-
Public safety	-	-	-	-	-	-
Public works	-	-	-	786,436	710,988	75,448
Culture and recreation	-	-	-	-	-	-
Community development	-	-	-	-	-	-
Capital outlay	-	-	-	10,104	10,104	-
<b>Total expenditures</b>	<u>70,000</u>	<u>-</u>	<u>70,000</u>	<u>796,540</u>	<u>721,092</u>	<u>75,448</u>
Excess (deficiency) of revenue over (under) expenditures	<u>(69,800)</u>	<u>58</u>	<u>69,858</u>	<u>170,960</u>	<u>427,869</u>	<u>256,909</u>
<b>Other financing sources</b>						
Transfers in (out)	-	-	-	(230,890)	(200,105)	(30,785)
<b>Total other financing sources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(230,890)</u>	<u>(200,105)</u>	<u>(30,785)</u>
<b>Net change in fund balances</b>	<u>(69,800)</u>	<u>58</u>	<u>69,858</u>	<u>(59,930)</u>	<u>227,764</u>	<u>226,124</u>
Fund balances, July 1, 2021	123,451	123,451	-	665,530	665,530	-
<b>Fund balances, June 30, 2022</b>	<u>\$ 53,651</u>	<u>\$ 123,509</u>	<u>\$ 69,858</u>	<u>\$ 605,600</u>	<u>\$ 893,294</u>	<u>\$ 226,124</u>

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)
\$ -	\$ -	\$ -	\$ 1,263,500	\$ 84,871	\$(1,178,629)	\$ 2,846,550	\$ 129,689	\$(2,716,861)
31,000	16,201	(14,799)	-	-	-	-	-	-
-	-	-	-	4,000	4,000	-	10,000	10,000
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>31,000</u>	<u>16,201</u>	<u>(14,799)</u>	<u>1,263,500</u>	<u>88,871</u>	<u>(1,174,629)</u>	<u>2,846,550</u>	<u>139,689</u>	<u>(2,706,861)</u>
149,500	3,412	146,088	1,000,000	-	1,000,000	-	13,803	(13,803)
-	-	-	39,128	4,000	35,128	14,000	39,083	(25,083)
-	-	-	180,000	15,436	164,564	61,450	-	61,450
-	-	-	-	6,670	(6,670)	27,615	1,854	25,761
-	-	-	1,473	-	1,473	-	14,979	(14,979)
-	-	-	101,049	-	101,049	352,825	74,637	278,188
<u>149,500</u>	<u>3,412</u>	<u>146,088</u>	<u>1,321,650</u>	<u>26,106</u>	<u>1,295,544</u>	<u>455,890</u>	<u>144,356</u>	<u>311,534</u>
(118,500)	12,789	131,289	(58,150)	62,765	120,915	2,390,660	(4,667)	(2,395,327)
-	-	-	-	(79,765)	79,765	(3,405,087)	-	(3,405,087)
-	-	-	-	(79,765)	79,765	(3,405,087)	-	(3,405,087)
(118,500)	12,789	131,289	(58,150)	(17,000)	200,680	(1,014,427)	(4,667)	(5,800,414)
121,654	121,654	-	36,695	36,695	-	14,730	14,730	-
<u>\$ 3,154</u>	<u>\$ 134,443</u>	<u>\$ 131,289</u>	<u>\$ (21,455)</u>	<u>\$ 19,695</u>	<u>\$ 200,680</u>	<u>\$ (999,697)</u>	<u>\$ 10,063</u>	<u>\$(5,800,414)</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, 2022**  
**(Continued)**

	<u>CDBG Grants Fund</u>			<u>9-1-1 Fund</u>		
	Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
<b>Revenue</b>						
Intergovernmental	\$ 350,000	\$ 1,396	\$ (348,604)	\$ -	\$ -	\$ -
Fines and forfeitures	-	-	-	-	-	-
Contributions	-	-	-	-	-	-
Investment income	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-
<b>Total revenue</b>	<u>350,000</u>	<u>1,396</u>	<u>(348,604)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Expenditures</b>						
Current						
General government	-	-	-	-	-	-
Public safety	-	-	-	1,361	-	1,361
Public works	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Community development	-	-	-	-	-	-
Capital outlay	475,000	1,396	473,604	-	-	-
<b>Total expenditures</b>	<u>475,000</u>	<u>1,396</u>	<u>473,604</u>	<u>1,361</u>	<u>-</u>	<u>1,361</u>
Excess (deficiency) of revenue over (under) expenditures	(125,000)	-	125,000	(1,361)	-	1,361
<b>Other financing sources</b>						
Transfers in (out)	125,000	-	125,000	-	-	-
<b>Total other financing sources</b>	<u>125,000</u>	<u>-</u>	<u>125,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balance</b>	-	-	250,000	(1,361)	-	1,361
Fund balances, July 1, 2021	-	-	-	1,361	1,361	-
<b>Fund balances, June 30, 2022</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 250,000</u>	<u>\$ -</u>	<u>\$ 1,361</u>	<u>\$ 1,361</u>



Donations Fund			Totals		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$ -	\$ 6,000	\$ 6,000	\$ 5,427,550	\$ 1,368,917	\$ (4,058,633)
4,600	2	(4,598)	35,600	16,203	(19,397)
53,600	49,254	(4,346)	53,600	63,254	9,654
-	595	595	200	653	453
60,000	99,274	39,274	60,000	101,274	41,274
<u>118,200</u>	<u>155,125</u>	<u>36,925</u>	<u>5,576,950</u>	<u>1,550,301</u>	<u>(4,026,649)</u>
-	-	-	1,219,500	17,215	1,202,285
298,670	16,713	281,957	353,159	59,796	293,363
-	-	-	1,027,886	726,424	301,462
96,500	39,661	56,839	124,115	48,185	75,930
-	-	-	1,473	14,979	(13,506)
-	-	-	938,978	86,137	852,841
<u>395,170</u>	<u>56,374</u>	<u>338,796</u>	<u>3,665,111</u>	<u>952,736</u>	<u>2,712,375</u>
<u>(276,970)</u>	<u>98,751</u>	<u>375,721</u>	<u>1,911,839</u>	<u>597,565</u>	<u>(6,739,024)</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,510,977)</u>	<u>(279,870)</u>	<u>3,231,107</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,510,977)</u>	<u>(279,870)</u>	<u>3,231,107</u>
<u>(276,970)</u>	<u>98,751</u>	<u>375,721</u>	<u>(1,599,138)</u>	<u>317,695</u>	<u>(3,507,917)</u>
<u>276,618</u>	<u>276,618</u>	<u>-</u>	<u>1,240,039</u>	<u>1,240,039</u>	<u>-</u>
<u>\$ (352)</u>	<u>\$ 375,369</u>	<u>\$ 375,721</u>	<u>\$ (359,099)</u>	<u>\$ 1,557,734</u>	<u>\$ (3,507,917)</u>



## NON-MAJOR CAPITAL PROJECTS FUNDS

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

**Capital Improvement 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 Balance Sheet**  
**Non-Major Capital Projects Funds**  
**June 30, 2022**

	Capital Improvement Fund	Parks Fund	Total Non-Major Capital Projects Funds
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 1,251,728	\$ -	\$ 1,251,728
Cash held by trustee	-	1,888,226	1,888,226
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Total assets</b>	<u>1,251,728</u>	<u>1,888,226</u>	<u>3,139,954</u>
<b>LIABILITIES</b>			
Accounts payable	341,365	172,239	513,604
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Total liabilities</b>	<u>341,365</u>	<u>172,239</u>	<u>513,604</u>
<b>FUND BALANCES</b>			
Restricted	-	1,715,987	1,715,987
Assigned	910,363	-	910,363
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Total fund balances</b>	<u>910,363</u>	<u>1,715,987</u>	<u>2,626,350</u>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<u>1,251,728</u>	<u>1,888,226</u>	<u>3,139,954</u>

**TOWN OF CAMP VERDE, ARIZONA**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Non-Major Capital Projects Funds**  
**June 30, 2022**

	Capital Improvement Fund	Parks Fund	Total Non-Major Capital Projects Funds
<b>Revenue</b>			
Investment income	\$ -	\$ 1,788	\$ 1,788
<b>Expenditures</b>			
Current			
Public safety	11,906	-	11,906
Culture and recreation	23,498	2,987	26,485
Capital outlay	1,481,424	1,136,555	2,617,979
<b>Total expenditures</b>	1,516,828	1,139,542	2,656,370
Excess (deficiency) of revenue over (under) expenditures	(1,516,828)	(1,137,754)	(2,654,582)
<b>Other financing sources</b>			
Lease acquisition	337,175	-	337,175
Transfers (out)	1,888,557	156,860	2,045,417
<b>Total other financing sources</b>	2,225,732	156,860	2,382,592
<b>Net change in fund balances</b>	708,904	(980,894)	(271,990)
Fund balances, July 1, 2021	201,459	2,696,881	2,898,340
<b>Fund balances, June 30, 2022</b>	\$ 910,363	\$ 1,715,987	\$ 2,626,350

**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, 2022**

	Parks Fund		
	Budget	Actual	Variance - Positive (Negative)
<b>Revenue</b>			
Investment income	\$ -	\$ 1,788	\$ 1,788
<b>Expenditures</b>			
Current			
Public safety	-	-	-
Culture and recreation	-	2,987	(2,987)
Capital outlay	5,639,122	1,136,555	4,502,567
<b>Total expenditures</b>	5,639,122	1,139,542	4,499,580
Excess (deficiency) of revenue over (under) expenditures	(5,639,122)	(1,137,754)	(4,497,792)
<b>Other financing sources</b>			
Lease acquisition	-	-	-
Transfers in(out)	2,500,000	156,860	(2,343,140)
<b>Total other financing         sources</b>	2,500,000	156,860	(2,343,140)
<b>Net change in fund balances</b>	(3,139,122)	(980,894)	2,158,228
Fund balances, July 1, 2021	2,696,881	2,696,881	-
<b>Fund balances, June 30, 2022</b>	\$ (442,241)	\$ 1,715,987	\$ 2,158,228

Capital Improvement Fund			Total		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$ -	\$ -	\$ -	\$ -	\$ 1,788	\$ 1,788
-	11,906	(11,906)	-	11,906	(11,906)
-	23,498	(23,498)	-	26,485	(26,485)
2,690,058	1,481,424	1,208,634	8,329,180	2,617,979	5,711,201
<u>2,690,058</u>	<u>1,516,828</u>	<u>1,173,230</u>	<u>8,329,180</u>	<u>2,656,370</u>	<u>5,672,810</u>
<u>(2,690,058)</u>	<u>(1,516,828)</u>	<u>(1,173,230)</u>	<u>(8,329,180)</u>	<u>(2,654,582)</u>	<u>(5,671,022)</u>
635,000	337,175	(297,825)	635,000	337,175	(297,825)
<u>2,671,094</u>	<u>1,888,557</u>	<u>(782,537)</u>	<u>5,171,094</u>	<u>2,045,417</u>	<u>(3,125,677)</u>
<u>3,306,094</u>	<u>2,225,732</u>	<u>(1,080,362)</u>	<u>5,806,094</u>	<u>2,382,592</u>	<u>(3,423,502)</u>
616,036	708,904	92,868	(2,523,086)	(271,990)	2,251,096
<u>201,459</u>	<u>201,459</u>	<u>-</u>	<u>2,898,340</u>	<u>2,898,340</u>	<u>-</u>
<u>\$ 817,495</u>	<u>\$ 910,363</u>	<u>\$ 92,868</u>	<u>\$ 375,254</u>	<u>\$ 2,626,350</u>	<u>\$ 2,251,096</u>

## NON-MAJOR DEBT SERVICE FUND

**Debt Service 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, 2022**

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
<b>Expenditures</b>			
Current			
Health and welfare	\$ 118,425	\$ 118,422	\$ 3
Debt service			
Principal	957,465	807,787	149,678
Interest	412,220	450,215	(37,995)
<b>Total expenditures</b>	<u>1,488,110</u>	<u>1,376,424</u>	<u>111,686</u>
Excess (deficiency) of revenue over (under) expenditures	<u>(1,488,110)</u>	<u>(1,376,424)</u>	<u>111,686</u>
<b>Other financing sources</b>			
Transfers in	<u>1,488,110</u>	<u>1,376,424</u>	<u>(111,686)</u>
<b>Total other financing     sources</b>	<u>1,488,110</u>	<u>1,376,424</u>	<u>(111,686)</u>
<b>Net change in fund balances</b>	-	-	-
Fund balances, July 1, 2021	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balances, June 30, 2022</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

## **ENTERPRISE FUNDS**

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

**Water Fund** - accounts for the costs to operate, construct, and finance the Town's clean water delivery system.

**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 – Water Fund**  
**Year Ended June 30, 2022**

	<u>Budget</u>	<u>Actual</u>	Variance- Positive (Negative)
<b>Operating revenues</b>			
Sewer charges	\$ 1,600,000	\$ 167,409	\$ (1,432,591)
Miscellaneous	-	1,545	1,545
<b>Total operating revenues</b>	<u>1,600,000</u>	<u>168,954</u>	<u>(1,431,046)</u>
<b>Operating expenses</b>			
Depreciation	-	21,520	(21,520)
Personnel	814,520	36,789	777,731
Repairs and maintenance	-	9,405	(9,405)
Other	-	2,150	(2,150)
Materials and supplies	-	62,500	(62,500)
Utilities	-	3,099	(3,099)
<b>Total operating expenses</b>	<u>814,520</u>	<u>135,463</u>	<u>679,057</u>
<b>Operating income (loss)</b>	<u>785,480</u>	<u>33,491</u>	<u>(751,989)</u>
<b>Nonoperating revenues (expenses)</b>			
Interest expense	-	(187,795)	(187,795)
<b>Total nonoperating revenues (expenses)</b>	<u>-</u>	<u>(187,795)</u>	<u>(187,795)</u>
<b>Income (loss) before contributions</b>	785,480	(154,304)	(939,784)
Capital contributions	-	900,000	900,000
Transfers	-	(6,643)	(6,643)
<b>Increase (decrease) in net position</b>	785,480	739,053	(46,427)
Total net position, beginning of year	-	-	-
<b>Total net position, end of year</b>	<u>\$ 785,480</u>	<u>\$ 739,053</u>	<u>\$ (46,427)</u>

**TOWN OF CAMP VERDE, ARIZONA**  
**Schedule of Revenues, Expenses, and Changes in Net Position**  
**Budget and Actual – Wastewater Fund**  
**Year Ended June 30, 2022**

	<u>Budget</u>	<u>Actual</u>	Variance- Positive (Negative)
<b>Operating revenues</b>			
Sewer charges	\$ 1,876,200	\$ 2,032,186	\$ 155,986
Miscellaneous	-	503	503
<b>Total operating revenues</b>	<u>1,876,200</u>	<u>2,032,689</u>	<u>156,489</u>
<b>Operating expenses</b>			
Depreciation	1,300,000	923,231	376,769
Personnel	688,375	598,236	90,139
Repairs and maintenance	238,500	303,727	(65,227)
Other	138,851	61,963	76,888
Materials and supplies	134,500	161,590	(27,090)
Utilities	132,380	128,644	3,736
Professional services	39,600	46,316	(6,716)
Insurance	34,100	34,100	-
<b>Total operating expenses</b>	<u>2,706,306</u>	<u>2,257,807</u>	<u>448,499</u>
<b>Operating income (loss)</b>	<u>(830,106)</u>	<u>(225,118)</u>	<u>604,988</u>
<b>Nonoperating revenues (expenses)</b>			
Interest income	400	163	(237)
Interest expense	(95,450)	(28,671)	66,779
<b>Total nonoperating revenues (expenses)</b>	<u>(95,050)</u>	<u>(28,508)</u>	<u>66,542</u>
<b>Income (loss) before contributions</b>	(925,156)	(253,626)	671,530
Capital contributions	6,220,000	664,366	(5,555,634)
Transfers	-	99,604	99,604
<b>Increase (decrease) in net position</b>	5,294,844	510,344	(4,784,500)
Total net position, beginning of year	<u>16,766,555</u>	<u>16,766,555</u>	<u>-</u>
<b>Total net position, end of year</b>	<u>\$ 22,061,399</u>	<u>\$ 17,276,899</u>	<u>\$ (4,784,500)</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, 2022**

	Other		
	Employee Assistance Fund	Camp Verde Sewer District Fund	Total Other
<b>ASSETS</b>			
Cash and cash equivalents	\$ 35,684	\$ 402,052	\$ 437,736
Property tax receivable	-	49,029	49,029
<b>Total assets</b>	35,684	451,081	486,765
<b>LIABILITIES</b>			
	-	-	-
<b>NET POSITION</b>			
Restricted for:			
Individual, organizations, and other governments	35,684	451,081	486,765
<b>Total net position</b>	\$ 35,684	451,081	486,765

**TOWN OF CAMP VERDE, ARIZONA**  
**Combining Statement of Changes in Fiduciary Net Position**  
**Custodial Funds**  
**Year Ended June 30, 2022**

	Other		Total Other
	Employee Assistance Fund	Camp Verde Sewer District Fund	
<b><u>Additions:</u></b>			
Property tax collections from other governments	\$ -	\$ 874,804	\$ 874,804
Contributions from other governments	-	118,423	118,423
Contributions from employees	6,526	-	6,526
Loan proceeds - WIFA	-	664,366	664,366
Interest income	-	2,087	2,087
<b>Total additions</b>	<b>\$ 6,526</b>	<b>\$ 1,659,680</b>	<b>\$ 1,666,206</b>
<b><u>Deductions:</u></b>			
Distributions for employee assistance	500	-	500
Distributions for district debt service	-	1,014,396	1,014,396
Distributions to other governments	-	664,366	664,366
<b>Total deductions</b>	<b>500</b>	<b>1,678,762</b>	<b>1,679,262</b>
<b>Change in net position</b>	<b>6,026</b>	<b>(19,082)</b>	<b>(13,056)</b>
<b>Net position, July 1, 2021</b>	<b>29,658</b>	<b>470,163</b>	<b>499,821</b>
<b>Net position, June 30, 2022</b>	<b>\$ 35,684</b>	<b>\$ 451,081</b>	<b>\$ 486,765</b>



**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									
	<u>2022</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>
<b>Governmental activities:</b>										
Net investment in capital assets	\$ 13,391,106	\$ 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
Restricted	2,991,528	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
Unrestricted	3,048,263	(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
Total governmental activities net position	<u>\$ 19,430,897</u>	<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>
<b>Business-type activities:</b>										
Net investment in capital assets	\$ 17,232,224	\$ 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
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	783,728	(469,349)	(855,278)	(496,445)	45,271	332,351	529,976	360,957	834,434	-
Total business-type activities net position	<u>\$ 18,015,952</u>	<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>
<b>Primary government</b>										
Net investment in capital assets	\$ 30,623,330	\$ 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
Restricted	2,991,528	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
Unrestricted	3,831,991	(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
Total net position	<u>\$ 37,446,849</u>	<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>

Source: The Town's financial records.

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

	Fiscal Year Ended June 30									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<b>Expenses</b>										
Governmental activities:										
General government	\$ 4,099,606	\$ 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
Public safety	4,019,027	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
Public works and streets	1,559,995	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
Health and welfare	138,422	145,965	134,008	126,049	123,589	123,627	123,664	123,700	131,233	136,266
Culture and recreation	1,527,445	1,505,036	1,392,080	1,232,178	1,418,639	1,075,309	817,187	724,730	684,280	735,840
Community development	656,610	571,455	536,787	514,618	521,685	550,246	473,270	507,702	411,023	456,020
Interest on long-term debt	464,591	419,220	386,287	364,722	271,290	169,556	108,958	224,557	107,141	125,025
Total governmental activities	<u>12,465,696</u>	<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>
Business-type activities:										
Water	323,258	-	-	-	-	-	-	-	-	-
Wastewater	2,286,478	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
Total business-type activities	<u>2,609,736</u>	<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>	<u>-</u>
Total expenses	<u>15,075,432</u>	<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>
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
General government	43,779	34,945	35,781	95,309	32,261	34,813	33,045	25,234	51,173	18,221
Public safety	240,906	373,591	392,807	402,866	358,508	441,567	481,762	457,097	412,704	454,195
Public works and streets	15,895	25,944	36,348	2,005	7,755	7,348	13,905	16,214	42,817	500
Culture and recreation	67,654	48,145	53,812	70,304	58,029	57,730	48,260	42,332	43,565	35,274
Community development	422,238	374,935	293,755	255,234	227,727	189,053	226,745	194,789	188,391	190,062
Operating grants and contributions	3,648,147	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
Capital grants and contributions	123,296	595,216	108,449	359,275	119,670	307,300	891,401	438,025	182,421	647,539
Total governmental activities	<u>4,561,915</u>	<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>
Business-type activities:										
Charges for services	2,201,643	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
Capital grants and contributions	1,564,366	-	177,757	822,243	-	-	316,450	-	N/A	N/A
Total business-type activities	<u>3,766,009</u>	<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>	<u>-</u>
Total program revenues	<u>8,327,924</u>	<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>
<b>Net Expense</b>	<u>\$ (6,747,508)</u>	<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>

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>2022</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>
<b>Net Expense</b>	\$ (6,747,508)	\$ (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)
<b>General Revenues:</b>										
Governmental activities:										
Taxes:										
Sales taxes	7,005,726	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
Franchise taxes	329,139	297,149	274,961	287,034	286,341	270,925	285,834	266,973	267,059	250,327
State shared revenues	4,200,788	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
Investment earnings	17,078	5,106	30,368	76,691	17,889	27,872	29,593	15,456	27,714	33,251
Miscellaneous	72,218	21,515	34,540	30,296	13,379	91,581	80,456	7,086	13,090	69,009
Loss on Sale of Assets	-	-	-	-	-	-	(262,368)	-	-	-
Transfers	(92,961)	33,601	70,348	-	-	(24,740)	(33,462)	-	-	-
Total governmental activities	<u>11,531,988</u>	<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>
Business-type activities:										
Investment earnings	163	261	1,095	3,107	2,769	1,181	1,042	909	1,621	N/A
Special item*	-	-	-	-	425,000	-	-	-	20,077,637	-
Loss on Disposal of Assets	-	-	-	-	-	(2,000)	-	-	-	-
Transfers	92,961	(33,601)	(70,348)	-	-	24,740	33,462	-	-	-
Total business-type activities	<u>93,124</u>	<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>
<b>Changes in Net Position</b>	<u>\$ 4,877,604</u>	<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>

**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>2022</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>
General Fund:										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	416,139	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	662,091	662,056	632,000
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	4,234,347	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
Total General Fund	<u>\$ 4,650,486</u>	<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>
All Other Governmental Funds:										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	2,991,528	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
Committed	282,193	182,325	187,216	77,146	25,743	25,347	30,181	-	11,214	686,629
Assigned	2,065,199	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)
Total all other governmental funds	<u>\$ 5,338,920</u>	<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>

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>2022</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>
<b>Pledged Excise Tax and State Shared Revenues</b>										
Town Sales Tax	\$ 7,005,726	\$ 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
Franchise Fees	329,139	297,149	274,961	287,034	286,341	270,925	285,834	266,973	267,059	250,327
State-shared Sales Taxes	1,703,650	1,327,149	1,160,413	1,126,974	1,079,184	1,021,663	1,027,544	993,670	946,416	889,975
State-shared Income Taxes	1,578,263	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
Licenses and permits	349,278	315,361	244,194	278,387	204,715	184,215	198,155	174,518	160,321	159,532
Fines and forfeits	124,666	169,401	185,431	218,620	167,992	199,528	297,865	234,142	275,700	372,122
Net	<u>\$ 11,090,722</u>	<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>
<b>Other Revenues</b>										
Intergovernmental	\$ 4,410,253	\$ 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
Charges for services	196,886	173,612	157,973	81,166	115,919	169,610	122,360	86,718	92,682	86,994
Contributions and donations	63,254	99,712	103,251	54,076	35,333	96,139	426,638	70,544	17,389	16,478
Investment income	17,078	5,106	30,368	76,692	17,888	27,871	29,594	15,456	27,714	33,251
Other	182,729	91,880	229,107	166,216	51,042	121,278	201,094	36,828	68,768	58,742
Net	<u>4,870,200</u>	<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>
<b>Total revenues</b>	<u>\$ 15,960,922</u>	<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>

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>2022</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>
<b>Expenditures:</b>										
Current -										
General government	\$ 4,067,692	\$ 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
Public safety	6,230,330	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
Public works and streets	1,048,019	1,003,906	940,297	994,488	883,136	869,501	1,056,558	815,101	741,300	655,285
Health and welfare	138,422	145,965	134,008	126,049	123,589	123,627	123,664	123,700	131,233	136,266
Culture and recreation	1,267,723	1,152,884	1,101,713	1,009,237	903,356	877,693	720,032	634,283	623,996	680,810
Community development	661,235	549,397	507,400	533,273	493,695	497,966	415,069	465,074	391,601	455,170
Capital outlay	3,280,869	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
Debt service -										
Principal retirement	810,714	1,173,741	966,653	845,021	776,788	658,242	375,191	326,949	319,327	164,828
Interest and fiscal charges	450,989	428,741	401,814	382,986	159,746	175,640	209,419	78,312	118,067	116,056
Bond issuance costs	99,300	80,902	-	-	257,580	-	-	-	-	-
<b>Total expenditures</b>	<u>\$ 18,055,293</u>	<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>
Expenditures for capitalized assets	\$ 3,280,869	\$ 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
Debt service as a percentage of noncapital expenditures	9%	15%	13%	12%	13%	9%	7%	5%	6%	4%

Source: The Town's financial records.



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

	Fiscal Year Ended June 30									
	<u>2022</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>
<b>Excess (deficiency) of revenues over expenditures</b>	\$ (2,094,371)	\$ (305,426)	\$ (693,045)	\$ (4,575,878)	\$ (1,049,410)	\$ (2,439,962)	\$ (1,968,229)	\$ (251,549)	\$ (295,110)	\$ (736,105)
<b>Other financing sources (uses):</b>										
Capital lease agreements	337,175	310,757	15,644	935,655	296,445	-	530,000	-	8,838	764,664
Proceeds of long-term debt issuance	3,015,000	2,897,000	-	-	7,031,769	-	-	4,904,000	-	-
Payments to Refunding Bond Trustee	-	-	-	-	-	-	-	(1,396,752)	-	-
Transfers in	3,552,224	3,222,438	2,055,772	2,417,431	1,825,724	2,264,518	1,618,470	894,208	641,103	266,480
Transfers out	(3,645,185)	(3,188,837)	(1,985,424)	(2,417,431)	(1,825,724)	(2,289,258)	(1,651,932)	(894,208)	(641,103)	(266,480)
Total other financing sources (uses)	<u>3,259,214</u>	<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>
<b>Changes in fund balances</b>	<u>\$ 1,164,843</u>	<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>

Source: The Town's financial records.

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

	<b>Fiscal Year Ended June 30</b>									
	<u>2022</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>
Retail Trade	\$ 3,737,385	\$ 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
Restaurants & Bars	1,030,485	1,004,271	758,279	737,234	713,275	659,258	708,520	520,320	473,070	437,452
Communications & Utilities	394,819	363,495	366,405	369,908	373,162	358,356	394,159	269,845	230,848	251,911
Construction	323,234	729,200	369,451	494,937	882,868	320,451	366,968	212,866	182,702	236,112
Real Estate, Rental & Leasing	430,321	373,318	313,079	283,482	252,516	235,245	215,991	173,914	170,109	170,973
Accommodation	606,186	440,814	265,804	277,882	291,544	294,627	239,218	207,993	138,850	131,748
Arts & Entertainment	193,605	198,681	123,887	146,909	156,189	146,780	167,769	134,961	114,106	92,444
Manufacturing	12,273	9,615	10,960	10,992	14,000	14,663	15,015	67,644	75,231	72,694
Use Tax	253,092	310,283	208,474	207,262	134,415	116,350	151,626	N/A	N/A	N/A
Other	24,326	37,511	18,120	17,689	18,818	14,575	86,660	71,912	67,486	42,385
<b>Total</b>	<u>\$ 7,005,726</u>	<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>
Total revenue % growth by year	6.8%	41.3%	5.7%	-5.5%	23.6%	-4.0%	36.7%	10.3%	2.1%	46.4%

**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>Accommodation/ Bed Tax</u>	<u>Total</u>
2022	\$ 6,399,540	\$ 329,139	\$ 606,186	\$ 7,334,865
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

**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			
2022	3.65	6.65	2.00	3.65	0.75	5.60	
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	

**Source:** Arizona Department of Revenue.

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

Fiscal Year	Governmental Activities			Business-type Activities			Total Outstanding Debt		
	Revenue Bonds	Capital Leases	Loans Payable	Revenue Bonds	Capital Leases	Loans Payable	Total Debt	Percentage of Personal Income	Per Capita
2022	\$ 14,998,616	\$ 724,473	\$ -	\$ -	\$ -	\$ 11,479,282	\$ 27,202,371	N/A	2,171
2021	12,545,905	806,769	-	-	56,125	1,376,950	14,785,749	0.12%	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

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

**Note:** FY22 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>
2022	\$ 14,998,616	\$ 14,998,616	1,197
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

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

**TOWN OF CAMP VERDE, ARIZONA**  
**Direct and Overlapping Governmental Activities Debt**  
**June 30, 2022**

<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*	\$ 4,725,000	2.8% (1)	\$ 132,416
Camp Verde Unified School District	647,000	92.7% (1)	599,660
Copper Canyon Fire	4,814,725	50.0% (2)	2,407,363
Camp Verde Sanitary District	7,147,017	100.0% (1)	<u>7,147,017</u>
Total Overlapping Debt			<u>\$ 10,286,456</u>
Direct:			
Town of Camp Verde	<u>\$ 15,723,089</u>	100.0%	<u>\$ 15,723,089</u>
Total Direct and Overlapping Debt			<u>\$ 26,009,545</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>2022</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>
Debt Limit	\$ 5,109,484	\$ 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
Total applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	<u>\$ 5,109,484</u>	<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>
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>2022</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>
Debt Limit	\$ 17,031,614	\$ 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
Total applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	<u>\$ 17,031,614</u>	<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>
Total net debt applicable to the limit as a percentage of the debt limit	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

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



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

<b>Fiscal Year</b>	<b>Revenue Bonds</b>			
	<b>Excise Tax Revenue</b>	<b>Debt Service</b>		<b>Excise Tax Coverage</b>
		<b>Principal</b>	<b>Interest</b>	
2022	\$ 11,535,653	\$ 555,000	\$ 381,755	12.3
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

**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>
2022	12,528	242,253	N/A	N/A	3.4 %
2021	12,463	241,173	11,884,929	49,060	4.9 %
2020	12,147	237,073	10,547,378	44,490	8.9 %
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 %

**Sources:** Bureau of Economic Analysis (bea.gov)  
Ycharts.com  
Arizona Office of Employment & Population Statistics (azstats.gov) for FY20 and prior  
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>2022</u>		<u>2013</u>
	<u>Employees</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>
Cliff Castle Casino & Hotel	406	11.8 %	471
Yavapai-Apache Nation	274	8.0	238
Yavapai County	286	8.3	No Info
Camp Verde School District	207	6.0	222
Town of Camp Verde	120	3.5	96
Bashas	110	3.2	101
Rainbow Acres	72	2.1	70
Abundant Organics	79	2.3	N/A
Goettles High Desert Mechanical	85	2.5	No Info
Haven Health	72	2.1	58
Total	<u>1,711</u>	<u>49.7 %</u>	<u>1,256</u>
Total Est'd Employment	<u>3,441</u>		<u>N/A</u>

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

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

	<b>Full-time Equivalent Employees as of June 30</b>									
	<u>2022</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>
<b>General Government</b>										
Management Services	5.7	4.8	5.2	5.2	5.1	4.6	4.6	5.2	5.1	5.1
Finance	3.3	3.0	3.0	3.0	3.0	3.0	3.1	2.2	2.2	2.0
Economic Development	4.1	3.1	3.1	2.9	3.2	2.8	2.0	1.6	1.6	1.0
Municipal Court	6.2	6.2	6.2	5.7	4.7	4.7	5.7	5.6	5.6	5.6
Total General Government	<u>19.3</u>	<u>17.1</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>
<b>Public Safety</b>										
Marshal's Department		33.0	33.8	34.0	31.0	31.4	33.1	32.2	30.2	26.7
Animal Control		1.0	1.0	1.0	0.5	1.0	1.0	1.0	1.0	1.0
Sworn Officers	24.7									
Dispatch	8.0									
Admin	6.0									
Total Public Safety	<u>38.7</u>	<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>
<b>Public Works</b>										
Admin	2.4	2.3	2.2	2.2	2.5	2.6	2.8	2.8	2.4	1.7
Streets	5.3	5.2	5.2	5.0	4.9	4.7	6.1	5.2	6.2	5.8
Maintenance	11.0	11.0	10.0	9.6	9.1	8.1	8.0	7.4	7.2	6.2
Total Public Works	<u>18.7</u>	<u>18.5</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>
<b>Library</b>	8.9	8.9	9.4	8.3	7.5	6.4	6.2	6.2	5.8	5.3
<b>Parks &amp; Recreation</b>	6.5	6.5	6.7	6.1	5.6	5.6	4.6	4.6	4.3	3.5
<b>Community Development</b>	8.8	6.8	6.8	6.8	6.2	8.0	6.0	6.0	5.0	5.0
<b>Utilities</b>										
Wastewater	8.6	8.5	8.5	8.6	8.4	8.4	8.1	7.2	7.1	N/A
Water	5.0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total Utilities	<u>13.6</u>	<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>	<u>0.0</u>
<b>Total</b>	<u>114.5</u>	<u>100.3</u>	<u>101.1</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>

Source: The Town's financial records.

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

<u>Function</u>	<u>Fiscal Year Ended June 30</u>									
	<u>2022</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>
<b>Public Safety</b>										
Police stations	1	1	1	1	1	1	1	1	1	1
Police patrol vehicles	26	28	23	19	24	25	23	31	31	22
<b>Streets</b>										
Streets (miles)	130	113	113	112	110	110	110	110	110	110
Streetlights	127	122	122	122	122	110	110	110	110	110
Traffic signals	7	7	7	7	5	6	6	6	6	6
<b>Parks and Recreation</b>										
Parks developed	9	6	6	6	6	6	6	6	6	6
Parks acreage	178	138	138	138	138	138	138	138	138	138
Swimming pools	1	1	1	1	1	1	1	1	1	1
Tennis courts	1	1	1	1	1	1	1	1	1	1
<b>Sewer</b>										
Pipeline (Miles)	39	37	37	34	34	31	31	29	29	29
Manholes	526	519	519	519	490	490	459	440	440	440
Connections	1,146	1,125	1,040	1,043	989	964	964	959		
Annual processed sewage (in millions of gals)	137	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>2022</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>
<b>General Government</b>										
Business Licenses	666	781	807	801	820	833	823	673	645	650
<b>Public Safety</b>										
Total Incidents	6,618	8,092	8,350	9,914	9,829	10,853	15,762	10,020	13,782	10,462
<b>Public Works</b>										
Street Resurfacing (miles)	-	-	-	-	-	-	0.92	-	-	-
<b>Library</b>										
Circulation	116,088	103,873	120,532	130,713	133,135	123,127	63,976	62,140	52,631	51,303
Traffic	78,247	59,797	81,829	101,854	95,490	87,357	67,978	67,824	33,787	27,766
<b>Community Development</b>										
Building Permits	423	659	432	409	428	400	324	331	362	387

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