



Annual Comprehensive Financial Report

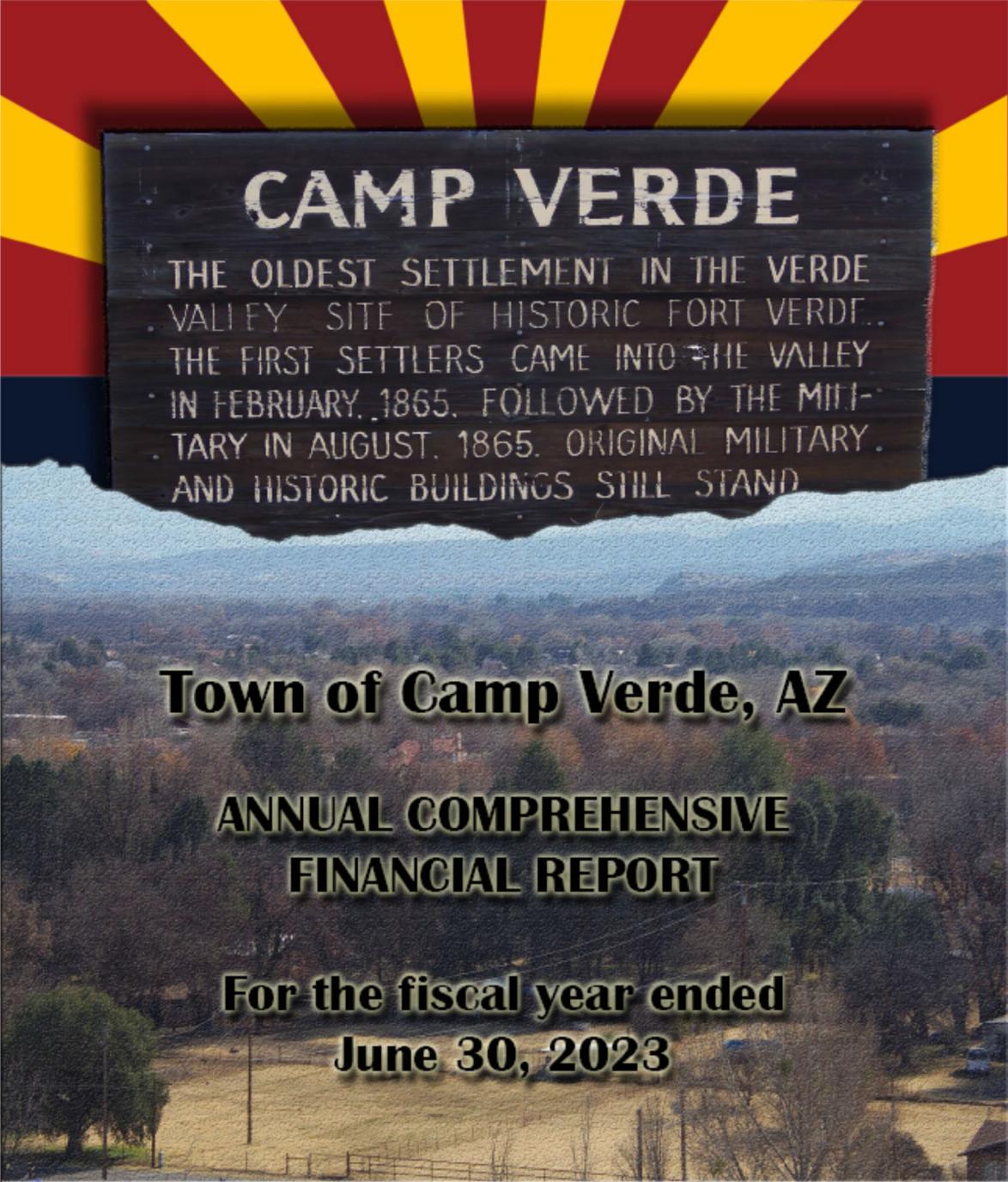
For the Fiscal Year Ended June 30, 2023



Town of Camp Verde, Arizona

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

The Center Of It All



CAMP VERDE

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

Town of Camp Verde, AZ

ANNUAL COMPREHENSIVE FINANCIAL REPORT

**For the fiscal year ended
June 30, 2023**

Prepared by:
The Finance Department

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Town of Camp Verde

Gateway to the Verde Valley

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

◆ Telephone: 928.554.0000 ◆ Fax: 928.554.0002 ◆

◆ www.campverde.az.gov ◆

January 30, 2024

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, 2023. 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, 2023. 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) report 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 47 square miles and serves an estimated population of just under 13,000 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 balanced, proposed 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 June or July each year. 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 55% of total general fund revenues and have grown 63% in the 5-year period since FY18; an average annual growth rate of 10.2% per year. A significant growth period during these 5 years was in FY21 which realized a 41% increase in local sales tax revenues from FY20. The Retail segment is still the frontrunner of the various sales tax categories at just under \$4.1M, which is 3.7 times greater than the next highest category, Restaurants sitting at just under \$1.1 million in FY23. The Town continues to maintain a very positive economic position with an unassigned general fund balance of \$5,593,451. That is up 32% from FY21’s \$4,234,347.

Our 3 main general fund tax revenues from the State (state income, sales tax and vehicle license tax) increased 22% from FY22 to FY23. Currently, these 3 revenue lines make up 36% 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 in the planning stages, we expect to see a jump in local population over the next several years. In 2020, Camp Verde's population per US Census data was 12,127. Current estimates for 2024 put that number at about 12,601 (World Population Review).

Long-Term Financial Planning

The Town's long-term Directional Goals and Foundational Items from the FY24 strategic planning retreat are as follows:

Directional Goals

1. *Develop strategies to promote investment in affordable housing.*
2. *Explore opportunities to expand healthcare access in the community.*
3. *Create and support policies that attract retail and entertainment businesses.*
4. *Develop a comprehensive economic revitalization plan for historic Main Street.*
5. *Develop strategic planning models for facilities, operations, infrastructure, capital investment, broadband and overall Town direction.*
6. *Fund a strategic plan for marketing and tourism.*
7. *Create a policy to identify, preserve and protect historic resources within the community.*
8. *Create an environment that encourages business growth, retention, revitalization and employment opportunities.*

Foundational Items

1. *Our location and climate offer a strong **opportunity** for economic growth, tourism and recreational activities.*
2. *Our rural, western community, which is made up of friendly, welcoming people who enjoy a non-urban lifestyle, is a **strength** of our community.*
3. *An identified **weakness** is the lack of long-term masterplans for our community including wastewater, water and facilities.*
4. *Our unique history, including historical sites and buildings, is not only a **strength** and **opportunity** for increased tourism efforts but also highlights a **weakness** in that we have limited protection over many of the historic buildings.*
5. *The Verde River is a significant **strength** of the Camp Verde lifestyle. However, overuse and/or misuse of the river system is of great concern as a **threat** to our community.*

Major Initiatives for FY24

- 1) Completion of the new Camp Verde Sports Complex.
 - a. The Town has 4 major projects left for phase I with a budget of \$2.6 million. The projects include bringing in potable water, installing a wastewater lift station, installing all irrigation infrastructure and completing the concession stand/restroom building.
- 2) Complete engineering design for wastewater service expansion Northward along Highway 260.
 - a. Engineering is nearly complete to allow for phase I of construction to begin Northward along Highway 260. Construction is estimated at just over \$8 million for phase I. The Town hopes to create an Improvement District along Highway 260 to manage the debt of this project.
- 3) Capital improvement projects for the Town's clean water system.
 - a. New well site, storage and arsenic treatment facilities - \$5.0 million.
 - b. Construction of 2 separate arsenic treatment facilities at current well sites - \$3.0 million.
 - c. Construction of 1 additional storage tank - \$1.7 million
- 4) Completion of a facilities master plan to help the Town establish its direction for moving forward with large scale improvements or new construction of Town management facilities.

AWARDS & ACKNOWLEDGEMENTS

Awards

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

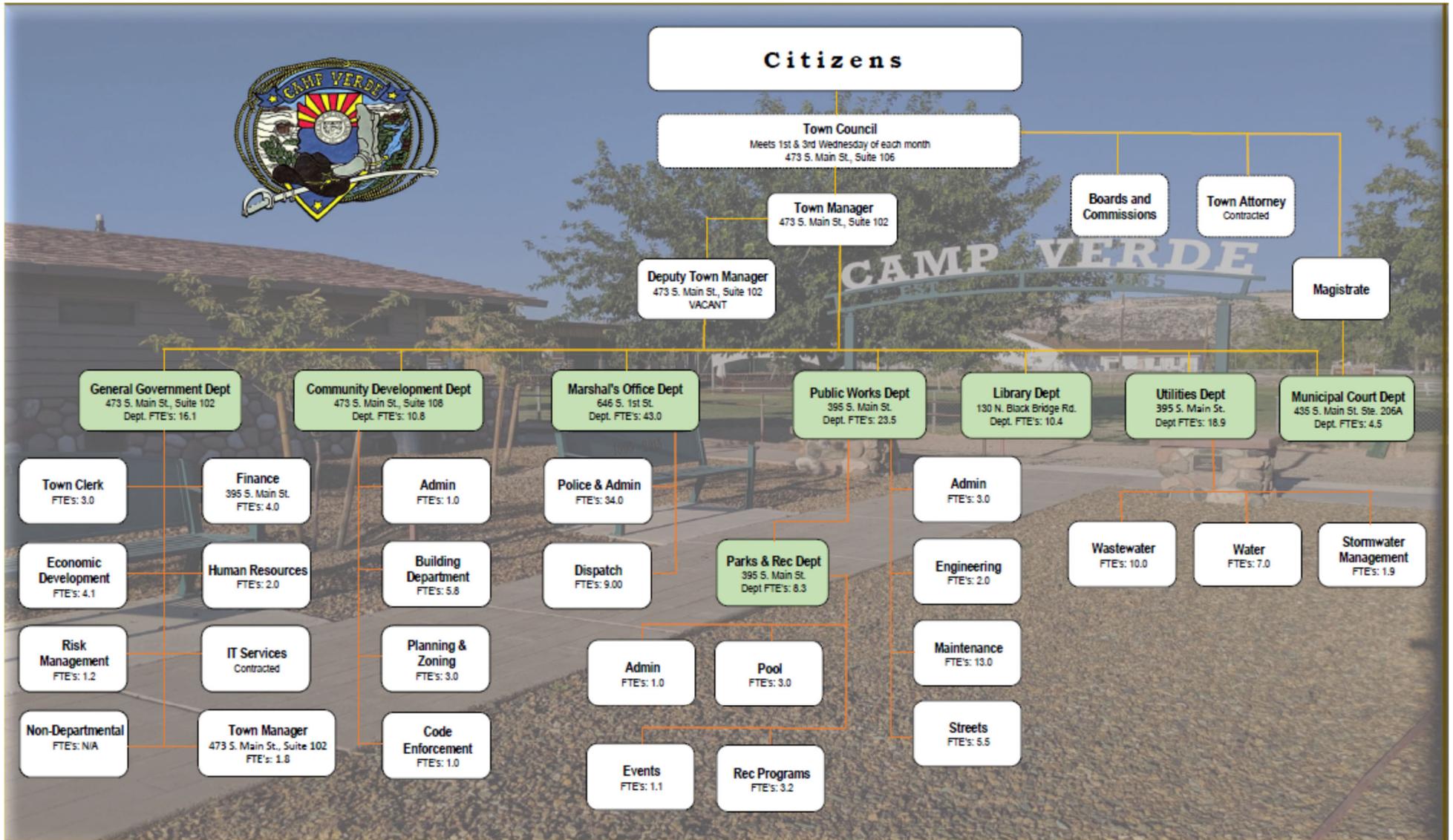


Gayle Mabery
Acting Town Manager



Michael E. Showers
Finance Director

Town of Camp Verde, Arizona Organizational 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 Mabury, *Acting 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 Krebbs, *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, 2022

Christopher P. Morill

Executive Director/CEO



FINANCIAL SECTION



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, 2023, 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, 2023, 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.

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.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue 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

is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The Combining and Individual Fund Financial Statements and Schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates 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 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 Combining and Individual Fund Statements and Schedules information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Introductory Section and Statistical Section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 30, 2024, 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.

A handwritten signature in cursive script that reads "Colby & Powell".

January 30, 2024

**TOWN OF CAMP VERDE, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
FISCAL YEAR ENDED JUNE 30, 2023**



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, 2023 (FY23). Please read it in conjunction with the Town's basic financial statements, which begin on page 22.

FINANCIAL HIGHLIGHTS

- Received our second American Rescue Plan Act (ARPA) funding disbursement of \$1.87 million, for a grand total of just over \$3.7 million. The Town utilized the under \$10 million Loss of Revenue standard allowance for these funds. In fiscal year 2023 (FY23), the Town utilized \$768 thousand of these monies for public safety, wastewater and recreational projects and equipment.
- Spent nearly \$1.6 million on the new sports complex park development. Expenses in FY23 were primarily for field lighting (\$702 thousand) and sports field development (\$840 thousand).
- The Town invested \$1.07 million in capital improvements within our Wastewater Fund. The most significant projects were: 1) continued engineering expenses for our sewer extension project moving sewer lines northward along Hwy 260 (\$279 thousand), 2) a new blower package for wastewater treatment plant improvements (\$179 thousand), and 3) our Main Street sewer line improvement project (\$157 thousand).
- The Town received a \$485 thousand grant to completely re-light our Butler Park ballfields with LED, Dark Sky compliant lighting.
- Total debt service was \$1.67 million for FY23. Of that amount, \$1.438 million came from General Fund operating transfers.
- The Town leased 8 new vehicles for a total capital purchase cost of \$457 thousand. Of the 8 vehicles, 4 were for our police department, and 1 each for our Utilities, Public Works, Community Development and Parks & Rec departments. All 8 vehicles are leased through Enterprise fleet management over a 5-year period.
- Total General Fund Wages & ERE was \$8.4 million. Total Wages & ERE across all funds was \$10.0 million. Healthcare accounted for \$312 thousand of the \$10 million which was a 26% increase over FY22 healthcare expenses.
- The Town completed its 2nd consecutive year as the site for the Turquoise Circuit and Finals Rodeo. The event is held in November each year at the Town's 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, 2023**

FINANCIAL HIGHLIGHTS (CONTINUED)

- Among major governmental funds:
 - The General Fund had just under \$14.4 million in revenues, which primarily consisted of taxes, intergovernmental revenues, licenses and permits, charges for services, fines and forfeitures. Total expenditures in the General Fund were just under \$11.5 million leaving a \$2.9 million excess from operations. With net transfers out of just over \$1.5 million (most of which went to the Debt Service Fund), the General Fund unassigned fund balance grew by \$1.37 million in FY23 to just under \$5.6 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 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 community development. Sales taxes, intergovernmental, licenses and permits, charges for services, and fines and forfeits revenue finance most of these activities.

**TOWN OF CAMP VERDE, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
FISCAL YEAR ENDED JUNE 30, 2023**



OVERVIEW OF FINANCIAL STATEMENTS (CONTINUED)

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 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 24 for the General & 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 80 - 106.

**TOWN OF CAMP VERDE, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
FISCAL YEAR ENDED JUNE 30, 2023**



OVERVIEW OF FINANCIAL STATEMENTS (CONTINUED)

Proprietary funds – The Town maintains two separate proprietary funds; an enterprise fund for clean water activities and 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 for both Water and Wastewater can be found on pages 28 – 30 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 105 - 106.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found immediately following the basic financial statements on pages 34 - 66.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the Town's budget process. The Town adopts an annual budget for all governmental funds. A budgetary comparison schedule has been provided for the General Fund and ARPA Fund as required supplementary information, which can be found on page 68 - 70.

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

**TOWN OF CAMP VERDE, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
FISCAL YEAR ENDED JUNE 30, 2023**

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, 2023, was just over \$41.5 million which is an increase of \$4.1 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, 2023 and 2022:

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Assets						
Current assets	\$ 13,269,243	\$ 11,460,967	\$ 2,046,104	\$ 1,710,433	\$ 15,315,347	\$ 13,171,400
Capital assets, net	31,384,628	29,278,436	28,862,386	28,969,473	60,247,014	58,247,909
Total assets	<u>44,653,871</u>	<u>40,739,403</u>	<u>30,908,490</u>	<u>30,679,906</u>	<u>75,562,361</u>	<u>71,419,309</u>
Deferred Outflows of Resources						
Defd outflows related to pensions	<u>1,652,056</u>	<u>4,421,954</u>	<u>134,395</u>	<u>135,736</u>	<u>1,786,451</u>	<u>4,557,690</u>
Liabilities						
Current and other liabilities	3,120,935	2,588,033	859,953	796,230	3,980,888	3,384,263
Long-term liabilities	<u>18,892,379</u>	<u>20,838,192</u>	<u>12,116,929</u>	<u>11,831,229</u>	<u>31,009,308</u>	<u>32,669,421</u>
Total liabilities	<u>22,013,314</u>	<u>23,426,225</u>	<u>12,976,882</u>	<u>12,627,459</u>	<u>34,990,196</u>	<u>36,053,684</u>
Deferred Inflows of Resources						
Defd inflows related to pensions	<u>747,917</u>	<u>2,304,235</u>	<u>31,270</u>	<u>172,231</u>	<u>779,187</u>	<u>2,476,466</u>
Net Position						
Net investment in capital assets	20,611,250	18,801,038	16,994,454	17,232,224	37,605,704	36,033,262
Restricted	2,973,971	3,407,667	22,407	-	2,996,378	3,407,667
Unrestricted	<u>(40,525)</u>	<u>(2,777,808)</u>	<u>1,017,872</u>	<u>783,728</u>	<u>977,347</u>	<u>(1,994,080)</u>
Total net position	<u>\$ 23,544,696</u>	<u>\$ 19,430,897</u>	<u>\$ 18,034,733</u>	<u>\$ 18,015,952</u>	<u>\$ 41,579,429</u>	<u>\$ 37,446,849</u>

Governmental Activities. The Town's net position from governmental activities grew 21% in FY23 or \$4.1 million to just over \$23.5 million. The \$3.9 million increase in total assets had the most significant impact on the change in net position for FY23. Cash and cash equivalents increased by \$1.4 million and capital assets increased by \$2.1 million. The \$2.1 million increase was driven by \$3.5 million of capital asset expenses during the year, most of which were for vehicles and equipment (\$2.2 million). The \$1.4 million drop in total liabilities further increased the growth in net assets. The most significant part of that drop was seen in outstanding debt values which fell \$1.67 million in FY23. The decrease in deferred outflows of \$2.8 million was somewhat offset by the decrease in Deferred inflows of nearly \$1.6 million. The significant drop in deferred outflows is a direct result of the Town's financing its unfunded PSPRS liability with \$2.4 million of debt funded payments.

Business-Type Activities. Business-type activities total net position was virtually unchanged from FY22. There were no significant activities impacting net position this year.

**TOWN OF CAMP VERDE, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
FISCAL YEAR ENDED JUNE 30, 2023**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Statement of Activities

The following tables present a summary of the changes in net position for the fiscal years ended June 30, 2023 and 2022:

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues						
Program revenues:						
Charges for services	\$ 946,561	\$ 790,472	\$ 3,634,236	\$ 2,201,643	\$ 4,580,797	\$ 2,992,115
Operating grants and contributions	3,635,239	3,648,147	-	-	3,635,239	3,648,147
Capital grants and contributions	889,230	123,296	-	1,564,366	889,230	1,687,662
General revenues:						
Town sales taxes	7,554,130	7,005,726			7,554,130	7,005,726
Franchise taxes	360,234	329,139			360,234	329,139
State shared revenue	5,129,723	4,200,788			5,129,723	4,200,788
Investment income	288,362	17,078	1,477	163	289,839	17,241
Miscellaneous	51,743	72,218	25,758		77,501	72,218
Total revenues	18,855,222	16,186,864	3,661,471	3,766,172	22,516,693	19,953,036

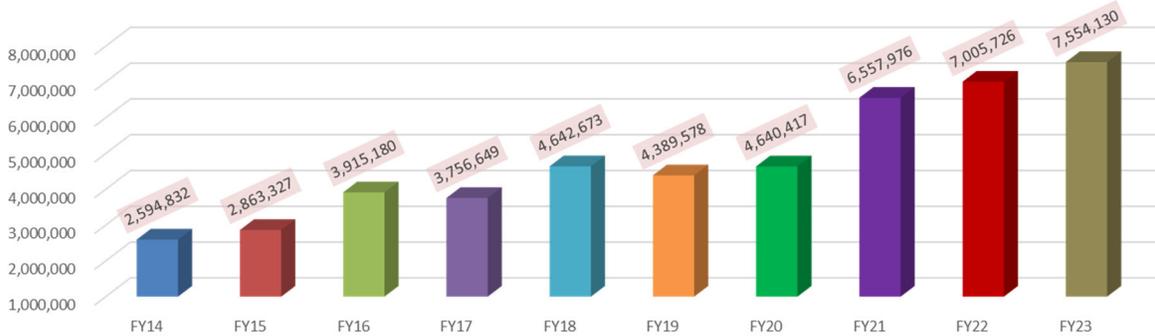
Governmental Activities. Total revenues from governmental activities increased by nearly \$2.7 million (16%) from last year to just over \$18.8 million. The Town continues to see growth in local sales tax revenues, up nearly \$550 thousand (8%) from FY22. State shared revenues also saw a significant gain over FY22, increasing over \$900 thousand (22%) for the year. The last significant part of the growth in revenues was in capital grants, growing nearly \$770 thousand from FY22.

Local sales taxes are the largest source of revenue for the Town at just over \$7.5 million in FY23 with state shared revenues a somewhat distant second place at just over \$5.1 million. The two components together make up 67% of the governmental activities revenues. As can be seen in the following graph, Local TPT revenues over the last 10 years have grown steadily at an average annual growth rate of 12.6%; a 291% 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 10.5%. The Town continues to see strong tourism support through local RV park and short-term rental utilization. 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 continues to positively impact investment activity within these areas.

**TOWN OF CAMP VERDE, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
FISCAL YEAR ENDED JUNE 30, 2023**

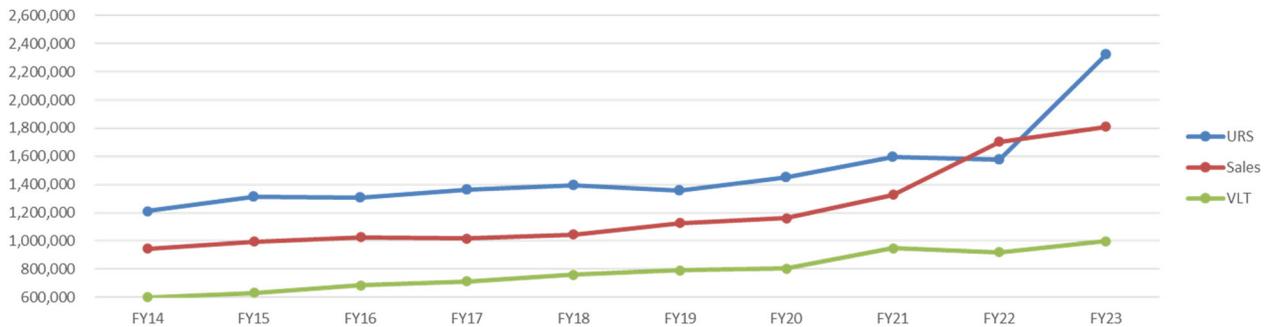
GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Annual Local Tax Revenues



State shared revenues are comprised of three main sources: 1) State sales taxes (Sales) - \$1.8 million, 2) State income taxes (URS) - \$2.32 million and 3) Vehicle license taxes (VLT) - \$997 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, in FY22, State sales taxes grew by 28% while both URS and VLT saw slight declines. In FY23, State sales tax revenue goes back to a somewhat normal 6% growth rate while URS increased sharply. The sharp increase was due to a one-time excess payment of \$547 thousand from the State. Without that one-time disbursement, URS would have continued along its normal growth rate.

Annual State Shared Revenues



**TOWN OF CAMP VERDE, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
FISCAL YEAR ENDED JUNE 30, 2023**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Expenses, meanwhile, increased \$2.1 million in FY23 (17%) with the majority of the increases coming from within the Public Works segment (\$1.1 million) and the Culture and recreation segment (\$569 thousand). The Public Works increase is a bit misleading though. In FY22, our Maintenance division was reported under General government but has been moved to Public Works for FY23 and beyond. With that in mind, Public Works was actually only slightly higher than FY22 as Maintenance was just over \$1.0 million in FY22. Therefore, the real increase is in the General Government divisions which went up roughly \$800 thousand. Increases in Wages & ERE make up \$419 thousand of this increase, mostly from the impact of delayed raises in FY22 and new raises in FY23. Another \$255 thousand comes from the termination payout for the Town Manager position and resulting professional fees to bring in interim management. In total for FY23, Wages & ERE increased \$1 million. This comes from the combination of two separate items. First, 12 new positions were hired throughout FY23 increasing Wages & ERE nearly \$770 thousand and second, cost of living and merit raises (as mentioned previously) and the impact of delayed raises from FY22 having a full year's impact in FY23 filled in the rest.

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Expenses						
General government	3,952,950	4,099,606			3,952,950	4,099,606
Public safety	4,260,267	4,019,027			4,260,267	4,019,027
Public works	2,674,071	1,559,995			2,674,071	1,559,995
Health and welfare	178,377	138,422			178,377	138,422
Culture and recreation	2,096,504	1,527,445			2,096,504	1,527,445
Community development	904,552	656,610			904,552	656,610
Interest on long-term debt	505,277	464,591			505,277	464,591
Water			1,222,083	323,258	1,222,083	323,258
Wastewater			2,590,032	2,286,478	2,590,032	2,286,478
Total expenses	14,571,998	12,465,696	3,812,115	2,609,736	18,384,113	15,075,432
Excess (deficiency) before net transfers	4,283,224	3,721,168	(150,644)	1,156,436	4,132,580	4,877,604
Net Transfers In/(Out)	(169,425)	(92,961)	169,425	92,961	-	-
Excess (deficiency) in net position	4,113,799	3,628,207	18,781	1,249,397	4,132,580	4,877,604
Net position (restated), beginning	19,430,897	15,802,690	18,015,952	16,766,555	37,446,849	32,569,245
Net position, ending	\$ 23,544,696	\$ 19,430,897	\$ 18,034,733	\$ 18,015,952	\$ 41,579,429	\$ 37,446,849

**TOWN OF CAMP VERDE, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
FISCAL YEAR ENDED JUNE 30, 2023**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Business-Type Activities. Wastewater revenues remained very stable, though dropping roughly \$34 thousand. User fees actually increased approximately \$30 thousand but connection fees dropped by \$100 thousand causing the drop in total revenues. Wastewater expenses, though, climb \$304 thousand to just under \$2.6 million. While \$160 thousand of this increase is in Wages & ERE, \$88 thousand of that amount is due to recognition of deferred benefits from FY22. Maintenance and supplies also increased roughly \$160 thousand in FY23. The Water Enterprise fund only had 1 month of operations in FY22 and so does not give a good comparison for changes in revenues and expenses.

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.

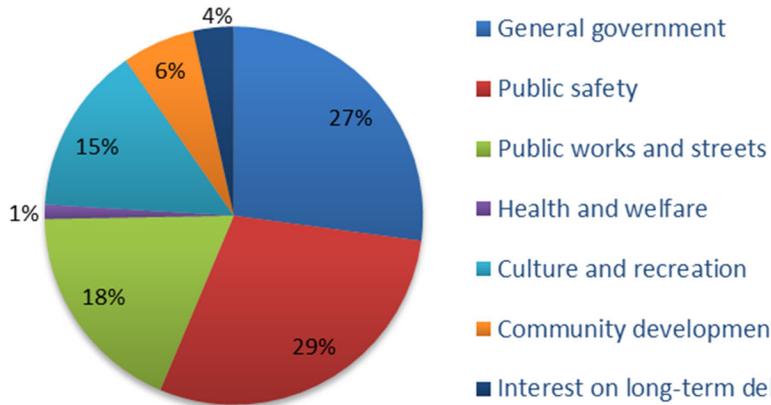
	<u>Year Ended June 30, 2023</u>		<u>Year Ended June 30, 2022</u>	
	<u>Total Expenses</u>	<u>Net Exp / (Rev)</u>	<u>Total Expenses</u>	<u>Net (Exp) / Rev</u>
Governmental activities				
General government	\$ 3,952,950	\$ 1,934,851	\$ 4,099,606	\$ 2,080,260
Public safety	4,260,267	3,958,226	4,019,027	3,757,851
Public works and streets	2,674,071	1,163,232	1,559,995	298,385
Health and welfare	178,377	162,249	138,422	108,317
Culture and recreation	2,096,504	1,010,631	1,527,445	970,005
Community development	904,552	366,502	656,610	224,372
Interest on long-term debt	505,277	505,277	464,591	464,591
Net	<u>\$ 14,571,998</u>	<u>\$ 9,100,968</u>	<u>\$ 12,465,696</u>	<u>\$ 7,903,781</u>
Business-Type Activities				
Water	1,222,083	(413,126)	323,258	(745,696)
Wastewater	2,590,032	591,005	2,286,478	(410,577)
Net	<u>\$ 3,812,115</u>	<u>\$ 177,879</u>	<u>\$ 2,609,736</u>	<u>\$ (1,156,273)</u>
Total	<u>\$ 18,384,113</u>	<u>\$ 9,278,847</u>	<u>\$ 15,075,432</u>	<u>\$ 6,747,508</u>

**TOWN OF CAMP VERDE, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
FISCAL YEAR ENDED JUNE 30, 2023**

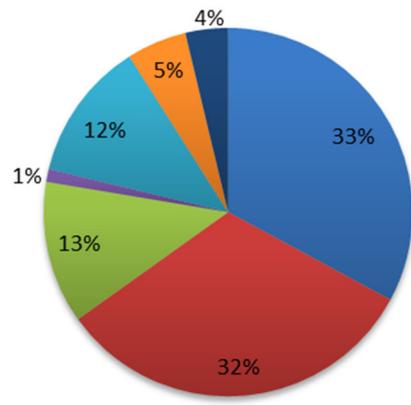
GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

The table below shows how expenses are distributed within the Town governmental funds with changes from FY22 to FY23.

**Governmental
Fiscal Year 2023 Expenses**



**Governmental
Fiscal Year 2022 Expenses**



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.

**TOWN OF CAMP VERDE, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
FISCAL YEAR ENDED JUNE 30, 2023**

FINANCIAL ANALYSIS OF THE TOWN'S FUNDS (CONTINUED)

As of the end of the Town's fiscal year, its governmental funds reported combined ending fund balances of just over \$11.6 million, a nearly \$1.65 million increase from the previous year. *Unassigned fund balance* constitutes 48% of the ending governmental funds balance. Unassigned fund balance is the amount available for spending at the government's discretion. The remainder of FY23 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 seen in the following chart.

	Governmental Funds	
	2023	2022
Ending Fund Balance, June 30th		
Restricted		
Park Improvements	\$ 602,006	\$ 1,715,987
Highways and streets	1,192,451	893,294
Public safety retirement	429,872	416,139
Other	383,634	382,247
Committed		
Legal Defense	367,189	282,193
Assigned		
Capital Improvements	\$ 3,083,362	\$ 2,065,199
Unassigned	5,579,807	4,234,347
Ending Fund Balances	11,638,321	9,989,406

General Fund

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 \$6.0 million, which is \$1.35 million higher than the previous year's \$4.65 million. As a measure of the General Fund's liquidity, it may be useful to compare fund balance to fund expenditures. For FY23, fund balance in the General Fund is 52% of total General Fund expenditures.

**TOWN OF CAMP VERDE, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
FISCAL YEAR ENDED JUNE 30, 2023**

FINANCIAL ANALYSIS OF THE TOWN'S FUNDS (CONTINUED)

ARPA Fund

The fund balance in the ARPA Fund shows the remaining funds currently available for various one-time capital projects that the Town has set aside from its American Rescue Plan Funding received in FY21 and FY23. While the Town has utilized the under \$10 million Loss of Revenue standard allowance for these funds, they are still being tracked separately to help the Town better budget the application of these monies. At the end of FY23 the ARPA fund balance is \$2.25 million.

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

The Wastewater Fund net position decreased \$356 thousand during FY23 which was dramatically impacted by the non-cash depreciation expense amount of \$934 thousand. The ending fund balance is \$16.9 million. The Water Fund net position increased \$375 thousand during FY23. This comes directly from the net operating income of \$576 thousand. The ending fund balance is \$1.1 million.

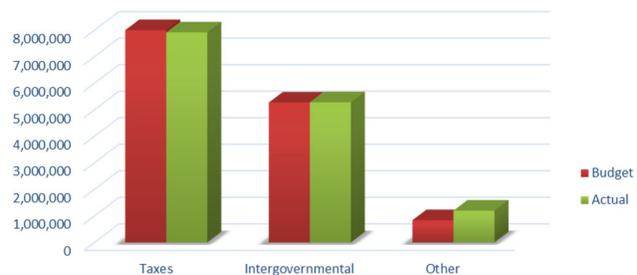
BUDGETARY HIGHLIGHTS

A schedule comparing budget to actual financial activity for the General Fund is provided in this report as required supplementary information. Revenues of \$14.4 million for the year were 2% over budget (\$286 thousand) while expenses were 4% under budget (\$451 thousand). Budgetary highlights for the General Fund are as follows:

Revenues

- Taxes collected for FY23 were slightly under budget at just \$86 thousand under budget (1%).
- Other revenues account for the majority of the overage at \$362 thousand over budget. The most significant factor being investment earnings. Interest rates were not expected to rise as quickly as they did. Investment income was \$210 thousand overbudget in FY23, while fines and permit fees added to the total at \$129 thousand over budget.

General Fund Revenues: Budget to Actual



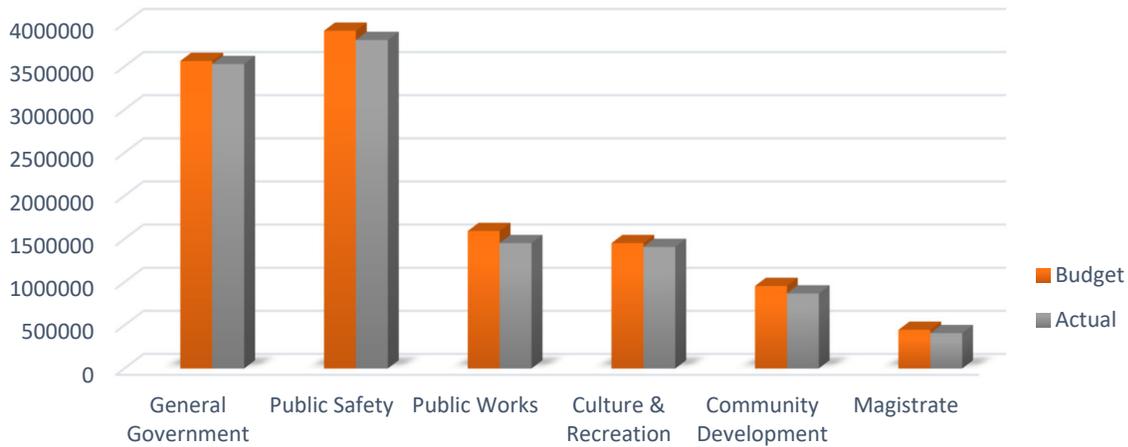
**TOWN OF CAMP VERDE, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
FISCAL YEAR ENDED JUNE 30, 2023**

BUDGETARY HIGHLIGHTS (CONTINUED)

Expenses

- Savings in Wages & ERE accounts for the majority of the savings across all sections including: Public Works at \$140 thousand under budget, Public Safety at \$106 thousand under budget and Community Development at \$88 thousand under budget. The leading factor in all three sections comes from underutilized Wages & ERE, predominantly from position turnover and hiring certain positions later than expected.

General Fund Expenses: Budget to Actual



CAPITAL ASSETS

As of June 30, 2023, the Town had invested \$42.9 million in governmental capital assets and \$41.56 million in business-type assets (both before depreciation) including land, buildings, facilities, vehicles, computers, equipment, and infrastructure assets. In FY23, the Town invested nearly \$4.7 million into capital assets. Total depreciation expense for the year in governmental and business-type activities was \$1.44 million and \$1.2 million respectively. More information on capital assets can be found in the Notes to the Financial Statements under Note 5 – Capital Assets.

**TOWN OF CAMP VERDE, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
FISCAL YEAR ENDED JUNE 30, 2023**

CAPITAL ASSETS (CONTINUED)

The following schedule presents capital asset balances and accumulated depreciation for the fiscal years ended June 30, 2023 and 2022:

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	\$ 6,030,372	\$ 5,974,797	\$ 1,416,640	\$ 1,416,640	\$ 7,447,012	\$ 7,391,437
Construction in progress	9,116,901	8,168,773	3,424,043	2,886,933	12,540,944	11,055,706
Buildings and improvements	9,388,993	9,313,449	946,441	946,441	10,335,434	10,259,890
Infrastructure	8,140,979	7,851,018			8,140,979	7,851,018
Wastewater Infrastructure Systems			23,656,360	23,457,649	23,656,360	23,457,649
Water Infrastructure Systems			9,956,333	9,951,223	9,956,333	9,951,223
Vehicles and equipment	6,969,551	5,215,787	2,118,048	1,819,229	9,087,599	7,035,016
Improvements other than buildings	1,616,441	1,631,565	-	-	1,616,441	1,631,565
Intangibles (Lease assets)	1,645,354	1,234,750	46,990	-	1,692,344	1,234,750
Accumulated depreciation	(11,523,963)	(10,111,703)	(12,702,469)	(11,508,642)	(24,226,432)	(21,620,345)
Total	\$ 31,384,628	\$ 29,278,436	\$ 28,862,386	\$ 28,969,473	\$ 60,247,014	\$ 58,247,909

Governmental funds.

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

- The \$1.75 million in Vehicles & Equipment assets includes changing the Butler Park lights over to LED (\$485 thousand), lighting at the new Sports Complex (\$702 thousand), Public Works equipment (\$275 thousand) and new MDC laptops at our Marshal's Office (\$115 thousand).
- The \$411 thousand increase in Intangible assets is for 7 newly leased vehicles.
- Construction in Progress comprises the last significant increase to FY23 assets with a \$950 thousand increase. The most significant impact in this area were Sports Complex related construction costs of \$858 thousand.

Proprietary funds.

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

- The \$547 thousand increase in Construction in Progress includes \$279 thousand for engineering expenses for our Highway 260 expansion project and \$157 thousand for work on the Town's Main Street sewer line replacement program.
- The \$299 thousand increase in Equipment includes \$179 thousand for a new blower package at our wastewater treatment plant as well as another \$75 thousand to assist with the purchase of a dump truck.

LONG-TERM LIABILITIES

As of June 30, 2023, the Town had just under \$33.2 million in long-term debt and long-term liabilities; \$20.56 million for governmental activities and \$12.6 million for business-type activities. These amounts are down \$1.34 million from FY22.

**TOWN OF CAMP VERDE, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
FISCAL YEAR ENDED JUNE 30, 2023**

LONG-TERM LIABILITIES (CONTINUED)

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, 2023 and 2022. 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	
	2023	2022	2023	2022	2023	2022
2022 Revenue bonds	\$ 2,860,000	\$ 3,015,000	\$ -	\$ -	\$ 2,860,000	\$ 3,015,000
2020 Revenue bonds	2,862,000	2,882,000	-	-	2,862,000	2,882,000
2017 Revenue bonds	6,010,000	6,185,000	-	-	6,010,000	6,185,000
2017 Revenue bonds unamortized premium	160,329	167,616	-	-	160,329	167,616
2014 Revenue bonds	2,371,000	2,749,000			2,371,000	2,749,000
Financed purchases	56,832	164,240	-	-	56,832	164,240
Leases payable	875,939	724,473	42,210	-	918,149	724,473
Notes payable	-	-	11,584,835	11,479,281	11,584,835	11,479,281
Net pension liability	4,818,124	5,804,793	641,507	483,700	5,459,631	6,288,493
Contractor Reimbursable	-	-	257,505	257,968	257,505	257,968
Compensated absences	543,295	538,970	83,042	56,848	626,337	595,818
Total	\$ 20,557,519	\$ 22,231,092	\$ 12,609,099	\$ 12,277,797	\$ 33,166,618	\$ 34,508,889

Governmental funds.

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

- The leased portion of the seven newly leased vehicles, less current year depreciation makes up the \$151 thousand increase in Leases payable.
- The drop in net pension liabilities of \$987 thousand. Detailed information on pension liabilities can be found in Note 12 starting on page 53 of this report.

Proprietary funds.

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

- A drop in the net pension liability of \$158 thousand.
- Continued draws against the 2018 wastewater plant loan (\$118 thousand) and the 2021 Hwy 260 expansion engineering loan (\$95 thousand) less principal payments.

**TOWN OF CAMP VERDE, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
FISCAL YEAR ENDED JUNE 30, 2023**



ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Town of Camp Verde is continuing to see economic growth in FY24 with even more projects looking to take shape as we move into FY25 budgeting. A significant reason for this continued growth is the Town's designation as an Opportunity Zone, as that continues to attract the attention of investors. We are seeing continued interest and activity in residential development including an upcoming affordable housing project which should have a large impact on young families.

While new development is still occurring, there are several factors that seem to be slowing the Town's overall revenue growth as we begin to look forward. As COVID concerns have lessened, citizens are more apt to go back to spending habits that take them out of Town for purchases moving those tax revenues to other municipalities. This is most impactful to online purchases in our retail sales category. Also, our population growth, while consistent, is still just moderate. These, however, are not dramatically affecting our local economy, but simply slowing down our overall growth rate.

Taking on clean water services for the majority of the Town has been an eye-opening project. We knew that the purchase of the local water company would come with a certain amount of upgrades and a learning curve. However, what we did not expect was the realization of how quickly we need expanded services. Upcoming in FY24 & FY25 will be numerous capital improvements to increase capacity for delivery and storage. The Town is looking at approximately \$11.5 million of debt supported capital projects over the next several years. The debt service will be funded with the support of a newly approved rate plan and structure. While the Town increased both Water and Wastewater user fees, specifically to address the need for capital improvements, they have also adopted a fee structure to help encourage water conservation. Wastewater also is expecting nearly \$3 million of capital improvements in FY24 with another \$12 million to follow in future periods for construction costs of extending a main trunk line Northward along Highway 260. Engineering costs for this project are nearly complete. The Town is expecting to create an Improvement District for the wastewater expansion project that would acquire and service the necessary debt.

Construction of the Town's Sports Complex continues to have a large impact on upcoming fiscal years. The Town has over \$4 million in projects remaining that will most probably continue into FY25. The primary remaining projects at the Sports Park are delivery of potable water, delivery of reclaimed irrigation water, a wastewater lift station and construction of a concession and restroom facility.

**TOWN OF CAMP VERDE, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
FISCAL YEAR ENDED JUNE 30, 2023**



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, 2023

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 8,969,184	\$ 1,300,979	\$ 10,270,163
Cash held by trustee	2,898,753	-	2,898,753
Cash - restricted	-	223,727	223,727
Accounts receivable - net	188,812	425,089	613,901
Due from other governments	846,486	922	847,408
Inventory	-	72,980	72,980
Net other postemployment benefits asset	366,008	22,407	388,415
Capital assets, not being depreciated	15,147,273	4,840,683	19,987,956
Capital assets, being depreciated, net	16,237,355	24,021,703	40,259,058
Total assets	44,653,871	30,908,490	75,562,361
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions and other postemployment benefits	1,652,056	134,395	1,786,451
LIABILITIES			
Accounts payable	1,015,550	255,699	1,271,249
Accrued expenses	212,789	-	212,789
Interest payable	204,525	78,301	282,826
Court bonds payable	22,931	-	22,931
Refundable deposits	-	33,783	33,783
Noncurrent liabilities			
Due within 1 year	1,665,140	492,170	2,157,310
Due in more than 1 year	18,892,379	12,116,929	31,009,308
Total liabilities	22,013,314	12,976,882	34,990,196
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions and other postemployment benefits	747,917	31,270	779,187
NET POSITION			
Net investment in capital assets	20,611,250	16,994,454	37,605,704
Restricted for:			
Postemployment benefits	366,008	22,407	388,415
Park improvements	602,006	-	602,006
Highways and streets	1,192,451	-	1,192,451
Public safety retirement	429,872	-	429,872
Housing redevelopment	123,563	-	123,563
Special programs	260,071	-	260,071
Unrestricted (deficit)	(40,525)	1,017,872	977,347
Total net position	\$ 23,544,696	\$ 18,034,733	\$ 41,579,429

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

TOWN OF CAMP VERDE, ARIZONA
Statement of Activities
Year Ended June 30, 2023

Functions / Programs	Expenses	Program Revenue			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business-type Activities	
Primary government:							
Governmental activities							
General government	\$ 3,952,950	\$ 24,587	\$1,993,512	\$ -	\$ (1,934,851)	\$ -	\$ (1,934,851)
Public safety	4,260,267	224,100	77,941	-	(3,958,226)	-	(3,958,226)
Public works	2,674,071	25,732	1,223,006	262,101	(1,163,232)	-	(1,163,232)
Health and welfare	178,377	-	16,128	-	(162,249)	-	(162,249)
Culture and recreation	2,096,504	134,092	324,652	627,129	(1,010,631)	-	(1,010,631)
Community development	904,552	538,050	-	-	(366,502)	-	(366,502)
Interest on long-term debt	505,277	-	-	-	(505,277)	-	(505,277)
Total governmental activities	14,571,998	946,561	3,635,239	889,230	(9,100,968)	-	(9,100,968)
Business-type activities							
Water	1,222,083	1,635,209	-	-	-	413,126	413,126
Wastewater	2,590,032	1,999,027	-	-	-	(591,005)	(591,005)
Total business-type activities	3,812,115	3,634,236	-	-	-	(177,879)	(177,879)
Total primary government	\$ 18,384,113	\$4,580,797	\$3,635,239	\$ 889,230	\$ (9,100,968)	\$ (177,879)	\$ (9,278,847)
General revenue:							
Taxes:							
Sales Taxes					7,554,130	-	7,554,130
Franchise tax					360,234	-	360,234
State shared revenue					5,129,723	-	5,129,723
Investment income					288,362	1,477	289,839
Miscellaneous					51,743	25,758	77,501
Transfers in (out):					(169,425)	169,425	-
Total general revenues and transfers					13,214,767	196,660	13,411,427
Change in net position					4,113,799	18,781	4,132,580
Net position July 1, 2022					19,430,897	18,015,952	37,446,849
Net position, June 30, 2023					\$ 23,544,696	\$ 18,034,733	\$ 41,579,429

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

TOWN OF CAMP VERDE, ARIZONA
Balance Sheet
Governmental Funds
June 30, 2023

	General Fund	ARPA Fund	Non-Major Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 3,946,660	\$ 2,343,660	\$ 2,678,864	\$ 8,969,184
Cash held by trustee	2,018,665	-	880,088	2,898,753
Accounts receivable, net	161,652	-	27,160	188,812
Due from other governments	402,056	-	444,430	846,486
Due from other funds	144,546	-	-	144,546
	Total assets	\$ 2,343,660	4,030,542	13,047,781
LIABILITIES				
Accounts payable	414,536	89,344	511,670	1,015,550
Accrued liabilities	212,789	-	-	212,789
Court bonds payable	22,931	-	-	22,931
Due to other funds	-	-	144,546	144,546
	Total liabilities	89,344	656,216	1,395,816
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	-	-	13,644	13,644
FUND BALANCES				
Restricted	429,872	-	2,178,091	2,607,963
Committed	-	-	367,189	367,189
Assigned	-	2,254,316	829,046	3,083,362
Unassigned	5,593,451	-	(13,644)	5,579,807
	Total fund balances	2,254,316	3,360,682	11,638,321
	Total liabilities, deferred inflows of resources, and fund balances	\$ 2,343,660	\$ 4,030,542	\$ 13,047,781

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, 2023

Fund balances--total governmental funds \$ 11,638,321

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not current financial resources. Therefore, they were not reported in Governmental Funds Balance Sheet.

Capital assets	42,908,591	
Less accumulated depreciation	<u>(11,523,963)</u>	31,384,628

Some receivables are not available to pay for current period expenditures and, therefore, are unavailable in the funds.

Accounts receivable		13,644
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Net pension assets held in trust for future benefits are not available for operations and, therefore, are not reported in the funds.

366,008

Deferred outflows and inflows of resources related to pensions/OPEB are applicable to future reporting periods

Pension related deferred outflows	1,652,056	
Pension related deferred inflows	<u>(747,917)</u>	904,139

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.

Compensated absences	(543,295)	
Net pension liability/OPEB	(4,818,124)	
Revenue bonds payable	(14,263,329)	
Financed purchases	(56,832)	
Leases payable	(875,939)	
Interest payable	<u>(204,525)</u>	<u>(20,762,044)</u>

Net position of governmental activities		<u>\$ 23,544,696</u>
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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, 2023

	General Fund	ARPA Fund	Non-Major Governmental Funds	Total Governmental Funds
Revenue				
Taxes	\$ 7,914,364	\$ -	\$ -	\$ 7,914,364
Intergovernmental	5,282,025	1,868,118	2,538,194	9,688,337
Licenses and permits	387,656	-	-	387,656
Fines and forfeitures	119,691	-	18,324	138,015
Other revenue	103,168	-	103,591	206,759
Charges for services	375,532	-	4,450	379,982
Contributions	-	-	99,044	99,044
Investment income	212,388	-	75,974	288,362
Total revenue	<u>14,394,824</u>	<u>1,868,118</u>	<u>2,839,577</u>	<u>19,102,519</u>
Expenditures				
Current				
General government	3,793,069	2,519	48,079	3,843,667
Public safety	3,810,491	45	62,399	3,872,935
Public works and streets	1,403,975	-	687,256	2,091,231
Health and welfare	60,000	-	118,377	178,377
Culture and recreation	1,408,657	3,646	255,895	1,668,198
Community development	866,903	-	10,231	877,134
Capital outlay	129,294	450,227	2,972,734	3,552,255
Debt service				
Principal	3,496	-	1,037,439	1,040,935
Interest	584	-	514,056	514,640
Total expenditures	<u>11,476,469</u>	<u>456,437</u>	<u>5,706,466</u>	<u>17,639,372</u>
Excess (deficiency) of revenue over (under) expenditures	<u>2,918,355</u>	<u>1,411,681</u>	<u>(2,866,889)</u>	<u>1,463,147</u>
Other financing sources				
Lease acquisition	-	-	355,192	355,192
Transfers in (out)	(1,545,518)	(312,201)	1,688,295	(169,424)
Total other financing sources	<u>(1,545,518)</u>	<u>(312,201)</u>	<u>2,043,487</u>	<u>185,768</u>
Net change in fund balances	1,372,837	1,099,480	(823,402)	1,648,915
Fund balances, July 1, 2022	4,650,486	1,154,836	4,184,084	9,989,406
Fund balances, June 30, 2023	<u>\$ 6,023,323</u>	<u>\$ 2,254,316</u>	<u>\$ 3,360,682</u>	<u>\$ 11,638,321</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, 2023

Net change in fund balances--total governmental funds \$ 1,648,915

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, the cost of those assets are allocated over their estimated useful lives as depreciation expense.

Capital outlay	3,554,515	
Depreciation expense	<u>(1,444,101)</u>	2,110,414

In the statement of activities, only the gain/loss on the sale of capital assets is reported, whereas in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the book value of the capital assets sold. (4,223)

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	(355,192)	
Bond premium	7,288	
Principal payments and amortized premiums on debt	<u>1,040,935</u>	693,031

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. 1,825

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	(4,326)	
Pension/OPEB related items	<u>(84,539)</u>	(88,865)

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. (247,298)

Change in net position of governmental activities \$ 4,113,799

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

TOWN OF CAMP VERDE, ARIZONA
Statement of Net Position
Proprietary Funds
June 30, 2023

	Business-type Activities -- Enterprise Funds		
	Water Fund	Wastewater Fund	Total
ASSETS			
Current assets			
Cash and cash equivalents	\$ 311,174	\$ 989,805	\$ 1,300,979
Accounts receivable - net	95,893	329,196	425,089
Due from other governments	-	922	922
Inventory	72,980	-	72,980
Total current assets	<u>480,047</u>	<u>1,319,923</u>	<u>1,799,970</u>
Noncurrent assets			
Restricted cash	89,484	134,243	223,727
Net other postemployment benefits asset	-	22,407	22,407
Capital assets, not being depreciated	176,762	4,663,921	4,840,683
Capital assets, being depreciated, net	9,764,738	14,256,965	24,021,703
Total noncurrent assets	<u>10,030,984</u>	<u>19,077,536</u>	<u>29,108,520</u>
Total assets	<u>10,511,031</u>	<u>20,397,459</u>	<u>30,908,490</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions and other postemployment benefits	<u>24,594</u>	<u>109,801</u>	<u>134,395</u>
LIABILITIES			
Current liabilities			
Accounts payable	62,997	192,702	255,699
Accrued interest	55,884	22,417	78,301
Refundable deposits	33,783	-	33,783
Compensated absences, current	23,997	57,741	81,738
Lease payable - current	4,487	4,487	8,974
Notes payable, current	313,297	88,161	401,458
Total current liabilities	<u>494,445</u>	<u>365,508</u>	<u>859,953</u>
Noncurrent liabilities			
Compensated absences	383	921	1,304
Contractor reimburseables	257,505	-	257,505
Lease payable	16,618	16,618	33,236
Notes payable	8,653,023	2,530,354	11,183,377
Net pension and other postemployment liability	-	641,507	641,507
Total noncurrent liabilities	<u>8,927,529</u>	<u>3,189,400</u>	<u>12,116,929</u>
Total liabilities	<u>9,421,974</u>	<u>3,554,908</u>	<u>12,976,882</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions and other postemployment benefits	<u>-</u>	<u>31,270</u>	<u>31,270</u>
NET POSITION			
Net investment in capital assets	696,570	16,297,884	16,994,454
Restricted - postemployment benefits	-	22,407	22,407
Unrestricted (deficit)	417,081	600,791	1,017,872
Total net position	<u>\$ 1,113,651</u>	<u>\$ 16,921,082</u>	<u>\$ 18,034,733</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, 2023

	Business-type Activities -- Enterprise Funds		
	Water Fund	Wastewater Fund	Total
Operating revenues			
Charges for services (net of bad debts of \$0)	\$ 1,635,209	\$ 1,999,027	\$ 3,634,236
Miscellaneous	25,641	117	25,758
Total operating revenues	<u>1,660,850</u>	<u>1,999,144</u>	<u>3,659,994</u>
Operating expenses			
Depreciation and amortization	260,203	933,624	1,193,827
Personnel	431,915	762,106	1,194,021
Repairs and maintenance	86,590	358,594	445,184
Other	29,073	56,193	85,266
Materials and supplies	153,213	205,509	358,722
Utilities	89,871	144,394	234,265
Professional services	27,208	50,872	78,080
Insurance	6,947	34,791	41,738
Total operating expenses	<u>1,085,020</u>	<u>2,546,083</u>	<u>3,631,103</u>
Operating income (loss)	<u>575,830</u>	<u>(546,939)</u>	<u>28,891</u>
Nonoperating revenues (expenses)			
Interest income	-	1,477	1,477
Interest expense	(137,063)	(43,949)	(181,012)
Total nonoperating revenue (expenses)	<u>(137,063)</u>	<u>(42,472)</u>	<u>(179,535)</u>
Income (loss) before contributions	438,767	(589,411)	(150,644)
Transfers	(64,169)	233,594	169,425
Increase (decrease) in net position	374,598	(355,817)	18,781
Total net position, beginning of year	<u>739,053</u>	<u>17,276,899</u>	<u>18,015,952</u>
Total net position, end of year	<u>\$ 1,113,651</u>	<u>\$ 16,921,082</u>	<u>\$ 18,034,733</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, 2023

	Business-type Activities -- Enterprise Funds		
	Water Fund	Wastewater Fund	Total
Cash flows from operating activities:			
Receipts from customers	\$ 1,726,617	\$ 1,973,659	\$ 3,700,276
Payments to suppliers and providers of goods and services	(400,178)	(857,597)	(1,257,775)
Payments to employees	(410,956)	(756,872)	(1,167,828)
Net cash provided (used) by operating activities	<u>915,483</u>	<u>359,190</u>	<u>1,274,673</u>
Cash flows from noncapital financing activities:			
Interfund transfers	(64,169)	233,594	169,425
Interfund borrowing	(4,822)	4,822	-
Net cash provided (used) by noncapital financing activities	<u>(68,991)</u>	<u>238,416</u>	<u>169,425</u>
Cash flows from capital and related financing activities:			
Proceeds from note payable	-	499,532	499,532
Principal payments on notes payable	(308,680)	(85,298)	(393,978)
Purchase of capital assets	(41,450)	(999,080)	(1,040,530)
Principal payments on leases payable	(2,000)	(2,000)	(4,000)
Interest paid	(93,704)	(35,650)	(129,354)
Net cash provided (used) by capital and related financing activities	<u>(445,834)</u>	<u>(622,496)</u>	<u>(1,068,330)</u>
Cash flows from investing activities:			
Interest received	-	1,477	1,477
Net increase (decrease) in cash and cash equivalents	400,658	(23,413)	377,245
Cash and cash equivalents, beginning of year	-	1,147,461	1,147,461
Cash and cash equivalents, end of year	<u>\$ 400,658</u>	<u>\$ 1,124,048</u>	<u>\$ 1,524,706</u>
Cash and cash equivalents	\$ 311,174	\$ 989,805	\$ 1,300,979
Cash and cash equivalents, restricted	89,484	134,243	223,727
Cash and cash equivalents, end of year	<u>\$ 400,658</u>	<u>\$ 1,124,048</u>	<u>\$ 1,524,706</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, 2023
(Continued)

	Business-type Activities -- Enterprise Funds		
	Water Fund	Wastewater Fund	Total
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ 575,830	\$ (546,939)	\$ 28,891
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation and amortization	260,203	933,624	1,193,827
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources:			
Accounts receivable	52,474	(25,485)	26,989
Inventory	18,633	-	18,633
Net other postemployment benefits asset	-	(4,048)	(4,048)
Deferred outflows of resources related to pensions and other postemployment benefits	(24,594)	25,935	1,341
Accounts payable	(852)	(45,977)	(46,829)
Refundable deposits	13,293	-	13,293
Compensated absences	20,959	5,234	26,193
Contractor reimbursables	(463)	-	(463)
Net pension and other postemployment liability	-	157,807	157,807
Deferred inflows of resources related to pensions and other postemployment benefits	-	(140,961)	(140,961)
Net cash provided (used) by operating activities	\$ 915,483	\$ 359,190	\$ 1,274,673

Noncash capital financing activities

Noncash capital financing activities include the purchase of a vehicle through a lease purchase for \$23,105 in the Water Fund and \$23,105 in the Waste Water Fund. Other noncash financing activities include the accrual of interest payable totaling \$43,495 for Water Fund and \$911 for the Waste Water 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, 2023

	Custodial
	Other
ASSETS	
Cash and cash equivalents	\$ 493,480
Property tax receivable	49,029
Total assets	542,509
 LIABILITIES	
	-
 NET POSITION	
Restricted for:	
Individual, organizations, and other governments	542,509
Total net position	\$ 542,509

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, 2023

	Custodial
	Other
<u>Additions:</u>	
Property tax collections from other governments	\$ 927,829
Contributions from other governments	118,378
Contributions from employees	2,643
Interest income	18,991
Total additions	1,067,841
<u>Deductions:</u>	
Distributions for district debt service	1,012,097
Change in net position	55,744
Net position, July 1, 2022	486,765
Net position, June 30, 2023	\$ 542,509

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

TOWN OF CAMP VERDE, ARIZONA
Notes to Financial Statements
June 30, 2023

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.

A. Reporting Entity

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

B. Basis of Presentation

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

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

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

TOWN OF CAMP VERDE, ARIZONA
Notes to Financial Statements
June 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Generally, the effect of interfund activity has been eliminated from the government-wide financial statements to minimize the double counting of internal activities. Charges for interfund services provided and used are not eliminated if the prices approximate their external exchange values.

Fund financial statements—provide information about the Town’s funds. Separate statements are presented for the governmental and proprietary fund categories. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

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

The Town reports the following major governmental funds:

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

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 funds:

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, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

C. Basis of Accounting

The government-wide, proprietary, and fiduciary fund financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. 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, 2023

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, 2023 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, 2023

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, 2023

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. Deferred Outflows/Inflows of Resources

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

TOWN OF CAMP VERDE, ARIZONA
Notes to Financial Statements
June 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

N. 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.

O. 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, 2023, if any.

P. 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, 2023

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, 2023

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, 2023, the carrying amount of the Town’s total cash in bank was \$5,317,851, and the bank balance was \$5,435,795. Of the bank balance, \$726,843 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 Water and Wastewater Fund consisted of debt service reserves totaling \$89,484 and \$134,245 respectively.

Investments — At June 30, 2023, 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>\$ 5,173,930</u>	<u>\$ 5,173,930</u>

Deposits and investments at June 30, 2023 consist of the following:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Deposits			
Cash on hand	\$ 1,759	\$ 350	\$ 2,109
Cash held by trustee	2,898,753	-	2,898,753
Amount of deposits	3,793,495	1,524,356	5,317,851
Investments			
State treasurer's investment pool 5	5,173,930	-	5,173,930
Total	<u>\$ 11,867,937</u>	<u>\$ 1,524,706</u>	<u>\$ 13,392,643</u>

TOWN OF CAMP VERDE, ARIZONA
Notes to Financial Statements
June 30, 2023

NOTE 3 – DUE FROM OTHER GOVERNMENTS

Amounts due from other governments at June 30, 2023 consisted of the following:

	General Fund	Non-Major Governmental Funds	Wastewater Fund
	<u> </u>	<u> </u>	<u> </u>
State of Arizona			
State and city sales tax revenues	\$ 358,606	\$ -	\$ -
Vehicle licensing tax revenues	43,450	-	-
AZ Department of Housing	-	6,396	-
AZ State Parks and Trails	-	13,644	-
Highway user revenues	-	125,874	-
Arizona State Library, Archives	-	1,235	-
Yavapai County Flood Control District	-	275,000	-
Federal Communications Commission	-	20,642	-
Miscellaneous	-	1,639	922
	<u>\$ 402,056</u>	<u>\$ 444,430</u>	<u>\$ 922</u>

NOTE 4 – ACCOUNTS RECEIVABLE

In connection with receivables, governmental funds reported unavailable revenue for amounts not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. As of June 30, 2023, the Town’s receivables for individual major governmental funds and non-major governmental funds in the aggregate, consisted of \$188,812 in various miscellaneous receivables. The Town considers these accounts to be 100% collectible.

As of June 30, 2023, the Town’s receivables for individual major proprietary funds consisted of wastewater fees billed to customers totaling \$329,196 and water fees billed to customers totaling \$95,893. 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, 2023

NOTE 5 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2023, was as follows:

	Balance July 1, 2022	Increase	Decreases/ Reclassifications	Balance June 30, 2023
Governmental activities:				
Capital assets not being depreciated/amortized:				
Land	\$ 5,974,797	\$ 55,575	\$ -	\$ 6,030,372
Construction in progress	8,168,773	948,128	-	9,116,901
Total capital assets not being depreciated	<u>14,143,570</u>	<u>1,003,703</u>	<u>-</u>	<u>15,147,273</u>
Capital assets being depreciated/amortized:				
Buildings and improvements	9,313,449	60,168	15,376	9,388,993
Infrastructure	7,851,018	289,961	-	8,140,979
Machinery and equipment	5,215,787	1,790,079	(36,315)	6,969,551
Improvements other than buildings	1,631,565	-	(15,124)	1,616,441
Intangibles:				
Right-to-use lease assets				
Machinery and equipment	1,234,750	410,604	-	1,645,354
Total	<u>25,246,569</u>	<u>2,550,812</u>	<u>(36,063)</u>	<u>27,761,318</u>
Less accumulated depreciation/amortization for:				
Buildings and improvements	(2,492,343)	(288,866)	-	(2,781,209)
Infrastructure	(2,937,030)	(395,311)	-	(3,332,341)
Machinery and equipment	(3,588,958)	(390,462)	20,939	(3,958,481)
Improvements other than buildings	(660,414)	(40,068)	10,902	(689,580)
Intangibles:				
Right-to-use lease assets				
Machinery and equipment	(432,958)	(329,394)	-	(762,352)
Total	<u>(10,111,703)</u>	<u>(1,444,101)</u>	<u>31,841</u>	<u>(11,523,963)</u>
Total capital assets being depreciated, net	<u>15,134,866</u>	<u>1,106,711</u>	<u>(4,222)</u>	<u>16,237,355</u>
Governmental activities capital assets, net	<u>\$ 29,278,436</u>	<u>\$ 2,110,414</u>	<u>\$ (4,222)</u>	<u>\$ 31,384,628</u>

TOWN OF CAMP VERDE, ARIZONA
Notes to Financial Statements
June 30, 2023

NOTE 5 – CAPITAL ASSETS – Continued

	Balance July 1, 2022	Increase	Decreases/ Reclassifications	Balance June 30, 2023
Business-type activities:				
Capital assets not being depreciated/amortized:				
Land	\$ 1,416,640	\$ -	\$ -	\$ 1,416,640
Construction in progress	2,886,933	582,835	(45,725)	3,424,043
Total capital assets not being depreciated	4,303,573	582,835	(45,725)	4,840,683
Capital assets being depreciated/amortized:				
Buildings and improvements	946,441	-	-	946,441
Sewer infrastructure systems	23,457,649	198,711	-	23,656,360
Water infrastructure systems	9,951,223	5,110	-	9,956,333
Vehicles and equipment	1,819,229	298,819	-	2,118,048
Intangibles:				
Right-to-use lease assets				
Vehicles and equipment	-	46,990	-	46,990
Total	36,174,542	549,630	-	36,724,172
Less accumulated depreciation/amortization for:				
Buildings and improvements	(264,238)	(35,976)	-	(300,214)
Sewer infrastructure systems	(10,073,913)	(726,430)	-	(10,800,343)
Water infrastructure systems	(20,732)	(248,781)	-	(269,513)
Vehicles and equipment	(1,149,759)	(178,724)	-	(1,328,483)
Intangibles:				
Right-to-use lease assets				
Vehicles and equipment	-	(3,916)	-	(3,916)
Total	(11,508,642)	(1,193,827)	-	(12,702,469)
Total capital assets being depreciated/amortized	24,665,900	(644,197)	-	24,021,703
Business-type activities capital assets, net	\$ 28,969,473	\$ (61,362)	\$ (45,725)	\$ 28,862,386

Depreciation/amortization expense was charged to each function as follows:

Governmental activities:	
Public works and streets	\$ 568,695
Public safety	407,141
Culture and recreation	403,445
General government	52,909
Community development	11,911
Total governmental activities depreciation/amortization expense	\$ 1,444,101
Business-type activities:	
Water fund	\$ 260,203
Wastewater fund	933,624
Total business-type activities depreciation/amortization expense	\$ 1,193,827

TOWN OF CAMP VERDE, ARIZONA
Notes to Financial Statements
June 30, 2023

NOTE 6 – LONG-TERM LIABILITIES

The following schedule details the Town’s long-term liability and obligation activity for the year ended June 30, 2023.

	Balance July 1, 2022	Additions	Reductions	Balance June 30, 2023	Due within 1 year
Governmental activities:					
Compensated absences	\$ 538,969	\$ 661,578	\$ 657,252	\$ 543,295	\$ 534,765
Finance purchases	164,240	-	107,408	56,832	56,630
Leases payable	724,473	355,442	203,976	875,939	289,457
Net pension and other postemployment benefits liability	5,804,793	-	986,669	4,818,124	-
Bonds payable:					
Revenue bonds	14,831,000		728,000	14,103,000	777,000
Unamortized premium	167,617	-	7,288	160,329	7,288
Governmental activities long-term liabilities	<u>\$22,231,092</u>	<u>\$ 1,017,020</u>	<u>\$2,690,593</u>	<u>\$20,557,519</u>	<u>\$ 1,665,140</u>
Business-type activities:					
Compensated absences	\$ 56,848	\$ 97,800	\$ 71,606	\$ 83,042	\$ 81,738
Leases payable	-	46,210	4,000	42,210	8,974
Contractor reimburseable	257,968	-	463	257,505	-
Loans payable from direct borrowings and direct placements	11,479,281	499,532	393,978	11,584,835	401,458
Net pension and other postemployment benefits liability	483,700	157,807	-	641,507	-
Business-type activities long-term liabilities	<u>\$12,277,797</u>	<u>\$ 801,349</u>	<u>\$ 470,047</u>	<u>\$12,609,099</u>	<u>\$ 492,170</u>

Long-term compensated absences, other postemployment benefits, and the net pension liability of governmental activities are expected to be liquidated by the operating funds (primarily the General Fund) as they become due.

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

TOWN OF CAMP VERDE, ARIZONA
Notes to Financial Statements
June 30, 2023

NOTE 6 – LONG-TERM LIABILITIES – Continued

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 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, 2023
Revenue Refunding Bonds, Series 2014	\$ 4,904,000	2016-2031	2.84%	\$ 2,371,000
Revenue Bonds, Series 2017	6,835,000	2019-2045	2.00% - 4.00%	6,010,000
Revenue Refunding Bonds, Series 2020	2,897,000	2021-2036	2.96%	2,862,000
Revenue Bonds, Series 2022	<u>3,015,000</u>	2023-2036	2.77%	<u>2,860,000</u>
Totals	<u>\$17,651,000</u>			<u>\$14,103,000</u>

The following schedule details debt service requirements to maturity for the Town’s bonds payable at June 30, 2023.

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
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	259,000	27,051	210,000	170,100	201,000	69,160	205,000	55,054
2029-2033	823,000	35,486	1,200,000	713,500	1,241,000	247,648	1,130,000	184,483
2034-2038	-	-	1,430,000	484,950	995,000	44,711	755,000	31,786
2039-2043	-	-	1,660,000	248,906	-	-	-	-
2044-2047	-	-	740,000	23,281	-	-	-	-
Total	<u>\$ 2,371,000</u>	<u>\$ 250,503</u>	<u>\$ 6,010,000</u>	<u>\$ 2,401,137</u>	<u>\$ 2,862,000</u>	<u>\$ 685,475</u>	<u>\$ 2,860,000</u>	<u>\$ 546,246</u>

TOWN OF CAMP VERDE, ARIZONA
Notes to Financial Statements
June 30, 2023

NOTE 6 – LONG-TERM LIABILITIES – Continued

Loans 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, 2023, 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, 2025. As of June 30, 2023, the Town had \$258,801 available to draw down. Proceeds were used for wastewater improvement projects. The Town has pledged future utility revenues to repay the loan.</p>	-	941,199
<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>	8,966,320	-
	\$ 8,966,320	\$ 2,618,515

The following schedule details debt service requirements to maturity for the Town’s loan payable from direct borrowings and direct placements at June 30, 2023.

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
2024	\$ 1,000	\$ 8,810	\$ 87,161	\$ 35,664	\$ 313,297	\$ 131,779
2025	1,000	9,397	89,063	33,741	317,984	127,057
2026	939,199	4,696	91,008	31,776	322,740	122,265
2027	-	-	92,994	29,767	327,568	117,401
2028	-	-	95,024	27,715	332,468	112,465
2029-2033	-	-	507,157	106,189	1,738,443	485,652
2034-2038	-	-	564,984	47,758	1,872,412	350,680
2039-2043	-	-	149,925	2,279	2,016,706	205,306
2044-2047	-	-	-	-	1,724,702	52,076
Total	\$ 941,199	\$ 22,903	\$ 1,677,316	\$ 314,889	\$ 8,966,320	1,704,681

TOWN OF CAMP VERDE, ARIZONA
Notes to Financial Statements
June 30, 2023

NOTE 6 – LONG-TERM LIABILITIES – Continued

FINANCE 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 finance purchases at June 30, 2023:

Year Ending June 30	Finance Purchases		
	Governmental Activities		
	Principal	Interest	Total
2024	\$ 56,630	\$ 991	\$ 57,621
2025	202	-	202
Total	<u>\$ 56,832</u>	<u>\$ 991</u>	<u>\$ 57,823</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	Business-type Activities
Vehicles and equipment	\$ 1,645,354	\$ 46,210
Less: accumulated amortization	<u>(762,352)</u>	<u>(3,916)</u>
Carrying value	<u>\$ 883,002</u>	<u>\$ 42,294</u>

The following schedule details debt service requirements to maturity for the Town's leases payable at June 30, 2023:

Year Ending June 30	Leases Payable					
	Governmental Activities			Business-type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2024	\$ 289,457	\$ 56,902	\$ 346,359	\$ 8,974	\$ 713	\$ 9,687
2025	196,876	34,132	231,008	9,144	544	9,688
2026	173,743	21,423	195,166	9,317	371	9,688
2027	146,596	9,753	156,349	9,493	195	9,688
2028	69,267	2,655	71,922	5,282	31	5,313
Total	<u>\$ 875,939</u>	<u>\$ 124,865</u>	<u>\$ 1,000,804</u>	<u>\$ 42,210</u>	<u>\$ 1,854</u>	<u>\$ 44,064</u>

TOWN OF CAMP VERDE, ARIZONA
Notes to Financial Statements
June 30, 2023

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, 2023 totaled \$257,505.

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 \$118,378. Total sales tax and state-shared revenues recognized by the Town totaled \$13.0 million.

NOTE 8 – INTERFUND BALANCES AND ACTIVITY

Interfund transfers – During the year ended June 30, 2023, 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	\$ -	\$ -	\$ -	\$ 1,438,357	\$ 250,000	\$ -	\$ 1,688,357
ARPA Fund	-	-	-	-	-	312,201	312,201
HURF Fund (non-major)	-	-	-	231,515	-	-	231,515
Federal Grants Fund (non-major)	63	-	388,952	-	-	-	389,015
Water Fund	64,169	-	-	-	-	-	64,169
Wasterwater Fund	78,607	-	-	-	-	-	78,607
Total	\$ 142,839	\$ -	\$ 388,952	\$ 1,669,872	\$ 250,000	\$ 312,201	\$ 2,763,864

TOWN OF CAMP VERDE, ARIZONA
Notes to Financial Statements
June 30, 2023

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:	
Postemployment benefits	\$ 366,008
Parks	602,006
Highway User Revenues	1,192,451
Public safety retirement	429,872
Housing redevelopment	123,563
Court Special Revenue:	
Court Enhancement	97,885
Fill the Gap	24,380
Local JCEF	23,182
Nonfederal grants	
AZ Supreme Court Grants	4,549
Park facilities maintenance	4,089
AZ Public Services	10,000
AZ Community Foundation	2,827
Spay/Neuter	18
Federal grants	
RDBG grant	10,000
ALA Library Grant	1,903
LSTA	1,235
9-1-1	1,361
Donations:	
Camp Verde Marshal's Office	6,286
Library	22,292
Parks and Recreation	10,720
Safety fund	20,815
Economic development	18,529
Total Restricted Net Position	\$ 2,973,971
	Business-type Activities
Restricted Net Position:	
Postemployment benefits	\$ 22,407

TOWN OF CAMP VERDE, ARIZONA
Notes to Financial Statements
June 30, 2023

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
Ending Fund balances, June 30, 2023				
Restricted for:				
Park improvements	\$ -	\$ -	\$ 602,006	\$ 602,006
Highways and streets	-	-	1,192,451	1,192,451
Public safety retirement	429,872	-	-	429,872
Housing redevelopment	-	-	123,563	123,563
Court special revenue				
Court enhancement	-	-	97,885	97,885
Fill the gap	-	-	24,380	24,380
Local JCEF	-	-	23,182	23,182
Nonfederal grants				
AZ Supreme Court Grants	-	-	4,549	4,549
Parks facilities maintenance	-	-	4,089	4,089
AZ Public Service	-	-	10,000	10,000
AZ Community Foundation	-	-	2,827	2,827
Spay/Neuter	-	-	18	18
Federal grants				
RDBG Grant	-	-	10,000	10,000
ALA Library Grant	-	-	1,903	1,903
LSTA	-	-	1,235	1,235
9-1-1	-	-	1,361	1,361
Donations				
Camp Verde Marshal's office	-	-	6,286	6,286
Library	-	-	22,292	22,292
Parks and recreation	-	-	10,720	10,720
Safety fund	-	-	20,815	20,815
Economic development	-	-	18,529	18,529
Total restricted	<u>429,872</u>	<u>-</u>	<u>2,178,091</u>	<u>2,607,963</u>
Committed for:				
Legal defense	<u>-</u>	<u>-</u>	<u>367,189</u>	<u>367,189</u>
Assigned for:				
Capital improvements	<u>-</u>	<u>2,254,316</u>	<u>829,046</u>	<u>3,083,362</u>
Unassigned:	<u>5,593,451</u>	<u>-</u>	<u>(13,644)</u>	<u>5,579,807</u>
Ending Fund Balances	<u>\$ 6,023,323</u>	<u>\$ 2,254,316</u>	<u>\$ 3,360,682</u>	<u>\$ 11,638,321</u>

TOWN OF CAMP VERDE, ARIZONA
Notes to Financial Statements
June 30, 2023

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, 2023, the Town reported the following aggregate amounts related to pensions and other postemployment benefits (OPEB) for all plans to which it contributes:

	Statement of Net Position and Statement of Activities		
	Governmental Activities	Business-Type Activities	Total
Net pension and OPEB assets	\$ 366,008	\$ 22,407	\$ 388,415
Net pension and OPEB liabilities	4,818,124	641,507	5,459,631
Deferred outflows of resources related to pension and OPEB	1,652,056	134,395	1,786,451
Deferred inflows of resources related to pension and OPEB	747,917	31,270	779,187
Pension expense and OPEB	716,626	82,051	798,677

The Town reported \$640,593 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, 2023

NOTE 12 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS – Continued

A. Arizona State Retirement System

Plan Description – Town employees not covered by the other pension plans described below participate in the Arizona State Retirement System (ASRS). The ASRS administers a cost-sharing multiple-employer defined benefit pension plan, a cost-sharing multiple-employer defined benefit health insurance premium benefit (OPEB) plan, and a cost-sharing multiple-employer defined benefit long-term disability (OPEB) plan. The Arizona State Retirement System Board governs the ASRS according to the provisions of A.R.S. Title 38, Chapter 5, Articles 2 and 2.1. The ASRS issues a publicly available financial report that includes its financial statements and required supplementary information. The report is available on its website at www.azasrs.gov.

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

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

*With actuarially reduced benefits.

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

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

TOWN OF CAMP VERDE, ARIZONA
Notes to Financial Statements
June 30, 2023

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, 2023, statute required active ASRS members to contribute at the actuarially determined rate of 12.17 percent (12.03 percent for retirement and 0.14 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 12.17 percent (11.92 percent for retirement, 0.11 percent for health insurance premium benefit, and 0.14 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 9.68 percent (9.62 percent for retirement, 0.06 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, 2023, were \$566,029, \$5,223, and \$6,648, respectively.

During fiscal year 2023, the Town paid for ASRS pension and OPEB contributions as follows: 77.1 percent from the General Fund, 6.3 percent from the HURF Fund (nonmajor), 4.8 percent from the Water Fund and 11.8 percent from the Wastewater Fund.

Liability – At June 30, 2023, the Town reported the following asset and liabilities for its proportionate share of the ASRS’ net pension/OPEB asset or liability.

	Pension/OPEB (Asset) Liability
Pension	\$ 5,456,518
Health insurance premium benefit	(190,702)
Long-term disability	3,113

The net asset and net liabilities were measured as of June 30, 2022. 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, 2021, to the measurement date of June 30, 2022.

TOWN OF CAMP VERDE, ARIZONA
Notes to Financial Statements
June 30, 2023

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, 2022. The Town’s proportions measured as of June 30, 2022, and the change from its proportions measured as of June 30, 2021, were:

	Proportion June 30, 2022	Increase (decrease) from June 30, 2021
Pension	0.03343%	0.00215%
Health insurance premium benefit	0.03417%	0.00210%
Long-term disability	0.03371%	0.00202%

Expense – For the year ended June 30, 2023, the Town recognized the following pension and OPEB expense.

	Pension/OPEB Expense
Pension	725,616
Health insurance premium benefit	(28,567)
Long-term disability	1,260

TOWN OF CAMP VERDE, ARIZONA
Notes to Financial Statements
June 30, 2023

NOTE 12 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS – Continued

Deferred Outflows/Inflows of Resources—At June 30, 2023, the deferred outflows of resources and deferred inflows of resources related to pensions and OPEB from the following sources were:

	<u>Pension</u>		<u>Health Insurance Premium</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	\$ 46,493	\$ -	\$ -	\$ 97,324
Changes of assumptions or other inputs	270,818	-	3,095	5,201
Net difference between projected and actual earnings on pension plan	-	143,730	-	6,424
Changes in proportion and differences between Town contributions and proportionate share of contributions	240,787	-	33	2,604
Town contributions subsequent to the measurement date	566,029	-	5,223	-
Total	<u>\$ 1,124,127</u>	<u>\$ 143,730</u>	<u>\$ 8,351</u>	<u>\$ 111,553</u>

	<u>Long-Term Disability</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 1,621	\$ 2,901
Changes of assumptions or other inputs	1,696	7,599
Net difference between projected and actual earnings on pension plan	-	97
Changes in proportion and differences between Town contributions and proportionate share of contributions	1,346	250
Town contributions subsequent to the measurement date	6,648	-
Total	<u>\$ 11,311</u>	<u>\$ 10,847</u>

The amounts reported as deferred outflows of resources related to ASRS pensions and OPEB resulting from Town contributions subsequent to the measurement date will be recognized as an increase of the net asset or a reduction of the net liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and OPEB will be recognized as expenses as follows:

Year ended June 30,	<u>Pension</u>	<u>Health Insurance Premium Benefit</u>	<u>Long-Term Disability</u>
2024	\$ 396,736	\$ (29,709)	\$ (466)
2025	37,134	(32,272)	(640)
2026	(249,549)	(35,336)	(1,369)
2027	230,045	(5,770)	(92)
2028	-	(5,338)	(1,399)
Thereafter	-	-	(2,218)

TOWN OF CAMP VERDE, ARIZONA
Notes to Financial Statements
June 30, 2023

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, 2021
Actuarial roll forward date	June 30, 2022
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, 2021 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%	3.90%
Fixed income - credit	20%	5.30%
Fixed income - interest rate sensitive	10%	-0.20%
Real estate	20%	6.00%
Total	<u>100%</u>	

Discount Rate – At June 30, 2022, the discount rate used to measure the ASRS total pension/OPEB liability was 7.0 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the ASRS Board’s funding policy, which establishes the contractually required rate under Arizona statute. Based on those assumptions, the 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, 2023

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:

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
Town's Proportionate share of the			
Net pension liability	\$ 8,050,931	\$ 5,456,518	\$ 3,293,184
Net insurance premium benefit liability (asset)	(137,125)	(190,702)	(236,161)
Net long-term disability liability	5,161	3,113	1,129

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.

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, 2023

NOTE 12 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS – Continued

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

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

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

TOWN OF CAMP VERDE, ARIZONA
Notes to Financial Statements
June 30, 2023

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, 2023, the following employees were covered by the agent plans’ benefit terms:

	PSPRS Police	
	Pension	Health
Inactive employees or beneficiaries currently receiving benefits	9	9
Inactive employees entitled to but not yet receiving benefits	9	0
Active employees	7	7
Total	25	16

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, 2023, are indicated below. Rates are a percentage of active members’ annual covered payroll.

	Active Member- Pension	Town-Pension	Town-Health Insurance Premium Benefit
PSPRS Police	7.65% - 11.30%	11.30%	0.22%
PSPRS Tier 3 Risk Pool	9.94%	10.86%	0.00%

The Town’s contributions to the plans for the year ended June 30, 2023, were:

	Pension	Health Insurance Premium Benefit
PSPRS Police	\$ 158,234	\$ 390

During fiscal year 2023, 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, 2023

NOTE 12 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS – Continued

Liability – At June 30, 2023, the Town reported the following asset and liability:

	Net Pension	Net OPEB
	(Asset) Liability	(Asset) Liability
PSPRS Police	\$ (122,967)	\$ (74,746)

The net assets and net liabilities were measured as of June 30, 2022, and the total liability used to calculate the net asset or liability was determined by an actuarial valuation as of that date. The total liabilities as of June 30, 2022, reflect changes of actuarial assumptions, including decreasing the investment rate of return from 7.3 percent to 7.2 percent, changing the wage inflation from 3.5 percent to a range of 3.0 – 6.25 percent, and increasing the cost-of-living adjustment from 1.75 percent to 1.85 percent.

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

Actuarial valuation date	June 30, 2022
Actuarial cost method	Entry age normal
Investment rate of return	7.20%
Wage inflation	3.0 - 6.25% for pensions/not applicable for OPEB
Price inflation	2.5% for pensions/not applicable for OPEB
Cost-of-living adjustment	1.85% for pensions/not applicable for OPEB
Mortality rates	PubS-2010 tables
Healthcare cost trend rate	Not applicable

Actuarial assumptions used in the June 30, 2022, valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2021.

The long-term expected rate of return on PSPRS plan investments was determined to be 7.2 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of plan investment expenses and inflation) are developed for each major asset class.

TOWN OF CAMP VERDE, ARIZONA
Notes to Financial Statements
June 30, 2023

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 Real Rate of Return</u>
U.S. public equity	24%	3.49%
International public equity	16%	4.47%
Global private equity	20%	7.18%
Other assets (capital appreciation)	7%	4.83%
Core bonds	2%	0.45%
Private credit	20%	5.10%
Diversifying strategies	10%	2.68%
Cash - Mellon	1%	-0.35%
Total	<u>100%</u>	

Discount Rates – At June 30, 2022, the discount rate used to measure the PSPRS total pension/OPEB liabilities was 7.2 percent which was a decrease of 0.1 from the discount rate used as of June 30, 2021. 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, 2023

NOTE 12 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS – Continued

Changes in the Net Pension/OPEB Liability (Asset)

	Pension		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at June 30, 2022	\$ 7,946,539	\$ 5,774,641	\$ 2,171,898
Changes for the year			
Service Cost	127,766	-	127,766
Interest on the total pension liability	576,373	-	576,373
Differences between expected and actual experience in the measurement of the pension liability	(314,246)	-	(314,246)
Changes of assumptions or other inputs	102,873	-	102,873
Contributions-employer	-	2,955,271	(2,955,271)
Contributions-employee	-	104,713	(104,713)
Net investment income	-	(267,565)	267,565
Benefit payments, including refunds of employee contributions	(357,572)	(357,572)	-
Administrative expense	-	(4,788)	4,788
Net changes	135,194	2,430,059	(2,294,865)
Balances at June 30, 2023	<u>\$ 8,081,733</u>	<u>\$ 8,204,700</u>	<u>\$ (122,967)</u>
	Health Insurance Premium Benefit		
	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (Asset) (a) - (b)
Balances at June 30, 2022	\$ 149,308	\$ 235,055	\$ (85,747)
Changes for the year			
Service Cost	3,543	-	3,543
Interest on the total pension liability	10,768	-	10,768
Changes of assumptions or other inputs	1,341	-	1,341
Differences between expected and actual experience in the measurement of the OPEB liability	(12,311)	-	(12,311)
Contributions-employer	-	1,507	(1,507)
Net investment income	-	(9,007)	9,007
Benefit payments, including refunds of employee contributions	(10,691)	(10,691)	-
Administrative expense	-	(160)	160
Net changes	(7,350)	(18,351)	11,001
Balances at June 30, 2023	<u>\$ 141,958</u>	<u>\$ 216,704</u>	<u>\$ (74,746)</u>

TOWN OF CAMP VERDE, ARIZONA
Notes to Financial Statements
June 30, 2023

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 7.2 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 (6.2 percent) or 1 percentage point higher (8.2 percent) than the current rate:

	<u>1% Decrease (6.2%)</u>	<u>Current Discount Rate (7.2%)</u>	<u>1% Increase (8.2%)</u>
PSPRS Police			
Net pension (asset) liability	\$ 895,938	\$ (122,967)	\$ (957,716)
Net OPEB (asset) liability	(59,660)	(74,746)	(87,472)

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, 2023, the Town recognized the following pension and OPEB expense:

	<u>Pension Expense</u>	<u>OPEB Expense (Income)</u>
PSPRS Police	\$ 118,266	\$ (17,898)

Deferred Outflows/Inflows of Resources – At June 30, 2023, 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	\$ 163,861	\$ 471,414	\$ 10,899	\$ 40,849
Changes of assumptions or other inputs	103,476	-	1,811	794
Net difference between projected and actual earnings on pension plan	200,596	-	3,395	-
Contributions subsequent to the measurement date	158,234	-	390	-
Total	<u>\$ 626,167</u>	<u>\$ 471,414</u>	<u>\$ 16,495</u>	<u>\$ 41,643</u>

TOWN OF CAMP VERDE, ARIZONA
Notes to Financial Statements
June 30, 2023

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, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and OPEB will be recognized as expenses as follows:

Year ended June 30,	PSPRS Police	
	Pension	Health
2024	\$ (17,693)	\$ (14,853)
2025	(117,295)	(9,339)
2026	(26,009)	(6,511)
2027	157,515	5,165
2028	-	-
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, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenue				
Taxes	\$ 7,999,510	\$ 7,999,510	\$ 7,914,364	\$ (85,146)
Intergovernmental	5,362,390	5,272,390	5,282,025	9,635
Fines and forfeitures	140,500	140,500	119,691	(20,809)
Licenses and permits	330,125	330,125	387,656	57,531
Charges for services	213,050	303,050	375,532	72,482
Investment income	2,500	2,500	212,388	209,888
Other revenue	60,410	60,410	103,168	42,758
Total revenue	<u>14,108,485</u>	<u>14,108,485</u>	<u>14,394,824</u>	<u>286,339</u>
Expenditures				
Marshal	3,914,845	3,914,845	3,808,255	106,590
Magistrate	447,600	447,600	408,691	38,909
Community development	956,416	956,416	868,545	87,871
Library	740,145	740,145	723,647	16,498
General government	3,605,478	3,564,443	3,529,625	34,818
Parks and recreation	712,145	712,145	685,009	27,136
Public works	1,551,360	1,592,395	1,452,697	139,698
Total expenditures	<u>11,927,989</u>	<u>11,927,989</u>	<u>11,476,469</u>	<u>451,520</u>
Excess (deficiency) of revenue over (under) expenditures	<u>2,180,496</u>	<u>2,180,496</u>	<u>2,918,355</u>	<u>737,859</u>
Other financing sources				
Transfers in (out)	<u>(2,369,105)</u>	<u>(2,369,105)</u>	<u>(1,545,518)</u>	<u>823,587</u>
Net change in fund balances	(188,609)	(188,609)	1,372,837	1,561,446
Fund balances, July 1, 2022	<u>4,650,486</u>	<u>4,650,486</u>	<u>4,650,486</u>	<u>-</u>
Fund balances, June 30, 2023	<u>\$ 4,461,877</u>	<u>\$ 4,461,877</u>	<u>\$ 6,023,323</u>	<u>\$ 1,561,446</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, 2023

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenue				
Intergovernmental	\$ 1,868,118	\$ 1,868,118	\$ 1,868,118	\$ -
Expenditures				
General government	2,519	2,519	2,519	-
Public safety	45	45	45	-
Culture and recreation	3,646	3,646	3,646	-
Capital outlay	1,551,617	1,551,617	450,227	1,101,390
Total expenditures	<u>1,557,827</u>	<u>1,557,827</u>	<u>456,437</u>	<u>1,101,390</u>
Excess (deficiency) of revenue over (under) expenditures	<u>310,291</u>	<u>310,291</u>	<u>1,411,681</u>	<u>1,101,390</u>
Other financing sources				
Transfers in (out)	<u>(1,781,710)</u>	<u>(1,781,710)</u>	<u>(312,201)</u>	<u>1,469,509</u>
Net change in fund balances	<u>(1,471,419)</u>	<u>(1,471,419)</u>	<u>1,099,480</u>	<u>2,570,899</u>
Fund balances, July 1, 2022	<u>1,154,836</u>	<u>1,154,836</u>	<u>1,154,836</u>	<u>-</u>
Fund balances, June 30, 2023	<u>\$ (316,583)</u>	<u>\$ (316,583)</u>	<u>\$ 2,254,316</u>	<u>\$ 2,570,899</u>

See accompanying notes to budgetary comparison schedule.

TOWN OF CAMP VERDE, ARIZONA
Required Supplementary Information
Notes to Budgetary Comparison Schedules
June 30, 2023

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, 2023

	ASRS - Pension									
	Reporting Fiscal Year (Measurement Date)									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
	(2022)	(2021)	(2020)	(2019)	(2018)	(2017)	(2016)	(2015)	(2014)	Through
										2013
Town's proportion of the net pension liability	0.033430%	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	\$ 5,456,518	\$ 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	\$ 3,978,756	\$ 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	137.14%	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	74.26%	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)

	ASRS-Health Insurance Premium Benefit						
	Reporting Fiscal Year (Measurement Date)						
	2023	2022	2021	2020	2019	2018	2017
	(2022)	(2021)	(2020)	(2019)	(2018)	(2017)	through
							2014
Town's proportion of the net OPEB (asset)	0.034170%	0.032070%	0.031490%	0.032210%	0.032500%	0.030640%	Information
Town's proportionate share of the net OPEB (asset)	\$ (190,702)	\$ (156,248)	\$ (22,295)	\$ (8,901)	\$ (11,703)	\$ (16,680)	not available
Town's covered payroll	\$ 3,978,756	\$ 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	-4.79%	-4.44%	-0.66%	-0.27%	-0.38%	-0.57%	
Plan fiduciary net position as a percentage of the total OPEB liability	137.79%	130.24%	104.33%	101.62%	102.20%	103.57%	

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

	ASRS-Long-Term Disability						
	Reporting Fiscal Year (Measurement Date)						
	2023	2022	2021	2020	2019	2018	2017
	(2022)	(2021)	(2020)	(2019)	(2018)	(2017)	through
							2014
Town's proportion of the net OPEB (asset)	0.033710%	0.031690%	0.031190%	0.031920%	0.031970%	0.030320%	Information
Town's proportionate share of the net OPEB (asset)	\$ 3,113	\$ 6,542	\$ 23,661	\$ 20,794	\$ 16,704	\$ 10,990	not available
Town's covered payroll	\$ 3,978,756	\$ 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	0.08%	0.19%	0.70%	0.63%	0.55%	0.37%	
Plan fiduciary net position as a percentage of the total OPEB liability	95.40%	90.38%	68.01%	72.85%	77.83%	84.44%	

See accompanying notes to pension/OPEB plan schedules.

TOWN OF CAMP VERDE, ARIZONA
Required Supplementary Information
Schedule of Changes in the Town's
Net Pension/OPEB Liability (Asset) and Related Ratios
Agent Pension Plans
June 30, 2023

PSPRS - Pension

	Reporting Fiscal Year (Measurement Date)									
	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)	2014 (2013)
Total pension liability										Information not available
Service cost	\$ 127,766	\$ 155,009	\$ 146,644	\$ 166,836	\$ 150,833	\$ 203,294	\$ 160,518	\$ 164,394	\$ 135,654	
Interest on the total pension liability	576,373	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	(314,246)	(523,832)	288,889	192,074	88,460	99,752	(51,869)	39,167	41,958	
Changes of assumptions or other inputs	102,873	-	-	174,465	-	160,550	212,804	-	443,060	
Benefit payments, including refunds of employee contributions	(357,572)	(351,765)	(373,429)	(343,890)	(344,531)	(322,536)	(347,173)	(264,036)	(264,648)	
Net change in total pension liability	135,194	(132,353)	604,788	691,053	362,701	624,344	626,440	316,574	743,212	
Total pension liability - beginning	7,946,539	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>\$ 8,081,733</u>	<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	\$ 2,955,271	\$ 380,135	\$ 387,583	\$ 336,486	\$ 440,207	\$ 251,099	\$ 267,840	\$ 225,914	\$ 170,919	
Contributions - employee	104,713	68,845	75,575	70,712	76,338	98,238	248,471	96,283	79,176	
Net investment income	(267,565)	1,244,955	55,105	219,811	262,053	392,528	18,359	110,474	357,316	
Benefit payments, including refunds of employee contributions	(357,572)	(351,765)	(373,429)	(343,890)	(344,531)	(322,536)	(347,173)	(264,036)	(264,648)	
Hall/Parker Settlement	-	-	-	-	(107,502)	-	-	-	-	
Administrative expense	(4,788)	(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	2,430,059	1,336,305	140,340	278,306	321,924	416,463	166,882	162,991	253,944	
Plan fiduciary net position - beginning	5,774,641	4,438,336	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>\$ 8,204,700</u>	<u>\$ 5,774,641</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>\$ (122,967)</u>	<u>\$ 2,171,898</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	101.52%	72.67%	54.94%	57.87%	59.70%	58.06%	57.13%	60.82%	61.43%	
Covered payroll	\$ 516,416	\$ 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	-23.81%	328.14%	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, 2023

PSPRS - Health Insurance Premium Benefit

	Reporting Fiscal Year (Measurement Date)						2017 through (2014)
	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	
Total OPEB liability							
Service cost	\$ 3,543	\$ 4,653	\$ 4,616	\$ 3,688	\$ 3,842	\$ 4,851	Information not available
Interest on the total OPEB liability	10,768	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	(12,311)	(24,929)	21,798	(25,518)	(27,735)	(20,723)	
Changes of assumptions or other inputs	1,341	-	-	2,418	-	(6,818)	
Benefit payments	(10,691)	(10,822)	(10,988)	(7,330)	(5,892)	(8,205)	
Net change in total OPEB liability	(7,350)	(18,876)	25,891	(15,094)	(16,959)	(11,441)	
Total OPEB liability - beginning	149,308	168,184	142,293	157,387	174,346	185,787	
Total OPEB liability - ending (a)	<u>\$ 141,958</u>	<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	\$ 1,507	\$ 1,255	\$ 1,306	\$ 3,703	\$ 2,175	\$ 3,796	
Net investment income	(9,007)	51,646	2,470	10,275	12,614	19,613	
Benefit payments	(10,691)	(10,822)	(10,988)	(7,330)	(5,892)	(8,205)	
Administrative expense	(160)	(212)	(201)	(177)	(192)	(175)	
Other changes	-	-	-	2,761	-	-	
Net change in plan fiduciary net position	(18,351)	41,867	(7,413)	9,232	8,705	15,029	
Plan fiduciary net position - beginning	235,055	193,188	200,601	191,369	182,664	167,635	
Plan fiduciary net position - ending (b)	<u>\$ 216,704</u>	<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>\$ (74,746)</u>	<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	152.65%	157.43%	114.87%	140.98%	121.59%	104.77%	
Covered payroll	\$ 516,416	\$ 661,880	\$ 801,280	\$ 746,654	\$ 768,379	\$ 898,338	
Town's net OPEB (asset) liability as a percentage of covered payroll	-14.47%	-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, 2023

ASRS - Pension										
Reporting Fiscal Year										
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Statutorily required contribution	\$ 566,029	\$ 470,687	\$ 410,151	\$ 385,113	\$ 370,616	\$ 333,697	\$ 317,545	\$ 293,243	\$ 291,063	\$ 264,780
Town's contributions in relation to the statutorily required contribution	<u>(566,029)</u>	<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>									
Town's covered payroll	\$ 4,748,563	\$ 3,978,756	\$ 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 contributions as a percentage of covered payroll	11.92%	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								
	2023	2022	2021	2020	2019	2018	2017	2016 through 2014
Statutorily required contribution	\$ 5,223	\$ 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>(5,223)</u>	<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>	<u>\$ -</u>	
Town's covered payroll	\$ 4,748,563	\$ 3,978,756	\$ 3,520,608	\$ 3,364,321	\$ 3,314,991	\$ 3,061,440	\$ 2,945,686	
Town's contributions as a percentage of covered payroll	0.11%	0.39%	0.39%	0.49%	0.46%	0.44%	0.56%	

ASRS-Long-Term Disability								
Reporting Fiscal Year								
	2023	2022	2021	2020	2019	2018	2017	2016 through 2014
Statutorily required contribution	\$ 6,648	\$ 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>(6,648)</u>	<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>							
Town's covered payroll	\$ 4,748,563	\$ 3,978,756	\$ 3,520,608	\$ 3,364,321	\$ 3,314,991	\$ 3,061,440	\$ 2,945,686	
Town's contributions as a percentage of covered payroll	0.14%	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, 2023

	PSPRS - Pension									
	Reporting Fiscal Year									
	<u>2023</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>
Actuarially determined contribution	\$ 158,234	\$ 490,464	\$ 379,445	\$ 387,583	\$ 336,486	\$ 440,207	\$ 251,099	\$ 267,840	\$ 225,914	\$ 170,919
Town's contributions in relation to the actuarially determined contribution	<u>(158,234)</u>	<u>(2,955,271)</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>\$ -</u>	<u>\$ (2,464,807)</u>	<u>\$ (690)</u>	<u>\$ -</u>						
Town's covered payroll	<u>\$ 1,437,718</u>	<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	11.01%	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>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	2016 through 2014
Actuarially determined contribution	\$ 390	\$ 1,507	\$ 1,255	\$ 1,306	\$ 3,703	\$ 2,175	\$ 3,796	Information not available
Town's contributions in relation to the actuarially determined contribution	<u>(390)</u>	<u>(1,507)</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>	<u>\$ -</u>	
Town's covered payroll	<u>\$ 1,437,718</u>	<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	0.03%	0.11%	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, 2023

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 2021 actuarial valuation	15 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, 2023

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, 2023

	Special Revenue Funds	Capital Projects Funds	Debt Service Fund	Total Non-major Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 1,824,008	\$ 854,200	\$ 656	\$ 2,678,864
Cash held by trustee	-	880,088	-	880,088
Accounts receivable, net	27,160	-	-	27,160
Due from other governments	444,430	-	-	444,430
Total assets	<u>\$ 2,295,598</u>	<u>\$ 1,734,288</u>	<u>\$ 656</u>	<u>\$ 4,030,542</u>
LIABILITIES				
Accounts payable	\$ 207,778	\$ 303,236	\$ 656	\$ 511,670
Due to other funds	144,546	-	-	144,546
Total liabilities	<u>352,324</u>	<u>303,236</u>	<u>656</u>	<u>656,216</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	13,644	-	-	13,644
FUND BALANCES				
Restricted	1,576,085	602,006	-	2,178,091
Committed	367,189	-	-	367,189
Assigned	-	829,046	-	829,046
Unassigned	(13,644)	-	-	(13,644)
Total fund balances	<u>1,929,630</u>	<u>1,431,052</u>	<u>-</u>	<u>3,360,682</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 2,295,598</u>	<u>\$ 1,734,288</u>	<u>\$ 656</u>	<u>\$ 4,030,542</u>

TOWN OF CAMP VERDE, ARIZONA
Combining Statement of Revenues, Expenditures and Changes in Fund Balances –
All Non-Major Governmental Funds
By Fund Type
Year Ended June 30, 2023

	Special Revenue Funds	Capital Projects Funds	Debt Service Fund	Total Non-Major Governmental Funds
Revenue				
Intergovernmental	\$ 2,538,194	\$ -	\$ -	\$ 2,538,194
Fines and forfeitures	18,324	-	-	18,324
Charges for services	4,450	-	-	4,450
Contributions	99,044	-	-	99,044
Investment income	10,701	65,273	-	75,974
Other revenue	103,591	-	-	103,591
Total revenue	<u>2,774,304</u>	<u>65,273</u>	<u>-</u>	<u>2,839,577</u>
Expenditures				
Current				
General government	48,079	-	-	48,079
Public safety	49,008	13,391	-	62,399
Public works and streets	687,256	-	-	687,256
Health and welfare	-	-	118,377	118,377
Culture and recreation	231,084	24,811	-	255,895
Community development	-	10,231	-	10,231
Capital outlay	766,452	2,206,282	-	2,972,734
Debt Service				
Principal	-	-	1,037,439	1,037,439
Interest	-	-	514,056	514,056
Total expenditures	<u>1,781,879</u>	<u>2,254,715</u>	<u>1,669,872</u>	<u>5,706,466</u>
Excess (deficiency) of revenue over (under) expenditures	<u>992,425</u>	<u>(2,189,442)</u>	<u>(1,669,872)</u>	<u>(2,866,889)</u>
Other financing sources				
Lease acquisition	-	355,192	-	355,192
Transfers (out)	(620,529)	638,952	1,669,872	1,688,295
Total other financing sources	<u>(620,529)</u>	<u>994,144</u>	<u>1,669,872</u>	<u>2,043,487</u>
Net change in fund balances	<u>371,896</u>	<u>(1,195,298)</u>	<u>-</u>	<u>(823,402)</u>
Fund balances, July 1, 2022	<u>1,557,734</u>	<u>2,626,350</u>	<u>-</u>	<u>4,184,084</u>
Fund balances, June 30, 2023	<u><u>\$ 1,929,630</u></u>	<u><u>\$ 1,431,052</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 3,360,682</u></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, 2023

	Housing Fund	HURF Fund	Court Special Revenue Fund	Nonfederal Grants Fund
ASSETS				
Cash and cash equivalents	\$ 123,563	\$ 1,102,754	\$ 145,033	\$ -
Accounts receivable, net	-	-	-	-
Due from other governments	-	125,874	1,639	288,644
Total assets	<u>123,563</u>	<u>1,228,628</u>	<u>146,672</u>	<u>288,644</u>
LIABILITIES				
Accounts payable	-	36,177	1,225	134,370
Due to other funds	-	-	-	132,791
Total liabilities	<u>-</u>	<u>36,177</u>	<u>1,225</u>	<u>267,161</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	-	-	-	13,644
FUND BALANCES				
Restricted	123,563	1,192,451	145,447	21,483
Committed	-	-	-	-
Unassigned	-	-	-	(13,644)
Total fund balances	<u>123,563</u>	<u>1,192,451</u>	<u>145,447</u>	<u>7,839</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 123,563</u>	<u>\$ 1,228,628</u>	<u>\$ 146,672</u>	<u>\$ 288,644</u>

Federal Grants Fund	CDBG Grants Fund	9-1-1 Fund	Donations Fund	Total Non-Major Special Revenue Funds
\$ -	\$ -	\$ 1,361	\$ 451,297	\$ 1,824,008
-	-	-	27,160	27,160
<u>21,877</u>	<u>6,396</u>	<u>-</u>	<u>-</u>	<u>444,430</u>
<u>21,877</u>	<u>6,396</u>	<u>1,361</u>	<u>478,457</u>	<u>2,295,598</u>
3,380	-	-	32,626	207,778
<u>5,359</u>	<u>6,396</u>	<u>-</u>	<u>-</u>	<u>144,546</u>
<u>8,739</u>	<u>6,396</u>	<u>-</u>	<u>32,626</u>	<u>352,324</u>
-	-	-	-	13,644
13,138	-	1,361	78,642	1,576,085
-	-	-	367,189	367,189
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(13,644)</u>
<u>13,138</u>	<u>-</u>	<u>1,361</u>	<u>445,831</u>	<u>1,929,630</u>
<u>\$ 21,877</u>	<u>\$ 6,396</u>	<u>\$ 1,361</u>	<u>\$ 478,457</u>	<u>\$ 2,295,598</u>

TOWN OF CAMP VERDE, ARIZONA
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Special Revenue Funds
Year Ended June 30, 2023

	Housing Fund	HURF Fund	Court Special Revenue Fund	Nonfederal Grants Fund
Revenue				
Intergovernmental	\$ -	\$ 1,223,006	\$ -	\$ 876,406
Fines and forfeitures	-	-	16,068	-
Charges for services	-	-	-	-
Contributions	-	-	-	13,303
Investment income	54	-	-	-
Other revenue	-	150	-	-
Total revenue	<u>54</u>	<u>1,223,156</u>	<u>16,068</u>	<u>889,709</u>
Expenditures				
Current				
General government	-	-	5,064	-
Public safety	-	-	-	13,782
Public works and streets	-	687,256	-	-
Culture and recreation	-	-	-	131,559
Capital outlay	-	5,228	-	756,224
Total expenditures	<u>-</u>	<u>692,484</u>	<u>5,064</u>	<u>901,565</u>
Excess (deficiency) of revenue over (under) expenditures	<u>54</u>	<u>530,672</u>	<u>11,004</u>	<u>(11,856)</u>
Other financing sources				
Transfers (out)	<u>-</u>	<u>(231,515)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	54	299,157	11,004	(11,856)
Fund balances, July 1, 2022	<u>123,509</u>	<u>893,294</u>	<u>134,443</u>	<u>19,695</u>
Fund balances, June 30, 2023	<u>\$ 123,563</u>	<u>\$ 1,192,451</u>	<u>\$ 145,447</u>	<u>\$ 7,839</u>

Federal Grants Fund	CDBG Grants Fund	9-1-1 Fund	Donations Fund	Total Non-Major Special Revenue Funds
\$ 433,782	\$ 5,000	\$ -	\$ -	\$ 2,538,194
-	-	-	2,256	18,324
-	-	-	4,450	4,450
-	-	-	85,741	99,044
-	-	-	10,647	10,701
-	-	-	103,441	103,591
<u>433,782</u>	<u>5,000</u>	<u>-</u>	<u>206,535</u>	<u>2,774,304</u>
1,501	-	-	41,514	48,079
1,876	-	-	33,350	49,008
-	-	-	-	687,256
38,316	-	-	61,209	231,084
-	5,000	-	-	766,452
<u>41,693</u>	<u>5,000</u>	<u>-</u>	<u>136,073</u>	<u>1,781,879</u>
<u>392,089</u>	<u>-</u>	<u>-</u>	<u>70,462</u>	<u>992,425</u>
<u>(389,014)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(620,529)</u>
3,075	-	-	70,462	371,896
10,063	-	1,361	375,369	1,557,734
<u>\$ 13,138</u>	<u>\$ -</u>	<u>\$ 1,361</u>	<u>\$ 445,831</u>	<u>\$ 1,929,630</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, 2023

	Housing Fund			HURF Fund		
	Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
Revenue						
Intergovernmental	\$ -	\$ -	\$ -	\$ 1,268,480	\$ 1,223,006	\$ (45,474)
Fines and forfeitures	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Contributions	-	-	-	-	-	-
Investment income	300	54	(246)	-	-	-
Other revenue	-	-	-	-	150	150
Total revenue	<u>300</u>	<u>54</u>	<u>(246)</u>	<u>1,268,480</u>	<u>1,223,156</u>	<u>(45,324)</u>
Expenditures						
Current						
General government	123,800	-	123,800	-	-	-
Public safety	-	-	-	-	-	-
Public works	-	-	-	853,415	687,256	166,159
Culture and recreation	-	-	-	-	-	-
Capital outlay	-	-	-	10,000	5,228	4,772
Total expenditures	<u>123,800</u>	<u>-</u>	<u>123,800</u>	<u>863,415</u>	<u>692,484</u>	<u>170,931</u>
Excess (deficiency) of revenue over (under) expenditures	<u>(123,500)</u>	<u>54</u>	<u>123,554</u>	<u>405,065</u>	<u>530,672</u>	<u>125,607</u>
Other financing sources						
Transfers in (out)	-	-	-	(292,100)	(231,515)	(60,585)
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>(292,100)</u>	<u>(231,515)</u>	<u>(60,585)</u>
Net change in fund balances	<u>(123,500)</u>	<u>54</u>	<u>123,554</u>	<u>112,965</u>	<u>299,157</u>	<u>65,022</u>
Fund balances, July 1, 2022	<u>123,509</u>	<u>123,509</u>	<u>-</u>	<u>893,294</u>	<u>893,294</u>	<u>-</u>
Fund balances, June 30, 2023	<u>\$ 9</u>	<u>\$ 123,563</u>	<u>\$ 123,554</u>	<u>\$ 1,006,259</u>	<u>\$ 1,192,451</u>	<u>\$ 65,022</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)
\$ -	\$ -	\$ -	\$ 2,023,375	\$ 876,406	\$(1,146,969)	28,366,000	\$ 433,782	\$(27,932,218)
25,000	16,068	(8,932)	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	13,303	13,303	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
25,000	16,068	(8,932)	2,023,375	889,709	(1,133,666)	28,366,000	433,782	(27,932,218)
154,000	5,064	148,936	1,004,550	-	1,004,550	29,000	1,501	27,499
-	-	-	19,128	13,782	5,346	-	1,876	(1,876)
-	-	-	-	-	-	-	-	-
-	-	-	16,000	131,559	(115,559)	63,700	38,316	25,384
-	-	-	1,057,375	756,224	301,151	22,050,000	-	22,050,000
154,000	5,064	148,936	2,097,053	901,565	1,195,488	22,142,700	41,693	22,101,007
(129,000)	11,004	140,004	(73,678)	(11,856)	61,822	6,223,300	392,089	(5,831,211)
-	-	-	-	-	-	(6,250,000)	(389,014)	(5,860,986)
-	-	-	-	-	-	(6,250,000)	(389,014)	(5,860,986)
(129,000)	11,004	140,004	(73,678)	(11,856)	61,822	(26,700)	3,075	(11,692,197)
134,443	134,443	-	19,695	19,695	-	10,063	10,063	-
\$ 5,443	\$ 145,447	\$ 140,004	\$ (53,983)	\$ 7,839	\$ 61,822	\$ (16,637)	\$ 13,138	\$ (11,692,197)

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, 2023
(Continued)

	CDBG Grants Fund			9-1-1 Fund		
	Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
Revenue						
Intergovernmental	\$ 381,000	\$ 5,000	\$ (376,000)	\$ -	\$ -	\$ -
Fines and forfeitures	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Contributions	-	-	-	-	-	-
Investment income	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-
Total revenue	381,000	5,000	(376,000)	-	-	-
Expenditures						
Current						
General government	-	-	-	-	-	-
Public safety	-	-	-	1,361	-	1,361
Public works	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Capital outlay	550,000	5,000	545,000	-	-	-
Total expenditures	550,000	5,000	545,000	1,361	-	1,361
Excess (deficiency) of revenue over (under) expenditures	(169,000)	-	169,000	(1,361)	-	1,361
Other financing sources						
Transfers in (out)	169,000	-	169,000	-	-	-
Total other financing sources	169,000	-	169,000	-	-	-
Net change in fund balance	-	-	338,000	(1,361)	-	1,361
Fund balances, July 1, 2022	-	-	-	1,361	1,361	-
Fund balances, June 30, 2023	\$ -	\$ -	\$ 338,000	\$ -	\$ 1,361	\$ 1,361

Donations Fund			Totals		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$ -	\$ -	\$ -	\$ 32,038,855	\$ 2,538,194	\$ (29,500,661)
-	2,256	2,256	25,000	18,324	(6,676)
-	4,450	4,450	-	4,450	4,450
87,600	85,741	(1,859)	87,600	99,044	11,444
-	10,647	10,647	300	10,701	10,401
60,000	103,441	43,441	60,000	103,591	43,591
<u>147,600</u>	<u>206,535</u>	<u>58,935</u>	<u>32,211,755</u>	<u>2,774,304</u>	<u>(29,437,451)</u>
373,435	41,514	331,921	1,684,785	48,079	1,636,706
70,925	33,350	37,575	91,414	49,008	42,406
-	-	-	853,415	687,256	166,159
85,400	61,209	24,191	165,100	231,084	(65,984)
-	-	-	23,667,375	766,452	22,900,923
<u>529,760</u>	<u>136,073</u>	<u>393,687</u>	<u>26,462,089</u>	<u>1,781,879</u>	<u>24,680,210</u>
<u>(382,160)</u>	<u>70,462</u>	<u>452,622</u>	<u>5,749,666</u>	<u>992,425</u>	<u>(54,117,661)</u>
-	-	-	(6,373,100)	(620,529)	5,752,571
-	-	-	(6,373,100)	(620,529)	5,752,571
(382,160)	70,462	452,622	(623,434)	371,896	(48,365,090)
375,369	375,369	-	1,557,734	1,557,734	-
<u>\$ (6,791)</u>	<u>\$ 445,831</u>	<u>\$ 452,622</u>	<u>\$ 934,300</u>	<u>\$ 1,929,630</u>	<u>\$ (48,365,090)</u>



NON-MAJOR CAPITAL PROJECTS FUNDS

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.

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

TOWN OF CAMP VERDE, ARIZONA
Combining Balance Sheet
Non-Major Capital Projects Funds
June 30, 2023

	Capital Improvement Fund	Parks Fund	Total Non-Major Capital Projects Funds
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash and cash equivalents	\$ 854,200	\$ -	\$ 854,200
Cash held by trustee	-	880,088	880,088
	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>854,200</u>	<u>880,088</u>	<u>1,734,288</u>
LIABILITIES			
Accounts payable	<u>25,154</u>	<u>278,082</u>	<u>303,236</u>
Total liabilities	<u>25,154</u>	<u>278,082</u>	<u>303,236</u>
FUND BALANCES			
Restricted	-	602,006	602,006
Assigned	<u>829,046</u>	<u>-</u>	<u>829,046</u>
Total fund balances	<u>829,046</u>	<u>602,006</u>	<u>1,431,052</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 854,200</u>	<u>\$ 880,088</u>	<u>\$ 1,734,288</u>

TOWN OF CAMP VERDE, ARIZONA
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Capital Projects Funds
Year Ended June 30, 2023

	<u>Capital Improvement Fund</u>	<u>Parks Fund</u>	<u>Total Non-Major Capital Projects Funds</u>
Revenue			
Investment income	\$ -	\$ 65,273	\$ 65,273
Expenditures			
Current			
Public safety	13,391	-	13,391
Culture and recreation	16,502	8,309	24,811
Community development	10,231	-	10,231
Capital outlay	<u>646,385</u>	<u>1,559,897</u>	<u>2,206,282</u>
Total expenditures	<u>686,509</u>	<u>1,568,206</u>	<u>2,254,715</u>
Excess (deficiency) of revenue over (under) expenditures	<u>(686,509)</u>	<u>(1,502,933)</u>	<u>(2,189,442)</u>
Other financing sources			
Lease acquisition	355,192	-	355,192
Transfers (out)	<u>250,000</u>	<u>388,952</u>	<u>638,952</u>
Total other financing sources	<u>605,192</u>	<u>388,952</u>	<u>994,144</u>
Net change in fund balances	<u>(81,317)</u>	<u>(1,113,981)</u>	<u>(1,195,298)</u>
Fund balances, July 1, 2022	<u>910,363</u>	<u>1,715,987</u>	<u>2,626,350</u>
Fund balances, June 30, 2023	<u><u>\$ 829,046</u></u>	<u><u>\$ 602,006</u></u>	<u><u>\$ 1,431,052</u></u>

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, 2023

	Capital Improvement Fund		
	Budget	Actual	Variance - Positive (Negative)
Revenue			
Investment income	\$ -	\$ -	\$ -
Expenditures			
Current			
General government	4,934	-	4,934
Public safety	-	13,391	(13,391)
Culture and recreation	16,216	16,502	(286)
Community development	-	10,231	(10,231)
Capital outlay	1,286,329	646,385	639,944
Total expenditures	1,307,479	686,509	620,970
Excess (deficiency) of revenue over (under) expenditures	(1,307,479)	(686,509)	(620,970)
Other financing sources			
Lease acquisition	715,000	355,192	(359,808)
Transfers in(out)	81,000	250,000	169,000
Total other financing sources	796,000	605,192	(190,808)
Net change in fund balances	(511,479)	(81,317)	430,162
Fund balances, July 1, 2022	910,363	910,363	-
Fund balances, June 30, 2023	\$ 398,884	\$ 829,046	\$ 430,162

Parks Fund			Total		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$ -	\$ 65,273	\$ 65,273	\$ -	\$ 65,273	\$ 65,273
-	-	-	4,934	-	4,934
-	-	-	-	13,391	(13,391)
-	8,309	(8,309)	16,216	24,811	(8,595)
-	-	-	-	10,231	(10,231)
<u>5,399,488</u>	<u>1,559,897</u>	<u>3,839,591</u>	<u>6,685,817</u>	<u>2,206,282</u>	<u>4,479,535</u>
<u>5,399,488</u>	<u>1,568,206</u>	<u>3,831,282</u>	<u>6,706,967</u>	<u>2,254,715</u>	<u>4,452,252</u>
<u>(5,399,488)</u>	<u>(1,502,933)</u>	<u>(3,766,009)</u>	<u>(6,706,967)</u>	<u>(2,189,442)</u>	<u>(4,386,979)</u>
-	-	-	715,000	355,192	(359,808)
<u>3,534,000</u>	<u>388,952</u>	<u>(3,145,048)</u>	<u>3,615,000</u>	<u>638,952</u>	<u>(2,976,048)</u>
<u>3,534,000</u>	<u>388,952</u>	<u>(3,145,048)</u>	<u>4,330,000</u>	<u>994,144</u>	<u>(3,335,856)</u>
(1,865,488)	(1,113,981)	751,507	(2,376,967)	(1,195,298)	1,181,669
<u>1,715,987</u>	<u>1,715,987</u>	<u>-</u>	<u>2,626,350</u>	<u>2,626,350</u>	<u>-</u>
<u>\$ (149,501)</u>	<u>\$ 602,006</u>	<u>\$ 751,507</u>	<u>\$ 249,383</u>	<u>\$ 1,431,052</u>	<u>\$ 1,181,669</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, 2023

	<u>Budget</u>	<u>Actual</u>	Variance - Positive (Negative)
Expenditures			
Current			
Health and welfare	\$ 118,385	\$ 118,377	\$ 8
Debt service			
Principal	1,123,385	1,037,439	85,946
Interest	531,435	514,056	17,379
Total expenditures	<u>1,773,205</u>	<u>1,669,872</u>	<u>103,333</u>
Excess (deficiency) of revenue over (under) expenditures	<u>(1,773,205)</u>	<u>(1,669,872)</u>	<u>103,333</u>
Other financing sources			
Transfers in	<u>1,773,205</u>	<u>1,669,872</u>	<u>(103,333)</u>
Total other financing sources	<u>1,773,205</u>	<u>1,669,872</u>	<u>(103,333)</u>
Net change in fund balances	-	-	-
Fund balances, July 1, 2022	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, June 30, 2023	<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, 2023

	<u>Budget</u>	<u>Actual</u>	Variance- Positive (Negative)
Operating revenues			
Sewer charges	\$ 1,572,400	\$ 1,635,209	\$ 62,809
Miscellaneous	27,600	25,641	(1,959)
Total operating revenues	<u>1,600,000</u>	<u>1,660,850</u>	<u>60,850</u>
Operating expenses			
Depreciation and amortization	137,000	260,203	(123,203)
Personnel	497,465	431,915	65,550
Repairs and maintenance	42,200	86,590	(44,390)
Other	4,300	29,073	(24,773)
Materials and supplies	42,480	153,213	(110,733)
Utilities	80,600	89,871	(9,271)
Professional services	22,000	27,208	(5,208)
Insurance	35,000	6,947	28,053
Total operating expenses	<u>861,045</u>	<u>1,085,020</u>	<u>(223,975)</u>
Operating income (loss)	<u>738,955</u>	<u>575,830</u>	<u>(163,125)</u>
Nonoperating revenues (expenses)			
Interest expense	(156,400)	(137,063)	19,337
Total nonoperating revenues (expenses)	<u>(156,400)</u>	<u>(137,063)</u>	<u>19,337</u>
Income (loss) before contributions	582,555	438,767	(143,788)
Transfers	(64,000)	(64,169)	(169)
Increase (decrease) in net position	518,555	374,598	(143,957)
Total net position, beginning of year	<u>739,053</u>	<u>739,053</u>	<u>-</u>
Total net position, end of year	<u>\$ 1,257,608</u>	<u>\$ 1,113,651</u>	<u>\$ (143,957)</u>

TOWN OF CAMP VERDE, ARIZONA
Schedule of Revenues, Expenses, and Changes in Net Position
Budget and Actual – Wastewater Fund
Year Ended June 30, 2023

	Budget	Actual	Variance- Positive (Negative)
Operating revenues			
Sewer charges	\$ 2,047,949	\$ 1,999,027	\$ (48,922)
Miscellaneous	5,000	117	(4,883)
Total operating revenues	<u>2,052,949</u>	<u>1,999,144</u>	<u>(53,805)</u>
Operating expenses			
Depreciation and amortization	1,013,000	933,624	79,376
Personnel	768,915	762,106	6,809
Repairs and maintenance	333,700	358,594	(24,894)
Other	150,340	56,193	94,147
Materials and supplies	139,500	205,509	(66,009)
Utilities	123,660	144,394	(20,734)
Professional services	39,580	50,872	(11,292)
Insurance	34,100	34,791	(691)
Total operating expenses	<u>2,602,795</u>	<u>2,546,083</u>	<u>56,712</u>
Operating income (loss)	<u>(549,846)</u>	<u>(546,939)</u>	<u>2,907</u>
Nonoperating revenues (expenses)			
Interest income	400	1,477	1,077
Interest expense	(93,135)	(43,949)	49,186
Total nonoperating revenues (expenses)	<u>(92,735)</u>	<u>(42,472)</u>	<u>50,263</u>
Income (loss) before contributions	(642,581)	(589,411)	53,170
Transfers	<u>5,281,710</u>	<u>233,594</u>	<u>(5,048,116)</u>
Increase (decrease) in net position	4,639,129	(355,817)	(4,994,946)
Total net position, beginning of year	<u>17,276,899</u>	<u>17,276,899</u>	<u>-</u>
Total net position, end of year	<u><u>\$ 21,916,028</u></u>	<u><u>\$ 16,921,082</u></u>	<u><u>\$ (4,994,946)</u></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 a 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, 2023

	Other		Total Other
	Employee Assistance Fund	Camp Verde Sewer District Fund	
ASSETS			
Cash and cash equivalents	\$ 38,327	\$ 455,153	\$ 493,480
Property tax receivable	-	49,029	49,029
Total assets	<u>38,327</u>	<u>504,182</u>	<u>542,509</u>
LIABILITIES			
	-	-	-
NET POSITION			
Restricted for:			
Individual, organizations, and other governments	<u>38,327</u>	<u>504,182</u>	<u>542,509</u>
Total net position	<u>\$ 38,327</u>	<u>504,182</u>	<u>542,509</u>

TOWN OF CAMP VERDE, ARIZONA
Combining Statement of Changes in Fiduciary Net Position
Custodial Funds
Year Ended June 30, 2023

	Other		Total Other
	Employee Assistance Fund	Camp Verde Sewer District Fund	
<u>Additions:</u>			
Property tax collections from other governments	\$ -	\$ 927,829	\$ 927,829
Contributions from other governments	-	118,378	118,378
Contributions from employees	2,643	-	2,643
Interest income	-	18,991	18,991
Total additions	\$ 2,643	\$ 1,065,198	\$ 1,067,841
<u>Deductions:</u>			
Distributions for district debt service	-	1,012,097	1,012,097
Change in net position	2,643	53,101	55,744
Net position, July 1, 2022	35,684	451,081	486,765
Net position, June 30, 2023	\$ 38,327	\$ 504,182	\$ 542,509

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									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Governmental activities:										
Net investment in capital assets	\$20,611,250	\$18,801,038	\$19,542,531	\$17,026,024	\$16,203,561	\$15,032,500	\$13,845,131	\$12,264,826	\$11,390,529	\$10,488,341
Restricted	2,973,971	3,407,667	3,754,595	976,341	760,508	1,219,663	1,304,975	2,947,478	5,567,076	2,270,348
Unrestricted	(40,525)	(2,777,808)	(7,494,436)	(5,330,970)	(4,360,071)	(4,245,869)	(3,096,115)	(2,973,565)	(5,937,276)	2,411,149
Total governmental activities net position	<u>\$ 23,544,696</u>	<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>
Business-type activities:										
Net investment in capital assets	\$16,994,454	\$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
Restricted	22,407	-	-	-	-	-	-	-	-	-
Unrestricted	1,017,872	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>\$ 18,034,733</u>	<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>
Primary government										
Net investment in capital assets	\$37,605,704	\$36,033,262	\$36,778,435	\$34,983,129	\$33,860,798	\$31,880,535	\$30,846,828	\$29,874,175	\$29,459,796	\$29,101,840
Restricted	2,996,378	3,407,667	3,754,595	976,341	760,508	1,219,663	1,304,975	2,947,478	5,567,076	2,270,348
Unrestricted	977,347	(1,994,080)	(7,963,785)	(6,186,248)	(4,856,516)	(4,200,598)	(2,763,764)	(2,443,589)	(5,576,319)	3,245,583
Total net position	<u>\$ 41,579,429</u>	<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>

Source: The Town's financial records.

Note: The Town took over the Camp Verde Sanitary District Operations July 1, 2013 and classifies them above as business-type activities. The Town purchased the Camp Verde Water Company on May 31, 2022 and classifies them above as business-type activities.

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

	Fiscal Year Ended June 30									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Expenses										
Governmental activities:										
General government	\$ 3,952,950	\$ 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
Public safety	4,260,267	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
Public works and streets	2,674,071	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
Health and welfare	178,377	138,422	145,965	134,008	126,049	123,589	123,627	123,664	123,700	131,233
Culture and recreation	2,096,504	1,527,445	1,505,036	1,392,080	1,232,178	1,418,639	1,075,309	817,187	724,730	684,280
Community development	904,552	656,610	571,455	536,787	514,618	521,685	550,246	473,270	507,702	411,023
Interest on long-term debt	505,277	464,591	419,220	386,287	364,722	271,290	169,556	108,958	224,557	107,141
Total governmental activities	<u>14,571,998</u>	<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>
Business-type activities:										
Water	\$ 1,222,083	\$ 323,258	-	-	-	-	-	-	-	-
Wastewater	2,590,032	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
Total business-type activities	<u>3,812,115</u>	<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>
Total expenses	<u>18,384,113</u>	<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>
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 24,587	\$ 43,779	\$ 34,945	\$ 35,781	\$ 95,309	\$ 32,261	\$ 34,813	\$ 33,045	\$ 25,234	\$ 51,173
Public safety	224,100	240,906	373,591	392,807	402,866	358,508	441,567	481,762	457,097	412,704
Public works and streets	25,732	15,895	25,944	36,348	2,005	7,755	7,348	13,905	16,214	42,817
Culture and recreation	134,092	67,654	48,145	53,812	70,304	58,029	57,730	48,260	42,332	43,565
Community development	538,050	422,238	374,935	293,755	255,234	227,727	189,053	226,745	194,789	188,391
Operating grants and contributions	3,635,239	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
Capital grants and contributions	889,230	123,296	595,216	108,449	359,275	119,670	307,300	891,401	438,025	182,421
Total governmental activities	<u>5,471,030</u>	<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>
Business-type activities:										
Charges for services	\$ 3,634,236	\$ 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
Capital grants and contributions	-	1,564,366	-	177,757	822,243	-	-	316,450	-	N/A
Total business-type activities	<u>3,634,236</u>	<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>
Total program revenues	<u>9,105,266</u>	<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>
Net Expense	<u><u>\$ (9,278,847)</u></u>	<u><u>\$ (6,747,508)</u></u>	<u><u>\$ (7,960,776)</u></u>	<u><u>\$ (8,384,810)</u></u>	<u><u>\$ (7,194,746)</u></u>	<u><u>\$ (9,096,986)</u></u>	<u><u>\$ (8,236,103)</u></u>	<u><u>\$ (6,142,571)</u></u>	<u><u>\$ (6,954,900)</u></u> #	<u><u>\$ (5,931,898)</u></u>

Source: The Town's financial records.

Note: The Town took over the Camp Verde Sanitary District Operations July 1, 2013.
The Town purchased the Camp Verde Water System May 31, 2022.

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

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									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Net Expense	\$ (9,278,847)	\$ (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)
General Revenues:										
Governmental activities:										
Taxes:										
Sales taxes	\$ 7,554,130	\$ 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
Franchise taxes	360,234	329,139	297,149	274,961	287,034	286,341	270,925	285,834	266,973	267,059
State shared revenues	5,129,723	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
Investment earnings	288,362	17,078	5,106	30,368	76,691	17,889	27,872	29,593	15,456	27,714
Miscellaneous	51,743	72,218	21,515	34,540	30,296	13,379	91,581	80,456	7,086	13,090
Loss on Sale of Assets	0	0	0	0	0	0	0	(262,368)	0	0
Transfers	(169,425)	(92,961)	33,601	70,348	0	0	(24,740)	(33,462)	0	0
Total governmental activities	<u>13,214,767</u>	<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>
Business-type activities:										
Investment earnings	\$ 1,477	\$ 163	\$ 261	\$ 1,095	\$ 3,107	\$ 2,769	\$ 1,181	\$ 1,042	\$ 909	\$ 1,621
Miscellaneous/Special item*	25,758	-	-	-	-	425,000	-	-	-	20,077,637
Loss on Disposal of Assets	-	-	-	-	-	-	(2,000)	-	-	-
Transfers	169,425	92,961	(33,601)	(70,348)	-	-	24,740	33,462	-	-
Total business-type activities	<u>196,660</u>	<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>
Changes in Net Position	<u>\$ 4,132,580</u>	<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>

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>2023</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>
General Fund:										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	429,872	416,139	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	662,091	662,056
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	5,593,451	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
Total General Fund	<u>\$ 6,023,323</u>	<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>
All Other Governmental Funds:										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	2,164,447	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
Committed	367,189	282,193	182,325	187,216	77,146	25,743	25,347	30,181	-	11,214
Assigned	3,083,362	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)
Total all other governmental funds	<u>\$ 5,614,998</u>	<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>

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									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Pledged Excise Tax and State Shared Revenues										
Town Sales Tax	\$ 7,554,130	\$ 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
Franchise Fees	360,234	329,139	297,149	274,961	287,034	286,341	270,925	285,834	266,973	267,059
State-shared Sales Taxes	1,809,920	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
State-shared Income Taxes	2,322,706	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
Licenses and permits	387,656	349,278	315,361	244,194	278,387	204,715	184,215	198,155	174,518	160,321
Fines and forfeits	138,015	124,666	169,401	185,431	218,620	167,992	199,528	297,865	234,142	275,700
Net	<u>\$12,572,661</u>	<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>
Other Revenues										
Intergovernmental	\$ 5,555,711	\$ 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
Charges for services	379,982	196,886	173,612	157,973	81,166	115,919	169,610	122,360	86,718	92,682
Contributions and donations	99,044	63,254	99,712	103,251	54,076	35,333	96,139	426,638	70,544	17,389
Investment income	288,362	17,078	5,106	30,368	76,692	17,888	27,871	29,594	15,456	27,714
Other	206,759	182,729	91,880	229,107	166,216	51,042	121,278	201,094	36,828	68,768
Net	<u>\$ 6,529,858</u>	<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>
Total revenues	<u>\$19,102,519</u>	<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>

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>2023</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>
Expenditures:										
Current -										
General government	\$ 3,843,667	\$ 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
Public safety	3,872,935	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
Public works and streets	2,091,231	1,048,019	1,003,906	940,297	994,488	883,136	869,501	1,056,558	815,101	741,300
Health and welfare	178,377	138,422	145,965	134,008	126,049	123,589	123,627	123,664	123,700	131,233
Culture and recreation	1,668,198	1,267,723	1,152,884	1,101,713	1,009,237	903,356	877,693	720,032	634,283	623,996
Community development	877,134	661,235	549,397	507,400	533,273	493,695	497,966	415,069	465,074	391,601
Capital outlay	3,552,255	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
Debt service -										
Principal retirement	1,040,935	810,714	1,173,741	966,653	845,021	776,788	658,242	375,191	326,949	319,327
Interest and fiscal charges	514,640	450,989	428,741	401,814	382,986	159,746	175,640	209,419	78,312	118,067
Bond issuance costs	-	99,300	80,902	-	-	257,580	-	-	-	-
Total expenditures	\$ 17,639,372	\$ 18,055,293	\$ 15,236,598	\$ 11,589,741	\$ 15,049,027	\$ 11,100,106	\$ 11,838,086	\$ 12,264,939	\$ 8,547,920	\$ 8,011,399
Expenditures for capitalized assets	\$ 3,552,255	\$ 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
Debt service as a percentage of noncapital expenditures	11%	9%	15%	13%	12%	13%	9%	7%	5%	6%

Source: The Town's financial records.

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

	Fiscal Year Ended June 30									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Excess (deficiency) of revenues over expenditures	\$ 1,463,147	\$ (2,094,371)	\$ (305,426)	\$ (693,045)	\$ (4,575,878)	\$ (1,049,410)	\$ (2,439,962)	\$ (1,968,229)	\$ (251,549)	\$ (295,110)
Other financing sources (uses):										
Capital lease agreements	\$ 355,192	\$ 337,175	\$ 310,757	\$ 15,644	\$ 935,655	\$ 296,445	\$ -	\$ 530,000	\$ -	\$ 8,838
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	1,688,295	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
Transfers out	(1,857,719)	(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)
Total other financing sources (uses)	<u>185,768</u>	<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>
Changes in fund balances	<u>\$ 1,648,915</u>	<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>

Source: The Town's financial records.

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

	Fiscal Year Ended June 30									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Retail Trade	\$ 4,081,747	\$ 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
Restaurants & Bars	1,085,287	1,030,485	1,004,271	758,279	737,234	713,275	659,258	708,520	520,320	473,070
Communications & Utilities	391,653	394,819	363,495	366,405	369,908	373,162	358,356	394,159	269,845	230,848
Construction	397,930	323,234	729,200	369,451	494,937	882,868	320,451	366,968	212,866	182,702
Real Estate, Rental & Leasing	493,397	430,321	373,318	313,079	283,482	252,516	235,245	215,991	173,914	170,109
Accommodation	608,683	606,186	440,814	265,804	277,882	291,544	294,627	239,218	207,993	138,850
Arts & Entertainment	155,189	193,605	198,681	123,887	146,909	156,189	146,780	167,769	134,961	114,106
Manufacturing	10,292	12,273	9,615	10,960	10,992	14,000	14,663	15,015	67,644	75,231
Use Tax	302,092	253,092	310,283	208,474	207,262	134,415	116,350	151,626	N/A	N/A
Other	27,860	24,326	37,511	18,120	17,689	18,818	14,575	86,660	71,912	67,486
Total	\$ 7,554,130	\$ 7,005,726	\$ 6,557,976	\$ 4,640,417	\$ 4,389,578	\$ 4,642,673	\$ 3,756,649	\$ 3,915,180	\$ 2,863,327	\$ 2,594,832
Total revenue % growth by year	7.8%	6.8%	41.3%	5.7%	-5.5%	23.6%	-4.0%	36.7%	10.3%	2.1%

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>
2023	\$ 6,945,447	\$ 360,234	\$ 608,683	\$ 7,914,364
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

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		
2023	3.65	6.65	2.00	3.65	0.75	5.60
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

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	Leases Payable	Finance Purchases	Leases Payable	Loans Payable	Total Debt	Percentage of Personal Income	Per Capita
2023	\$14,263,329	\$ 875,939	\$ 56,832	\$ 42,210	\$ 11,584,835	\$ 26,823,145	N/A	2,147
2022	14,998,616	724,473	164,240	-	11,479,282	\$ 27,366,611	0.21%	2,202
2021	12,545,905	806,769	-	56,125	1,376,950	\$ 14,785,749	0.12%	1,210
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

Source: The Town's financial records.

Note: FY23 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>
2023	\$ 14,263,329	\$ 14,263,329	1,142
2022	\$ 14,998,616	\$ 14,998,616	1,207
2021	\$ 12,545,905	\$ 12,545,905	1,027
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

Source: The Town's financial records.

TOWN OF CAMP VERDE, ARIZONA
Direct and Overlapping Governmental Activities Debt
June 30, 2023

<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*	\$ -	2.8% (1)	\$ -
Camp Verde Unified School District	473,000	93.2% (1)	440,676
Copper Canyon Fire	4,766,685	50.0% (2)	2,383,343
Camp Verde Sanitary District	6,341,129	100.0% (1)	<u>6,341,129</u>
Total Overlapping Debt			<u>\$ 9,165,148</u>
Direct:			
Town of Camp Verde	<u>\$ 15,196,100</u>	100.0%	<u>\$ 15,196,100</u>
Total Direct and Overlapping Debt			<u>\$ 24,361,248</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 by 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>2023</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>
Debt Limit	\$ 5,448,177	\$ 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
Total applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	<u>\$ 5,448,177</u>	<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>
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>2023</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>
Debt Limit	\$ 18,160,591	\$ 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
Total applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	<u>\$ 18,160,591</u>	<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>
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

Fiscal Year	Revenue Bonds				Excise Tax Coverage
	Excise Tax Revenue	Debt Service			
		Principal	Interest		
2023	\$ 13,044,087	\$ 573,000	\$ 365,440		13.9
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

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>
2023	12,495	250,200	N/A	N/A	4.2 %
2022	12,430	246,191	12,739,608	51,747	4.0 %
2021	12,216	241,173	11,884,929	49,060	5.1 %
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 %

Sources: Bureau of Economic Analysis (bea.gov)
Arizona Office of Employment & Population Statistics (azstats.gov) for FY20 and prior
Economic Estimates Commission
Ycharts.com

Note: (1) - In thousands of dollars
2023 County personal and per capita 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>2023</u>		<u>2014</u>
	<u>Employees</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>
Cliff Castle Casino & Hotel	418	10.9 %	490
Yavapai County	254	6.6	No Info
Yavapai-Apache Nation	244	6.4	217
Camp Verde School District	214	5.6	197
Town of Camp Verde	161	4.2	107
Bashas	120	3.1	110
Rainbow Acres	102	2.7	70
Goettles High Desert Mechanical	95	2.5	No Info
Haven Health of Camp Verde	82	2.1	58
Abundant Organics	75	2.0	No Info
Total	<u>1,765</u>	<u>46.1 %</u>	<u>1,249</u>
Total Est'd Employment	<u>3,830</u>		<u>2,500</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

	Full-time Equivalent Employees as of June 30									
	<u>2023</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>
General Government										
Management Services	6.0	5.7	4.8	5.2	5.2	5.1	4.6	4.6	5.2	5.1
Finance	4.0	3.3	3.0	3.0	3.0	3.0	3.0	3.1	2.2	2.2
Economic Development	4.1	4.1	3.1	3.1	2.9	3.2	2.8	2.0	1.6	1.6
Municipal Court	4.5	6.2	6.2	6.2	5.7	4.7	4.7	5.7	5.6	5.6
Total General Government	<u>18.6</u>	<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>
Public Safety										
Marshal's Department			33.0	33.8	34.0	31.0	31.4	33.1	32.2	30.2
Animal Control			1.0	1.0	1.0	0.5	1.0	1.0	1.0	1.0
Sworn Officers	24.0	24.7								
Dispatch	7.0	8.0								
Admin	10.4	6.0								
Total Public Safety	<u>41.4</u>	<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>
Public Works										
Admin	5.0	2.4	2.3	2.2	2.2	2.5	2.6	2.8	2.8	2.4
Streets	6.0	5.3	5.2	5.2	5.0	4.9	4.7	6.1	5.2	6.2
Maintenance	11.0	11.0	11.0	10.0	9.6	9.1	8.1	8.0	7.4	7.2
Total Public Works	<u>22.0</u>	<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>
Library	8.9	8.9	8.9	9.4	8.3	7.5	6.4	6.2	6.2	5.8
Parks & Recreation	8.4	6.5	6.5	6.7	6.1	5.6	5.6	4.6	4.6	4.3
Community Development	11.0	8.8	6.8	6.8	6.8	6.2	8.0	6.0	6.0	5.0
Utilities										
Wastewater	8.5	8.6	8.5	8.5	8.6	8.4	8.4	8.1	7.2	7.1
Water	5.5	5.0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total Utilities	<u>14.0</u>	<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>
Total	<u>124.3</u>	<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>

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>2023</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>
Public Works										
Streets (miles)	130	130	113	113	112	110	110	110	110	110
Streetlights	127	127	122	122	122	122	110	110	110	110
Traffic signals	7	7	7	7	7	5	6	6	6	6
Public Safety										
Police patrol vehicles	32	26	28	23	19	24	25	23	31	31
Police stations	1	1	1	1	1	1	1	1	1	1
Recreation & Culture										
Parks developed	9	9	7	6	6	6	6	6	6	6
Parks acreage	239	239	201	24	24	24	24	24	24	24
Swimming pools	1	1	1	1	1	1	1	1	1	1
Baseball/softball fields	3	1	1	1	1	1	1	1	1	1
Soccer/football fields	4	4	2	2	2	2	2	2	2	2
Water										
Wells	2	2	N/A							
Storage Tanks	4	4	N/A							
Total Capacity (in millions of gals)	4.39	4.39	N/A							
Pipeline (Miles)	60	60	N/A							
Connections	2,048	2,013	N/A							
Wastewater										
Pipeline (Miles)	24	24	24	24	21	21	18	18	16	16
Treatment Capacity (mgd)	0.65	0.65	0.52	0.52	0.52	0.52	0.52	0.52	0.52	0.52
Connections	1,188	1,146	1,125	1,040	1,043	989	964	964	959	N/A

Source: The Town's facilities records.

Note The Town purchased a local water company in May of 2022.
Wastewater Pipeline (Miles) was completely recalculated in FY23 using our GIS software.

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

<u>Function</u>	<u>Fiscal Year Ended June 30</u>									
	<u>2023</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>
General Government										
Business licenses	803	706	781	807	801	820	833	823	673	645
Public Works										
Street maintenance (miles)	-	19.0	-	-	17.0	-	18.0	-	-	-
Community Development										
Building permits applied for	703	732	689	384	386	425	387	351	328	383
Public Safety										
Reports Taken	8,132	7,063	8,092	8,350	9,914	9,829	10,853	15,762	10,020	13,782
Arrests	150	258	480	486	458	422	357	309	N/A	N/A
Traffic Citations	874	635	417	503	956	567	702	635	714	509
Library										
Circulation	115,705	116,088	103,873	120,532	130,713	133,135	123,127	63,976	62,140	52,631
Traffic	86,910	78,247	59,797	81,829	101,854	95,490	87,357	67,978	67,824	33,787
Water										
Annual water usage (in millions of gals)	262	209	N/A							
Wastewater										
Annual processed sewage (in millions of gals)	95	88	87	86	94	96	86	86	86	

Source: The Town's records.