

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2016



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

COMPREHENSIVE ANNUAL FINANCIAL REPORT

**For the fiscal year ended
June 30, 2016**

Prepared by:
The Finance Department



Government Finance Officers Association

**Certificate of
Achievement
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in Financial
Reporting**

Presented to

**Town of Camp Verde
Arizona**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2015

Executive Director/CEO

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Town of Camp Verde

Gateway to the Verde Valley

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◆ Telephone: 928.554.0000 ◆ Fax: 928.554.0002 ◆
◆ www.campverde.az.gov

January 3, 2017

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

We are pleased to submit the Town of Camp Verde Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2016. The Town annually publishes audited financial statements after the close of each fiscal year which includes a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) which are audited by a firm of licensed certified public accountants in accordance with generally accepted auditing standards (GAAS).

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

Colby & Powell, PLC, Certified Public Accountants, have issued an unmodified ("clean") opinion on the Town of Camp Verde's financial statements for the fiscal year ended June 30, 2016. The independent auditors' report is located at the front of the financial section of this report.

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

PROFILE OF THE GOVERNMENT

The Town of Camp Verde, Arizona, incorporated in 1986, is located in the Verde River Valley of Yavapai County and is recognized as the 2012 Centennial Center of Arizona. The Town's land size is 42.6 square miles and serves a population of approximately 11,000 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 also elected for a two-year term.

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

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

FACTORS AFFECTING FINANCIAL CONDITION

Local Economy:

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

Local sales tax revenues have grown 126% in the 4-years since their low point in FY12. While a large portion of that growth comes from increases to the tax rate (2% to 3.65% over the 4 years) it also reflects increased spending in our area and presumably a comfortableness with current economic conditions. In FY16, local tax revenues increased 37% over FY15. Factoring out the tax increase from 3.0% to 3.65%, those revenues still grew 19%.

Tax revenues from the State (including state income and sales tax and vehicle license tax) have grown 30% over that same 4-year time period, considerably less than local tax revenues. FY17 estimates from the state show only a 2% expected growth from FY16, dramatically down from the 7.5% average over the last 4 years.

From 2004 to 2008, the Town saw a 9% population increase over the 4 year period. However, from 2008 to 2013 that increase drops to 1%. Current population growth within the Town has flat-lined, though the expectation for our area (Yavapai County) is moderate growth over the next several years. The dramatic slow-down in population growth was highlighted by the construction industry in Camp Verde which slowed considerably. Tax revenues from construction dropped 23% from FY13 to FY14. Construction has seen a turn-around though in recent years, increasing 12% from FY14 to FY15 72% from FY15 to FY16. This significant growth was impacted dramatically by the construction of two large facilities (the Verde Valley Medical Center and new Town library) within the Town. While FY17 is expected to continue with new business construction, it should not be at the levels we saw in FY16 and in fact, will probably drop off somewhat.

Long-Term Financial Planning:

Town Council will be on its second year of developing and enhancing a long-term planning processes. The implementation of Strategic Planning has become a driving factor behind the development of our 5-year Capital Improvement Plan, which has a renewed focus as a prioritization document as projects are getting completed with additional revenue and staffing. The Town also has adopted a new General Plan and has developed an updated strategic economic development plan that will help focus the utilization of Town resources towards long-term goals and prosperity for business and the community. Camp Verde is dedicated to enhancing the quality of life for its citizens and providing municipal services in a fiscally responsible manner. To this end, Camp Verde has strived to remain financially strong and has increased the Unassigned General Fund balance to roughly \$2.9 million, which amounts to 45% of total FY16 General Fund expenses.

Major Initiatives:

- 1) Planning and construction on a new 118 acre park.
- 2) Comprehensive remodel of our municipal court facility.
- 3) Construction on Highway 260, widening from 2 lanes to 4.
- 4) The expansion of sewer lines also along Highway 260, opening up the potential for economic development in that area.

ACKNOWLEDGEMENTS

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

Respectfully submitted,



Russell A. Martin
Town Manager

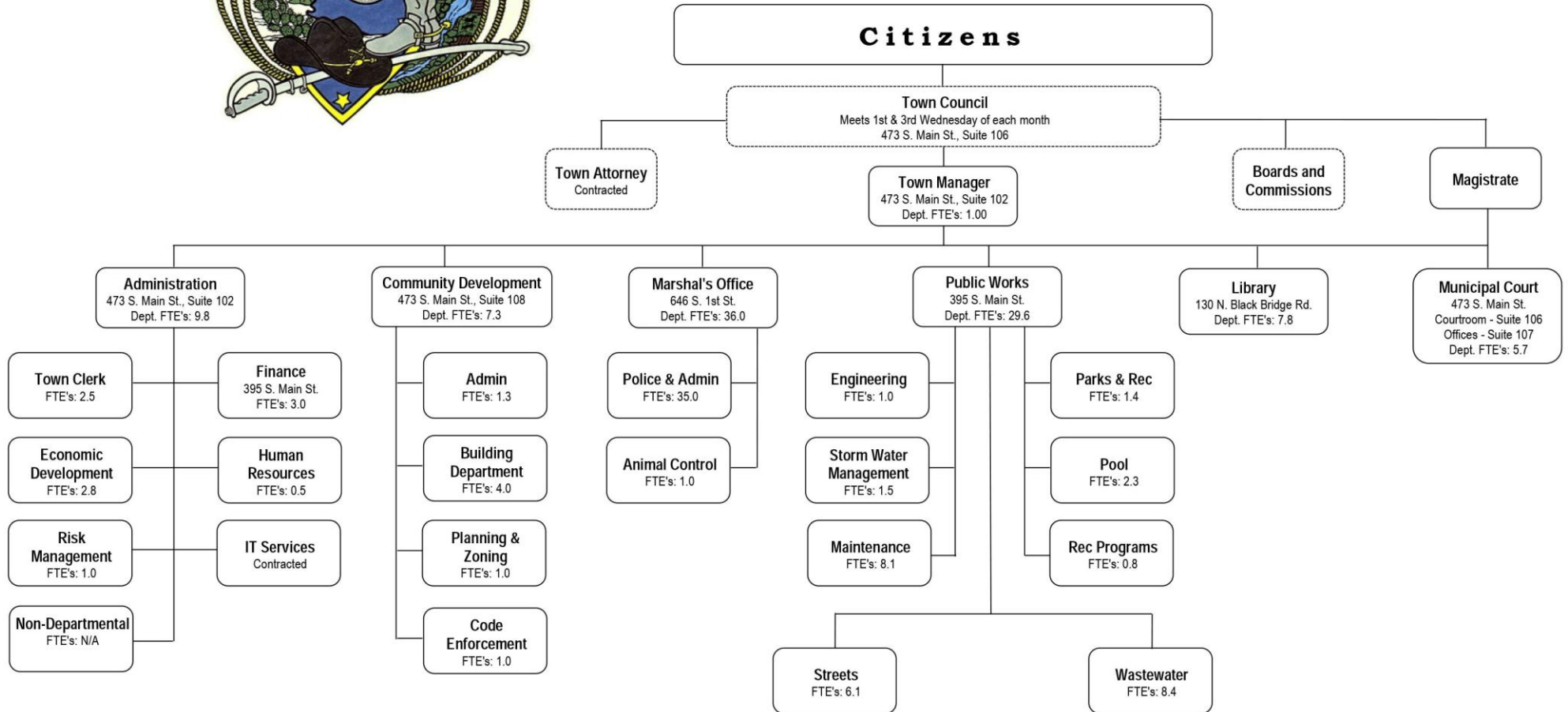


Michael E. Showers
Finance Director



Town of Camp Verde, Arizona

Town Organization Chart





Town of Camp Verde

Key Officials and Staff



Mayor and Council Members (Left to right)

Front Row: Councilor Robin Whatley, Councilor Jackie Baker, Councilor Carol German

Back Row: Vice-Mayor Bruce George, Councilor Brad Gordon, Mayor Charlie German, Councilor Jessie Jones.

Russ Martin, *Town Manager*
Virginia Jones, *Town Clerk*
Mike Showers, *Finance Director*
Nancy Gardner, *Marshal*
Kathy Hellman, *Library Director*
Paul Schlegel, *Presiding Magistrate*

Department Heads

Michael Jenkins, *Community Development Director*
Ronald Long, *Engineer/Public Works Director*
Steve Ayers, *Economic Development Director*
Veronica Pineda, *Court Supervisor*
Carol Brown, *Risk Management*



FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

To the Town Council
Town of Camp Verde, Arizona

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, 2016, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Camp Verde, Arizona, as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 - 16, Budgetary Comparison Schedules on pages 61-64, Schedule of the Town's Proportionate Share of the Net Pension Liability – Cost-Sharing Pension Plans on page 65, Schedule of Changes in the Town's Net Pension Liability (Asset) and Related Ratios – Agent Pension Plans on page 66, Schedule of Town Pension Contributions on page 67, and Schedule of Agent OPEB Plans' Funding Progress on page 69 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Camp Verde, Arizona's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, budgetary comparison schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and budgetary comparison schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of

America. In our opinion, the combining and individual nonmajor fund financial statements and budgetary comparison schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 3, 2017, on our consideration of the Town of Camp Verde, Arizona's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Camp Verde, Arizona's internal control over financial reporting and compliance.

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.



January 3, 2017

**TOWN OF CAMP VERDE, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
FISCAL YEAR ENDED JUNE 30, 2016**



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, 2016 (FY16). Please read it in conjunction with the Town's basic financial statements, which begin on page 17.

FINANCIAL HIGHLIGHTS

- Governmental activity total assets increased by just over \$1.8 million, which is directly attributable to expenditures for capital assets. The Town's capital assets increased over \$3 million with total cash dropping only \$1.48 million. The Town made significant progress on the construction of its new library (\$2.9 million), funding for which was received in fiscal year ending June 30, 2015 (FY15). The Town also funded \$530K (\$530,000) worth of equipment through a lease purchase arrangement which shows up in the increase in long-term liabilities.
- Net position from governmental activities increased just over \$1.2 million to \$12.24 million. This 11% increase includes a significant increase in the unrestricted portion of net position of \$2.96 million with a corresponding drop in the restricted portion of net position. This highlights two significant factors in governmental activities for FY16; 1) Expenses for the new library, as mentioned above, eliminated \$2.9 million of cash restrictions, and 2) revenues increased by nearly \$1.5 million in FY16. That increase in revenues comes directly from local sales tax revenue which climbed to \$3.9 million fueled by strong retail and construction categories.
- The Town took on new debt of \$530,000 through a lease purchase arrangement for vehicles and equipment.
- Among major governmental funds:
 - The General Fund had in excess of \$8.2 million in revenues, which primarily consisted of taxes, licenses and permits, charges for services, fines and forfeitures, and intergovernmental revenues. The total expenditures in the General Fund were just over \$6.4 million, increasing the general fund balance, after allowing for net transfers out of \$1.5 million, by \$343K to \$2.9 million, all of which is unassigned fund balance.
 - HURF Fund revenues of \$884,433 were a bit higher (\$21,630) than last fiscal year, but an increase in street maintenance and infrastructure projects drove expenses up nearly \$100,000 (17%). This is the primary reason for the \$100,000 drop in net position within the HURF fund.
 - The Library Fund received contributions, mostly from a local non-profit group, of \$416,867. Most significantly though, are the capital expenditures for the construction of the new library building, \$2.9 million. This project was nearly complete at June 30th but not substantially complete until October of 2016. Primary funding for this project was obtained through Chase bank in FY15. Nearly all loan funds were exhausted by June 30th with the remaining expenses being covered through donations and general fund allocations.

**TOWN OF CAMP VERDE, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
FISCAL YEAR ENDED JUNE 30, 2016**



OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

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

The *statement of net position* presents information on all of the Town's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The *statement of activities* presents information showing how the Town's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused compensated absences).

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

- **Governmental activities** – The Town's basic services are included here, such as general government, public safety, public works and streets, health and welfare, culture and recreation, and economic and community development. Sales taxes, intergovernmental, licenses and permits, charges for services, and fines and forfeits revenue finance most of these activities.
- **Business-type activities** – The Town's only business-type activity is the wastewater enterprise fund. The Town took over the Camp Verde Sanitary District wastewater operations on July 1, 2013. Those operations are included here and include fee-for-service billing of residential and commercial accounts as well as all expenses for operating and maintaining the sewer system.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

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

**TOWN OF CAMP VERDE, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
FISCAL YEAR ENDED JUNE 30, 2016**



OVERVIEW OF FINANCIAL STATEMENTS (CONTINUED)

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 fifteen (15) 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 19 for the General, HURF and Library Funds, all of which are considered to be major funds. Data from the other twelve (12) 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 73 - 89.

Proprietary funds – The Town maintains one type of proprietary fund; an enterprise fund for wastewater activities. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The basic proprietary fund financial statements can be found on pages 23 - 25 of this report.

Fiduciary funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the Town. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the Town's own programs. The Town maintains two separate fiduciary funds. Information on these funds can be found in the Other Financial Statements section of this report on page 93.

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 28 - 60.

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, HURF and Library Funds as required supplementary information which can be found on pages 61 - 63.

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, 2016**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Position

Net position may serve over time as a useful indicator of a government's financial position. In the case of the Town, total assets exceeded total liabilities by \$30.3 million as of June 30, 2016 which is nearly a 3% increase from last year. The following table presents a summary of the Town's net position for the fiscal years ended June 30, 2016 and 2015:

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Assets						
Current assets	\$ 7,408,585	\$ 8,683,721	\$ 1,078,298	\$ 846,128	\$ 8,486,883	\$ 9,529,849
Capital assets, net	17,250,784	14,159,186	17,609,349	18,069,267	34,860,133	32,228,453
Other non-current assets	95,267	110,897	-	-	95,267	110,897
Total assets	<u>24,754,636</u>	<u>22,953,804</u>	<u>18,687,647</u>	<u>18,915,395</u>	<u>43,442,283</u>	<u>41,869,199</u>
Liabilities						
Current and other liabilities	2,109,176	1,633,935	68,397	74,918	2,177,573	1,708,853
Long-term liabilities	<u>11,703,447</u>	<u>11,304,980</u>	<u>568,559</u>	<u>482,963</u>	<u>12,272,006</u>	<u>11,787,943</u>
Total liabilities	<u>13,812,623</u>	<u>12,938,915</u>	<u>636,956</u>	<u>557,881</u>	<u>14,449,579</u>	<u>13,496,796</u>
Deferred Inflows/(Outflows) of Resources						
Def'd net outflows related to pensions	(1,722,850)	(1,070,604)	(136,648)	(72,710)	(1,859,498)	(1,143,314)
Def'd inflows related to debt defeasance	-	65,164	-	-	-	65,164
Def'd inflows related to pensions	<u>426,124</u>	<u>-</u>	<u>48,014</u>	<u>-</u>	<u>474,138</u>	<u>-</u>
Total net position	<u>\$ (1,296,726)</u>	<u>\$ (1,005,440)</u>	<u>\$ (88,634)</u>	<u>\$ (72,710)</u>	<u>\$ (1,385,360)</u>	<u>\$ (1,078,150)</u>
Net Position						
Net investment in capital assets	12,264,826	11,390,529	17,609,349	18,069,267	29,874,175	29,459,796
Restricted	2,947,478	5,567,076	-	-	2,947,478	5,567,076
Unrestricted	<u>(2,973,565)</u>	<u>(5,937,276)</u>	<u>529,976</u>	<u>360,957</u>	<u>(2,443,589)</u>	<u>(5,576,319)</u>
Total net position	<u>\$ 12,238,739</u>	<u>\$ 11,020,329</u>	<u>\$ 18,139,325</u>	<u>\$ 18,430,224</u>	<u>\$ 30,378,064</u>	<u>\$ 29,450,553</u>

Governmental Activities. The Town's net position from governmental activities increased over \$1.2 million dollars from FY15. The most significant change in the Governmental Activities section is the 22% increase in capital assets. The Town's investment in the new library building (\$2.9 million), infrastructure and drainage projects (\$530K) and vehicles and equipment (\$734K) account for the largest portion of this increase.

GASB 68 has continued to have a significant effect on the Government-wide statements as well. Net pension liabilities increased \$574K to \$6.0 million dollars in FY16. This has had a dramatic impact on the unrestricted net position of the Town as can be seen in the negative \$3.1 million balance above. This can be a bit misleading when compared to the Governmental Funds Fund Balance, seen below, where unassigned fund balance actually increases \$1.65 million to \$2.88 million. The Town has chosen to fund the net pension liability through a 20 year adjustment to the annual state retirement payment percentage.

The change in net position again shows the effect of completing a significant portion of the new library as Restricted Net Position has dropped \$2.6 million from FY15 to \$2.95 million and the Unrestricted Net Position increases over \$3.1 million.

**TOWN OF CAMP VERDE, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
FISCAL YEAR ENDED JUNE 30, 2016**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Business-Type Activities. There is virtually no change in the Statement of Position for Business-type Activities.

Statement of Activities

The following table presents a summary of the changes in net position for the fiscal years ended June 30, 2016 and 2015:

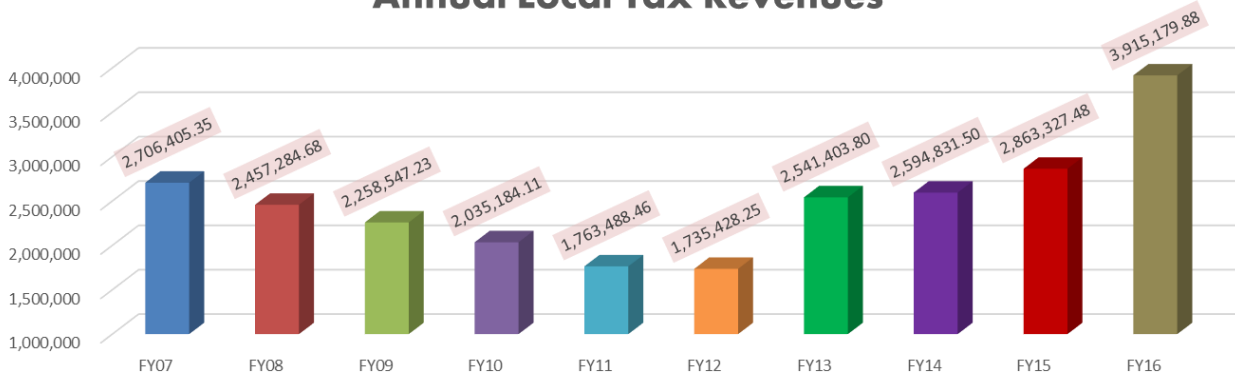
	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Revenues						
Program revenues:						
Charges for services	\$ 803,717	\$ 735,666	\$ 1,085,853	\$ 1,029,111	\$ 1,889,570	\$ 1,764,777
Operating grants and contributions	1,145,358	1,084,065	-	-	1,145,358	1,084,065
Capital grants and contributions	891,401	438,025	316,450	-	1,207,851	438,025
General revenues:						
Town sales taxes	3,915,180	2,863,839	-	-	3,915,180	2,863,839
Franchise taxes	285,834	266,973	-	-	285,834	266,973
State shared revenue	3,020,345	2,942,726	-	-	3,020,345	2,942,726
Investment earnings	29,593	15,456	1,042	909	30,635	16,365
Miscellaneous	80,456	7,086	-	-	80,456	7,086
Special items:	<u>(295,830)</u>	<u>-</u>	<u>33,462</u>	<u>-</u>	<u>(262,368)</u>	<u>-</u>
Total revenues	<u>9,876,054</u>	<u>8,353,836</u>	<u>1,436,807</u>	<u>1,030,020</u>	<u>11,240,503</u>	<u>9,383,856</u>
Expenses						
General government	2,780,681	2,776,465			2,780,681	2,776,465
Public safety	2,786,970	3,050,800			2,786,970	3,050,800
Public works and streets	1,566,914	1,156,551			1,566,914	1,156,551
Health and welfare	123,664	123,700			123,664	123,700
Culture and recreation	817,187	724,730			817,187	724,730
Economic and community development	473,270	507,702			473,270	507,702
Interest on long-term debt	108,958	224,557			108,958	224,557
Wastewater			1,727,706	1,677,262	1,727,706	1,677,262
Total expenses	<u>8,657,644</u>	<u>8,564,505</u>	<u>1,727,706</u>	<u>1,677,262</u>	<u>10,385,350</u>	<u>10,241,767</u>
Increase/ (decrease) in net position	<u>1,218,410</u>	<u>(210,669)</u>	<u>(290,899)</u>	<u>(647,242)</u>	<u>927,511</u>	<u>(857,911)</u>
Net position, beginning	<u>11,020,329</u>	<u>11,230,998</u>	<u>18,430,224</u>	<u>19,077,466</u>	<u>29,450,553</u>	<u>30,308,464</u>
Net position, ending	<u>\$ 12,238,739</u>	<u>\$ 11,020,329</u>	<u>\$ 18,139,325</u>	<u>\$ 18,430,224</u>	<u>\$ 30,378,064</u>	<u>\$ 29,450,553</u>

**TOWN OF CAMP VERDE, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
FISCAL YEAR ENDED JUNE 30, 2016**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

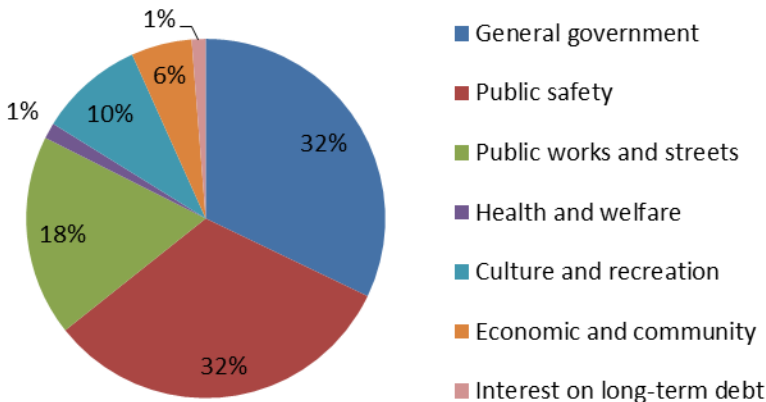
Governmental Activities. Total governmental revenues increased nearly \$1.5 million (17%) from last year to \$9.8 million. This is seen predominately in local sales tax revenues, which rose 37% in FY16 to over \$3.9 million (see the revenue schedule below). The increase in capital grants and contributions include the receipt of a donation from Citizens Committee for Camp Verde Library for \$416,753 towards the construction of the new library. The Town also sold an older failing building to a local developer taking a loss on the sale of \$262,368 which is shown in the special items line above along with a transfer of \$33,462 to the Wastewater Fund. The schedule below shows how the Town's local tax revenues have been increasing since FY12. The large jumps in FY13 and FY16 correspond to increases in the local tax rate (2% to 3% in early FY13 and 3% to 3.65% in late FY15) though FY16 still had a 19% increase in local tax revenues after factoring out the .65% increase.

Annual Local Tax Revenues

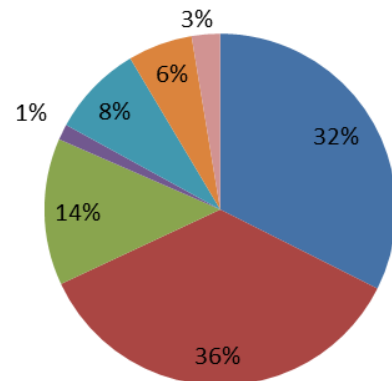


The increase in expenses of \$150,000 is seen in the net of Public Safety and Public Works & Streets. Public Works & Streets expenses increased \$410,000 due to increased spending on streets maintenance and infrastructure projects. However, conversely, Public Safety reduced expenses from FY15 by nearly \$264,000. A significant portion of this was a \$120,000 GOHS grant in FY15 which inflated costs in that fiscal year.

**Governmental
Fiscal Year 2016 Expenses**



**Governmental
Fiscal Year 2015 Expenses**



**TOWN OF CAMP VERDE, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
FISCAL YEAR ENDED JUNE 30, 2016**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Business-Type Activities. While revenues and expenses for the Wastewater Fund generally stayed the same as last year there are 2 items of note. As mentioned above, the General Fund transferred \$33,462 into the Wastewater Fund for future capital expansion projects. The Wastewater Fund also received a contribution of \$316,450 from the Camp Verde Sanitary District to be used for capital improvements and maintenance.

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, 2016</u>		<u>Year Ended June 30, 2015</u>	
	<u>Total</u>	<u>Net</u>	<u>Total</u>	<u>Net</u>
	<u>Expenses</u>	<u>Exp / (Rev)</u>	<u>Expenses</u>	<u>(Exp) / Rev</u>
Governmental activities				
General government	\$ 2,780,681	\$ 2,747,636	\$ 2,776,465	\$ 2,751,231
Public safety	2,786,970	2,213,247	3,050,800	2,371,977
Public works and streets	1,566,914	548,168	1,156,551	95,026
Health and welfare	123,664	123,664	123,700	123,700
Culture and recreation	817,187	202,586	724,730	500,347
Economic and community development	473,270	(127,091)	507,702	239,911
Interest on long-term debt	108,958	108,958	224,557	224,557
Net	<u>\$ 8,657,644</u>	<u>\$ 5,817,168</u>	<u>\$ 8,564,505</u>	<u>\$ 6,306,749</u>
Business-Type Activities				
Wastewater	<u>\$ 1,727,706</u>	<u>\$ 325,403</u>	<u>\$ 1,677,262</u>	<u>\$ 648,151</u>
Net	<u>\$ 1,727,706</u>	<u>\$ 325,403</u>	<u>\$ 1,677,262</u>	<u>\$ 648,151</u>
Total	<u>\$ 10,385,350</u>	<u>\$ 6,142,571</u>	<u>\$ 10,241,767</u>	<u>\$ 6,954,900</u>

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, 2016**



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 \$6.3 million, a nearly \$1.5 million decrease from the prior year. Approximately 46 percent of the ending fund balance (\$2.89 million) constitutes *unassigned fund balance*, which is \$1.65 million higher than the prior year. Unassigned fund balance is the amount available for spending at the government's discretion. The remainder of fund balance is reserved, committed or assigned to indicate that it is not available for new spending because it has already been assigned, committed or restricted for HURF related expenses (\$1.3 million), library building construction (\$1.2 million), capital improvements (\$551K) and various other special programs (\$367K).

The General Fund is the principal operating fund of the Town. At the end of the current fiscal year, the total fund balance of the General Fund was just over \$2.9 million which is \$343K higher than last year's \$2.6 million. As a measure of the General Fund's liquidity, it may be useful to compare fund balance to fund expenditures. For FY16, fund balance in the General Fund is 45% of total General Fund expenditures.

The fund balance in the Library Fund decreased significantly from FY15 as funds were used for the construction of the library. Fund balance at the end of this fiscal year is \$1.2 million, \$2.26 million less than last year.

The HURF fund balance decreased \$95K from last year increases in street maintenance and capital purchases.

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

Wastewater revenues and expenses were virtually the same as last year. Net position in the enterprise fund decreased \$291K (2%) which is more a factor of depreciation expense (\$721K) than any actual spending within the fund.

BUDGETARY HIGHLIGHTS

Schedules showing the budget amounts compared to the Town's actual financial activity for the General, HURF and Library funds are provided in this report as required supplementary information. For the General Fund, revenues are \$687K over budget while expenses are \$235K under budget creating a new positive variance of \$922K. Budgetary highlights for the General Fund are as follows:

Revenues

- Local sales tax revenue of roughly \$4.2 million is over budget in FY16 by \$495K. The significant factors for the overage are seen in the increases in retail tax revenues (\$290K) and construction tax revenues (\$107K) and restaurant and bar tax revenues (\$89K) from FY15 numbers.

**TOWN OF CAMP VERDE, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
FISCAL YEAR ENDED JUNE 30, 2016**

BUDGETARY HIGHLIGHTS (CONTINUED)

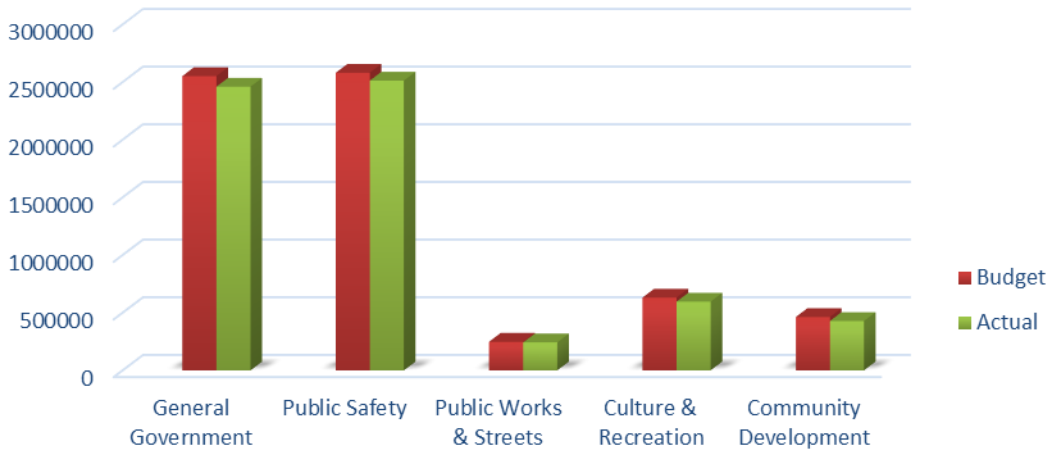
Revenues - *Continued*

- The sale of an unused parcel of land and building brought in an unbudgeted \$176K putting miscellaneous revenues over budget by \$151K.

Expenses

- The Marshal's Office expenses are under budget \$124K which is found most prominently in savings in payroll expenses from delayed hiring to fill positions.
- Risk Management is \$105K under budget due to unused potential liability accounts (\$45K) and over budgeted liability insurance (\$57K).
- Community Development is under budget \$65K due to savings in payroll and contract labor.
- The IT department is over budget \$64K from increased phone/internet costs and extra contracted IT support costs.

General Fund Expenses: Budget to Actual



**TOWN OF CAMP VERDE, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
FISCAL YEAR ENDED JUNE 30, 2016**

CAPITAL ASSETS

As of June 30, 2016, the Town had invested \$22.0 million in governmental capital assets and \$23.7 million in business-type assets (both before depreciation) including land, buildings, facilities, vehicles, computers, equipment, and infrastructure assets. Total depreciation expense for the year in governmental and business-type activities was \$603,881 and \$721,452 respectively. More information on capital assets can be found in the Notes to the Financial Statements under Note 5 – Capital Assets.

The following schedule presents capital asset balances and accumulated depreciation for the fiscal years ended June 30, 2016 and 2015:

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Land	\$ 5,624,719	\$ 5,868,719	\$ 1,275,828	\$ 1,275,828	\$ 6,900,547	\$ 7,144,547
Construction in progress	4,163,010	1,549,184	363,798	102,264	4,526,808	1,651,448
Buildings and improvements	3,705,442	3,857,920	553,417	553,417	4,258,859	4,411,337
Infrastructure	4,075,280	3,377,961	21,182,275	21,182,275	25,257,555	24,560,236
Machinery and equipment	3,549,249	2,912,901	325,849	325,849	3,875,098	3,238,750
Improvements other than buildings	960,281	953,431	-	-	960,281	953,431
Accumulated depreciation	(4,827,197)	(4,360,930)	(6,091,818)	(5,370,366)	(10,919,015)	(9,731,296)
Total	\$ 17,250,784	\$ 14,159,186	\$ 17,609,349	\$ 18,069,267	\$ 34,860,133	\$ 32,228,453

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

- The Town sold land valued at \$244,000 and an attached building valued at \$146,000.
- \$3.5 million was added to construction in progress while \$875K was sold or placed in service for a net increase of \$2.6 million. The largest investment was in the new library building totaling \$2.9 million.
- The \$700K increase in infrastructure is due mainly to work on various street improvement projects (\$364K) and the drainage channel next to Bashas (\$222K).

LONG-TERM LIABILITIES

As of June 30, 2016, the Town had \$13.46 million in long-term liabilities, \$12.85 million for governmental activities and \$610K for business-type activities. Of the \$12.85 million governmental liabilities amount, \$6.3 million is in bond and capital lease debt of which \$658K is due within one year. During FY16, the Town added \$530K of capital lease debt for vehicles and equipment purchases for various departments. Principle payments for bond and capital lease debt for the year were \$375K. The Town does not have any business-type activity debt. Compensated absences increased \$51,038 (11%) for governmental activities and \$9,838 (31%) for business-type activities. The largest impact on long-term liabilities is the increase in net pension liabilities of \$574K and \$86K for governmental and business-type activities respectively. The net pension liability for governmental activities is 47% of the total balance and 93% of the business-type balance.

**TOWN OF CAMP VERDE, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
FISCAL YEAR ENDED JUNE 30, 2016**

LONG-TERM LIABILITIES (CONTINUED)

The following table presents a summary of the Town's outstanding long-term liabilities for the fiscal years ended June 30, 2016 and 2015. More information on long-term liabilities can be found in the Notes to the Financial Statements under Note 7 – Long-Term Liabilities.

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
2014 Revenue bonds	\$ 4,811,000	\$ 4,904,000	\$ -	\$ -	\$ 4,811,000	\$ 4,904,000
2011 Revenue bonds	722,522	798,227	-	-	722,522	798,227
Capital leases	795,481	471,967	-	-	795,481	471,967
Net pension liability	6,024,863	5,450,696	568,559	482,963	6,593,422	5,933,659
Compensated absences	498,372	447,334	41,657	31,819	540,029	479,153
Total	<u>\$ 12,852,238</u>	<u>\$ 12,072,224</u>	<u>\$ 610,216</u>	<u>\$ 514,782</u>	<u>\$ 13,462,454</u>	<u>\$ 12,587,006</u>

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Town of Camp Verde's revenue base is funded primarily by town sales tax and shared revenues from the State of Arizona. These revenue sources comprise approximately 70% on average of the Town's revenues. The local economy flourished this last year especially in the areas of retail, restaurants and construction with local tax revenues growing 37%. The FY17 budget reflects this growth with an 18% budgeted increase in local tax revenue (which is actually only 5% above FY16 actual revenues due to the significant FY16 increase).

The 26,000 square foot medical center was completed this year and the new library is nearly finished. Further activity is expected to continue throughout FY17 and plans for the expansion of sewer along SR260 is a big part of that future growth. The .65% addition to the general transaction privilege tax rate (TPT) has enabled the Town to continue funding capital projects including: 1) beginning a 7-year street improvement project (\$540K in FY17), 2) moving and remodeling the court room (\$246K) and 3) starting work on the new community park (\$242K).

Staff will continue to keep a tight rein on expenses but will see projected spending in the General Fund for the FY17 budget go up 9% or \$585K. The Town is expecting to see additional revenue generation based on current growth. In FY17, the Town has chosen to utilize up to \$300K (10%) of its unassigned reserves to help fund needed capital improvement projects. Staffing in several departments has been increased slightly to maintain consistent levels of services especially in our Marshal's department, community development department and at the library.

As a result of the thoughtful leadership of the town council and the professional judgment of the Town's management team, we continue to be poised to manage the financial affairs of the Town of Camp Verde with a high degree of vigilance, discipline and transparency. We are confident that we have and can continue to address and manage the challenges we face and look forward to finding ways to maintain the positive return of healthier revenues that will allow for continued high quality community services and capital construction and investment. Many planned construction projects are now in the works with more to come over the next year as well as years to come.

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, 2016

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 5,131,764	\$ 734,420	\$ 5,866,184
Cash - restricted	1,343,045	-	1,343,045
Accounts receivable - net	188,125	153,211	341,336
Due from other governments	745,651	190,667	936,318
Loan receivable	95,267	-	95,267
Capital assets, not being depreciated	9,787,729	1,639,626	11,427,355
Capital assets, being depreciated, net	7,463,055	15,969,723	23,432,778
Total assets	24,754,636	18,687,647	43,442,283
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	1,722,850	136,648	1,859,498
LIABILITIES			
Accounts payable	685,158	26,740	711,898
Accrued expenses	186,744	-	186,744
Interest payable	82,442	-	82,442
Court bonds payable	6,041	-	6,041
Noncurrent liabilities			
Due within 1 year	1,148,791	41,657	1,190,448
Due in more than 1 year	11,703,447	568,559	12,272,006
Total liabilities	13,812,623	636,956	14,449,579
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	426,124	48,014	474,138
NET POSITION			
Net investment in capital assets	12,264,826	17,609,349	29,874,175
Restricted for:			
Highways and streets	1,309,959	-	1,309,959
Housing redevelopment	130,727	-	130,727
Special programs	1,506,792	-	1,506,792
Unrestricted (deficit)	(2,973,565)	529,976	(2,443,589)
Total net position	\$ 12,238,739	\$ 18,139,325	\$ 30,378,064

The accompanying notes are an integral part of these financial statements

TOWN OF CAMP VERDE, ARIZONA
Statement of Activities
Year Ended June 30, 2016

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	\$ 2,780,681	\$ 33,045	\$ -	\$ -	\$ (2,747,636)	\$ -	\$ (2,747,636)
Public safety	2,786,970	481,762	34,009	57,952	(2,213,247)	-	(2,213,247)
Public works and streets	1,566,914	13,905	880,724	124,117	(548,168)	-	(548,168)
Health and welfare	123,664	-	-	-	(123,664)	-	(123,664)
Culture and recreation	817,187	48,260	121,339	445,002	(202,586)	-	(202,586)
Economic and community development	473,270	226,745	109,286	264,330	127,091	-	127,091
Interest of long-term debt	108,958	-	-	-	(108,958)	-	(108,958)
Total governmental activities	<u>8,657,644</u>	<u>803,717</u>	<u>1,145,358</u>	<u>891,401</u>	<u>(5,817,168)</u>	<u>-</u>	<u>(5,817,168)</u>
Business-type activities							
Wastewater	1,727,706	1,085,853	-	316,450	-	(325,403)	(325,403)
Total business-type activities	<u>1,727,706</u>	<u>1,085,853</u>	<u>-</u>	<u>316,450</u>	<u>-</u>	<u>(325,403)</u>	<u>(325,403)</u>
Total primary government	<u>\$ 10,385,350</u>	<u>\$ 1,889,570</u>	<u>\$ 1,145,358</u>	<u>\$ 1,207,851</u>	<u>\$ (5,817,168)</u>	<u>\$ (325,403)</u>	<u>\$ (6,142,571)</u>
General revenue:							
Taxes:							
Sales Taxes					3,915,180	-	3,915,180
Franchise tax					285,834	-	285,834
State shared revenue					3,020,345	-	3,020,345
Investment income					29,593	1,042	30,635
Miscellaneous					80,456	-	80,456
Loss on sale of assets					(262,368)	-	(262,368)
Transfers in (out)					(33,462)	33,462	-
Total general revenues and transfers					<u>7,035,578</u>	<u>34,504</u>	<u>7,070,082</u>
Change in net position					<u>1,218,410</u>	<u>(290,899)</u>	<u>927,511</u>
Net position, July 1, 2015					<u>11,020,329</u>	<u>18,430,224</u>	<u>29,450,553</u>
Net position, June 30, 2016					<u>\$ 12,238,739</u>	<u>\$ 18,139,325</u>	<u>\$ 30,378,064</u>

The accompanying notes are an integral part of these financial statements

TOWN OF CAMP VERDE, ARIZONA
Balance Sheet
Governmental Funds
June 30, 2016

	General Fund	HURF Fund	Library Building Fund	Non-Major Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 2,189,961	\$ 1,249,951	\$ 737,312	\$ 954,540	\$ 5,131,764
Cash - restricted	481,107	-	861,938	-	1,343,045
Accounts receivable, net	188,125	-	-	-	188,125
Due from other governments	546,796	78,861	-	119,994	745,651
Loans receivable	-	-	-	95,267	95,267
Due from other funds	9,817	-	-	-	9,817
Total assets	\$ 3,415,806	\$ 1,328,812	\$ 1,599,250	\$ 1,169,801	\$ 7,513,669
LIABILITIES					
Accounts payable	\$ 198,691	\$ 18,853	\$ 393,976	\$ 73,638	\$ 685,158
Accrued expenses	186,744	-	-	-	186,744
Court bonds payable	6,041	-	-	-	6,041
Due to other funds	-	-	-	9,817	9,817
Total liabilities	391,476	18,853	393,976	83,455	887,760
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	106,547	-	-	197,556	304,103
FUND BALANCES					
Restricted	-	1,309,959	1,205,274	336,978	2,852,211
Committed	-	-	-	30,181	30,181
Assigned	-	-	-	551,200	551,200
Unassigned	2,917,783	-	-	(29,569)	2,888,214
Total fund balances	2,917,783	1,309,959	1,205,274	888,790	6,321,806
Total liabilities, deferred inflows of resources, and fund balances	\$ 3,415,806	\$ 1,328,812	\$ 1,599,250	\$ 1,169,801	\$ 7,513,669

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, 2016

Fund balances--total governmental funds		\$ 6,321,806
<p>Amounts reported for governmental activities in the Statement of Net Position are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.</p>		
Capital assets	22,077,981	
Less accumulated depreciation	<u>(4,827,197)</u>	
		17,250,784
<p>Some receivables are not available to pay for current-period expenditures and therefore, are unavailable in the funds.</p>		
Reimbursable grant expenditures	29,931	
Loan receivable	95,267	
Fines receivable	<u>178,905</u>	
		304,103
<p>Some liabilities, including notes payable and net pension liabilities are not due and payable in the current period and therefore, are not reported in the funds</p>		
Compensated absences	(498,372)	
Net pension liability	(6,024,863)	
Revenue bonds payable	(5,533,522)	
Capital leases	(795,481)	
Interest payable	<u>(82,442)</u>	
		<u>(12,934,680)</u>
<p>Deferred outflows and inflows of resources related to pensions are applicable to future reporting periods and, therefore, are not reported in the funds.</p>		
Pension related deferred outflows	1,722,850	
Pension related deferred inflows	<u>(426,124)</u>	
		<u>1,296,726</u>
Net position of governmental activities		<u><u>\$ 12,238,739</u></u>

The accompanying notes are an integral part of these financial statements

TOWN OF CAMP VERDE, ARIZONA
Statement of Revenue, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2016

	General Fund	HURF Fund	Library Building Fund	Non-Major Governmental Funds	Total Governmental Fund
Revenue					
Taxes	\$ 4,201,014	\$ -	\$ -	\$ -	\$ 4,201,014
Intergovernmental	3,273,560	880,724	-	665,706	4,819,990
Fines and forfeitures	268,682	-	-	29,183	297,865
Licenses and permits	198,155	-	-	-	198,155
Charges for services	122,360	-	-	-	122,360
Contributions	-	-	416,867	9,771	426,638
Investment income	23,835	3,309	762	1,688	29,594
Other revenue	184,507	400	-	16,187	201,094
Total revenue	<u>8,272,113</u>	<u>884,433</u>	<u>417,629</u>	<u>722,535</u>	<u>10,296,710</u>
Expenditures					
Current					
General government	2,531,195	-	-	19,502	2,550,697
Public safety	2,517,188	-	-	43,088	2,560,276
Public works and streets	261,924	614,221	-	180,413	1,056,558
Health and welfare	5,000	-	-	118,664	123,664
Culture and recreation	634,528	-	215	85,289	720,032
Economic and community development	415,046	-	-	23	415,069
Capital outlay	59,150	27,738	2,913,148	1,253,997	4,254,033
Debt service			-		
Principal	1,685	-	-	373,506	375,191
Interest	771	-	-	208,648	209,419
Total expenditures	<u>6,426,487</u>	<u>641,959</u>	<u>2,913,363</u>	<u>2,283,130</u>	<u>12,264,939</u>
Excess (deficiency) of revenue over (under) expenditures	<u>1,845,626</u>	<u>242,474</u>	<u>(2,495,734)</u>	<u>(1,560,595)</u>	<u>(1,968,229)</u>
Other financing sources					
Capital lease acquisition	-	-	-	530,000	530,000
Transfers (out)	(1,502,609)	(336,755)	237,000	1,568,902	(33,462)
Total other financing sources	<u>(1,502,609)</u>	<u>(336,755)</u>	<u>237,000</u>	<u>2,098,902</u>	<u>496,538</u>
Net change in fund balances	343,017	(94,281)	(2,258,734)	538,307	(1,471,691)
Fund balances, July 1, 2015	2,574,766	1,404,240	3,464,008	350,483	7,793,497
Fund balances, June 30, 2016	<u>\$ 2,917,783</u>	<u>\$ 1,309,959</u>	<u>\$ 1,205,274</u>	<u>\$ 888,790</u>	<u>\$ 6,321,806</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, 2016

Net change in fund balances--total governmental funds		\$ (1,471,691)
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital outlay	4,254,033	
Depreciation expense	<u>(603,881)</u>	3,650,152
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 assets differ from the change in fund balance by the book value of capital assets sold.		
		(558,554)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		
		51,934
Town pension contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension liability is measured a year before the Town's report date. Pension expense, which is the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pensions, is reported in the Statement of Activities.		
Town pension contributions	549,693	
Pension expense	<u>(897,738)</u>	(348,045)
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.		
Lease purchase	(530,000)	
Principal repaid	<u>375,191</u>	(154,809)
Some expenses 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.		
Interest expense	35,297	
Amortization of bond premium - prior year defeased	65,164	
Change in compensated absences	<u>(51,038)</u>	49,423
Change in net position of governmental activities		<u><u>\$ 1,218,410</u></u>

The accompanying notes are an integral part of these financial statements

TOWN OF CAMP VERDE, ARIZONA
Statement of Net Position
Proprietary Fund
Year Ended June 30, 2016

	<u>Wastewater Fund</u>
ASSETS	
Current assets	
Cash and cash equivalents	\$ 734,420
Accounts receivable - net	153,211
Due from other governments	190,667
Total current assets	<u>1,078,298</u>
Noncurrent assets	
Capital assets, not being depreciated	1,639,626
Capital assets, being depreciated, net	15,969,723
Total assets	<u>18,687,647</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pensions	<u>136,648</u>
LIABILITIES	
Current liabilities	
Accounts payable	26,740
Compensated absences, current	41,657
Total current liabilities	<u>68,397</u>
Noncurrent liabilities	
Net pension liability	<u>568,559</u>
Total liabilities	<u>636,956</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to pensions	<u>48,014</u>
Net position	
Net investment in capital assets	17,609,349
Unrestricted (deficit)	529,976
Total net position	<u>\$ 18,139,325</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 Fund
June 30, 2016

	Wastewater Fund
Operating revenues	
Sewer charges	\$ 1,084,976
Miscellaneous	877
Total operating revenues	1,085,853
 Operating expenses	
Personnel	564,564
Materials and supplies	112,882
Professional services	36,224
Utilities	107,524
Insurance	22,000
Other	35,510
Repairs and maintenance	127,550
Depreciation	721,452
Total operating expenses	1,727,706
Operating income (loss)	(641,853)
 Nonoperating revenues (expenses)	
Interest income	1,042
Income (loss) before capital contributions and transfers	(640,811)
Capital contributions	316,450
Transfers in	33,462
Increase (decrease) in net position	(290,899)
Total net position, beginning of year	18,430,224
Total net position, end of year	\$ 18,139,325

The accompanying notes are an integral part of these financial statements

TOWN OF CAMP VERDE, ARIZONA
Statement of Cash Flows
Proprietary Fund
Year Ended June 30, 2016

	Wastewater Fund
Cash flows from operating activities:	
Receipts from customers	\$ 1,039,244
Payments to suppliers and providers of goods and services	(388,377)
Payments to employees	(554,726)
Net cash provided (used) by operating activities	96,141
 Cash flows from noncapital financing activities:	
Transfers (to) from other funds	33,462
Advances to other governments	(189,547)
Net cash provided (used) by noncapital financing activities	(156,085)
 Cash flows from capital and related financing activities:	
Proceeds from capital grants	316,450
Purchase of capital assets	(261,534)
Net cash provided (used) by capital and related financing activities	54,916
 Cash flows from investing activities:	
Interest received	1,042
Net increase (decrease) in cash and cash equivalents	(3,986)
 Cash and cash equivalents, beginning of year	738,406
 Cash and cash equivalents, end of year	\$ 734,420

The accompanying notes are an integral part of these financial statements

TOWN OF CAMP VERDE, ARIZONA
Statement of Cash Flows
Proprietary Fund
Year Ended June 30, 2016
(Continued)

	Wastewater Fund
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating income (loss)	\$ (641,853)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation	721,452
Pension expense	87,361
Employer pension contributions	(17,689)
(Increase) decrease:	
Accounts receivable	(46,904)
Due from other governments	295
Increase (decrease):	
Accounts payable	(16,359)
Accrued expenses	9,838
	9,838
Net cash provided (used) by operating activities	\$ 96,141

The accompanying notes are an integral part of these financial statements

TOWN OF CAMP VERDE, ARIZONA
Statement of Fiduciary Assets and Liabilities
June 30, 2016

	<u>Agency Fund</u>
ASSETS	
Cash and cash equivalents	<u>\$ 631,086</u>
Total assets	<u>631,086</u>
LIABILITIES	
Deposits held for others	<u>631,086</u>
Total liabilities	<u><u>\$ 631,086</u></u>

The accompanying notes are an integral part of these financial statements

TOWN OF CAMP VERDE, ARIZONA
Notes to Financial Statements
June 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. Reporting Entity

The Town is a municipal entity governed by an elected Mayor and six-member council. The accompanying financial statements present the Town and its component units, entities for which the Town is considered to be financially accountable. The financial reporting entity consists of a primary government and its component units. 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, 2016

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:

The ***General Fund*** is the Town’s primary operating fund. It accounts for all financial resources of the Town, except those required to be accounted for in another fund.

The ***HURF Fund*** accounts for specific revenue received from the State of Arizona Highway Revenue Fund which is legally restricted to expenditures for street purposes.

The ***Library Building Fund*** accounts for specific revenue received from contributions and debt proceeds from a revenue bond to be spent on the construction of the Town’s new library.

The Town reports the following major enterprise fund:

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

Additionally, the Town reports the following fund types:

The ***Agency 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, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

C. Basis of Accounting

The government-wide and proprietary fund financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Grants and donations are recognized as revenue as soon as all eligibility requirements the provider imposed have been met.

Governmental funds in the fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The Town considers all revenues reported in the governmental funds to be available if the revenues are collected within 60 days after year-end. 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

E. Allowance for Uncollectible Accounts

Allowances for uncollectible accounts receivable are estimated by the Town. The amount recorded at June 30, 2016 in the General Fund for uncollectible municipal court fines and forfeitures is \$526,000. The amount recorded at June 30, 2016 in the Wastewater Fund for uncollectible Wastewater receivables is \$55,000.

TOWN OF CAMP VERDE, ARIZONA
Notes to Financial Statements
June 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

F. Capital Assets

Capital assets are reported at actual cost. Donated assets are reported at estimated fair value at the time received.

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

	Capitalization Threshold	Depreciation Method	Estimated Useful Life (years)
Land	\$5,000	N/A	-
Construction in progress	5,000	N/A	-
Buildings	5,000	Straight-line	25 - 30
Improvements	5,000	Straight-line	18 - 75
Infrastructure	5,000	Straight-line	15
Furniture, machinery, and equipment	5,000	Straight-line	5 - 10
Vehicles	5,000	Straight-line	5 - 10

G. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position and or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future periods) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position and or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so not be recognized as an inflow of resources (revenue) until that time. The government has only one type of item which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

H. Compensated Absences

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

TOWN OF CAMP VERDE, ARIZONA
Notes to Financial Statements
June 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

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

The current and long-term liabilities for accrued vacation leave, compensatory time, and sick leave are reported in the government-wide financial statements. A liability for these amounts is reported in the governmental funds' financial statements only if they have matured, for example, as a result of employee resignations and retirements by fiscal year end. Resources from the General Fund are generally used to liquidate the governmental funds liabilities for compensated absences.

I. Fund Balance Reporting

The Governmental Accounting Standards Board (GASB) Statement No. 54 requires fund balances to be properly reported within one of the fund balance categories listed below:

1. *Nonspendable* fund balance includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact such as fund balance associated with inventories, prepaids, long-term loans and notes receivable (unless the proceeds are restricted, committed, or assigned),
2. *Restricted* fund balance includes amounts that can be spent only for the specific purposes stipulated by constitution provisions or enabling legislation, or external resource providers,
3. *Committed* fund balance includes amounts that can be used only for the specific purposes determined by a formal action of the Town's Town Council,
4. *Assigned* fund balances are intended to be used by the Town for specific purposes but do not meet the criteria to be classified as restricted or committed, and
5. *Unassigned* fund balance is the residual classification for the Town's governmental funds and includes all spendable amounts not contained in other classifications.

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 expenditures incur for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available, the Town's policy is to apply the expenditure first to restricted, and then to unrestricted in the following order of committed, assigned, and then unassigned.

TOWN OF CAMP VERDE, ARIZONA
Notes to Financial Statements
June 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

J. Investment Income

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

K. Estimates

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

L. Impact of Recently Issued Accounting Principles

In February 2015, the GASB issued Statement 72, *Fair Value Measurement and Application*. This Statement addresses accounting and financial reporting issues related to fair value measurements. The definition of fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The Town implemented this standard during this fiscal period.

In June 2015, the GASB issued Statement 73, *Accounting and Financial Reporting for Pensions and Related Assets that are not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. The objective of this Statement is to improve the usefulness of information about pensions included in the general purpose external financial reports of state and local governments for making decisions and assessing accountability. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. The Town implemented this standard during this fiscal period.

In June 2015, the GASB issued Statement 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement is effective for fiscal years beginning after June 15, 2017. Upon implementation, it is

TOWN OF CAMP VERDE, ARIZONA
Notes to Financial Statements
June 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

anticipated that this Statement will cause a restatement of beginning net position of the Governmental Activities, Business-type Activities, and the proprietary funds.

In June 2015, the GASB issued Statement 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The objective of this Statement is to identify—in the context of the current governmental financial reporting environment—the hierarchy of generally accepted accounting principles (GAAP). The “GAAP hierarchy” consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. The Town implemented this standard during this fiscal period.

In March 2016, the GASB issued Statement 82, *Pension Issues—an amendment of GASB Statements No. 67, No. 68, and No. 73*. The objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pensions*, and No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The requirements of this Statement are effective for reporting periods beginning after June 15, 2016, except for the requirements of this Statement for the selection of assumptions in a circumstance in which an employer’s pension liability is measured as of a date other than the employer’s most recent fiscal year-end. In that circumstance, the requirements for the selection of assumptions are effective for that employer in the first reporting period in which the measurement date of the pension liability is on or after June 15, 2017.

M. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the pension plans’ fiduciary net position and additions to/deductions from the plans’ fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

TOWN OF CAMP VERDE, ARIZONA
Notes to Financial Statements
June 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

N. Budgets

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

Expenditures may not legally exceed budgeted appropriations at the department level. The individual Schedules of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual reports as listed in the table of contents present all departments which incurred an excess of expenditures/expenses over appropriations for the year ended June 30, 2016, if any.

NOTE 2 – DEPOSITS AND INVESTMENTS

Arizona Revised Statutes (A.R.S.) authorize the Town to invest public monies in the State Treasurer’s investment pool; U.S. Treasury obligations; specified state and local government bonds; and interest-earning investments such as savings accounts, certificates of deposit, and repurchase agreements in eligible depositories. The statutes require collateral for demand deposits, certificates of deposit, and repurchase agreements at 101 percent of all deposits not covered by federal depository insurance.

Deposits—At June 30, 2016, the carrying amount of the Town’s total cash in bank was \$2,863,924, and the bank balance was \$3,294,360. Of the bank balance, \$1,059,751 was covered by federal depository insurance and the remaining balance was covered by collateral held by the pledging financial institution in the Town’s name.

Deposits and investments at June 30, 2016 consist of the following:

Deposits	
Cash on hand	\$ 1,510
Cash in bank	2,863,924
Investments	
State treasurer's investment pool	2,235,528
U.S. Securities	2,108,267
Total deposits and investments	7,209,229
Less Cash - Restricted	(1,343,045)
Total cash and cash equivalents	<u>\$ 5,866,184</u>

Cash – restricted consists of cash set aside to meet debt service requirements totaling \$481,107 and refunding bond proceeds restricted for library capital improvements totaling \$861,938.

TOWN OF CAMP VERDE, ARIZONA
Notes to Financial Statements
June 30, 2016

NOTE 2 – DEPOSITS AND INVESTMENTS- Continued

At June 30, 2016, the Town had the following investments and maturities:

Investment Type	Fair Value	Investment Maturities (in Years)		Concentration of Credit Risk %
		Less Than 1	1-5	
U.S. Treasuries	\$ 480,336	\$ 480,336	\$ -	22.78
Negotiable Certificates of Deposits				
Ally Bank	252,378	-	252,378	11.97
U.S. Agencies				
Federal Farm Credit Bank	500,020	-	500,020	23.72
Federal Farm Credit Bank	250,003	-	250,003	11.86
Federal Home Loan Bank	225,455	225,455	-	10.69
Federal Home Loan Bank	400,075	-	400,075	18.98
	<u>\$ 2,108,267</u>	<u>\$ 705,791</u>	<u>\$ 1,402,476</u>	<u>100.00</u>

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.

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. The State Treasurer's Investment Pool is overseen according to Arizona State Statute by the State Board of Deposit. The fair value of a participant's position in the pool approximates the value of that participant's pool shares. The shares are not identified with specific investments and are not subject to custodial credit risk.

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

TOWN OF CAMP VERDE, ARIZONA
Notes to Financial Statements
June 30, 2016

NOTE 3 – ACCOUNTS RECEIVABLE

As of June 30, 2016, the Town’s receivables for individual major governmental funds and non-major governmental funds in the aggregate, consisted of \$657,282 in municipal court fines and \$56,843 in other miscellaneous receivables. In anticipation of uncollectible amounts, the Town has an allowance for doubtful accounts of \$526,000.

In connection with receivables, governmental funds reported deferred 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. At the end of the current fiscal year, unavailable revenue consisted of fines receivable of \$178,905, loans receivable of \$95,267, and unexpended grant funds of \$29,931.

As of June 30, 2016, the Town’s receivables for individual major proprietary funds consisted of wastewater fees billed to customers totaling \$208,211. In anticipation of uncollectible amounts, the Town has an allowance for doubtful accounts of \$55,000.

NOTE 4 – DUE FROM OTHER GOVERNMENTS

Amounts due from other governments at June 30, 2016 consisted of the following:

	General Fund	HURF Fund	Non-Major Governmental Funds	Wastewater Fund
United States Internal Revenue Service	\$ 227,135	\$ -	\$ -	\$ -
Camp Verde Sanitary District	-	-	-	188,913
State of Arizona				
Highway user revenues	-	78,861	-	-
State and city sales tax revenues	290,165	-	-	-
Magistrate court revenues	-	-	76,963	-
GOHS grant revenues	-	-	2,929	-
HSIP Street signage grant revenues	-	-	9,431	-
Department of Homeland Security grant revenues	-	-	20,500	-
Yavapai County				
Vehicle licensing tax revenues	29,496	-	-	-
Flood control grant revenues	-	-	7,267	-
PANT grant revenues	-	-	2,904	-
Miscellaneous	-	-	-	1,754
	<u>\$ 546,796</u>	<u>\$ 78,861</u>	<u>\$ 119,994</u>	<u>\$ 190,667</u>

TOWN OF CAMP VERDE, ARIZONA
Notes to Financial Statements
June 30, 2016

NOTE 5 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2016, was as follows:

	Balance July 01, 2015	Increase	Decreases	Balance June 30, 2016
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 5,868,719	\$ -	\$ (244,000)	\$ 5,624,719
Construction in progress	1,549,184	3,480,352	(866,526)	4,163,010
Total capital assets not being depreciated	<u>7,417,903</u>	<u>3,480,352</u>	<u>(1,110,526)</u>	<u>9,787,729</u>
Capital assets being depreciated:				
Buildings and improvements	3,857,920	-	(152,478)	3,705,442
Infrastructure	3,377,961	697,319	-	4,075,280
Machinery and equipment	2,912,902	734,391	(98,044)	3,549,249
Improvements other than buildings	953,431	6,850	-	960,281
Total	<u>11,102,214</u>	<u>1,438,560</u>	<u>(250,522)</u>	<u>12,290,252</u>
Less accumulated depreciation for:				
Buildings and improvements	(1,028,113)	(92,020)	37,628	(1,082,505)
Infrastructure	(1,008,652)	(168,942)	-	(1,177,594)
Machinery and equipment	(1,885,555)	(315,551)	99,987	(2,101,119)
Improvements other than buildings	(438,611)	(27,368)	-	(465,979)
Total	<u>(4,360,931)</u>	<u>(603,881)</u>	<u>137,615</u>	<u>(4,827,197)</u>
Total capital assets being depreciated, net	<u>6,741,283</u>	<u>834,679</u>	<u>(112,907)</u>	<u>7,463,055</u>
Governmental activities capital assets, net	<u>\$ 14,159,186</u>	<u>\$ 4,315,031</u>	<u>\$ (1,223,433)</u>	<u>\$ 17,250,784</u>

TOWN OF CAMP VERDE, ARIZONA
Notes to Financial Statements
June 30, 2016

NOTE 5 – CAPITAL ASSETS – Continued

	Balance <u>July 01, 2015</u>	<u>Increase</u>	<u>Decreases</u>	Balance <u>June 30, 2016</u>
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 1,275,828	\$ -	\$ -	\$ 1,275,828
Construction in progress	<u>102,264</u>	<u>261,534</u>	<u>-</u>	<u>363,798</u>
Total capital assets not being depreciated	<u>1,378,092</u>	<u>261,534</u>	<u>-</u>	<u>1,639,626</u>
Capital assets being depreciated:				
Buildings and improvements	553,417	-	-	553,417
Infrastructure systems	21,182,275	-	-	21,182,275
Vehicles and equipment	<u>325,849</u>	<u>-</u>	<u>-</u>	<u>325,849</u>
Total	<u>22,061,541</u>	<u>-</u>	<u>-</u>	<u>22,061,541</u>
Less accumulated depreciation for:				
Buildings and improvements	(61,571)	(25,794)	-	(87,365)
Infrastructure	(5,107,202)	(658,749)	-	(5,765,951)
Vehicles and equipment	<u>(201,593)</u>	<u>(36,909)</u>	<u>-</u>	<u>(238,502)</u>
Total	<u>(5,370,366)</u>	<u>(721,452)</u>	<u>-</u>	<u>(6,091,818)</u>
Total capital assets being depreciated, net	<u>16,691,175</u>	<u>(721,452)</u>	<u>-</u>	<u>15,969,723</u>
Business-type activities capital assets, net	<u>\$ 18,069,267</u>	<u>\$ (459,918)</u>	<u>\$ -</u>	<u>\$ 17,609,349</u>

Depreciation expense was charged to each function as follows:

Governmental activities:	
Public works and streets	\$ 323,519
Public safety	159,070
Culture and recreation	62,172
General government	52,788
Economic and community development	<u>6,332</u>
Total governmental activities depreciation expense	<u>\$ 603,881</u>
Business-type activities:	
Wastewater fund	<u>\$ 721,452</u>

TOWN OF CAMP VERDE, ARIZONA
Notes to Financial Statements
June 30, 2016

NOTE 6 – LOANS RECEIVABLE

The Town has outstanding loans due from homeowners related to funding through a Community Development Block Grant (CDBG). Income from CDBG loans is considered program income of the grant. The governmental funds reports unavailable revenue as “deferred inflows of resources” in connection with the receivables for revenues that are not considered to be available to liquidate liabilities of the current period. However, the government-wide financial statements recognized the revenue when the receivable was recognized. Therefore, the unavailable revenue represents a reconciling item between the government-wide and fund financial statements. At June 30, 2016, \$95,267 of the loan receivable recorded in the Housing Fund represents funds that were unavailable.

NOTE 7 – LONG-TERM LIABILITIES

The following schedule details the Town’s long-term liability and obligation activity for the year ended June 30, 2016.

	Balance July 1, 2015	Additions	Reductions	Balance June 30, 2016	Due within 1 year
Governmental activities:					
Compensated absences	\$ 447,334	\$ 465,667	\$ 414,629	\$ 498,372	\$ 490,548
Capital leases payable	471,967	530,000	206,486	795,481	259,577
Net pension liability	5,450,696	574,167	-	6,024,863	-
Bonds payable:					
Revenue bonds	5,702,227	-	168,706	5,533,522	398,666
Governmental activities long-term liabilities	<u>\$ 12,072,224</u>	<u>\$ 1,569,834</u>	<u>\$ 789,821</u>	<u>\$ 12,852,238</u>	<u>\$ 1,148,791</u>
Business-type activities:					
Compensated absences	\$ 31,819	\$ 43,009	\$ 33,171	\$ 41,657	\$ 41,657
Net pension liability	482,963	85,596	-	568,559	-
Business-type activities long-term liabilities	<u>\$ 514,782</u>	<u>\$ 128,605</u>	<u>\$ 33,171</u>	<u>\$ 610,216</u>	<u>\$ 41,657</u>

Bonds Payable:

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

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

TOWN OF CAMP VERDE, ARIZONA
Notes to Financial Statements
June 30, 2016

NOTE 7 – LONG-TERM LIABILITIES – Continued

Description	Original Amount	Maturity Ranges	Interest Rates	Outstanding Principal June 30, 2016
Revenue Bonds, Series 2011	\$ 1,005,000	2012-2023	3.91%	\$ 722,522
Revenue Refunding Bonds, Series 2014	4,904,000	2016-2031	2.84%	4,811,000
Totals	<u>\$ 5,909,000</u>			<u>\$ 5,533,522</u>

The following schedule details debt service requirements to maturity for the Town's bonds payable at June 30, 2016.

Year Ending June 30	Governmental Activities			
	2011 Bond Payable		2014 Bond Payable	
	Principal	Interest	Principal	Interest
2017	\$ 78,666	\$ 26,713	\$ 320,000	\$ 132,088
2018	81,741	23,577	329,000	122,873
2019	84,938	20,318	337,000	113,415
2020	88,259	16,932	346,000	103,717
2021	91,709	13,414	360,000	93,692
2022-2026	297,209	17,728	1,785,000	309,689
2027-2031	-	-	1,334,000	96,844
Total	<u>\$ 722,522</u>	<u>\$ 118,682</u>	<u>\$ 4,811,000</u>	<u>\$ 972,318</u>

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

	Governmental Activities
Machinery and equipment	\$ 856,307
Less: accumulated depreciation	(459,486)
Carrying value	<u>\$ 396,821</u>

TOWN OF CAMP VERDE, ARIZONA
Notes to Financial Statements
June 30, 2016

NOTE 7 – LONG-TERM LIABILITIES – Continued

The following schedule details debt service requirements to maturity for the Town’s capital leases payable at June 30, 2016.

Year Ending June 30	Governmental Activities
2017	\$ 272,379
2018	272,379
2019	112,830
2020	110,988
2021	55,494
Total minimum lease payments	824,070
Less amount representing interest	(28,589)
Present value of net minimum lease payments	\$ 795,481

NOTE 8 – PLEDGED REVENUES

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

The Town has pledged, as security for a lease-purchase agreement entered into by the Camp Verde Sanitary District, a portion of the Town’s sales tax. The lease-purchase agreement, executed by the Sanitary District in FY2007, was amended during FY2010. 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 \$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 and interest remaining on the District’s debt is \$1.53 million. For the current year, principal and interest paid by the Sanitary District totaled \$118,664. Total sales tax and state-shared revenues recognized by the Town totaled \$5.3 million.

TOWN OF CAMP VERDE, ARIZONA
Notes to Financial Statements
June 30, 2016

NOTE 9 – INTERFUND BALANCES AND ACTIVITY

During the year ended June 30, 2016, the Federal Grants Fund borrowed \$9,817 from the General Fund monies for the purpose of paying reimbursable grant expenditures that will be repaid in the short term.

Interfund transfers – During the year ended June 30, 2016, the Town transferred funds to cover shared expenses and interfund borrowings. Transfers made between funds during the year are as follows:

Transfers to	Transfers from		
	General Fund	HURF Fund	Total
Non-Major Governmental Funds	\$ 1,232,147	\$ 336,755	\$ 1,568,902
Library Building Fund	237,000	-	237,000
Wastewater Fund	33,462	-	33,462
Total	\$ 1,502,609	\$ 336,755	\$ 1,805,902

NOTE 10 – INDIVIDUAL FUND DISCLOSURES

Individual funds with deficiencies in fund balance/net position at June 30, 2016 were as follows:

Non-major special revenue funds

Federal Grants Fund	\$ (29,569)
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The deficiency in the Federal Grants Fund of the Non-major special revenue funds will be eliminated through reimbursements from Federal granting agencies.

TOWN OF CAMP VERDE, ARIZONA
Notes to Financial Statements
June 30, 2016

NOTE 11 – GOVERNMENTAL FUND BALANCE/NET POSITION COMPONENTS

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

	Governmental Activities
Restricted Net Position:	
Highway User Revenues	\$ 1,309,959
Housing redevelopment:	
Loans Receivable	95,267
Other	35,460
Court Special Revenue:	
Court Enhancement	63,438
Fill the Gap	20,954
Local JCEF	42,197
Nonfederal grants	
Anti-racketeering	25,276
9-1-1	2,143
Library Building	1,205,274
Impact Fees:	
Parks and Recreation	104,081
Police Services	17,498
Donations:	
Animal Shelter	70
Camp Verde Marshal's Office	154
K-9	3,739
Library	11,774
Parks and Recreation	3,952
Safety fund	5,406
Economic development	409
Volunteers in Police Services	427
Total Restricted Net Position	\$ 2,947,478

TOWN OF CAMP VERDE, ARIZONA
Notes to Financial Statements
June 30, 2016

**NOTE 11 – GOVERNMENTAL FUND BALANCE/NET POSITION COMPONENTS –
Continued**

The components of governmental fund balances are as follows:

	General	HURF	Library Building	Non-Major Gov't Funds	Total Gov't Funds
Ending Fund balances, June 30, 2016					
Restricted for:					
Highways and streets	\$ -	\$ 1,309,959	\$ -	\$ -	\$ 1,309,959
Housing redevelopment	-	-	-	35,460	35,460
Court special revenue					
Court enhancement	-	-	-	63,438	63,438
Fill the gap	-	-	-	20,954	20,954
Local JCEF	-	-	-	42,197	42,197
Nonfederal grants					
Anti-racketeering	-	-	-	25,276	25,276
9-1-1	-	-	-	2,143	2,143
Library building	-	-	1,205,274	-	1,205,274
Impact fees					
Parks and recreation	-	-	-	104,081	104,081
Police services	-	-	-	17,498	17,498
Donations					
Animal shelter	-	-	-	70	70
Camp Verde Marshal's office	-	-	-	154	154
K-9	-	-	-	3,739	3,739
Library	-	-	-	11,774	11,774
Parks and recreation	-	-	-	3,952	3,952
Safety fund	-	-	-	5,406	5,406
Economic development	-	-	-	409	409
Volunteers in police service	-	-	-	427	427
Total restricted	<u>-</u>	<u>1,309,959</u>	<u>1,205,274</u>	<u>336,978</u>	<u>2,852,211</u>
Committed for:					
Legal defense	<u>-</u>	<u>-</u>	<u>-</u>	<u>30,181</u>	<u>30,181</u>
Total committed	<u>-</u>	<u>-</u>	<u>-</u>	<u>30,181</u>	<u>30,181</u>
Assigned for:					
Capital improvements	<u>-</u>	<u>-</u>	<u>-</u>	<u>551,200</u>	<u>551,200</u>
Total assigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>551,200</u>	<u>551,200</u>
Unassigned:	<u>2,917,783</u>	<u>-</u>	<u>-</u>	<u>(29,569)</u>	<u>2,888,214</u>
Ending Fund Balances	<u>\$ 2,917,783</u>	<u>\$ 1,309,959</u>	<u>\$ 1,205,274</u>	<u>\$ 888,790</u>	<u>\$ 6,321,806</u>

TOWN OF CAMP VERDE, ARIZONA
Notes to Financial Statements
June 30, 2016

NOTE 12 – 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 13 – 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 14 – 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, 2016, the Town reported the following aggregate amounts related to pensions for all plans to which it contributes:

	Statement of Net Position and Statement of Activities		
	Governmental	Business-Type	Total
	Activities	Activities	
Net pension liabilities	\$ 6,024,863	\$ 568,559	\$ 6,593,422
Deferred outflows of resources	1,722,850	136,648	1,859,498
Deferred inflows of resources	426,124	48,014	474,138
Pension expense	897,738	87,361	985,099

The Town reported \$554,040 of pension expenditures in the governmental funds related to all pension plans to which it contributes.

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 Web site at www.azasrs.gov.

TOWN OF CAMP VERDE, ARIZONA
Notes to Financial Statements
June 30, 2016

NOTE 14 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS – Continued

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:

ASRS	Retirement	
	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 survivor benefit is determined by the retirement benefit option chosen. For all other members, the beneficiary is entitled to the member’s account balance that includes the member’s contributions and employer’s contributions, plus interest earned.

Contributions – In accordance with state statutes, annual actuarial valuations determine active member and employer contribution requirements. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. For the year ended June 30, 2016, statute required active ASRS members to contribute at the actuarially determined rate of 11.47 percent (11.35 percent for retirement and 0.12 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 11.47 percent (10.85 percent for retirement, 0.50 percent for health insurance premium benefit, and 0.12 percent for long-term disability) of the active members’ annual covered payroll. The Town’s contributions to the pension plan for the year ended June 30, 2016,

TOWN OF CAMP VERDE, ARIZONA
Notes to Financial Statements
June 30, 2016

NOTE 14 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS – Continued

were \$293,243. The Town’s contributions for the current and two preceding years for OPEB, all of which were equal to the required contributions, were as follows:

ASRS	<u>Health Benefit Supplement Fund</u>	<u>Long-Term Disability Fund</u>
June 30, 2016	\$ 16,367	\$ 3,273
June 30, 2015	16,051	3,210
June 30, 2014	14,750	5,900

During fiscal year 2016, the Town paid for ASRS pension and OPEB contributions as follows: 79.33 percent from the General Fund, 8.22 percent from the HURF Fund and 12.45 percent from the Wastewater Fund.

Pension Liability – At June 30, 2016, the Town reported a liability of \$4,568,105 for its proportionate share of the ASRS’ net pension liability. The net pension liability was measured as of June 30, 2015. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2014, to the measurement date of June 30, 2015. The Town’s proportion of the net pension 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, 2015. The Town’s proportion measured as of June 30, 2015, was .029330 percent, which was an increase of .0008995 from its proportion measured as of June 30, 2014.

Pension Expense and Deferred Outflows/Inflows of Resources – For the year ended June 30, 2016, the Town recognized pension expense for ASRS of \$701,907. At June 30, 2016, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

ASRS	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 124,654	\$ 239,373
Changes of assumptions or other inputs	-	-
Net difference between projected and actual earnings on pension plan investments	-	146,398
Changes in proportion and differences between contributions and proportionate share of contributions	680,004	-
Contributions subsequent to the measurement date	293,243	-
Total	<u>\$ 1,097,901</u>	<u>\$ 385,771</u>

TOWN OF CAMP VERDE, ARIZONA
Notes to Financial Statements
June 30, 2016

NOTE 14 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS – Continued

The \$293,243 reported as deferred outflows of resources related to ASRS pensions resulting from Town contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ASRS pensions will be recognized in pension expense as follows:

Year ended June 30:	
2017	\$ 358,766
2018	40,765
2019	(86,325)
2020	105,681
2021	-
Thereafter	-

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

ASRS	
Actuarial valuation date	June 30, 2014
Actuarial roll forward date	June 30, 2015
Actuarial cost method	Entry age normal
Investment rate of return	8.0%
Projected salary increases	3.0 - 6.75%
Inflation	3.0%
Permanent benefit increase	Included
Mortality rates	1994 GAM Scale BB

Actuarial assumptions used in the June 30, 2014, valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2012.

The long-term expected rate of return on ASRS pension plan investments was determined to be 8.79 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

TOWN OF CAMP VERDE, ARIZONA
Notes to Financial Statements
June 30, 2016

NOTE 14 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS – Continued

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

ASRS Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equity	58%	3.94%
Fixed income	25%	0.93%
Real estate	10%	0.08%
Multi-asset class	5%	0.42%
Commodities	2%	0.17%
Total	100%	

Discount Rate – The discount rate used to measure the ASRS total pension liability was 8 percent, which is less than the long-term expected rate of return of 8.79 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 pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Town’s Proportionate Share of the ASRS Net Pension Liability to Changes in the Discount Rate – The following table presents the Town’s proportionate share of the net pension liability calculated using the discount rate of 8 percent, as well as what the Town’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (7 percent) or 1 percentage point higher (9 percent) than the current rate:

ASRS	1% Decrease (7.0%)	Current Discount Rate (8.0%)	1% Increase (9.0%)
Town's proportionate share of the net pension liability	\$ 5,985,778	\$ 4,568,105	\$ 3,596,534

Pension Plan Fiduciary Net Position – Detailed information about the pension plan’s fiduciary net position is available in the separately issued ASRS financial report.

TOWN OF CAMP VERDE, ARIZONA
Notes to Financial Statements
June 30, 2016

NOTE 14 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS – Continued

B. Public Safety Personnel Retirement System

Plan Descriptions – Town police employees participate in the Public Safety Personnel Retirement System (PSPRS). The PSPRS administers an agent multiple-employer defined benefit pension plan and an agent multiple-employer defined benefit health insurance premium benefit (OPEB) plan (agent plans). A seven-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. The PSPRS issue publicly available financial reports that include their financial statements and required supplementary information. The reports are available on the PSPRS Web site at www.psprs.com.

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

	Retirement Initial Membership Date:	
	Before January 1, 2012	On or after January 1, 2012
Years of service and age required to receive benefit	20 years any age 15 years age 62	25 years and age 52.5
Final average salary is based on	Highest 36 months of last 20 years	Highest 60 months of last 20 years
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%	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,	
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% of retired member's pension benefit	
Active Members	80% if accidental disability retirement benefit or 100% of average monthly compensation if death was result of injuries received on the job	

TOWN OF CAMP VERDE, ARIZONA
Notes to Financial Statements
June 30, 2016

NOTE 14 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS – Continued

Retirement and survivor benefits are subject to automatic cost-of-living adjustments based on excess investment earning. In addition, from and after December 31, 2015, the Legislature may enact permanent one-time benefit increases after a Joint Legislative Budget Committee analysis of the increase’s effects on the plan. PSPRS also provides temporary disability benefits of 50 percent of the member’s compensation for up to 12 months.

Employees Covered by Benefit Terms – At June 30, 2016, the following employees were covered by the agent pension plans’ benefit terms:

PSPRS	<u>PSPRS Police</u>
Inactive employees or beneficiaries currently receiving benefits	7
Inactive employees entitled to but not yet receiving benefits	4
Active employees	<u>18</u>
Total	<u><u>29</u></u>

Contributions and Annual OPEB Cost – 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, 2016, are indicated below. Rates are a percentage of active members’ annual covered payroll.

	<u>PSPRS Police</u>
Active Members - Pension	11.65%
Town	
Pension	24.92%
Health insurance premium benefit	0.34%

For the agent plans, the Town’s contributions to the pension plan and annual OPEB cost and contributions for the health insurance premium benefit for the year ended June 30, 2016, were:

	<u>PSPRS Police</u>
Pension	
Contributions Made	\$ 276,886
Health Insurance Premium Benefit	
Annual OPEB cost	3,214
Contributions made	3,214

TOWN OF CAMP VERDE, ARIZONA
Notes to Financial Statements
June 30, 2016

NOTE 14 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS – Continued

During fiscal year 2016, the Town paid for 100 percent of PSPRS pension and OPEB contributions from the General Fund.

Net Pension Liability (Asset) – At June 30, 2016, the Town reported the following net pension liability:

	Net Pension Liability
	(Asset)
PSPRS Police	\$ 2,025,317

The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

In May 2016 voters approved Proposition 124 that authorized certain statutory adjustments to PSPRS’ automatic cost-of-living adjustments. The statutory adjustments change the basis for future cost-of-living adjustments from excess investment earnings to the change in the consumer price index, limited to a maximum annual increase of 2 percent. The change in the Town’s net pension liability as a result of the statutory adjustments is not known.

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

Actuarial valuation date	June 30, 2015
Actuarial cost method	Entry age normal
Discount rate	7.85%
Projected salary increases	4.0%-8.0%
Inflation	3.0%
Permanent benefit increase	Included
Mortality rates	RP-2000 mortality table (adjusted by 105% for both males and females)

Actuarial assumptions used in the June 30, 2016, valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2011.

TOWN OF CAMP VERDE, ARIZONA
Notes to Financial Statements
June 30, 2016

NOTE 14 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS – Continued

The long-term expected rate of return on PSPRS pension plan investments was determined to be 7.85 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. equity	16%	6.23%
Non-U.S. equity	14%	8.25%
Credit opportunities	13%	7.08%
Private Equity	11%	9.50%
Real estate	10%	4.48%
GTAA	10%	4.38%
Real assets	8%	4.77%
Fixed Income	7%	2.92%
Absolute return	5%	4.11%
Risk parity	4%	5.13%
Short term investments	2%	0.75%
Total	<u>100%</u>	

Pension Discount Rates – The discount rate used to measure the PSPRS total pension liability was 7.85 percent. The projection of cash flows used to determine the PSPRS discount rates assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between the actuarially determined contribution rate and the member rate. Based on those assumptions, the pension plans’ fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

TOWN OF CAMP VERDE, ARIZONA
Notes to Financial Statements
June 30, 2016

NOTE 14 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS – Continued

Changes in the Net Pension Liability (Asset)

PSPRS	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances at June 30, 2015	\$ 4,852,992	\$ 2,981,258	\$ 1,871,734
Changes for the year			
Service Cost	164,394	-	164,394
Interest on the total pension liability	377,049	-	377,049
Changes of benefit terms	-	-	-
Differences between expected and actual experience in the measurement of the pension liability	39,167	-	39,167
Changes of assumptions or other inputs	-	-	-
Contributions-employer	-	225,914	(225,914)
Contributions-employee	-	96,283	(96,283)
Net investment income	-	110,474	(110,474)
Benefit payments, including refunds of employee contributions	(264,036)	(264,036)	-
Administrative expense	-	(3,075)	3,075
Other changes	-	(2,569)	2,569
Net changes	<u>316,574</u>	<u>162,991</u>	<u>153,583</u>
Balances at June 30, 2016	<u>\$ 5,169,566</u>	<u>\$ 3,144,249</u>	<u>\$ 2,025,317</u>

Sensitivity of the Town’s Net Pension Liability to Changes in the Discount Rate – The following table presents the Town’s net pension liabilities (assets) calculated using the discount rate of 7.85 percent, as well as what the Town’s net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (6.85 percent) or 1 percentage point higher (8.85 percent) than the current rate:

PSPRS	Current		
	1% Decrease	Discount Rate	1% Increase
PSPRS Police:			
Rate	6.85%	7.85%	8.85%
Net pension liability	\$ 2,678,351	\$ 2,025,317	\$ 1,484,516

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

TOWN OF CAMP VERDE, ARIZONA
Notes to Financial Statements
June 30, 2016

NOTE 14 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS – Continued

Pension Expense – For the year ended June 30, 2016, the Town recognized the following pension expense:

	<u>Pension Expense</u>
PSPRS - Police	<u>\$ 283,192</u>

Pension Deferred Outflows/Inflows of Resources – At June 30, 2016, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

PSPRS	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 63,850	\$ -
Changes of assumptions or other inputs	320,368	-
Net difference between projected and actual earnings on pension plan investments	100,493	88,367
Changes in proportion and differences between contributions and proportionate share of contributions	-	-
Contributions subsequent to the measurement date	276,886	-
Total	<u><u>\$ 761,597</u></u>	<u><u>\$ 88,367</u></u>

The amounts reported as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	<u>PSPRS - Police</u>
Year ended June 30:	
2017	\$ 68,478
2018	68,478
2019	68,479
2020	97,935
2021	72,811
Thereafter	20,163

TOWN OF CAMP VERDE, ARIZONA
Notes to Financial Statements
June 30, 2016

NOTE 14 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS – Continued

Agent Plan OPEB Actuarial Assumptions – The health insurance premium benefit contribution requirements for the year ended June 30, 2016, were established by the June 30, 2014, actuarial valuations, and those actuarial valuations were based on the following actuarial methods and assumptions.

Actuarial valuations involve estimates of the reported amounts' value and assumptions about the probability of events in the future. Amounts determined regarding the plans' funded status and the annual required contributions are subject to continual revision as actual results are compared to past expectations and new estimates are made. The required schedule of funding progress for the health insurance premium benefit presented as required supplementary information provides multiyear trend information that shows whether the actuarial value of the plans' assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Projections of benefits are based on (1) the plans as understood by the Town and plans' members and include the types of benefits in force at the valuation date, and (2) the pattern of sharing benefit costs between the Town and plans' members to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. The actuarial methods and assumptions used to establish the fiscal year 2015 contribution requirements are as follows:

PSPRS - OPEB Contribution Requirements

Actuarial valuation date	June 30, 2014
Actuarial cost method	Entry age normal
Amortization method	Level percent of pay closed
Remaining amortization period	22 years for unfunded, 20 years for overfunded
Asset valuation method	7-year smoothed market value; 80%/120% market
Actuarial assumptions:	
Investment rate of return	7.85%
Projected salary increases	4.0%-8.0%
Wage growth	4.0%

TOWN OF CAMP VERDE, ARIZONA
Notes to Financial Statements
June 30, 2016

NOTE 14 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS – Continued

Agent Plan OPEB Trend Information – Annual OPEB cost information for the health insurance premium benefit for the current and two preceding years:

<u>Fiscal Year End</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual Cost Contributed</u>	<u>Net OPEB Obligation</u>
PSPRS Police:			
June 30, 2016	\$ -	100%	Unavailable
June 30, 2015	8,409	100%	(9,199)
June 30, 2014	10,822	100%	(18,018)

Agent Plan OPEB Funded Status – The health insurance premium benefit plans’ funded status as of the most recent valuation date, June 30, 2015, along with the actuarial assumptions and methods used in those valuations follow.

	<u>PSPRS Police</u>
Actuarial value of assets (a)	\$ 173,928
Actuarial accrued liability (b)	\$ 164,729
Unfunded actuarial accrued liability (funding excess) (b) - (a)	\$ (9,199)
Funded ratio (a)/(b)	105.58%
Annual covered payroll (c)	\$ 919,242
Unfunded actuarial accrued liability (funding excess) as a percentage of covered payroll (b) - (a) / (c)	0.00%

The actuarial methods and assumptions for the most recent valuation date are as follows:

PSPRS - OPEB Funded Status	
Actuarial valuation date	June 30, 2015
Actuarial cost method	Entry age normal
Amortization method	Level percent of pay closed
Remaining amortization period	21 years for unfunded, 20 years for overfunded
Asset valuation method	7-year smoothed market value; 80%/120% market
Actuarial assumptions:	
Investment rate of return	7.85%
Projected salary increases	4.0%-8.0%
Wage growth	4.0%



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, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenue				
Taxes	\$ 3,706,050	\$ 3,706,050	\$ 4,201,014	\$ 494,964
Intergovernmental	3,245,780	3,245,780	3,273,560	27,780
Fines and forfeitures	267,800	267,800	268,682	882
Licenses and permits	212,400	212,400	198,155	(14,245)
Charges for services	109,650	109,650	122,360	12,710
Investment income	11,000	11,000	23,835	12,835
Other revenue	32,765	32,765	184,507	151,742
Total revenue	<u>7,585,445</u>	<u>7,585,445</u>	<u>8,272,113</u>	<u>686,668</u>
Expenditures				
Marshal	2,651,801	2,651,801	2,528,114	123,687
Maintenance	569,849	569,849	566,427	3,422
Magistrate	373,153	373,153	358,019	15,134
Community development	482,783	482,783	417,502	65,281
Library	392,166	392,166	390,180	1,986
Risk management	389,731	389,731	285,153	104,578
Information technology	135,000	135,000	199,397	(64,397)
Parks and recreation	257,652	257,652	244,349	13,303
Town clerk	157,438	175,983	179,560	(3,577)
Town manager	160,341	168,041	168,395	(354)
Finance	294,759	294,759	287,296	7,463
Economic development	188,889	188,889	189,083	(194)
Non-departmental	249,850	197,720	223,541	(25,821)
Public works and streets	121,197	121,197	118,333	2,864
Storm water management	155,471	155,471	160,163	(4,692)
Mayor and council	46,228	79,813	78,230	1,583
Human resources	28,006	28,006	32,745	(4,739)
Total expenditures	<u>6,654,314</u>	<u>6,662,014</u>	<u>6,426,487</u>	<u>235,527</u>
Excess (deficiency) of revenue over (under) expenditures	<u>931,131</u>	<u>923,431</u>	<u>1,845,626</u>	<u>922,195</u>
Other financing sources				
Transfers in (out)	<u>(957,656)</u>	<u>(957,967)</u>	<u>(1,502,609)</u>	<u>(544,642)</u>
Total other financing sources	<u>(957,656)</u>	<u>(957,967)</u>	<u>(1,502,609)</u>	<u>(544,642)</u>
Net change in fund balances	(26,525)	(34,536)	343,017	377,553
Fund balances, July 1, 2015	<u>2,574,766</u>	<u>2,574,766</u>	<u>2,574,766</u>	<u>-</u>
Fund balances, June 30, 2016	<u><u>\$ 2,548,241</u></u>	<u><u>\$ 2,540,230</u></u>	<u><u>\$ 2,917,783</u></u>	<u><u>\$ 377,553</u></u>

See accompanying notes to budgetary comparison schedule.

TOWN OF CAMP VERDE, ARIZONA
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – HURF Fund
Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenue				
Intergovernmental	\$ 847,000	\$ 847,000	880,724	33,724
Investment income	5,000	5,000	3,309	(1,691)
Other revenue	5,300	5,300	400	(4,900)
Total revenue	<u>857,300</u>	<u>857,300</u>	<u>884,433</u>	<u>27,133</u>
Expenditures				
Current				
Highways and streets	593,709	593,709	614,221	(20,512)
Capital outlay	3,000	3,000	27,738	(24,738)
Total expenditures	<u>596,709</u>	<u>596,709</u>	<u>641,959</u>	<u>(45,250)</u>
Excess (deficiency) of revenue over (under) expenditures	<u>260,591</u>	<u>260,591</u>	<u>242,474</u>	<u>(18,117)</u>
Other financing sources				
Transfers in (out)	<u>(531,932)</u>	<u>(531,932)</u>	<u>(336,755)</u>	<u>195,177</u>
Total other financing sources	<u>(531,932)</u>	<u>(531,932)</u>	<u>(336,755)</u>	<u>195,177</u>
Net change in fund balances	<u>(271,341)</u>	<u>(271,341)</u>	<u>(94,281)</u>	<u>177,060</u>
Fund balances, July 1, 2015	<u>1,404,240</u>	<u>1,404,240</u>	<u>1,404,240</u>	<u>-</u>
Fund balances, June 30, 2016	<u>\$ 1,132,899</u>	<u>\$ 1,132,899</u>	<u>\$ 1,309,959</u>	<u>\$ 177,060</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 – Library Building Fund
Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenue				
Contributions	\$ 375,000	\$ 375,000	\$ 416,867	\$ 41,867
Investment income	525	525	762	237
Total revenue	<u>375,525</u>	<u>375,525</u>	<u>417,629</u>	<u>42,104</u>
Expenditures				
Current				
Culture and recreation	-	-	215	(215)
Capital outlay	3,998,684	3,998,684	2,913,148	1,085,536
Total expenditures	<u>3,998,684</u>	<u>3,998,684</u>	<u>2,913,363</u>	<u>1,085,321</u>
Excess (deficiency) of revenue over (under) expenditures	<u>(3,623,159)</u>	<u>(3,623,159)</u>	<u>(2,495,734)</u>	<u>1,127,425</u>
Other financing sources				
Transfers in(out)	-	37,000	237,000	200,000
Total other financing sources	<u>-</u>	<u>37,000</u>	<u>237,000</u>	<u>200,000</u>
Net change in fund balances	<u>(3,623,159)</u>	<u>(3,586,159)</u>	<u>(2,258,734)</u>	<u>1,327,425</u>
Fund balances, July 1, 2015	<u>3,464,008</u>	<u>3,464,008</u>	<u>3,464,008</u>	<u>-</u>
Fund balances, June 30, 2016	<u>\$ (159,151)</u>	<u>\$ (122,151)</u>	<u>\$ 1,205,274</u>	<u>\$ 1,327,425</u>

See accompanying notes to budgetary comparison schedule.

TOWN OF CAMP VERDE, ARIZONA
Required Supplementary Information
Notes to Budgetary Comparison Schedules
June 30, 2016

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. The Town has exceeded appropriations in the HURF Fund (Major Fund) and Federal Grants Fund (Non-major Fund) for the year ended June 30, 2016.

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 Liability
Cost-Sharing Pension Plans
June 30, 2016

Arizona State Retirement System

	Reporting Fiscal Year (Measurement Date)		
	2016 (2015)	2015 (2014)	2014 through 2007
Town's proportion of the net pension liability	0.029330%	0.027452%	Information
Town's proportionate share of the net pension liability	\$ 4,568,105	\$ 4,061,925	not available
Town's covered-employee payroll	\$ 2,675,211	\$ 2,474,579	
Town's proportionate share of the net pension liability as a percentage of its covered-employee payroll	170.76%	164.15%	
Plan fiduciary net position as a percentage of the total pension liability	69.49%	69.49%	

See accompanying notes to plan schedules.

TOWN OF CAMP VERDE, ARIZONA
Required Supplementary Information
Schedule of Changes in the Town's
Net Pension Liability (Asset) and Related Ratios
Agent Pension Plans
June 30, 2016

PSPRS

	Reporting Fiscal Year (Measurement Date)		
	2016 (2015)	2015 (2014)	2014 through 2007
Total pension liability			Information not available
Service cost	\$ 164,394	\$ 135,654	
Interest on the total pension liability	377,049	317,555	
Changes of benefit terms	-	69,633	
Differences between expected and actual experience in the measurement of the pension liability	39,167	41,958	
Changes of assumptions or other inputs	-	443,060	
Benefit payments, including refunds of employee contributions	(264,036)	(264,648)	
Net change in total pension liability	316,574	743,212	
Total pension liability - beginning	4,852,992	4,109,780	
Total pension liability - ending (a)	<u>\$ 5,169,566</u>	<u>\$ 4,852,992</u>	
Plan fiduciary net position			
Contributions - employer	\$ 225,914	\$ 170,919	
Contributions - employee	96,283	79,176	
Net investment income	110,474	357,316	
Benefit payments, including refunds of employee contributions	(264,036)	(264,648)	
Administrative expense	(3,075)	-	
Other changes	(2,569)	(88,819)	
Net change in plan fiduciary net position	162,991	253,944	
Plan fiduciary net position - beginning	2,981,258	2,727,314	
Plan fiduciary net position - ending (b)	<u>\$ 3,144,249</u>	<u>\$ 2,981,258</u>	
Town's net pension liability (asset) - ending (a) - (b)	<u>\$ 2,025,317</u>	<u>\$ 1,871,734</u>	
Plan fiduciary net position as a percentage of the total pension liability	60.82%	61.43%	
Covered-employee payroll	\$ 919,242	\$ 873,953	
Town's net pension liability (asset) as a percentage of covered-employee payroll	220.32%	214.17%	

See accompanying notes to plan schedules.

TOWN OF CAMP VERDE, ARIZONA
Required Supplementary Information
Schedule of Town Pension Contributions
June 30, 2016

ASRS

	Reporting Fiscal Year			2013 through 2007
	2016	2015	2014	
Statutorily required contribution	\$ 293,243	\$ 291,063	\$ 264,780	Information not available
Town's contributions in relation to the statutorily required contribution	<u>(293,243)</u>	<u>(291,063)</u>	<u>(264,780)</u>	
Town's contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
Town's covered-employee payroll	<u>\$ 2,702,700</u>	<u>\$ 2,675,211</u>	<u>\$ 2,474,579</u>	
Town's contributions as a percentage of covered-employee payroll	10.85%	10.89%	10.70%	

PSPRS

	Reporting Fiscal Year			2013 through 2007
	2016	2015	2014	
Actuarially determined contribution	\$ 276,886	\$ 234,078	\$ 188,934	Information not available
Town's contributions in relation to the actuarially determined contribution	<u>(276,886)</u>	<u>(234,078)</u>	<u>(188,934)</u>	
Town's contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
Town's covered-employee payroll	<u>\$ 1,111,100</u>	<u>\$ 919,242</u>	<u>\$ 873,953</u>	
Town's contributions as a percentage of covered-employee payroll	24.92%	20.70%	21.62%	

See accompanying notes to plan schedules.

TOWN OF CAMP VERDE, ARIZONA
Required Supplementary Information
Notes to Pension Plan Schedules
June 30, 2016

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 closed for unfunded actuarial accrued liability, open for excess
Remaining amortization period as of the 2014 actuarial valuation	22 years for unfunded actuarial accrued liability, 20 years for excess
Asset valuation method	7-year smoothed market value; 80%/120% market corridor
Actuarial assumptions:	
Investment rate of return	In 2013 actuarial valuation, the investment rate of return was decreased from 8.0% to 7.85%
Projected salary increases	In 2014 actuarial valuation, projected salary increases were decreased from 4.5% - 8.5% to 4.0% - 8.0%
Wage growth	In 2014 actuarial valuation, wage growth was decreased from 4.5% to 4.0%. In 2013 actuarial valuation, wage growth was 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	RP-2000 mortality table (adjusted by 105% for both males and females)

TOWN OF CAMP VERDE, ARIZONA
Required Supplementary Information
Schedule of Agent OPEB Plans' Funding Progress
June 30, 2016

Health Insurance Premium Benefit - PSPRS

Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (b)	Funding (Liability) Excess (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	Unfunded Liability as Percentage of Covered Payroll ((a-b)/c)
06/30/15	\$ 173,928	\$ 164,729	\$ (9,199)	105.6 %	\$ 919,242	0.0 %
06/30/14	163,233	145,215	(18,018)	112.4	873,954	0.00
06/30/13	-	72,549	72,549	0.0	706,486	10.27

See accompanying notes to schedule of agent OPEB plans' funding progress.

TOWN OF CAMP VERDE, ARIZONA
Required Supplementary Information
Notes to Schedule of Agent OPEB Plans' Funding Progress
June 30, 2016

NOTE 1 – FACTORS THAT AFFECT THE IDENTIFICATION OF TRENDS

Beginning in fiscal year 2014, PSPRS established separate funds for pension benefits and health insurance premium benefits. Previously, the plan recorded both pension and health insurance premium contributions in the same Pension Fund. During fiscal year 2014, the plan transferred prior-year health insurance premium benefit contributions that exceeded benefit payments from the plan's Pension Fund to the new Health Insurance Fund.



OTHER FINANCIAL STATEMENTS

TOWN OF CAMP VERDE, ARIZONA
Combining Balance Sheet – All Non-Major Governmental Funds
By Fund Type
June 30, 2016

	Special Revenue Funds	Capital Improvement Fund	Debt Service Fund	Total Non-major Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 355,296	\$ 599,244	\$ -	\$ 954,540
Due from other governments	119,994	-	-	119,994
Loans receivable	95,267	-	-	95,267
Total assets	\$ 570,557	\$ 599,244	\$ -	\$ 1,169,801
LIABILITIES				
Accounts payable	\$ 25,594	\$ 48,044	\$ -	\$ 73,638
Due to other funds	9,817	-	-	9,817
Total liabilities	35,411	48,044	-	83,455
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	197,556	-	-	197,556
FUND BALANCES				
Restricted	336,978	-	-	336,978
Committed	30,181	-	-	30,181
Assigned	-	551,200	-	551,200
Unassigned	(29,569)	-	-	(29,569)
Total fund balances	337,590	551,200	-	888,790
Total liabilities, deferred inflows of resources, and fund balances	\$ 570,557	\$ 599,244	\$ -	\$ 1,169,801

TOWN OF CAMP VERDE, ARIZONA
Combining Statement of Revenues, Expenditures and Changes in Fund Balances –
All Non-Major Governmental Funds
By Fund Type
June 30, 2016

	Special Revenue Funds	Capital Improvement Fund	Debt Service Fund	Total Non-Major Governmental Funds
Revenue				
Intergovernmental	\$ 665,706	\$ -	\$ -	\$ 665,706
Fines and forfeitures	29,183	-	-	29,183
Contributions	9,771	-	-	9,771
Investment income	1,688	-	-	1,688
Other revenue	16,187	-	-	16,187
Total revenue	<u>722,535</u>	<u>-</u>	<u>-</u>	<u>722,535</u>
Expenditures				
Current				
General government	19,502	-	-	19,502
Public safety	43,088	-	-	43,088
Public works and streets	153,290	27,123	-	180,413
Health and welfare	-	-	118,664	118,664
Culture and recreation	69,336	15,953	-	85,289
Economic and community development	23	-	-	23
Capital outlay	387,994	866,003	-	1,253,997
Principal	-	-	373,506	373,506
Interest	-	-	208,648	208,648
Total expenditures	<u>673,233</u>	<u>909,079</u>	<u>700,818</u>	<u>2,283,130</u>
Excess (deficiency) of revenue over (under) expenditures	<u>49,302</u>	<u>(909,079)</u>	<u>(700,818)</u>	<u>(1,560,595)</u>
Other financing sources				
Capital lease acquisition	-	530,000	-	530,000
Transfers (out)	342,834	525,250	700,818	1,568,902
Total other financing sources	<u>342,834</u>	<u>1,055,250</u>	<u>700,818</u>	<u>2,098,902</u>
Net change in fund balances	392,136	146,171	-	538,307
Fund balances, July 1, 2015	(54,546)	405,029	-	350,483
Fund balances, June 30, 2016	<u>\$ 337,590</u>	<u>\$ 551,200</u>	<u>\$ -</u>	<u>\$ 888,790</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.

Parks Fund – accounts for all grants and contributions of financial resources related to the maintenance of the Town’s parks.

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

Nonfederal Grants Fund- accounts for all nonfederal grants received by the Town.

Yavapai-Apache Gaming Compact Fund- accounts for the gaming compact revenues received from the Yavapai-Apache Tribe.

Federal Grants Fund- accounts for the activity related to the Town’s Federal grants with the exception of the Community Development Block Grant which is accounted for in a separate CDBG fund.

CDBG Fund- accounts for all CDBG grants received by the Town.

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

Impact Fee Fund- accounts for development impact fees.

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, 2016

	<u>Housing Fund</u>	<u>Parks Fund</u>	<u>Court Special Revenue Fund</u>	<u>Nonfederal Grants Fund</u>
ASSETS				
Cash and cash equivalents	\$ 35,460	\$ -	\$ 121,993	\$ 18,009
Due from other governments	-	-	76,963	7,267
Loans receivable	95,267	-	-	-
Total assets	<u>\$ 130,727</u>	<u>\$ -</u>	<u>\$ 198,956</u>	<u>\$ 25,276</u>
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ 9	\$ -
Due to other funds	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>9</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	95,267	-	72,358	-
FUND BALANCES				
Restricted	35,460	-	126,589	25,276
Committed	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	<u>35,460</u>	<u>-</u>	<u>126,589</u>	<u>25,276</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 130,727</u>	<u>\$ -</u>	<u>\$ 198,956</u>	<u>\$ 25,276</u>

Yavapai-Apache Gaming Compact Fund	Federal Grants Fund	CDBG Grants	9-1-1 Fund	Impact Fee Fund	Donations Fund	Total Non-Major Special Revenue Funds
\$ -	\$ -	\$ -	\$ 2,143	\$ 121,579	\$ 56,112	\$ 355,296
-	35,764	-	-	-	-	119,994
-	-	-	-	-	-	95,267
<u>\$ -</u>	<u>\$ 35,764</u>	<u>\$ -</u>	<u>\$ 2,143</u>	<u>\$ 121,579</u>	<u>\$ 56,112</u>	<u>\$ 570,557</u>
\$ -	\$ 25,585	\$ -	\$ -	\$ -	\$ -	\$ 25,594
-	9,817	-	-	-	-	9,817
-	35,402	-	-	-	-	35,411
-	29,931	-	-	-	-	197,556
-	-	-	2,143	121,579	25,931	336,978
-	-	-	-	-	30,181	30,181
-	(29,569)	-	-	-	-	(29,569)
-	(29,569)	-	2,143	121,579	56,112	337,590
<u>\$ -</u>	<u>\$ 35,764</u>	<u>\$ -</u>	<u>\$ 2,143</u>	<u>\$ 121,579</u>	<u>\$ 56,112</u>	<u>\$ 570,557</u>

TOWN OF CAMP VERDE, ARIZONA
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Special Revenue Funds
June 30, 2016

	Housing Fund	Parks Fund	Court Special Revenue Fund	Nonfederal Grants Fund
Revenue				
Intergovernmental	\$ -	-	\$ -	\$ 102,500
Fines and forfeitures	-	-	29,183	-
Contributions	-	-	-	-
Investment income	1,173	-	-	-
Other revenue	15,629	-	-	-
Total revenue	<u>16,802</u>	<u>-</u>	<u>29,183</u>	<u>102,500</u>
Expenditures				
Current		-		
General government	18,070	-	1,432	-
Public safety	-	-	-	10,152
Public works and streets	-	-	-	-
Culture and recreation	-	-	-	41,868
Economic and community development	-	-	-	-
Capital outlay	-	-	-	2,000
Total expenditures	<u>18,070</u>	<u>-</u>	<u>1,432</u>	<u>54,020</u>
Excess (deficiency) of revenue over (under) expenditures	<u>(1,268)</u>	<u>-</u>	<u>27,751</u>	<u>48,480</u>
Other financing sources				
Transfers (out)	-	625,206	(150,000)	(75,000)
Total other financing sources	<u>-</u>	<u>625,206</u>	<u>(150,000)</u>	<u>(75,000)</u>
Net change in fund balances	<u>(1,268)</u>	<u>625,206</u>	<u>(122,249)</u>	<u>(26,520)</u>
Fund balances, July 1, 2015	<u>36,728</u>	<u>(625,206)</u>	<u>248,838</u>	<u>51,796</u>
Fund balances, June 30, 2016	<u>\$ 35,460</u>	<u>\$ -</u>	<u>\$ 126,589</u>	<u>\$ 25,276</u>

Yavapai-Apache Gaming Compact Fund	Federal Grants Fund	CDBG Grants	9-1-1 Fund	Impact Fee Fund	Donations Fund	Non-Major Special Revenue Funds
\$ 20,629	\$ 282,145	260,432	\$ -	\$ -	\$ -	\$ 665,706
-	-	-	-	-	-	29,183
-	-	-	-	-	9,771	9,771
-	-	-	-	491	24	1,688
-	-	-	-	-	558	16,187
<u>20,629</u>	<u>282,145</u>	<u>260,432</u>	<u>-</u>	<u>491</u>	<u>10,353</u>	<u>722,535</u>
-	-	-	-	-	-	19,502
-	32,936	-	-	-	-	43,088
-	153,290	-	-	-	-	153,290
-	22,755	-	-	-	4,713	69,336
-	23	-	-	-	-	23
-	47,906	296,023	-	42,065	-	387,994
<u>-</u>	<u>256,910</u>	<u>296,023</u>	<u>-</u>	<u>42,065</u>	<u>4,713</u>	<u>673,233</u>
<u>20,629</u>	<u>25,235</u>	<u>(35,591)</u>	<u>-</u>	<u>(41,574)</u>	<u>5,640</u>	<u>49,302</u>
<u>(47,442)</u>	<u>(12,435)</u>	<u>35,591</u>	<u>-</u>	<u>(69,047)</u>	<u>35,961</u>	<u>342,834</u>
<u>(47,442)</u>	<u>(12,435)</u>	<u>35,591</u>	<u>-</u>	<u>(69,047)</u>	<u>35,961</u>	<u>342,834</u>
<u>(26,813)</u>	<u>12,800</u>	<u>-</u>	<u>-</u>	<u>(110,621)</u>	<u>41,601</u>	<u>392,136</u>
<u>26,813</u>	<u>(42,369)</u>	<u>-</u>	<u>2,143</u>	<u>232,200</u>	<u>14,511</u>	<u>(54,546)</u>
<u>\$ -</u>	<u>\$ (29,569)</u>	<u>\$ -</u>	<u>\$ 2,143</u>	<u>\$ 121,579</u>	<u>\$ 56,112</u>	<u>\$ 337,590</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, 2016

	Housing Fund			Parks Fund		
	Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
Revenue						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	-	-	-	-	-	-
Contributions	-	-	-	-	-	-
Investment income	1,000	1,173	173	-	-	-
Other revenue	15,600	15,629	29	-	-	-
Total revenue	16,600	16,802	202	-	-	-
Expenditures						
Current						
General government	25,000	18,070	6,930	-	-	-
Public safety	-	-	-	-	-	-
Public works and streets	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Economic and community development	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	25,000	18,070	6,930	-	-	-
Excess (deficiency) of revenue over (under) expenditures	(8,400)	(1,268)	7,132	-	-	-
Other financing sources						
Transfers in(out)	-	-	-	-	625,206	625,206
Total other financing sources	-	-	-	-	625,206	625,206
Net change in fund balances	(8,400)	(1,268)	7,132	-	625,206	625,206
Fund balances, July 1, 2015	36,728	36,728	-	(625,206)	(625,206)	-
Fund balances, June 30, 2016	\$ 28,328	\$ 35,460	\$ 7,132	\$ (625,206)	\$ -	\$ 625,206

Court Special Revenue Fund			Nonfederal Grants Fund			YAG Compact Fund		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$ -	\$ -	\$ -	\$ 288,000	\$ 102,500	\$ (185,500)	\$ -	\$ 20,629	\$ 20,629
46,368	29,183	(17,185)	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>46,368</u>	<u>29,183</u>	<u>(17,185)</u>	<u>288,000</u>	<u>102,500</u>	<u>(185,500)</u>	<u>-</u>	<u>20,629</u>	<u>20,629</u>
8,700	1,432	7,268	188,000	-	188,000	4,197	-	4,197
-	-	-	35,325	10,152	25,173	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	50,000	41,868	8,132	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	2,000	(2,000)	-	-	-
<u>8,700</u>	<u>1,432</u>	<u>7,268</u>	<u>273,325</u>	<u>54,020</u>	<u>219,305</u>	<u>4,197</u>	<u>-</u>	<u>4,197</u>
<u>37,668</u>	<u>27,751</u>	<u>(9,917)</u>	<u>14,675</u>	<u>48,480</u>	<u>33,805</u>	<u>(4,197)</u>	<u>20,629</u>	<u>24,826</u>
<u>(150,000)</u>	<u>(150,000)</u>	<u>-</u>	<u>(75,000)</u>	<u>(75,000)</u>	<u>-</u>	<u>(16,875)</u>	<u>(47,442)</u>	<u>(30,567)</u>
<u>(150,000)</u>	<u>(150,000)</u>	<u>-</u>	<u>(75,000)</u>	<u>(75,000)</u>	<u>-</u>	<u>(16,875)</u>	<u>(47,442)</u>	<u>(30,567)</u>
<u>(112,332)</u>	<u>(122,249)</u>	<u>(9,917)</u>	<u>(60,325)</u>	<u>(26,520)</u>	<u>33,805</u>	<u>(21,072)</u>	<u>(26,813)</u>	<u>(5,741)</u>
<u>248,838</u>	<u>248,838</u>	<u>-</u>	<u>51,796</u>	<u>51,796</u>	<u>-</u>	<u>26,813</u>	<u>26,813</u>	<u>-</u>
<u>\$ 136,506</u>	<u>\$ 126,589</u>	<u>\$ (9,917)</u>	<u>\$ (8,529)</u>	<u>\$ 25,276</u>	<u>\$ 33,805</u>	<u>\$ 5,741</u>	<u>\$ -</u>	<u>\$ (5,741)</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, 2016
(Continued)

	Federal Grants Fund			CDBG		
	Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
Revenue						
Intergovernmental	\$ 179,925	\$ 282,145	\$ 102,220	\$ 259,200	\$ 260,432	\$ 1,232
Fines and forfeitures	-	-	-	-	-	-
Contributions	-	-	-	-	-	-
Investment income	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-
Total revenue	<u>179,925</u>	<u>282,145</u>	<u>102,220</u>	<u>259,200</u>	<u>260,432</u>	<u>1,232</u>
Expenditures						
Current						
General government	-	-	-	-	-	-
Public safety	71,000	32,936	38,064	-	-	-
Public works and streets	19,571	153,290	(133,719)	-	-	-
Culture and recreation	-	22,755	(22,755)	-	-	-
Economic and community development	21,425	23	21,402	-	-	-
Capital outlay	64,754	47,906	16,848	411,200	296,023	115,177
Total expenditures	<u>176,750</u>	<u>256,910</u>	<u>(80,160)</u>	<u>411,200</u>	<u>296,023</u>	<u>115,177</u>
Excess (deficiency) of revenue over (under) expenditures	<u>3,175</u>	<u>25,235</u>	<u>22,060</u>	<u>(152,000)</u>	<u>(35,591)</u>	<u>116,409</u>
Other financing sources						
Transfers (out)	(12,435)	(12,435)	-	152,000	35,591	(116,409)
Total other financing sources	<u>(12,435)</u>	<u>(12,435)</u>	<u>-</u>	<u>152,000</u>	<u>35,591</u>	<u>(116,409)</u>
Net change in fund balances	<u>(9,260)</u>	<u>12,800</u>	<u>22,060</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, July 1, 2015	(42,369)	(42,369)	-	-	-	-
Fund balances, June 30, 2016	<u>\$ (51,629)</u>	<u>\$ (29,569)</u>	<u>\$ 22,060</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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, 2016
(Continued)

9-1-1 Fund			Impact Fee Fund			Donations Fund		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	25,300	9,771	(15,529)
-	-	-	199	491	292	-	24	24
-	-	-	-	-	-	-	558	558
-	-	-	199	491	292	25,300	10,353	(14,947)
-	-	-	-	-	-	-	-	-
2,143	-	2,143	-	-	-	8,268	-	8,268
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	29,501	4,713	24,788
-	-	-	-	-	-	-	-	-
-	-	-	163,300	42,065	121,235	-	-	-
2,143	-	2,143	163,300	42,065	121,235	37,769	4,713	33,056
(2,143)	-	2,143	(163,101)	(41,574)	121,527	(12,469)	5,640	18,109
-	-	-	(69,000)	(69,047)	(47)	-	35,961	(35,961)
-	-	-	(69,000)	(69,047)	(47)	-	35,961	(35,961)
(2,143)	-	2,143	(232,101)	(110,621)	121,480	(12,469)	41,601	(17,852)
2,143	2,143	-	232,200	232,200	-	14,511	14,511	-
\$ -	\$ 2,143	\$ 2,143	\$ 99	\$ 121,579	\$ 121,480	\$ 2,042	\$ 56,112	\$ (17,852)

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, 2016
(Continued)

	Totals		
	Budget	Actual	Variance - Positive (Negative)
Revenue			
Intergovernmental	\$ 727,125	\$ 665,706	\$ (61,419)
Fines and forfeitures	46,368	29,183	(17,185)
Contributions	25,300	9,771	(15,529)
Investment income	1,199	1,688	489
Other revenue	15,600	16,187	587
Total revenue	815,592	722,535	(93,057)
Expenditures			
Current			
General government	225,897	19,502	206,395
Public safety	116,736	43,088	73,648
Public works and streets	19,571	153,290	(133,719)
Culture and recreation	79,501	69,336	10,165
Economic and comm. develop.	21,425	23	21,402
Capital outlay	639,254	387,994	251,260
Total expenditures	1,102,384	673,233	429,151
Excess (deficiency) of revenue over (under) expenditures	(286,792)	49,302	336,094
Other financing sources			
Transfers (out)	(171,310)	342,834	514,144
Total other financing sources	(171,310)	342,834	(182,984)
Net change in fund balances	(458,102)	392,136	153,110
Fund balances, July 1, 2015	570,660	(54,546)	-
Fund balances, June 30, 2016	\$ 112,558	\$ 337,590	\$ 153,110

NON-MAJOR CAPITAL IMPROVEMENT FUND

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

TOWN OF CAMP VERDE, ARIZONA
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – Non-Major Capital Improvement Fund
Year Ended June 30, 2016

	Capital Improvement Fund		
	Budget	Actual	Variance - Positive (Negative)
Expenditures			
Current			
Public works and streets	\$ 13,274	\$ 27,123	\$ (13,849)
Culture and recreation	-	15,953	(15,953)
Capital outlay	994,384	866,003	128,381
Total expenditures	1,007,658	909,079	98,579
Excess (deficiency) of revenue over (under) expenditures	(1,007,658)	(909,079)	98,579
Other financing sources			
Capital lease acquisition	-	530,000	530,000
Transfers in (out)	603,969	525,250	(78,719)
Total other financing sources	603,969	1,055,250	(78,719)
Net change in fund balances	(403,689)	146,171	549,860
Fund balances, July 1, 2015	405,029	405,029	-
Fund balances, June 30, 2016	\$ 1,340	\$ 551,200	\$ 549,860

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 – Non-Major Debt Service Fund
Year Ended June 30, 2016

	Debt Service Fund		
	Budget	Actual	Variance - Positive (Negative)
Expenditures			
Current			
Health and welfare	118,664	118,664	-
Debt service			
Principal	1,742,690	373,506	1,369,184
Interest	247,239	208,648	38,591
Total expenditures	2,108,593	700,818	1,407,775
Excess (deficiency) of revenue over (under) expenditures	(2,108,593)	(700,818)	1,407,775
Other financing sources			
Transfers in	767,034	700,818	(66,216)
Total other financing sources	767,034	700,818	(66,216)
Net change in fund balances	(1,341,559)	-	1,341,559
Fund balances, July 1, 2015	-	-	-
Fund balances, June 30, 2016	\$ (1,341,559)	\$ -	\$ 1,341,559

ENTERPRISE FUNDS

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

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

TOWN OF CAMP VERDE, ARIZONA
Schedule of Revenues, Expenses, and Changes in Net Position
Budget and Actual – Wastewater Fund
Year Ended June 30, 2016

	Wastewater Fund		Variance- Positive (Negative)
	Budget	Actual	
Operating revenues			
Sewer charges	\$ 1,008,300	\$ 1,084,976	\$ 76,676
Miscellaneous	804,884	877	(804,007)
Total operating revenues	<u>1,813,184</u>	<u>1,085,853</u>	<u>(727,331)</u>
Operating expenses			
Personnel	503,748	564,564	(60,816)
Materials and supplies	93,910	112,882	(18,972)
Professional services	103,570	36,224	67,346
Utilities	120,400	107,524	12,876
Insurance	22,000	22,000	-
Other	66,970	35,510	31,460
Repairs and maintenance	1,165,475	127,550	1,037,925
Depreciation	745,000	721,452	23,548
Total operating expenses	<u>2,821,073</u>	<u>1,727,706</u>	<u>1,093,367</u>
Operating income (loss)	<u>(1,007,889)</u>	<u>(641,853)</u>	<u>366,036</u>
Nonoperating revenues (expenses)			
Interest income	1,200	1,042	(158)
Income (loss) before capital contributions and transfers	<u>(1,006,689)</u>	<u>(640,811)</u>	<u>365,878</u>
Capital contributions	-	316,450	316,450
Transfer in	260,000	33,462	(226,538)
Increase (decrease) in net position	<u>(746,689)</u>	<u>(290,899)</u>	<u>455,790</u>
Total net position, beginning of year	<u>18,430,224</u>	<u>18,430,224</u>	<u>-</u>
Total net position, end of year	<u>\$ 17,683,535</u>	<u>\$ 18,139,325</u>	<u>\$ 455,790</u>

AGENCY FUNDS

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

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

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

TOWN OF CAMP VERDE, ARIZONA
Combining Statement of Changes in Assets and Liabilities
Agency Funds
Year Ended June 30, 2016

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
Employee Assistance Fund				
<u>Assets</u>				
Restricted cash and investments	\$ 12,424	\$ 4,459	\$ 3,000	\$ 13,883
Total assets	<u>\$ 12,424</u>	<u>\$ 4,459</u>	<u>\$ 3,000</u>	<u>\$ 13,883</u>
<u>Liabilities</u>				
Deposit held for employees payable	\$ 12,424	\$ 4,459	\$ 3,000	\$ 13,883
Total liabilities	<u>\$ 12,424</u>	<u>\$ 4,459</u>	<u>\$ 3,000</u>	<u>\$ 13,883</u>
Camp Verde Sanitary District Fund				
<u>Assets</u>				
Restricted cash and investments	\$ 729,073	\$ 1,185,138	\$ 1,297,008	\$ 617,203
Total assets	<u>\$ 729,073</u>	<u>\$ 1,185,138</u>	<u>\$ 1,297,008</u>	<u>\$ 617,203</u>
<u>Liabilities</u>				
Deposit held for debt service payments	\$ 729,073	\$ 1,185,138	\$ 1,297,008	\$ 617,203
Total liabilities	<u>\$ 729,073</u>	<u>\$ 1,185,138</u>	<u>\$ 1,297,008</u>	<u>\$ 617,203</u>

STATISTICAL SECTION



STATISTICAL SECTION

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

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

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

	Fiscal Year Ended June 30									
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Governmental activities:										
Net investment in capital assets	\$ 12,264,826	\$ 11,390,529	\$ 10,488,341	\$ 10,132,430	\$ 9,300,597	\$ 8,422,141	\$ 7,963,191	\$ 7,953,980	\$ 7,929,411	\$ 4,720,012
Restricted	2,947,478	5,567,076	2,270,348	2,460,792	2,719,944	2,545,163	1,838,636	1,375,836	1,219,728	3,967,997
Unrestricted	(3,103,846)	(5,937,276)	2,411,149	2,263,284	1,946,642	2,376,365	3,626,780	3,845,605	3,915,724	3,244,968
Total governmental activities net position	<u>\$ 12,108,458</u>	<u>\$ 11,020,329</u>	<u>\$ 15,169,838</u>	<u>\$ 14,856,506</u>	<u>\$ 13,967,183</u>	<u>\$ 13,343,669</u>	<u>\$ 13,428,607</u>	<u>\$ 13,175,421</u>	<u>\$ 13,064,863</u>	<u>\$ 11,932,977</u>
Business-type activities:										
Net investment in capital assets	\$ 17,609,349	\$ 18,069,267	\$ 18,613,499	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Restricted	-	-	-							
Unrestricted	529,976	360,957	834,434							
Total business-type activities net position	<u>\$ 18,139,325</u>	<u>\$ 18,430,224</u>	<u>\$ 19,447,933</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Primary government										
Net investment in capital assets	\$ 29,874,175	\$ 29,459,796	\$ 29,101,840	\$ 10,132,430	\$ 9,300,597	\$ 8,422,141	\$ 7,963,191	\$ 7,953,980	\$ 7,929,411	\$ 4,720,012
Restricted	2,947,478	5,567,076	2,270,348	2,460,792	2,719,944	2,545,163	1,838,636	1,375,836	1,219,728	3,967,997
Unrestricted	(2,573,870)	(5,576,319)	3,245,583	2,263,284	1,946,642	2,376,365	3,626,780	3,845,605	3,915,724	3,244,968
Total net position	<u>\$ 30,247,783</u>	<u>\$ 29,450,553</u>	<u>\$ 34,617,771</u>	<u>\$ 14,856,506</u>	<u>\$ 13,967,183</u>	<u>\$ 13,343,669</u>	<u>\$ 13,428,607</u>	<u>\$ 13,175,421</u>	<u>\$ 13,064,863</u>	<u>\$ 11,932,977</u>

Source: The Town's financial records.

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

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

	Fiscal Year Ended June 30									
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Net Expense	\$ (6,272,852)	\$ (6,954,900)	\$ (5,931,898)	\$ (4,575,682)	\$ (3,712,306)	\$ (4,599,760)	\$ (4,748,185)	\$ (5,621,137)	\$ (4,860,045)	\$ (5,494,811)
General Revenues:										
Governmental activities:										
Taxes:										
Sales taxes	3,915,180	2,863,839	2,597,901	2,544,473	1,738,752	1,763,488	1,961,610	2,163,948	2,314,337	2,586,474
Franchise taxes	285,834	266,973	267,059	250,327	245,501	243,353	239,946	238,072	237,227	219,502
State shared revenues	3,020,345	2,942,726	2,758,435	2,567,890	2,325,940	2,441,489	2,755,897	3,091,906	3,154,857	2,919,698
Investment earnings	29,593	15,456	27,714	33,251	13,787	12,985	19,964	3,614	220,900	313,860
Miscellaneous	80,456	7,086	13,090	69,009	11,840	53,507	23,954	239,099	64,610	8,242
Loss on Sale of Assets	(262,368)	0	0	0	0	0	0	0	0	0
Transfers	(33,462)	0	0	0	0	0	0	0	0	0
Total governmental activities	<u>7,035,578</u>	<u>6,096,080</u>	<u>5,664,199</u>	<u>5,464,950</u>	<u>4,335,820</u>	<u>4,514,822</u>	<u>5,001,371</u>	<u>5,736,639</u>	<u>5,991,931</u>	<u>6,047,776</u>
Business-type activities:										
Investment earnings	1,042	909	1,621	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Special item*	-	-	20,077,637	-	-	-	-	-	-	-
Transfers	33,462	-	-	-	-	-	-	-	-	-
Total business-type activities	<u>34,504</u>	<u>909</u>	<u>1,621</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Changes in Net Position	<u>\$ 797,230</u>	<u>\$ (857,911)</u>	<u>\$ (266,078)</u>	<u>\$ 889,268</u>	<u>\$ 623,514</u>	<u>\$ (84,938)</u>	<u>\$ 253,186</u>	<u>\$ 115,502</u>	<u>\$ 1,131,886</u>	<u>\$ 552,965</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.

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

	Fiscal Year Ended June 30									
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Net Expense	\$ (6,272,852)	\$ (6,954,900)	\$ (5,931,898)	\$ (4,575,682)	\$ (3,712,306)	\$ (4,599,760)	\$ (4,748,185)	\$ (5,621,137)	\$ (4,860,045)	\$ (5,494,811)
General Revenues:										
Governmental activities:										
Taxes:										
Sales taxes	3,915,180	2,863,839	2,597,901	2,544,473	1,738,752	1,763,488	1,961,610	2,163,948	2,314,337	2,586,474
Franchise taxes	285,834	266,973	267,059	250,327	245,501	243,353	239,946	238,072	237,227	219,502
State shared revenues	3,020,345	2,942,726	2,758,435	2,567,890	2,325,940	2,441,489	2,755,897	3,091,906	3,154,857	2,919,698
Investment earnings	29,593	15,456	27,714	33,251	13,787	12,985	19,964	3,614	220,900	313,860
Miscellaneous	80,456	7,086	13,090	69,009	11,840	53,507	23,954	239,099	64,610	8,242
Loss on Sale of Assets	(262,368)	0	0	0	0	0	0	0	0	0
Transfers	(33,462)	0	0	0	0	0	0	0	0	0
Total governmental activities	<u>7,035,578</u>	<u>6,096,080</u>	<u>5,664,199</u>	<u>5,464,950</u>	<u>4,335,820</u>	<u>4,514,822</u>	<u>5,001,371</u>	<u>5,736,639</u>	<u>5,991,931</u>	<u>6,047,776</u>
Business-type activities:										
Investment earnings	1,042	909	1,621	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Special item*	-	-	20,077,637	-	-	-	-	-	-	-
Transfers	33,462	-	-	-	-	-	-	-	-	-
Total business-type activities	<u>34,504</u>	<u>909</u>	<u>1,621</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Changes in Net Position	<u>\$ 797,230</u>	<u>\$ (857,911)</u>	<u>\$ (266,078)</u>	<u>\$ 889,268</u>	<u>\$ 623,514</u>	<u>\$ (84,938)</u>	<u>\$ 253,186</u>	<u>\$ 115,502</u>	<u>\$ 1,131,886</u>	<u>\$ 552,965</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.

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

	Fiscal Year Ended June 30									
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
General Fund:										
Reserved							\$ 996,886	\$ 632,000	\$ 832,000	\$ -
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 22,096				
Restricted	-	-	-	-	-	-				
Committed	-	662,091	662,056	632,000	632,000	1,033,628				
Assigned	-	-	-	-	-	-				
Unassigned	2,917,783	1,912,675	1,844,848	1,621,049	1,284,934	1,950,054	2,352,892	2,990,296	2,732,574	3,518,376
Total General Fund	<u>\$ 2,917,783</u>	<u>\$ 2,574,766</u>	<u>\$ 2,506,904</u>	<u>\$ 2,253,049</u>	<u>\$ 1,916,934</u>	<u>\$ 3,005,778</u>	<u>\$ 3,349,778</u>	<u>\$ 3,622,296</u>	<u>\$ 3,564,574</u>	<u>\$ 3,518,376</u>
All Other Governmental Funds:										
Reserved							\$ 571,720	\$ 431,852	\$ 348,869	\$ 186,537
Unreserved, reported in:										
HURF fund							924,322	606,419	463,892	(122,328)
Parks fund							(339,161)	(326,933)	(744,077)	1,660,258
Housing grant fund							77,166	57,800	-	-
Non-major Special revenue funds							294,374	296,350	445,566	336,599
Non-major Capital projects funds							602,214	589,141	1,212,018	1,719,178
Nonspendable	\$ -	\$ -	\$ -		\$ 79,345	\$ 83,198				
Restricted	2,852,211	5,456,179	2,143,445	2,473,096	2,483,485	2,294,509				
Committed	30,181	-	11,214	686,629	694,215	185,200				
Assigned	551,200	431,842	491,190	-	-	-				
Unassigned	(29,569)	(669,290)	(614,955)	(587,984)	(378,467)	(559,961)				
Total all other governmental funds	<u>\$ 3,404,023</u>	<u>\$ 5,218,731</u>	<u>\$ 2,030,894</u>	<u>\$ 2,571,741</u>	<u>\$ 2,878,578</u>	<u>\$ 2,002,946</u>	<u>\$ 2,130,635</u>	<u>\$ 1,654,629</u>	<u>\$ 1,726,268</u>	<u>\$ 3,780,244</u>

Source: The Town's financial records.

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

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

	Fiscal Year Ended June 30									
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Taxes	\$ 4,201,014	\$ 3,130,812	\$ 2,864,959	\$ 2,794,799	\$ 1,984,253	\$ 2,006,841	\$ 2,201,557	\$ 2,402,020	\$ 2,551,564	\$ 2,805,976
Intergovernmental	4,819,990	4,547,353	4,208,755	4,282,074	4,038,813	3,899,960	4,158,619	4,729,287	5,270,363	4,306,962
Fines and forfeits	297,865	234,142	275,700	372,122	335,496	278,736	297,058	257,625	342,149	535,170
Licenses and permits	198,155	174,518	160,321	159,532	123,738	102,725	106,006	184,016	150,852	242,345
Charges for services	122,360	86,718	92,682	86,994	86,787	82,052	110,892	248,940	227,056	292,339
Contributions and donations	426,638	70,544	17,389	16,478	361,292	106,964	26,009	45,397	75,038	70,100
Investment income	29,594	15,456	27,714	33,251	13,787	12,984	19,964	3,614	220,900	313,860
Other	201,094	36,828	68,768	58,742	36,021	153,035	28,832	147,416	116,630	65,660
Total revenues	<u>\$ 10,296,710</u>	<u>\$ 8,296,371</u>	<u>\$ 7,716,288</u>	<u>\$ 7,803,992</u>	<u>\$ 6,980,187</u>	<u>\$ 6,643,297</u>	<u>\$ 6,948,937</u>	<u>\$ 8,018,315</u>	<u>\$ 8,954,552</u>	<u>\$ 8,632,412</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>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Expenditures:										
Current -										
General government	\$ 2,550,697	\$ 2,630,384	\$ 2,316,759	\$ 2,307,763	\$ 2,064,569	\$ 2,333,981	\$ 2,081,749	\$ 2,225,758	\$ 2,075,036	\$ 2,190,340
Public safety	2,560,276	2,613,138	2,400,085	2,222,092	2,148,531	2,080,685	2,283,648	2,286,640	2,322,781	2,136,825
Public works and streets	1,056,558	815,101	741,300	655,285	688,127	528,172	625,582	682,696	1,072,780	1,583,979
Health and welfare	123,664	123,700	131,233	136,266	131,300	131,332	107,603	14,527	77,523	10,000
Culture and recreation	720,032	634,283	623,996	680,810	508,581	579,516	637,130	857,850	1,141,267	1,102,211
Economic and community development	415,069	465,074	391,601	455,170	352,412	345,807	469,503	816,146	531,984	434,940
Capital outlay	4,254,033	860,979	969,031	1,801,828	913,146	2,059,278	396,478	846,250	3,588,221	625,952
Debt service -										
Principal retirement	375,191	326,949	319,327	164,828	302,011	141,408	117,470	92,985	90,452	41,424
Interest and fiscal charges	209,419	78,312	118,067	116,056	84,722	103,044	89,070	92,185	94,061	95,054
Bond issuance costs	-	-	-	-	-	25,000	-	-	-	-
Total expenditures	<u>\$ 12,264,939</u>	<u>\$ 8,547,920</u>	<u>\$ 8,011,399</u>	<u>\$ 8,540,098</u>	<u>\$ 7,193,399</u>	<u>\$ 8,328,223</u>	<u>\$ 6,808,233</u>	<u>\$ 7,915,037</u>	<u>\$ 10,994,105</u>	<u>\$ 8,220,725</u>
Expenditures for capitalized assets	\$ 4,254,033	\$ 860,979	\$ 969,031	\$ 1,801,828	\$ 913,146	\$ 1,884,647	\$ 280,572	\$ 302,307	\$ 3,415,762	\$ 305,602
Debt service as a percentage of noncapital expenditures	7%	5%	6%	4%	6%	4%	3%	2%	2%	2%

Source: The Town's financial records.

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

	Fiscal Year Ended June 30									
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Excess (deficiency) of revenues over expenditures	\$ (1,968,229)	\$ (251,549)	\$ (295,111)	\$ (736,106)	\$ (213,212)	\$ (1,684,926)	\$ 140,704	\$ 103,278	\$ (2,039,553)	\$ 411,687
Other financing sources (uses):										
Capital lease agreements	530,000	-	8,838	764,664	-	208,237	62,784	18,459	-	42,123
Proceeds of long-term debt issuance	-	4,904,000	-	-	-	1,005,000	-	-	-	-
Payments to Refunding Bond Trustee	-	(1,396,752)	-	-	-	-	-	-	-	-
Transfers in	1,618,470	894,208	641,103	266,480	1,729,132	411,442	499,244	1,219,431	1,974,620	71,915
Transfers out	(1,651,932)	(894,208)	(641,103)	(266,480)	(1,729,132)	(411,442)	(499,244)	(1,219,431)	(1,942,845)	(71,915)
Total other financing sources (uses)	<u>496,538</u>	<u>3,507,248</u>	<u>8,838</u>	<u>764,664</u>	<u>-</u>	<u>1,213,237</u>	<u>62,784</u>	<u>18,459</u>	<u>31,775</u>	<u>42,123</u>
Changes in fund balances	<u>\$ (1,471,691)</u>	<u>\$ 3,255,699</u>	<u>\$ (286,273)</u>	<u>\$ 28,558</u>	<u>\$ (213,212)</u>	<u>\$ (471,689)</u>	<u>\$ 203,488</u>	<u>\$ 121,737</u>	<u>\$ (2,007,778)</u>	<u>\$ 453,810</u>

Source: The Town's financial records.

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

	Fiscal Year Ended June 30									
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Retail Trade	\$ 1,569,254	\$ 1,203,872	\$ 1,142,430	\$ 1,105,685	\$ 790,896	\$ 788,663	\$ 826,271	\$ 1,079,122	\$ 1,102,511	\$ 1,257,358
Restaurants & Bars	708,520	520,320	473,070	437,452	309,169	301,925	307,921	319,393	324,358	321,300
Communications & Utilities	394,159	269,845	230,848	251,911	127,280	167,542	150,683	118,950	135,303	136,274
Construction	366,968	212,866	182,702	236,112	128,008	142,535	353,081	307,651	430,671	512,790
Real Estate, Rental & Leasing	215,991	173,914	170,109	170,973	147,728	134,821	140,596	122,225	111,852	121,702
Accommodation	239,218	207,993	138,850	131,748	88,626	84,609	110,798	142,302	148,694	139,946
Arts & Entertainment	167,769	134,961	114,106	92,444	59,604	62,416	53,087	62,039	56,874	52,342
Manufacturing	15,015	67,644	75,231	72,694	57,808	52,222	55,908	53,684	68,785	64,840
Use Tax	151,626	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Other	86,660	71,912	67,486	42,385	26,309	28,756	36,839	54,597	81,322	102,832
Total	\$ 3,915,180	\$ 2,863,327	\$ 2,594,832	\$ 2,541,404	\$ 1,735,428	\$ 1,763,489	\$ 2,035,184	\$ 2,259,964	\$ 2,460,371	\$ 2,709,385
Total revenue % growth by year	36.7%	10.3%	2.1%	46.4%	-1.6%	-13.3%	-9.9%	-8.1%	-9.2%	-5.8%

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

Note: See tax rate changes on the following page.

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

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

<u>Fiscal Year</u>	<u>City Sales Tax</u>	<u>Franchise Tax</u>	<u>Accomodation/ Bed Tax</u>	<u>Total</u>
2016	\$ 3,675,962	\$ 285,834	\$ 239,218	\$ 4,201,014
2015	2,655,846	266,973	207,993	3,130,812
2014	2,459,051	267,059	138,850	2,864,960
2013	2,412,725	250,327	131,748	2,794,800
2012	1,650,126	245,501	88,626	1,984,253
2011	1,678,879	243,353	84,609	2,006,841
2010	1,850,812	239,946	110,798	2,201,556
2009	2,021,646	238,072	142,302	2,402,020
2008	2,165,643	237,227	148,694	2,551,564
2007	2,446,528	219,502	139,946	2,805,976

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

Fiscal Year Ended June 30	Overlapping Rates					
	Town of Camp Verde				Yavapai County	Arizona State
	Sales Tax	Hospitality	Real Property Rentals	Construction		
2016	3.65	6.65	2.00	3.65	0.75	5.60
2015	3.65	6.65	2.00	3.65	0.75	5.60
2014	3.00	6.00	2.00	3.00	0.75	5.60
2013	3.00	6.00	2.00	3.00	0.75	5.60
2012	2.00	4.00	2.00	3.00	0.75	6.60
2011	2.00	4.00	2.00	3.00	0.75	6.60
2010	2.00	4.00	2.00	3.00	0.75	6.60
2009	2.00	4.00	2.00	3.00	0.75	5.60
2008	2.00	4.00	2.00	3.00	0.75	5.60
2007	2.00	4.00	2.00	3.00	0.75	5.60

Source: Arizona Department of Revenue.

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

Fiscal Year	Governmental Activities			Business-type Activities		Total Outstanding Debt		
	Revenue Bonds	Capital Leases	Loans Payable	Bonds Payable	Notes Payable	Total Debt	Percentage of Personal Income	Per Capita
2016	\$ 5,533,522	\$ 795,481	\$ -	\$ -	\$ -	\$ 6,329,003	N/A	N/A
2015	5,702,227	471,967	-	-	-	6,174,194	0.08%	563
2014	2,281,084	625,670	-	-	-	2,906,754	0.04%	266
2013	2,446,200	770,465	-	-	-	3,216,665	0.05%	293
2012	2,600,000	11,463	5,276	-	-	2,616,739	0.04%	240
2011	2,685,000	224,305	9,665	-	-	2,918,970	0.04%	269
2010	1,765,000	68,502	13,638	-	-	1,847,140	0.03%	170
2009	1,845,000	39,592	17,234	-	-	1,901,826	0.03%	175
2008	1,925,000	30,862	20,490	-	-	1,976,352	0.03%	181
2007	2,005,000	38,367	23,437	-	-	2,066,804	0.03%	191

Source: The Town's financial records.

Note: FY16 population 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>
2016	\$ 5,533,522	\$ 5,533,522	N/A
2015	5,702,227	5,702,227	520
2014	2,281,084	2,281,084	209
2013	2,446,200	2,446,200	223
2012	2,600,000	2,600,000	239
2011	2,685,000	2,685,000	247
2010	1,765,000	1,765,000	162
2009	1,845,000	1,845,000	170
2008	1,925,000	1,925,000	177
2007	2,005,000	2,005,000	185

Source: The Town's financial records.

Note: FY16 population information was not available at the time the audit was completed.

TOWN OF CAMP VERDE, ARIZONA
Direct and Overlapping Governmental Activities Debt
June 30, 2016

<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*	\$ 43,365,000	2.6%	\$ 1,106,400
Camp Verde Unified School District	\$ -	91.7%	-
Camp Verde Fire District	\$ -	100.0%	-
Camp Verde Sanitary District	\$ 10,803,538	100.0%	<u>10,803,538</u>
Total Overlapping Debt			<u>\$ 11,909,938</u>
Direct:			
Town of Camp Verde	<u>5,533,522</u>	100.0%	<u>5,533,522</u>
Total Direct and Overlapping Debt			<u>\$ 17,443,460</u>

Source: Arizona Department of Revenue (azdor.gov) Bonded Indebtedness report
Yavapai County Assessor's Office

Note: * - FY15 debt amount was used as the information for FY16 was not yet available.

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

	Fiscal Year Ended June 30									
6% Debt Limit	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Primary Assessed Value (HIDE)	62,620,674	61,464,859	61,658,697	65,576,506	71,284,066	81,699,851	93,710,990	110,746,846	106,919,901	73,375,205
Debt Limit	3,757,240	3,687,892	3,699,522	3,934,590	4,277,044	4,901,991	5,622,659	6,644,811	6,415,194	4,402,512
Total applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	<u>3,757,240</u>	<u>3,687,892</u>	<u>3,699,522</u>	<u>3,934,590</u>	<u>4,277,044</u>	<u>4,901,991</u>	<u>5,622,659</u>	<u>6,644,811</u>	<u>6,415,194</u>	<u>4,402,512</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>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Debt Limit	12,524,135	12,292,972	12,331,739	13,115,301	14,256,813	16,339,970	18,742,198	22,149,369	21,383,980	14,675,041
Total applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	<u>12,524,135</u>	<u>12,292,972</u>	<u>12,331,739</u>	<u>13,115,301</u>	<u>14,256,813</u>	<u>16,339,970</u>	<u>18,742,198</u>	<u>22,149,369</u>	<u>21,383,980</u>	<u>14,675,041</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				Coverage %
	Excise Tax Revenue	Debt Service			
		Principal	Interest		
2016	\$ 7,221,359	\$ 168,706	\$ 197,473	20	
2015	6,073,538	172,857	66,610	25	
2014	5,623,395	165,115	105,755	21	
2013	5,362,690	153,800	112,998	20	
2012	4,310,193	85,000	102,793	23	
2011	4,448,330	85,000	82,725	27	
2010	4,957,453	80,000	85,250	30	
2009	5,493,926	80,000	87,600	33	
2008	5,706,421	80,000	89,650	34	
2007	5,725,674	35,000	91,475	45	

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>
2015	10,970	217,778	\$ 7,900,004	\$ 36,275	5.4 %
2014	10,925	218,844	7,172,392	32,774	6.3 %
2013	10,960	215,389	6,811,155	31,623	8.0 %
2012	10,883	212,530	6,800,376	31,997	8.6 %
2011	10,849	210,867	6,498,204	30,817	9.8 %
2010	10,875	210,137	6,245,478	29,721	10.9 %
2009	10,871	211,172	6,272,906	29,705	10.3 %
2008	10,892	211,211	6,602,128	31,258	6.0 %
2007	10,829	208,773	6,602,162	31,624	3.6 %
2006	10,596	204,082	6,058,552	29,687	3.9 %

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

Note: (1) - In thousands of dollars
Information for FY16 was not available 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>2016</u>		<u>2015</u>	<u>2007</u>
	<u>Employees</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Employees</u>
Cliff Castle Casino & Hotel	395	13.8 %	327	N/A
Yavapai County	277	9.6	N/A	N/A
Yavapai-Apache Nation	212	7.4	294	N/A
Camp Verde School District	216	7.5	227	N/A
Town of Camp Verde	120	4.2	117	N/A
Bashas	110	3.8	102	N/A
Rainbow Acres	70	2.4	80	N/A
Institute for Vibrant Living	69	2.4	N/A	N/A
The Haven of Camp Verde	68	2.4	55	N/A
Out of Africa Wildlife Park	49	1.7	47	N/A
Total	<u>1,586</u>	<u>55.2 %</u>	<u>1,249</u>	<u>-</u>
Total Est'd Employment*	<u>2,872</u>		<u>2,500</u>	<u>N/A</u>

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

Note: Employment information for FY2007 was not available.

Total employment for 2015 & 2016 is estimated from the Town's financial records and other sources.

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>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
General Government										
Management Services	5.0	5.2	5.1	5.1	5.1	5.4	5.4	5.2	7.2	5.0
Finance	3.0	2.2	2.2	2.0	2.0	1.0	2.5	2.0	2.1	2.9
Economic Development	2.4	1.6	1.6	1.0	1.0	0.0	0.0	0.0	0.0	0.0
Municipal Court	4.6	5.6	5.6	5.6	5.6	5.6	5.5	6.0	6.0	6.0
Total General Government	<u>15.0</u>	<u>14.6</u>	<u>14.5</u>	<u>13.7</u>	<u>13.7</u>	<u>12.0</u>	<u>13.4</u>	<u>13.2</u>	<u>15.3</u>	<u>13.9</u>
Public Safety										
Marshal's Department	28.0	32.2	30.2	26.7	28.0	26.0	28.0	29.6	32.6	31.0
Animal Control	1.0	1.0	1.0	1.0	1.0	1.0	2.0	2.0	2.0	2.0
Total Public Safety	<u>29.0</u>	<u>33.2</u>	<u>31.2</u>	<u>27.7</u>	<u>29.0</u>	<u>27.0</u>	<u>30.0</u>	<u>31.6</u>	<u>34.6</u>	<u>33.0</u>
Public Works										
Admin	2.8	2.8	2.4	1.7	1.0	1.0	2.5	1.5	1.0	1.0
Streets	5.0	5.2	6.2	5.8	5.4	5.0	3.5	6.5	7.0	6.0
Maintenance	6.0	7.4	7.2	6.2	6.4	7.0	6.0	6.0	7.0	8.0
Total Public Works	<u>13.8</u>	<u>15.4</u>	<u>15.8</u>	<u>13.7</u>	<u>12.8</u>	<u>13.0</u>	<u>12.0</u>	<u>14.0</u>	<u>15.0</u>	<u>15.0</u>
Library	6.9	6.2	5.8	5.3	5.4	4.2	5.0	5.4	5.4	4.6
Parks & Recreation	4.9	4.6	4.3	3.5	3.6	3.6	2.8	2.7	3.7	3.0
Community Development	6.0	6.0	5.0	5.0	5.0	4.0	4.0	5.0	7.0	6.0
Sewer	7.6	7.2	7.1	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total	<u>83.2</u>	<u>87.1</u>	<u>83.7</u>	<u>68.9</u>	<u>69.4</u>	<u>63.8</u>	<u>67.2</u>	<u>71.9</u>	<u>81.0</u>	<u>75.5</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>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Public Safety										
Police stations	1	1	1	1	1	1	1	1	1	1
Police patrol vehicles	23	31	31	22	19	17	30	30	31	29
Streets										
Streets (miles)	110	110	110	110	110	110	110	106	106	106
Streetlights	110	110	110	110	110	110	92	102	102	102
Traffic signals	6	6	6	6	6	6	2	2	2	2
Parks and Recreation										
Parks developed	4	4	4	4	4	4	4	3	2	2
Parks acreage	138	138	138	138	138	138	138	130	130	12
Swimming pools	1	1	1	1	1	1	1	1	1	1
Tennis courts	1	1	1	1	1	1	1	1	1	1
Sewer										
Pipeline (Miles)	31	29	29	29	29	29	29	29	20	20
Manholes	459	440	440	440	440	440	440	440	265	265

Source: The Town's facilities records.

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

<u>Function</u>	<u>Fiscal Year Ended June 30</u>									
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
General Government										
Business Licenses	823	673	645	650	582	555	597	576	556	544
Public Safety										
Total Incidents	15,762	10,020	13,782	10,462	11,614	11,234	10,420	8,348	10,281	9,741
Public Works										
Street Resurfacing (miles)	0.92	-	-	-	0.31	-	0.25	-	-	8.30
Library										
Circulation	63,976	62,140	52,631	51,303	63,580	59,883	76,813	80,139	69,349	62,855
Traffic	67,978	67,824	33,787	27,766	25,831	22,336	N/A	N/A	N/A	N/A
Community Development										
Building Permits	324	331	362	387	312	341	364	128	107	151

Source: The Town's records.