

TOWN OF CAMP VERDE, ARIZONA

Annual Expenditure Limitation Report

June 30, 2019

TABLE OF CONTENTS

INDEPENDENT ACCOUNTANTS' REPORT	1
Annual Expenditure Limitation Report - Part I	2
Annual Expenditure Limitation Report - Part II	3
Annual Expenditure Limitation Report - Reconciliation	4
Notes to Annual Expenditure Limitation Report	5



COLBY &
POWELL, PLC

CERTIFIED PUBLIC ACCOUNTANTS

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

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

INDEPENDENT ACCOUNTANTS' REPORT

The Auditor General of the State of Arizona

The Honorable Mayor and Town Council
Town of Camp Verde, Arizona

We have examined the accompanying Annual Expenditure Limitation Report of the Town of Camp Verde, Arizona, for the year ended June 30, 2019 and the related notes to the report. The Town's management is responsible for presenting this report in accordance with the uniform expenditure reporting system as described in note 1. Our responsibility is to express an opinion on this report based on our examination.

We conducted our examination in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether this report is presented in accordance with the uniform expenditure reporting system in all material respects. An examination involves performing procedures to obtain evidence about the amounts and disclosures in the report. The nature, timing, and extent of the procedures selected depend on our judgment, including the assessment of the risk of material misstatement of the report, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

In our opinion, the Annual Expenditure Limitation Report referred to above is presented in accordance with the uniform expenditure reporting system as described in note 1 in all material respects.

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

January 24, 2020

TOWN OF CAMP VERDE, ARIZONA
Annual Expenditure Limitation Report - Part I
Year Ended June 30, 2019

1. Economic Estimates Commission expenditure limitation	\$ 12,235,344
2. Amount subject to the expenditure limitation (total amount from Part II, Line C)	<u>10,143,211</u>
3. Amount under (in excess of) the expenditure limitation (if excess expenditures are reported, provide an explanation)	<u>\$ 2,092,133</u>

I hereby certify, to the best of my knowledge and belief, that the information contained in this report is accurate and in accordance with the requirements of the uniform expenditure reporting system.

Signature of Chief Fiscal Officer: 

Name and Title: Michael E. Showers - Finance Director

Telephone No.: 928-554-0811 Date: January 24, 2020

See accompanying notes to report.

TOWN OF CAMP VERDE, ARIZONA
Annual Expenditure Limitation Report - Part II
Year Ended June 30, 2019

Description	Governmental Funds	Enterprise Funds	Total
A. Amounts reported on the Reconciliation, Line D	\$ 14,086,502	\$ 2,863,045	\$ 16,949,547
B. Less exclusions claimed:			
Debt service requirements on bonded indebtedness	936,672	-	936,672
Debt service requirements on other long-term obligations	291,815	113,120	404,935
Dividends, interest and gains on the sale or redemption of investment securities	76,692	3,107	79,799
Grants and aid from the federal government	111,395	762,068	873,463
Grants, aid, contributions or gifts from a private agency, organization, or individual except amounts received in lieu of taxes	63,657	-	63,657
Amounts received from the State of Arizona	185,365	-	185,365
Highway user revenue in excess of those received in fiscal year 1979-1980	980,924	-	980,924
Contracts with other political subdivisions	340,564	-	340,564
Prior year carryforward	2,940,957	-	2,940,957
Total exclusions claimed	<u>5,928,041</u>	<u>878,295</u>	<u>6,806,336</u>
C. Amount subject to expenditure limitation	<u>\$ 8,158,461</u>	<u>\$ 1,984,750</u>	<u>\$ 10,143,211</u>

See accompanying notes to report.

TOWN OF CAMP VERDE, ARIZONA
Annual Expenditure Limitation Report - Reconciliation
Year Ended June 30, 2019

Description	Governmental Funds	Enterprise Funds	Total
A. Total expenditures/expenses/deductions and applicable other financing uses, special items, and extraordinary items reported within the fund financial statements	\$ 15,049,027	\$ 2,034,991	\$ 17,084,018
B. Subtractions:			
Items not requiring the use of current financial resources:			
Depreciation	-	858,814	858,814
Pension and other postemployment benefits (OPEB) expense	-	29,262	29,262
Required fees paid to the Arizona Department of Revenue	26,870	-	26,870
Present value of net minimum capital lease payments recorded as expenditures at the inception of the agreement	935,655	-	935,655
Total subtractions	962,525	888,076	1,850,601
C. Additions:			
Principal payments on long-term debt	-	107,584	107,584
Acquisition of capital assets	-	1,560,432	1,560,432
Pension and OPEB contributions paid in the current year	-	48,114	48,114
Total additions	-	1,716,130	1,716,130
D. Amounts reported on Part II, Line A	\$ 14,086,502	\$ 2,863,045	\$ 16,949,547

See accompanying notes to report.

TOWN OF CAMP VERDE, ARIZONA
Notes to Annual Expenditure Limitation Report
Year Ended June 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The annual expenditure limitation report (AELR) is presented as prescribed by the *Uniform Expenditure Reporting System (UERS)*, as required by Arizona Revised Statutes §41-1279.07. The AELR excludes expenditures, expenses, or deductions of certain revenues specified in the Arizona Constitution, Article IX, §20 from the total expenditures, expenses, or deductions reported in the fund financial statements.

In accordance with the UERS requirements, a note to the AELR is presented below for any exclusion claimed on Part II and each subtraction or addition in the reconciliation that cannot be traced directly to an amount reported in the fund financial statements. All references to financial statement amounts in the following notes refer to the Statement of Revenues, Expenditures, and Changes in Fund Balances for the Governmental Funds; Statement of Revenues, Expenses, and Changes in Fund Net Position for the Proprietary Funds; Statement of Cash flows for the Proprietary Funds, and the Statement of Fiduciary Net Position for the Fiduciary Funds.

NOTE 2 – DEBT SERVICE REQUIREMENTS ON BONDED INDEBTEDNESS

The exclusion claimed for debt service requirements on bonded indebtedness in the governmental funds consists of:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Revenue Bonds, Series 2011	\$ 84,938	\$ 20,318	\$ 105,256
Revenue Refunding Bonds, Series 2014	337,000	113,415	450,415
Revenue Bonds, Series 2017	<u>155,000</u>	<u>226,001</u>	<u>381,001</u>
Total debt service on bonded indebtedness	<u>\$ 576,938</u>	<u>\$ 359,734</u>	<u>\$ 936,672</u>

NOTE 3 – DEBT SERVICE REQUIREMENTS ON OTHER LONG-TERM OBLIGATIONS

The exclusion claimed for debt service requirements on other long-term obligations in the governmental funds consists of:

	<u>Governmental Funds</u>	<u>Enterprise Funds</u>
Capital leases payable:		
Principal payments	\$ 268,563	\$ 107,584
Interest payments	<u>23,252</u>	<u>5,536</u>
Total debt service on other long-term obligations	<u>\$ 291,815</u>	<u>\$ 113,120</u>

TOWN OF CAMP VERDE, ARIZONA
Notes to Annual Expenditure Limitation Report
Year Ended June 30, 2019

NOTE 4 – HIGHWAY USER REVENUE EXCLUSION AND CARRYFORWARD

Highway user revenues received in the current fiscal year.	\$	980,924
Highway user revenues received in the current fiscal year equal to fiscal year 1979-80 revenues received.		-
Revenues available for exclusion in the current fiscal year.	\$	<u>980,924</u>
Actual expenditures of highway user revenues in the current fiscal year. (Includes \$500,000 transfer to CIP fund)	\$	1,321,933
Amount equal to 1979-80 revenues expended in the current fiscal year.		-
Excludable revenues expended in the current fiscal year.	\$	<u>980,924</u>
Revenues available for exclusion in the current fiscal year.	\$	<u>980,924</u>
Unspent excludable revenue available as carryforward in future years.	\$	<u>483,855</u>

NOTE 5 – EXPENDITURES OF INTERGOVERNMENTAL REVENUES

The following schedule presents revenues from which exclusions have been claimed for federal grants and aid, contracts with other political subdivisions, and highway user revenues in the Governmental Funds:

Grants and aid from the federal government		\$	111,396
Amounts received from the State of Arizona			185,365
Highway user revenues in excess of those received in fiscal year 1979-80			980,924
Contracts with other political subdivisions	340,564		
Contracts with other political subdivisions reported as charges for services	<u>(195,000)</u>		145,564
Other revenues (non-excludable)			<u>3,498,131</u>
Total intergovernmental revenues as reported in the in the fund financial statements		\$	<u>4,921,380</u>

TOWN OF CAMP VERDE, ARIZONA
Notes to Annual Expenditure Limitation Report
Year Ended June 30, 2019

NOTE 6 – CONTRIBUTIONS FROM PRIVATE AGENCIES AND ORGANIZATIONS

The exclusion claimed for grants, aid, contributions or gifts from a private agency, organization, or individual except amounts received in lieu of taxes are consist of donations from individuals and businesses for parks and recreation, police k-9, and other economic development within the Town. Total exclusion totaled \$63,657.

NOTE 7 – CONTRACTS WITH OTHER POLITICAL SUBDIVISIONS

The exclusion claimed for contracts with other political subdivisions are as follows:

	Governmental Funds
Yavapai County Library District	\$ 75,349
Yavapai County	160,215
Town of Clarkdale, Arizona	70,000
Town of Jerome, Arizona	35,000
Total contracts with other political subdivisions	\$ 340,564

NOTE 8 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

The subtraction of \$29,262 for pension and other post employment benefit (OPEB) expense consists of changes in the net pension and OPEB liabilities, changes in deferred outflows related to pensions and OPEB, and changes in deferred inflows related to pensions and OPEB, recognized in the current year in the enterprise fund. The addition of \$48,114 for pension and OPEB contributions paid in the current year consists of the required pension and OPEB contributions made to the Arizona State Retirement System from the enterprise fund.

NOTE 9 – REQUIRED FEES PAID TO THE ARIZONA DEPARTMENT OF REVENUE

The subtraction of \$26,870 are fees paid to the Arizona Department of Revenue pursuant to ARS §42-5041 to recover a portion of administrative, program, and other operating costs the Department incurred in providing administrative and collection services to the Town of Camp Verde.

TOWN OF CAMP VERDE, ARIZONA
Notes to Annual Expenditure Limitation Report
Year Ended June 30, 2019

NOTE 10 – PRIOR YEAR CARRYFORWARD

The exclusion for prior year carryforward consisted of constitutionally excludable revenues unexpended in the year of receipt that have been accumulated and were expended in the current year as follows:

	Governmental Funds
Bond proceeds	\$ 2,599,948
Highway user revenues in excess of those received in fiscal year 1979-80	<u>341,009</u>
Total prior year carryoforward expended	<u><u>\$ 2,940,957</u></u>