

TOWN OF CAMP VERDE, ARIZONA

Annual Expenditure Limitation Report

June 30, 2011

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**COLBY &
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INDEPENDENT AUDITORS' REPORT

The Auditor General of the State of Arizona and
the Honorable Mayor and Town Council of the
Town of Camp Verde, Arizona

We have audited the accompanying Annual Expenditure Limitation Report of the Town of Camp Verde, Arizona, for the year ended June 30, 2011. This report is the responsibility of the Town's management. Our responsibility is to express an opinion on this report based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the report is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the report. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall report presentation. We believe that our audit provides a reasonable basis for our opinion.

The accompanying Annual Expenditure Limitation Report was prepared for the purpose of complying with the uniform expenditure reporting system as discussed in Note 1, and is not intended to be a presentation in conformity with U.S. generally accepted accounting principles.

In our opinion, the Annual Expenditure Limitation Report of the Town of Camp Verde, Arizona, for the year ended June 30, 2011, referred to above presents fairly, in all material respects, the information required by the uniform expenditure reporting system on the basis of accounting described in Note 1.

This report is intended solely for the information and use of management, and for filing with the Auditor General of the State of Arizona and is not intended to be and should not be used by anyone other than these specified parties.

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

February 28, 2012

TOWN OF CAMP VERDE, ARIZONA
Annual Expenditure Limitation Report - Part I
Year Ended June 30, 2011

1. Economic Estimates Commission expenditure limitation	\$ 11,561,169	
2. Voter-approved alternative expenditure limitation	<u> -</u>	
3. Enter applicable amount from Line 1 or Line 2		\$ 11,561,169
4. Amount subject to the expenditure limitation (total amount from Part II, Line C	6,096,606	
5. Board-authorized expenditures necessitated by a disaster declared by the Governor (Art. IX, Sec. 20[2][a], Arizona Constitution)	-	
6. Board-authorized expenditures necessitated by a disaster not declared by the Governor (Art. IX, Sec. 20[2][b], Arizona Constitution)	-	
7. Prior-year voter-approved expenditures to exceed the expenditure limitation for the reporting fiscal year (Art. IX, Sec. 20[2][c], Arizona Constitution)	<u> -</u>	
8. Subtotal	6,096,606	
9. Board-authorized excess expenditures for the previous fiscal year not declared by the Governor and not approved by the voters (Article IX, Sec.20[2][b], Arizona Constitution)	<u> \$ -</u>	
10. Total adjusted amount subject to the expenditure limitation		<u> 6,096,606</u>
11. Amount under (in excess of) the expenditure limitation (if excess expenditures are reported, provide an explanation)		<u> \$ 5,464,563</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: Michael E. Showers

Name and Title: Michael E. Showers - Finance Director

Telephone No.: 928-567-6631 Date: 2/28/12

See accompanying notes to report.

TOWN OF CAMP VERDE, ARIZONA
Annual Expenditure Limitation Report - Part II
Year Ended June 30, 2011

Description	Governmental Funds	Fiduciary Funds	Total
A. Amounts reported on the Reconciliation, Line D	\$ 8,119,986	\$ -	\$ 8,119,986
B. Less exclusions claimed:			
1. Bond proceeds	1,005,000	-	1,005,000
Debt service requirements on bonded indebtedness	167,725	-	167,725
Proceeds from other long-term obligations	-	-	-
Debt service requirements on other long-term obligations	66,894	-	66,894
2. Dividends, interest and gains on the sale or redemption of investment securities	12,984	-	12,984
3. Trustee or custodian	-	-	-
4. Grants and aid from the federal government	88,767	-	88,767
5. Grants, aid, contributions or gifts from a private agency, organization, or individual except amounts received in lieu of taxes	26,629	-	26,629
6. Amounts received from the State of Arizona	82,812	-	82,812
7. Quasi-external interfund transactions	-	-	-
8. Amounts accumulated for the purchase of land, and the purchase or construction of buildings or improvements	-	-	-
9. Highway user revenue in excess of those received in fiscal year 1979-1980	372,282	-	372,282
10. Contracts with other political subdivisions	200,287	-	200,287
11. Refunds, reimbursements and other recoveries	-	-	-
12. Voter-approved exclusions not identified above (attach resolution)	-	-	-
13. Prior years carryforward	-	-	-
14. Total exclusions claimed	<u>2,023,380</u>	<u>-</u>	<u>2,023,380</u>
C. Amount subject to expenditure limitation	<u>\$ 6,096,606</u>	<u>\$ -</u>	<u>\$ 6,096,606</u>

See accompanying notes to report.

TOWN OF CAMP VERDE, ARIZONA
Annual Expenditure Limitation Report - Reconciliation
Year Ended June 30, 2011

Description	Governmental Funds	Fiduciary Funds	Total
A. Total expenditures/expenses/deductions and applicable other financing uses, special items, and extraordinary items reported within the fund financial statements	\$ 8,328,223	\$ -	\$ 8,328,223
B. Subtractions:			
1. Items not requiring the use of working capital:			
Depreciation and amortization	-	-	-
Loss on disposal of capital assets	-	-	-
Bad debt expense	-	-	-
Claims incurred but not reported	-	-	-
Landfill closure costs	-	-	-
2. Expenditures of separate legal entities established under Arizona Revised Statutes	-	-	-
3. Present value of net minimum capital lease and installment purchase contract payments recorded as expenditures at inception of the agreements	208,237	-	208,237
4. Involuntary court judgments	-	-	-
5. Total subtractions	<u>208,237</u>	<u>-</u>	<u>208,237</u>
C. Additions:			
1. Principal payments on long-term debt	-	-	-
2. Acquisition of capital assets	-	-	-
3. Claims paid in the current year but reported as expenses incurred but not reported in previous years	-	-	-
4. Landfill closure and postclosure care costs recorded as expended in previous years	-	-	-
5. Total additions	<u>-</u>	<u>-</u>	<u>-</u>
D. Amounts reported on Part II, Line A	<u>\$ 8,119,986</u>	<u>\$ -</u>	<u>\$ 8,119,986</u>

See accompanying notes to report.

TOWN OF CAMP VERDE, ARIZONA
Notes to Annual Expenditure Limitation Report
Year Ended June 30, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Annual Expenditure Limitation Report (AELR) is presented on the basis of accounting prescribed by the *Uniform Expenditure Reporting System* (UERS), as required by Arizona Revised Statutes Section 41-1279.07, which excludes expenditures, expenses, or deductions of certain revenues specified in the Arizona Constitution, Article IX, Section 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 and the Statement of Fiduciary Net Assets 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:

GADA Revenue Bonds, Series 2005:	
Principal payments	\$ 85,000
Interest payments	82,725
	167,725
Total debt service on bonded indebtedness	\$ 167,725

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:

Capital leases payable:	
Principal payments	\$ 52,434
Interest payments	9,061
Notes payable:	
Principal payments	3,974
Interest payments	1,425
	5,399
Total debt service on other long-term obligations	\$ 66,894

TOWN OF CAMP VERDE, ARIZONA
Notes to Annual Expenditure Limitation Report
Year Ended June 30, 2011

NOTE 4 – CONTRIBUTIONS FROM PRIVATE ORGANIZATIONS OR INDIVIDUALS

The exclusion claimed for contributions from private organizations or individuals consists of expenditures of public safety and culture and recreation donations.

NOTE 5 – HIGHWAY USER REVENUE EXCLUSION AND CARRYFORWARD

Highway user revenues received in the current fiscal year.	\$ 796,016
Highway user revenues received in the current fiscal year equal to fiscal year 1979-80 revenues received.	<u>-</u>
Revenues available for exclusion in the current fiscal year.	<u>\$ 796,016</u>
Actual expenditures of highway user revenues in the current fiscal year.	\$ 372,282
Amount equal to 1979-80 revenues expended in the current fiscal year.	<u>-</u>
Excludable revenues expended in the current fiscal year.	<u>\$ 372,282</u>
Revenues available for exclusion in the current fiscal year.	<u>\$ 372,282</u>
Unspent excludable revenue available as carryforward in future years.	<u>\$ 741,302</u>

NOTE 6 – EXPENDITURES OF INTERGOVERNMENTAL REVENUES

The following schedule presents revenues from which exclusions have been claimed for federal grants, amounts received from the State of Arizona, and highway user revenues in the Governmental Funds.

Grants and aid from the federal government	\$ 88,767
Amounts received from the State of Arizona	82,812
Amounts from other political subdivisions	200,287
Highway user revenues in excess of those received in fiscal year 1979-80	372,282
Other revenues (non-excludable)	<u>3,155,812</u>
Total intergovernmental revenues as reported in the in the fund financial statements	<u>\$ 3,899,960</u>