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**AGENDA
REGULAR SESSION
MAYOR AND COUNCIL
COUNCIL CHAMBERS · 473 S. Main Street, Room #106
WEDNESDAY, APRIL 4, 2012
6:30 P.M.**

1. **Call to Order**
2. **Roll Call**
3. **Pledge of Allegiance**
4. **Consent Agenda** – All those items listed below may be enacted upon by one motion and approved as consent agenda items. Any item may be removed from the Consent Agenda and considered as a separate item if a member of Council requests.
 - a) **Approval of the Minutes:**
 - 1) Regular Session – March 21, 2012
 - b) **Set Next Meeting, Date and Time:**
 - 1) April 18, 2012 at 6:30 p.m. – Regular Session
 - 2) April 25, 2012 at 6:30 p.m. – Council Hears Planning & Zoning Matters
 - 3) **Monday, April 30, 2012 at 4:00 p.m. – Budget Work Session**
 - c) **Possible approval of Ordinance 2012-A381, an ordinance of the Mayor and Common Council of the Town of Camp Verde, Yavapai County, Arizona amending Town Code Article 2-1, Section 2-1-4, Vacancies in Council.** This amendment requires a vacancy to be filled by election if the vacancy occurs more than 30 days prior to the nomination petition deadline for the next regularly scheduled election. Staff Resource: Debbie Barber
5. **Special Announcements & Presentations** – There are no Special Announcements or Presentations.
6. **Council Informational Reports.** These reports are relative to the committee meetings that Council members attend. The Committees are Camp Verde Schools Education Foundation; Chamber of Commerce, Intergovernmental Association, NACOG Regional Council, Verde Valley Transportation Planning Organization, Yavapai County Water Advisory Committee, and shopping locally. In addition, individual members may provide brief summaries of current events. The Council will have no discussion or take action on any of these items, except that they may request that the item be placed on a future agenda.
7. **Call to the Public for items not on the agenda.**
8. **Presentation and possible discussion of the FY10/11 Audit.** Staff Resource: Mike Showers
9. **Presentation, update, discussion, and possible direction to staff relative to Economic Developments efforts, including but not limited to regional efforts (VVREO), 4th Friday, Archaeology Center, Fort Verde, etc.** Staff Resource: Melissa Preston
10. **Presentation, discussion, and possible direction to staff relative to the most effective approach in developing a Water Conservation Program as directed by Council on February 6, 2008.** Staff Resource: Mike Jenkins
11. **Presentation, discussion, consideration, and possible approval or denial to acquire parcels 403-23-098 (aka Park Parcel) and 403-23-099 (aka Drainage Easement Parcel) from the State of Arizona Division of Emergency Management for recording and administration costs.** Both parcels are a part of the Groseta Gardens Subdivision as recorded in the Final Plat in Book 21 of Plats and Maps, Map 86 of the Yavapai County Recorder's Office. The subject parcels are located on the south side of Finnie Flat Road, east of the intersection at SR 260 and Finnie Flat Road. Staff Resource: Mike Jenkins

12. **Discussion, consideration, and possible direction to staff relative to updates and requested action(s) concerning proposed legislation that affects the Town.** Staff Resource: Russ Martin
13. **Call to the Public for items not on the agenda.**
14. **Manager/Staff Report** Individual members of the Staff may provide brief summaries of current events and activities. These summaries are strictly for informing the Council and public of such events and activities. The Council will have no discussion, consideration, or take action on any such item, except that an individual Council member may request that the item be placed on a future agenda.
15. **Adjournment**

Posted by:

D Barber

Date/Time:

3/29/12 - 9:15 am

Note: Pursuant to A.R.S. §38-431.03.A.2 and A.3, the Council may vote to go into Executive Session for purposes of consultation for legal advice with the Town Attorney on any matter listed on the Agenda, or discussion of records exempt by law from public inspection associated with an agenda item.

The Town of Camp Verde Council Chambers is accessible to the handicapped. Those with special accessibility or accommodation needs, such as large typeface print, may request these at the Office of the Town Clerk.

DRAFT
MINUTES
REGULAR SESSION
MAYOR AND COUNCIL
COUNCIL CHAMBERS
WEDNESDAY, MARCH 21, 2012
6:30 P.M.

Minutes are a summary of the actions taken. They are not verbatim.
Public input is placed after Council motions to facilitate future research.
Public input, where appropriate, is heard prior to the motion

1. **Call to Order**

The Mayor called the meeting to order at 6:30 p.m.

2. **Roll Call**

Mayor Burnside, Vice Mayor Kovacovich, and Councilors George, German, and Whatley were present. Councilor Baker was absent. Councilor Buchanan resigned effective March 15, 2012 in order to run for District 2 County Supervisor.

Also Present

Town Manager Russ Martin, Interim Library Director Gerry Laurito, Marshal Nancy Gardner, and Town Clerk Deborah Barber

3. **Pledge of Allegiance**

Councilor Whatley led the pledge.

4. **Consent Agenda** – All those items listed below may be enacted upon by one motion and approved as consent agenda items. Any item may be removed from the Consent Agenda and considered as a separate item if a member of Council requests.

a) **Approval of the Minutes:**

- 1) Regular Session – March 7, 2012
- 2) Special Session – March 7, 2012
- 3) Executive Session – March 7, 2012 (recorded)
- 4) Work Session – March 5, 2012

b) **Set Next Meeting, Date and Time:**

- 1) March 28, 2012 at 6:30 p.m. – Council Hears Planning & Zoning Matters - **CANCELLED**
- 2) April 4, 2012 at 6:30 p.m. – Regular Session
- 3) April 18, 2012 at 6:30 p.m. – Regular Session
- 4) April 25, 2012 at 6:30 p.m. – Council Hears Planning & Zoning Matters
- 5) Monday, April 30, 2012 at 4:00 p.m. – Budget Work Session

c) **Possible approval of a Special Event Liquor License application for the Golden Cobra Center of Fitness, Inc. for a fundraiser to be held at 5980 E. Coury Drive on Saturday, April 28, 2012 from 11:00 a.m. to 12:00 a.m. Staff Resource: Debbie Barber**

On a motion by Kovacovich, seconded by German, the Council approved the Consent Agenda as presented. Whatley abstained from voting on approval of the minutes since she was not present at the meetings.

5. **Special Announcements & Presentations**

- Possible approval of a Proclamation declaring April as *Fair Housing Month*, urging all residents to comply with and show support for the letter and spirit of the Fair Housing Act.
- Welcome to the new businesses:
 - ❖ Native Garden Design – Camp Verde
 - ❖ Verde River Adventure Center – 45 W. Hollamon St., Camp Verde
 - ❖ Mary Kay Gift Baskets – Camp Verde
 - ❖ A Cut Above – Camp Verde
 - ❖ A special thank you also goes out to the 31 vendors that participated in the Pecan &

Wine Festival

The Mayor read the proclamation and proclaimed April as Fair Housing Month. He welcomed the new businesses and expressed appreciation for those vendors that participated in the Pecan & Wine Festival.

6. Council Informational Reports

Whatley advised that she had missed meetings because she went to Ethiopia with a friend to pick up an adopted child.

Kovacovich advised that the annual Verde Valley Water User's Association would take place at the Multi-Use Facility tomorrow night.

Burnside expressed his concerns about the increase in the usage of electricity, noting that there are different rates for the meters. He advised Council that he had asked the Manager to check into it and let Council know what is happening. He recognized the arrival Marshal Gardner.

7. Call to the Public for items not on the agenda.

Richard Williams and Patricia Crespo of Golden Cobra thanked Council for their support, noting that the mud bog was a big event and brought visitors to the Town.

David A. Milborne said that in August 2011 he filed a complaint about equipment parked in the Town's right-of-way. He was told that there were no laws prohibiting this. He came to Council on 11-16-11 to ask for an ordinance prohibiting the equipment parking. Council is responsible for ensuring the safety of its citizens. He said he was thinking about writing to the Governor to see if she agrees that this is an acceptable policy. *German requested a future agenda item to discuss this with staff present to explain the issues.*

There was no other public input.

8. DISCUSSION, CONSIDERATION, AND POSSIBLE APPROVAL OF A LEASE AGREEMENT, SECURITY SERVICES PORTAL AGREEMENT, AND A COMMENCEMENT DATE MEMORANDUM WITH GOVNET TO PLACE A MICROWAVE OR SIMILAR ANTENNA ON LIBRARY PROPERTY AS PART OF A NEW STATEWIDE DATA NETWORK THAT WILL BRING A LARGER AND STURDIER INTERNET CONNECTION TO OUR AREA. ~~Possible approval of the lease agreement with GovNET to place a microwave antenna on the Library building roof as part of a new statewide data network that will bring a larger Internet connection to our area.~~ Staff Resource: Gerry Laurito

George began a motion and then withdrew it after a suggestion from the Mayor. On a motion by George, seconded by Kovacovich, the Council voted unanimously to approve the lease agreement, security services portal agreement, and the commencement date memorandum with GovNet to place a microwave or similar antenna on Library property as part of a new statewide data network that will bring a larger and sturdier Internet connection to our area.

Laurito gave a short presentation, explaining that GovNet was a private organization that had received a federal grant to expand data networks in rural areas statewide. He explained that in exchange for the Town allowing GovNet to place an antenna on Library property, the Town as a whole would receive a larger and sturdier Internet and approximately \$700 per month in free services and encrypted network services. Martin noted that the lease agreement could change as technology changes.

Council discussed the opportunity, the height of the disk/antenna on the roof and other possible antennas and locations as addressed in the agreements, and the opportunity for expanded emergency communications.

Public Input

There was no public input.

9. **Discussion, consideration, and possible direction to staff relative to updates and requested action(s) concerning proposed legislation that affects the Town.** Staff Resource: Russ Martin
Martin discussed proposed legislation that might have negative impacts for the Town. A summary of the proposed legislation is attached and becomes a permanent part of this record. Of particular concern is HB 2826, consolidated election dates beginning with elections in 2014 and are not candidate elections. The purpose of the bill was to affect school and taxing districts. SB 1364 would allow Yavapai and Coconino counties to regulate the sale of fireworks, noting we would readdress our fireworks ordinance. He advised that it looked as though HURF would be down 6% in the State budget and the Vehicle License Tax is projected to decline. State shared sales tax is expected to increase 10% and the income tax sharing will provide a \$100,000 increase in the Town's revenues.

In answer to questions, Martin encouraged Council members to contact representatives about the Heritage Fund, noting that the bill is in committee and likely will not go anywhere because of the budget. There is also a bill gaining momentum that would prevent the sweeping of State Parks funds.

10. **DISCUSSION, CONSIDERATION, AND POSSIBLE DIRECTION TO STAFF RELATIVE TO FILLING THE VACANT COUNCIL SEAT LEFT BY THE RESIGNATION OF COUNCIL MEMBER ALAN BUCHANAN. PURSUANT TO STATE STATUTE, THIS POSITION WILL SERVE UNTIL THE NEXT REGULARLY SCHEDULED ELECTION, AT WHICH TIME; THE VOTERS SHALL DETERMINE THE CANDIDATE TO FILL THE REMAINDER OF BUCHANAN'S TERM.** Staff Resource: Debbie Barber
Council directed staff to advertise and accept letters of interest until 12:00 p.m. on Thursday, April 12, 2012.

Barber explained that with the resignation of Council member Buchanan, staff was seeking direction as to how Council wished to proceed with filling the vacant seat, noting that the Town Code requires that the vacancy be filled within 60 days. She advised that to her knowledge there was no written policy as to how to fill the vacancy. She said that in the past, Council had solicited letters of interest. She closed with advising Council that the appointee must be a qualified elector in the Town of Camp Verde. She also suggested that if Council decided to accept letters of interest, they should set a cut-off date for accepting the letters to ensure that they had ample time to interview and select a new member.

11. **Call to the Public for items not on the agenda.**
Justin K. Wertz signed the roster and thanked Council for their efforts.

There was no other public input.

12. **Manager/Staff Report**
Martin advised that he was going to extend the RFQ deadline. This information will be sent to local realtors. Martin thanked Council for time off and Marshal Gardner's assistance in his absence. He reminded everyone of the 4th Friday event this Friday, noting that the Archaeology Center had several activities planned, and an armadillo and anaconda will be on display at the Chamber, and hayrides, cooking demonstrations are also planned.

13. **Adjournment**
On a motion by German, seconded by Kovacovich, the meeting was adjourned at 7:36 p.m.

Bob Burnside, Mayor

Deborah Barber, Town Clerk

CERTIFICATION

I hereby certify that the foregoing Minutes are a true and accurate accounting of the actions of the Mayor and Common Council of the Town of Camp Verde during the Regular Session of the Town Council of Camp Verde, Arizona, held on the 21st day of March 2012. I further certify that the meeting was duly called and held, and that a quorum was present.

Dated this _____ day of _____, 2012.

Deborah Barber, Town Clerk

Legislative Update Conference Call

League of Arizona Cities and Towns
Monday, March 19, 2012, 10:00 a.m.

NOTES

I. Legislative overview

All legislative policy committees are now closed except for the Appropriations Committees in the House and Senate. (The Rules Committees continue to meet to take action on bills approved in other committees.) Budget negotiations are underway between the Governor and legislative leadership, but no details have been released.

II. HB 2826 (consolidated election dates; political subdivisions)

This bill has not yet been scheduled for action in the Senate Rules Committee. We have had great support from city and town officials, as well as editorials in newspapers across the state, opposing this bill.

III. HB 2815 (employment; incentives; regulatory tax credit)

This bill, which still contains the Regulatory Tax Credit provision, is scheduled for Senate Appropriations tomorrow. We will be watching for possible amendments.

IV. Department of Water Resources funding

A. SB 1288 (municipal water fees; repeal; appropriation)

After receiving unanimous support in the House Agriculture and Water Committee, this bill, which calls for full repeal of the municipal assessment to fund DWR, is now headed to House Appropriations. This issue will ultimately be resolved in the budget negotiations, but the fact that it is moving successfully through the legislature is a good sign.

B. HB 2493 (department of water resources; funding)

This alternate bill regarding municipal funding of DWR is being used as a vehicle for an unrelated strike-everything amendment, so it will not move forward in its original form.

V. SB 1364 (consumer fireworks; permitted regulation)

This bill was amended in the House MAPS Committee last week to delete the section allowing Yavapai and Coconino Counties to regulate the sale of fireworks. It is now headed to House Rules.

VI. HB 2586 (border warning; dissemination)

The sponsor of this bill, Rep. Peggy Judd (R-Willcox), has withdrawn her support after a stakeholder meeting involving a number of city officials from border communities. Thank you for your quick response on this issue.

VII. Other

As requested, the League's Top 10 Bad Bills list is attached.

Action Requested:

- As opportunities present themselves, remind legislators to end the municipal assessment for DWR and end sweeps of HURF funds in this year's budget.
- If HB2826, HB2815 or the other bills regarding regulatory changes begin to move, we will ask for your action.
- Thank you for all your good work in response to our action requests this year!

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Pending Legislation with Negative Impacts to Arizona Municipalities

March 19, 2012

1. HB 2826 (consolidated election dates; political subdivisions)

Purpose: To require that local elections take place in the fall of even-numbered years.

Status: Passed the House by a vote of 31-24 on March 1. Passed the Senate Judiciary Committee on March 12.

Impacts: State interference in a matter of purely local concern. Unnecessarily delays local elections, including recalls and bond elections.

2. HB 2815 (employment; incentives; regulatory tax credit)

Purpose: To establish a tax credit for the costs of "excessive regulation."

Status: Passed the House by a vote of 39-18 on March 1. Scheduled for a hearing before the Senate Appropriations Committee on March 20.

Impacts: Promotes litigation. Onerous infringement of local control. Burdens state shared revenues.

3. HB 2416 (NOW: water and wastewater; denial prohibited)

Purpose: Requires municipal water providers to grant services outside of their corporate boundaries if certain conditions are met.

Status: Passed the House on reconsideration by a vote of 32-26 on March 7. Scheduled for consideration by the Senate Rules Committee on March 19.

Impacts: Infringes on local control by mandating that city services be provided to non-city residents. Fails to protect current customers and assured water supplies.

4. HB 2151 (s/e: assessments; intergovernmental agreements)

Purpose: Prohibits cost recovery through assessments on property owners pursuant to certain IGAs.

Status: Scheduled for consideration by the Senate Rules Committee on March 19.

Impacts: Introduced to address a single-city issue that no longer exists, the change would inhibit the ability of cities and towns to partner with other entities. Such partnerships reduce costs to the taxpayer and increase efficiency in planning and development.

5. HB 2729 (state regulation of firearms)

3

Purpose: Among other things, requires that firearms be allowed in municipal buildings unless the city employs costly measures, such as installation of expensive security systems, gun lockers and armed guards.

Status: Passed the House by a vote of 37-21 on March 6. Passed the Senate Judiciary Committee on March 12.

Impacts: Diminution of local control; imposes expensive unfunded mandate on cities.

6. SCR 1030 (s/e: photo enforcement; speeding; prohibition)

Purpose: Presumably to ban the use of photo radar for speed enforcement purposes.

Status: Scheduled for consideration by the House Appropriations Committee on March 21.

Impacts: Infringement on local control. Negative impacts on public safety.

7. SB 1239 (planned communities; zoning; requirements)

Purpose: Prohibits the planning agency of a municipality from requiring a subdivider or developer to institute an homeowners' association (HOA).

Status: Passed the Senate 28-1 on February 9. Passed the House Government Committee on February 21.

Impacts: Infringes on local control. Reduces cost-savings opportunities associated with HOA property management.

8. SB 1186 (law enforcement officers; omnibus)

Purpose: Among other things, limits the rights of public employers to require fitness for duty examinations of officers.

Status: Passed the Senate by a vote of 30-0 on February 28 and the House Committee on Military and Public Safety on March 14.

Impacts: Unnecessarily impinges upon local control. Diminishes local flexibility and negatively impacts public safety.

9. SB 1212 (law enforcement officers; just cause)

Purpose: Extends the application of exhaustive just cause processes to officer demotions and suspensions.

Status: Passed the Senate by a vote of 29-0 on February 9 and the House Rules Committee on March 19.

Impacts: Unnecessarily impinges on local control. Diminishes local flexibility and negatively impacts public safety.

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10. HB 2780 (animal cruelty; ranching dogs)

Purpose: Preempts city authority to adopt animal cruelty ordinances as applied to ranch and farm dogs.

Status: Passed the House by a vote of 43-15 on March 7. Passed the Senate Judiciary Committee on March 12.

Impacts: Eliminates ability of municipalities to enact animal cruelty ordinances involving ranching dogs that are at least as stringent as state law. Reduces animal protection and impinges on local authority.

Town of Camp Verde

Agenda Item Submission Form – Section I

Meeting Date: April 4, 2012

- Consent Agenda Decision Agenda Executive Session Requested
- Presentation Only Action/Presentation

Requesting Department: Town Clerk

Staff Resource/Contact Person: Debbie Barber

Agenda Title (be exact): Possible approval of Ordinance 2012-A381, an ordinance of the Mayor and Common Council of the Town of Camp Verde, Yavapai County, Arizona, amending Town Code Article 2-1, Section 2-1-4, Vacancies in Council.

List Attached Documents: Ordinance 2012-A381; ARS §9-235

Estimated Presentation Time: 5 minutes

Estimated Discussion Time: 5 minutes

Reviews Completed by:

Department Head: Debbie Barber

Town Attorney Comments: Recommended the language as presented.

Finance Department N/A
Fiscal Impact: None
Budget Code: N/A **Amount Remaining:** _____
Comments: _____

Background Information: State law was changed in the last legislative session which requires Council to fill a vacancy by appointment until the next regularly scheduled election if the vacancy occurs 30 days before the nomination petition deadline. This ordinance amends the Town Code to comply with State law.

Recommended Action (Motion): Move to approve Ordinance 2012-A381, an ordinance of the Mayor and Common Council of the Town of Camp Verde, Yavapai County, Arizona, amending Town Code Article 2-1, Section 2-1-4, Vacancies in Council.

Instructions to the Clerk: process the ordinance



ORDINANCE 2012-A381

**AN ORDINANCE OF THE MAYOR AND COMMON COUNCIL
OF THE TOWN OF CAMP VERDE, YAVAPAI COUNTY, ARIZONA,
AMENDING TOWN CODE ARTICLE 2-1, SECTION 2-1-4 VACANCIES IN COUNCIL**

TOWN CODE, SECTION 2-1-4 is hereby amended as follows:

Section 2-1-4 Vacancies in Council (2008-A355) (2009-A362) (2009-A364)

~~The Council shall fill by appointment for the unexpired term any vacancy on the Council, including the Mayor that may occur for any reason within 60 days of the vacancy unless (I) a primary election for Council is set within 120 days and (II) all statutory requirements for filling candidacy papers can be satisfied.~~ IF A VACANCY OCCURS MORE THAN THIRTY DAYS BEFORE THE NOMINATION PETITION DEADLINE FOR THE NEXT REGULARLY SCHEDULED TOWN COUNCIL ELECTION, THE TOWN COUNCIL SHALL, WITHIN SIXTY DAYS OF THE VACANCY, FILL THE APPOINTMENT UNTIL THE NEXT REGULARLY SCHEDULED TOWN COUNCIL ELECTION. IF THE VACANCY OCCURS THIRTY DAYS OR LESS PRIOR TO THE NOMINATION PETITION DEADLINE FOR THE NEXT REGULARLY SCHEDULED TOWN COUNCIL ELECTION, THE TOWN COUNCIL SHALL FILL THE VACANCY FOR THE UNEXPIRED TERM OF THE OFFICE BEING FILLED. A person who has been elected to fill the remainder of an unexpired term of a vacant office may take the oath of office and begin the remainder of the term of office at any time after the canvass of the election. The vacancy shall not reduce any Council quorum requirements.

Effective Date. This Ordinance is to be effective when publication and posting pursuant to A.R.S. § 9-813 is accomplished.

PASSED AND ADOPTED in open meeting by the Mayor and Common Council of the Town of Camp Verde, Yavapai County, Arizona, on the 4th day of April 2012.

Bob Burnside, Mayor

Date

Attest:

Approved as to Form/Date:

Deborah Barber, Town Clerk

Town Attorney



Fiftieth Legislature - Second Regular Session

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9-235. Vacancies in council

A. The council shall fill a vacancy that may occur by appointment until the next regularly scheduled council election if the vacancy occurs more than thirty days before the nomination petition deadline, otherwise the appointment is for the unexpired term. This subsection does not apply to a charter city.

B. The member appointed shall meet the qualifications established in section 9-232.



Town of Camp Verde

03-27-12 PCHSD TCY#

Agenda Item Submission Form – Section I

Meeting Date: April 4, 2012

- Consent Agenda Decision Agenda Executive Session Requested
- Presentation Only Action/Presentation Special Session

Requesting Department: Finance

Staff Resource/Contact Person: Mike Showers

Agenda Title (be exact): Presentation and possible discussion the Town of Camp Verde's FY11 Audit.

- List Attached Documents:** 1) Town of Camp Verde Annual Financial Report - June 30, 2011
- 2) Town of Camp Verde Report on Internal Controls – June 30, 2011

Estimated Presentation Time: 10 minutes

Estimated Discussion Time: 5 minutes

Reviews Completed by:

- Department Head: Town Attorney Comments:

Finance Review: Budgeted Unbudgeted N/A

Finance Director Comments/Fund:

Fiscal Impact: N/A

Budget Code: _____ **Amount Remaining:** _____

Comments:

Background Information: It was decided by the Town Manager & Finance Director after consideration of relevant factors to forgo the completion of a CAFR this year and instead complete an annual financial review. The annual financial review meets all required components for the town annual filing requirements. There are no significant findings in the audit. We received an unqualified opinion.

Recommended Action (Motion): Acceptance of the Town of Camp Verde Annual Financial Report for June 30, 2011 and the Town of Camp Verde Report on Internal Control for June 30, 2011.

Instructions to the Clerk: N/A

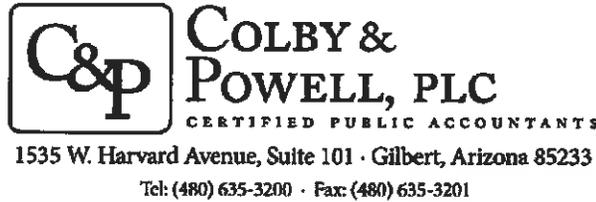
TOWN OF CAMP VERDE, ARIZONA

Report and Schedules Required
by *Governmental Auditing Standards*

June 30, 2011

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

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

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Town of Camp Verde, Arizona, as of and for the year ended June 30, 2011, which collectively comprise the Town of Camp Verde, Arizona's basic financial statements and have issued our report thereon dated February 28, 2012. 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.

Internal Control Over Financial Reporting

Management of the Town of Camp Verde, Arizona is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Town of Camp Verde, Arizona's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Town of Camp Verde's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

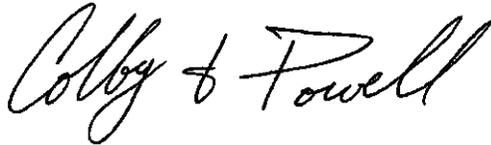
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and responses that we consider to be significant deficiencies in internal control over financial reporting. (See Item #2011-01 thru #2011-03) A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Town of Camp Verde's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Town of Camp Verde, Arizona's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. We did not audit the Town's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, Town Council, others within the entity, and federal awarding agencies and pass-through entities 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
Schedule of Findings and Responses
June 30, 2011

Financial Statement Findings

Item: #2011-01

Subject: Grants and contracts policies and procedures

Criteria/Specific Requirements: The Town should follow written policies relating to grant and contract reporting.

Condition: Town policy requires the department administering the grant be responsible for the submission of reimbursement claims. Reimbursement claims should be generated from the accounting system and a copy of the reimbursement claim should be forwarded to the finance department for recording the grant or contract receivable in order to track the reimbursement. We discovered that departments sometimes do not prepare reimbursement requests from the accounting system, and do not submit copies of the reimbursement claims to the finance department according to the written policy.

Recommendation: We recommend that reimbursement claims be generated from the accounting system and that the Finance Director approve the claim before drawing from the grant or contract.

Management response: Departments have been alerted that they must prepare reimbursement requests with backup from the accounting system. Reimbursement requests will be approved by the Finance Director before submission.

Item: #2011-02

Subject: Cash reconciliation, review, and oversight

Criteria/Specific Requirements: Timely preparation of complete and accurate bank reconciliations is a key to maintaining adequate control over both cash receipts and disbursements. When segregation of duties is limited, there is a risk that errors could occur and go undetected. Reconciliations should be prepared by someone who does not receive the banks statements directly and who is not responsible for entries in the receipts and disbursement records. Compensating controls of review and oversight of reconciliations will help mitigate such risks.

Condition: The Town's Finance Director receives the bank statements unopened in the mail and performs monthly cash reconciliations. There are no reviews of the cash reconciliations.

Recommendation: We recommend that the Town Clerk or the Town Manager perform a monthly review of canceled checks and completed bank reconciliations and document the review.

TOWN OF CAMP VERDE, ARIZONA
Schedule of Findings and Responses
June 30, 2011

Item: #2011-02 - Continued

Management response: Either the Town Clerk or the Town Manager will review accounts on a monthly basis as follows:

- Checking Accounts:
 - 1) Review of canceled checks received by bank.
 - 2) Review of the completed bank reconciliation.

- Savings Accounts:
 - 1) Review of Bank reconciliations and all out-going transfers.

Item: #2011-03

Subject: Accounting Policies and Procedures

Criteria/Specific Requirements: Written policies and procedures help to avoid the acceptance of weak procedures established through common usage and assists in maintaining appropriate procedures at times of employee turnover.

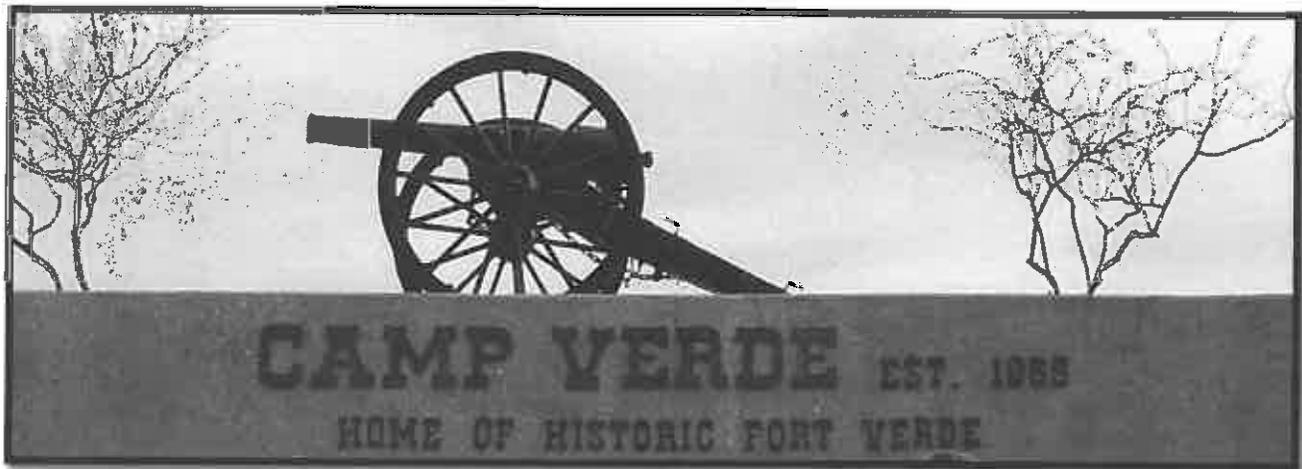
Condition: During our audit, we noted that the accounting policies and procedures are not updated with the current procedures being utilized by the accounting department.

Recommendation: We recommend that the accounting policies and procedures be updated.

Management response: The Financial Operations Guide will be updated to include the new accounting software and changes in current procedures.

The Town of Camp Verde, Arizona

**Annual Financial Report
For the Fiscal Year Ended June 30, 2011**



“Where the past meets the present.”

Issued by: Town of Camp Verde Finance Department

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To the Honorable Mayor and Members of the Council
Of the Town of Camp Verde, Arizona

We have audited the accompanying financial statements of the governmental activities, each major fund, and aggregate remaining fund information of the Town of Camp Verde, Arizona as of and for the year ended June 30, 2011, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town of Camp Verde, Arizona's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Camp Verde, Arizona, as of June 30, 2011, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 28, 2012, on our consideration of the Town of Camp Verde, Arizona's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial

reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and important for assessing the results of our audit.

The management's discussion and analysis and budgetary comparison information presented in pages 3 through 12 and pages 42 through 46 respectively, along with the schedule of agent retirement plans' funding progress on page 47, and schedule of employer contributions marshal's retirement and health insurance plan on page 48 are not a part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Camp Verde, Arizona's financial statements as a whole. The combining and individual non-major fund financial statements are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual non-major fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The introductory and statistical information listed in the accompanying table of contents 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.

A handwritten signature in cursive script that reads "Colby & Powell". The signature is written in black ink and is positioned above the date.

February 28, 2012

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
(Required Supplementary Information)

**TOWN OF CAMP VERDE, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
FISCAL YEAR ENDED JUNE 30, 2011**

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, 2011. Please read it in conjunction with the Town's basic financial statements, which begin on page 13.

FINANCIAL HIGHLIGHTS

The financial statements which follow the Management's Discussion and Analysis provide those significant key financial highlights for 2011 as follows:

- The Town's total net assets of governmental activities decreased by \$84,938 to \$13.3 million, representing a decrease of less than 1 percent from fiscal year 2009-10.
- General revenues from governmental activities accounted for \$4.5 million in revenue, or 69 percent of all revenues from governmental activities. Program specific revenues in the form of charges for services and grants and contributions accounted for \$2.0 million or 31 percent of total governmental activities revenues.
- The Town had \$6.6 million in expenses related to governmental activities; of which \$2.0 million of these expenses were offset by program specific charges for services or grants and contributions. General revenues of \$4.5 million were adequate to cover all but \$84,938 of the remaining costs of these programs.
- Among major governmental funds, the General Fund had \$5.1 million in revenues, which primarily consisted of taxes, licenses and permits, charges for services, fines and forfeitures, and intergovernmental revenues. The total expenditures of the General Fund were \$5.2 million and had a net total of \$254,166 in transfers out to other funds. The General Fund's fund balance decreased by \$344,000 to \$3.0 million. The HURF Fund had revenues of \$796,358, which consisted primarily of intergovernmental revenues, and expenditures of \$372,299. The fund balance of the HURF Fund increased by \$432,842 from the prior year due primarily to reduced spending during the year. The fund balance of the Parks Fund decreased by \$12,938 as a result of no revenues collected during the year. The fund balance of the Housing Grant Fund increased by \$95,735 due primarily to settlement of a loan/return of property to the Town. The fund balance of the Capital Improvements Fund decreased by \$621,023 due primarily to the purchase of land for use by the Public Works Department.

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.

**TOWN OF CAMP VERDE, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
FISCAL YEAR ENDED JUNE 30, 2011**

OVERVIEW OF FINANCIAL STATEMENTS (CONTINUED)

The *statement of net assets* presents information on all of the Town's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets 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 assets changed during the most recent fiscal year. All changes in net assets 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 category:

- **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.

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 two categories: governmental funds and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating the Town's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Town's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

**TOWN OF CAMP VERDE, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
FISCAL YEAR ENDED JUNE 30, 2011**

OVERVIEW OF FINANCIAL STATEMENTS (CONTINUED)

The Town maintains fourteen 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 for the General, HURF, Parks, Housing Grant and Capital Improvements Funds, all of which are considered to be major funds. Data from the other nine 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.

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.

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.

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, Parks, Housing Grant, and the Capital Improvements Funds as required supplementary information.

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net assets may serve over time as a useful indicator of a government's financial position. In the case of the Town, assets exceeded liabilities by \$13.3 million as of June 30, 2011.

The largest portion of the Town's net assets (63 percent) reflects its investment in capital assets (e.g., land, infrastructure, buildings, improvements other than buildings, and machinery and equipment), less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to its citizens; consequently, these assets are *not* available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. In addition, portions of the Town's net assets are restricted for the specified purposes of highways and streets (10 percent), redevelopment and housing (3 percent), and special programs (6 percent). The remaining balance of unrestricted net assets (\$2.4 million, 18 percent) may be used to meet the Town's ongoing obligation to citizens.

**TOWN OF CAMP VERDE, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
FISCAL YEAR ENDED JUNE 30, 2011**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

The Town's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, and the acquisition and disposal of capital assets.

The following tables present a summary of the Town's net assets for the fiscal years ended June 30, 2011 and 2010.

	<u>2011 Governmental Activities</u>	<u>2010 Governmental Activities</u>
Current assets	\$ 5,817,912	\$ 6,035,423
Capital assets, net	11,435,059	9,911,461
Other non-current assets	<u>311,881</u>	<u>414,113</u>
Total assets	<u>17,564,852</u>	<u>16,360,997</u>
Current and other liabilities	1,390,961	1,054,553
Long-term liabilities	<u>2,830,222</u>	<u>1,877,837</u>
Total liabilities	<u>4,221,183</u>	<u>2,932,390</u>
Net assets:		
Invested in capital assets, net of related debt	8,422,141	7,963,191
Restricted	2,545,163	1,838,636
Unrestricted	<u>2,376,365</u>	<u>3,626,780</u>
Total net assets	<u>\$ 13,343,669</u>	<u>\$ 13,428,607</u>

The following are significant current year transactions that had a significant impact on the Statement of Net Assets.

- An 18 acre parcel of land was purchased at a cost of \$1,459,178 for use in the Public Works department.
- New accounting software was purchased and installed with a line of credit at a cost of \$200,324. The purchase is to be paid off over 5 years.
- A liability of \$180,000 was created to reflect two separate but related costs: 1) Monies remaining due to Sophronia Zellner (\$50,000) payable over 2 years and 2) Monies to be accumulated and set aside (\$130,000) over a 3 year period, beginning in July of 2010, for the construction of a water line.

**TOWN OF CAMP VERDE, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
FISCAL YEAR ENDED JUNE 30, 2011**

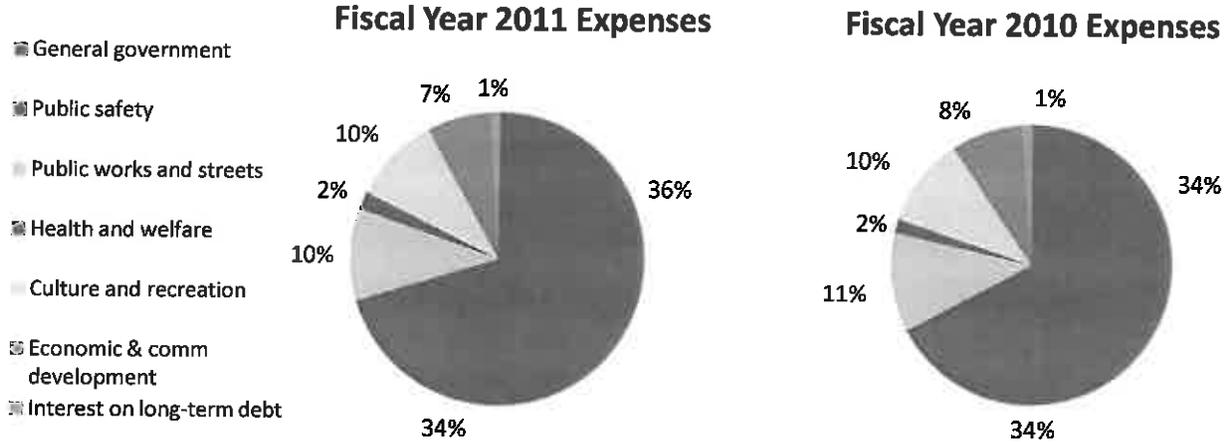
GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Changes in net assets. The Town's total revenues for the fiscal year ended June 30, 2011, were \$6.5 million. The total cost of all programs and services was \$6.6 million. The following table presents a summary of the changes in net assets for the fiscal years ended June 30, 2011 and 2010.

	2011 Governmental Activities	2010 Governmental Activities
Revenues		
Program revenues:		
Charges for services	\$ 542,443	\$ 644,668
Operating grants and contributions	1,490,745	1,297,444
Capital grants and contributions	-	6,491
General revenues:		
Town sales taxes	1,763,488	1,961,610
Franchise taxes	243,353	239,946
State shared revenue	2,441,489	2,755,897
Investment earnings	12,985	19,964
Miscellaneous	53,507	23,954
Total revenues	<u>6,548,010</u>	<u>6,949,974</u>
Expenses		
General government	2,407,140	2,242,817
Public safety	2,233,318	2,250,649
Public works and streets	669,205	765,392
Health and welfare	131,331	107,603
Culture and recreation	630,502	695,151
Economic and community development	460,601	551,747
Interest on long-term debt	100,851	83,429
Total expenses	<u>6,632,948</u>	<u>6,696,788</u>
Increase/(decrease) in net assets	(84,938)	253,186
Net assets, beginning	<u>13,428,607</u>	<u>13,175,421</u>
Net assets, ending	<u>\$ 13,343,669</u>	<u>\$ 13,428,607</u>

**TOWN OF CAMP VERDE, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
FISCAL YEAR ENDED JUNE 30, 2011**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)



Governmental activities. The following table presents the cost of the seven 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.

	Year Ended June 30, 2011		Year Ended June 30, 2010	
	Total Expenses	Net (Expense)/ Revenue	Total Expenses	Net (Expense)/ Revenue
Governmental activities				
General government	\$ 2,407,140	\$(2,099,488)	\$ 2,242,817	\$(1,933,323)
Public safety	2,233,318	(1,906,872)	2,250,649	(1,952,587)
Public works and streets	669,205	212,203	765,392	132,368
Health and welfare	131,331	(131,331)	107,603	(107,603)
Culture and recreation	630,502	(303,516)	695,151	(363,692)
Economic and community development	460,601	(269,905)	551,747	(439,919)
Interest on long-term debt	100,851	(100,851)	83,429	(83,429)
Total	\$ 6,632,948	\$(4,599,760)	\$ 6,696,788	\$(4,748,185)

**TOWN OF CAMP VERDE, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
FISCAL YEAR ENDED JUNE 30, 2011**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

- The cost of all governmental activities this year was \$6.6 million.
- Grants and contributions from federal, state, and county governments, charges for services and other local revenues subsidized certain governmental programs with revenues of \$2.0 million.
- The net cost of governmental activities of \$4.6 million was financed by general revenues, which are made up primarily of taxes and state shared revenue.

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.

The financial performance of the Town as a whole is reflected in its governmental funds. As the Town completed the year, its governmental funds reported combined ending fund balances of \$5.0 million, a decrease of \$471,689. Approximately 28 percent of this total amount (\$1.4 million) constitutes *unassigned fund balance*, which is 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 designated/restricted for long term receivables (\$632,000), compensated absences (\$378,828), sick leave (\$22,800), HURF (\$1,357,164), capital improvements (\$185,200), and special programs (\$843,789).

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 \$3.0 million. As a measure of the General Fund's liquidity, it may be useful to compare fund balance to fund expenditures. Fund balance represents 58 percent of total General Fund expenditures.

The fund balance of the Town's General Fund decreased by \$344,000 during the fiscal year. The HURF Fund showed an increase in fund balance of \$432,842 as of June 30, 2011 due primarily to reduced spending during the year. The fund balance of the Parks Fund decreased by \$12,938 as a result of no revenues collected during the year. The fund balance of the Housing Grant Fund increased by \$95,735 due primarily to settlement of a loan/return of property to the Town. The fund balance of the Capital Improvements Fund decreased by \$621,023 due primarily to the purchase of land for use by the Public Works Department.

**TOWN OF CAMP VERDE, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
FISCAL YEAR ENDED JUNE 30, 2011**

BUDGETARY HIGHLIGHTS

Schedules showing the budget amounts compared to the Town's actual financial activity for the General Fund, HURF Fund, Parks Fund, Housing Grant Fund and Capital Improvements Fund are provided in this report as required supplementary information. The significant variances between budget and actual for the General Fund are as follows:

- Revenues in the General Fund were \$521,296 less than budgeted due to the slowing economy and lower reimbursements from Yavapai County because expenditures on the flood control project were less than anticipated.
- General Fund expenditures were less than budgeted by \$772,728. This was the result of conservative spending efforts to minimize the impact of forecasted future revenue shortfalls as well as reduction of Yavapai County flood control project expenditures.
- General Fund original and final budgets only varied in budgeted expenditure categories. Total budgeted expenditures were increased by \$6,794 due significantly to an increase in overall wages within the Library departments.
- HURF Fund expenditures were less than budgeted by \$364,886. This was primarily the result of the cancellation of a significant portion of larger budgeted street maintenance and construction projects.
- Capital Improvements Fund expenditures exceeded budgeted expenditures by \$680,749. Also, other financing sources exceeded budgeted sources by \$596,395. Both of these were due to the issuance of long-term debt for the purchase of land and new financial software.

CAPITAL ASSETS

As of June 30, 2011, the Town had invested \$11.4 million in capital assets including land, buildings, facilities, vehicles, computers, equipment, and infrastructure assets. Total depreciation expense for the year was \$320,785.

The following schedule presents capital asset balances and accumulated depreciation for the fiscal years ended June 30, 2011 and 2010.

**TOWN OF CAMP VERDE, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
FISCAL YEAR ENDED JUNE 30, 2011**

CAPITAL ASSETS (CONTINUED)

	As of <u>June 30, 2011</u>	As of <u>June 30, 2010</u>
Land	\$ 5,868,719	\$ 4,409,541
Construction in progress	422,050	218,634
Infrastructure	1,720,671	1,720,671
Buildings and improvements	3,596,789	3,505,380
Improvements other than buildings	840,150	840,150
Machinery and equipment	1,842,969	1,876,232
Accumulated depreciation	<u>(2,856,289)</u>	<u>(2,659,147)</u>
 Total	 <u>\$ 11,435,059</u>	 <u>\$ 9,911,461</u>

Major capital asset events during the current fiscal year included the following:

- The purchase of a 17 acre parcel for our Public Works department, new accounting software and major upgrades/improvements to A/C units in two buildings.

Additional information on the Town's capital assets can be found in Note 7 of this report.

DEBT ADMINISTRATION

At year end, the Town had \$3.4 million in governmental long-term debt outstanding with \$561,524 due within one year. The following table presents a summary of the Town's outstanding long-term debt for the fiscal years ended June 30, 2011 and 2010.

	As of <u>June 30, 2011</u>	As of <u>June 30, 2010</u>
Compensated absences payable	\$ 378,828	\$ 350,524
Capital leases payable	224,305	68,502
2005 Revenue bonds payable	1,680,000	1,765,000
2005 Revenue bonds premium	93,948	101,129
2011 Revenue bonds payable	1,005,000	-
Note payable	<u>9,665</u>	<u>13,638</u>
 Total	 <u>\$ 3,391,746</u>	 <u>\$ 2,298,793</u>

Additional information on the Town's long-term debt can be found in Notes 8 - 11 of this report.

**TOWN OF CAMP VERDE, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
FISCAL YEAR ENDED JUNE 30, 2011**

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 85 percent of the Town's general purpose revenues. With the decline of the State's economy, as well as the performance of the local economy, the Town of Camp Verde has seen a continued decline in the revenues received to fund its service delivery system. In anticipation of continued economic struggle, the budget for the 2011-2012 fiscal year projects a combined decline in Town sales tax and shared revenues from the State over actual amounts collected in the 2010-2011 fiscal year of approximately 5 percent.

Since 2007 when the economy began its decline, the Town of Camp Verde has continued conservative spending and now only replaces employees, if a departure occurs, to maintain service levels. This continues into the 2011-2012 Budget where conservative spending of our reserves and conservative projection of revenues allow us to maintain an adequate reserve until the economy picks up locally as well as state wide. During this time 22 positions were vacated to maintain an adequate reserve while accomplishing some capital projects. However, none were vacated within this last fiscal year.

Management believes that the conservative approach taken in the past few years has led to the success of the Town of Camp Verde in maintaining its service delivery system in a way that necessitates the use of only a moderate amount of the financial resources of the Town. This can continue only if the demand for service remains consistent. However, as time passes and the hope of a better economy continues, this approach may need changing to reflect demand for capital projects that were put off during the downturn as well as lower service levels accepted during that same period.

The Town of Camp Verde has been notified that funding from the Urban Revenue Sharing program with the State of Arizona would experience an increase for the first time in several years in 2012-2013. This will begin to lower the use of reserve and possibly allow for increased service levels and projects. Additional revenue from other sources is possible as well and will surely be necessary in this recovery process. Without additional revenue from traditional sources, it is anticipated that capital projects will continue to be postponed and service levels will have to remain static.

As a result of the thoughtful leadership of the Town Council and the managerial judgment of the Town's management team, we believe we are poised to manage the financial affairs of the Town of Camp Verde with a high degree of vigilance and discipline. We are confident that we can address and manage the challenges we face and look forward to finding ways to expedite the return of healthier revenues that will allow for higher levels of community services and capital construction and investment.

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 of Camp Verde, Finance Department, 395 South Main Street, Camp Verde, Arizona 86322.

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

**TOWN OF CAMP VERDE, ARIZONA
STATEMENT OF NET ASSETS
JUNE 30, 2011**

	Governmental Activities
<u>ASSETS</u>	
Current assets:	
Cash and cash equivalents	\$ 4,962,124
Cash - restricted	43,333
Accounts receivable (net)	530,587
Due from other governments	255,919
Prepaid items	25,949
Total current assets	5,817,912
Non-current assets:	
Loans receivable	171,309
Capital assets, not being depreciated	6,290,769
Capital assets, being depreciated, net	5,144,290
Assets being held for sale	79,345
Deferred bond issuance costs	44,973
Long-term deferred charges	16,254
Total non-current assets	11,746,940
Total assets	17,564,852
<u>LIABILITIES</u>	
Current liabilities:	
Accounts payable	275,234
Accrued payroll and employee benefits	77,336
Due to other governments	193
Accrued interest	43,999
Court bonds payable	8,555
Deferred revenue	244,120
Claims payable	180,000
Current portion of long-term obligations	561,524
Total current liabilities	1,390,961
Non-current liabilities:	
Non-current portion of long-term obligations	2,830,222
Total non-current liabilities	2,830,222
Total liabilities	4,221,183
<u>NET ASSETS</u>	
Invested in capital assets, net of related debt	8,422,141
Restricted for:	
Highways and streets	1,357,164
Redevelopment and housing	344,210
Special programs	843,789
Unrestricted	2,376,365
Total net assets	\$ 13,343,669

The notes to the financial statements are an integral part of this statement.

**TOWN OF CAMP VERDE, ARIZONA
STATEMENT OF ACTIVITIES
FISCAL YEAR ENDED JUNE 30, 2011**

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Governmental Activities
Governmental activities:				
General government	\$ 2,407,140	\$ 304,918	\$ 2,734	\$ (2,099,488)
Public safety	2,233,318	88,421	238,025	(1,906,872)
Public works and streets	669,205	3,429	877,979	212,203
Health and welfare	131,331	-	-	(131,331)
Culture and recreation	630,502	43,746	283,240	(303,516)
Economic and community development	460,601	101,929	88,767	(269,905)
Interest on long-term debt	100,851	-	-	(100,851)
Total governmental activities	6,632,948	542,443	1,490,745	(4,599,760)
General revenues:				
Taxes:				
Town sales taxes for general purposes				1,763,488
Franchise taxes				243,353
State shared revenues				2,441,489
Investment earnings				12,985
Miscellaneous				53,507
Total general revenues				4,514,822
Changes in net assets				(84,938)
Net assets, beginning of year				13,428,607
Net assets, end of year				\$ 13,343,669

The notes to the financial statements are an integral part of this statement.

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FUND FINANCIAL STATEMENTS

**TOWN OF CAMP VERDE, ARIZONA
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2011**

	<u>General Fund</u>	<u>HURF Fund</u>	<u>Parks Fund</u>
<u>ASSETS</u>			
Cash and cash equivalents	\$ 2,284,085	\$ 1,315,946	\$ 284,371
Cash - restricted	43,333	-	-
Accounts receivable (net)	468,663	54	-
Due from other governments (net)	118,665	72,039	-
Prepaid items	22,096	-	-
Due from other funds	47,614	-	-
Advances to other funds	632,000	-	-
Loans receivable	-	-	-
Assets held for sale	-	-	-
	<hr/>	<hr/>	<hr/>
Total assets	\$ 3,616,456	\$ 1,388,039	\$ 284,371
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 164,314	\$ 26,091	\$ 4,470
Accrued payroll and employee benefits	69,889	4,784	-
Due to other governments	193	-	-
Accrued interest	-	-	-
Court bonds payable	8,555	-	-
Deferred revenue	187,727	-	-
Claims payable	180,000	-	-
Due to other funds	-	-	-
Advances from other funds	-	-	632,000
	<hr/>	<hr/>	<hr/>
Total liabilities	610,678	30,875	636,470
	<hr/>	<hr/>	<hr/>
Fund balances (deficits):			
Nonspendable	22,096	-	-
Restricted	-	1,357,164	-
Committed	1,033,628	-	-
Unassigned	1,950,054	-	(352,099)
	<hr/>	<hr/>	<hr/>
Total fund balances	3,005,778	1,357,164	(352,099)
	<hr/>	<hr/>	<hr/>
Total liabilities and fund balances	\$ 3,616,456	\$ 1,388,039	\$ 284,371
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The notes to the financial statements are an integral part of this statement.

Housing Grant Fund	Capital Improvements Fund	Non-Major Governmental Funds	Total Governmental Funds
\$ 90,557	\$ 40,244	\$ 946,921	\$ 4,962,124
-	-	-	43,333
-	90	61,780	530,587
2,999	-	62,216	255,919
-	3,853	-	25,949
-	-	-	47,614
-	-	-	632,000
171,309	-	-	171,309
79,345	-	-	79,345
<u>\$ 344,210</u>	<u>\$ 44,187</u>	<u>\$ 1,070,917</u>	<u>\$ 6,748,180</u>
\$ -	\$ 62,996	\$ 17,363	\$ 275,234
-	-	2,663	77,336
-	-	-	193
-	-	40,725	40,725
-	-	-	8,555
171,309	-	118,763	477,799
-	-	-	180,000
-	-	47,614	47,614
-	-	-	632,000
<u>171,309</u>	<u>62,996</u>	<u>227,128</u>	<u>1,739,456</u>
79,345	3,853	-	105,294
93,556	-	843,789	2,294,509
-	185,200	-	1,218,828
-	(207,862)	-	1,390,093
<u>172,901</u>	<u>(18,809)</u>	<u>843,789</u>	<u>5,008,724</u>
<u>\$ 344,210</u>	<u>\$ 44,187</u>	<u>\$ 1,070,917</u>	<u>\$ 6,748,180</u>

**TOWN OF CAMP VERDE, ARIZONA
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS
JUNE 30, 2011**

Total governmental fund balances **\$ 5,008,724**

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Governmental capital assets	\$ 14,291,348	
Less accumulated depreciation	<u>(2,856,289)</u>	11,435,059

Some receivables are not available to pay for current-period expenditures and, therefore, are deferred in the governmental funds.	233,679
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Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the governmental funds.	61,227
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A portion of interest payable is not due in the current period and, therefore, is not accrued in the governmental funds.	(3,274)
--	---------

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.

Compensated absences payable	(378,828)	
Capital leases payable	(224,305)	
Revenue bonds payable	(2,685,000)	
Revenue bonds premium	(93,948)	
Note payable	<u>(9,665)</u>	<u>(3,391,746)</u>

Net assets of governmental activities **\$ 13,343,669**

The notes to the financial statements are an integral part of this statement.

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TOWN OF CAMP VERDE, ARIZONA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
FISCAL YEAR ENDED JUNE 30, 2011

	<u>General Fund</u>	<u>HURF Fund</u>	<u>Parks Fund</u>
Revenues:			
Taxes	\$ 2,006,841	\$ -	\$ -
Licenses and permits	102,725	-	-
Fines and forfeitures	239,002	-	-
Intergovernmental	2,600,932	796,016	-
Charges for services	60,157	-	-
Investment earnings	8,976	17	-
Rents and royalties	3,068	-	-
Contributions and donations	4,111	-	-
Other	43,437	325	-
Total revenues	<u>5,069,249</u>	<u>796,358</u>	<u>-</u>
Expenditures:			
Current -			
General government	2,207,562	-	-
Public safety	1,904,954	-	-
Public works and streets	143,041	370,251	-
Health and welfare	12,500	-	-
Culture and recreation	516,733	-	-
Economic and community development	335,874	-	-
Capital outlay	24,937	511	7,538
Debt service -			
Principal retirement	11,573	1,402	-
Interest and fiscal charges	1,909	135	-
Bond issuance costs	-	-	-
Total expenditures	<u>5,159,083</u>	<u>372,299</u>	<u>7,538</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(89,834)</u>	<u>424,059</u>	<u>(7,538)</u>
Other financing sources (uses):			
Capital lease agreement	-	-	-
Bond proceeds	-	-	-
Transfers in	71,546	8,783	-
Transfers out	(325,712)	-	(5,400)
Total other financing sources (uses)	<u>(254,166)</u>	<u>8,783</u>	<u>(5,400)</u>
Changes in fund balances	(344,000)	432,842	(12,938)
Fund balances (deficits), beginning of year	<u>3,349,778</u>	<u>924,322</u>	<u>(339,161)</u>
Fund balances (deficits), end of year	<u>\$ 3,005,778</u>	<u>\$ 1,357,164</u>	<u>\$ (352,099)</u>

The notes to the financial statements are an integral part of this statement.

Housing Grant Fund	Capital Improvements Fund	Non-Major Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ -	\$ 2,006,841
-	-	-	102,725
-	-	39,734	278,736
2,999	-	500,013	3,899,960
-	-	21,895	82,052
2,958	-	1,033	12,984
-	-	-	3,068
-	58,300	44,553	106,964
94,119	12,086	-	149,967
<u>100,076</u>	<u>70,386</u>	<u>607,228</u>	<u>6,643,297</u>
1,342	22,662	102,415	2,333,981
-	-	175,731	2,080,685
-	-	14,880	528,172
-	-	118,832	131,332
-	18,576	44,207	579,516
2,999	-	6,934	345,807
-	1,882,730	143,562	2,059,278
-	38,280	90,153	141,408
-	9,658	91,342	103,044
-	25,000	-	25,000
<u>4,341</u>	<u>1,996,906</u>	<u>788,056</u>	<u>8,328,223</u>
<u>95,735</u>	<u>(1,926,520)</u>	<u>(180,828)</u>	<u>(1,684,926)</u>
-	200,324	7,913	208,237
-	1,005,000	-	1,005,000
-	100,173	230,940	411,442
-	-	(80,330)	(411,442)
<u>-</u>	<u>1,305,497</u>	<u>158,523</u>	<u>1,213,237</u>
95,735	(621,023)	(22,305)	(471,689)
<u>77,166</u>	<u>602,214</u>	<u>866,094</u>	<u>5,480,413</u>
<u>\$ 172,901</u>	<u>\$ (18,809)</u>	<u>\$ 843,789</u>	<u>\$ 5,008,724</u>

**TOWN OF CAMP VERDE, ARIZONA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FISCAL YEAR ENDED JUNE 30, 2011**

Net changes in fund balances - total governmental funds **\$ (471,689)**

Amounts reported for *governmental activities* in the Statement of Activities are different because:

Governmental funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of those assets are allocated over their estimated useful lives as depreciation expense.

Expenditures for capitalized assets	\$ 1,884,648	
Less current year depreciation	<u>(320,785)</u>	1,563,863

The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, and donations) is to decrease net assets. (40,265)

Payment of long-term deferred charges are not expensed in the statement of activities. 16,254

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (80,162)

The issuance of long-term debt (e.g., bonds, leases, loans, notes) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items. (1,044,635)

Compensated absences 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. (28,304)

Change in net assets in governmental activities **\$ (84,938)**

The notes to the financial statements are an integral part of this statement.

FIDUCIARY FUND FINANCIAL STATEMENTS

**TOWN OF CAMP VERDE, ARIZONA
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
JUNE 30, 2011**

	<u>Employee Assistance Fund (Agency)</u>
<u>ASSETS</u>	
Cash and cash equivalents	\$ 5,588
Accounts receivable	<u>2,136</u>
Total assets	<u><u>\$ 7,724</u></u>
 <u>LIABILITIES</u>	
Deposits held for others	<u>\$ 7,724</u>
Total liabilities	<u><u>\$ 7,724</u></u>

The notes to the financial statements are an integral part of this statement.

**TOWN OF CAMP VERDE, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

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. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the Town. The Town has only governmental activities, which are normally supported by taxes and intergovernmental revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes, state shared revenues, investment income, and other items not included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary fund financial statements. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the grantor or provider have been met.

**TOWN OF CAMP VERDE, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Sales taxes, franchise taxes, licenses and permits, financial forfeits, state shared revenues, charges for services, rents and royalties, and investment income associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Contributions and donations and miscellaneous revenues are not susceptible to accrual because generally they are not measurable until cash is received. Deferred revenues also arise when resources are received by the Town before it has legal claim to them, as when grant monies are received prior to meeting all eligibility requirements imposed by the provider. Receivables that will not be collected within the available period have been reported as deferred revenue on the governmental fund financial statements.

The Town reports the following major governmental funds:

The *General Fund* is the general operating fund of the Town. It accounts for all financial resources of the Town, except those required to be accounted for in other funds.

The *HURF Fund* accounts for the revenue received from the State for public works and streets.

The *Parks Fund* accounts for all the financial resources related to the maintenance of the Town's parks.

The *Housing Grant Fund* accounts for revolving loan funds as well as the revenues and expenditures related to the HOME Grant.

The *Capital Improvements 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.

Additionally, the Town reports the following fund type:

The *Agency Funds* are used to account for assets held by the Town as an agent for other parties. The Town has one Agency Fund – the *Employee Assistance Fund*, which accounts for monies contributed by employees to the assistance fund.

**TOWN OF CAMP VERDE, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

As a general rule, the effect of internal activity has been eliminated from the government-wide financial statements. However, charges for interfund services provided and used are not eliminated if the prices approximate their external exchange value.

The Town reported general revenues, consisting of Town sales taxes, franchise taxes, State shared revenues, investment earnings, and miscellaneous, all of which are unrestricted.

D. Cash, Cash Equivalents, 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.

All investments in the Local Government Investment Pool are stated at cost, which approximates fair value.

E. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

F. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

**TOWN OF CAMP VERDE, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Capital Assets

Capital assets, which include land, buildings, improvements other than buildings, machinery, equipment, construction in progress, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of \$5,000 or more and an estimated useful life of more than one year. Such assets are recorded at cost. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Certain capital assets of the Town are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Infrastructure	20
Buildings and improvements	10-50
Improvements other than buildings	20-50
Machinery and equipment	5-20

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.

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.

**TOWN OF CAMP VERDE, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

J. Governmental Fund Balance Components/Net Assets

The Town has implemented GASB No. 54 fund balance reporting and governmental fund type definitions. The components of governmental fund balance consist of the following:

Nonspendable are amounts that cannot be spent due to form or principal, such as prepaid items and assets held for sale.

Restricted are amounts constrained for a specific purpose by external parties or laws. Examples of restricted are amounts from third party grantors for a specified purpose, and excise tax revenues collected for voter approved transportation expenditures.

Committed are amounts constrained by Mayor and Council authorization and can only be changed by their action through an ordinance or resolution. Examples are amounts committed for construction projects and advances to other funds.

Assigned are amounts intended for other purposes by Town management. Assigned funds are not constrained by the other above components.

Unassigned are spendable amounts not contained in the other classifications.

When both restricted and unrestricted resources are available for specific expenditures, restricted resources are considered spent before unrestricted resources. Within unrestricted resources, committed and assigned are considered spent (if available) before unassigned amounts. On the government-wide financial statements, only restrictions imposed by external sources are shown as restricted net assets.

K. Interfund Activity

Flows of cash from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers between governmental funds are eliminated in the statement of activities. Interfund transfers in the fund statements are reported as other financing sources/uses in governmental funds.

**TOWN OF CAMP VERDE, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Estimates

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

M. Budgets

The Town publishes and adopts an annual budget in accordance with applicable state statutes.

N. Impairment of Long-Lived Assets

The Town reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future net cash flows expected to be generated by the asset.

If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell. Management does not believe that there were any long-lived asset impairments for the year ended June 30, 2011.

NOTE 2- CASH, CASH EQUIVALENTS, AND INVESTMENTS

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that, in the event of bank failure, the Town's deposits may not be returned to the Town. During the previous fiscal year, the Town adopted a policy for custodial risk. At June 30, 2011, the carrying amount of the Town deposits was \$693,723, and the bank balance was \$814,386. At June 30, 2011, the Town's deposits were entirely covered by Federal depository insurance.

The Town's investments at June 30, 2011, were as follows:

	Fair Value
State Treasurer's investment pool	\$ 4,285,253
Total	\$ 4,285,253

All investments mature in less than one year.

**TOWN OF CAMP VERDE, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

NOTE 2- CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)

Interest Rate Risk. The Town's investment policy limits investment maturities to three years as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk. The Town's investment policy limits investment choices based on allowable investments in state statutes. As of June 30, 2011, the Town's investment in the State Treasurer's investment pool had Standard and Poor's Rating Services assign the highest rating of AAAF/S1+.

Custodial Credit Risk - Investments. For an investment, custodial credit risk is the risk that, in the event of the counterparty's failure, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town's investment in the State Treasurer's investment pool represents a proportionate interest in the pool's portfolio; however, the Town's portion is not identified with specific investments and is not subject to custodial credit risk.

Concentration of Credit Risk. The Town limits the investment in debt issued by a single entity to 5 percent. As of June 30, 2011 the Town's investments were 100 percent invested in the State Treasurer's investment pool.

A reconciliation of cash, deposits, and investments to amounts shown on the Statement of Net Assets follows:

	Cash, deposits and investments:		
		\$	1,460
	Cash on hand		30,609
	Cash held by a trustee		693,723
	Amount of deposits		4,285,253
	Amount of investments		<u>4,285,253</u>
	Total		<u>\$ 5,011,045</u>
		Governmental Activities	Agency Funds
		<u> </u>	<u> </u>
Statement of Net Assets:			Total
Cash and cash equivalents	\$ 4,962,124	\$ 5,588	\$ 4,967,712
Cash – restricted	<u>43,333</u>	<u>-</u>	<u>43,333</u>
	<u>\$ 5,005,457</u>	<u>\$ 5,588</u>	<u>\$ 5,011,045</u>

Cash – restricted consists of cash set aside to meet contractual repayments of claims payable.

The Town participates in an external investment pool, the State of Arizona Treasury Local Government Investment Pool (LGIP). The State Treasurer's Office operates the LGIP to provide professional short-term investment services for a wide array of public entities. By investing in the LGIP, participants are able to benefit from the substantial aggregate buying power of the state portfolio as well as a pool of monies from other participants. Participants enjoy safety of principal,

**TOWN OF CAMP VERDE, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

NOTE 2- CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)

daily liquidity, and competitive yields. That portion of the external investment pool which belongs to local government participants is reported in the State's Annual Financial Report. A copy of the report can be obtained from the State's website at www.aztreasury.gov or by writing to Arizona State Treasurer's Office, 1700 W. Washington Street, 1st Floor, Phoenix, AZ 85007.

The Town's position in the LGIP at June 30, 2011, is stated at cost which approximates fair value.

NOTE 3 - ACCOUNTS RECEIVABLE

As of June 30, 2011, the Town's receivables for individual major governmental funds and non-major governmental funds in the aggregate, consisted of \$615,747 in municipal court fines and \$274,840 in other miscellaneous receivables. In anticipation of uncollectible amounts, the Town has an allowance for doubtful accounts of \$360,000.

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, the deferred revenue consisted of fines receivable of \$190,912, loans receivable of \$171,309, other receivables of \$49,185 and unexpended grant funds of \$66,393.

NOTE 4 - DUE FROM GOVERNMENTAL ENTITIES

Due from governmental entities as of year end for the Town's individual major funds and non-major governmental funds in the aggregate, were as follows:

	General Fund	HURF Fund	Housing Fund	Non- Major Govern- mental Funds	Total
Due from governmental entities:					
State government	\$ 47,730	\$ 72,039	\$ 2,999	\$ 49,467	\$ 172,235
Towns/Cities/Tribal government	256,935	-	-	12,749	269,684
Allowance for doubtful accounts	(186,000)	-	-	-	(186,000)
Due from governmental entities	<u>\$ 118,665</u>	<u>\$ 72,039</u>	<u>\$ 2,999</u>	<u>\$ 62,216</u>	<u>\$ 255,919</u>

NOTE 5- LOANS RECEIVABLE

The Town has outstanding loans due from homeowners. The loans were originally issued to homeowners within the Town to assist in redevelopment and housing. The loans were funded by a Community Development Block Grant, and any income from the loan is considered program income of the grant. The governmental funds report deferred revenue 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 deferred revenue represents a reconciling item between the government-wide and fund financial statements. At June 30, 2011, \$171,309 of the deferred loan receivable recorded in the Housing Grant Fund represents funds that were unavailable.

The Town considers the receivables to be 100 percent collectible; therefore, no allowance for doubtful accounts was reported.

**TOWN OF CAMP VERDE, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

NOTE 6- ASSETS HELD FOR SALE

During the year ended June 30, 2011, a recipient of a Community Development Block Grant loan through the Town returned the home to the Town upon their death. Therefore, the loan was settled, and the home is being carried on the books as an asset held for sale. For reporting purposes, the home was valued at fair market value, which was \$79,345.

NOTE 7- CAPITAL ASSETS

A summary of capital asset activity for the fiscal year ended June 30, 2011 follows:

<u>Governmental Activities</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:				
Land	\$ 4,409,541	\$1,459,178	\$ -	\$ 5,868,719
Construction in progress	218,634	203,416	-	422,050
Total capital assets, not being depreciated	<u>4,628,175</u>	<u>1,662,594</u>	<u>-</u>	<u>6,290,769</u>
Capital assets, being depreciated:				
Infrastructure	1,720,671	-	-	1,720,671
Buildings and improvements	3,505,380	131,409	40,000	3,596,789
Improvements other than buildings	840,150	-	-	840,150
Machinery and equipment	1,876,232	90,645	123,908	1,842,969
Total capital assets, being depreciated	<u>7,942,433</u>	<u>222,054</u>	<u>163,908</u>	<u>8,000,579</u>
Less accumulated depreciation for:				
Infrastructure	(376,057)	(86,034)	-	(462,091)
Buildings and improvements	(615,571)	(76,617)	(16,533)	(675,655)
Improvements other than buildings	(291,486)	(27,827)	-	(319,313)
Machinery and equipment	(1,376,033)	(130,307)	(107,110)	(1,399,230)
Total accumulated depreciation	<u>(2,659,147)</u>	<u>(320,785)</u>	<u>(123,643)</u>	<u>(2,856,289)</u>
Total capital assets, being depreciated, net	<u>5,283,286</u>	<u>(98,731)</u>	<u>40,265</u>	<u>5,144,290</u>
 Governmental activities capital assets, net	 <u>\$ 9,911,461</u>	 <u>\$1,563,863</u>	 <u>\$ 40,265</u>	 <u>\$11,435,059</u>

Depreciation expense was charged to functions/programs as follows:

Governmental activities:	
General government	\$ 43,259
Public safety	112,822
Public works and streets	110,957
Culture and recreation	50,662
Economic and community development	<u>3,085</u>
 Total depreciation expense	 <u>\$ 320,785</u>

**TOWN OF CAMP VERDE, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

NOTE 8- OBLIGATIONS UNDER CAPITAL LEASES

The Town has entered into lease agreements as lessee for financing the acquisition of copier equipment, computer servers and financial software. These 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 assets acquired through capital leases are as follows:

	Governmental Activities
Construction in progress - software	\$ 173,880
Machinery and equipment	103,116
Less: accumulated depreciation	(39,000)
 Carrying Value	 \$ 237,996

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2011 were as follows:

		Governmental Activities
Year Ending June 30:		
	2012	\$ 79,505
	2013	52,658
	2014	50,334
	2015	48,236
	2016	23,283
Total minimum lease payments		254,016
Less: amount representing interest		(29,711)
Present value of minimum lease payments		\$ 224,305
Due within one year		\$ 67,200

NOTE 9- NOTE PAYABLE

In July 1998, the Town entered into a mortgage note agreement for the purchase of Butler Park. The original principal amount was \$40,000 with monthly payments of \$430 at 10% interest per annum. The debt service requirements to maturity are as follows:

	Principal	Interest
Year ending June 30:		
	2012	\$ 769
	2013	309
	2014	4
Total	\$ 9,665	\$ 1,082

**TOWN OF CAMP VERDE, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

NOTE 10- REVENUE BONDS PAYABLE

Revenue bonds payable at June 30, 2011 consisted of the outstanding revenue bonds presented below. The bonds are generally callable with interest payable semiannually.

In February 2005, the Town issued bonds totaling \$2,040,000 to finance the acquisition of land and construction of new Town Marshal facilities. The principal and interest on the bonds are payable solely from and are secured by a pledge of the Town's unrestricted excise taxes and state shared revenues.

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.

Revenue bonds outstanding at year end are as follows:

<u>Description</u>	<u>Interest Rate</u>	<u>Maturity</u>	<u>Outstanding Principal June 30, 2011</u>
Governmental activities:			
Greater Arizona Development Authority (GADA) Infrastructure Series 2005 Revenue Bonds	2.75-5.00%	8/1/2008-24	\$ 1,680,000
Pledged Revenue Obligation Bonds, Series 2011	3.91%	7/1/2012-23	<u>1,005,000</u>
Total outstanding principal			<u>\$ 2,685,000</u>

Revenue bond debt service requirements to maturity are as follows:

	<u>Principal</u>	<u>Interest</u>
Year ending June 30:		
2012	\$ 148,800	\$ 122,441
2013	160,115	111,751
2014	167,857	104,384
2015	175,706	96,661
2016	183,666	88,576
2017-21	1,046,942	309,188
2022-25	<u>801,914</u>	<u>69,468</u>
Total	<u>\$ 2,685,000</u>	<u>\$ 902,469</u>

**TOWN OF CAMP VERDE, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

NOTE 11- CHANGES IN LONG-TERM LIABILITIES

Long-term liability activity for the year ended June 30, 2011 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Compensated absences	\$ 322,258	\$ 331,007	\$ 309,195	\$ 344,070	\$ 303,313
Estimated taxes related to compensated absences	28,266	36,711	30,219	34,758	30,641
Capital leases payable	68,502	208,237	52,434	224,305	67,200
2005 Revenue bonds payable	1,765,000	-	85,000	1,680,000	85,000
2005 Revenue bonds premium	101,129	-	7,181	93,948	7,181
2011 Revenue bonds payable	-	1,005,000	-	1,005,000	63,800
Note payable	13,638	-	3,973	9,665	4,389
Governmental activities long-term liabilities	<u>\$2,298,793</u>	<u>\$1,580,955</u>	<u>\$ 488,002</u>	<u>\$3,391,746</u>	<u>\$ 561,524</u>

NOTE 12- OPERATING LEASE

The Town leases an animal control facility under the provisions of a long-term lease agreement classified as an operating lease for accounting purposes. Rental expenditures under the terms of the operating lease totaled \$18,930 for the fiscal year ended June 30, 2011.

The future minimum lease payments are as follows:

Year ending June 30:	Amount
2012	<u>\$ 4,590</u>
Total	<u>\$ 4,590</u>

NOTE 13- PLEDGED REVENUES

The Town has pledged, as security for a lease-purchase agreement entered into by the Camp Verde Sanitary District, a portion of the Town's sales tax. The lease-purchase agreement, executed by the Sanitary District in 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 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 \$2.9 million with annual requirements averaging at \$133,736. Sales taxes and state shared revenues, from which the appropriations will be made, have averaged \$4.7 million per year over the last eight years. For the current year, principal and interest paid by the Sanitary District and the total sales tax revenue and state shared revenues recognized by the Town were \$118,831 and \$4.2 million, respectively.

**TOWN OF CAMP VERDE, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

NOTE 14- INTERFUND BALANCES AND ACTIVITY

At June 30, 2011, interfund balances and activity were as follows:

Advances to/from other funds:

Fund	Advances Receivable	Advances Payable
General	\$ 632,000	\$ -
Parks	-	632,000
Total	<u>\$ 632,000</u>	<u>\$ 632,000</u>

During March 2008, the Town Council approved an agreement to loan \$832,000 to the Parks Fund from General Fund monies. According to the agreement, quarterly payments of \$50,000 are to be made if funds are available until the full amount borrowed has been repaid. However, no payments were made during FY2011.

Due to/from other funds:

Fund	Due from other funds	Due to other funds
General	\$ 47,614	\$ -
Non-Major Governmental	-	47,614
Total	<u>\$ 47,614</u>	<u>\$ 47,614</u>

The outstanding balance between funds is the result of the lag between the time reimbursable expenditures occur and payment is received.

Interfund transfers:

Fund	Transfers In	Transfers Out
General	\$ 71,546	\$ 325,712
HURF	8,783	-
Parks	-	5,400
Capital Improvements	100,173	-
Non-Major Governmental	230,940	80,330
Total	<u>\$ 411,442</u>	<u>\$ 411,442</u>

Transfers between funds are used (1) to move revenues from the fund with collection authorization to the Parks Fund and other governmental funds and (2) to cover shared expenses.

**TOWN OF CAMP VERDE, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

NOTE 15- RESTRICTED NET ASSETS

The Town reported restrictions of net assets at year end in the government-wide statement of net assets as follows:

	<u>Governmental Activities</u>
Restricted Net Assets:	
Highway User Revenues	\$ 1,357,164
Redevelopment and housing	
Loans Receivable	171,309
Assets Held for Sale	79,345
Other	93,556
Court Special Revenue:	
Court Enhancement	45,972
Fill the Gap	19,571
Local JCEF	31,199
Yavapai-Apache Gaming Compact:	
Heritage Pool	60,000
MUHS Tutor	111,820
Parks and Rec Youth Programs	12,000
9-1-1	3,410
Library Endowment	250,885
Impact Fees:	
General government	67,472
Library	45,565
Parks and Recreation	101,554
Police Services	73,097
Donations:	
Animal Shelter	10,862
Camp Verde Marshal's Office	2,380
K-9	1,270
Library	3,530
Parks and Recreation	2,952
Volunteers in Police Services	250
Total Restricted Net Assets	<u>\$ 2,545,163</u>

**TOWN OF CAMP VERDE, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

NOTE 16- GOVERNMENTAL FUND BALANCE COMPONENTS

GASB Statement No. 54 requires a restatement of beginning fund balances in the year of implementation as well as a detailed listing of the ending fund balances as listed in the governmental fund balance sheet statements. Both of these are provided below.

Restatement of beginning fund balances:

	<u>General</u>	<u>HURF</u>	<u>Parks</u>	<u>Housing</u>	<u>Non-Major Gov't Funds</u>	<u>Total Gov't Funds</u>
Pre GASB 54:						
Fund balances, June 30, 2010						
Reserved	\$ -	\$ -	\$ -	\$ -	\$ 571,720	\$ 571,720
Unreserved, designated	996,886	-	-	-	185,200	1,182,086
Unreserved, undesignated	<u>2,352,892</u>	<u>924,322</u>	<u>(339,161)</u>	<u>77,166</u>	<u>711,388</u>	<u>3,726,607</u>
Total Fund Balances	<u>\$ 3,349,778</u>	<u>\$ 924,322</u>	<u>\$ (339,161)</u>	<u>\$ 77,166</u>	<u>\$ 1,468,308</u>	<u>\$ 5,480,413</u>
GASB 54 new fund balance reporting:						
Fund balances, June 30, 2010						
Nonspendable	\$ 51,258	\$ -	\$ -	\$ -	\$ -	\$ 51,258
Restricted	-	924,322	-	77,166	840,372	1,841,860
Committed	996,886	-	-	-	185,200	1,182,086
Assigned	-	-	-	-	442,736	442,736
Unassigned	<u>2,301,634</u>	<u>-</u>	<u>(339,161)</u>	<u>-</u>	<u>-</u>	<u>1,962,473</u>
Total Fund Balances	<u>\$ 3,349,778</u>	<u>\$ 924,322</u>	<u>\$ (339,161)</u>	<u>\$ 77,166</u>	<u>\$ 1,468,308</u>	<u>\$ 5,480,413</u>

**TOWN OF CAMP VERDE, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

NOTE 16- GOVERNMENTAL FUND BALANCE COMPONENTS (CONTINUED)

Detailed listing of ending fund balances at June 30, 2011:

	General	HURF	Parks	Housing	Capital Improvements	Non-Major Gov't Funds	Total Gov't Funds
Ending Fund balances, June 30, 2011							
Nonspendable:							
Prepaid expenses	\$ 22,096	\$ -	\$ -	\$ -	\$ 3,853	\$ -	\$ 25,949
Assets held for sale	-	-	-	79,345	-	-	79,345
Total nonspendable	22,096	-	-	79,345	3,853	-	105,294
Restricted:							
Highway user revenues	-	1,357,164	-	-	-	-	1,357,164
Redevelopment and housing	-	-	-	93,556	-	-	93,556
Court special revenue							
Court enhancement	-	-	-	-	-	45,972	45,972
Fill the gap	-	-	-	-	-	19,571	19,571
Local JCEF	-	-	-	-	-	31,199	31,199
Yavapai-Apache Gaming Compact							
Heritage Pool	-	-	-	-	-	60,000	60,000
MUHS tutor	-	-	-	-	-	111,820	111,820
Parks and rec youth pgm	-	-	-	-	-	12,000	12,000
9-1-1	-	-	-	-	-	3,410	3,410
Library endowment	-	-	-	-	-	250,885	250,885
Impact fees							
General government	-	-	-	-	-	67,472	67,472
Library	-	-	-	-	-	45,565	45,565
Parks and recreation	-	-	-	-	-	101,554	101,554
Police services	-	-	-	-	-	73,097	73,097
Donations							
Animal shelter	-	-	-	-	-	10,862	10,862
Camp Verde Marshal's office	-	-	-	-	-	2,380	2,380
K-9	-	-	-	-	-	1,270	1,270
Library	-	-	-	-	-	3,530	3,530
Parks and recreation	-	-	-	-	-	2,952	2,952
Volunteers in police service	-	-	-	-	-	250	250
Total restricted	-	1,357,164	-	93,556	-	843,789	2,294,509
Committed:							
Long-term receivable	632,000	-	-	-	-	-	632,000
Compensated absences	378,828	-	-	-	-	-	378,828
Sick leave bank	22,800	-	-	-	-	-	22,800
Capital improvements	-	-	-	-	185,200	-	185,200
Total committed	1,033,628	-	-	-	185,200	-	1,218,828
Unassigned:							
General fund	1,950,054	-	-	-	-	-	1,950,054
Deficit fund balances	-	-	(352,099)	-	(207,862)	-	(559,961)
Total unassigned	1,950,054	-	(352,099)	-	(207,862)	-	1,390,093
Ending Fund Balances	\$ 3,005,778	\$ 1,357,164	\$ (352,099)	\$ 172,901	\$ (18,809)	\$ 843,789	\$ 5,008,724

**TOWN OF CAMP VERDE, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

NOTE 17- 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 – The Town is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the Town's legal counsel, the resolution of these matters will not have a material adverse effect on the financial condition of the Town.

NOTE 18- STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Individual Deficit Fund Balances/Net Assets – At June 30, 2011, the Parks Fund reported a deficit in fund balance of \$352,099. The deficit arose because of operations in prior years. Additional revenues received in future fiscal years are expected to eliminate the deficit. The Capital Improvements Fund also reported a deficit in fund balance at June 30, 2011 of \$18,809. The Town issued Revenue Obligation Bonds for the purchase of land for the Public Works Department, but also used additional Town funds to complete the purchase which resulted in a deficit fund balance. The Town expects the deficit to be eliminated during the next fiscal year.

NOTE 19- 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; and natural disasters; but was unable to obtain insurance at a cost it considered to be economically justifiable. Therefore, the Town joined the Arizona Municipal Risk Retention Pool (AMRRP), together with other cities and towns in the State. AMRRP is a public entity risk pool currently operating as a common risk management and insurance program for 70 member cities and towns. No significant reduction in insurance coverage occurred during the year and no settlements exceeded insurance coverage during any of the past three fiscal years.

The Town provides health benefits to its employees and their dependents through the Arizona Public Employers Health Pool (Pool). The Pool provides the benefits through a self-funding agreement with its participants and administers the program. The Town is responsible for paying the premium for all employees and requires its employees to contribute only for dependent coverage. If it withdraws from the Pool, the Town is responsible for any claims run-out costs, including claims reported but not settled, claims incurred but not reported, and administrative costs. If the Pool were to terminate, the Town would be responsible for its proportional share of any pool deficit.

NOTE 20- CLAIMS PAYABLE

During the year, the Town entered into an agreement with a local business entity to settle a dispute over the use of the business entity's property. The agreement requires the Town to pay three annual installments of \$25,000. The agreement also calls for the installation of a waterline and hydrant estimated at \$130,000 to be installed or paid for by April 1, 2013. The balance of the settlement payable at June 30, 2011 totaled \$180,000.

**TOWN OF CAMP VERDE, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

NOTE 21- RETIREMENT PLANS

Plan Descriptions- The Town contributes to the two plans described below. Benefits are established by state statute and generally provide retirement, death, long-term disability, survivor, and health insurance premium benefits.

The *Arizona State Retirement System (ASRS)* administers a cost-sharing multiple-employer defined benefit pension plan, a cost-sharing multiple employer defined benefit health insurance premium plan, and a cost-sharing multiple-employer defined benefit long-term disability plan that covers general employees of the State of Arizona and employees of participating political subdivisions and school districts. The ASRS is governed by the Arizona State Retirement System Board according to the provisions of A.R.S. Title 38, Chapter 5, Article 2.

The *Public Safety Personnel Retirement System (PSPRS)* administers an agent multiple-employer defined benefit pension plan and an agent multiple-employer defined benefit health insurance premium plan that covers public safety personnel who are regularly assigned hazardous duty as employees of the State of Arizona or participating political subdivisions. The PSPRS, acting as a common investment and administrative agent, is governed by a five-member board, known as The Fund Manager, and the participating local boards according to the provisions of A.R.S. Title 38, Chapter 5, Article 4.

Each plan issues a publicly available financial report that includes its financial statements and required supplementary information. A report may be obtained by writing or calling the applicable plan.

ASRS

3300 North Central Avenue
P.O. Box 33910
Phoenix, Arizona 85067-3910
(602) 240-2200 or (800) 621-3778

PSPRS

3010 East Camelback Road, Suite 200
Phoenix, Arizona 85016-4416
(602) 255-5575

Funding policy – The Arizona State Legislature establishes and may amend active plan members' and the Town's contribution rates.

Cost-sharing plan – For the year ended June 30, 2011, active ASRS members were required by statute to contribute at the actuarially determined rate of 9.85 percent (9.6 percent for retirement and 0.25 percent long-term disability) of the members' annual covered payroll, and the Town was required by statute to contribute at the actuarially determined rate of 9.85 percent (9.6 percent for retirement and health insurance premium, and 0.25 percent for long-term disability) of the members' annual covered payroll. There were 46 participants in the ASRS as of June 30, 2011.

The Town's contributions for the three preceding years, all of which were equal to the required contributions, were as follows:

**TOWN OF CAMP VERDE, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

NOTE 21- RETIREMENT PLANS (CONTINUED)

Year ending June 30:	Retirement Fund	Health Benefit Supplement Fund	Long-Term Disability Fund
2011	\$ 184,691	\$ 12,094	\$ 5,125
2010	190,289	15,059	9,203
2009	174,581	20,976	10,925

Agent plan – For the year ended June 30, 2011, active PSPRS members were required by statute to contribute 7.65 percent of the members’ annual covered payroll to the Plan, and the Town was required to contribute at the actuarially determined rate of 14.68 percent. There were 15 participants in the PSPRS as of June 30, 2011.

Actuarial Methods and Assumptions – The contribution requirements for the year ended June 30, 2011 were established by the June 30, 2011 actuarial valuation, and that actuarial valuation was based on the following actuarial methods and assumptions. Actuarial valuations involve estimation of the value of reported amounts and assumptions about the probability of events in the future. The required schedule of funding programs which follows provides multi-year 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.

	PSPRS
Actuarial valuation date	June 30, 2011
Actuarial cost method	Entry Age Normal
Amortization method	Level percent-of-pay closed
Remaining amortization period	25 years for underfunded 20 years for overfunded
Asset valuation method	7-year smoothed market
Actuarial assumptions:	
Investment rate of return	8.25%
Projected salary increases	5-8%
Payroll growth	5%
Cost-of-living adjustments	None

Trend Information – Information for the agent plan as of the most recent actuarial valuations follows:

Camp Verde Marshals Plan (Retirement):

Year Ended June 30,	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2009	\$ 128,911	100.0%	\$ -
2010	125,425	100.0%	-
2011	130,238	100.0%	-

Funding Progress – An analysis of funding progress for the agent plan as of the most recent actuarial valuation follows:

**TOWN OF CAMP VERDE, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

NOTE 21- RETIREMENT PLANS (CONTINUED)

Camp Verde Marshals Plan (Retirement):

Year Ended June 30,	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL as a Percent of Covered Payroll ((b-a)/c)
2009	\$2,221,063	\$2,668,918	\$ 447,855	83.2%	\$ 878,429	51.0%
2010	2,454,338	2,981,066	526,728	82.3%	838,437	62.8%
2011	2,663,510	3,219,604	556,094	82.7%	761,124	73.1%

Camp Verde Marshals Plan (Health):

Year Ended June 30,	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL as a Percent of Covered Payroll ((b-a)/c)
2009	\$ -	\$ 96,466	\$ 96,466	0.0%	\$ 878,429	10.98%
2010	-	86,961	86,961	0.0%	838,437	10.37%
2011	-	113,233	113,233	0.0%	761,124	14.88%

NOTE 22- CONSTRUCTION COMMITMENTS

As of June 30, 2011, the Town had an outstanding commitment for construction of \$29,091. The Town had various other construction projects in progress. However, there were no commitments in place for their completion at year end.

REQUIRED SUPPLEMENTARY INFORMATION

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**TOWN OF CAMP VERDE, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2011**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Taxes	\$ 2,198,900	\$ 2,198,900	\$ 2,006,841	\$ (192,059)
Licenses and permits	93,750	93,750	102,725	8,975
Fines and forfeits	243,904	243,904	239,002	(4,902)
Intergovernmental	2,932,517	2,932,517	2,600,932	(331,585)
Charges for services	80,516	80,516	60,157	(20,359)
Investment earnings	6,000	6,000	8,976	2,976
Rents and royalties	2,800	2,800	3,068	268
Contributions and donations	16,158	16,158	4,111	(12,047)
Other	16,000	16,000	43,437	27,437
Total revenues	<u>5,590,545</u>	<u>5,590,545</u>	<u>5,069,249</u>	<u>(521,296)</u>
Expenditures:				
Mayor and council	24,172	24,172	17,151	7,021
Town manager	207,766	207,266	197,460	9,806
Town clerk	247,179	247,179	221,724	25,455
Town attorney	122,090	122,090	291,264	(169,174)
Finance	334,938	334,938	229,116	105,822
Human resources	61,925	61,925	49,094	12,831
Information technology	77,974	77,974	82,238	(4,264)
Magistrate	320,658	320,658	299,502	21,156
Public works and streets	469,026	469,026	143,864	325,162
Maintenance	374,487	373,427	374,400	(973)
Community development	392,409	392,409	337,979	54,430
Marshal	1,995,372	1,995,372	1,903,722	91,650
Library	333,837	333,837	293,098	40,739
Parks and recreation	301,387	302,447	225,168	77,279
Non-departmental	668,591	669,091	493,303	175,788
Total expenditures	<u>5,931,811</u>	<u>5,931,811</u>	<u>5,159,083</u>	<u>772,728</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(341,266)</u>	<u>(341,266)</u>	<u>(89,834)</u>	<u>251,432</u>
Other financing sources (uses):				
Transfers in	50,167	24,437	71,546	47,109
Transfers out	(877,897)	(385,724)	(325,712)	60,012
Total other financing sources (uses)	<u>(827,730)</u>	<u>(361,287)</u>	<u>(254,166)</u>	<u>107,121</u>
Change in fund balances	(1,168,996)	(702,553)	(344,000)	358,553
Fund balances, July 1, 2010	<u>3,349,778</u>	<u>3,349,778</u>	<u>3,349,778</u>	<u>-</u>
Fund balances, June 30, 2011	<u>\$ 2,180,782</u>	<u>\$ 2,647,225</u>	<u>\$ 3,005,778</u>	<u>\$ 358,553</u>

**TOWN OF CAMP VERDE, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - HURF FUND
FISCAL YEAR ENDED JUNE 30, 2011**

	Original and Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 772,368	\$ 796,016	\$ 23,648
Investment earnings	12	17	5
Other	250	325	75
Total revenues	772,630	796,358	23,728
Expenditures:			
Public Works	737,185	372,299	364,886
Total expenditures	737,185	372,299	364,886
Excess (deficiency) of revenues over (under) expenditures	35,445	424,059	388,614
Other financing sources (uses):			
Transfers in	-	8,783	8,783
Total other financing sources (uses)	-	8,783	8,783
Change in fund balances	35,445	432,842	397,397
Fund balances, July 1, 2010	924,322	924,322	-
Fund balances, June 30, 2011	\$ 959,767	\$ 1,357,164	\$ 397,397

**TOWN OF CAMP VERDE, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - PARKS FUND
FISCAL YEAR ENDED JUNE 30, 2011**

	Original and Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
Expenditures:			
Public Works	\$ 26,500	\$ 7,538	\$ 18,962
Total expenditures	<u>26,500</u>	<u>7,538</u>	<u>18,962</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(26,500)</u>	<u>(7,538)</u>	<u>18,962</u>
Other financing sources (uses):			
Transfers out	(5,400)	(5,400)	-
Total other financing sources (uses)	<u>(5,400)</u>	<u>(5,400)</u>	<u>-</u>
Change in fund balances	(31,900)	(12,938)	18,962
Fund balances (deficits), July 1, 2010	<u>(339,161)</u>	<u>(339,161)</u>	<u>-</u>
Fund balances (deficits), June 30, 2011	<u>\$ (371,061)</u>	<u>\$ (352,099)</u>	<u>\$ 18,962</u>

**TOWN OF CAMP VERDE, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - HOUSING GRANT FUND
YEAR ENDED JUNE 30, 2011**

	Original and Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ -	\$ 2,999	\$ 2,999
Investment earnings	900	2,958	2,058
Other	18,201	94,119	75,918
Total revenues	19,101	100,076	80,975
Expenditures:			
Community development	70,000	4,341	65,659
Total expenditures	70,000	4,341	65,659
Change in fund balances	(50,899)	95,735	146,634
Fund balances, July 1, 2010	77,166	77,166	-
Fund balances, June 30, 2011	\$ 26,267	\$ 172,901	\$ 146,634

**TOWN OF CAMP VERDE, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - CAPITAL IMPROVEMENTS FUND
FISCAL YEAR ENDED JUNE 30, 2011**

	Original and Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Contributions and donations	\$ -	\$ 58,300	\$ 58,300
Other	-	12,086	12,086
Total revenues	-	70,386	70,386
Expenditures:			
Non-departmental	1,316,157	1,996,906	(680,749)
Total expenditures	1,316,157	1,996,906	(680,749)
Excess (deficiency) of revenues over (under) expenditures	(1,316,157)	(1,926,520)	(610,363)
Other financing sources (uses):			
Capital lease agreement	-	200,324	200,324
Bond proceeds	-	1,005,000	1,005,000
Transfers in	709,102	100,173	(608,929)
Total other financing sources (uses)	709,102	1,305,497	596,395
Change in fund balances	(607,055)	(621,023)	(13,968)
Fund balances, July 1, 2010	602,214	602,214	-
Fund balances (deficits), June 30, 2011	\$ (4,841)	\$ (18,809)	\$ (13,968)

**TOWN OF CAMP VERDE, ARIZONA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF AGENT RETIREMENT AND HEALTH INSURANCE
PLAN'S FUNDING PROGRESS
JUNE 30, 2011**

Camp Verde Marshal's Plan (Retirement):

Valuation Date June 30,	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL as a Percent of Covered Payroll ((b-a)/c)
2003	\$ 1,422,828	\$ 1,294,744	\$ (128,084)	109.9%	\$ 607,257	0.0%
2004	1,501,555	1,451,834	(49,721)	103.4%	618,541	0.0%
2005	1,620,472	1,667,035	46,563	97.2%	702,255	6.6%
2006	1,637,141	1,839,003	201,862	89.0%	739,848	27.3%
2007	1,747,570	2,478,480	730,910	70.5%	879,009	83.2%
2008	1,968,768	2,568,446	599,678	76.7%	932,555	64.3%
2009	2,221,063	2,668,918	447,855	83.2%	878,429	51.0%
2010	2,454,338	2,981,066	526,728	82.3%	838,437	62.8%
2011	2,663,510	3,219,604	556,094	82.7%	761,124	73.1%

Camp Verde Marshal's Plan (Health Insurance):

Valuation Date June 30,	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	Unfunded AAL as a Percent of Covered Payroll ((b-a)/c)
2006	\$ -	\$ 52,291	\$ 52,291	0.0%	\$ 739,848	7.07%
2007	-	94,638	94,638	0.0%	879,009	10.77%
2008	-	100,364	100,364	0.0%	932,555	10.76%
2009	-	96,466	96,466	0.0%	878,429	10.98%
2010	-	89,961	86,961	0.0%	838,437	10.37%
2011	-	113,233	113,233	0.0%	761,124	14.88%

**TOWN OF CAMP VERDE, ARIZONA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
MARSHAL'S RETIREMENT AND HEALTH INSURANCE PLAN
JUNE 30, 2011**

Camp Verde Marshal's Plan (Retirement):

Calendar Year	Employer Contribution	Annual Required Contribution (ARC)	Percentage Contributed
2003	\$ 39,661	\$ 39,661	100.0 %
2004	55,798	55,798	100.0 %
2005	52,876	52,876	100.0%
2006	65,511	65,511	100.0%
2007	72,328	72,328	100.0%
2008	86,484	86,484	100.0%
2009	128,911	128,911	100.0%
2010	125,425	125,425	100.0%
2011	130,238	130,238 (est.)	100.0%
2012	N/A	134,661 (est.)	N/A
2013	N/A	130,067 (est.)	N/A

Camp Verde Marshal's Plan (Health Insurance):

Valuation Date June 30,	Fiscal Year Ended June 30,	Normal Cost (a)	Actuarial Accrued Liability (b)	Total (a+b)	Dollar Amount
2006	2008	0.59%	0.33%	0.92%	\$ 8,580
2007	2009	0.78%	0.51%	1.29%	12,030
2008	2010	0.75%	0.52%	1.27%	11,843
2009	2011	0.82%	0.54%	1.36%	13,297
2010	2012	0.82%	0.52%	1.34%	12,505
2011	2013	0.57%	0.81%	1.38%	11,580

**TOWN OF CAMP VERDE, ARIZONA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2011**

NOTE 1- BUDGETARY BASIS OF ACCOUNTING

The Town's budget is prepared on a basis consistent with Generally Accepted Accounting Principles.

The Town's adopted budget policies include the following: The appropriated budget is prepared by fund, function and department. The government's department heads may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the council. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level, and has been presented accordingly.

NOTE 2 - EXPENDITURES IN EXCESS OF APPROPRIATIONS

At June 30, 2011, the Town had expenditures in departments that exceeded the budget, which constituted a violation of the Town Code, but did not constitute a violation of any State of Arizona legal provisions.

**COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS
AND SCHEDULES**

**TOWN OF CAMP VERDE, ARIZONA
 COMBINING BALANCE SHEET- ALL NON-MAJOR GOVERNMENTAL FUNDS
 BY FUND TYPE
 JUNE 30, 2011**

	Special Revenue Funds	Debt Service Fund	Total Non-Major Governmental Funds
<u>ASSETS</u>			
Cash and cash equivalents	\$ 906,196	\$ 40,725	\$ 946,921
Accounts receivable (net)	61,780	-	61,780
Due from other governments	62,216	-	62,216
Total assets	\$ 1,030,192	\$ 40,725	\$ 1,070,917
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 17,363	-	\$ 17,363
Accrued payroll and employee benefits	2,663	-	2,663
Accrued interest	-	40,725	40,725
Deferred revenue	118,763	-	118,763
Due to other funds	47,614	-	47,614
Total liabilities	186,403	40,725	227,128
Fund balances:			
Restricted	843,789	-	843,789
Total fund balances	843,789	-	843,789
Total liabilities and fund balances	\$ 1,030,192	\$ 40,725	\$ 1,070,917

TOWN OF CAMP VERDE, ARIZONA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES-
ALL NON-MAJOR GOVERNMENTAL FUNDS- BY FUND TYPE
FISCAL YEAR ENDED JUNE 30, 2011

	Special Revenue Funds	Debt Service Fund	Total Non-Major Governmental Funds
Revenues:			
Fines and forfeitures	\$ 39,734	\$ -	\$ 39,734
Intergovernmental	500,013	-	500,013
Charges for services	21,895	-	21,895
Investment earnings	1,033	-	1,033
Contributions and donations	44,553	-	44,553
Total revenues	607,228	-	607,228
Expenditures:			
Current -			
General government	102,415	-	102,415
Public safety	175,731	-	175,731
Public works and streets	14,880	-	14,880
Health and welfare	-	118,832	118,832
Culture and recreation	44,207	-	44,207
Economic and community development	6,934	-	6,934
Capital outlay	143,562	-	143,562
Debt service -			
Principal retirement	1,180	88,973	90,153
Interest and fiscal charges	744	90,598	91,342
Total expenditures	489,653	298,403	788,056
Excess (deficiency) of revenues over (under) expenditures	117,575	(298,403)	(180,828)
Other financing sources (uses):			
Capital lease agreements	7,913	-	7,913
Transfers in	24,537	206,403	230,940
Transfers out	(80,330)	-	(80,330)
Total other financing sources (uses)	(47,880)	206,403	158,523
Change in fund balances	69,695	(92,000)	(22,305)
Fund balances, beginning of year	774,094	92,000	866,094
Fund balances, end of year	\$ 843,789	\$ -	\$ 843,789

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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.

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 Community Development Block Grant and other Federal grants.

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

Library Endowment Fund- accounts for endowments to the library.

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, 2011

	<u>Court Special Revenue Fund</u>	<u>Nonfederal Grants Fund</u>	<u>Yavapai-Apache Gaming Compact Fund</u>
<u>ASSETS</u>			
Cash and cash equivalents	\$ 86,304	\$ 72,593	\$ 183,820
Accounts receivable (net)	61,780	-	-
Due from other governments	1,028	-	-
Total assets	\$ 149,112	\$ 72,593	\$ 183,820
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	-	4,650	-
Accrued payroll and employee benefits	-	1,550	-
Deferred revenue	52,370	66,393	-
Due to other funds	-	-	-
Total liabilities	52,370	72,593	-
Fund balances:			
Restricted	96,742	-	183,820
Total fund balances	96,742	-	183,820
Total liabilities and fund balances	\$ 149,112	\$ 72,593	\$ 183,820

Federal Grants Fund	9-1-1 Fund	Library Endowment Fund	Impact Fee Fund	Donations Fund	Total Non-Major Special Revenue Funds
\$ -	\$ 3,410	\$ 250,885	\$ 287,688	\$ 21,496	\$ 906,196
-	-	-	-	-	61,780
<u>61,188</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>62,216</u>
<u>\$ 61,188</u>	<u>\$ 3,410</u>	<u>\$ 250,885</u>	<u>\$ 287,688</u>	<u>\$ 21,496</u>	<u>\$ 1,030,192</u>
12,461	-	-	-	252	17,363
1,113	-	-	-	-	2,663
-	-	-	-	-	118,763
<u>47,614</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>47,614</u>
<u>61,188</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>252</u>	<u>186,403</u>
-	<u>3,410</u>	<u>250,885</u>	<u>287,688</u>	<u>21,244</u>	<u>843,789</u>
-	<u>3,410</u>	<u>250,885</u>	<u>287,688</u>	<u>21,244</u>	<u>843,789</u>
<u>\$ 61,188</u>	<u>\$ 3,410</u>	<u>\$ 250,885</u>	<u>\$ 287,688</u>	<u>\$ 21,496</u>	<u>\$ 1,030,192</u>

TOWN OF CAMP VERDE, ARIZONA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - ALL NON-MAJOR SPECIAL REVENUE FUNDS
FISCAL YEAR ENDED JUNE 30, 2011

	<u>Court Special Revenue Fund</u>	<u>Nonfederal Grants Fund</u>	<u>Yavapai-Apache Gaming Compact Fund</u>
Revenues:			
Fines and forfeitures	\$ 39,734	\$ -	\$ -
Intergovernmental	2,734	126,576	140,679
Charges for services	-	-	-
Investment earnings	-	-	-
Contributions and donations	-	-	-
	<hr/>	<hr/>	<hr/>
Total revenues	42,468	126,576	140,679
	<hr/>	<hr/>	<hr/>
Expenditures:			
Current -			
General government	13,357	-	89,058
Public safety	-	95,688	-
Public works and streets	-	14,880	-
Culture and recreation	-	-	-
Economic and community development	-	-	-
Capital outlay	7,913	16,008	-
Debt service -			
Principal retirement	1,180	-	-
Interest and fiscal charges	744	-	-
	<hr/>	<hr/>	<hr/>
Total expenditures	23,194	126,576	89,058
	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over (under) expenditures	19,274	-	51,621
	<hr/>	<hr/>	<hr/>
Other financing sources (uses):			
Capital lease agreements	7,913	-	-
Transfers in	-	-	24,437
Transfers out	-	-	(71,547)
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	7,913	-	(47,110)
	<hr/>	<hr/>	<hr/>
Change in fund balances	27,187	-	4,511
	<hr/>	<hr/>	<hr/>
Fund balances, beginning of year	69,555	-	179,309
	<hr/>	<hr/>	<hr/>
Fund balances, end of year	\$ 96,742	\$ -	\$ 183,820
	<hr/>	<hr/>	<hr/>

Federal Grants Fund	9-1-1 Fund	Library Endowment Fund	Impact Fee Fund	Donations Fund	Total Non-Major Special Revenue Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 39,734
230,024	-	-	-	-	500,013
-	-	-	21,895	-	21,895
-	-	482	551	-	1,033
-	-	9,661	-	34,892	44,553
<u>230,024</u>	<u>-</u>	<u>10,143</u>	<u>22,446</u>	<u>34,892</u>	<u>607,228</u>
-	-	-	-	-	102,415
79,179	-	-	-	864	175,731
-	-	-	-	-	14,880
15,487	-	-	-	28,720	44,207
6,934	-	-	-	-	6,934
119,641	-	-	-	-	143,562
-	-	-	-	-	1,180
-	-	-	-	-	744
<u>221,241</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>29,584</u>	<u>489,653</u>
<u>8,783</u>	<u>-</u>	<u>10,143</u>	<u>22,446</u>	<u>5,308</u>	<u>117,575</u>
-	-	-	-	-	7,913
-	-	100	-	-	24,537
<u>(8,783)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(80,330)</u>
<u>(8,783)</u>	<u>-</u>	<u>100</u>	<u>-</u>	<u>-</u>	<u>(47,880)</u>
-	-	10,243	22,446	5,308	69,695
-	3,410	240,642	265,242	15,936	774,094
<u>\$ -</u>	<u>\$ 3,410</u>	<u>\$ 250,885</u>	<u>\$ 287,688</u>	<u>\$ 21,244</u>	<u>\$ 843,789</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, 2011**

	<u>Court Special Revenue Fund</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
Revenues:			
Fines and forfeitures	\$ 26,896	\$ 39,734	\$ 12,838
Intergovernmental	3,516	2,734	(782)
Charges for services	-	-	-
Investment earnings	-	-	-
Contributions and donations	-	-	-
Total revenues	<u>30,412</u>	<u>42,468</u>	<u>12,056</u>
Expenditures:			
Current -			
General government	20,736	13,357	7,379
Public safety	-	-	-
Public works and streets	-	-	-
Culture and recreation	-	-	-
Economic and community development	-	-	-
Capital outlay	-	7,913	(7,913)
Debt service -			
Principal retirement	-	1,180	(1,180)
Interest and fiscal charges	-	744	(744)
Total expenditures	<u>20,736</u>	<u>23,194</u>	<u>(2,458)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>9,676</u>	<u>19,274</u>	<u>9,598</u>
Other financing sources (uses):			
Capital lease agreements	-	7,913	7,913
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>7,913</u>	<u>7,913</u>
Change in fund balances	9,676	27,187	17,511
Fund balances, July 1, 2010	<u>69,555</u>	<u>69,555</u>	<u>-</u>
Fund balances, June 30, 2011	<u>\$ 79,231</u>	<u>\$ 96,742</u>	<u>\$ 17,511</u>

Nonfederal Grants Fund			Yavapai-Apache Gaming Compact Fund		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
81,845	126,576	44,731	80,000	140,679	60,679
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
81,845	126,576	44,731	80,000	140,679	60,679
-	-	-	89,162	89,058	104
132,768	95,688	37,080	-	-	-
18,600	14,880	3,720	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	16,008	(16,008)	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
151,368	126,576	24,792	89,162	89,058	104
(69,523)	-	69,523	(9,162)	51,621	60,783
-	-	-	-	-	-
-	-	-	-	24,437	24,437
-	-	-	(64,425)	(71,547)	(7,122)
-	-	-	(64,425)	(47,110)	17,315
(69,523)	-	69,523	(73,587)	4,511	78,098
-	-	-	179,309	179,309	-
\$ (69,523)	\$ -	\$ 69,523	\$ 105,722	\$ 183,820	\$ 78,098

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, 2011
(Continued)

	Federal Grants Fund		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Fines and forfeitures	\$ -	\$ -	\$ -
Intergovernmental	707,336	230,024	(477,312)
Charges for services	-	-	-
Investment earnings	-	-	-
Contributions and donations	-	-	-
	707,336	230,024	(477,312)
Total revenues	707,336	230,024	(477,312)
Expenditures:			
Current -			
General government	-	-	-
Public safety	229,137	79,179	149,958
Public works and streets	-	-	-
Culture and recreation	15,575	15,487	88
Economic and community development	451,811	6,934	444,877
Capital outlay	-	119,641	(119,641)
Debt service -			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
	696,523	221,241	475,282
Total expenditures	696,523	221,241	475,282
Excess (deficiency) of revenues over (under) expenditures	10,813	8,783	(2,030)
Other financing sources (uses):			
Capital lease agreements	-	-	-
Transfers in	-	-	-
Transfers out	-	(8,783)	(8,783)
	-	(8,783)	(8,783)
Total other financing sources (uses)	-	(8,783)	(8,783)
Change in fund balances	10,813	-	(10,813)
Fund balances, July 1, 2010	-	-	-
Fund balances, June 30, 2011	\$ 10,813	\$ -	\$ (10,813)

9-1-1 Fund			Library Endowment Fund		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
500	-	(500)	-	-	-
-	-	-	-	-	-
-	-	-	700	482	(218)
-	-	-	12,000	9,661	(2,339)
<u>500</u>	<u>-</u>	<u>(500)</u>	<u>12,700</u>	<u>10,143</u>	<u>(2,557)</u>
-	-	-	-	-	-
2,684	-	2,684	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>2,684</u>	<u>-</u>	<u>2,684</u>	<u>-</u>	<u>-</u>	<u>-</u>
(2,184)	-	2,184	12,700	10,143	(2,557)
-	-	-	-	-	-
-	-	-	14,358	100	(14,258)
-	-	-	-	-	-
-	-	-	14,358	100	(14,258)
(2,184)	-	2,184	27,058	10,243	(16,815)
3,410	3,410	-	240,642	240,642	-
<u>\$ 1,226</u>	<u>\$ 3,410</u>	<u>\$ 2,184</u>	<u>\$ 267,700</u>	<u>\$ 250,885</u>	<u>\$ (16,815)</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, 2011
(Continued)

	Impact Fee Fund		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Fines and forfeitures	\$ -	\$ -	\$ -
Intergovernmental	-	-	-
Charges for services	19,771	21,895	2,124
Investment earnings	705	551	(154)
Contributions and donations	-	-	-
Total revenues	20,476	22,446	1,970
Expenditures:			
Current -			
General government	-	-	-
Public safety	-	-	-
Public works and streets	-	-	-
Culture and recreation	-	-	-
Economic and community development	-	-	-
Capital outlay	-	-	-
Debt service -			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	-	-	-
Excess (deficiency) of revenues over (under) expenditures	20,476	22,446	1,970
Other financing sources (uses):			
Capital lease agreements	-	-	-
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	-	-	-
Change in fund balances	20,476	22,446	1,970
Fund balances, July 1, 2010	265,242	265,242	-
Fund balances, June 30, 2011	\$ 285,718	\$ 287,688	\$ 1,970

Donations Fund			Totals		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$ -	\$ -	\$ -	\$ 26,896	\$ 39,734	\$ 12,838
-	-	-	873,197	500,013	(373,184)
-	-	-	19,771	21,895	2,124
-	-	-	1,405	1,033	(372)
6,100	34,892	28,792	18,100	44,553	26,453
6,100	34,892	28,792	939,369	607,228	(332,141)
-	-	-	109,898	102,415	7,483
7,700	864	6,836	372,289	175,731	196,558
-	-	-	18,600	14,880	3,720
10,113	28,720	(18,607)	25,688	44,207	(18,519)
-	-	-	451,811	6,934	444,877
-	-	-	-	143,562	(143,562)
-	-	-	-	1,180	(1,180)
-	-	-	-	744	(744)
17,813	29,584	(11,771)	978,286	489,653	488,633
(11,713)	5,308	17,021	(38,917)	117,575	156,492
-	-	-	-	7,913	7,913
-	-	-	14,358	24,537	10,179
-	-	-	(64,425)	(80,330)	(15,905)
-	-	-	(50,067)	(47,880)	2,187
(11,713)	5,308	17,021	(88,984)	69,695	158,679
15,936	15,936	-	774,094	774,094	-
\$ 4,223	\$ 21,244	\$ 17,021	\$ 685,110	\$ 843,789	\$ 158,679

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
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES- BUDGET AND ACTUAL- NON-MAJOR DEBT SERVICE FUNDS
FISCAL YEAR ENDED JUNE 30, 2011

	Debt Service Fund		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Investment earnings	\$ 400	\$ -	\$ (400)
Total revenues	<u>400</u>	<u>-</u>	<u>(400)</u>
Expenditures:			
Current -			
Health and welfare	119,771	118,832	939
Debt Service -			
Principal retirement	90,400	88,973	1,427
Interest and fiscal charges	82,450	90,598	(8,148)
Total expenditures	<u>292,621</u>	<u>298,403</u>	<u>(5,782)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(292,221)</u>	<u>(298,403)</u>	<u>(6,182)</u>
Other financing sources (uses):			
Transfers in	174,095	206,403	32,308
Total other financing sources (uses)	<u>174,095</u>	<u>206,403</u>	<u>32,308</u>
Change in fund balances	(118,126)	(92,000)	26,126
Fund balances, July 1, 2010	<u>92,000</u>	<u>92,000</u>	<u>-</u>
Fund balances, June 30, 2011	<u>\$ (26,126)</u>	<u>\$ -</u>	<u>\$ 26,126</u>



Town of Camp Verde

Agenda Item Submission Form – Section I

Meeting Date: April 4, 2012

- Consent Agenda Decision Agenda Executive Session Requested
- Presentation Only Action/Presentation Special Session

Requesting Department: Economic Development

Staff Resource/Contact Person: Mel Preston

Agenda Title (be exact): Presentation and update covering November 2011 to present – Economic Development efforts

List Attached Documents: Powerpoint, April 4, 2012 Economic Development update

Estimated Presentation Time: 10 Minutes

Estimated Discussion Time: 10 Minutes

Reviews Completed by:

- Department Head: Town Attorney Comments: N/A

Finance Review: Budgeted Unbudgeted N/A

Finance Director Comments/Fund:

Fiscal Impact: None

Budget Code: _____ **Amount Remaining:** _____

Comments:

Background Information: The Economic Development Director was hired in November 2011. This presentation will outline efforts to date in the areas of business attraction, retention and expansion and tourism.

Recommended Action (Motion):

Instructions to the Clerk: Section II not required

Economic Development Update

Mel Preston, Director

April 4, 2012



Economic Development Accomplishments November 2011 to March 2012

- CIP Planning
- Tourism Promotion
- Business Attraction
- Business Retention and Outreach
- Community Outreach/Partnerships



CIP Planning

- Distributed 5400 surveys
- Participated in multiple prioritization meetings with staff
- Bringing year 1 priorities to Council for review today
- Will finalize year 1 priorities for budget adoption within next months
- Will complete years 2-6 this fall



Tourism Promotion

- Free Fourth Friday event in full swing, next event April 27
- Working on establishing a 501c3 status for a “Heritage Alliance” in the downtown...joint effort of all historical venues
- Attended an event with LACT to promote wine industry (interactive game booth, gift baskets)
- Work closely with Fort Verde staff and volunteers to assist per our IGA with State Parks



Business Retention and Outreach

- Quintus executive, Dennis McDonald
- Patrick Heffernan, NaturMed
- Richard Lynch, Verde River Adventures
 - This company is a relocate from Cornville and will bring thousands of visitors to CV each year
- Robin Bryer, BlueSky Adventures
 - Zip line at Out of Africa Wildlife Park – 6 mo out
- Ed Lee, Embassy Business Services
 - Mr. Lee has vast experience in business incubation/small business center services, possible partnership opportunity with incubator/BAC



Business Attraction

- ACA provides leads
- Outdoor recreation manufacturer tour NEI Bldg, would bring 125-300 jobs over several years
- Companies contact us
- Local entrepreneur sells a product which reduces amperage used in residential, commercial and industrial buildings, saving 1000s of dollars, tour NEI building...could be up to 500 jobs over several years
- Word of mouth
- Business outreach, site visits
 - Contacted BJ's Warehouse, Cracker Barrel, Trader Joe's



Community Outreach/Partnerships

- Verde Valley Leadership Program
 - Coordinated an Economic Development & Business Issue Day, January, representatives from ACA, NACOG, Sustainable Arizona, SEDI, local business owners, Jerome Chamber of Commerce, Clarkdale Community Development and Wine Consortium
- VVREO
 - Board member 2012
 - Collaboration of Econ Dev professionals working together to create marketing campaigns and promotional collateral, offer technical and financial business assistance, and develop the workforce



Community Outreach/Partnerships

- Arizona Commerce Authority (ACA)
 - Offer grant opportunities
 - Training (downtown revitalization/brown fields & funding mechanisms)
 - Offer demographic and industry research assistance
 - Provide leads to communities
- Met with NACOG – introduction and discussion on Workforce Connection Program
- NACET – Business Incubation toured March 26
- Yavapai College – planning a tour at Prescott Valley campus



- Participating in Plant a Vine(yard) event, May 5

Community Outreach/Partnerships

- Prescott Valley Council member, Econ Dev Dept & Econ Dev Foundation
- Yavapai Co. Mayor's/Manager's/Supervisor's & Tribe's Meeting, March 16
- Wine Consortium
- Press Releases: Events, Centennial, Community Development projects updates
- Hosted February SEDI Board Meeting



What's Ahead?

- Creating an Economic Development Strategic Plan, with the help of SEDI, VVREO and other organizations
- Create an on-line strategy to fully market the town (best use of ED dollars go toward Web marketing, according to IEDC)
- Downtown marketing with continued events
- Securing a downtown destination anchor like the Archaeology Center in conjunction with Fort Verde
- Business incubation project, possibly requesting funding for feasibility study to support ACA grant application end of 2012



Next Update July 2012

Questions?





Agenda Item Submission Form – Section I

Meeting Date: April 4, 2012

- Consent Agenda Decision Agenda Executive Session Requested
- Presentation Only Action/Presentation

Requesting Department: Community Development

Staff Resource/Contact Person: Michael Jenkins, Community Development Director

Agenda Title (be exact): Presentation, Discussion and possible direction to staff relative to the most effective approach in Developing a Water Conservation Program as directed by Council on February 6, 2008.

List Attached Documents: Chapter 11 (WATER RESOURCES ELEMENT) from the General Plan.

Estimated Presentation Time: 20 minutes

Estimated Discussion Time: 20 minutes

Reviews Completed by: NA

- Department Head: Town Attorney Comments:

Background Information: In 2008, the prior Community Development Director advised the Planning and Zoning Commission of this Council Directive to create a Water Conservation Program (See attached Council Direction report). Through the next several years, it was evident that the P&Z Commission was frustrated with trying to determine which approach would be the most effective to the proposed Water Conservation Program. Should it be an actual Ordinance that had penalties, if compliance was not achieved, or should it be a Policy that encourages water conservation? It's a difficult choice without public in-put . The Town has very little control over the water issues in Camp Verde since we do not own the water company or the irrigation districts.

While researching prior water related issues, I re-read the Water Resources element of the General Plan (copy attached) for the Town. Water Conservation is a main component of the "Water Resources" element .

General Plans for Municipalities are to be revised, updated or readopted every 10 years. Our current General Plan was adopted on December 1, 2004. This then requires us to revise, update or readopt our General Plan by December 1, 2014. Staff has already started discussion with the Planning and Zoning Commission on the General Plan update.

On March 1, 2012, The Community Development Director met with the Planning & Zoning Commission at their regular session meeting, draft minutes attached, and suggested that the Commission seek Council approval to address the Water Conservation Plan Simultaneously with the update on the General Plan Water Resources Element. This would provide for an opportunity to gain greater public input on the issue and avoid the duplication of effort. **The suggested approach would be to delay the Council directed Water Conservation Program until it can be included with the Water Resources Element of the General Plan update process.**

Even though there was no formal action taken by the Commission, there was a general consensus by the Commission to take this request to the Council. Also, it can be seen from the attached Planning & Zoning Commission Minutes that the Commission will begin gathering data for water related issues at their next meeting on May 5, 2012.

Recommended Action (Motion): A motion to direct staff and the Planning and Zoning Commission on a specific approach to the Water Conservation Program to be incorporated with the update to the General Plan under the Water Resources Element rather than individually.

DRAFT

MINUTES
Regular Session
THE PLANNING AND ZONING COMMISSION
TOWN OF CAMP VERDE COUNCIL CHAMBERS
THURSDAY MARCH 1, 2012
6:30 PM

Minutes are a summary of the actions taken. They are not verbatim.
Public input is placed after Commission motions to facilitate future research.
Public input, where appropriate, is heard prior to the motion

1. **Call to Order**
The meeting was called to order at 6:30 p.m.
2. **Roll Call**
Chairperson Butner, Commissioners Blue, Parrish, and Freeman were present; Vice Chairperson Norton, Commissioners Hisrich and Hough were absent.

Also Present: Community Development Director Mike Jenkins, Asst. Planner Jenna Owens and Recording Secretary Margaret Harper.
3. **Pledge of Allegiance**
The Pledge was led by Freeman.
4. **Consent Agenda** - All those items listed below may be enacted upon by one motion and approved as Consent Agenda Items. Any item may be removed from the Consent Agenda and considered as a separate item if a member of Commission so requests.
 - a. **Approval of Minutes:**
January 5, 2011 Regular Session
 - b. **Set Next Meeting, Date and Time:**
As NeededOn a motion by Freeman, seconded by Parrish, the Consent Agenda was unanimously approved as presented.
5. **Call to the Public for Items not on the Agenda**
There was no public attendance or input at the meeting.
6. **Discussion on preparing a Water Conservation Plan. Mike Jenkins**
There was no action taken.

Community Development Director Jenkins advised the Commission that the subject item has been pending since Council action taken on February 6, 2008. Jenkins explained that at a recent staff meeting on this issue, it was noted that the General Plan has a Water Resources section, an element of the General Plan that was required by State law, and an update on the General Plan is required by the year 2014, a process that involves an average of two years to complete. Jenkins suggested that the Commission seek Council approval to address the Water Conservation Plan simultaneously with updating the General Plan Water Resources element, thereby avoiding a duplication of effort. With that in mind, Jenkins proposed that the members during the next month review the copies of the current Water Resources element, together with the material from the Arizona Department of Water Resources on Conserving Water Today for Arizona's Tomorrow, which had been included in the Agenda packets. Although the Arizona Department of Water Resources is moving toward creating an ordinance, Jenkins questioned not only how the Town of Camp Verde would enforce a similar ordinance, if enacted, but what the public reaction would be. If addressed through the General Plan process, the community would be taking an active part in the many public meetings required prior to adoption by the Council.

An in-depth discussion commenced with comments favoring combining the subject issue

with updating the General Plan, while keeping in mind the need to include stringent measures to be followed during periods of drought. During the discussion it was suggested that it would be beneficial to have input from the ditch bosses and the Water District, in particular as to what they think should be regulated, and how, as well as from River conservation people sharing their viewpoints, at a future meeting. It was also suggested that former Mayor Tony Gioia be invited to participate, because of his active interest in water issues over recent years. Jenkins commented that the City of Sedona will be holding workshops on their General Plan, and has invited several Planners from the Verde Valley to attend those workshops, the subject of which is sustainability of the communities through food production in the Verde Valley and water conservation. Butner strongly questioned any possible benefit of joining in on a sustainability plan with Sedona, since that city has extremely limited agricultural and water resources. Some discussion followed on the comparison of available tillable land and water between Sedona and neighboring communities, as well as looking to the General Plan for guidance on the impact of future development on the Town's water resources. The issues of sustainability and water resources were discussed further; including researching a possible increase in tax breaks through the County downsizing the required size of parcels for growing produce. It was agreed that sustainability and water conservation are increasingly important goals for Camp Verde.

Jenkins reiterated that the ditch bosses, and any other groups that the Commission would suggest, will be invited to participate, possibly in the April meeting. Asst. Planner Owens said that she will be sending out letters of invitation following the suggestions from the members. It was agreed that Jenkins will announce to the Council that the Commission will be planning to address the Water Conservation Plan by incorporating it as an element into the General Plan; the aims of the Water Conservation Plan could also be memorialized in a brochure to educate the citizens. Jenkins will also contact the County Assessor to follow up on the previous discussion regarding possible tax breaks based on parcel sizes for growing produce in connection with sustainability and water conservation goals.

7. Commission Informational Reports:

Parrish reported that the Cavalry has been invited to be the Color Guard in Sedona's upcoming St. Patrick's Parade this year, and will be accorded the honor of being seated with all the dignitaries to view the remainder of the Parade.

8. Staff

There was no staff report.

9. Adjournment

On a motion by Parrish, seconded by Freeman, the meeting was adjourned at 7:12 p.m.

Joe Butner, Chairman

Planning & Zoning

CERTIFICATION

I hereby certify that the foregoing Minutes are a true and accurate accounting of the actions of the Planning & Zoning Commission of the Town of Camp Verde during the Special Session of the Planning & Zoning Commission of the Town of Camp Verde, Arizona, held on the 1st day of March 2012. I further certify that the meeting was duly called and held, and that a quorum was present.

Dated this _____ day of _____, 2012.

Margaret Harper, Recording Secretary

Council Direction Report
2-15-12

Russ Martin, Town Manager		
8/17/11	Prepare Cliffs Pkwy land to sell with proceeds going to the Library Building Fund; prepare McCracken Lane, with proceeds going to the Parks Fund & Oasis Rd properties for sale or trade. Scheduled for 1-4-12 meeting	In Progress
12-7-11	Pursue enforcement of Town Code 9-2, Off-premises canvassing	In Progress
1-4-12	Place Centennial Plaque at Rezzonico Park	In Progress
1-4-12	Place ads for bids on McCracken Lane, Cliffs Pkwy, and Horseshoe Bend properties; obtain appraisals when & if necessary. If there are no acceptable bids, prepare RFQ for a listing service	In Progress
2/1/12	Move forward with the IGA with CVUSD for Joint Facilities & Use of equipment, as amended	In Progress
2/15/12	Check on student's concerns re pedestrian safety problems on Hollamon & 5 th & report back to Council (Council Comments)	In Progress
2/15/12	Update Council on proposed legislation affecting the Town on upcoming agendas	On-going

Mike Showers, Finance Director		

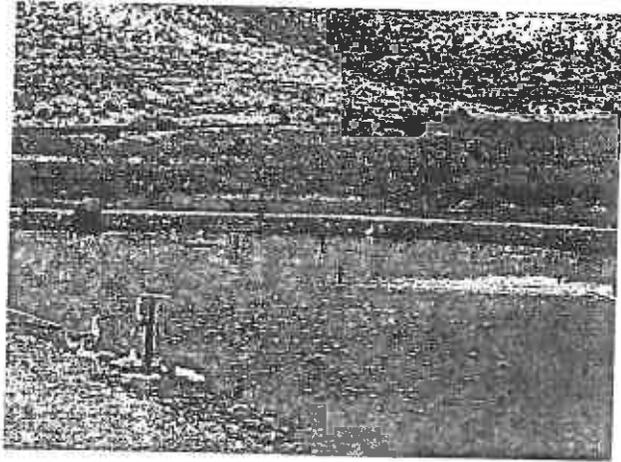
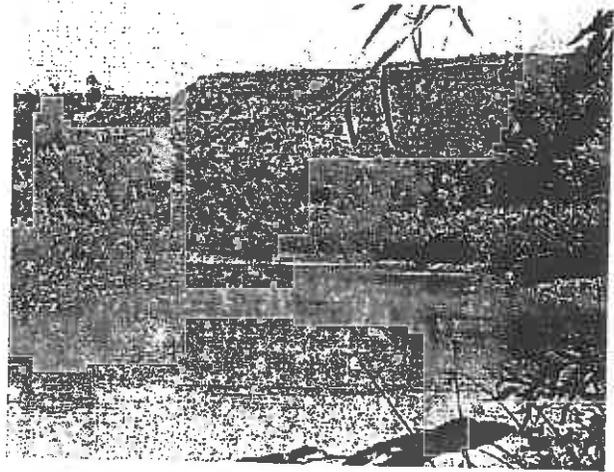
Debbie Barber, Town Clerk		
1/18/12	Process IGA Amendment #1 for Finnie Flat sidewalk project to ADOT for signature	In Progress
1/18/12	Process facilities use agreement with Yavapai College for use of Room 206-207 to YC for signature	In Progress
2/15/12	Process Library Sales Agmt	In Progress
2/15/12	Process Reso 2012-861, expressing support for designation of a Welcome Home Vietnam Veterans Day	COMPLETE
2/15/12	Make correction to the 2-25-12 Work Session Minutes	COMPLETE

Marshal		

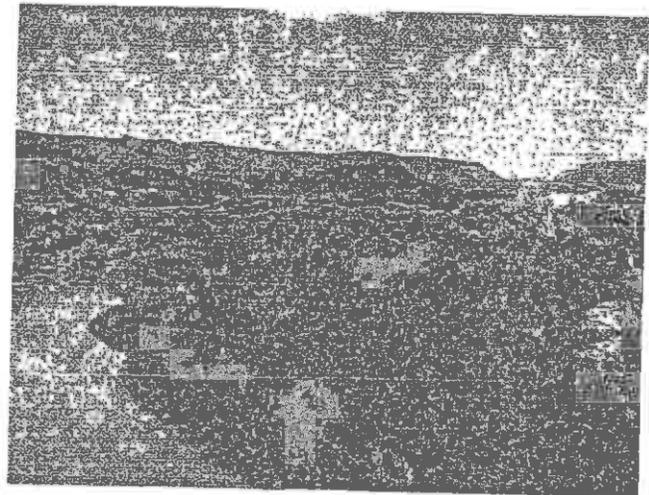
Mike Jenkins, Community Development Director		
2/6/08	P&Z Commission to develop Water Conservation Program	In Progress
12-7-11	Investigate measures re noxious weeds as a nuisance violation, contact community resources and bring info back to Council	In Progress

Gerry Laurito, Library Director		
4/23/08	Library Financing – review possibilities, research methods & bring back to Council	In Progress

Ron Long, Public Works Director		
2/1/06	<p>Check w/ County & ADOT to do maintenance ASAP on Finnie Flat drainage & advise Council of outcome; advise Council of County's maintenance plan; & bring back for Council review</p> <p><i>Note: This issue needs to be put on hold considering everything that is going 9-12-06: Finnie Flat drainage has been cleaned. Long is working at some cost-effective changes to the drainage problem. 11-07 The Town has received a grant for this project from Yavapai County. Ron Long will be handling this item. 11-08 Project Design Phase is beginning. Feb 09 meetings with Catholic Church and Yav. Co.; Potholing and Survey is underway; Cliffs design phase at 60%; 10-27 at 90% will go to utilities and County for review. 12/14/09 Utilities and County have 90% plans waiting</i></p>	In Progress



WATER RESOURCES



CHAPTER 11
WATER RESOURCES

VISION STATEMENT

Camp Verde will be a community that places a high value on a safe and adequate water supply for future growth and natural environment while protecting the water quality and needs of the existing community. Water conservation will be encouraged.

STATE REQUIREMENTS

The Water Resources Element of the Town of Camp Verde's General Plan is mandated by Arizona Revised Statutes, which stipulates that communities larger than 2,500 inhabitants include a Water Resources Element.

According to Arizona Statutes, the Water Resources Element will address:

- a. The known legally and physically available surface water, groundwater and effluent supplies.
- b. The demand for water that will result from future growth projected in the general plan, added to existing uses.
- c. An analysis of how the demand for water that will result from future growth projected in the general plan will be served by the water supplies identified in subdivision (a) of this paragraph or a plan to obtain additional necessary water supplies.

Camp Verde and Yavapai-Apache Nation Water Use Projections*

	Year 2001	Year 2010**	Year 2020**
Population Projection	9,814	13,463	16,836
Total Water Demand (acre-ft/yr)	19,796	20,252	20,663
Total Potable Water Demand (includes private wells)	1,228	1,684	2,095
GPCD	112	112	111
Other Uses (Agriculture, industrial, golf courses, reservoirs)	18,568	18,568	18,568

*Information provided by the Yavapai County Water Advisory Committee and the U.S. Bureau of Reclamation, Water Use Projections, Verde Valley Arizona April 2003.

** Population estimates in this chart are greater than those projected by Town staff in the other elements of the General Plan because this figure includes population projects for the Yavapai-Apache Nation and the area of service for the Camp Verde Water Company which includes areas outside of the Town's boundaries.

A. GOAL: PRESERVE AND ENHANCE THE TOWN'S UNIQUE WATER RESOURCES: IRRIGATION DITCHES, THE VERDE RIVER, CREEKS, IRRIGATED LANDS AND RIPARIAN AREAS.

Implementation Strategies:

- A. 1. Develop a water portfolio for the Town.
- A. 2. Require new residential subdivisions and commercial developments to provide centralized water service, whenever feasible.
- A. 3. Acquire the existing water companies when financially feasible.
- A. 4. Inform the local ditch companies of all development projects to enable them to review impact on the ditch system.

CHAPTER 11
WATER RESOURCES

B. GOAL: MAINTAIN A HIGH LEVEL OF WATER QUALITY.

Implementation Strategies:

- B. 1. Direct high-density development to areas where water and sewer utilities exist, are planned, or can be established.
- B. 2. Coordinate with ADEQ and various ditch companies to create a drainage system to regulate water runoff to the ditches and river.

C. GOAL: ENCOURAGE AND PROMOTE WATER CONSERVATION AND THE REUSE OF WATER.

Implementation Strategies:

- C. 1. Partner with private water companies, community organizations, businesses, schools, service groups, volunteers and citizens in conservation educational efforts.
- C. 2. Plan and implement Town-sponsored educational programs and events promoting water conservation.
- C. 3. Provide incentives to increase the number of low water use and native plants used in landscaping on properties that do not have access to irrigation.
- C. 4. Promote the use of water-conservation irrigation in landscaping.
- C. 5. Ensure low-flow plumbing standards are required for new development.
- C. 6. Acquire the Camp Verde Sanitary District when financially feasible.
- C. 7. Research and implement programs to increase the use or recharge of reclaimed water.
- C. 8. Provide incentives to encourage the use of reclaimed water, especially on open spaces and parks and identify potential reclaimed water users.
- C. 9. Encourage the private use of gray water.

D. GOAL: PARTICIPATE IN REGIONAL COOPERATION FOR WATER MANAGEMENT ISSUES INCLUDING PUBLIC AND PRIVATE WATER PROVIDERS AND USERS.

Implementation Strategies:

- D. 1. Participate in regional water management studies.
- D. 2. Participate in regional water users organizations.
- D. 3. Work with neighboring legislative bodies, private water providers and well owners in water management studies and to promote the Verde Valley's water needs.

EXISTING CONDITIONS AND IMPLEMENTATION CHALLENGES

Camp Verde currently does not own any water source. Privately owned water companies, individual wells, private ditch companies, and the Camp Verde Sanitary District serve the planning area. The Town has partnered with other communities in the Verde River Watershed to form the Yavapai County Water Advisory Committee (WAC) and with central and northern Arizona communities to form the Northern Arizona Municipal Water Users Association (NAMWUA). To date, the WAC has completed or is currently conducting 14 different scientific studies of the Verde River Watershed.

CHAPTER 11 WATER RESOURCES

Three private water companies provide service within the area of influence: The Camp Verde Water System, the Verde Lakes Water Corporation and the Lake Verde Water Company.

The Camp Verde Water System provides service to 960 residential and commercial users. Currently the water system has a total of 12 wells, of those, three are in operation.

The Verde Lakes Water Corporation provides water to the residents of the Verde Lakes Estates Subdivision. Approximately 730 customers receive water from the Verde Lakes Water Corporation. The water corporation has four wells.

The Lake Verde Water Company has two wells that serve the Lake Verde Club Estates Subdivision, located within the Town's area of influence but outside of the actual Town boundary. Information from the Lake Verde Water Company was unobtainable.

The area receiving service from the water companies is considerably smaller than their certificated areas of service. Private wells provide water for areas outside of the water companies' service areas.

There are seven ditch companies that provide domestic and agricultural irrigation service in the Town. The ditch companies are informally organized among their members and are volunteer organizations. In general, the individuals or organizations that receive water from these ditch companies hold senior rights to the use of water from the Verde River and its tributaries. These surface water rights represent a significant portion of the water rights in Camp Verde and the Town could negotiate with willing water right owners and the ditch companies to use unused allocated water to meet municipal and industrial demand in the future. The four major ditches are: the Diamond S Ditch, the OK Ditch, the Eureka Ditch and the Verde Ditch.

The Diamond S Ditch is approximately 4.9 miles long and serves 635 acres south of downtown Camp Verde.

The OK Ditch is approximately 5.5 miles long and serves 600 acres. The OK Ditch is located in the north part of Town.

The Eureka Ditch extends for 7.6 miles and serves approximately 440 acres. The Eureka Ditch runs parallel and north of the Verde River.

The Verde Ditch Company oversees the operation of the largest ditch. The Verde Ditch is 17 miles long and serves approximately 1,489 acres.

Smaller ditches provide irrigation water for specific subdivisions. They are the Bullard Ditch, Pioneer Ditch and the Wingfield Ditch.

The Camp Verde Sanitary District, a Title 48 special taxing district, serves the area from White Bridge to Black Bridge, east of Oasis Road to the Verde River on the south and including the Cliff's development, then west and northwest on Finnie Flat Road to Dickison Circle, as annexed in 1993. The District currently serves 435 users. Upon completion of the 2001 Camp Verde Sanitary District Plant and Collection Line Project, the system will serve 891 users. The District will operate under an Aquifer Protection Permit that meets or exceeds Best Available Demonstrated Control Technology (BADCT) standards.

CHAPTER 11 WATER RESOURCES

Upon completion of the 2001 CVSD project, the treated effluent will meet reuse standards and treated bio-solids may be a commodity available to be used as a soil amendment or fertilizer for non-edible crops. When completed, the facility will be able to treat 1.3 million gallons per day. The wastewater treatment plant is located on 166 acres of Forest Service land on the north side of Highway 260 across from Forest Service property commonly referred to as the "Old Airport Site." The District is acquiring the plant-site from the USFS.

Other Considerations

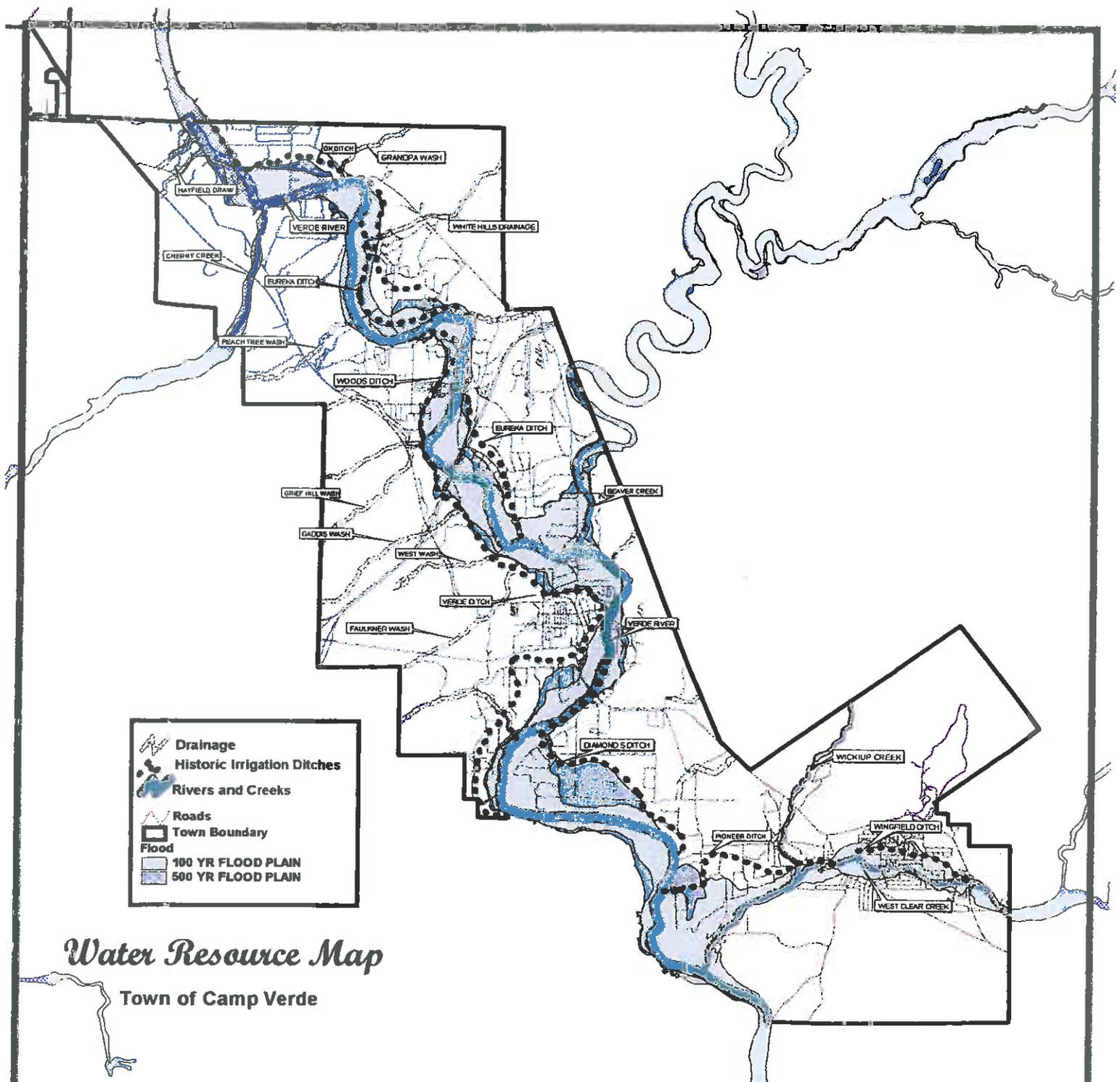
At the writing of this document, Arizona is in the midst of the worst drought in over 100 years. Arizona is heading into its fifth consecutive dry winter and the seventh in eight years. In May 2002, then Governor Jane D. Hull, requested that the U.S. Agriculture Department declare all of Arizona a drought disaster area. That declaration allowed farmers and ranchers to seek relief from ruined crops and a weakened livestock market by applying for low-interest emergency loans.

Current Governor Janet Napolitano has commissioned a Governor's Drought Task Force. That task force has released the Arizona Drought Preparedness Plan draft. The plan acknowledges that the growing communities in rural Arizona have the greatest need for drought and water management planning. Under a drought emergency, the Governor may be able to impose restrictions on water use. The draft plan currently specifies that providers of potable water will be required to develop a drought mitigation plan. Under these conditions, it will be crucial for developers to prove a 100-year water supply as Camp Verde continues to grow.

The Yavapai-Apache Nation, with lands located within and adjacent to the Camp Verde corporate limits, has potential to impact area water resources. The tribe has an unspecified volume of federal reserve water rights, the ability to access groundwater supplies and a 1,500 acre-foot allocation of Central Arizona Project (CAP) water. It is uncertain how the Nation will acquire wet supplies of water to meet its needs under these rights and allocation and how that could eventually impact water resources available to the Town.

In addition, wells in the Verde Valley that are located in the Holocene alluvium, could be subjected to the Gila River Adjudication, a legal battle being fought at the Arizona Supreme Court level to determine who has the right to the water from those wells. The Verde Valley Water Users Association (VWUA) is sponsoring a well monitoring program to assist well owners in determining if their water draws from the Verde River and its sub-flow or from groundwater. If the Town participates in the well monitoring program, a map could be produced indicating where the wells are that draw from the Verde River. This map could then be used to help determine water sources for future development.

As competitive users vie for this limited and most precious resource, it will be vital for all of the Verde Valley communities to work together to assure an adequate and safe water supply for future generations. A number of studies are currently being conducted to determine the extent of the Verde Valley water supply and effect of a population increase on that supply.



	Drainage
	Historic Irrigation Ditches
	Rivers and Creeks
	Roads
	Town Boundary
	Flood
	100 YR FLOOD PLAIN
	500 YR FLOOD PLAIN

Water Resource Map

Town of Camp Verde

473 S. Main Street
 PO Box 710
 Camp Verde, AZ 86322
 Tel (928) 567-8513
 Fax (928) 567-7401
www.cvaz.org



This map has been prepared for general planning and informational purposes only. Every effort has been made to ensure this map is as accurate as possible. The Town of Camp Verde shall assume no liability for the information contained on this map.



Created by
 Community Dev Dept
 11-18-03



Agenda Item Submission Form - Section I

Meeting Date: April 4, 2012

- Consent Agenda Decision Agenda Executive Session Requested
- Presentation Only Action/Presentation

Requesting Department: Community Development

Staff Resource/Contact Person: Michael Jenkins, Community Development Director

Agenda Title (be exact): Presentation, Discussion and possible approval or denial by Council to acquire parcel 403-23-098 (aka, Park Parcel) and Parcel 403-23-099 (aka, Drainage Easement Parcel) from the State of Arizona Division of Emergency Management for recording and administration costs. Both parcels are a part of the Groseta Gardens Subdivision for which the Final Plat of the Subdivision is recorded in Book 21 of Plats and Maps, Map 86 of the Yavapai County Recorder's Office. The Subject parcels are located East of the intersection of Hwy. 260 and Finnie Flat Road on the South Side of Finnie Flat Road.

List Attached Documents: Final Plat for the Groseta Gardens Subdivision, Location Map, E-mails and Photos.

Estimated Presentation Time: 20 minutes

Estimated Discussion Time: 20 minutes

Reviews Completed by: Russ Martin, Michael Jenkins & Ron Long.

- Department Head: Town Attorney Comments: See attached E-mails between Michael Jenkins & Bill Sims.

Background Information: In February, the Town Manager was contacted by Mr. Robert Rooney, Program and Projects Specialist, with the Arizona Division of Emergency Management (See attached E-mail). Mr. Rooney, in his E-mail of February 23, advised the Manager that the Arizona Division of Emergency Management (ADEM) (Owner) has no need for two parcels within the Groseta Gardens Subdivision. These two parcels are Parcel 403-23-098 (aka, Park Parcel) and Parcel 403-23-099 (aka, Drainage Easement Parcel).

Mr. Rooney further states that the ADEM is looking for a means to transfer ownership of the two parcels to the Town.

The Town manager, Ron Long and Michael Jenkins visited the subject parcels and the Manager directed staff to research the properties. With the research completed, it was discovered that the State of Arizona recorded a Final Plat for the Groseta Gardens Subdivision in 1980. In (1982), a Patent Deed for the entire Groseta Gardens Subdivision property transferred ownership of the property from the State of Arizona to the ADEM. The ADEM

thereafter transferred ownership of the subdivision lots to individual owners that were part of a state relocation project from the Verde Lakes flood prone properties.

After the transfer of ownership of the lots to the persons who were relocated, there were the two subject parcels remaining in the ADEM ownership. The Park Parcel and the Drainage Easement Parcel.

Since, the ADEM has no further need for the subject parcels and wants to transfer their ownership to the Town, it is suggested in the E-mail from Mr. Simms that the Town take title through a Quit Claim Deed. A perpetual easement is not a choice since the ADEM wants to relinquish ownership.

Recommended Action (Motion): A motion to acquire or not acquire parcels 403-23-098 and 403-23-099 from the Arizona Division of Emergency Management , both of which are located within the Groseta Gardens Subdivision and to authorize the Mayor to sign all documents for the Acquisition.

Agenda Item Submission Form – Section II (Staff Report)

Town of Camp Verde

Agenda Item Submission Form – Section II (Staff Report)

Department: Community Development Department

Staff Resource/Contact Person: Michael Jenkins

Contact Information: ext. 118; Mike.jenkins@campverde.az.gov

Statement of the Problem or Opportunity: There are several opportunities with acquiring the subject parcels as follows:

1. **PARK PARCEL:** As can be seen from the attached location map, the Park parcel is fronting Finnie Flat Road and could be utilized by the town for a Tourist Town Directory Park. Staff would need to analyze access and impacts to traffic flows and available utilities (if needed) as part of the Tourist Park development should the Council decide to acquire the property and develop it.
2. **Drainage Easement Parcel:** It makes the best sense to acquire the Drainage Easement Parcel to be included in the Town's Storm Water maintenance program. This property would not be unavailable for development other than possible improvements or maintenance of the existing storm water facility.

Alternatives/Options/Solutions: The other option available would be to not Acquire the property.

Fiscal Impact to the Town: As mentioned above, the cost for acquisition by the Town would be limited to Administrative and Recording costs. The Administrative costs would include Town Attorney review, Title fees and Staff Time.

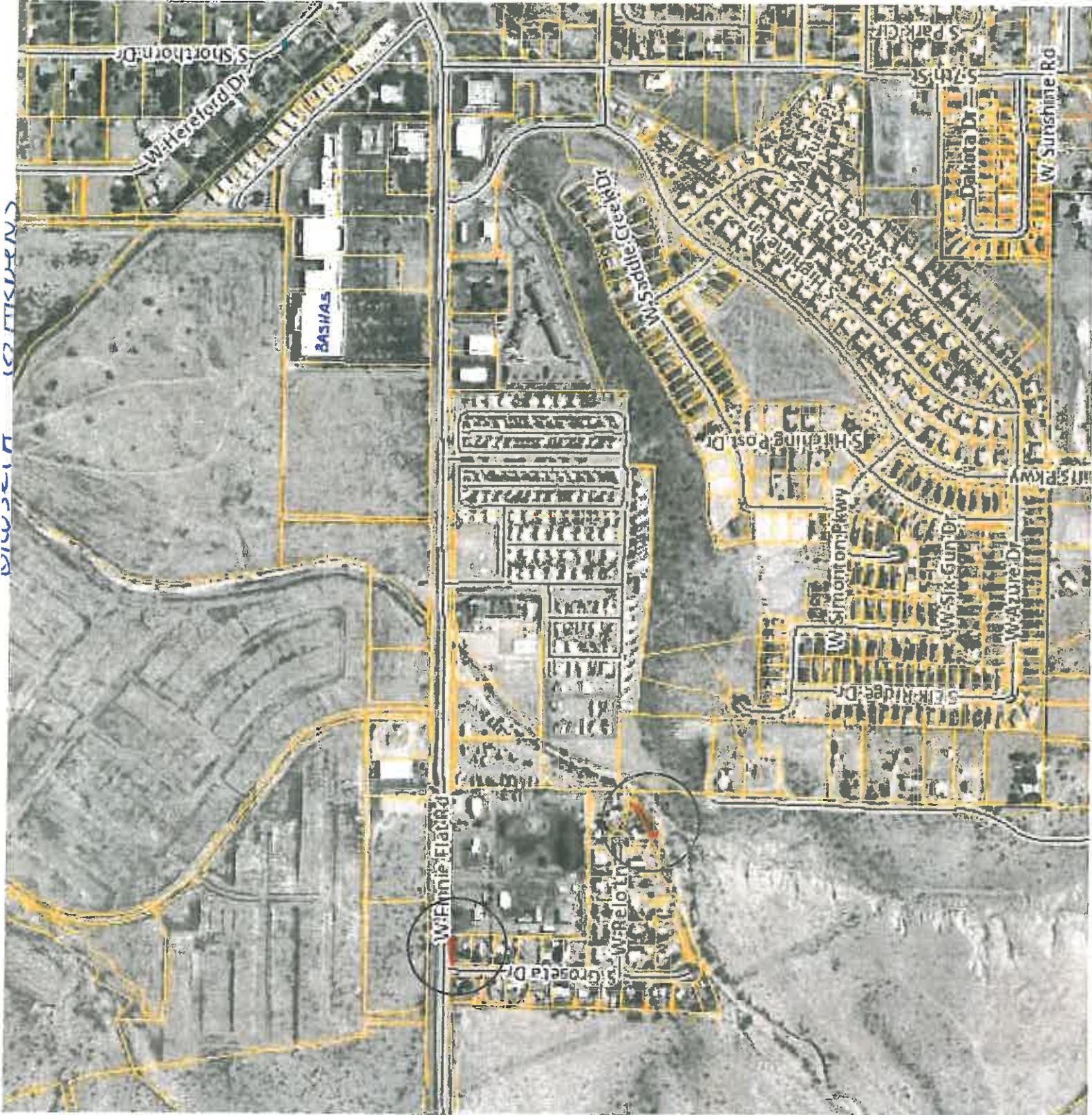
In discussions with Mr. Rooney, the State's intention is to merely execute the Quit Claim Deed, that the Town will prepare, with no purchase costs for the subject properties to the Town.

The estimated costs for acquisition will come from the following budget line items:

Town Clerk Budget: 1. Recording Fees = \$10.00 Account no. 0112020758100

**2. Title Insurance Fees = \$1,000.00 Legal Services,
& Attorney Review Account no. 01100207114000**

LOCATION MAP



Mike Jenkins

From: Bill Sims [REDACTED] >
Sent: Saturday, March 17, 2012 1:11 PM
To: Mike Jenkins
Cc: Russ Martin; Ron Long
Subject: RE: Arizona Division of Emergency Services wanting to Deed properties to the Town

See CAP belows

From: Mike Jenkins [mailto:Mike.Jenkins@campverde.az.gov]
Sent: Thursday, March 15, 2012 9:43 AM
To: Bill Sims
Cc: Russ Martin; Ron Long
Subject: RE: Arizona Division of Emergency Services wanting to Deed properties to the Town

Bill, thanks very much for your thorough review.
I have a couple of questions – issues.

Per the Listed West-Law cases I, read the following:

First Issue, prior determination: An effective dedication of private land to a public use has two general components -

An offer by the owner of land to dedicate and acceptance by the general public. No particular words, ceremonies, or form of conveyance is necessary to dedicate land to public use; anything fully demonstrating the intent of the donor to dedicate can suffice. Page 6, items [5][6]. West-Law pages.

Issue: The Final Plat Dedications for the Park & Drainage Easement Parcels would seem to suffice as demonstrating the

intent. The problem is, would the Town be considered as the General Public? **YES –COUNCIL DECIDES ON BEHALF OF THE PUBLIC**

Background: In discussing the property use with Russ, it was proposed that the Town would create some sort of Visitor's Park on the Park Parcel with Town and Business directories.

Question: Could others of the General Public contest this use? **YES**

Per the Listed West-Law cases, I read the following:

Second Issue, prior determination: The effect of a common law dedication of land to Public Use is that the public acquires an easement to use the property for the purposes specified, while fee remains with the dedicator.

Issue: If the Town were to obtain fee simple ownership through a quit claim or other deed, from the Arizona Division of Emergency Services-Management, it appears that the Town would still not have exclusive rights to develop unless we were considered as the general public. NO—IF YOU GET A QUIT CLAIM DEED, YOU CAN USE AND STILL USE FOR THE PUBLIC AS DETERMINED BY THE TOWN COUNCIL

Since and easement for a Park

would still exist, could others from the general public contest our development and use of the parcel as a visitor's park?

We may be splitting hairs but, the park that Russ has in mind may not be what the intended use is. The dedication statement does not specify a particular type of park. It would seem to me that the

park was set aside for the general public's use, which includes the residents in the Groseta Gardens subdivision. The dedication was not exclusive.



Mike Jenkins, AICP
Community Development Director
Town of Camp Verde
Community Development
473 S. Main St., Suite 108
Camp Verde, AZ 86322
Phone: (928) 567-8513
Fax: (928) 567-7401
Mike.jenkins@campverde.az.gov

From: Bill Sims [REDACTED]
Sent: Wednesday, March 14, 2012 4:30 PM
To: Mike Jenkins
Cc: Russ Martin; Ron Long
Subject: RE: Arizona Division of Emergency Services wanting to Deed properties to the Town

Mike:

If the property that you want title (would a perpetual easement be ok) to is a park, then given the language in the subdivision plat that you quote bellow and that I highlighted in yellow, the Town has been dedicated a public easement for the park.

You have two choices:

- (1) Write a letter to the assessor, attach the case together with the plat and get that office to reflect the Town's easement.
- (2) Accomplish the quit claim deeds.

I recommend option #1.
Bill Sims
LaSota & Peters, PLC
722 East Osborn Road, Suite 100
Phoenix, Arizona 85014
Phone (Office): 602.296.0950
Phone (Cell): 602.524.0575
Fax: 602.248.2999
E-mail: wjsims@lasotapeters.com

From: Mike Jenkins [<mailto:Mike.Jenkins@campverde.az.gov>]
Sent: Monday, March 12, 2012 5:16 PM
To: Bill Sims

Cc: Russ Martin; Ron Long

Subject: Arizona Division of Emergency Services wanting to Deed properties to the Town

Hello Bill:

BACKGROUND:

On February 23, 2012, Russ received an E-mail from a Mr. Robert Rooney (Program and Projects Specialist) from the Arizona Division of Emergency Management (AZDEM). The E-mail advised that (AZDEM) had discovered that it still had (2) Parcels of land within the Groseta Gardens Subdivision. As I recall, the State of Arizona relocated numerous residents out of the flood prone areas of the Verde Lakes subdivision to a State Developed Subdivision called Groseta Gardens. Attached is a copy of the Final Plat for the Groseta Gardens Subdivision. This will become important as a reference for questions that I have below.

Russ asked me to research what I could find on the properties and I found a Patent Deed from the State of Arizona to the Arizona Division of Emergency Services, as it was called back then. Also attached is a copy of the referenced Patent Deed.

The Legal Description, that is an exhibit to the deed, describes the entire boundary of the Groseta Gardens Subdivision. It appears that the (2) parcels, colored in red on the attached Final Plat, were Remnant pieces that were not transferred to individual owners like the lots were.

THE ISSUE AT HAND:

The purpose of Mr. Rooney's E-mail was to ask if the Town would be interested in transferring the ownership of the (2) parcels from AZDEM to the Town. Russ said yes and quickly handed it over to me and said "get it done".

RESULTING ISSUES & QUESTIONS FROM RESEARCH DONE:

- If you go to the Dedication portion of the Final Plat, in the top-right corner, I have hi-lighted the verbage that talks about the streets, utility - drainage easements and the park. As you can see, the bottom parcel is a drainage easement and the upper parcel, next to Finnie Flat Road, is called a park. The Dedication statement says that "and hereby dedicates to the public for use as such the streets and park shown on said Plat included in the above described premises. Utility easements are hereby dedicated for purposes shown, together with drainage easement parcel." As I have seen with Final Plats from this era (1960's - 1980's) the dedication portion of Plats dedicated the streets and easements to the Public. As you can also see, when this subdivision was created, it was in the County before the Town's incorporation. I understand that once a Town incorporates, all properties, such as right of ways and easements, that were held by the County transfer to the Town, if located within the corporate limits. Each County approaches dedications to the public differently. Several Counties interpret dedications or transfers of ownership to the public for properties within the county as going to the County as the Fiduciary holder of the property or easement for the public.

In the dedication, it definitely dedicates the streets and park to the public. It seems unclear as far as the drainage easement

Parcel. The funny thing about the Yavapai County Assessor's Office is that they show the streets within the Groseta Gardens

Subdivision as being owned or held by the Town of Camp Verde but, not the Park.

- I could contact the Assessor and ask her to take a look at the issue and I could argue that since the streets, that were dedicated to the public, are shown as being the Town of Camp Verde's why not the Park?
- I could also advise AZDEM that we could prepare Quit Claim Deeds for the Park and the Drainage Easement parcels and have the appropriate State Official execute the deeds and then we would record them.

Bill, please provide an opinion on the direction I should take this. Mr. Rooney will be gone for the next two weeks. Could you have an answer for me by March 26th, 2012?

Mike Jenkins, AICP
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In addition, to ensure compliance with the Open Meeting Law, Council or Board/Commission members who are recipients of this message should not forward it to other members of the Council or Board/Commission of the Town of Camp Verde. Council Members or Board/Commission members may reply to a staff member regarding this message, but they should not send a copy of a reply to other Council or Board/Commission members.

Please consider our environment before printing this email. 

Mike Jenkins

From: Carol Brown
Sent: Monday, March 05, 2012 9:35 AM
To: Robert Rooney
Cc: Mike Jenkins; Jenna Owens
Subject: RE: Transfer of Land

Bob,

Re: an answer to transfer parcels back to the Town of Camp Verde's ownership-

I am referring you to Community Development Director Mike Jenkins at 928.567.8513 Extension 118 or mike.jenkins@campverde.az.gov as he has the expertise to analyze this matter.

Best regards,

Carol Brown
Risk Manager/Administrative Assistant to the Town Manager
473 S. Main Street, Ste. 102
Camp Verde, AZ 86322
[P] (928) 567-6631 x 106
[F] (928) 567-8291
[E] carol.brown@campverde.az.gov

From: Robert Rooney [REDACTED]
Sent: Thursday, February 23, 2012 9:53 AM
To: Carol Brown
Subject: Transfer of Land

Dear Ms. Brown,

Thank you again for taking the time to discuss with me the two different parcels of land that the State of Arizona discovered it had on its books. The parcels of land are listed as 40323098 and 40323099. these two parcels were described to my by your County Assessor's office, (Karen) as one being a drainage culvert and the other as a park.

With these two parcels being within your jurisdiction and the Division of Emergency Management has no need or desire to hold them, we are looking at a means to transfer them back to your ownership. Please contact me with what is the correct manner in which this can be accomplished.

I look forward to discussing this further with you in the very near future.

Best,

Bob

