Support your local merchants.

AGENDA
REGULAR SESSION
MAYOR AND COUNCIL
473 S MAIN STREET, SUITE 106
WEDNESDAY, JANUARY 20, 2016 at 6:30 P.M.

Note: Council member(s) may attend Council Sessions either in person or by telephone, video, or internet conferencing.

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 – January 6, 2016
   b) **Set Next Meeting, Date and Time:**
      1) Friday, January 22, 2016 at 8:00 a.m. Work Session-CIP
      2) Wednesday, January 27, 2016 at 6:30 p.m. Council Hears Planning & Zoning Matters
      3) Friday, January 29, 2016 at 8:00 a.m. Work Session-
      4) Wednesday, February 3, 2016 at 6:30 p.m. Regular Session
      5) Wednesday, February 10, 2016 at 5:30 p.m. Work Session
      6) Wednesday, February 17, 2016 at 6:30 p.m. Regular Session
      7) Wednesday, February 24, 2016 at 6:30 p.m. Council Hears Planning & Zoning Matters
   c) **Possible approval and authorization for the Mayor and/or Vice Mayor in the Mayor's absence, to execute required documents to facilitate the donation of parcel 404-13-306 from Terry and Aloma Briggs to the Town of Camp Verde. Property is located in Verde Lakes on Yucca Drive** Staff Resource: Ron Long
   d) **Possible approval and authorization for the Mayor and/or Vice Mayor in the Mayor's absence, to execute both and Abandonment of Easement, and a new permanent Access Easement, to be recorded for public roadway purposes. This property is located off Industrial Drive that the Town purchased to develop and use as the Public Works yard.** Staff Resource: Ron Long.
   e) **Possible approval of Focused Future II Community and Economic Development Strategic Plan.** Staff Resource: Steve Ayers

5. **Special Announcements and presentations:**
   - **Certificate of Appreciation to Mike Hough for his time serving on Board of Adjustments & Appeals**
   - **Certificate of Appreciation to Kathy Davis and Tony Gioia**

6. **Call to the Public for Items not on the Agenda.**

7. **Presentation by Verde River Basin Partnership, updating Council on current activities.** Resource: Vice-Mayor Bruce George

8. **Presentation and possible acceptance of the Town of Camp Verde's FY 15 Audit.** Staff Resource: Michael Showers

9. **Presentation followed by discussion of Buxton Company's proposal to provide retail recruitment and retention services to the Town of Camp Verde.** Staff Resource: Steve Ayers

10. **Update by Planning & Zoning Chairperson B. J. Davis regarding the proposed General Plan, to include but not limited to the calendar of important dates, and 60 day review period.**

11. **Presentation and possible discussion of Quarterly Reports as presented by :**
    - **Planning & Zoning Commission**
    - **Board of Adjustments & Appeals**

12. **Discussion, consideration and possible approval of amendment to the Town's Salary Plan with the addition of the Visitor Center Ambassador job description.** Staff Resource: Steve Ayers/ Barbara Bridge

13. **Discussion, consideration and possible approval of Resolution 2016-957, a Resolution of the Mayor and Common Council of the Town of Camp Verde, Yavapai County, Arizona, on a request by Mr. G. Scott Simonton, Manager of Simonton Ranch 18, LLC, owner of the un-platted Elk Creek Subdivision located in the Simonton Ranch Master Planned Community, to provide for an extension of time for the Preliminary Plat approval of said Elk Creek Subdivision. This time extension is based on the original "Development Agreement" between the Town of Camp Verde and Harvard Investments, (see attached, Exhibit "a' Development Agreement) as recorded in Book 3663, page 213 of the Yavapai County, Arizona, Recorder, under Section 8:11 as follows:**
    - **If the PAD is not approved by the Town Council, or is approved subject to conditions or stipulations not accepted by Developer, Developer shall have no obligation to construct any of the improvements provided for in the Agreement or the PAD. If market conditions and/or development financing materially change the feasibility of the PAD Plan, Developer may interrupt development until market conditions and/or development financing are again favorable, at which time continued development of the Property will be in accordance with the PAD Plan.**

    Aside from the above referenced Development Agreement, the Developer has submitted a letter dated December 8, 2015 agreeing to the following:
    - **Update the Drainage Report**
    - **Submit a copy of the recently prepared Traffic Study on Finnie Flat Road.**
    - **Make Corrections to Water and Sewer Plans caused by the construction of a sewer line through Elk Creek to serve the Verde Valley Medical Center.**
    - **Upon approval of the final plat and prior to recordation, an assurance of completion will be provided.**

14. **Call to the Public for items not on the agenda.**

15. **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.

16. **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.

17. **Adjournment**

Posted by: _____ Date/Time: 01-14-16 12:47 pm.

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.

T-a

DRAFT MINUTES
REGULAR SESSION
MAYOR AND COUNCIL
473 S MAIN STREET, SUITE 106
WEDNESDAY, JANUARY 6, 2016 at 6:30 P.M.

Note: Council member(s) may attend Council Sessions either in person or by telephone, video, or internet conferencing.

1. **Call to Order**
Vice Mayor George called the meeting to order at 6:30 p.m.

2. **Roll Call**
Mayor Charles German was absent. Vice Mayor Bruce George, Councilor Robin Whatley, Councilor Brad Gordon, Councilor Carol German, Councilor Jackie Baker and Councilor Jessie Jones-Murdock were present.

Also Present
Town Manager Russ Martin, Marshall Nancy Gardner, Community Development Director Michael F. Jenkins, Library Director Kathy Hellman, Town Clerk Virginia Jones, and Recording Secretary Lynn Riordan.

3. **Pledge of Allegiance**
Vice Mayor George led the 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) Special/Work Session – December 9, 2015
      2) Executive Session – December 9, 2015 –Confidential & Sealed
      3) Special Session – December 16, 2015
      4) Council Hears Planning & Zoning combined with Regular Session – December 16, 2015
   b) **Set Next Meeting, Date and Time:**
      1) Friday, January 8, 2016 at 8:00 a.m. General Plan Work Session - CANCELLED
      2) Wednesday, January 13, 2016 at 5:30 p.m. Work Session
      3) Wednesday, January 20, 2016 at 6:30 p.m. Regular Session
      4) Friday, January 22, 2016 at 8:00 a.m. Work Session
      5) Wednesday, January 27, 2016 at 6:30 p.m. Council Hears Planning & Zoning Matters
      6) Friday, January 29, 2016 at 8:00 a.m. Work Session
   c) **Possible approval and authorization granted to the Mayor for the execution of a Utility Easement at 130 N Black Bridge Road to be recorded for the benefit of Arizona Public Service.** Staff Resource: Ron Long
   d) **Possible approval of the 2016 Policy Statement that authorized the Mayor, as the Town's Chief Elected Official, to support or oppose legislative bills relative to the protection of groundwater, State Shared Revenue sources, and land use authority if the bill(s) adversely affect the Town's interest and needs an immediate response.** Staff Resource: Mayor and Council
   e) **Possible approval of Resolution 2016-954, a Resolution of the Mayor and Common Council of the Town of Camp Verde, Yavapai County, Arizona setting the 2016 Meeting Dates and Times for regular meetings of the Council and all Commission/Committees.** Staff Resource Virginia Jones
   f) **Possible approval of update to Library's Internet/Computer and Wireless Use Policy to add**

'Users are prohibited from the use of the library's Internet or wireless network to demean, embarrass, harass, threaten, intimidate, impersonate or bully another person'. Staff Resource: Kathy Hellman

Councilor German requested a correction on the December 16, 2015 Minutes, page 4 Item 11, on a **motion** by Councilor Baker, seconded by Councilor German, the Council unanimously voted to approve the Consent Agenda, except the Minutes from December 16, 2015. On a **motion** by Councilor German, seconded by Councilor Baker, the Council unanimously voted to approve the December 16, 2015 Minutes with a correction on Page 4, Item 11, correcting the name to Harkness.

5. **Special Announcements and presentations:**
   - **Certificate of Appreciation to Howard Parrish**

Vice Mayor George presented a Certificate of Appreciation to Howard Parrish for 50 years of dedicated volunteer services to the Town of Camp Verde. Vice Mayor George acknowledged Mr. Parrish's years of service on the Planning and Zoning Commission, 5 1/2 years on the Town Council, Camp Verde Calvary since 1958, Colonel's Daughter since 1960, and 10 years establishing the Mail Trail, in addition many other dedicated services to local organizations and residents.

6. **Call to the Public for Items not on the Agenda.**

Steve Goetting addressed the Common Council advising the Chamber of Commerce would be meeting tomorrow (Thursday) at Denny's at 8:30 a.m. The Chamber would be hosting a monthly meeting the first Thursday of every month. This month the Yavapai College Culinary Program and discussion of Proposition 123 would be on the Agenda.

7. **Public hearing, followed by discussion, consideration and possible approval of a Series 10 (Beer/Wine) Liquor License for Kim Kenneth Kwiathowski- Circle K Stores Inc. located at 752 W. Finnie Flat Road, Camp Verde, AZ 86322.** Staff Resource: Virginia Jones

On a **motion** by Councilor Baker, seconded by Councilor Gordon, the Council unanimously voted to approve the Application of a Series 10 (Beer/Wine) Liquor License for Kim Kenneth Kwiathowski-Circle K Stores Inc. located at 752 W. Finnie Flat Road, Camp Verde, AZ 86322.

Staff Comment: Town Manager Russ Martin advised the Council that Mr. Kwiathowski was not present. The application for the liquor license is for the proposed new location of Circle K Stores, Inc., next to the Bashas Shopping Center at 752 W. Finnie Flats Road.

Public Hearing Open. No Public comments.
Public Hearing Closed.
Council Discussion: As requested by Council, Town Clerk Virginia Jones advised the Council that Notice had been posted as required by law. No public comment for or against the application had been received.

8. **Discussion, consideration and possible appointment of members to the Board of Adjustment and Appeals and to the Planning & Zoning Commission. The terms of for three (3) years effective January 2016 and will expire December 31, 2019. Letter of interest for Planning & Zoning Commission have been received from Jim Hisrich, B. J. Davis, Stephen Goetting, Teresa Helm and Buck Buchanan. Letters of Interest for Board of Adjustments have been received from Buck Buchanan, Ben Bassous, and B. J. Davis.**

On a **motion** by Councilor German, seconded by Councilor Baker, the Council unanimously voted to

appoint Jim Hisrich, B. J. Davis and Teresa Helm to the Planning and Zoning Commission for a 3 (three) year term expiring December 31, 2019.

Comments from applicant:

B. J. Davis (current Planning and Zoning Commission Chairman), addressed the Council in support of his application for (re-)appointment to the Planning and Zoning Commission. **Steve Goetting** addressed the Council in support of his application for appointment to the Planning and Zoning Commission. **Teresa Helm** addressed the Council in support of her application for appointment to the Planning and Zoning Commission. **Jim Hisrich** and **Buck Buchanan** were not present.

Questions for Applicant from Council. None

Council Discussion. As requested by Council and the applicants, Town Clerk Virginia Jones advised that applications and letters of interest (for appointment to Commissions and Boards) are kept on file in the Clerk's Office for a period of two years. Councilor German advised that all applications had been considered, and stated she would like to see Teresa Helm serving on the Commission, as she believed Ms. Helm would be an asset, with a new perspective and a woman's view. Councilor Whatley advised that Jim Hisrich and B. J. Davis have done an excellent job on the Commission over the past few years, and would like to see them stay on the Commission to see the new General Plan completed, stating of their (re)appointment. Councilor Whatley also stated support of Ms. Helm's appointment as she also believed that Ms. Helm would bring a new perspective to the Commission. Councilor Baker stated support for the (re)appointment of Jim Hisrich and B. J. Davis based upon their excellent service over the past years, and also stated the appointment of Teresa Helm to the Commission would be a good addition. Vice Mayor George thanked all applicants and advised that all applications and letters of interest would remain active and on file with the Clerk's Office for a period of two years.

On a **motion** by Councilor German, seconded by Councilor Gordon, the Council unanimously voted to appoint Buck Buchanan, Ben Bassous, and B. J. Davis to the Board of Adjustments and Appeals for a 3 (three) year term expiring December 31, 2019.

Comments from applicant:

B. J. Davis addressed the Council in support of his application for appointment to the Board of Adjustment and Appeals. **Ben Bassous** and **Buck Buchanan** were not present.

Questions for Applicant from Council. Councilor Baker inquired if having B. J. Davis on both the Planning and Zoning Commission and the Board of Adjustment and Appeals would create a conflict of interest. Mr. Davis advised that pursuant to Town Code no conflict of interest exists, however, he would recuse himself from any matter on the Board of Adjustment and Appeals if any potential conflict of interest should arise.

Council Discussion. Councilor German stated according to Town Code no conflict exists for Mr. Davis to serve on both the Commission and the Board of Adjustment and Appeals. Councilor Gordon advised that the Planning and Zoning Commission and the Board of Adjustment and Appeals serve two separate purposes and roles. Council Whatley stated that if a conflict should arise, the Board of Adjustment and Appeals could proceed with only six members, if it is necessary for Mr. Davis to recuse from any matter.

9. **Call to the Public for items not on the agenda.**
None.

10. **Council Informational Reports.** These reports are relative to the committee meetings that Council members attend. The Committees are Camp Verde Fire District, 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.

Councilor German advised that the Yavapai College Committee would be meeting tomorrow (Thursday).
Councilor Jones-Murdock had no report.
Councilor Baker had no report.
Councilor Gordon advised that he attended the water resources meeting on Tuesday. The meeting was very informative and focused on water conservation.
Councilor Whatley had no report.
Vice Mayor George stated he also attended the water resources meeting on Tuesday, advising the Linda Spitzer had provided information on promoting water conservation.

11. **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.
Town Manager Russ Martin advised that the Legislature will be going into session soon. Updates will be provided to all Council Members and any matter the any Council Member would like to address or discuss, please let the Town Clerk know so that it may be placed on the Agenda.

Adjournment. Mayor German, with no objection from Council, pronounced the meeting adjourned at 7:04 p.m.

_____
Charles German, Mayor

_____
Virginia Jones, 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 Mayor and Common Council of the Town Council of Camp Verde, Arizona, held on January 6, 2016. I further certify that the meeting was duly called and held, and that a quorum was present.

Dated this _____ day of _____, 2016.

_____
Lynn Riordan, Recording Secretary

4.C.

Town of Camp Verde

Agenda Item Submission Form – Section I

Meeting Date: January 20, 2016

☒ *Consent Agenda* ☐ *Decision Agenda* ☐ *Executive Session Requested*

☐ *Presentation Only* ☐ *Action/Presentation* ☐ *Special Session*

Requesting Department: Administration

Staff Resource/Contact Person: Russ Martin

Agenda Title (be exact): Possible authorization for the Mayor &/or Vice Mayor to execute required documents to facilitate the donation of parcel 404-13-306 from Terry and Aloma Briggs to the Town of Camp Verde

List Attached Documents: location map (1 page)

Estimated Presentation Time: N/A

Estimated Discussion Time:

Reviews Completed by: N/A

☐ ***Department Head:*** ☐ ***Town Attorney Comments:***

Finance Review: ☐ **Budgeted** ☐ **Unbudgeted** ☐ **N/A**

Finance Director Comments/Fund:

Fiscal Impact: apx. $800 Budget Code: 01-999-20-758100 Non-Departmental

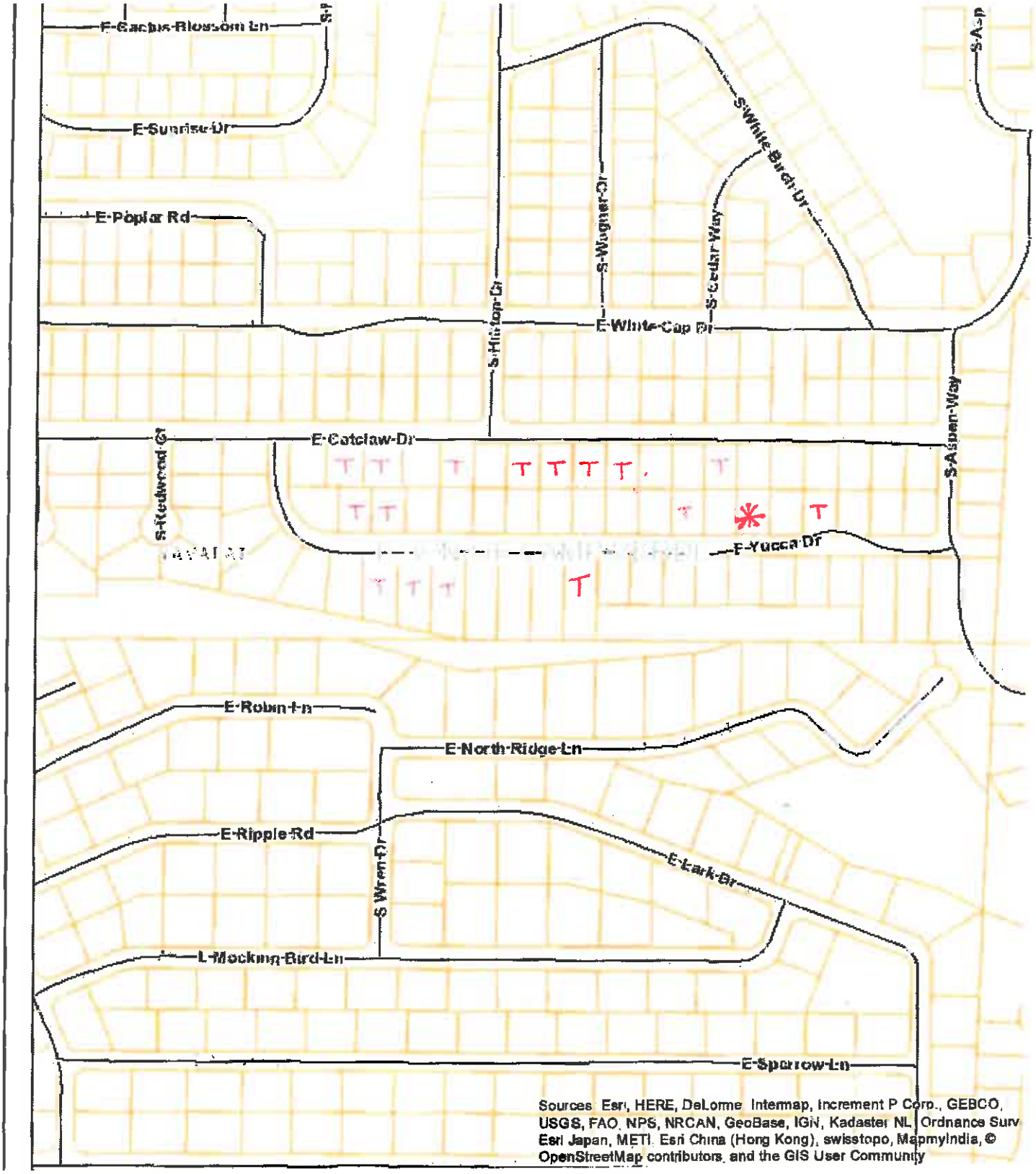
Comments: This will cover Title and recording fees

Background Information: Mrs. Terry Briggs has been in contact with staff requesting the Town accept the donation of parcel 404-13-306 in Verde Lakes Estates, which is owned by Terry and Alaoma Briggs. This lot is located near the West Clear Creek channel, in a flood plain, and is not suitable for development. The Town owns other lots in this area, a few are shown on the attached map. Staff has inspected the property and found no issues of illegal dumping or structures that would be of concern.

A Standard Title policy will be obtained to ensure clear title to the property prior to the transfer deed to the Town.

Recommended Action (Motion): Move to approve and authorize the Mayor &/or Vice Mayor to execute required documents to facilitate the donation of parcel 404-13-306 from Terry and Aloma Briggs to the Town of Camp Verde

Instructions to Clerk: Provide the approved Minutes of the January 20, 2016, Council Meeting to Yavapai Title and Obtain the Mayor's/Vice Mayor signature on Escrow documents.



* Property to be donated

T Property owned by Town - Not a complete showing of all Town properties in Verde Lakes

4-d.

Town of Camp Verde

Agenda Item Submission Form – Section I

Meeting Date: January 20, 2016

☒ *Consent Agenda* ☐ *Decision Agenda* ☐ *Executive Session Requested*

☐ *Presentation Only* ☐ *Action/Presentation* ☐ *Pre-Session Agenda*

Requesting Department: Public Works

Staff Resource/Contact Person: Ron Long

Agenda Title (be exact): Possible approval and authorization granted to the Mayor, or Vice Mayor in the Mayor's absence, to execute *both* an Abandonment of Easement, *and* a new permanent Access Easement, to be recorded for public roadway purposes.

List Attached Documents: Abandonment of Easement (4 pages)
Access Easement (3 pages)

Estimated Presentation Time: N/A

Estimated Discussion Time: N/A

Reviews Completed by:

☐ ***Department Head:***_____ ☒ ***Town Attorney Comments:*** Approved

☐ ***Finance Department*** N/A
Fiscal Impact: None
Budget Code: 20-480-20-758100 ***Amount Remaining:*** 50.00
Comments: Recording fees - estimated at less than $30.00

Background Information: In 2011, the Town purchased land located off Industrial Dr., to develop and use as the Public Works yard. As a condition of purchase, the seller granted the Town an access easement across the seller's adjoining property from Industrial Dr. The granted easement is for ingress/egress only and does not include any utility easements.

As the Yard is being developed, an entrance at Peterson Dr. has been constructed, improvements have been made to the Gaddis Wash crossing at Industrial Dr., and the seller is donating an additional .36 acres to the Town. As a result, a public ingress/egress easement, is now aligned fully within Town Property; making the 2011, easement unnecessary. By abandoning the 2011 easement, it removes public access from the seller's property and releases the Town from further responsibility of maintenance. The new Easement allows for the same/equal access for adjoining, privately-owned properties and is fully within Town owned land.

Recommended Action (Motion): Move to approve and grant authorization to the Mayor, or Vice Mayor in the Mayor's absence, to execute *both* an Abandonment of Easement, *and* a new permanent Access Easement, located on Town property, to be recorded for public roadway purposes.

Instructions to the Clerk: Obtain Mayor's/Vice-Mayor's signature. Please record the Abandonment of Easement 1st and the Access Easement 2nd.

WHEN RECORDED RETURN TO:

TOWN OF CAMP VERDE
473 S. Main Street
Camp Verde, Arizona 86322

CAPTION HEADING: ABANDONMENT OF EASEMENT

DO NOT REMOVE

THIS IS PART OF THE OFFICIAL DOCUMENT

Recording Cover Sheet

ABANDONMENT OF EASEMENT

KNOW ALL MEN BY THESE PRESENTS:

That BETA VENTURES, LLC, an Arizona limited liability company, as Grantor, granted to the TOWN OF CAMP VERDE, An Arizona municipal corporation, as Grantee, a permanent easement for the right of access over and across that certain real property as recorded with Yavapai County Recorder's Office, Book 4815 Page 940, depicted as "Beta Venture's LLC Portion.

The Town of Camp Verde, a municipal corporation, does hereby release the granted easement for ingress and egress as described in Exhibit A.1 attached hereto and incorporated herein by this reference (the "Abandoned Easement"). In accordance with the Abandonment of Easement, the property described hereby reverts to the Grantor as of January 7, 2016, and hereafter Grantor shall be solely responsible for all costs associated with improvement and maintenance of the Abandoned Easement

TOWN OF CAMP VERDE

By:_____ _____

Bruce George, Vice Mayor Date

STATE OF ARIZONA)
) ss
County of Yavapai)

The foregoing instrument was acknowledged before me, Bruce George, Vice Mayor this _____ day of _____,
2016, by, Town of Camp Verde

_____
Notary Public

My Commission Expires: _____

EXHIBIT A.1

LEGAL DESCRIPTION

An Easement, for ingress and egress purposes, described by metes and bounds, being situated in a portion of the North Half of Section 25, Township 14 North, Range 4 East of the Gila and Salt River Meridian, Town of Camp Verde, Yavapai County, Arizona, being more particularly described as follows:

COMMENCING at a found concrete nail and washer stamped "RLS 27238" monumenting the Center of said Section 25, from which a found aluminum capped iron bar stamped "LS 12218" monumenting the East Quarter corner of said Section 25 bears South 89°52'06" East, a measured geodetic bearing and basis of bearings for this description (record South 89°28'00" East per Results of Survey plat recorded at Book 8 of Land Surveys, Page 71, records of said Yavapai County, herein referenced as record source "R1", herein referenced as record source "R1"), a distance of 2,648.76 feet (record 2,648.76 feet per "R1");

THENCE North 01°46'50" East (record North 02°11'50" East per "R1"), along the North-South mid-Section line of said Section 25, a distance of 636.90 feet (record 637.00 feet per "R1" and "R2") to a found ½" iron bar (affixed plastic cap stamped "FOUND PT RLS 37401") monumenting the Southwesternmost corner of that certain parcel of land described as Tax Parcel No. 403-22-025C in Exhibit "A" at Book 3539 of Official Records, Page 522, records of said Yavapai County herein referenced as record source "R2")

THENCE North 01°47'15" East, along said North-South mid-Section line and along the West line of said parcel, a distance of 379.71 feet to a found ½" iron bar (affixed plastic cap stamped "FOUND PT RLS 37401") monumenting an angle point on said West line of said parcel;

THENCE North 01°43'24" East, along said North-South mid-Section line and along said West line of said parcel of land described as Tax Parcel No. 403-22-025C ("R2"), a distance of 294.76 feet to a found marked stone monumenting the 1/16th corner of said Section 25;

THENCE North 89°52'41" West, a distance of 135.35 feet to a found ½" iron bar (affixed plastic cap stamped "FOUND PT RLS 37401");

THENCE North 90°00'00" West, a distance of 21.42 feet to the **TRUE POINT OF BEGINNING.**

THENCE North 90°00'00" West, a distance of 45.58 feet to the beginning of a circular curve to the right, concave Southerly, the radius point of which bears South 45°35'19" East, a distance of 230.06 feet;

THENCE Northeasterly, Easterly and Southeasterly, along the arc of said curve, through a central angle of 76°28'02", an arc length of 307.04 feet, said curve being subtended by a chord bearing North 82°38'42" East and a chord length of 284.75 feet, to the end of said curve;

THENCE South 59°07'17" East, a distance of 71.27 feet to the beginning of a circular, tangent curve to the left, concave Northerly, the radius point of which bears North 30°52'43" East, a distance of 176.75 feet;

THENCE Southeasterly, along the arc of said curve, through a central angle of 05°59'22", an arc length of 18.48 feet, said curve being subtended by a chord bearing South 62°06'58" East and a chord length of 18.47 feet to the end of said curve;

THENCE South 67°40'41" West, a distance of 38.67 feet;

THENCE North 59°07'17" West, a distance of 66.54 feet to the beginning of a circular, tangent curve to the left, concave Southerly, the radius point of which bears South 30°52'43" West, a distance of 200.06 feet;

THENCE Northwesterly, Westerly and Southwesterly, along the arc of said curve, through a central angle of 67°17'35", an arc length of 234.97 feet, said curve being subtended by a chord bearing South 87°13'56" West and a chord length of 221.69 feet to the end of said curve, being the **TRUE POINT OF BEGINNING**.

Containing 0.24 acres or 10,484.35 square feet more or less

REGISTERED LAND SURVEYOR
CERTIFICATE NO.
37401
JODY ALLEN
STONE
Date Signed 6·1·11
ARIZONA, U.S.A.
Expires 03/31/14

When Recorded Return to:
TOWN OF CAMP VERDE
473 South Main Street
Camp Verde, Arizona 86322

ACCESS EASEMENT AGREEMENT

The TOWN OF CAMP VERDE, ARIZONA, a municipal corporation ("Grantor"), does hereby designate a permanent easement (the "Easement"), more particularly described on the attached Exhibit A.1, for the right of ingress and egress for public roadway purposes over and through a parcel of land situated in a portion of the Northeast quarter of Section 25, Township 14 North, Range 4 East of the Gila and Salt River Meridian, Town of Camp Verde, Yavapai County, Arizona, as recoded in Book 4815 Page 940-6-7.

TOWN OF CAMP VERDE--GRANTOR

By: _____ _____
Bruce George, Vice Mayor Date

STATE OF ARIZONA)
) ss
County of Yavapai)

The foregoing instrument was acknowledged before me, this _____ day of _____, 2016, by Charles German, Mayor, Town of Camp Verde

_____
Notary Public

My Commission Expires: _____

4.E.

Town of Camp Verde

Agenda Item Submission Form – Section I

Meeting Date: January 20, 2016

☒ Consent Agenda ☐ Decision Agenda ☐ Executive Session Requested

☐ Presentation Only ☐ Action/Presentation

Requesting Department: Economic Development

Staff Resource/Contact Person: Steve Ayers

Agenda Title: Possible approval of the Focused Future II Plan.

List Attached Documents: Focused Future II Strategic Economic and Community Development Draft Plan.

Estimated Presentation Time: N/A

Estimated Discussion Time: N/A

Reviews Completed by:

☒ **Department Head:** Steve Ayers ☐ **Town Attorney Comments: N/A**

☐ **Finance Department N/A**

Fiscal Impact: None

Budget Code: N/A **Amount Remaining:** _____

Comments:

Background Information:

Recommended Action (Motion):

Instructions to the Clerk: N/A

A FOCUSED FUTURE II

Strategic Plan for Economic Development

REVISED WORKING PAPER #4

COMMUNITY AND ECONOMIC DEVELOPMENT STRATEGIC PLAN

CAMP VERDE FOCUSED FUTURE II

PARTNERS FOR STRATEGIC ACTION, INC.

In partnership with Applied Economics and ESI Corporation

November 2015

Acknowledgements

Town Council

Mayor Charles German
Vice-Mayor Bruce George
Jackie Baker (also served on Action Team)
Carol German
Bradford Gordon
Jessie Jones
Robin Whatley

Action Team

Steve Ayers, project manager
Linda Buchanan
Suzy Burnside
Babs Capezio-Adams
Bill Carter
Chris Clarke
Cat Davis
Emily Diver
Dave Freeman
John Hall
Linda Harkness
Bill Jump
Amber Marchant-Lee
Eric Marcus
Mary McCarthy
Nikki Miller
Buddy Rocha
Sheila Stubler
Jane Whitmire
Cheri Wischmeyer
Alexandria Wright
Ken Zoll

Darla Deville
Kelly Patton

Audra Koester Thomas
Curt Dunham

in partnership with
Sarah Murley, Applied Economics
Judie Scalise, ESI Corporation

Table of Contents

Acknowledgements 1
Town Council 1
Action Team 1
Preamble 2
Engagement 2
Coordinated Effort 2
Plan Layout 3
Economic Snapshot 4
Camp Verde's Strategic Position 4
Economic Context 4
Strategic Direction 11
Economic Development Primer 12
Guiding Principles 13
Community and Economic Development Vision 13
Community and Economic Development Strategy 13
Focus Area: Tourism and Recreation 14
Focus Area: Infrastructure and Placemaking Development 17
Focus Area: Business Development, Support, Attraction, and Retention 18
Focus Area: Workforce Development and Education 20
Implementation 22
Framework for Success 22
Plan Evaluation and Update 22
Roles and Responsibilities 24

Preamble

Camp Verde has a sustained partnership with its energy provider, APS, to assist with community development efforts. As part of this partnership, APS has worked with the community several times through its Focused Future program. *A Focused Future* was developed by APS to provide local communities technical assistance in developing a grassroots community and economic development strategic plan. The latest Focused Future effort initiated in late 2014 bringing together citizens, landowners, agencies, policy makers, and other stakeholders to develop the Camp Verde Focused Future Strategic Plan for Community and Economic Development. Led by an active, broad-based citizen and stakeholder committee called the Action Team, a year-long process to devise a community and economic development strategy was successfully completed. The Action Team's purpose is to work closely with APS and their consultants in completing the project. Over the course of the planning process, the Action Team met eight times.

The Focused Future II process answers three basic questions:

1. What are the opportunities to successfully strengthen and expand Camp Verde's economy?
2. What are the appropriate strategic initiatives for economic development?
3. How should Camp Verde's partners collaborate to be successful in implementing these initiatives?

The town of Camp Verde is the local sponsor, along with APS, for the Focused Future II process.

Engagement

While the broad-based Action Team was responsible for the construction of this plan, the process included several opportunities to receive feedback from and engage with community residents and stakeholders.

In early 2015, the Action Team initiated the engagement effort by identifying two topical areas to further investigate through facilitated focus groups. In January, a focus group was facilitated to better define, understand, and consider issues affecting and opportunities for youth and young families in Camp Verde. While deficiencies in the community were identified, specific attention was given to what needs to be done to keep and attract more young people to Camp Verde. In February, a focus group was facilitated to help better define, understand, and consider the current business climate in Camp Verde. The Action Team used feedback received from the focus groups to identify potential strategies most relevant for the community's sustainability and growth.

In April and May, the Action Team solicited feedback on the draft policy framework. Participants provided feedback via an online instrument. After further definition of the framework by the Action Team, a collaborative engagement effort in conjunction with the town's General Plan Update was facilitated at the town's annual Cornfest (July 18, 2015). While Cornfest provided an opportunity for the Action Team to speak one-on-one with interested residents and business interests, the engagement effort was extended with a display of the draft focus area goals and strategies at the library with feedback solicited through August 14, 2015.

Coordinated Effort

The timing of the Focused Future II effort was intentional: as the required update of the town's general plan was approaching, the council elected to move forward with Focused Future so that the work of the

Action Team could inform the update of the economic development element. While the product of the Focused Future II effort is a stand-alone community and economic development plan, its policy framework was used to inform and update policy within the economic development element.

Plan Layout

This plan has four key components.

Economic Snapshot

Compiled at the project's onset, this section includes data the Action Team used to better understand the community's economic context. Considered a "snapshot in time," the reader should understand that more recent data may be available.

Strategic Direction

This section sets the stage for the plan, providing the reader a primer on economic development and outlining the community's guiding principles and economic development vision.

Community and Economic Development Strategy

The operating feature of the plan, this section outlines the goals, strategies, and baseline performance indicators for each of the four focus areas.

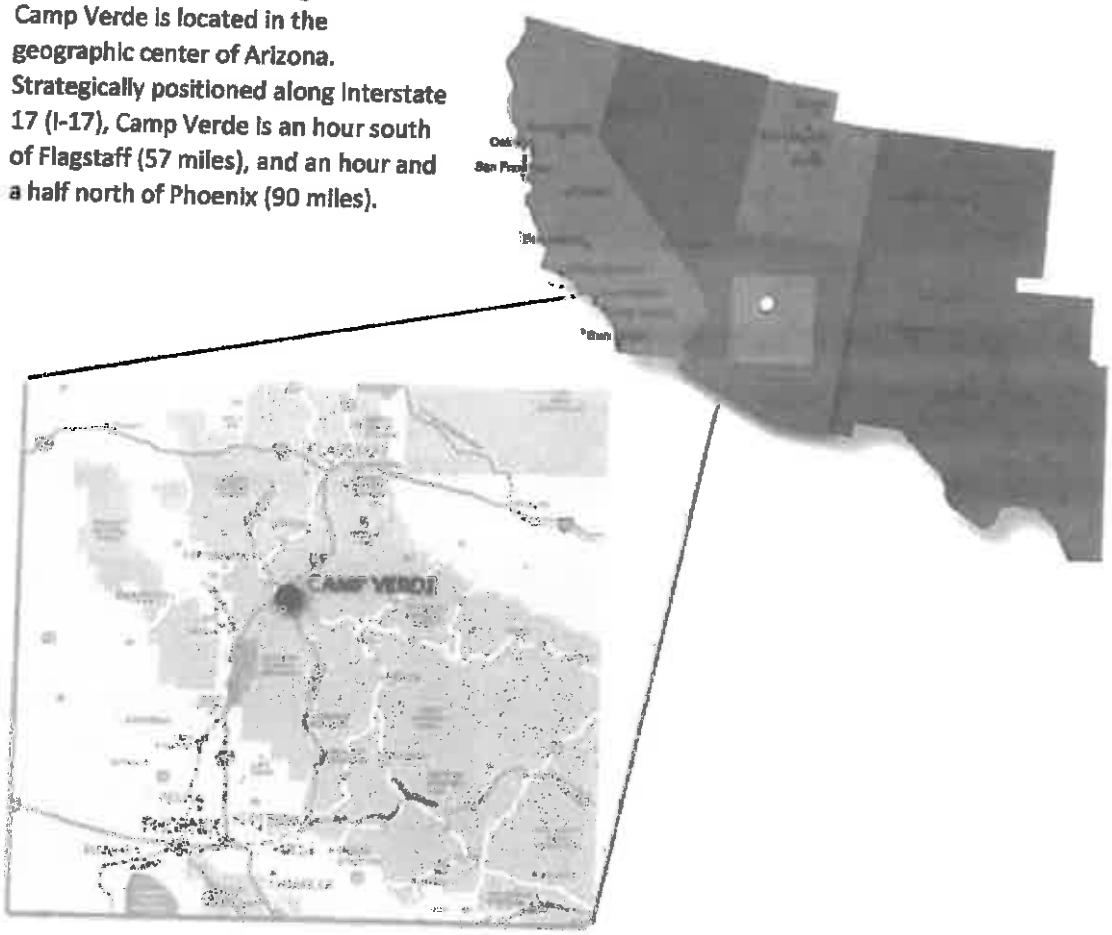
Implementation

This section outlines recommendations for success and how the plan will be monitored and updated, and outlines the roles and responsibilities of regional partners whose contributions are collectively needed in order to realize success.

Economic Snapshot

Camp Verde's Strategic Position

Camp Verde is located in the geographic center of Arizona. Strategically positioned along Interstate 17 (I-17), Camp Verde is an hour south of Flagstaff (57 miles), and an hour and a half north of Phoenix (90 miles).



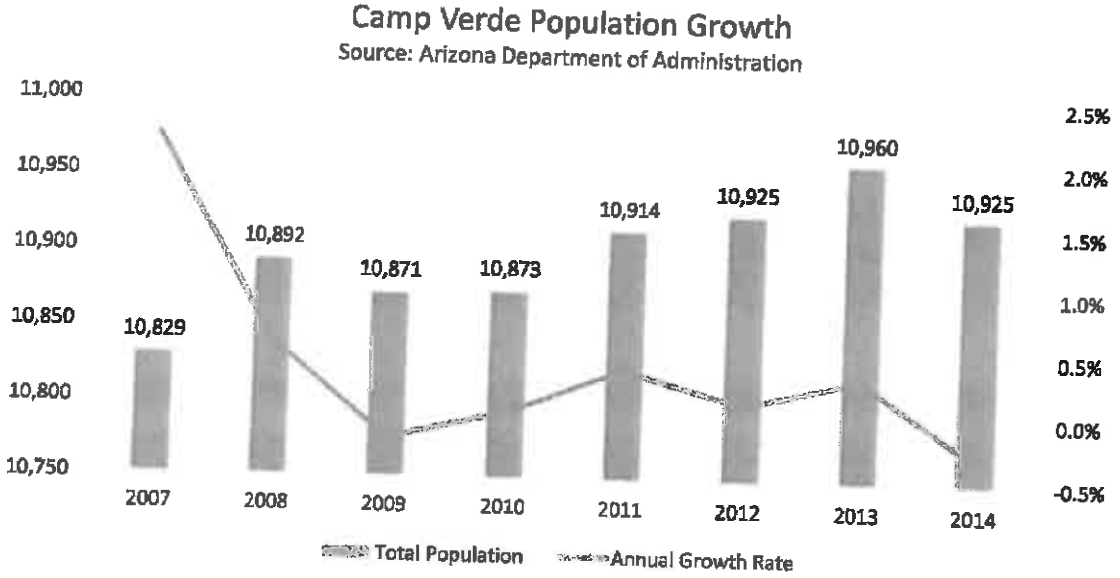
Economic Context

The economic context includes aspects measuring economic performance: population, labor force, income, economy, construction, assessed value, and quality of life. Indexing local data relative to statewide trends suggests that the town is lagging the state in terms of economic recovery.

Population

Population growth is the most basic measure of activity levels in a community. Details about demographic trends help explain how population may impact other facets of the economic climate. Camp Verde's population grew by only about 1.2 percent between 2007 and 2013 and most recently has experienced a slight decline in population. Statewide population grew only 5 percent from 2007 to 2013, most of which occurred prior to 2009.

In terms of demographics, the town's share of population under 18 in 2013 was significantly lower than the state at about 19 percent versus 25 percent; in contrast, the share of population over 64 was nearly twice the state average.

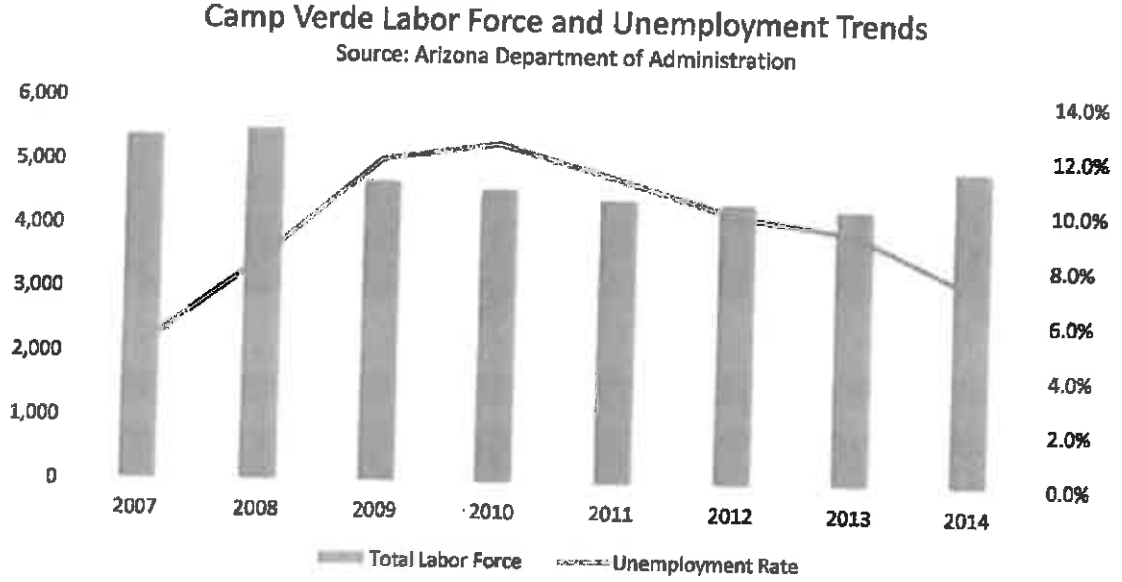


School enrollment also tells an interesting story, increasing through 2009, dropping significantly in 2010 and 2011, and then rebounding to pre-recession levels in 2012 and 2013. Most of this growth occurred at the elementary level, which may be an indicator of increases in younger working-age residents.

Labor Force and Unemployment

Labor force trends are a good overall indicator of the level of economic opportunity. The labor force in Camp Verde grew through 2008, but has decreased steadily since that time. Since population has not declined, this may be an indicator of shifting demographics. Labor force participation in the town has also declined rapidly, from 63 percent of the population over age 18 in 2008 to 48 percent in 2013. In comparison, labor force participation at the state level is 61 percent.

Similar to the state, Camp Verde's unemployment rate increased significantly during the recession. The state went from a low of 3.7 percent unemployment in 2007 to a high of 10.4 percent in 2010, while Camp Verde went from 4.9 to 12.4 percent during that time period. Since then, employment rates have improved.



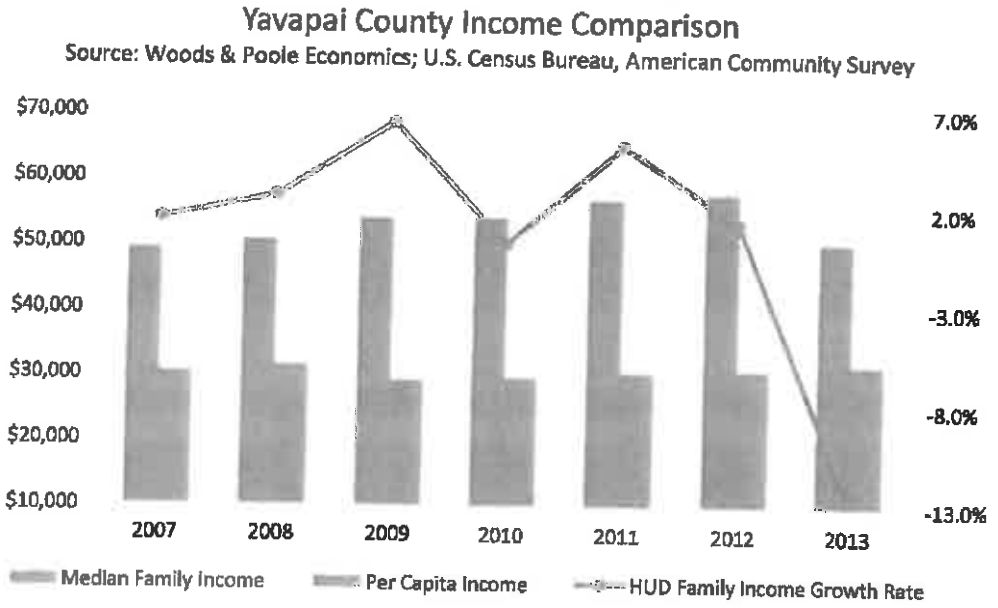
Educational attainment is also a factor closely linked to unemployment rates. The share of high school graduates in 2013 was similar to the state at 86 percent, but the share of college graduates was well below the state average, at 14 percent versus 27 percent.

Median Income

The most valid available measure of income at the local level is per capita income. Per capita income levels in the county increased 4.9 percent from 2007 to 2013 compared to a 5.6 percent increase statewide. However, per capita income in Yavapai County in 2013 was still only 85 percent of the state average. Some of this can be explained by the fact that the county has a larger-than-average retiree population which is not living off current income and which is not reflected the same way in the per capita income figures.

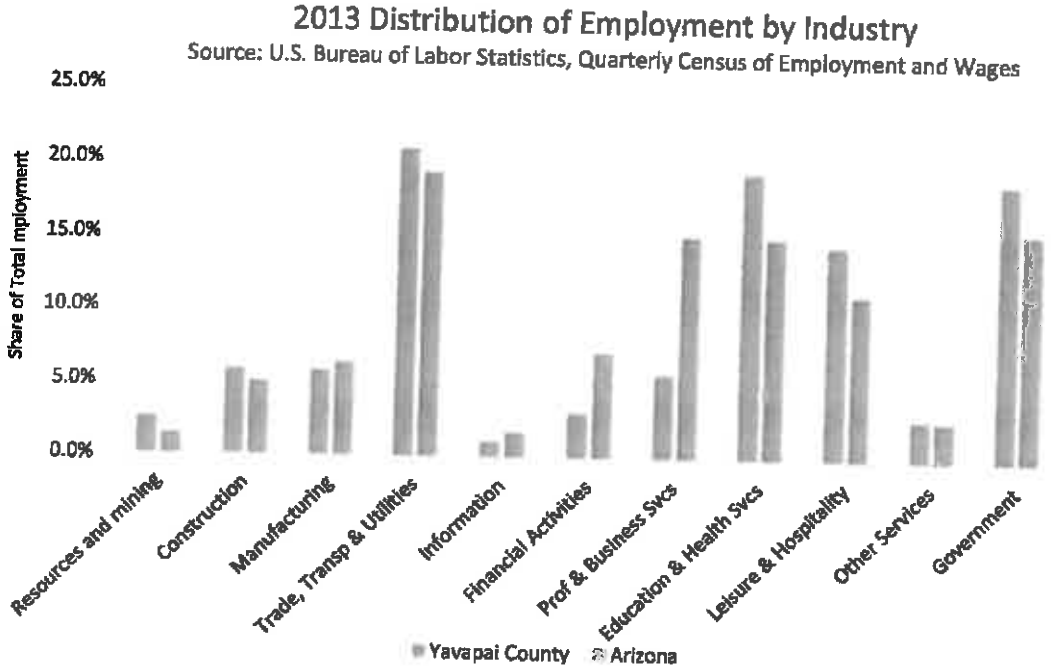
Median household income in Yavapai County increased by only 2.9 percent during the 2007 to 2013 period. Household income in Yavapai County was about 94 percent of the state average in 2013. Income data is not available at the city level.

The poverty rate in Camp Verde increased dramatically during the Great Recession, rising from 17 percent in 2009 to 30 percent in 2012. In 2009, the county was only slightly above the state average, but by 2012 it was over 70 percent above the state average.



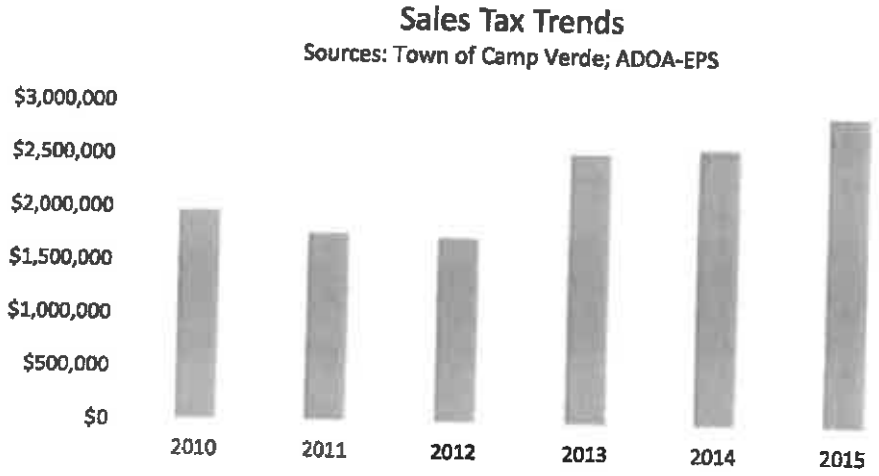
Economy

Understanding the makeup of the region's economic base sheds light on its ability to weather recessions and its response to the recovery. Yavapai County has seen a steady decrease in the number of business establishments, with about 1,170 fewer establishments in 2013 than in 2007. Although data is only available for Camp Verde through 2011, the town appears to follow a similar pattern. Industry employment declined over the same time period in both the county and Camp Verde, although the county has shown modest growth since 2011. Camp Verde represents about only 5 percent of county employment. Overall, the county has a higher share of education/health services, hospitality, and government employment than the state as a whole. However, the share of employment in finance and professional services is well below average. The proportion of workers employed in export industries—those that bring in wealth from outside the area—is about 14 percent in Yavapai County versus roughly 23 percent for the state.



Taxable Sales

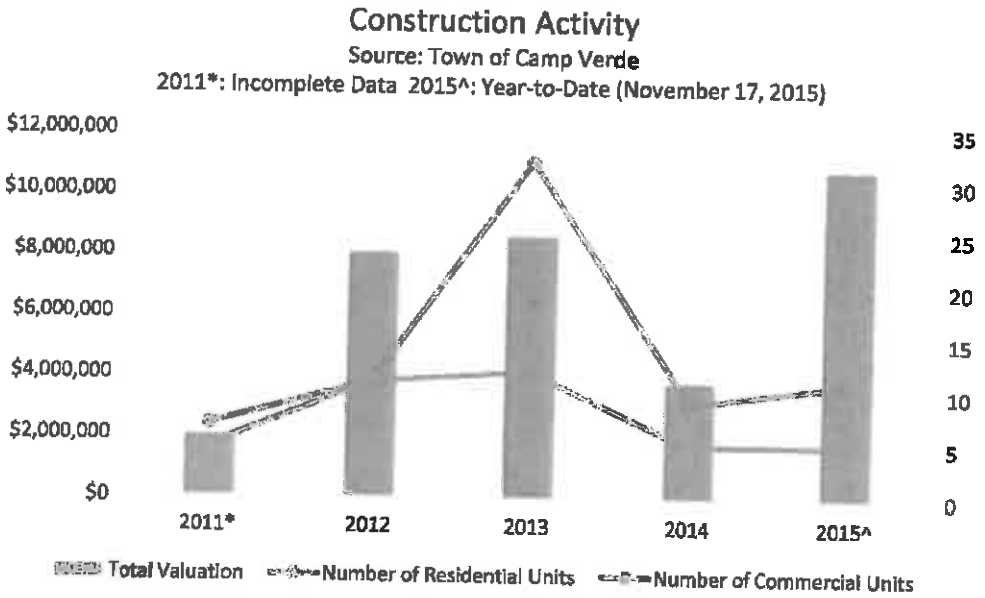
Taxable sales are a key indicator of local economic conditions, particularly in an economy not heavily driven by resource or manufacturing industries. Sales tax collections started to decline in Camp Verde in 2008 and continued this trend through 2012. A large portion of the decline locally came from construction sales tax as construction activity ground to a halt. Retail sales also dropped off significantly, although restaurants and bars fared better than other retail establishments. In August 2012, the local sales tax rate increased from 2 to 3 percent, resulting in increased collections in 2013. In recent years, however, Camp Verde has realized modest recovery in the local economy with sales tax collections bouncing back to pre-recession levels.



Construction

Construction activity is often a leading economic indicator and was a critical factor in Arizona's recession. Construction activity in Camp Verde declined precipitously from 2007 to 2011, similar to many communities in Arizona. Since then, both residential and commercial activity in Camp Verde has been variable but trending upward. At the state level, construction activity began to pick up in the fourth quarter of 2011, following several years of minimal activity. Construction statewide has continued to increase gradually since that time, dominated by residential activity.

A signature development project has been the 2015 groundbreaking for Verde Valley Medical Center's Camp Verde campus. Located at the northwest corner of SR 260 and Finnie Flat Road, the 26,000-square-foot-facility will provide extended-hours primary care, imaging and laboratory facilities, and physical therapy and rehabilitation services, including a pool for aqua therapy.



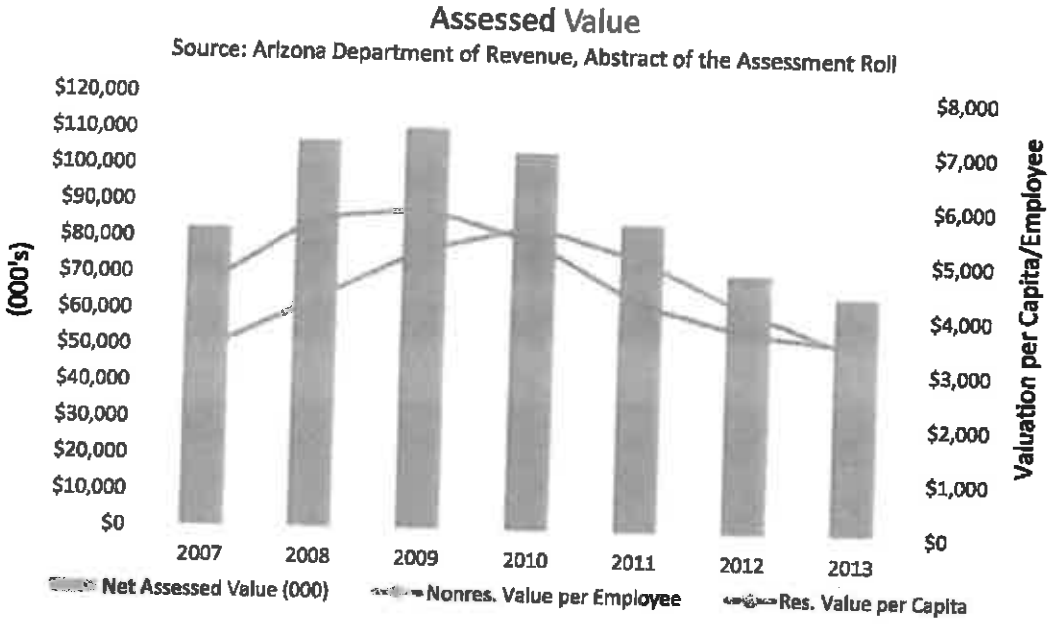
Assessed Value

Assessed value generally fluctuates much less than construction activity, although this has been less true during the recent recession. Total assessed value in Camp Verde rose steadily through 2009 and then dropped 41 percent over the next four years during the recession; 2013-year value is still 20 percent below 2007 levels. Statewide assessed value is 27 percent below 2007 levels. Unlike many communities, residential and commercial values fell by nearly equal amounts in percentage terms and were comparable in magnitude to declines at the state level.

Residential value in the town in 2013 represented about 58 percent of the total assessed value, a ratio that has held fairly steady since 2007. Per capita residential valuation peaked in 2009, but has fallen by 41 percent since that time compared to a 40 percent drop at the state level. Commercial/industrial

assessed value per employee has also fallen from its peak in 2010 and is down about 40 percent for both the state and the town.

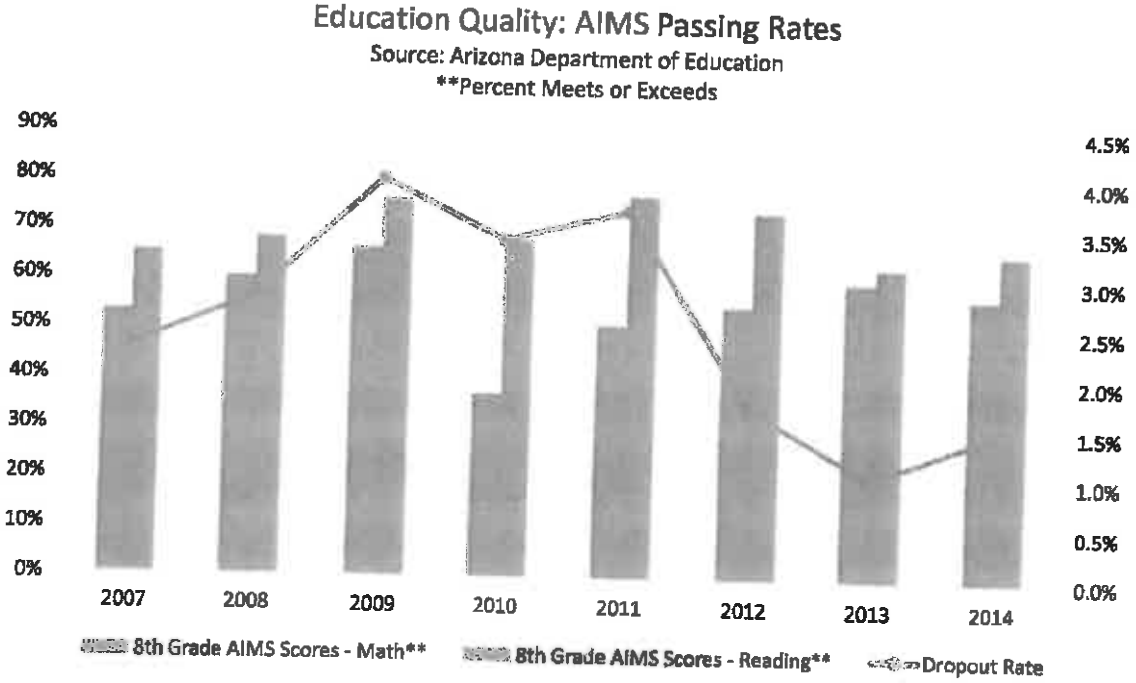
Although there is no impact on revenues, since the town has no property tax, assessed value trends are indicative of general real estate market conditions, although assessed value generally lags market value.



Quality of Life

Quality of life is an important measure of the community's overall health. In this section, we look at education and crime as well as cost of living.

In terms of education, dropout rates in Camp Verde are relatively low at only 1.9 percent, compared to a state average of 3.5 percent in 2015. Class sizes are also smaller than state averages. AIMS scores for 8th-grade students are below state averages in both reading and math, but the differences were less in 2014 than in previous years. In 2014, 66 percent of students met or exceeded standards in reading compared to 70 percent statewide; in math, 57 percent met or exceeded, compared to 59 percent statewide.



In terms of crime, Camp Verde is substantially safer than many of the state's urban areas. The rate of violent crime per 100,000 population in 2013 was about half the state average, while the rate of property crime is about 29 percent below the state average.

Other measures of quality of life include housing costs and commute times. As of 2013, the median value of existing homes in Camp Verde was just slightly above the state average. Camp Verde has an above-average share of owner-occupied housing, which tends to make a community more stable. Commute times in Camp Verde are slightly longer than state averages, but the volume of traffic is far less than in urban areas.

Strategic Direction

The community and economic development plan is intended to be an action-oriented strategy to strengthen Camp Verde's economy. Its strategic nature focuses on actions that can be initiated or accomplished over the next five years. It is not intended to address every issue or tackle every problem facing the community. The objective is to identify those actions that are realistic and can provide results that build upon the community's assets and opportunities.

The plan also recognizes the need for strong partnerships between government (municipal, tribal, and educational) agencies, citizens, service organizations, and the business community. The plan respects the existing roles and responsibilities of the various organizations but encourages collaboration in achieving many of the strategic initiatives. Effective implementation of this plan will require cooperation and collaboration over time to realize sustained success.

Economic Development Primer

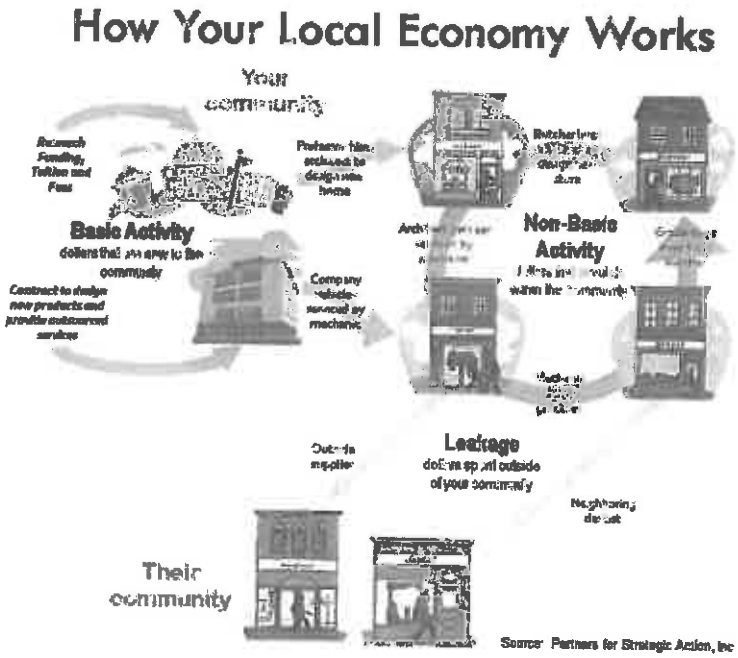
The purpose of the Camp Verde community and economic development plan is to serve as a guide to local decision making, provide a road map for the region's economic future, and serve as a benchmark for monitoring progress over time.

Economic development efforts work to increase the standard of living for residents. Discussions about economic development typically focus on business growth through business retention, expansion, and attraction or expansion of the tax base. However, economic development is directly related to the area's overall quality of life and ensuring that the local economy is sustainable over time.

There are two types of economic activity:

- Basic economic activities *bring new dollars into the community*. These activities include tourism-serving businesses and manufacturing. These types of activities typically create spin-off jobs for every job directly created.
- Non-basic activities *re-circulate money that is already in the area* through activities such as dry cleaners or car washes. These activities help to keep dollars in the community and cash registers ringing.

Both types of economic activity are critical to local economies. In order for the local and regional economy to grow and expand, there must be new dollars coming into the area and enough business in the community for new dollars to circulate within and not immediately leave the local economy. The longer dollars can circulate within a local economy through non-basic activities, more wealth is created. The term "economic leakage" describes when capital or income exits the economy rather than remaining within the community for a multiplying effect. The following graphic illustrates this concept.



Guiding Principles

Guiding principles reflect the community's core values. The Action Team articulated that development efforts would be balanced and sustainable so as not to compromise the reasons why people live and do business in Camp Verde. These principles are intended to guide decision-making processes and define the manner in which Camp Verde will grow and develop.

1. Provide opportunities for citizens from a wide range of economic levels and age groups to live, work, and thrive in the community.
2. Develop, grow, and prosper in a manner that always reflects and respects the capacity of natural resources.
3. Foster sustainable development, encourage small businesses and entrepreneurs, and balance future growth with cultural/historic preservation.
4. Leverage existing social capital and foster an ethic of community investment.
5. Capitalize on opportunities to collaborate with partners and strategically align regional investments.
6. Integrate land use, circulation, and economic development planning.
7. Implement development decisions in a predictable, fair, and cost-effective manner that preserves the health, safety, and welfare of residents and visitors.
8. Seek opportunities that complement existing and potential competitive advantages.
9. Define and communicate the true costs associated with development projects, including the impacts of non-contiguous and resource-demanding development.
10. Use arts and culture to foster a creative economy and to further define a sense of place.

Community and Economic Development Vision

A vision is an articulation of an ideal and unique future. A vision inspires, motivates, and transforms desire into action. Camp Verde's prosperity is generated largely through the natural resources and unique assets that surround and traverse our community. Our prosperity is connected to the health of the Verde River and surrounding landscape; therefore, we balance community and economic development with the need to preserve such assets for current and future generations.

> *We successfully preserve our rich cultural history, Western agrarian heritage, and natural resources while fostering a strategically designed, resilient economy that supports a quality of life that enables our families to thrive.*

Community and Economic Development Strategy

The community and economic development strategic plan is outlined through focus areas. Each focus area outlines goals, strategies, and indicators. Goals and strategies are not prioritized in this document.

Goals are desired ends or conditions that, if pursued over time, will ultimately result in the attainment of the community vision.

Strategies are the specific activities that help to achieve the goal.

Indicators are quantifiable measures that can be used to track progress over time. For purposes of this plan, selected indicators presented are intended to serve as a baseline measure for future performance.

Focus Area: Tourism and Recreation

Camp Verde is home to a range of natural and cultural amenities, including Fort Verde State Historic Park, the Verde River, and Montezuma Castle National Monument. The community is known for its recreational amenities and outdoor activities, and has numerous enterprises that drive visitor activity in the region. Combined with the rich history and community love for festivals and gatherings, a hospitality and tourism-focused economic development strategy complements Camp Verde's assets.

Goals

1. Establish Camp Verde as a destination, increasing visitor and retail traffic to grow the tax base.
2. Develop collaborative recreational, tourism, and agritourist/ecotourism programs that highlight community assets.
3. Expand recreational and entertainment amenities.

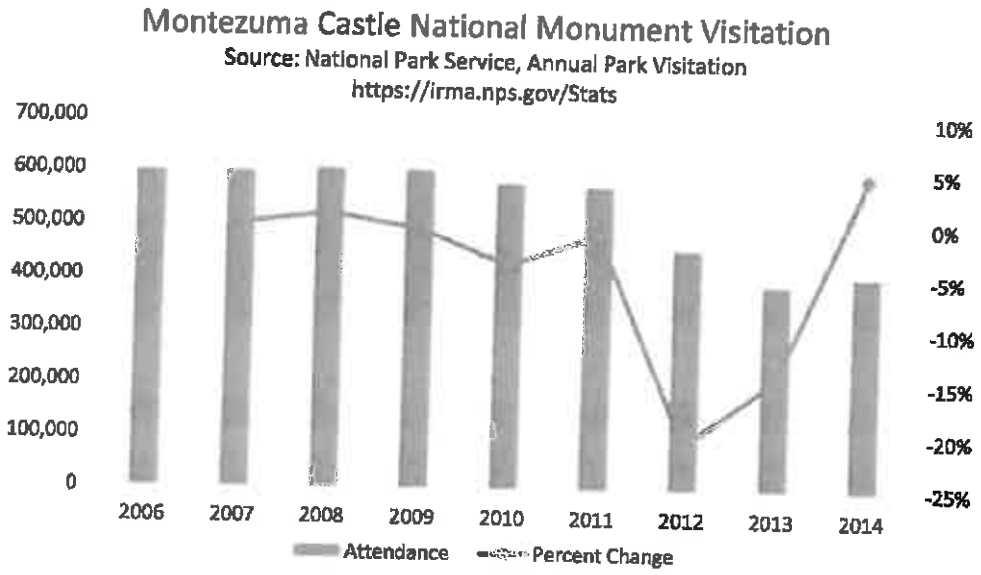
Strategies

a. Define and implement a new five-year asset-based branding, marketing, and self-promotion program for Camp Verde.
   i. Devise a range of marketing platforms and partnerships (e.g., tour stops, press coverage, online/mobile presence, billboards in key markets, etc.)
   ii. Develop a portfolio of tour and vacation package options (e.g., archaeological, riparian/birding/ecotourism, Western heritage and history, etc.)
   iii. Communicate to residents the annual economic impact of tourism.
b. Hold quarterly tourism caucus meetings where hospitality-related entities discuss upcoming events and strategize ways to collaborate.
c. Implement a community amenity wayfinding package and improve signage along key corridors (i.e., I-17, SR 260).
d. Establish a Camp Verde visitor center along I-17 to promote tourism and hospitality activities.
e. Establish an outdoor, multifunctional venue (e.g., concerts, sports and games, festivals, community events, local vendors, etc.) by leveraging existing assets or investing in new amenities and better utilize existing indoor facilities.
f. Continue to develop a comprehensive multi-use trail network with strategic partners, including marking all trails/trailheads and updating trail network map.
g. Complete and implement the Verde River Recreation Master Plan to help enlighten the future of potential recreational properties (i.e., Rocking River Ranch and Shield Ranch).

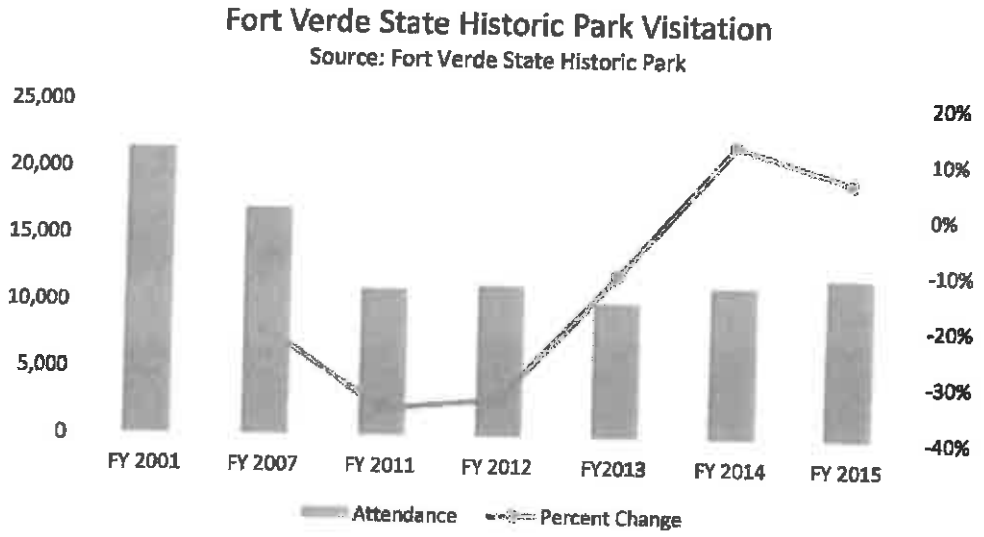
Indicators

The Camp Verde area has several tourist attractions that draw visitors from around the state and beyond, including Montezuma Castle National Monument and Fort Verde State Historic Park. Over the years, the number of visitors at these two facilities has seen a steady decline.

Throughout the nine-year timeframe from 2006 to 2014, the average number of visitors to Montezuma Castle was 533,810 people. The peak year for attendance was 2008, after which began a steady decline until the year 2014, which saw a 5 percent increase in attendance from 2013, with nearly 408,000 visitors.



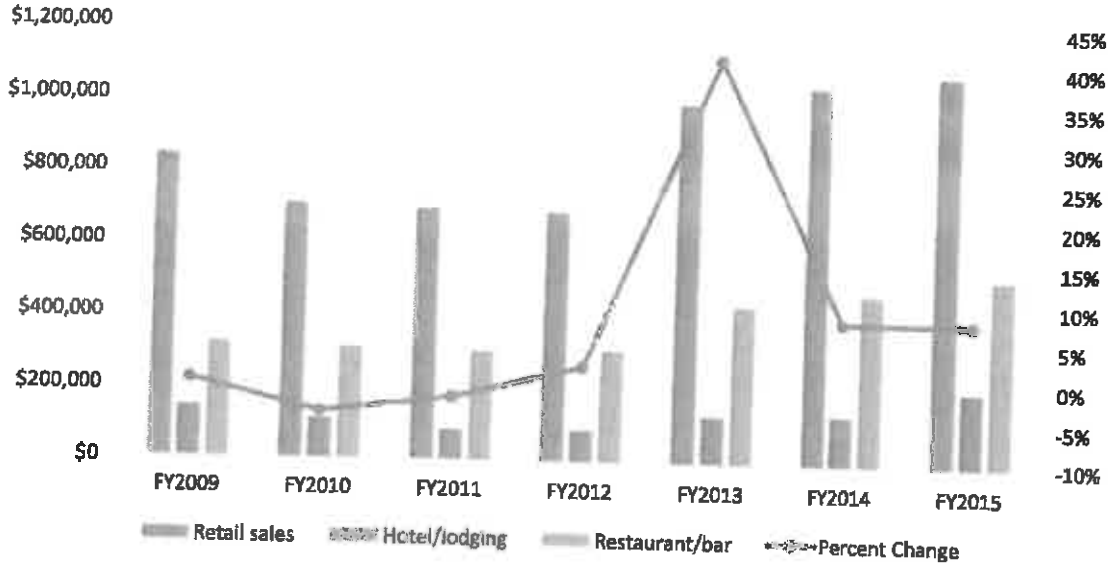
Attendance at the Fort Verde State Historic Park experienced a similar trend. Based on the availability of data, the peak year for attendance was fiscal year 2001 with 21,450 visitors. The next year that attendance information is available is fiscal year 2007, which shows a 21 percent decline with 16,950 visitors, followed by another 35 percent decline in fiscal year 2012. It isn't until fiscal year 2014 that attendance begins to increase, with a little over 12,000 visiting during fiscal year 2015. This decline is due in part to a reduction to a five-day week (beginning on May 5, 2010) as part of cost-cutting measures related to the Great Recession. Visitation has grown since the re-establishment of seven-day operations (as of February 3, 2015). When examining the most recent attendance history, the average attendance from fiscal year 2011 to fiscal year 2015 is 11,168.



The town of Camp Verde collects transactional privilege taxes on retail sales, restaurant/bar sales, and lodging receipts. Tax collections have experienced a large fluctuation over the six-year time horizon. From fiscal year 2009 through fiscal year 2011, tax collections were on the decline. However, beginning in fiscal year 2012, the town saw gains in lodging and restaurant bar tax collections. By fiscal year 2013, tax collections in all categories increased, with an overall gain of 41 percent. During that timeframe, the greatest gain occurred in lodging receipts at 49 percent followed by retail sales tax collections at 44 percent.

Camp Verde Tax Collections (FY 2009-2015)

Source: Town of Camp Verde

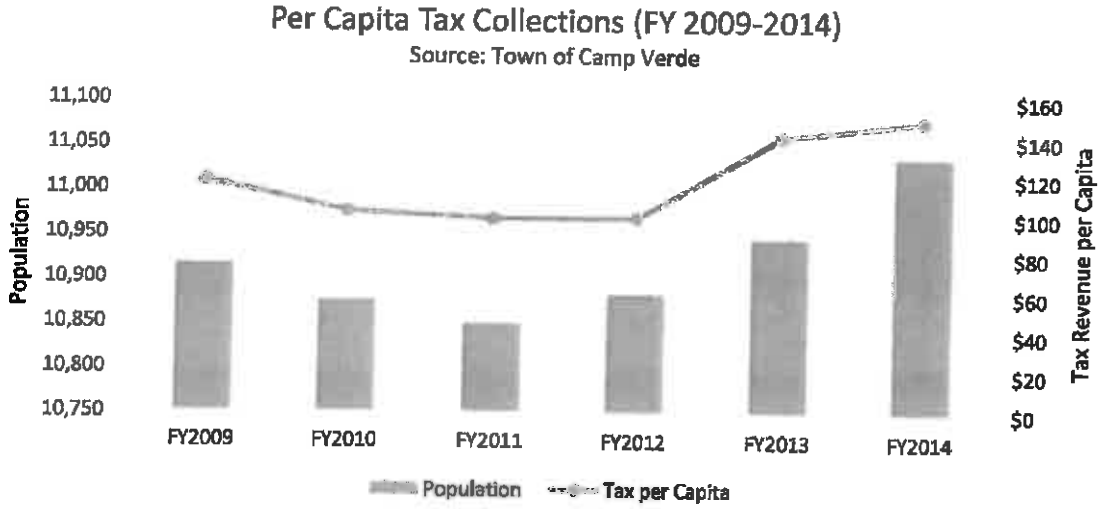


Camp Verde Tax Collections (FY 2009-2015)

Source: Town of Camp Verde

	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015
Retail Sales	$832,837	$701,977	$691,160	$686,400	$990,166	$1,040,491	$1,076,373
Hotel/Lodging	$142,301	$110,798	$84,609	$88,626	$131,748	$138,850	$207,993
Restaurant/Bar	$319,393	$307,921	$301,925	$309,169	$437,452	$473,070	$520,320
Percent Change	0%	-4%	-2%	2%	41%	8%	8%

When examining the per capita tax collections in Camp Verde, the greatest gain was experienced in fiscal year 2013, going from $100 per capita to $141 per capita.



Focus Area: Infrastructure and Placemaking Development

Camp Verde is located in the center of Arizona with two high-capacity transportation corridors bisecting the town: I-17 and SR 260. The community is currently served by several utilities including APS, private water companies, and a fire district.

Goals

1. Provide adequate infrastructure to support and grow business, tourism, and development.
2. Enhance sense of place (e.g., through character areas).
3. Create a walkable and multimodal circulation network, improving connectivity and livability within the community.
4. Improve access to and awareness of amenities downtown.

Strategies

a. Extend utilities and related infrastructure to "West 260" to support future industrial and commercial growth.
b. Improve broadband speed/capacity.
c. Protect, develop, and expand light industrial land uses (i.e., in coordination with Yavapai County's sector strategy).
d. Establish gateway monuments and leverage design opportunities with planned "West 260" roundabouts.
e. Facilitate and implement a downtown circulation plan (e.g., event traffic, bike, pedestrian, etc.)
f. Establish a beautification program to improve the community's overall aesthetics (e.g., streetscape).
g. Support continued "complete street" design.
h. Continue to implement historic preservation initiatives and the telling of Camp Verde's story.

Indicator

The mean travel time to work has not experienced a significant change from the year 2000 to 2013. According to the Census, in 2000 the mean commute time was 28 minutes, compared to 27 minutes

today. The majority of workers (74 percent) commute by car, truck, or van. However, during this time horizon the percentage of people commuting by car, truck, or van declined from 77 percent to 74 percent, while the percentage of people working from home increased from 4 percent to 10 percent.

Camp Verde Commute by Mode and Mean Travel Time

Source: U.S. Census Bureau (2000), American Community Survey (2013)

	2000		2013	
	Count	Percent	Count	Percent
Workers 16 years and over	3,620	100%	4,223	100%
Car, truck, or van – drove alone	2,788	77%	3,122	74%
Car, truck, or van – carpooled	505	14%	537	13%
Public transportation (excluding taxicab)	14	0%	10	0%
Walked	121	3%	86	2%
Other means	49	1%	54	1%
Worked at home	143	4%	414	10%
Mean travel time to work	28 min.		27 min.	

Focus Area: Business Development, Support, Attraction, and Retention

Major employers in the community include government entities, schools, and tribal enterprises. There are also a number of small businesses and entrepreneurial ventures, and a desire exists to strengthen the business climate so that more residents can live, work, and thrive in Camp Verde.

Goals

1. Support and grow local enterprises to maximize economic opportunities.
2. Increase the number of living-wage jobs in Camp Verde.

Strategies

a. Work with local businesses and development interests to identify processes that can be streamlined/optimized.
   i. Improve the synchronicity and collaboration of town departments.
   ii. Combine the town's community development and economic development departments.
   iii. Develop a business guide and "start-up checklist" to assist new business establishment.
   iv. Clarify and publish community development policies and procedures via the town's website.
   v. Identify key business sector targets and define an efficient permitting process to assist in attraction.
   vi. Develop a menu of business-locating incentives to assist in business recruitment, retention, and expansion.
   vii. Increase the town's capacity to find creative development proposal solutions.
   viii. Create and maintain an inventory of available land/sites to assist in business locating.

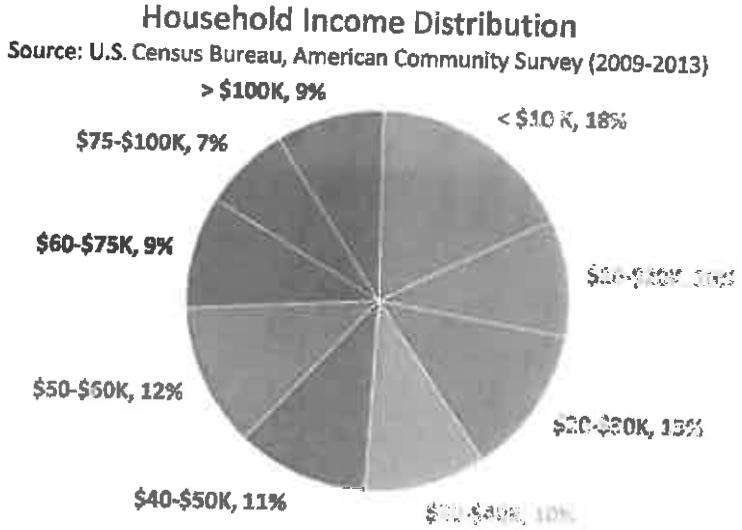
b. Identify secondary/complementary businesses that complement and support flagship employers and target opportunities for recruitment.

c. Establish a business advocacy organization to support and promote retention of small businesses.

i. Host regular business roundtables to discuss challenges and identify collaborative opportunities.
ii. Hold an annual economic summit with key stakeholders (e.g., Yavapai-Apache Nation, Town, Yavapai College, Camp Verde Unified School District, etc.) to evaluate current economic health and strategize regional positioning.
iii. Identify applicable business assistance needs and associated programming and strengthen existing resource opportunities and assistance.

Indicators

The median household income for Camp Verde residents is $38,871. More than 40 percent of residents earn less than $30,000 a year.



There are 454 business establishments in Camp Verde that employ 3,736 people. Retail trade has the greatest number of establishments at 85 with 24 percent, or 886 jobs. However, government employs the greatest number of people with 26 percent, or 967 jobs. Other notable sectors include educational services with 320 jobs, health care with 298 jobs, and construction with 281 jobs.

Camp Verde Establishments and Employment by Sector

Source: AGS 2015, ZoomProspector

	Number of Establishments	Percent of Total	Number of Jobs	Percent of Total
Total	654	100.0%	3,736	100.0%
Agriculture, forestry and fishing	17	3.7%	76	2.0%
Mining	0	0.0%	0	0.0%
Utilities	3	0.7%	13	0.3%
Construction	48	10.6%	281	7.5%
Manufacturing	11	2.4%	57	1.5%
Wholesale trade	18	4.0%	93	2.5%
Retail trade	85	18.7%	886	23.7%
Transportation, warehousing and information	25	5.5%	108	2.9%
Communications	6	1.3%	12	0.3%
Financial and insurance	24	5.3%	71	1.9%
Real estate and rental and leasing	13	2.9%	30	0.8%
Professional, scientific, and technical services	18	4.0%	52	1.4%
Administrative and support, waste management services	16	3.5%	126	3.4%
Educational services	9	2.0%	320	8.6%
Health care and social assistance	34	7.5%	298	8.0%
Arts, entertainment, and recreation	11	2.4%	79	2.1%
Accommodation and food services	13	2.9%	56	1.5%
Other services (except public administration)	56	12.3%	168	4.5%
Government	36	7.9%	967	25.9%
Unclassified Establishments	11	2.4%	43	1.2%

Focus Area: Workforce Development and Education

Camp Verde is served by multiple public and private schools. The community is also served by Yavapai College and its six regional campuses and centers.

Goals

1. **Develop and retain a competitive, workforce-ready population.**
2. **Establish a community ethic of lifelong education and training.**
3. **Strengthen collaborative connections between schools, businesses, and the community.**

Strategies

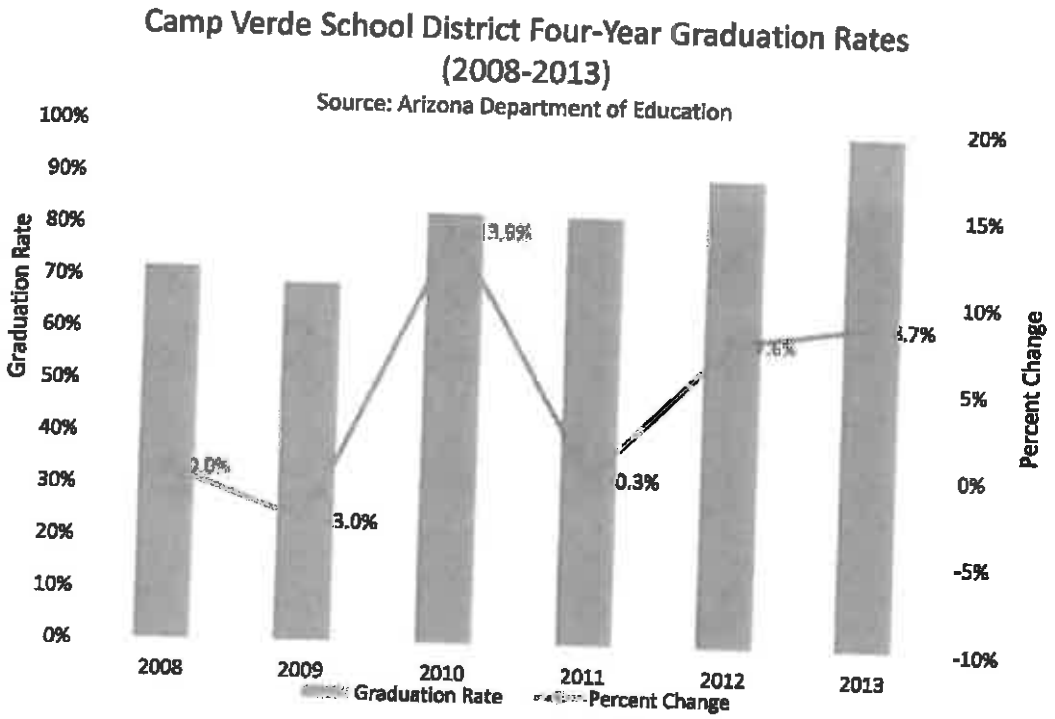
a. **Support opportunities for registered apprenticeship programs.**
b. **Support a continuous network of educational pathways (from elementary to secondary to post-secondary to continuing educational opportunities).**
   i. **Continue to identify post-secondary, certificate, and vocational educational programs that complement competitive advantages (i.e., hospitality, recreational sciences, agricultural and range sciences, ecology).**

ii. Expand and foster awareness of and enrollment in dual credit programs.
iii. Provide access to and communicate availability of soft skill training (e.g., communication, workforce attire, networking, etc.).
iv. Expand internship, externship, and mentorship programs.

c. Establish a volunteer corps (service club) where youth members are matched with service projects identified throughout the community.
d. Develop a youth-focused entrepreneurial guild/program.

Indicators

The Camp Verde School District includes Camp Verde High School and the Verde Valley Technology Magnet School. The graduation rates are for the Camp Verde School District and show a steady increase in rates beginning in 2011.



The four-year graduation rates vary from year to year and are a reflection of the number of students who graduate in four years with a regular high school diploma divided by the number of students who form the adjusted cohort for the graduating class. Beginning in 2010, Camp Verde School District out-performs the overall graduation rates for Yavapai County and the State of Arizona.

Four-Year Graduation Rate (2008-2013)

Source: Arizona Department of Education

	2008	2009	2010	2011	2012	2013
Camp Verde School District	72.0%	69.0%	82.9%	82.6%	90.2%	98.9%
Yavapai County	70.5%	73.4%	n/a	77.9%	78.6%	77.4%
Arizona	74.9%	76.1%	75.4%	77.9%	76.7%	75.1%

Implementation

Framework for Success

The *Camp Verde Focused Future II: Community and Economic Development Strategic Plan* is intended to help expand the regional economy and improve residents' standard of living. The following guidance helps to frame how success can be realized.

Coordinated Approach

Entities, organizations, and agencies involved in economic development must work together to achieve mutually agreed-upon goals to ensure a sustainable effort. Implementing the shared vision, goals, and strategies as articulated within this plan is the first step toward cohesive and coordinated efforts.

Regional Collaboration

A comprehensive understanding of the region and a commitment to collaborating with entities throughout the region is critical. Regional partners include the towns of Clarkdale and Jerome and the cities of Cottonwood and Sedona, Yavapai County, Yavapai-Apache Nation, federal agencies such as the National Forest Service and National Park Service, and regional entities, including the Northern Arizona Council of Governments (NACOG) and the Sustainable Economic Development Initiative (SEDI) of Northern Arizona. The greater Camp Verde community should not consider themselves alone in growing a thriving economy; regional collaboration and synergistic efforts benefit all contributing partners.

Long-Term Commitment

Economic development is not a simple checklist; overnight achievements should not be expected. Successful economic development programs require long-term investments (e.g., infrastructure and resource management) as well as continued political commitment to forwarding objectives and measuring progress.

Plan Evaluation and Update

The *Camp Verde Focused Future II: Community and Economic Development Strategic Plan* serves as a guide for regional community and economic development efforts. However, it is critical to monitor how the plan is put into action. The town, in collaboration with its partners, is responsible for monitoring how the plan's implementation is progressing.

Adoption

The town of Camp Verde shall adopt or accept this plan. In coordination with the town's general plan update, policy direction provided herein is anticipated to become or serve as the framework for the update of the economic development element.

Communication

The Focused Future process is grassroots in nature, fueled by the contributions of volunteers and input from the community. Communication about the plan and its progress is critical. Upon adoption or acceptance, the plan's goals and strategies, as well as the town and its partners' short-term action plans, should be widely communicated and progress reported.

Plan Distribution and Presentations

Because of the collaborative nature of this plan and the various agencies and allies needed for its success, the town shall announce its adoption or acceptance of this plan and distribute this framework to regional entities and partners. It's important that the community's economic vision is understood and that regional efforts contribute to its realization.

Formation of a Business Advocacy Group

A key strategy outlined within this plan is the development of a business advocacy group. Camp Verde has previously had a chamber of commerce, serving small businesses and assisting in business retention activities, and an effort is ongoing to re-establish a presence. While the town and other partners have attempted to address the gap in business support activities, strong business climates are served through an organization comprised of and for small business. Filling this business advocacy void is essential in formalizing and strengthening the voice of Camp Verde's business community.

Keeping Score

While many of the outlined strategies will comprise the work program of the town's economic development director, other agencies and organizations will serve as leaders for executing other strategies. While the town shoulders accountability for this plan, its success will rest on the contributions of the entire community; entities as outlined in *Roles and Responsibilities* will assist in coordination, implementation, reporting, and other ways to contribute toward realization of this plan's vision.

Devising a strategy whereby the town and its partners report and track progress should be an immediate priority. Measuring community indicators against the plan's baseline reported herein (see: Indicators) is one mechanism for evaluating progress; authoring a report on strategy achievements is another mechanism for tracking effort.

The following implementation recommendations are offered:

- Employ the Focused Future II Action Team (or similar entity) to serve as steward to this plan, meeting biannually to review and track progress.
- Create an annual progress report, authored in the first quarter of the year, to assist in budget and capital improvements planning.
- Submit annual progress reports to the community, partners (see *Roles and Responsibilities*), and the program sponsor, APS.

Plan Updates

As the plan is implemented and changes occur in the local and regional economy, the plan should also evolve. In keeping with the collaborative nature of the Focused Future program, the town and its partners should cooperatively review and identify potential changes or edits to the plan. Any

recommended changes would be presented to elected officials and considered in the same manner in which the plan was originally adopted or accepted.

Roles and Responsibilities

The following matrix identifies primary and secondary roles in forwarding the strategies outlined in the *Camp Verde Focused Future II: Community and Economic Development Strategic Plan*. This matrix is intended to encourage collaboration and communication among entities as cooperation by these and other partners will be necessary to realize success. It is important to recognize that this list is not inclusive and serves to identify agencies with significant roles or interests and not to exclude the variety of partners or collaborative efforts needed to realize results.

Strategy	Primary Role	Secondary Role
Tourism and Recreation		
a. Define and implement a new five-year asset-based branding, marketing, and self-promotion program for Camp Verde.	Town	Yavapai-Apache Nation Sedona Verde Valley Tourism Council Verde Front Arizona Office of Tourism
i. Devise a range of marketing platforms and partnerships.	Town	Business advocacy group
ii. Develop a portfolio of tour and vacation package options.	Business advocacy group	
iii. Communicate to residents the annual economic impact of tourism.	Town	Yavapai College Yavapai-Apache Nation
b. Hold quarterly tourism caucus meetings where hospitality-related entities discuss upcoming events and strategize ways to collaborate.	Business advocacy group	NACOG
c. Implement a community amenity wayfinding package and improve signage along key corridors.	Town	ADOT Yavapai County Business advocacy group
d. Establish a dedicated Camp Verde visitor center along I-17 to promote tourism and hospitality activities.	Town	Yavapai-Apache Nation Business advocacy group Arizona State Parks

Strategy	Primary Role	Secondary Role
e. Establish an outdoor, multifunctional venue by leveraging existing assets or investing in new amenities and better utilize existing indoor facilities.	Town	Yavapai-Apache Nation Camp Verde Unified School District
f. Continue to develop a comprehensive multi-use trail network with strategic partners, including marking all trails/trailheads and updating trail network map.	Town	National Forest Service National Park Service
g. Complete and implement Verde River Recreation Master Plan to help inform the future of potential recreational properties.	Town	Arizona State Parks Ditch associations, companies
Infrastructure and Placemaking Development		
a. Extend utilities and related infrastructure to "West 260" to support future industrial and commercial growth.	Town	APS ADOT Water companies Land owners
b. Improve broadband speed/capacity.	Verde Valley Regional Economic Organization	NACOG (Broadband Planning Committee) Broadband providers
c. Protect, develop and expand light industrial land uses.	Town	Yavapai County
d. Establish gateway monuments and leverage design opportunity with planned "West 260" roundabouts.	Town	ADOT
e. Facilitate and implement a downtown circulation plan.	Town	NACOG Business advocacy group
f. Establish a beautification program to improve the community's overall aesthetics.	Town	Business advocacy group Arizona State Parks
g. Support continued "complete street" design.	Town	NACOG ADOT

Strategy	Primary Role	Secondary Role
h. Continue to implement historic preservation initiatives and the telling of Camp Verde's story.	Camp Verde Historical Society	Verde Valley Archaeology Center Town Yavapai-Apache Nation Arizona State Parks

Business Development, Support, Attraction, and Retention		
a. Work with local businesses and development interests to identify processes that can be streamlined/optimized.	Town	NACOG Business advocacy group
i. Improve the synchronicity and collaboration of town departments.	Town	
ii. Combine the town's community development and economic development departments.	Town	
iii. Develop a business guide and "start-up checklist" to assist new business establishment.	Town	NACOG Arizona Commerce Authority
iv. Clarify and publish community development policies and procedures via the town's website.	Town	
v. Identify key business sector targets and define an efficient permitting process to assist in attraction.	Town	NACOG Arizona Commerce Authority
vi. Develop a menu of business locating incentives to assist in business recruitment, retention, and expansion.	Town	NACOG Arizona Commerce Authority
vii. Increase the town's capacity to find creative development proposal solutions.	Town	ULI Arizona (Community Plan) Arizona Association for Economic Development Yavapai County

Strategy	Primary Role	Secondary Role
viii. Create and maintain an inventory of available land/sites to assist in business locating.	Town	APS NACOG SEDI
b. Identify secondary/complementary businesses that complement and support flagship employers and target opportunities for recruitment.	NACOG	SEDI
c. Establish a business advocacy group to support and promote retention of small business.	SEDI	APS Yavapai College (Small Business Development Center)
i. Host regular business roundtables to discuss challenges and identify collaborative opportunities.	Business advocacy group	SEDI Yavapai College (Small Business Development Center)
ii. Hold an annual economic summit with key stakeholders to evaluate current economic health and strategize regional positioning.	Business advocacy group	SEDI Yavapai College (Small Business Development Center)
iii. Identify applicable business assistance needs and associated programming and strengthen existing resource opportunities and assistance.	Business advocacy group	SEDI Yavapai College (Small Business Development Center)

Workforce Development and Education		
a. Support opportunities for registered apprenticeship programs that match entrepreneurs with area youth and young adults.	Yavapai College	Department of Labor Valley Academy for Career and Technology Education (VACTE) Public/private schools

Strategy	Primary Role	Secondary Role
b. Establish a system that provides educational pathways from elementary to secondary to post-secondary to continuing educational opportunities.	Yavapai College	SEDI
i. Continue to identify post-secondary, certificate and vocational educational programs that complement competitive advantages.	Yavapai College	Schools
ii. Expand and foster awareness of dual credit programs.	Yavapai College	Schools
iii. Provide access to and communicate availability of soft skill training.	NACOG	Yavapai College Department of Labor SEDI
iv. Expand internship, externship, and mentorship programs.	Yavapai College	Schools NACOG SEDI
c. Establish a volunteer corps (service club) where youth members are matched with service projects identified throughout the community.	Schools	Yavapai College SEDI
d. Develop a youth-focused entrepreneurial guild/program.	Schools	Yavapai College SEDI

5.a

CERTIFICATE OF APPRECIATION

This certificate is awarded to

Mike Hough

In recognition of his valuable service to the Town for his time serving on the Board of Adjustments and Appeals

TOWN OF CAMP VERDE

Bruce M George
Vice Mayor Bruce George

1-20-2016
Date

CERTIFICATE OF APPRECIATION

This certificate is awarded to

KATHY DAVIS

In recognition of his valuable service to the Town for helping with the General Plan Update process.

TOWN OF CAMP VERDE

Vice Mayor Bruce George

1-20-2016
Date

CERTIFICATE OF APPRECIATION

This certificate is awarded to

TONY GIOIA

In recognition of his valuable service to the Town for helping with the General Plan Update process.

TOWN OF CAMP VERDE

Bruce M George
Vice Mayor Bruce George

1-20-2016
Date

8

Town of Camp Verde

Agenda Item Submission Form – Section I

Meeting Date: January 20, 2016

☐ *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 acceptance of the Town of Camp Verde's FY15 Audit.

List Attached Documents: 1) Town of Camp Verde Comprehensive Annual Financial Report - June 30, 2015

2) Town of Camp Verde Report on Internal Controls – June 30, 2015

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

Comments: None

Background Information: The annual financial review meets all required components for the Town's annual filing requirements. There are no significant findings in the audit and we have again received an unmodified (or "clean") opinion. This is the third year in a row the Town has completed a full CAFR. The last two year's CAFR received the Achievement for Excellence in Financial Reporting from GFOA (Government Finance Officers Association). We hope to be awarded that honor again this year. Scott Graff from Colby & Powell, our auditing firm, will present the audit to Council.

Recommended Action (Motion): Acceptance of the Town of Camp Verde Comprehensive Annual Financial Report for June 30, 2015 and the Town of Camp Verde Report on Internal Control for June 30, 2015.

Instructions to the Clerk: N/A

TOWN OF CAMP VERDE, ARIZONA

Report and Schedules Required
by *Governmental Auditing Standards*

June 30, 2015

TABLE OF CONTENTS

Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Governmental Auditing Standards* 1

COLBY & POWELL, PLC
CERTIFIED PUBLIC ACCOUNTANTS
1535 W. Harvard Avenue, Suite 101 · Gilbert, Arizona 85233
Tel: (480) 635-3200 · Fax: (480) 635-3201

INDEPENDENT AUDITORS' 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, in accordance with the 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Camp Verde, Arizona, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Town of Camp Verde, Arizona's, basic financial statements, and have issued our report thereon dated December 22, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the 's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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 of Camp Verde's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Town of Camp Verde's internal control.

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. 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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

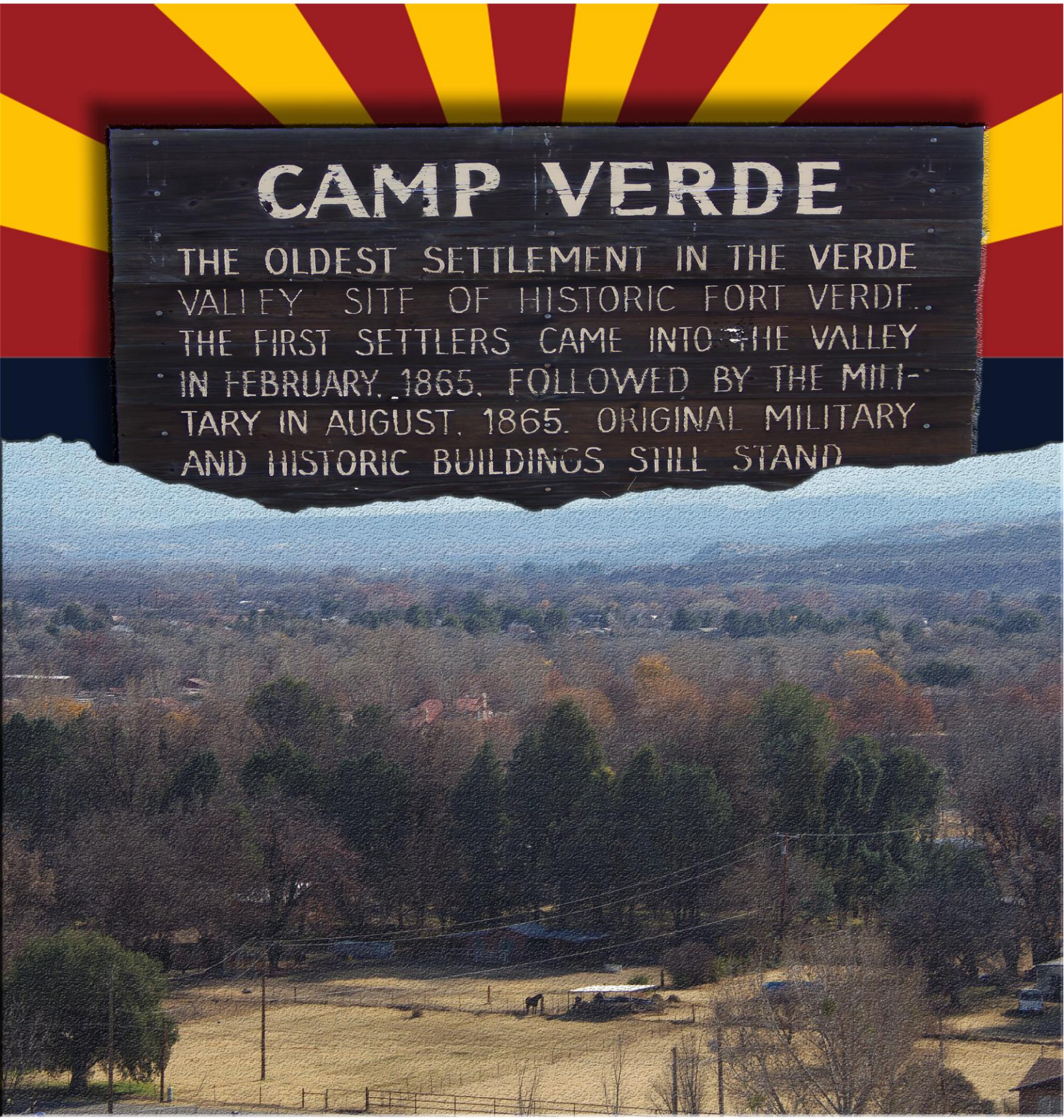
Colby & Powell

December 22, 2015

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2015

Town of Camp Verde, Arizona


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

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Town of Camp Verde
Arizona

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

Executive Director/CEO

TABLE OF CONTENTS

INTRODUCTORY SECTION

Letter of Transmittal iv
Organizational Chart vii
List of Principal Officials viii

FINANCIAL SECTION

Independent Auditors' Report 1

Management's Discussion and Analysis
(Required Supplementary Information) 5

Basic Financial Statements:

Government-wide Financial Statements:
Statement of Net Position 17
Statement of Activities 18
Fund Financial Statements:
Balance Sheet - Governmental Funds 19
Reconciliation of the Balance Sheet to the
Statement of Net Position 20
Statement of Revenue, Expenditures, and
Changes in Fund Balances - Governmental Funds 21
Reconciliation of the Statement of
Revenues, Expenditures, and Changes in
Fund Balances to the Statement of Activities 22
Proprietary Fund Financial Statements:
Statement of Net Position 23
Statement of Revenue, Expenses, and
Changes in Fund Net Position 24
Statement of Cash Flows 25
Fiduciary Fund Financial Statements:
Statement of Fiduciary Assets and Liabilities 27
Notes to Financial Statements 28

Required Supplementary Information:

Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
General Fund 62
HURF Fund 63
Library Building Fund 64
Parks Fund 65

Required Supplementary Information: (Continued)

Notes to Budgetary Comparison Schedules 66
Schedule of the Town's Proportionate Share of the Net Pension Liability – Cost-Sharing Pension Plans 67
Schedule of Changes in the Town's Net Pension Liability (Asset) and Related Ratios – Agent Pension Plans 68
Schedule of Town Pension Contributions 69
Schedule of Agent OPEB Plans' Funding Progress 71

Other Financial Statements:

Combining and Individual Fund Financial Statements and Schedules:

Non-Major Governmental Funds
Combining Balance Sheet 74
Combining Statement of Revenues, Expenditures and Changes in Fund Balances 75
Non-Major Special Revenue Funds
Combining Balance Sheet 78
Combining Statement of Revenues, Expenditures and Changes in Fund Balances 80
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual 82
Non-Major Capital Improvement Fund
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual 87
Non-Major Debt Service Fund
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual 89
Major Proprietary Fund
Schedule of Revenues, Expenses and Changes in Net Position – Budget and Actual – Wastewater Fund 90
Agency Funds
Combining Statement of Changes in Assets and Liabilities 92

STATISTICAL SECTION

Financial Trends:

Net Position by Component 96
Expenses, Program Revenues, and Net Expense 97
General Revenues and Total Changes in Net Position 98
Fund Balances of Governmental Funds 99
Governmental Funds Revenues 100
Governmental Funds Expenditures and Debt Service Ratio 101
Other Financing Sources and Uses and Net Changes in Fund Balances of Governmental Funds 102

Revenue Capacity:

Tax Revenues by Category 103
Tax Revenues by Source 104
Direct and Overlapping Sales Tax Rates 105

Debt Capacity:

Ratios of Outstanding Debt by Type 106
Ratios of General Bonded Debt Outstanding 107
Direct and Overlapping Governmental Activities Debt 108
Legal Debt Margin Information 109
Pledged Revenue Coverage 110

Demographic and Economic Information:

Demographic and Economic Statistics 111
Principal Employers 112

Operating Information:

Full-Time-Equivalent City Government Employees by Function/Program 113
Capital Assets Statistics by Function 114
Operating Indicators by Function 115

Town of Camp Verde

Gateway to the Verde Valley

♦ 473 S. Main Street ♦ Camp Verde, Arizona 86322 ♦
♦ Telephone: 928.554.0000 ♦ Fax: 928.554.0002 ♦
♦ www.campverde.az.gov

December 22, 2015

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

We are pleased to submit the Town of Camp Verde Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2015. The Town annually publishes audited financial statements after the close of each fiscal year which includes a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) which are audited by a firm of licensed certified public accountants in accordance with generally accepted auditing standards (GAAS).

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

Colby & Powell, PLC, Certified Public Accountants, have issued an unmodified ("clean") opinion on the Town of Camp Verde's financial statements for the fiscal year ended June 30, 2015. The independent auditors' report is located at the front of the financial section of this report.

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

PROFILE OF THE GOVERNMENT

The Town of Camp Verde, Arizona, incorporated in 1986, is located in the Verde River Valley of Yavapai County and is recognized as the 2012 Centennial Center of Arizona. The Town's land size is 42.6 square miles and serves a population of approximately 11,000 people. Camp Verde is located on I-17, in-between Flagstaff and Phoenix and enjoys a mild climate at an elevation of 3,147 feet.

The Town operates under the council-manager form of government. The Town Council, which has policy-making and legislative authority, consists of a mayor and a six-member council. The Council is responsible for, among other things, passing ordinances and resolutions and adopting the annual

budget. The members of the Town Council also appoint the membership of various Town committees and hire the Town Manager, Town Attorney and Magistrate. The Town Manager is responsible for carrying out the policies, ordinances and resolutions of the Council and for overseeing the day-to-day operations of the Town. The Town Council is elected on a nonpartisan "at large" basis. Council members are elected to four-year staggered terms with three council members elected every two years. The Mayor is also elected for a two-year term.

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

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

FACTORS AFFECTING FINANCIAL CONDITION

Local Economy:

In its early years, the Town's economy was based primarily upon agriculture and tourism. In later years, the Town experienced an increase in manufacturing activities as well as retail trade. Currently, the majority of the Town's revenue base is comprised of tax revenues generated both from local sales taxes and State shared tax revenues which include allocations of state income tax, sales tax, fuel tax and motor vehicle-in-lieu tax.

Local sales tax revenues have grown 65% over the 4-year period starting in FY12. While a large portion of that growth comes from increases to the tax rate (2% to 3.65% over the 4 years) it also reflects increased spending in our area and presumably a comfortableness with current economic conditions.

Tax revenues from the State have grown an average of 8% over the last 4 years and are projected to grow another 12% in FY16 which combined with the local tax revenue outlook, give Camp Verde a stable economic base.

Camp Verde is located at the center of Arizona and within 1 hour of 4 dramatically different climates and cities, Phoenix to the South, Flagstaff to the North, Prescott to the West and Payson to East. This puts our Town in a great location to take advantage of travel and tourism within our area.

From 2004 to 2008, the Town saw a 9% population increase over the 4 year period. However, from 2008 to 2013 that increase drops to 1%. Current population growth within the Town has flat-lined, thought the expectation for our area (Yavapai County) is moderate growth over the next several years. The dramatic slow-down in population growth was highlighted by the construction industry in Camp Verde which slowed considerably. Tax revenues from construction dropped 23% from FY13 to FY14. Construction has seen a turn-around though in recent years, increasing 12% from FY14 to FY15 and another 39% through the first quarter of FY16 with many projects already moving forward in our Community Development department.

Long-Term Financial Planning:

Town Council is working hard to further develop and enhance long-term planning processes. The Town is in the final stages of accepting their new General Plan and has developed for the first time, a strategic plan that will help focus the utilization of Town resources towards long-term goals. The Strategic Plan also becomes a driving factor behind the development of our 5-year Capital Improvement Plan as well. Camp Verde is dedicated to enhancing the quality of life for its citizens and providing municipal services in a fiscally responsible manner. To this end, Camp Verde has strived to remain financially strong and has an Unassigned General Fund balance of roughly $1.9 million, which amounts to 25% of FY16 budgeted outflows in the General Fund.

Major Initiatives:

This last fiscal year has seen the beginning of a number of large projects in our Town.

1) Construction began on a new 26,000 square foot Verde Valley Medical Center.
2) The Town began construction on a new two-story, 17,000 square foot library.
3) Preparations for the expansion of Highway 260 by Arizona Department of Transportation are nearly complete and the project is set to move forward in 2016.
4) The expansion of sewer lines along Highway 260 is another project that is moving forward in conjunction with the Highway expansion project mentioned above, which will enable the economic development of that area.

ACKNOWLEDGEMENTS

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

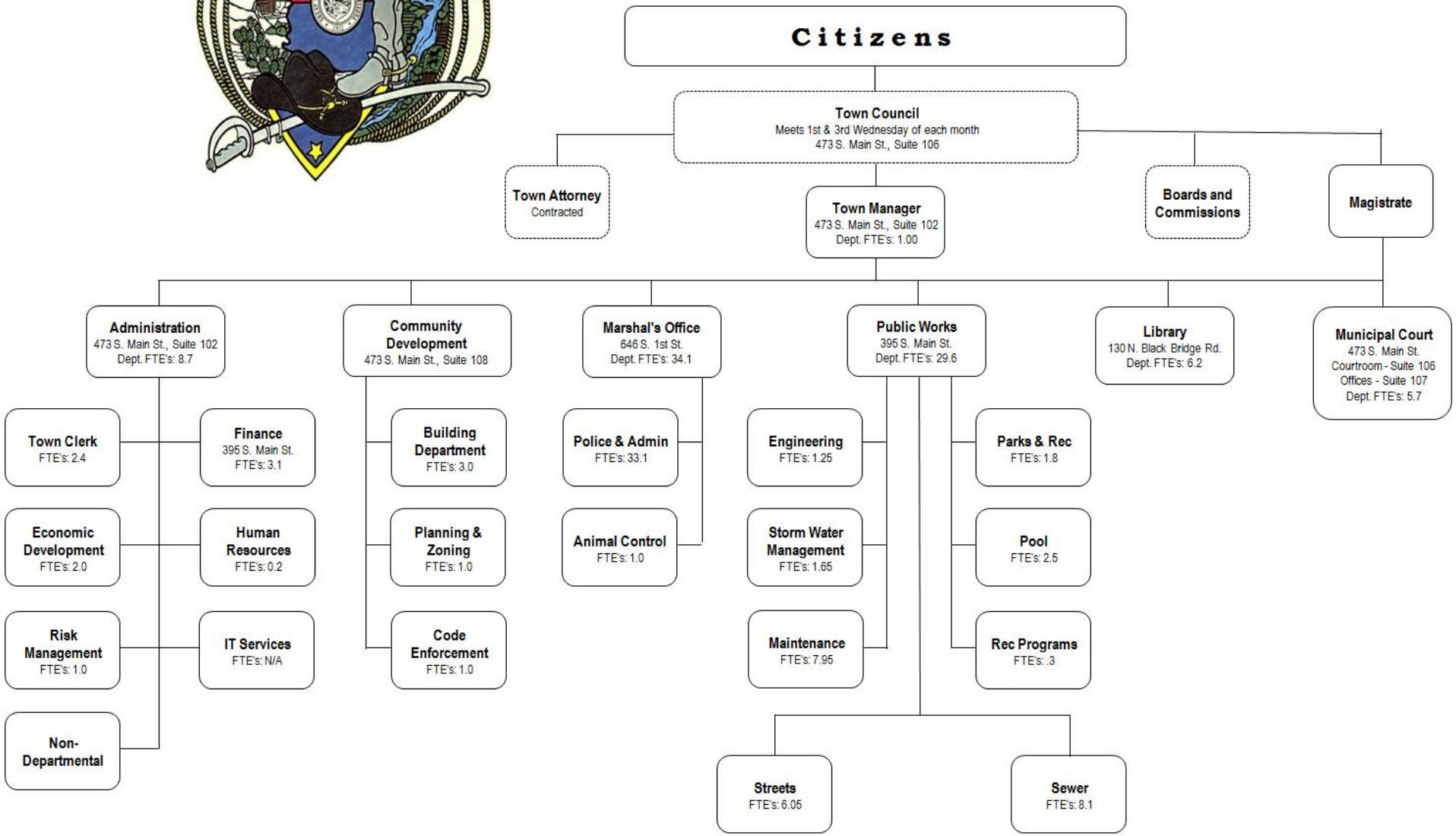
Respectfully submitted,

Russell A. Martin
Town Manager

Michael E. Showers
Finance Director

Town of Camp Verde, Arizona

Town Organization Chart



Town of Camp Verde
Key Officials and Staff

Mayor and Council Members (Left to right)
Front Row: Councilor Robin Whatley, Councilor Jackie Baker, Councilor Carol German
Back Row: Vice-Mayor Bruce George, Councilor Brad Gordon, Mayor Charlie German, Councilor Jessie Jones.

Department Heads

Russ Martin, *Town Manager*
Virginia Jones, *Town Clerk*
Mike Showers, *Finance Director*
Nancy Gardner, *Marshal*
Kathy Hellman, *Library Director*
Paul Schlegel, *Presiding Magistrate*
Michael Jenkins, *Community Development Director*
Ronald Long, *Engineer/Public Works Director*
Steve Ayers, *Economic Development Director*
Veronica Pineda, *Court Supervisor*
Carol Brown, *Risk Management*

CAMP VERDE

FINANCIAL SECTION

CAMP VERDE

COLBY & POWELL, PLC
CERTIFIED PUBLIC ACCOUNTANTS
1535 W. Harvard Avenue, Suite 101 · Gilbert, Arizona 85233
Tel: (480) 635-3200 · Fax: (480) 635-3201

INDEPENDENT AUDITORS' REPORT

To the Town Council
Town of Camp Verde, Arizona

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Camp Verde, Arizona, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Camp Verde, Arizona, as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statements, for the year ended June 30, 2015, the Town adopted new accounting guidance, Governmental Accounting Standards Board Statement Nos. 68 and 71. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 5 - 16, Budgetary Comparison Schedules on pages 62-65, Schedule of the Town's Proportionate Share of the Net Pension Liability – Cost-Sharing Pension Plans on page 67, Schedule of Changes in the Town's Net Pension Liability (Asset) and Related Ratios – Agent Pension Plans on page 68, Schedule of Town Pension Contributions on page 69, and Schedule of Agent OPEB Plans' Funding Progress on page 71 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

The combining and individual nonmajor fund financial statements and budgetary comparison schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such

information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and budgetary comparison schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2015, on our consideration of the Town of Camp Verde, Arizona's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Camp Verde, Arizona's internal control over financial reporting and compliance.

Other Reporting Required by Arizona Revised Statutes

In connection with our audit, nothing came to our attention that caused us to believe that the Town failed to use highway user revenue fund monies received by the Town pursuant to Arizona Revised Statutes Title 28, Chapter 18, Article 2 and any other dedicated state transportation revenues received by the Town solely for the authorized transportation purposes, insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the Town's noncompliance with the use of highway user revenue fund monies and other dedicated state transportation revenues, insofar as they relate to accounting matters.

Colby & Powell

December 22, 2015

CAMP VERDE

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, 2015. Please read it in conjunction with the Town's basic financial statements, which begin on page 17.

FINANCIAL HIGHLIGHTS

- Governmental total assets increased by just over $3.7 million, which is directly attributable to increases in restricted cash from bond monies received for the construction of a new library.

- Net position from governmental activities (excluding the adjustments for GASB 68 net pension liability) increased by $1.3 million to $16.47 million, representing an 8 percent increase over fiscal year 2013-14. After adjusting for net pension liability, net position is virtually unchanged at $11 million.

- Net position for business-type activities fell by $647,242 and can be directly attributed to depreciation expense of $746,528.

- General revenues from governmental activities accounted for just under $6.1 million of revenues, or 73 percent of all revenues from governmental activities. State shared revenues and local sales tax revenues make up 95% of the general revenues and together show an increase of $450,229 from fiscal year 2013-14.

- Expenses from governmental activities were up from fiscal year 2013-14 by nearly $1.24 million, most of which ($842,174) comes from budgeted increases in general government and public safety.

- Among major governmental funds, the General Fund had $6.8 million in revenues, which primarily consisted of taxes, licenses and permits, charges for services, fines and forfeitures, and intergovernmental revenues. The total expenditures in the General Fund were just under $6.24 million increasing the general fund balance, after allowing for net transfers out of $497,796, by $67,862. HURF Fund revenues of $862,803 were only slightly higher ($36,390) than last fiscal year, but a decrease from last year's combined expenditures and net transfers out of $59,279 increased the HURF fund balance by $112,474. The Parks fund was virtually unchanged.

- The Library fund became a major fund this year due to the Town securing funding through revenue bonds ($3.5 million) for the construction of a new Town Library.

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.

OVERVIEW OF FINANCIAL STATEMENTS (CONTINUED)

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

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

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

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

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

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

Governmental funds. Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources,* as well as on *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.

OVERVIEW OF FINANCIAL STATEMENTS (CONTINUED)

By doing so, readers may better understand the long-term impact of the Town's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Town maintains fifteen (15) individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances starting on page 21 for the General, HURF, Library and Parks Funds, all of which are considered to be major funds. Data from the other eleven (11) governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* in the combining and individual fund financial statements and schedules which can be found on pages 74-92.

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

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the Town. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the Town's own programs. The Town maintains two separate fiduciary funds. Information on these funds can be found in the Other Financial Statements section of this report on page 92.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found immediately following the basic financial statements on pages 28-61.

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, Library and Parks Funds as required supplementary information which can be found on pages 62-65. The Town also reports certain required supplementary information concerning the Town's pension plans. Required supplementary information schedules concerning these plans can be found on pages 67 – 71.

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Position

Net position may serve over time as a useful indicator of a government's financial position. In the case of the Town, total assets exceeded total liabilities by $29.45 million as of June 30, 2015 which is a 3% drop from last year. The following table presents a summary of the Town's net position for the fiscal years ended June 30, 2015 and 2014:

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Assets						
Current assets	$ 8,683,721	$ 5,226,680	$ 846,128	$ 892,220	$ 9,529,849	$ 6,118,900
Capital assets, net	14,159,186	13,858,202	18,069,267	18,613,499	32,228,453	32,471,701
Other non-current assets	110,897	126,903	-	-	110,897	126,903
Total assets	22,953,804	19,211,785	18,915,395	19,505,719	41,869,199	38,717,504
Liabilities						
Current and other liabilities	1,633,935	1,062,788	74,918	57,786	1,708,853	1,120,574
Long-term liabilities	11,304,980	7,340,231	482,963	401,948	11,787,943	7,742,179
Total liabilities	12,938,915	8,403,019	557,881	459,734	13,496,796	8,862,753
Deferred Inflows/(Outflows) of Resources						
Def'd net outflows related to pensions	(1,070,604)	(422,232)	(72,710)	(31,482)	(1,143,314)	(453,714)
Def'd inflows related to debt defeasance	65,164	-	-	-	65,164	-
Total net position	$ (1,005,440)	$ (422,232)	$ (72,710)	$ (31,482)	$ (1,078,150)	$ (453,714)
Net Position						
Net investment in capital assets	11,390,529	10,488,341	18,069,267	18,613,499	29,459,796	29,101,840
Restricted	5,567,076	2,270,348	-	-	5,567,076	2,270,348
Unrestricted	(5,937,276)	(1,527,691)	360,957	463,968	(5,576,319)	(1,063,723)
Total net position	$ 11,020,329	$ 11,230,998	$ 18,430,224	$ 19,077,467	$ 29,450,553	$ 30,308,465

Governmental Activities. The Town's net position from governmental activities fell $210,669 dollars from the restated fiscal year 2013-14 balance. The following are current year transactions that had a significant impact on the Town's net position:

- The Town received revenue bond funding in the amount of $4,904,000 ($1,372,950 amount of which was used to payoff the Town's GADA loan). This shows up as a significant increase in both long-term liabilities and current assets.
- Due to the implementation of GASB 68, there is a prior period adjustment for net pension liability of $4.36 million and a current year adjustment of $1,089,624.
- Net capital purchases of $803,294 was comprised mostly of Construction in Progress for several projects including the new Town library and drainage improvements.

Business-Type Activities. The Town's net position from business-type activities fell $647,242 from fiscal year 2013-14. The following are current year transactions that had a significant impact on the Town's net position:

- Depreciation in the amount of 746,528.

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

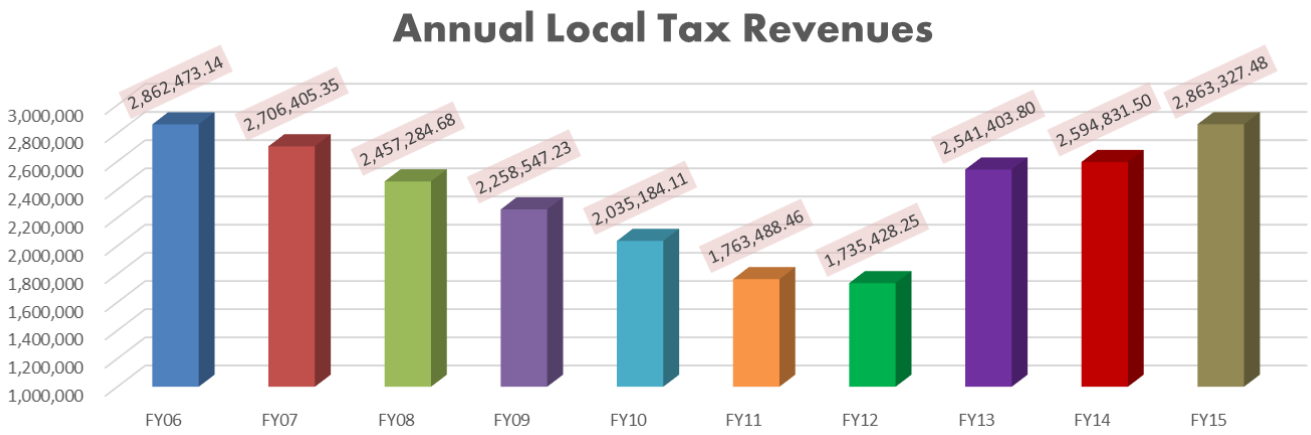
Statement of Activities

The following table presents a summary of the changes in net position for the fiscal years ended June 30, 2015 and 2014:

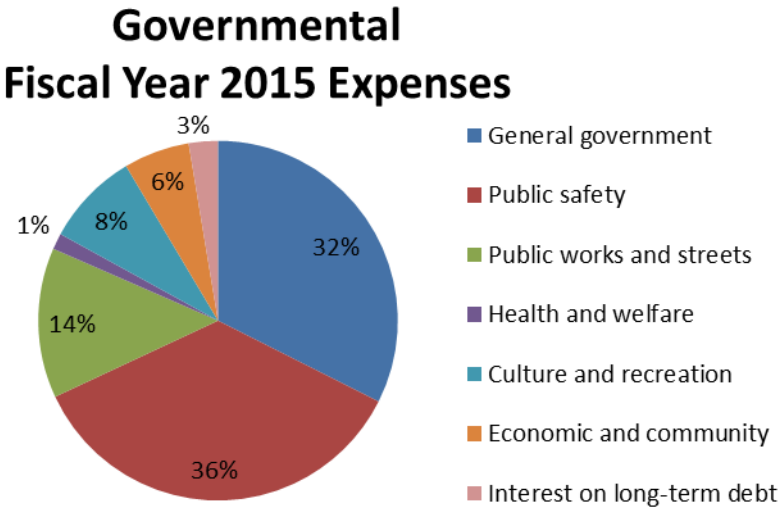
	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenues						
Program revenues:						
Charges for services	$ 735,666	$ 738,650	$ 1,029,111	$ 1,036,287	$ 1,764,777	$ 1,774,937
Operating grants and contributions	1,084,065	1,103,424			1,084,065	1,103,424
Capital grants and contributions	438,025	182,421			438,025	182,421
General revenues:					-	-
Town sales taxes	2,863,839	2,597,901			2,863,839	2,597,901
Franchise taxes	266,973	267,059			266,973	267,059
State shared revenue	2,942,726	2,758,435			2,942,726	2,758,435
Investment earnings	15,456	27,714	909	1,621	16,365	29,335
Miscellaneous	7,086	13,090			7,086	13,090
Special Items:				19,707,171	-	19,707,171
Total revenues	8,353,836	7,688,694	1,030,020	20,745,079	9,383,856	28,433,773
Expenses						
General government	2,776,465	2,383,176			2,776,465	2,383,176
Public safety	3,050,800	2,601,915			3,050,800	2,601,915
Public works and streets	1,156,551	1,006,300			1,156,551	1,006,300
Health and welfare	123,700	131,233			123,700	131,233
Culture and recreation	724,730	684,280			724,730	684,280
Economic and community development	507,702	411,023			507,702	411,023
Interest on long-term debt	224,557	107,141			224,557	107,141
Wastewater			1,677,262	1,667,612	1,677,262	1,667,612
Total expenses	8,564,505	7,325,068	1,677,262	1,667,612	10,241,767	8,992,680
Increase/ (decrease) in net position	(210,669)	363,626	(647,242)	19,077,467	(857,911)	19,441,093
Net position (restated), beginning	11,230,998	10,867,372	19,077,466	-	30,308,464	10,867,372
Net position, ending	$ 11,020,329	$ 11,230,998	$ 18,430,224	$ 19,077,467	$ 29,450,553	$ 30,308,465

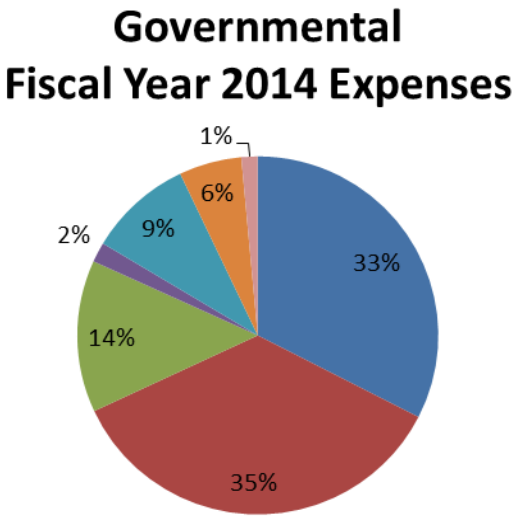
Governmental Activities. Total governmental revenues increased $665,142 (8%) from last year to $8.35 million. While this reflects increased sales tax activity it is also attributable to an increase in the Town sales tax rate in March 2015 which accounted for $138,560 (52%) of the total $265,938 increase (See revenue schedule below). Grants and contributions were up $236,245 (18%) over last year's numbers and state shared revenues (which includes state income and sales taxes as well as vehicle license tax) also increased this last year by $184,291 (7%).

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)



Expenses increased most notably in the areas of general government ($393,289) and public safety ($448,885). A significant amount of these two increases is an adjustment for the current year net pension liability of $347,208 for the two combined; $441,252 over all functional areas. Public safety also received and spent a $120,000 equipment grant through DOHS and had increased salaries of nearly $135,000 due mostly to 2 new positions.





GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Business-Type Activities. The Town's only business-type activity is its wastewater department. This enterprise fund is funded almost exclusively through fee-for-service revenues. From fiscal year 2013-14 to 2014-15, fee-for-service revenues were virtually unchanged, falling only $7,176 (.7%). It is important to note that a $19.7 million revenue item from last fiscal year came from the transfer of operations of the Camp Verde Sanitary District to the Town of Camp Verde. While the Town received all assets, including infrastructure, the corresponding debt remains with the sanitary district and is paid through property taxes assessed on entities within the sanitary district completely unrelated to wastewater operational revenues. These property tax payments are maintained separately in an agency fund for bi-annual debt payments.

Total expenses increased slightly by $9,650. The entire amount of the decrease in net position of $647,242 can be found in the depreciation expense for the year of $746,528.

Functional Net Governmental Activities

The following table presents the cost of the major Town functional activities. The table also shows each function's net cost (total cost less charges for services generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden that was placed on the State's and Town's taxpayers by each of these functions.

	Year Ended June 30, 2015		Year Ended June 30, 2014	
	Total Expenses	Net (Exp) / Rev	Total Expenses	Net (Exp) / Rev
Governmental activities				
General government	$ 2,776,465	$ (2,751,231)	$ 2,383,176	$ (2,332,003)
Public safety	$ 3,050,800	(2,371,977)	2,601,915	$ (2,076,083)
Public works and streets	$ 1,156,551	(95,026)	1,006,300	$ (37,284)
Health and welfare	$ 123,700	(123,700)	131,233	$ (131,233)
Culture and recreation	$ 724,730	(500,347)	684,280	$ (409,109)
Economic and community development	$ 507,702	(239,911)	411,023	$ (207,720)
Interest on long-term debt	$ 224,557	(224,557)	107,141	(107,141)
Net	$ 8,564,505	$ (6,306,749)	$ 7,325,068	$ (5,300,573)
Business-Type Activities				
Wastewater	$ 1,677,262	$ (648,151)	$ 1,667,612	$ (631,325)
Net	$ 1,677,262	$ (648,151)	$ 1,667,612	$ (631,325)
Total	$ 10,241,767	$ (6,954,900)	$ 8,992,680	$ (5,931,898)

Of the total $8.56 million governmental expenses, $2.26 million (26%) were covered by 1) those who directly benefitted from the services and 2) grants and contributions. The remaining $6.3 million was subsidized mostly by state and local taxes of $6 million. The wastewater services division (Business-type activities) total expenses of $1.67 million, less depreciation, was covered with fee-for-service revenues.

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.

As of the end of the Town's fiscal year, its governmental funds reported combined ending fund balances of just under $7.8 million, a $3.26 million increase from the prior year. Approximately 16 percent of the ending fund balance ($1.24 million) constitutes *unassigned fund balance*, which is virtually identical to the prior year. Unassigned fund balance is the amount available for spending at the government's discretion. The remainder of fund balance is reserved, committed or assigned to indicate that it is not available for new spending because it has already been assigned, committed or restricted for long term receivables ($632,000), HURF ($1,404,240), library building construction ($3,464,008), capital improvements ($405,029) and various other special programs ($644,835).

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 $2.57 million which is slightly higher than last year's $2.5 million. As a measure of the General Fund's liquidity, it may be useful to compare fund balance to fund expenditures. For fiscal year 2014-15, fund balance in the General Fund is 41% of total General Fund expenditures.

The fund balance in the Library Fund is uncharacteristically high ($3.2 million) due to the receipt of revenue bond monies in fiscal year 2014-15 that were only partially expended this year. These funds will be fully expended in the coming fiscal year, 2015-16, for the construction of the new library.

The HURF fund balance increased $112,474 from last year due to a mild increase in revenues (4%) and decrease in expenses (14%) most notably from capital outlays which decreased $100,759.

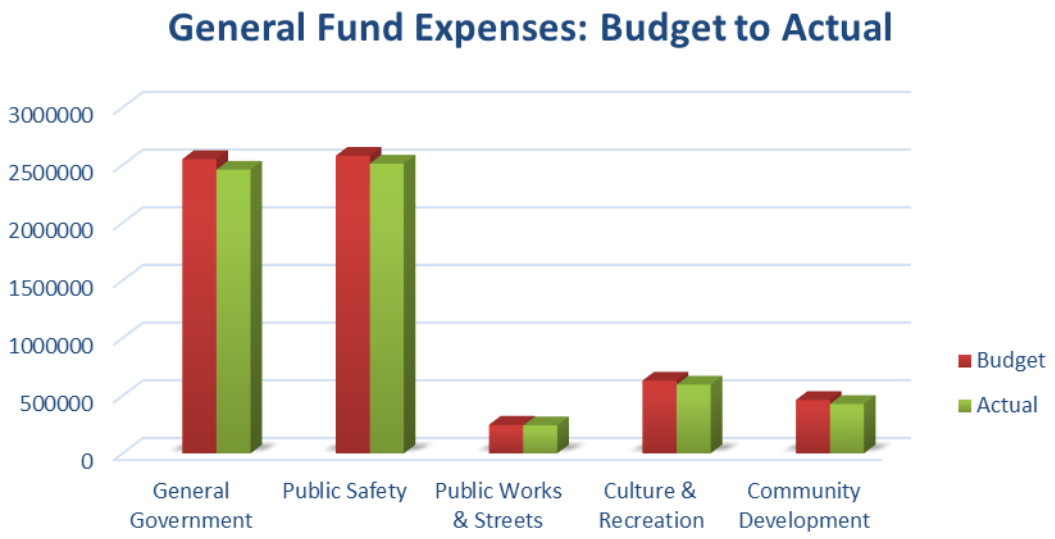
Proprietary funds. The proprietary fund financial statements are prepared on the same accounting basis and measurement as the government-wide financial statements, but provide additional detail of the Town's enterprise fund.

Wastewater revenues and expenses were virtually the same as last year as mentioned previously in the government-wide analysis. Net position in the enterprise fund decreased $647,242 (3%) all directly attributable to depreciation.

BUDGETARY HIGHLIGHTS

Schedules showing the budget amounts compared to the Town's actual financial activity for the General, HURF, Library and Parks Funds are provided in this report as required supplementary information. Budgetary highlights for the General Fund are as follows:

- All functional areas are under the total expense budget for the year.
- General Fund expenditures in total were under budget by 4%.



CAPITAL ASSETS

As of June 30, 2015, the Town had invested $18.5 million in governmental capital assets and $23.4 million in business-type assets (both before depreciation) including land, buildings, facilities, vehicles, computers, equipment, and infrastructure assets. Total depreciation expense for the year in governmental and business-type activities was $559,995 and $746,528 respectively. More information on debt and long-term liabilities can be found in the Notes to the Financial Statements under Note 5 – Capital Assets.

The following schedule presents capital asset balances and accumulated depreciation for the fiscal years ended June 30, 2015 and 2014:

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Land	$ 5,868,719	$ 5,868,719	$ 1,275,828	$ 1,275,828	$ 7,144,547	$ 7,144,547
Construction in progress	1,549,184	871,704	102,264	101,522	1,651,448	973,226
Buildings and improvements	3,857,920	3,833,184	553,417	406,260	4,411,337	4,239,444
Infrastructure	3,377,961	3,377,961	21,182,275	21,182,275	24,560,236	24,560,236
Machinery and equipment	2,912,901	2,811,823	325,849	303,756	3,238,750	3,115,579
Improvements other than buildings	953,431	953,431	-	-	953,431	953,431
Accumulated depreciation	(4,360,930)	(3,858,620)	(5,370,366)	(4,656,142)	(9,731,296)	(8,514,762)
Total	$ 14,159,186	$ 13,858,202	$ 18,069,267	$ 18,613,499	$ 32,228,453	$ 32,471,701

CAPITAL ASSETS (CONTINUED)

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

- The Town added $677,480 in construction in progress expenses. The largest investments was in the new library building for $344,988.
- The increase in machinery and equipment comes from grant expenditures for $117,622 of new communication equipment in the marshal's office.

DEBT AND LONG-TERM LIABILITIES

As of June 30, 2015, the Town had just under $12.6 million in long-term debt and long-term liabilities, $12.1 million for governmental activities and $500,000 for business-type activities. Of the $12.1 million governmental liabilities amount, $6.2 million is in bond and capital lease debt of which $323,030 is due within one year. Principle payments for bond and capital lease debt for the year were $1.7 million. The Town does not have any business-type activity debt. Compensated absences increased $56,632 (14%) for governmental activities and $6,726 (27%) for business-type activities. The largest impact on long-term liabilities is the adjustment for GASB 68 net pension liability of $5,450,696 and $482,963 for governmental and business-type activities respectively. The net pension liability for governmental activities is 45% of the total balance and 94% of the business-type balance. The following table presents a summary of the Town's outstanding long-term debt and compensated absences for the fiscal years ended June 30, 2014 and 2013. More information on debt and long-term liabilities can be found in the Notes to the Financial Statements under Note 7 – Long-Term Liabilities.

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
2014 Revenue bonds	$ 4,904,000	$ -	$ -	$ -	$ 4,904,000	$ -
2011 Revenue bonds	798,227	871,084	-	-	798,227	871,084
2005 Revenue bonds	-	1,410,000	-	-	-	1,410,000
2005 Revenue bond premium	-	72,406	-	-	-	72,406
Capital leases	471,967	625,669	-	-	471,967	625,669
Net pension liability	5,450,696	4,361,072	482,963	401,948	5,933,659	4,763,020
Compensated absences	447,334	390,702	31,819	25,093	479,153	415,795
Total	$ 12,072,224	$ 7,730,933	$ 514,782	$ 427,041	$ 12,587,006	$ 8,157,974

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Town of Camp Verde's revenue base is funded primarily by town sales tax and shared revenues from the State of Arizona. These revenue sources comprise approximately 70% on average of the Town's revenues. The local economy has stabilized and recently has increased somewhat from the previous years and our primary revenue sources have as well. This has allowed the Town to move forward with several capital improvement projects and this year we began construction on a new library facility as well as preparing for infrastructure needs in the

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET (CONTINUED)

future specifically along Highway 260. Another large construction project started in 2015 will be a new 26,000 square foot medical center on 29 acres of land. Both projects have spurred-on construction tax revenues in late fiscal year 2014-15. We will continue in fiscal year 2015-16 with the completion of these as well as several other small capital projects. It is also expected to be an even stronger construction year in 2016 with several new industrial warehouses as well as a couple of new retail buildings along Finnie Flat Road. Because of these construction related "one-time" revenues, our town council and staff will continue to monitor activity throughout the year to ensure the budget continues to guide prudent spending.

Staff continues to tighten projected spending in the budget preparation but has continued to consistently under-spend even their budgeted expenses each year. Departments continued to save across all areas of their budgets. We continue to make progress on expensive, longstanding capital projects within the budget. The Town is expecting to see additional revenue generation from current growth and must be able to sustain that revenue if we are to make faster or more comprehensive progress on long awaited capital improvements beyond the library. In the coming years we will continue a plan to only spend what we take in and hope to maintain our reserves through a conservative projection of revenues as well as continued conservative spending by departments. It is important to note that during the time since 2007, 22 positions were vacated to maintain an adequate reserve while accomplishing some outstanding capital projects. In the past few years we were able to replace most of these previously lost positions to a point just short of where we were back in 2007 but continue to expand our service levels and project accomplishments in areas that hopefully will generate new revenue and serve the community even better.

Management continues to believe that the conservative approach taken over the past few years has led to the success of the Town 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. As a better economy continues to be realized, it is hoped that the new revenues will allow for even more capital projects to become reality. An increase local sales tax late in fiscal year 2014-15 has led to a new revenue source that will fund projects in the Capital Improvement Plan that have been put off for years as well as allow for the addition of others that had yet to even be considered due to the limited capital resources available in the past.

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

CONTACTING THE TOWN'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the Town's finances and to demonstrate the Town's accountability for the resources it receives. If you have questions about this report or need additional information, contact the Town Finance Department at:

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

TOWN OF CAMP VERDE, ARIZONA
Statement of Net Position
June 30, 2015

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	$ 4,545,530	$ 738,406	$ 5,283,936
Cash - restricted	3,405,537	-	3,405,537
Accounts receivable - net	224,407	106,307	330,714
Due from other governments	508,247	1,415	509,662
Loan receivable	110,897	-	110,897
Capital assets, not being depreciated	7,417,903	1,378,092	8,795,995
Capital assets, being depreciated, net	6,741,283	16,691,175	23,432,458
Total assets	22,953,804	18,915,395	41,869,199
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	1,816,598	157,165	1,973,763
LIABILITIES			
Accounts payable	430,966	43,099	474,065
Accrued expenses	162,781	-	162,781
Interest payable	117,739	-	117,739
Unavailable loan revenue	70,002	-	70,002
Court bonds payable	6,041	-	6,041
Claims payable	79,162	-	79,162
Noncurrent liabilities			
Due within 1 year	767,244	31,819	799,063
Due in more than 1 year	11,304,980	482,963	11,787,943
Total liabilities	12,938,915	557,881	13,496,796
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	745,994	84,455	830,449
Deferred inflows related to debt defeasance	65,164	-	65,164
Total deferred inflows of resources	811,158	84,455	895,613
NET POSITION			
Net investment in capital assets	11,390,529	18,069,267	29,459,796
Restricted for:			
Highways and streets	1,404,240	-	1,404,240
Housing redevelopment	147,625	-	147,625
Special programs	4,015,211	-	4,015,211
Unrestricted (deficit)	(5,937,276)	360,957	(5,576,319)
Total net position	$ 11,020,329	$ 18,430,224	$ 29,450,553

The accompanying notes are an integral part of these financial statements

TOWN OF CAMP VERDE, ARIZONA
Statement of Activities
Year Ended June 30, 2015

Functions / Programs	Expenses	Program Revenue: Charges for Services	Program Revenue: Operating Grants and Contributions	Program Revenue: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets – Primary Government: Governmental Activities	Primary Government: Business-type Activities	Primary Government: Total
Primary government:							
Governmental activities							
General government	$ 2,776,465	$ 25,234	$ -	$ -	$ (2,751,231)	$ -	$ (2,751,231)
Public safety	3,050,800	457,097	89,545	132,181	(2,371,977)	-	(2,371,977)
Public works and streets	1,156,551	16,214	845,963	199,348	(95,026)	-	(95,026)
Health and welfare	123,700	-	-	-	(123,700)	-	(123,700)
Culture and recreation	724,730	42,332	132,873	49,178	(500,347)	-	(500,347)
Economic and community development	507,702	194,789	15,684	57,318	(239,911)	-	(239,911)
Interest of long-term debt	224,557	-	-	-	(224,557)	-	(224,557)
Total governmental activities	8,564,505	735,666	1,084,065	438,025	(6,306,749)	-	(6,306,749)
Business-type activities							
Wastewater	1,677,262	1,029,111	-	-	-	(648,151)	(648,151)
Total business-type activities	1,677,262	1,029,111	-	-	-	(648,151)	(648,151)
Total primary government	$ 10,241,767	$ 1,764,777	$ 1,084,065	$ 438,025	$ (6,306,749)	$ (648,151)	$ (6,954,900)
General revenue:							
Taxes:							
Sales Taxes					2,863,839	-	2,863,839
Franchise tax					266,973	-	266,973
State shared revenue					2,942,726	-	2,942,726
Investment income					15,456	909	16,365
Miscellaneous					7,086	-	7,086
Total general revenue					6,096,080	909	6,096,989
Change in net position					(210,669)	(647,242)	(857,911)
Net position, July 1, 2014, restated					11,230,998	19,077,466	30,308,464
Net position, June 30, 2015					$ 11,020,329	$ 18,430,224	$ 29,450,553

The accompanying notes are an integral part of these financial statements

TOWN OF CAMP VERDE, ARIZONA
Balance Sheet
Governmental Funds
June 30, 2015

	General Fund	HURF Fund	Library Building Fund	Parks Fund	Non-Major Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	1,900,554	$ 1,331,154	$ 248,027	$ 6,794	$ 1,059,001	$ 4,545,530
Cash - restricted	91,311	-	3,314,226	-	-	3,405,537
Accounts receivable, net	224,407	-	-	-	-	224,407
Due from other governments	255,549	80,111	-	-	172,587	508,247
Loans receivable	-	-	-	-	110,897	110,897
Due from other funds	673,323	-	-	-	-	673,323
Total assets	$ 3,145,144	$ 1,411,265	$ 3,562,253	$ 6,794	$ 1,342,485	$ 9,467,941
LIABILITIES						
Accounts payable	$ 219,918	$ 7,025	$ 98,245	$ -	$ 105,778	$ 430,966
Accrued expenses	162,781	-	-	-	-	162,781
Court bonds payable	6,041	-	-	-	-	6,041
Claims payable	79,162	-	-	-	-	79,162
Due to other funds	-	-	-	632,000	41,323	673,323
Total liabilities	467,902	7,025	98,245	632,000	147,101	1,352,273
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue	102,476		-		219,695	322,171
Total deferred inflows of resources	102,476	-	-	-	219,695	322,171
FUND BALANCES						
Restricted	-	1,404,240	3,464,008	-	587,931	5,456,179
Committed	662,091	-	-	-	-	662,091
Assigned	-	-	-	-	431,842	431,842
Unassigned	1,912,675	-	-	(625,206)	(44,084)	1,243,385
Total fund balances	2,574,766	1,404,240	3,464,008	(625,206)	975,689	7,793,497
Total liabilities, deferred inflows of resources, and fund balances	$ 3,145,144	$ 1,411,265	$ 3,562,253	$ 6,794	$ 1,342,485	$ 9,467,941

The accompanying notes are an integral part of these financial statements

TOWN OF CAMP VERDE, ARIZONA
Reconciliation of the Balance Sheet to the Statement of Net Position
Governmental Funds
June 30, 2015

Fund balances--total governmental funds		$ 7,793,497
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.		
Capital assets	18,520,117	
Less accumulated depreciation	(4,360,931)	
		14,159,186
Some receivables are not available to pay for current-period expenditures and therefore, are unavailable in the funds.		
Reimburseable grant expenditures	38,796	
Loan receivable	110,897	
Fines receivable	102,476	
		252,169
Some liabilities, including notes payable and net pension liabilities are not due and payable in the current period and therefore, are not reported in the funds		
Compensated absences	(447,334)	
Net pension liability	(5,450,696)	
Revenue bonds payable	(5,702,227)	
Lease purchase	(464,912)	
Capital leases	(7,055)	
Interest payable	(117,739)	
		(12,189,963)
Deferred outflows and inflows of resources related to pensions and amortized bond premiums are applicable to future reporting periods and, therefore, are not reported in the funds.		
Pension related deferred outflows	1,816,598	
Pension related deferred inflows	(745,994)	
Amortized bond premiums	(65,164)	
		1,005,440
Net position of governmental activities		$ 11,020,329

The accompanying notes are an integral part of these financial statements

TOWN OF CAMP VERDE, ARIZONA
Statement of Revenue, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2015

	General Fund	HURF Fund	Library Building Fund	Parks Fund	Non-Major Governmental Funds	Total Governmental Fund
Revenue						
Taxes	$ 3,130,812	$ -	$ -	$ -	$ -	$ 3,130,812
Intergovernmental	3,198,440	845,963	-	-	502,950	4,547,353
Fines and forfeitures	199,003	-	-	-	35,139	234,142
Licenses and permits	174,518	-	-	-	-	174,518
Charges for services	86,718	-	-	-	-	86,718
Contributions	-	-	10,382	-	60,162	70,544
Investment income	8,758	3,240	1,650	-	1,808	15,456
Other revenue	5,756	13,600	1,788	-	15,684	36,828
Total revenue	6,804,005	862,803	13,820	-	615,743	8,296,371
Expenditures						
Current						
General government	2,426,763	-	-	-	203,621	2,630,384
Public safety	2,500,015	-	-	-	113,123	2,613,138
Public works and streets	246,107	541,516	-	-	27,478	815,101
Health and welfare	5,000	-	-	-	118,700	123,700
Culture and recreation	596,192	-	-	-	38,091	634,283
Economic and community development	425,631	-	-	-	39,443	465,074
Capital outlay	33,751	7,390	365,637	-	454,201	860,979
Debt service			-			
Principal	4,042	-	-	-	322,907	326,949
Interest	846	-	-	-	77,466	78,312
Total expenditures	6,238,347	548,906	365,637	-	1,395,030	8,547,920
Excess (deficiency) of revenue over (under) expenditures	565,658	313,897	(351,817)	-	(779,287)	(251,549)
Other financing sources						
Proceeds of refunding bonds	-	-	3,507,248	-	1,396,752	4,904,000
Payments to refunding bond trustee	-	-	-	-	(1,396,752)	(1,396,752)
Transfers (out)	(497,796)	(201,423)	46,483	(12,000)	664,736	-
Total other financing sources	(497,796)	(201,423)	3,553,731	(12,000)	664,736	3,507,248
Net change in fund balances	67,862	112,474	3,201,914	(12,000)	(114,551)	3,255,699
Fund balances, July 1, 2014	2,506,904	1,291,766	262,094	(613,206)	1,090,240	4,537,798
Fund balances, June 30, 2015	$ 2,574,766	$ 1,404,240	$ 3,464,008	$ (625,206)	$ 975,689	$ 7,793,497

The accompanying notes are an integral part of these financial statements

TOWN OF CAMP VERDE, ARIZONA
Reconciliation of the Statement of Revenue, Expenditures, and Changes in Fund Balances to the Statement of Activities
Governmental Funds
Year Ended June 30, 2015

Net change in fund balances--total governmental funds		$ 3,255,699
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital outlay	860,979	
Depreciation expense	(559,995)	
		300,984
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		57,465
Town pension contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension liability is measured a year before the Town's report date. Pension expense, which is the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pensions, is reported in the Statement of Activities.		
Town pension contributions	472,518	
PSPRS health insurance transfer	(136,901)	
Pension expense	(776,869)	
		(441,252)
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.		
Bond acquisition	(4,904,000)	
Principal repaid	326,949	
Bond defeasance	1,310,000	
		(3,267,051)
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore, are not reported as expenditures in governmental funds.		
Interest expense	(67,123)	
Amortization of bond premium	7,241	
Change in compensated absences	(56,632)	
		(116,514)
Change in net position of governmental activities		$ (210,669)

The accompanying notes are an integral part of these financial statements

TOWN OF CAMP VERDE, ARIZONA
Statement of Net Position
Proprietary Fund
Year Ended June 30, 2015

	Wastewater Fund
ASSETS	
Cash and cash equivalents	738,406
Accounts receivable - net	106,307
Due from other governments	1,415
Capital assets, not being depreciated	1,378,092
Capital assets, being depreciated, net	16,691,175
Total assets	18,915,395
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pensions	157,165
LIABILITIES	
Accounts payable	43,099
Noncurrent liabilities	
Due within one year	31,819
Due in more than one year	482,963
Total liabilities	557,881
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to pensions	84,455
Net position	
Net investment in capital assets	18,069,267
Unrestricted (deficit)	360,957
Total net position	$ 18,430,224

The accompanying notes are an integral part of these financial statements

TOWN OF CAMP VERDE, ARIZONA
Statement of Revenue, Expenses, and Changes in Fund Net Position
Proprietary Fund
June 30, 2015

	Wastewater Fund
Operating revenues	
Sewer charges	$ 1,026,844
Miscellaneous	2,267
Total operating revenues	1,029,111
Operating expenses	
Personnel	497,690
Materials and supplies	77,209
Professional services	40,660
Utilities	107,989
Insurance	6,900
Other	39,531
Repairs and maintenance	135,755
Bad debt	25,000
Depreciation	746,528
Total operating expenses	1,677,262
Operating income (loss)	(648,151)
Nonoperating revenues (expenses)	
Interest income	909
Total nonoperating revenues (expenses)	909
Increase (decrease) in net position	(647,242)
Total net position, beginning of year, *restated*	19,077,466
Total net position, end of year	$ 18,430,224

The accompanying notes are an integral part of these financial statements

TOWN OF CAMP VERDE, ARIZONA
Statement of Cash Flows
Proprietary Fund
Year Ended June 30, 2015

		Wastewater Fund
Cash flows from operating activities:		
Receipts from customers	$	1,058,043
Payments to suppliers and providers of goods and services		(357,851)
Payments to employees		(490,964)
Net cash provided (used) by operating activities		209,228
Cash flows from capital and related financing activities:		
Purchase of capital assets		(202,297)
Net cash provided (used) by capital and related financing activities		(202,297)
Cash flows from investing activities:		
Interest received		909
Net cash provided (used) by investing activities		909
Net increase (decrease) in cash and cash equivalents		7,840
Cash and cash equivalents, beginning of year		730,566
Cash and cash equivalents, end of year	$	738,406

The accompanying notes are an integral part of these financial statements

TOWN OF CAMP VERDE, ARIZONA
Statement of Cash Flows
Proprietary Fund
Year Ended June 30, 2015
(Continued)

		Wastewater Fund
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	$	(648,151)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation		746,528
Bad debts		25,000
Pension expense		74,395
Employer pension contributions		(34,608)
(Increase) decrease:		
Accounts receivable		28,425
Due from other governments		507
Increase (decrease):		
Accounts payable		10,406
Accrued expenses		6,726
Net cash provided (used) by operating activities	$	209,228

The accompanying notes are an integral part of these financial statements

TOWN OF CAMP VERDE, ARIZONA
Statement of Fiduciary Assets and Liabilities
June 30, 2015

	Agency Fund
ASSETS	
Cash and cash equivalents	$ 741,497
Total assets	741,497
LIABILITIES	
Deposits held for others	741,497
Total liabilities	$ 741,497

The accompanying notes are an integral part of these financial statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. Reporting Entity

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

B. Basis of Presentation

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

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

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

The Town reports the following major governmental funds:

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

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

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

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

The Town reports the following major enterprise fund:

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

Additionally, the Town reports the following fund types:

The ***Agency Funds*** are used to account for assets held by the Town in a custodial capacity for the following purposes:

- Employee assistance.
- Camp Verde Sanitary District property tax collection and debt service remittance.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

C. Basis of Accounting

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

Governmental funds in the fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The Town considers all revenues reported in the governmental funds to be available if the revenues are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, compensated absences, which are recognized as expenditures to the extent they are due and payable. General capital asset acquisitions are reported as expenditures in governmental funds. Issuances of general long-term debt and acquisitions under capital lease agreements are reported as other financing sources.

When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Cash and Investments

The Town considers cash on hand, demand deposits, cash and investments held by the State Treasurer, and highly liquid investments with maturities of three months from the date of acquisition to be cash equivalents.

Cash and investments are generally pooled except for funds required to be held by fiscal agents or restricted under provisions of bond indentures. Arizona Revised Statutes (A.R.S.) authorize the Town to invest public monies in the State Treasurer's Local Government Investment Pool, interest-bearing savings accounts, certificates of deposit, and repurchase agreements in eligible depositories; bonds or other obligations of the U.S. government that are guaranteed as to principal and interest by the U.S. government; and bonds of the State of Arizona or any of its counties, cities, towns, school districts, and special districts as specified by statute. The State Board of Deposit provides oversight for the State Treasurer's pool, and the Local Government Investment Pool Advisory Committee provides consultation and advice to the Treasurer. The fair value of a participant's position in the pool approximates the value of that participant's pool shares

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

E. Allowance for Uncollectible Accounts

Allowances for uncollectible accounts receivable are estimated by the Town. The amount recorded at June 30, 2015 in the general fund for uncollectible municipal court fines and forfeitures is $506,000. The amount recorded at June 30, 2015 in the wastewater fund for uncollectible wastewater receivables is $55,000.

F. Capital Assets

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

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

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

G. Deferred Outflows/Inflows of Resources

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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.

I. Fund Balance Reporting

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

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

The Town's policy for committed fund balances is through formal Town resolutions passed through the elected town council. The process of rescinding a committed fund balance requires the same process.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

The Town's policy for assigned fund balances is through motions passed by the elected town council. Assigned fund balances do not require a formal resolution.

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

J. Investment Income

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

K. Estimates

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

L. Impact of Recently Issued Accounting Principles

In June 2012, the GASB issued Statement 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27*. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency. The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2014. The Town implemented this standard during this fiscal period. See the subsequent notes for further details.

In November 2013, the GASB issued Statement 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68.* The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, *Accounting and Financial Reporting for Pensions*. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. The provisions of this Statement are required to be applied simultaneously with the provisions of Statement 68. The Town implemented this standard during this fiscal period. See the subsequent notes for further details.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

M. Pensions

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

NOTE 2 – DEPOSITS AND INVESTMENTS

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

Deposits—At June 30, 2015, the carrying amount of the Town's total cash in bank was $5,072,294, and the bank balance was $5,289,463. Of the bank balance, $1,247,258 was covered by federal depository insurance and the remaining balance was covered by collateral held by the pledging financial institution in the Town's name.

Deposits and investments at June 30, 2015 consist of the following:

Deposits		
Cash on hand	$	1,510
Cash in bank		5,072,294
Investments		
State treasurer's investment pool		1,268,766
U.S. Securities		2,346,903
Total deposits and investments		8,689,473
Less Cash - Restricted		(3,405,537)
Total cash and cash equivalents	$	5,283,936

Cash – restricted consists of cash set aside to meet debt service requirements totaling $91,311 and refunding bond proceeds restricted for library capital improvements totaling $3,314,226.

NOTE 2 – DEPOSITS AND INVESTMENTS- Continued

At June 30, 2015, the Town had the following investments and maturities:

		Investment Maturities (in Years)		
Investment Type	Fair Value	Less Than 1	1-5	Concentration of Credit Risk %
U.S. Treasuries	$ 9,195	$ 9,195	$ -	0.39
Negotiable Certificates of Deposits				
Beal Bank USA	384,000	384,000	-	16.36
U.S. Agencies				
Federal Farm Credit Bank	248,800	-	248,800	10.60
Federal Farm Credit Bank	249,243	-	249,243	10.62
Federal Home Loan Bank	224,955	-	224,955	9.59
Federal Home Loan Bank	180,286	-	180,286	7.68
Federal Home Loan Bank	299,889	-	299,889	12.78
Federal Natl Mtg Assn.	350,035	-	350,035	14.91
Federal Natl Mtg Corp.	400,500	-	400,500	17.07
	$ 2,346,903	$ 393,195	$ 1,953,708	100.00

Interest Rate Risk. In accordance with its investment policy, the Town manages its exposure to declines in fair values by limiting the maturities of its investment portfolio according to the needs of the Town. Investments are structured so that they mature concurrent with anticipated cash requirements for ongoing operations of the Town.

Credit Risk. The Town's investment policy allows for investments in obligations guaranteed by the full faith and credit of the United States of America, government sponsored enterprises, government bonds with minimum credit ratings of Aa or AA, commercial paper with a minimum short term rating of P1 or A1, negotiable certificates of deposit, corporate bonds carrying a minimum credit rating of A, and the Local Government Investment Pool. The Towns investment in U.S. Agencies and Money Market Funds were rated no lower than AAA by Standard & Poor's. The State Treasurer's Investment Pool is overseen according to Arizona State Statute by the State Board of Deposit. The fair value of a participant's position in the pool approximates the value of that participant's pool shares. The shares are not identified with specific investments and are not subject to custodial credit risk.

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

NOTE 3 – ACCOUNTS RECEIVABLE

As of June 30, 2015, the Town's receivables for individual major governmental funds and non-major governmental funds in the aggregate, consisted of $632,518 in municipal court fines and $97,889 in other miscellaneous receivables. In anticipation of uncollectible amounts, the Town has an allowance for doubtful accounts of $506,000.

In connection with receivables, governmental funds reported deferred revenue for amounts not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, unavailable revenue consisted of fines receivable of $172,478, loans receivable of $110,897, and unexpended grant funds of $38,796.

As of June 30, 2015, the Town's receivables for individual major proprietary funds consisted of wastewater fees billed to customers totaling $161,307. In anticipation of uncollectible amounts, the Town has an allowance for doubtful accounts of $55,000.

NOTE 4 – DUE FROM OTHER GOVERNMENTS

Amounts due from other governments at June 30, 2015 consisted of the following:

State collected sales tax	$ 86,552
Yavapai County	55,546
State of Arizona	197,152
State shared revenues:	
State sales tax	138,659
Vehicle licensing tax	30,338
	$ 508,247

NOTE 5 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2015, was as follows:

	Balance July 01, 2014	Increase	Decreases	Balance June 30, 2015
Governmental activities:				
Capital assets not being depreciated:				
Land	$ 5,868,719	$ -	$ -	$ 5,868,719
Construction in progress	871,704	677,480	-	1,549,184
Total capital assets not being depreciated	6,740,423	677,480	-	7,417,903
Capital assets being depreciated:				
Buildings and improvements	3,833,184	24,736	-	3,857,920
Infrastructure	3,377,961	-	-	3,377,961
Machinery and equipment	2,811,823	158,763	(57,685)	2,912,901
Improvements other than buildings	953,431	-	-	953,431
Total	10,976,399	183,499	(57,685)	11,102,213
Less accumulated depreciation for:				
Buildings and improvements	(935,190)	(92,923)	-	(1,028,113)
Infrastructure	(839,754)	(168,898)	-	(1,008,652)
Machinery and equipment	(1,674,452)	(268,787)	57,685	(1,885,554)
Improvements other than buildings	(409,224)	(29,387)	-	(438,611)
Total	(3,858,620)	(559,995)	57,685	(4,360,930)
Total capital assets being depreciated, net	7,117,779	(376,496)	-	6,741,283
Governmental activities capital assets, net	$ 13,858,202	$ 300,984	$ -	$ 14,159,186

NOTE 5 – CAPITAL ASSETS – Continued

	Balance July 01, 2014	Increase	Decreases	Balance June 30, 2015
Business-type activities:				
Capital assets not being depreciated:				
Land	$ 1,275,828	$ -	$ -	$ 1,275,828
Construction in progress	101,522	4,380	(3,638)	102,264
Total capital assets not being depreciated	1,377,350	4,380	(3,638)	1,378,092
Capital assets being depreciated:				
Buildings and improvements	406,260	147,157	-	553,417
Infrastructure systems	21,182,275	-	-	21,182,275
Vehicles and equipment	303,755	58,017	(35,923)	325,849
Total	21,892,290	205,174	(35,923)	22,061,541
Less accumulated depreciation for:				
Buildings and improvements	(32,024)	(29,547)	-	(61,571)
Infrastructure	(4,424,374)	(682,828)	-	(5,107,202)
Vehicles and equipment	(199,743)	(34,153)	32,303	(201,593)
Total	(4,656,141)	(746,528)	32,303	(5,370,366)
Total capital assets being depreciated, net	17,236,149	(541,354)	(3,620)	16,691,175
Business-type activities capital assets, net	$ 18,613,499	$ (536,974)	$ (7,258)	$ 18,069,267

Depreciation expense was charged to each function as follows:

Governmental activities:	
Public works and streets	$ 286,753
Public safety	155,480
Culture and recreation	59,963
General government	51,467
Economic and community development	6,332
Total governmental activities depreciation expense	$ 559,995
Business-type activities:	
Wastewater fund	$ 746,528

NOTE 6 – LOANS RECEIVABLE

The Town has outstanding loans due from homeowners related to funding through a Community Development Block Grant (CDBG). Income from CDBG loans is considered program income of the grant. The governmental funds reports unavailable revenue as "deferred inflows of resources" in connection with the receivables for revenues that are not considered to be available to liquidate liabilities of the current period. However, the government-wide financial statements recognized the revenue when the receivable was recognized. Therefore, the unavailable revenue represents a reconciling item between the government-wide and fund financial statements. At June 30, 2015, $110,897 of the loan receivable recorded in the Housing Fund represents funds that were unavailable.

NOTE 7 – LONG-TERM LIABILITIES

The following schedule details the Town's long-term liability and obligation activity for the year ended June 30, 2015.

	Balance July 1, 2014	Additions	Reductions	Balance June 30, 2015	Due within 1 year
Governmental activities:					
Compensated absences	$ 390,702	$ 460,147	$ 403,515	$ 447,334	$ 444,214
Capital leases payable	625,669	-	153,702	471,967	154,325
Net pension liability	4,361,072	1,089,624	-	5,450,696	-
Bonds payable:					
Revenue bonds	2,353,490	4,904,000	1,555,263	5,702,227	168,705
Governmental activities long-term liabilities	$ 7,730,933	$ 6,453,771	$ 2,112,480	$ 12,072,224	$ 767,244
Business-type activites:					
Compensated absences	$ 25,093	$ 33,273	$ 26,547	$ 31,819	$ 31,819
Net pension liability	401,948	81,015	-	482,963	-
Business-type activities long-term liabilities	$ 427,041	$ 114,288	$ 26,547	$ 514,782	$ 31,819

Bonds Payable:

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

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

NOTE 7 – LONG-TERM LIABILITIES – Continued

Description	Original Amount	Maturity Ranges	Interest Rates	Outstanding Principal June 30, 2015
Revenue Bonds, Series 2011	$ 1,005,000	2008-2024	3.91%	$ 798,227
Revenue Refunding Bonds, Series 2014	4,904,000	2016-2031	2.84%	4,904,000
Totals	$ 5,909,000			$ 5,702,227

Current Year Defeasance

On October 7, 2014, the Town issued $4,904,000 in Revenue Refunding Bonds with an average interest rate of 2.84 percent. This issuance was used to refund $1,310,000 of Series 2005 Revenue Bonds with an average interest rate of 5 percent. The refunding portion of the 2014 Revenue Refunding Bonds totaling $1,372,950 was used to fund an irrevocable trust with an escrow agent to refund the bonds in full as of August 1, 2015. The refunding issuance resulted in a deferred outflow of $65,164. This difference will be allocated to expense through the fiscal year 2025 using the straight-line amortization method. The Town completed the refunding to provide for a better interest rate and to decrease its total debt service payments over the next 10 years by extending the repayment terms an additional six years. Due to the extended payment terms, the Town will pay a total of $47,592 in additional debt service payments over the life of the Refunding Bond and will incurred an economic loss (difference between the present values of the old and new debt service payments) of $(55,259).

The Town has placed the proceeds of the new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the advance refunded (defeased) bonds are not included in the Town's financial statements. The refunded debt outstanding as of June 30, 2015 totaled $1,310,000.

The following schedule details debt service requirements to maturity for the Town's bonds payable at June 30, 2015.

	Governmental Activities			
Year Ending	2011 Bond Payable		2014 Bond Payable	
June 30	Principal	Interest	Principal	Interest
2016	$ 75,705	$ 2,971	$ 93,000	$ 167,742
2017	78,666	26,713	320,000	132,088
2018	81,741	23,577	329,000	122,873
2019	84,938	20,318	337,000	113,415
2020	88,259	16,932	346,000	103,717
2021-2025	388,918	31,141	1,900,000	362,016
2026-2030	-	-	1,297,000	134,205
2031	-	-	282,000	4,004
Total	$ 798,227	$ 121,652	$ 4,904,000	$ 1,140,060

NOTE 7 – LONG-TERM LIABILITIES – Continued

Capital leases – The Town has entered into lease agreements as lessee for financing the acquisition of equipment. 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
Equipment	$ 866,238
Less: accumulated depreciation	(305,054)
Carrying value	$ 561,184

The following schedule details debt service requirements to maturity for the Town's capital leases payable at June 30, 2015.

Year Ending June 30	Governmental Activities
2016	$ 161,558
2017	161,391
2018	161,391
2019	1,842
Total minimum lease payments	486,182
Less amount representing interest	(14,215)
Present value of net minimum lease payments	$ 471,967

NOTE 8 – 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 Camp Verde Sanitary District has pledged, as the sole security for the lease-purchase agreement, the annual appropriations from the Town. Total principal and interest remaining on the District's debt is $1.6 million. For the current year, principal and interest paid by the Sanitary District totaled $118,700. Total sales tax and state shared revenues recognized by the Town totaled $5.3 million.

NOTE 9 – INTERFUND BALANCES AND ACTIVITY

Interfund borrowings - 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 FY2015 and remaining amount owed from the Parks fund to the General fund is $632,000. During the year ended June 30, 2015, the Federal Grants Fund borrowed $41,323 from the General Fund monies for the purpose of paying reimbursable grant expenditures that will be repaid in the short term.

Interfund transfers – During the year ended June 30, 2015, the Town transferred funds to cover shared expenses and interfund borrowings. Transfers made between funds during the year are as follows:

	Transfers from			
Transfers to	General Fund	HURF Fund	Parks Fund	Total
Library Fund	$ 46,483	$ -	$ -	$ 46,483
Non-Major Governmental Funds	451,313	201,423	12,000	664,736
Total	$ 497,796	$ 201,423	$ 12,000	$ 711,219

NOTE 10 – INDIVIDUAL FUND DISCLOSURES

Individual funds with deficiencies in fund balance/net position at June 30, 2015 were as follows:

Non-major special revenue funds	
Federal Grants Fund	$ (42,369)

The deficiency in the Federal Grants Fund of the Non-major special revenue funds will be eliminated through reimbursements from Federal granting agencies.

NOTE 11 – GOVERNMENTAL FUND BALANCE/NET POSITION COMPONENTS

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

	Governmental Activities
Restricted Net Position:	
Highway User Revenues	$ 1,404,240
Housing redevelopment:	
Loans Receivable	110,897
Other	36,728
Court Special Revenue:	
Court Enhancement	188,782
Fill the Gap	19,406
Local JCEF	40,650
Nonfederal grants	
Anti-racketeering	10,325
Walton family	41,471
Federal grants	
LSTA	1,715
9-1-1	2,143
Library Building	3,464,008
Impact Fees:	
General government	68,970
Parks and Recreation	103,767
Police Services	59,463
Donations:	
Animal Shelter	25
Camp Verde Marshal's Office	100
K-9	2,607
Library	4,412
Parks and Recreation	3,952
Safety fund	2,933
Economic development	55
Volunteers in Police Services	427
Total Restricted Net Position	$ 5,567,076

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

The components of governmental fund balances are as follows:

	General	HURF	Library Building	Parks	Non-Major Govt'l Funds	Total Govt'l Funds
Ending Fund balances, June 30, 2015						
Restricted for:						
Highways and streets	$ -	$ 1,404,240	$ -	$ -	$ -	$ 1,404,240
Housing redevelopment	-	-	-	-	36,728	36,728
Court special revenue			-			
Court enhancement	-	-	-	-	188,782	188,782
Fill the gap	-	-	-	-	19,406	19,406
Local JCEF	-	-	-	-	40,650	40,650
Nonfederal grants						
Anti-racketeering	-	-	-	-	10,325	10,325
Walton family	-	-	-	-	41,471	41,471
Federal grants						
LSTA	-	-	-	-	1,715	1,715
9-1-1	-	-	-	-	2,143	2,143
Library building	-	-	3,464,008	-	-	3,464,008
Impact fees						
General government	-	-	-	-	68,970	68,970
Parks and recreation	-	-	-	-	103,767	103,767
Police services	-	-	-	-	59,463	59,463
Donations						
Animal shelter	-	-	-	-	25	25
Camp Verde Marshal's office	-	-	-	-	100	100
K-9	-	-	-	-	2,607	2,607
Library	-	-	-	-	4,412	4,412
Parks and recreation	-	-	-	-	3,952	3,952
Safety fund	-	-	-	-	2,933	2,933
Economic development	-	-	-	-	55	55
Volunteers in police service	-	-	-	-	427	427
Total restricted	-	1,404,240	3,464,008	-	587,931	5,456,179
Committed for:						
Long-term receivable	632,000	-		-	-	632,000
Legal defense	30,091	-		-	-	30,091
Total committed	662,091	-	-	-	-	662,091
Assigned for:						
Capital improvements	-	-		-	405,029	405,029
Senior center	-	-		-	4,197	4,197
Schools and school programs	-	-		-	22,616	22,616
Total assigned	-	-	-	-	431,842	431,842
Unassigned:	1,912,675	-	-	(625,206)	(44,084)	1,243,385
Ending Fund Balances	$ 2,574,766	$ 1,404,240	$ 3,464,008	$ (625,206)	$ 975,689	$ 7,793,497

NOTE 12 – CONTINGENT LIABILITIES

Federal and State grants and loans – The Town has received a number of grants from both the Federal and State governments. Amounts received or receivable from grantor agencies are subject to audit and adjustment; however, the Town expects no material disallowance of expenditures.

Lawsuits – At times the Town is a defendant in various lawsuits, although the outcome of these lawsuits is not always determinable, in the opinion of the Town's legal counsel, any resolution of these matters will not have a material adverse effect on the financial condition of the Town.

NOTE 13 – RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town carries commercial insurance for all such risks of loss, including workers' compensation and employees' health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

NOTE 14 – CLAIMS PAYABLE

In fiscal year 2011, 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 balance at June 30, 2015 and 2014 was $79,162. There were no changes to the claim or payments on the claim during the year ended June 30, 2015.

NOTE 15 – CHANGE IN ACCOUNTING PRINCIPLE

Net position as of July 1, 2014, has been restated as for the implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*.

	Governmental Activities	Business-type Activities	Wastewater Fund
Net position as previously reported at June 30, 2014	$ 15,169,838	$ 19,447,933	$ 19,447,933
Prior period adjustments-implementation of GASB 68:			
Net pension liability (measurement date as of June 30, 2013)	(4,361,072)	(401,948)	(401,948)
Deferred outflows-Town contributions made during fiscal year 2014	422,233	31,481	31,481
Total prior period adjustment	(3,938,839)	(370,467)	(370,467)
Net position, as restated, July 1, 2014	$ 11,230,999	$ 19,077,466	$ 19,077,466

NOTE 16 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

The Town contributes to the pension plans described below. The plans are component units of the State of Arizona.

At June 30, 2015, the Town reported the following aggregate amounts related to pensions for all plans to which it contributes:

Statement of Net Position and Statement of Activities	Governmental Activities	Business-type Activities	Total
Net pension liabilities	$ 5,450,696	$ 482,963	$ 5,933,659
Deferred outflows of resources	1,816,598	157,165	1,973,763
Deferred inflows of resources	745,994	84,455	830,449
Pension expense	776,869	74,395	851,264

The Town reported $552,812 of pension expenditures in the governmental funds related to all pension plans to which it contributes.

A. Arizona State Retirement System

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

NOTE 16 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS – Continued

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

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

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

Contributions – In accordance with state statutes, annual actuarial valuations determine active member and employer contribution requirements. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. For the year ended June 30, 2015, active ASRS members were required by statute to contribute at the actuarially determined rate of 11.6 percent (11.48 percent for retirement and 0.12 percent for long-term disability) of the members' annual covered payroll, and the Town was required by statute to contribute at the actuarially determined rate of 11.6 percent (10.89 percent for retirement, 0.59 percent for health insurance premium benefit, and 0.12 percent for long-term disability) of the active members' annual covered payroll. The Town's contributions to the pension plan for the year ended June 30, 2015,

NOTE 16 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS – Continued

were $291,063. The Town's contributions for the current and two preceding years for OPEB, all of which were equal to the required contributions, were as follows:

ASRS	**Health Benefit Supplement Fund**	**Long-term Disability Fund**
Year ended June 30,		
2015	$ 16,051	$ 3,210
2014	14,750	5,900
2013	12,217	5,091

During fiscal year 2015, the Town paid for ASRS pension and OPEB contributions as follows: 91.59 percent from the General Fund and 8.41 percent from the Wastewater Fund.

Pension Liability – At June 30, 2015, the Town reported a liability of $4,061,925 for its proportionate share of the ASRS' net pension liability. The net pension liability was measured as of June 30, 2014. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2013, to the measurement date of June 30, 2014. The Town's proportion of the net pension liability was based on the Town's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2014. The Town's proportion measured as of June 30, 2014, was .006760 percent, which was an increase of .000545 from its proportion measured as of June 30, 2013.

NOTE 16 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS – Continued

Pension Expense and Deferred Outflows/Inflows of Resources – For the year ended June 30, 2015, the Town recognized pension expense for ASRS of $625,696. At June 30, 2015, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

ASRS	**Deferred Outflows of Resources**	**Deferred Inflows of Resources**
Differences between expected and actual experience	$ 206,439	$ -
Net difference between projected and actual earnings on pension plan investments	-	710,305
Changes in proportion and differences between Town contributions and proportionate share of contributions	824,321	-
Town contributions subsequent to the measurement date	291,063	-
Total	$ 1,321,823	$ 710,305

The $1,321,823 reported as deferred outflows of resources related to ASRS pensions resulting from Town contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ASRS pensions will be recognized in pension expense as follows:

Year ended June 30,	
2016	$ 270,580
2017	270,580
2018	(43,129)
2019	(177,576)
2020	-
Thereafter	-

NOTE 16 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS – Continued

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

ASRS	
Actuarial valuation date	June 30, 2013
Actuarial roll forward date	June 30, 2014
Actuarial cost method	Entry age normal
Investment rate of return	8%
Projected salary increases	3 - 6.75%
Inflation	3%
Permanent benefit increase	Included
Mortality rates	1994 GAM Scale BB

Actuarial assumptions used in the June 30, 2013, valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2012.

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

ASRS

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Equity	63%	7.03%
Fixed income	25%	3.20%
Real estate	8%	4.75%
Commodities	4%	4.50%
Total	100%	

Discount Rate – The discount rate used to measure the ASRS total pension liability was 8 percent, which is less than the long-term expected rate of return of 8.79 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the ASRS Board's funding policy, which establishes the contractually required rate under Arizona statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

NOTE 16 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS – Continued

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

ASRS	**1% Decrease (7%)**	**Current Discount Rate (8%)**	**1% Increase (9%)**
Town's proportionate share of the net pension liability	$ 5,134,065	$ 4,061,925	$ 3,480,235

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

B. Public Safety Personnel Retirement System

Plan Descriptions – Town police employees participate in the Public Safety Personnel Retirement System (PSPRS). The PSPRS administers an agent multiple-employer defined benefit pension plan and an agent multiple-employer defined benefit health insurance premium benefit (OPEB) plan (agent plans). A seven-member board known as the Board of Trustees and the participating local boards govern the PSPRS according to the provisions of A.R.S. Title 38, Chapter 5, Article 4.

The PSPRS issue publicly available financial reports that include their financial statements and required supplementary information. The reports are available on the PSPRS Web site at www.psprs.com.

Benefits Provided – The PSPRS provide retirement, health insurance premium supplement, disability, and survivor benefits. State statute establishes benefits terms.

NOTE 16 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS – Continued

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

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

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

NOTE 16 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS – Continued

Employees Covered by Benefit Terms – At June 30, 2015, the following employees were covered by the agent pension plans' benefit terms:

PSPRS

	PSPRS Police
Inactive employees or beneficiaries currently receiving benefits	7
Inactive employees entitled to but not yet receiving benefits	2
Active employees	18
Total	27

Contributions and Annual OPEB Cost – State statutes establish the pension contribution requirements for active PSPRS employees. In accordance with state statutes, annual actuarial valuations determine employer contribution requirements for PSPRS pension and health insurance premium benefits. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. Contributions rates for the year ended June 30, 2015, are indicated below. Rates are a percentage of active members' annual covered payroll.

PSPRS

	PSPRS Police
Active Members - Pension	11.05%
Town	
Pension	20.70%
Health insurance premium benefit	1.09%

NOTE 16 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS – Continued

For the agent plans, the Town's contributions to the pension plan and annual OPEB cost and contributions for the health insurance premium benefit for the year ended June 30, 2015, were:

Pension	**PSPRS Police**
Contributions Made	$ 310,086
Health Insurance Premium Benefit	
Annual OPEB cost	8,409
Contributions made	8,409

During fiscal year 2015, the Town paid for 100 percent of PSPRS pension and OPEB contributions from the General Fund.

Net Pension Liability (Asset) – At June 30, 2015, the Town reported the following net pension liability:

	Net Pension Liability (Asset)
PSPRS Police	$ 1,871,734

The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total pension liabilities as of June 30, 2014, reflect the following changes of benefit terms and actuarial assumptions:

- In February 2014, the Arizona Supreme Court affirmed a Superior Court ruling that a 2011 law that changed the mechanism for funding permanent benefit increases was unconstitutional. As a result, the plans changed benefit terms to reflect the prior mechanism for funding permanent benefit increases and revised actuarial assumptions to explicitly value future permanent benefit increases.

- The wage growth actuarial assumption was decreased from 4.5 percent to 4.0 percent.

NOTE 16 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS – Continued

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

Actuarial valuation date	June 30, 2014
Actuarial cost method	Entry age normal
Discount rate	7.85%
Projected salary increases	4.0%-8.0%
Inflation	4.0%
Permanent benefit increase	Included

Actuarial assumptions used in the June 30, 2015, valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2011.

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

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Short term investments	2%	3.25%
Absolute return	4%	6.75%
Risk parity	4%	6.04%
Fixed Income	7%	4.75%
Real assets	8%	5.96%
GTAA	10%	5.73%
Private Equity	11%	9.50%
Real estate	11%	6.50%
Credit opportunities	13%	8.00%
Non-U.S. equity	14%	8.63%
U.S. equity	16%	7.60%
Total	100%	

NOTE 16 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS – Continued

Pension Discount Rates – The following discount rates were used to measure the total pension liabilities:

	PSPRS Police
Discount rates	7.85%

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

Changes in the Net Pension Liability (Asset)

PSPRS	Increase (Decrease)		
	Total Pension Liability (Asset) (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at June 30, 2014	$ 4,109,780	$ 2,727,314	$ 1,382,466
Changes for the year			
Service Cost	135,654	-	135,654
Interest on the total pension liability	317,555	-	317,555
Changes of benefit terms	69,633	-	69,633
Differences between expected and actual experience in the measurement of the pension liability	41,958	-	41,958
Changes of assumptions or other inputs	443,060	-	443,060
Contributions-employer	-	170,919	(170,919)
Contributions-employee	-	79,176	(79,176)
Net investment income	-	357,316	(357,316)
Benefit payments, including refunds of employee contributions	(264,648)	(264,648)	-
Other changes	-	(88,819)	88,819
Net changes	743,212	253,944	489,268
Balances at June 30, 2015	$ 4,852,992	$ 2,981,258	$ 1,871,734

NOTE 16 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS – Continued

Sensitivity of the Town's Net Pension Liability to Changes in the Discount Rate – The following table presents the Town's net pension liabilities calculated using the discount rates noted above, as well as what the Town's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

PSPRS	**1% Decrease**	**Current Discount Rate**	**1% Increase**
PSPRS Police			
Rate	6.85%	7.85%	8.85%
Net pension liability	$ 2,497,821	$ 1,871,734	$ 1,353,684

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

Pension Expense – For the year ended June 30, 2015, the Town recognized the following pension expense:

	Pension Expense
PSPRS Police	$ 225,568

Pension Deferred Outflows/Inflows of Resources – At June 30, 2015, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

PSPRS	**Deferred Outflows of Resources**	**Deferred Inflows of Resources**
Differences between expected and actual experience	$ 36,148	$ -
Changes of assumptions or other inputs	381,714	-
Net difference between projected and actual earnings on pension plan investments	-	120,144
Town contributions subsequent to the measurement date	234,078	-
Total	$ 651,940	$ 120,144

NOTE 16 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS – Continued

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

	PSPRS Police
Year ended June 30,	
2016	$ 37,120
2017	37,120
2018	37,120
2019	37,120
2020	67,156
Thereafter	82,083

Agent Plan OPEB Actuarial Assumptions – The health insurance premium benefit contribution requirements for the year ended June 30, 2015, were established by the June 30, 2013, actuarial valuations, and those actuarial valuations were based on the following actuarial methods and assumptions.

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

NOTE 16 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS – Continued

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

PSPRS - OPEB Contribution Requirements	
Actuarial valuation date	June 30, 2013
Actuarial cost method	Entry age normal
Amortization method	Level percent closed for unfunded actuarial accrued liability, open for excess
Remaining amortization period	23 years for unfunded actuarial accrued liability, 20 years for excess
Asset valuation method	7-year smoothed market value; 20% corridor
Actuarial assumptions:	
Investment rate of return	7.85%
Projected salary increases	4.5%-8.5%
Wage growth	4.5%

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

Year ended June 30,	Annual OPEB Cost	Percentage of Annual Cost Contributed	Net OPEB Obligation
PSPRS Police			
2015	$ 8,409	100%	Unavailable
2014	10,822	100%	(18,018)
2013	11,580	0%	72,549

NOTE 16 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS – Continued

Agent Plan OPEB Funded Status – The health insurance premium benefit plans' funded status as of the most recent valuation date, June 30, 2014, along with the actuarial assumptions and methods used in those valuations follow.

		PSPRS Police
Actuarial value of assets (a)	$	163,233
Actuarial accrued liability (b)	$	145,215
Unfunded actuarial accrued liability (funding excess) (b) - (a)	$	(18,018)
Funded ratio (a)/(b)		112.41%
Annual covered payroll (c)	$	873,954
Unfunded actuarial accrued liability (funding excess) as a percentage of covered payroll (b) - (a) / (c)		0.00%

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

PSPRS - OPEB Funded Status	
Actuarial valuation date	June 30, 2014
Actuarial cost method	Entry age normal
Amortization method	Level percent closed for unfunded actuarial accrued liability, open for excess
Remaining amortization period	22 years for unfunded actuarial accrued liability, 20 years for excess
Asset valuation method	7-year smoothed market value; 20% corridor
Actuarial assumptions:	
Investment rate of return	7.85%
Projected salary increases	4%-8%
Wage growth	4%

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF CAMP VERDE, ARIZONA
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual – General Fund
Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenue				
Taxes	$ 3,467,900	$ 3,467,900	$ 3,130,812	$ (337,088)
Intergovernmental	3,154,600	3,154,600	3,198,440	43,840
Fines and forfeitures	272,750	272,750	199,003	(73,747)
Licenses and permits	217,400	217,400	174,518	(42,882)
Charges for services	114,450	114,450	86,718	(27,732)
Investment income	20,000	20,000	8,758	(11,242)
Other revenue	5,000	5,000	5,756	756
Total revenue	7,252,100	7,252,100	6,804,005	(448,095)
Expenditures				
Marshal	2,571,185	2,580,658	2,512,091	68,567
Maintenance	554,150	562,150	552,023	10,127
Magistrate	379,920	379,920	364,344	15,576
Community development	462,625	462,625	427,959	34,666
Library	378,145	378,145	367,313	10,832
Risk management	346,105	346,105	301,036	45,069
Information technology	141,490	141,490	213,107	(71,617)
Parks and recreation	252,725	252,725	228,878	23,847
Town clerk	227,735	227,735	221,346	6,389
Town manager	194,055	205,930	189,702	16,228
Finance	226,570	226,570	219,032	7,538
Economic development	156,735	162,557	159,887	2,670
Non-departmental	262,080	226,910	106,188	120,722
Public works and streets	118,340	118,340	116,075	2,265
Storm water management	129,200	129,200	126,566	2,634
Mayor and council	45,925	45,925	76,896	(30,971)
Human resources	25,760	25,760	55,904	(30,144)
Total expenditures	6,472,745	6,472,745	6,238,347	234,398
Excess (deficiency) of revenue over (under) expenditures	779,355	779,355	565,658	(213,697)
Other financing sources				
Transfers in (out)	(1,136,425)	(1,135,173)	(497,796)	637,377
Total other financing sources	(1,136,425)	(1,135,173)	(497,796)	637,377
Net change in fund balances	(357,070)	(355,818)	67,862	423,680
Fund balances, July 1, 2014	2,506,904	2,506,904	2,506,904	-
Fund balances, June 30, 2015	$ 2,149,834	$ 2,151,086	$ 2,574,766	$ 423,680

See accompanying notes to budgetary comparison schedule.

TOWN OF CAMP VERDE, ARIZONA
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – HURF Fund
Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenue				
Intergovernmental	$ 809,000	$ 809,000	845,963	36,963
Investment income	5,000	5,000	3,240	(1,760)
Other revenue	2,100	2,100	13,600	11,500
Total revenue	816,100	816,100	862,803	46,703
Expenditures				
Current				
Highways and streets	613,465	613,465	541,516	71,949
Capital outlay	25,000	25,000	7,390	17,610
Total expenditures	638,465	638,465	548,906	89,559
Excess (deficiency) of revenue over (under) expenditures	177,635	177,635	313,897	136,262
Other financing sources				
Transfers in (out)	(492,590)	(492,590)	(201,423)	291,167
Total other financing sources	(492,590)	(492,590)	(201,423)	291,167
Net change in fund balances	(314,955)	(314,955)	112,474	427,429
Fund balances, July 1, 2014	1,291,766	1,291,766	1,291,766	-
Fund balances, June 30, 2015	$ 976,811	$ 976,811	$ 1,404,240	$ 427,429

See accompanying notes to budgetary comparison schedule.

TOWN OF CAMP VERDE, ARIZONA
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – Library Building Fund
Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenue				
Contributions	$ 370,000	$ 370,000	$ 10,382	$ (359,618)
Investment income	2,418	2,418	1,650	(768)
Other revenue	-	-	1,788	1,788
Total revenue	372,418	372,418	13,820	(358,598)
Expenditures				
Capital outlay	4,260,000	4,260,000	365,637	3,894,363
Total expenditures	4,260,000	4,260,000	365,637	3,894,363
Excess (deficiency) of revenue over (under) expenditures	(3,887,582)	(3,887,582)	(351,817)	3,535,765
Other financing sources				
Proceeds from refunding bonds	3,490,000	3,490,000	3,507,248	17,248
Transfers in(out)	83,350	83,350	46,483	(36,867)
Total other financing sources	3,573,350	3,573,350	3,553,731	(19,619)
Net change in fund balances	(314,232)	(314,232)	3,201,914	3,516,146
Fund balances, July 1, 2014	262,094	262,094	262,094	-
Fund balances, June 30, 2015	$ (52,138)	$ (52,138)	$ 3,464,008	$ 3,516,146

See accompanying notes to budgetary comparison schedule.

TOWN OF CAMP VERDE, ARIZONA
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – Parks Fund
Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Other financing sources				
Transfers in (out)	$ (12,000)	$ (12,000)	$ (12,000)	$ -
Total other financing sources	(12,000)	(12,000)	(12,000)	-
Net change in fund balances	(12,000)	(12,000)	(12,000)	-
Fund balances, July 1, 2014	(613,206)	(613,206)	(613,206)	-
Fund balances, June 30, 2015	$ (625,206)	$ (625,206)	$ (625,206)	$ -

See accompanying notes to budgetary comparison schedule.

TOWN OF CAMP VERDE, ARIZONA
Required Supplementary Information
Notes to Budgetary Comparison Schedules
June 30, 2015

NOTE 1 – BUDGETING AND BUDGETARY CONTROL

Arizona Revised Statutes (A.R.S.) require the Town to prepare and adopt a balanced budget annually for each governmental fund. The Town Council must approve such operating budgets on or before the third Monday in July to allow sufficient time for the legal announcements and hearings required for the adoption of the property tax levy on the third Monday in August. A.R.S. prohibits expenditures or liabilities in excess of the amounts budgeted.

Expenditures may not legally exceed appropriations at the department level. In certain instances, transfers of appropriations between departments or from the contingency account to a department may be made upon the Town Councils' approval. However, the Town Manager may approve budget reallocations within functional departments without the Town Council's approval.

NOTE 2 – BUDGETARY BASIS OF ACCOUNTING

The Town's budget is prepared on a basis consistent with generally accepted accounting principles.

TOWN OF CAMP VERDE, ARIZONA
Required Supplementary Information
Schedule of the Town's Proportionate
Share of the Net Pension Liability
Cost-Sharing Pension Plans
June 30, 2015

Arizona State Retirement System

	Reporting Fiscal Year (Measurement Date)	
	2015 (2014)	**2014 through 2006**
Town's proportion of the net pension liability	0.027452%	Information
Town's proportionate share of the net pension liability	$ 4,061,925	not available
Town's covered-employee payroll	$ 2,479,630	
Town's proportionate share of the net pension liability as a percentage of its covered-employee payroll	163.81%	
Plan fiduciary net position as a percentage of the total pension liability	69.49%	

See accompanying notes to plan schedules.

TOWN OF CAMP VERDE, ARIZONA
Required Supplementary Information
Schedule of Changes in the Town's
Net Pension Liability (Asset) and Related Ratios
Agent Pension Plans
June 30, 2015

PSPRS

	Reporting Fiscal Year (Measurement Date)	
	2015 (2014)	**2014 through 2006**
Total pension liability		Information
Service cost	$ 135,654	not available
Interest on the total pension liability	317,555	
Changes of benefit terms	69,633	
Differences between expected and actual experience in the measurement of the pension liability	41,958	
Changes of assumptions or other inputs	443,060	
Benefit payments, including refunds of employee contributions	(264,648)	
Net change in total pension liability	743,212	
Total pension liability - beginning	4,109,780	
Total pension liability - ending (a)	$ 4,852,992	
Plan fiduciary net position		
Contributions - employer	$ 170,919	
Contributions - employee	79,176	
Net investment income	357,316	
Benefit payments, including refunds of employee contributions	(264,648)	
Administrative expense	-	
Other changes	(88,819)	
Net change in plan fiduciary net position	253,944	
Plan fiduciary net position - beginning	2,727,314	
Plan fiduciary net position - ending (b)	$ 2,981,258	
Town's net pension liability (asset) - ending (a) - (b)	$ 1,871,734	
Plan fiduciary net position as a percentage of the total pension liability	61.43%	
Covered-employee payroll	$ 873,953	
Town's net pension liability (asset) as a percentage of covered-employee payroll	214.17%	

See accompanying notes to plan schedules.

TOWN OF CAMP VERDE, ARIZONA
Required Supplementary Information
Schedule of Town Pension Contributions
June 30, 2015

Arizona State Retirement System

	Reporting Fiscal Year		
	2015	**2014**	**2013 through 2006**
Statutorily required contribution	$ 291,063	$ 264,780	Information not available
Town's contributions in relation to the statutorily required contribution	(291,063)	(264,780)	
Town's contribution deficiency (excess)	$ -	$ -	
Town's covered-employee payroll	$ 2,675,211	$ 2,474,579	
Town's contributions as a percentage of covered-employee payroll	10.88%	10.70%	

PSPRS

	Reporting Fiscal Year		
	2015	**2014**	**2013 through 2006**
Actuarially determined contribution	$ 234,078	$ 188,934	Information not available
Town's contributions in relation to the actuarially determined contribution	(234,078)	(188,934)	
Town's contribution deficiency (excess)	$ -	$ -	
Town's covered-employee payroll	$ 1,130,812	$ 873,953	
Town's contributions as a percentage of covered-employee payroll	20.70%	21.62%	

See accompanying notes to plan schedules.

TOWN OF CAMP VERDE, ARIZONA
Required Supplementary Information
Notes to Pension Plan Schedules
June 30, 2015

NOTE 1 – ACTUARIALLY DETERMINED CONTRIBUTION RATES

Actuarial determined contribution rates for PSPRS are calculated as of June 30 two years prior to the end of the fiscal year in which contributions are made. The actuarial methods and assumptions used to establish the contribution requirements are as follows:

Actuarial cost method	Entry age normal
Amortization method	Level percent closed for unfunded actuarial accrued liability, open for excess
Remaining amortization period as of the 2013 actuarial valuation	23 years for unfunded actuarial accrued liability, 20 years for excess
Asset valuation method	7-year smoothed market value; 20% corridor
Actuarial assumptions:	
Investment rate of return	In 2013 actuarial valuation, the investment rate of return was decreased from 8.0% to 7.85%
Projected salary increases	In 2013 actuarial valuation, projected salary increases were decreased from 5.0% - 9.0% to 4.5% - 8.5%
Wage growth	In 2013 actuarial valuation, wage growth was decreased from 5.0% to 4.5%
Retirement age	Experience-based table of rates that is specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period July 1, 2006 - June 30, 2011.
Mortality	RP-2000 mortality table (adjusted by 105% for both males and females)

TOWN OF CAMP VERDE, ARIZONA
Required Supplementary Information
Schedule of Agent OPEB Plans' Funding Progress
June 30, 2015

Health Insurance Premium Benefit - PSPRS

Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (b)	Funding (Liability) Excess (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	Unfunded Liability as Percentage of Covered Payroll ([a-b]/c)
06/30/14	$ 163,233	$ 145,215	$ (18,018)	112.4 %	$ 873,954	0.0 %
06/30/13	-	72,549	72,549	0.0	706,486	10.27
06/30/12	-	113,920	113,920	0.0	779,063	14.62

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

TOWN OF CAMP VERDE, ARIZONA
Required Supplementary Information
Notes to Schedule of Agent OPEB Plans' Funding Progress
June 30, 2015

NOTE 1 – FACTORS THAT AFFECT THE IDENTIFICATION OF TRENDS

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

OTHER FINANCIAL STATEMENTS

TOWN OF CAMP VERDE, ARIZONA
Combining Balance Sheet – All Non-Major Governmental Funds
By Fund Type
June 30, 2015

	Special Revenue Funds	Capital Improvement Fund	Debt Service Fund	Total Non-major Governmental Funds
ASSETS				
Cash and cash equivalents	$ 639,069	$ 419,932	$ -	$ 1,059,001
Due from other governments	172,587	-	-	172,587
Loans receivable	110,897	-	-	110,897
Total assets	$ 922,553	$ 419,932	$ -	$ 1,342,485
LIABILITIES				
Accounts payable	$ 90,875	$ 14,903	$ -	$ 105,778
Due to other funds	41,323	-	-	41,323
Total liabilities	132,198	14,903	-	147,101
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	219,695	-	-	219,695
Total deferred inflows of resources	219,695	-	-	219,695
FUND BALANCES				
Restricted	587,931	-	-	587,931
Assigned	26,813	405,029	-	431,842
Unassigned	(44,084)	-	-	(44,084)
Total fund balances	570,660	405,029	-	975,689
Total liabilities, deferred inflows of resources, and fund balances	$ 922,553	$ 419,932	$ -	$ 1,342,485

TOWN OF CAMP VERDE, ARIZONA
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – All Non-Major Governmental Funds
By Fund Type
June 30, 2015

	Special Revenue Funds	Capital Improvement Fund	Debt Service Fund	Total Non-Major Governmental Funds
Revenue				
Intergovernmental	$ 502,950	$ -	$ -	$ 502,950
Fines and forfeitures	35,139	-	-	35,139
Contributions	60,162	-	-	60,162
Investment income	1,724	-	84	1,808
Other revenue	15,684	-	-	15,684
Total revenue	615,659	-	84	615,743
Expenditures				
Current				
General government	203,621	-	-	203,621
Public safety	113,123	-	-	113,123
Public works and streets	27,428	50	-	27,478
Health and welfare	-	-	118,700	118,700
Culture and recreation	24,297	13,794	-	38,091
Economic and community development	39,443	-	-	39,443
Capital outlay	362,847	91,354	-	454,201
Principal	-	-	322,907	322,907
Interest	-	-	77,466	77,466
Total expenditures	770,759	105,198	519,073	1,395,030
Excess (deficiency) of revenue over (under) expenditures	(155,100)	(105,198)	(518,989)	(779,287)
Other financing sources				
Proceeds of refunding bonds	-	-	1,396,752	1,396,752
Payments to refunding bond trustee	-	-	(1,396,752)	(1,396,752)
Transfers (out)	(41,289)	187,036	518,989	664,736
Total other financing sources	(41,289)	187,036	518,989	664,736
Net change in fund balances	(196,389)	81,838	-	(114,551)
Fund balances, July 1, 2014	767,049	323,191	-	1,090,240
Fund balances, June 30, 2015	$ 570,660	$ 405,029	$ -	$ 975,689

CAMP VERDE

NON-MAJOR SPECIAL REVENUE FUNDS

Special Revenue funds are used to account for proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes (other than major capital projects). The funds are usually required by statute, ordinance, or federal grant regulation to finance specified activities of the Town. The Town maintains the following non-major Special Revenue funds.

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

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

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

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

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

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

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

Impact Fee Fund- accounts for development impact fees.

Donations Fund- accounts for gifts, donations, bequests and private grants made to the Town.

TOWN OF CAMP VERDE, ARIZONA
Combining Balance Sheet Non-Major Special Revenue Funds
June 30, 2015

	Housing Fund	Court Special Revenue Fund	Nonfederal Grants Fund	Yavapai-Apache Gaming Compact Fund
ASSETS				
Cash and cash equivalents	$ 36,728	$ 240,595	$ 86,079	$ 26,813
Due from other governments	-	78,245	55,546	-
Loans receivable	110,897	-	-	-
Total assets	$ 147,625	$ 318,840	$ 141,625	$ 26,813
LIABILITIES				
Accounts payable	$ -	$ -	$ 89,829	$ -
Due to other funds	-	-	-	-
Total liabilities	-	-	89,829	-
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	110,897	70,002	-	-
Total deferred inflows of resources	110,897	70,002	-	-
FUND BALANCES				
Restricted	36,728	248,838	51,796	-
Assigned	-	-	-	26,813
Unassigned	-	-	-	-
Total fund balances	36,728	248,838	51,796	26,813
Total liabilities, deferred inflows of resources, and fund balances	$ 147,625	$ 318,840	$ 141,625	$ 26,813

Federal Grants Fund	CDBG Grants	9-1-1 Fund	Impact Fee Fund	Donations Fund	Total Non-Major Special Revenue Funds
$ -	$ -	$ 2,143	$ 232,200	$ 14,511	$ 639,069
38,796	-	-	-	-	172,587
-	-	-	-	-	110,897
$ 38,796	$ -	$ 2,143	$ 232,200	$ 14,511	$ 922,553
$ 1,046	$ -	$ -	$ -	$ -	$ 90,875
41,323	-	-	-	-	41,323
42,369	-	-	-	-	132,198
38,796	-	-	-	-	219,695
38,796	-	-	-	-	219,695
1,715	-	2,143	232,200	14,511	587,931
-		-	-	-	26,813
(44,084)	-	-	-	-	(44,084)
(42,369)	-	2,143	232,200	14,511	570,660
$ 38,796	$ -	$ 2,143	$ 232,200	$ 14,511	$ 922,553

TOWN OF CAMP VERDE, ARIZONA
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Special Revenue Funds
June 30, 2015

	Housing Fund	Court Special Revenue Fund	Nonfederal Grants Fund	Yavapai-Apache Gaming Compact Fund
Revenue				
Intergovernmental	$ -	$ -	$ 264,457	$ 16,875
Fines and forfeitures	-	35,139	-	-
Contributions	-	-	50,000	-
Investment income	1,418	-	-	-
Other revenue	15,684	-	-	-
Total revenue	17,102	35,139	314,457	16,875
Expenditures				
Current				
General government	51,929	1,668	-	150,024
Public safety	-	-	68,805	-
Public works and streets	-	-	-	-
Culture and recreation	-	-	8,529	-
Economic and community development	-	-	-	-
Capital outlay	-	-	183,578	-
Total expenditures	51,929	1,668	260,912	150,024
Excess (deficiency) of revenue over (under) expenditures	(34,827)	33,471	53,545	(133,149)
Other financing sources				
Transfers (out)	-	(4,600)	-	(11,734)
Total other financing sources	-	(4,600)	-	(11,734)
Net change in fund balances	(34,827)	28,871	53,545	(144,883)
Fund balances, July 1, 2014	71,555	219,967	(1,749)	171,696
Fund balances, June 30, 2015	$ 36,728	$ 248,838	$ 51,796	$ 26,813

Federal Grants Fund	CDBG Grants	9-1-1 Fund	Impact Fee Fund	Donations Fund	Total Non-Major Special Revenue Funds
$ 215,355	6,263	$ -	$ -	$ -	$ 502,950
-	-	-	-	-	35,139
-	-	-	-	10,162	60,162
-	-	-	306	-	1,724
-	-	-	-	-	15,684
215,355	6,263	-	306	10,162	615,659
-	-	-	-	-	203,621
36,322	-	360	-	7,636	113,123
27,428	-	-	-	-	27,428
10,570	-	-	-	5,198	24,297
39,443	-	-	-	-	39,443
173,306	5,963	-	-	-	362,847
287,069	5,963	360	-	12,834	770,759
(71,714)	300	(360)	306	(2,672)	(155,100)
21,828	(300)	-	(46,483)	-	(41,289)
21,828	(300)	-	(46,483)	-	(41,289)
(49,886)	-	(360)	(46,177)	(2,672)	(196,389)
7,517	-	2,503	278,377	17,183	767,049
$ (42,369)	$ -	$ 2,143	$ 232,200	$ 14,511	$ 570,660

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, 2015

	Housing Fund			Court Special Revenue Fund		
	Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
Revenue						
Intergovernmental	$ -	$ -	$ -	$ -	$ -	$ -
Fines and forfeitures	-	-	-	47,728	35,139	(12,589)
Contributions	-	-	-	-	-	-
Investment income	1,600	1,418	(182)	-	-	-
Other revenue	15,600	15,684	84	-	-	-
Total revenue	17,200	17,102	(98)	47,728	35,139	(12,589)
Expenditures						
Current						
General government	70,000	51,929	18,071	7,700	1,668	6,032
Public safety	-	-	-	-	-	-
Public works and streets	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Economic and community development	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	70,000	51,929	18,071	7,700	1,668	6,032
Excess (deficiency) of revenue over (under) expenditures	(52,800)	(34,827)	17,973	40,028	33,471	(6,557)
Other financing sources						
Transfers in(out)	-	-	-	(100,000)	(4,600)	(95,400)
Total other financing sources	-	-	-	(100,000)	(4,600)	(95,400)
Net change in fund balances	(52,800)	(34,827)	17,973	(59,972)	28,871	(101,957)
Fund balances, July 1, 2014	71,555	71,555	-	219,967	219,967	-
Fund balances, June 30, 2015	$ 18,755	$ 36,728	$ 17,973	$ 159,995	$ 248,838	$ (101,957)

Nonfederal Grants Fund			YAG Compact Fund			Federal Grants Fund		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
$ 752,500	$ 264,457	$ (488,043)	$ -	$ 16,875	$ 16,875	$ 2,275,030	$ 215,355	$ (2,059,675)
-	-	-	-	-	-	-	-	-
50,000	50,000	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
802,500	314,457	(488,043)	-	16,875	16,875	2,275,030	215,355	(2,059,675)
405,000	-	405,000	159,962	150,024	9,938	-	-	-
99,218	68,805	30,413	-	-	-	40,000	36,322	3,678
100,000	-	100,000	-	-	-	1,965,700	27,428	1,938,272
-	8,529	(8,529)	-	-	-	-	10,570	(10,570)
-	-	-	-	-	-	-	39,443	(39,443)
-	183,578	(183,578)	-	-	-	304,430	173,306	131,124
604,218	260,912	343,306	159,962	150,024	9,938	2,310,130	287,069	2,023,061
198,282	53,545	(144,737)	(159,962)	(133,149)	26,813	(35,100)	(71,714)	(36,614)
(200,000)	-	(200,000)	(11,734)	(11,734)	-	21,832	21,828	(4)
(200,000)	-	(200,000)	(11,734)	(11,734)	-	21,832	21,828	(4)
(1,718)	53,545	(344,737)	(171,696)	(144,883)	26,813	(13,268)	(49,886)	(36,618)
(1,749)	(1,749)	-	171,696	171,696	-	7,517	7,517	-
$ (3,467)	$ 51,796	$ (344,737)	$ -	$ 26,813	$ 26,813	$ (5,751)	$ (42,369)	$ (36,618)

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, 2015
(Continued)

	CDBG			9-1-1 Fund		
	Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
Revenue						
Intergovernmental	$ 264,500	$ 6,263	$ (258,237)	$ -	$ -	$ -
Fines and forfeitures	-	-	-	-	-	-
Contributions	-	-	-	-	-	-
Investment income	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-
Total revenue	264,500	6,263	(258,237)	-	-	-
Expenditures						
Current						
General government	-	-	-	-	-	-
Public safety	-	-	-	2,503	360	2,143
Public works and streets	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Economic and community development	-	-	-	-	-	-
Capital outlay	416,500	5,963	410,537	-	-	-
Total expenditures	416,500	5,963	410,537	2,503	360	2,143
Excess (deficiency) of revenue over (under) expenditures	(152,000)	300	152,300	(2,503)	(360)	2,143
Other financing sources						
Transfers (out)	151,700	(300)	(152,000)	-	-	-
Total other financing sources	151,700	(300)	(152,000)	-	-	-
Net change in fund balances	(300)	-	300	(2,503)	(360)	2,143
Fund balances, July 1, 2014	-	-	-	2,503	2,503	-
Fund balances, June 30, 2015	$ (300)	$ -	$ 300	$ -	$ 2,143	$ 2,143

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, 2015
(Continued)

Impact Fee Fund			Donations Fund			Totals		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
$ -	$ -	$ -	$ -	$ -	$ -	$ 3,292,030	$ 502,950	$ (2,789,080)
-	-	-	-	-	-	47,728	35,139	(12,589)
-	-	-	33,500	10,162	(23,338)	83,500	60,162	(23,338)
338	306	(32)	-	-	-	1,938	1,724	(214)
-	-	-	-	-	-	15,600	15,684	84
338	306	(32)	33,500	10,162	(23,338)	3,440,796	615,659	(2,825,137)
-	-	-	-	-	-	642,662	203,621	439,041
-	-	-	10,876	7,636	3,240	152,597	113,123	39,474
-	-	-	-	-	-	2,065,700	27,428	2,038,272
-	-	-	38,889	5,198	33,691	38,889	24,297	14,592
-	-	-	-	-	-	-	39,443	(39,443)
175,772	-	175,772	-	-	-	896,702	362,847	533,855
175,772	-	175,772	49,765	12,834	36,931	3,796,550	770,759	3,025,791
(175,434)	306	175,740	(16,265)	(2,672)	13,593	(355,754)	(155,100)	200,654
(115,130)	(46,483)	68,647	-	-	-	(253,332)	(41,289)	(378,757)
(115,130)	(46,483)	68,647	-	-	-	(253,332)	(41,289)	(378,757)
(290,564)	(46,177)	244,387	(16,265)	(2,672)	13,593	(609,086)	(196,389)	(178,103)
278,377	278,377	-	17,183	17,183	-	767,049	767,049	-
$ (12,187)	$ 232,200	$ 244,387	$ 918	$ 14,511	$ 13,593	$ 157,963	$ 570,660	$ (178,103)

NON-MAJOR CAPITAL IMPROVEMENT FUND

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

TOWN OF CAMP VERDE, ARIZONA
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – Non-Major Capital Improvement Fund
Year Ended June 30, 2015

	Capital Improvement Fund		
	Budget	Actual	Variance - Positive (Negative)
Expenditures			
Current			
Public works and streets	$ 10,372	$ 50	$ 10,322
Culture and recreation	-	13,794	(13,794)
Capital outlay	1,073,129	91,354	981,775
Total expenditures	1,083,501	105,198	978,303
Excess (deficiency) of revenue over (under) expenditures	(1,083,501)	(105,198)	978,303
Other financing sources			
Transfers in (out)	758,780	187,036	(571,744)
Total other financing sources	758,780	187,036	(571,744)
Net change in fund balances	(324,721)	81,838	406,559
Fund balances, July 1, 2014	323,191	323,191	-
Fund balances, June 30, 2015	$ (1,530)	$ 405,029	$ 406,559

NON-MAJOR DEBT SERVICE FUND

Debt Service Fund- accounts for the accumulation of resources for, and the payment of, long-term debt principal, interest and related costs.

TOWN OF CAMP VERDE, ARIZONA
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – Non-Major Debt Service Fund
Year Ended June 30, 2015

	Debt Service Fund		
	Budget	Actual	Variance - Positive (Negative)
Revenue			
Investment income	$ -	$ 84	84
Total revenue	-	84	84
Expenditures			
Current			
Health and welfare	118,705	118,700	5
Debt service			
Principal	322,220	322,907	(687)
Interest	109,540	77,466	32,074
Total expenditures	550,465	519,073	31,392
Excess (deficiency) of revenue over (under) expenditures	(550,465)	(518,989)	31,476
Other financing sources			
Proceeds of refunding bonds	-	1,396,752	1,396,752
Payments to refunding bond trustee	-	(1,396,752)	(1,396,752)
Transfers in	550,465	518,989	(31,476)
Total other financing sources	550,465	518,989	(31,476)
Net change in fund balances	-	-	-
Fund balances, July 1, 2014	-	-	-
Fund balances, June 30, 2015	$ -	$ -	$ -

TOWN OF CAMP VERDE, ARIZONA
Schedule of Revenues, Expenses, and Changes in Net Position
Budget and Actual – Wastewater Fund
Year Ended June 30, 2015

	Wastewater Fund		
	Budget	Actual	Variance-Positive (Negative)
Operating revenues			
Sewer charges	$ 991,200	$ 1,026,844	$ 35,644
Miscellaneous	425,000	2,267	(422,733)
Total operating revenues	1,416,200	1,029,111	(387,089)
Operating expenses			
Personnel	463,430	497,690	(34,260)
Materials and supplies	96,620	77,209	19,411
Professional services	71,920	40,660	31,260
Utilities	98,150	107,989	(9,839)
Insurance	6,900	6,900	-
Other	61,840	39,531	22,309
Repairs and maintenance	1,567,350	135,755	1,431,595
Bad debt	-	25,000	(25,000)
Depreciation	740,000	746,528	(6,528)
Total operating expenses	3,106,210	1,677,262	1,428,948
Operating income (loss)	(1,690,010)	(648,151)	1,041,859
Nonoperating revenues (expenses)			
Interest income	1,200	909	(291)
Total nonoperating revenues (expenses)	1,200	909	(291)
Increase (decrease) in net position	(1,688,810)	(647,242)	1,041,568
Total net position, beginning of year, *restated*	19,077,466	19,077,466	-
Total net position, end of year	$ 17,388,656	$ 18,430,224	$ 1,041,568

AGENCY FUNDS

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

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

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

TOWN OF CAMP VERDE, ARIZONA
Combining Statement of Changes in Assets and Liabilities
Agency Funds
Year Ended June 30, 2015

Employee Assistance Fund	Beginning Balance	Additions	Deductions	Ending Balance
Assets				
Restricted cash and investments	$ 10,435	$ 3,489	$ 1,500	$ 12,424
Total assets	$ 10,435	$ 3,489	$ 1,500	$ 12,424
Liabilities				
Deposit held for employees payable	$ 10,435	$ 3,489	$ 1,500	$ 12,424
Total liabilities	$ 10,435	$ 3,489	$ 1,500	$ 12,424

Camp Verde Sanitary District Fund				
Assets				
Restricted cash and investments	$ 579,205	$ 1,273,986	$ 1,124,118	$ 729,073
Total assets	$ 579,205	$ 1,273,986	$ 1,124,118	$ 729,073
Liabilities				
Deposit held for debt service payments	$ 579,205	$ 1,273,986	$ 1,124,118	$ 729,073
Total liabilities	$ 579,205	$ 1,273,986	$ 1,124,118	$ 729,073

STATISTICAL SECTION

STATISTICAL SECTION

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

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

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

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

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

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

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

	Fiscal Year Ended June 30									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Governmental activities:										
Invested in capital assets, net of related debt	$ 11,390,529	$ 10,488,341	$ 10,132,430	$ 9,300,597	$ 8,422,141	$ 7,963,191	$ 7,953,980	$ 7,929,411	$ 4,720,012	$ 4,541,070
Restricted	5,567,076	2,270,348	2,460,792	2,719,944	2,545,163	1,838,636	1,375,836	1,219,728	3,967,997	3,276,858
Unrestricted	(5,937,276)	2,411,149	2,263,284	1,946,642	2,376,365	3,626,780	3,845,605	3,915,724	3,244,968	3,091,403
Total governmental activities net position	$ 11,020,329	$ 15,169,838	$ 14,856,506	$ 13,967,183	$ 13,343,669	$ 13,428,607	$ 13,175,421	$ 13,064,863	$ 11,932,977	$ 10,909,331
Business-type activities:										
Invested in capital assets, net of related debt	$ 18,069,267	$ 18,613,499	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Restricted	-	-								
Unrestricted	360,957	834,434								
Total business-type activities net position	$ 18,430,224	$ 19,447,933	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Primary government										
Invested in capital assets, net of related debt	$ 29,459,796	$ 29,101,840	$ 10,132,430	$ 9,300,597	$ 8,422,141	$ 7,963,191	$ 7,953,980	$ 7,929,411	$ 4,720,012	$ 4,541,070
Restricted	5,567,076	2,270,348	2,460,792	2,719,944	2,545,163	1,838,636	1,375,836	1,219,728	3,967,997	3,276,858
Unrestricted	(5,576,319)	3,245,583	2,263,284	1,946,642	2,376,365	3,626,780	3,845,605	3,915,724	3,244,968	3,091,403
Total net position	$ 29,450,553	$ 34,617,771	$ 14,856,506	$ 13,967,183	$ 13,343,669	$ 13,428,607	$ 13,175,421	$ 13,064,863	$ 11,932,977	$ 10,909,331

Source: The Town's financial records.

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

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

	Fiscal Year Ended June 30									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Expenses										
Governmental activities:										
General government	$ 2,776,465	$ 2,383,176	$ 2,361,960	$ 2,125,678	$ 2,407,140	$ 2,242,817	$ 2,306,812	$ 2,110,980	$ 2,239,261	$ 2,612,232
Public safety	3,050,800	2,601,915	2,317,487	2,209,435	2,233,318	2,250,649	2,439,899	2,463,833	2,310,866	1,916,994
Public works and streets	1,156,551	1,006,300	820,957	816,853	669,205	765,392	1,197,351	1,185,801	1,692,038	1,466,531
Health and welfare	123,700	131,233	136,266	131,300	131,331	107,603	145,237	77,523	10,000	-
Culture and recreation	724,730	684,280	735,840	561,166	630,502	695,151	995,711	1,334,525	1,265,748	1,080,657
Economic and community development	507,702	411,023	456,020	348,532	460,601	551,747	845,225	552,987	460,395	35,178
Interest on long-term debt	224,557	107,141	125,025	112,867	100,851	83,429	86,544	88,421	89,413	111,259
Total governmental activities	8,564,505	7,325,068	6,953,555	6,305,831	6,632,948	6,696,788	8,016,779	7,814,070	8,067,721	7,222,851
Business-type activities:										
Wastewater	1,677,262	1,667,612	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total business-type activities	1,677,262	1,667,612	-	-	-	-	-	-	-	-
Total expenses	10,241,767	8,992,680	6,953,555	6,305,831	6,632,948	6,696,788	8,016,779	7,814,070	8,067,721	7,222,851
Program Revenues										
Governmental activities:										
Charges for services:										
General government	25,234	51,173	18,221	43,244	304,918	303,797	304,269	399,952	582,776	1,312,310
Public safety	457,097	412,704	454,195	373,510	88,421	91,651	94,397	139,246	41,931	86,566
Public works and streets	16,214	42,817	500	5,942	3,429	55,132	56,109	-	21,887	2,050
Culture and recreation	42,332	43,565	35,274	36,957	43,746	88,751	101,703	160,177	193,536	60,222
Economic and community development	194,789	188,391	190,062	151,498	101,929	105,337	221,229	189,428	338,303	-
Operating grants and contributions	1,084,065	1,103,424	1,032,082	1,012,413	1,490,745	1,297,444	1,585,120	1,361,690	1,394,477	1,619,413
Capital grants and contributions	438,025	182,421	647,539	969,961	-	6,491	32,815	703,532	-	-
Total governmental activities	2,257,756	2,024,495	2,377,873	2,593,525	2,033,188	1,948,603	2,395,642	2,954,025	2,572,910	3,080,561
Business-type activities:										
Charges for services										
Wastewater	1,029,111	1,036,287	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total business-type activities	1,029,111	1,036,287	-	-	-	-	-	-	-	-
Total program revenues	3,286,867	3,060,782	2,377,873	2,593,525	2,033,188	1,948,603	2,395,642	2,954,025	2,572,910	3,080,561
Net Expense	$ (6,954,900)	$ (5,931,898)	$ (4,575,682)	$ (3,712,306)	$ (4,599,760)	$ (4,748,185)	$ (5,621,137)	$ (4,860,045)	$ (5,494,811)	$ (4,142,290)

Source: The Town's financial records.

Note: The Town took over the Camp Verde Sanitary District Operations July 1, 2013.

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

	Fiscal Year Ended June 30									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Net Expense	$ (6,954,900)	$ (5,931,898)	$ (4,575,682)	$ (3,712,306)	$ (4,599,760)	$ (4,748,185)	$ (5,621,137)	$ (4,860,045)	$ (5,494,811)	$ (4,142,290)
General Revenues:										
Governmental activities:										
Taxes:										
Sales taxes	2,863,839	2,597,901	2,544,473	1,738,752	1,763,488	1,961,610	2,163,948	2,314,337	2,586,474	2,832,105
Franchise taxes	266,973	267,059	250,327	245,501	243,353	239,946	238,072	237,227	219,502	187,130
State shared revenues	2,942,726	2,758,435	2,567,890	2,325,940	2,441,489	2,755,897	3,091,906	3,154,857	2,919,698	2,714,144
Investment earnings	15,456	27,714	33,251	13,787	12,985	19,964	3,614	220,900	313,860	209,644
Miscellaneous	7,086	13,090	69,009	11,840	53,507	23,954	239,099	64,610	8,242	-
Total governmental activities	6,096,080	5,664,199	5,464,950	4,335,820	4,514,822	5,001,371	5,736,639	5,991,931	6,047,776	5,943,023
Business-type activities:										
Investment earnings	909	1,621	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Special item*	-	20,077,637								
Total business-type activities	909	20,079,258	-	-	-	-	-	-	-	-
Changes in Net Position	$ (857,911)	$ 19,811,559	$ 889,268	$ 623,514	$ (84,938)	$ 253,186	$ 115,502	$ 1,131,886	$ 552,965	$ 1,800,733

Source: The Town's financial records.

Note: * - The Town took over the Camp Verde Sanitary District (CVSD) Operations July 1, 2013. In doing so, just over $20 million in assets were transferred to the Town. All debt, however, remains with CVSD and is not a part of the Town's liabilities.

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

	Fiscal Year Ended June 30									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
General Fund:										
Reserved						$ 996,886	$ 632,000	$ 832,000	$ -	$ -
Nonspendable	$ -	$ -	$ -	$ -	$ 22,096					
Restricted	-	-	-	-	-					
Committed	662,091	662,056	632,000	632,000	1,033,628					
Assigned	-	-	-	-	-					
Unassigned	1,912,675	1,844,848	1,621,049	1,284,934	1,950,054	2,352,892	2,990,296	2,732,574	3,518,376	3,229,020
Total General Fund	$ 2,574,766	$ 2,506,904	$ 2,253,049	$ 1,916,934	$ 3,005,778	$ 3,349,778	$ 3,622,296	$ 3,564,574	$ 3,518,376	$ 3,229,020
All Other Governmental Funds:										
Reserved						$ 571,720	$ 431,852	$ 348,869	$ 186,537	$ -
Unreserved, reported in:										
HURF fund						924,322	606,419	463,892	(122,328)	100,704
Parks fund						(339,161)	(326,933)	(744,077)	1,660,258	1,346,233
Housing grant fund						77,166	57,800	-	-	45,916
Non-major Special revenue funds						294,374	296,350	445,566	336,599	48,364
Non-major Debt service funds						-	-	-	-	177,535
Non-major Capital projects funds						602,214	589,141	1,212,018	1,719,178	1,384,235
Nonspendable	$ -	$ -		$ 79,345	$ 83,198					
Restricted	5,456,179	2,143,445	2,473,096	2,483,485	2,294,509					
Committed	-	11,214	686,629	694,215	185,200					
Assigned	431,842	491,190	-	-	-					
Unassigned	(669,290)	(614,955)	(587,984)	(378,467)	(559,961)					
Total all other governmental funds	$ 5,218,731	$ 2,030,894	$ 2,571,741	$ 2,878,578	$ 2,002,946	$ 2,130,635	$ 1,654,629	$ 1,726,268	$ 3,780,244	$ 3,102,987

Source: The Town's financial records.

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

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

	Fiscal Year Ended June 30									
	2015	**2014**	**2013**	**2012**	**2011**	**2010**	**2009**	**2008**	**2007**	**2006**
Taxes	$ 3,130,812	$ 2,864,959	$ 2,794,799	$ 1,984,253	$ 2,006,841	$ 2,201,557	$ 2,402,020	$ 2,551,564	$ 2,805,976	$ 3,019,235
Intergovernmental	4,547,353	4,208,755	4,282,074	4,038,813	3,899,960	4,158,619	4,729,287	5,270,363	4,306,962	4,278,710
Fines and forfeits	234,142	275,700	372,122	335,496	278,736	297,058	257,625	342,149	535,170	549,294
Licenses and permits	174,518	160,321	159,532	123,738	102,725	106,006	184,016	150,852	242,345	438,119
Charges for services	86,718	92,682	86,994	86,787	82,052	110,892	248,940	227,056	292,339	259,712
Contributions and donations	70,544	17,389	16,478	361,292	106,964	26,009	45,397	75,038	70,100	75,171
Investment income	15,456	27,714	33,251	13,787	12,984	19,964	3,614	220,900	313,860	209,644
Rents and royalties	-	-	-	-	3,068	5,048	20,788	43,424	45,692	43,660
Other	36,828	68,768	58,742	36,021	149,967	23,784	126,628	73,206	19,968	170,363
Total revenues	$ 8,296,371	$ 7,716,288	$ 7,803,992	$ 6,980,187	$ 6,643,297	$ 6,948,937	$ 8,018,315	$ 8,954,552	$ 8,632,412	$ 9,043,908

Source: The Town's financial records.

TOWN OF CAMP VERDE, ARIZONA
Governmental Funds Expenditures and Debt Service Ratio
Last Ten Fiscal Years
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Expenditures:										
Current -										
General government	$ 2,630,384	$ 2,316,759	$ 2,307,763	$ 2,064,569	$ 2,333,981	$ 2,081,749	$ 2,225,758	$ 2,075,036	$ 2,190,340	$ 2,602,842
Public safety	2,613,138	2,400,085	2,222,092	2,148,531	2,080,685	2,283,648	2,286,640	2,322,781	2,136,825	3,411,061
Public works and streets	815,101	741,300	655,285	688,127	528,172	625,582	682,696	1,072,780	1,583,979	1,374,738
Health and welfare	123,700	131,233	136,266	131,300	131,332	107,603	14,527	77,523	10,000	-
Culture and recreation	634,283	623,996	680,810	508,581	579,516	637,130	857,850	1,141,267	1,102,211	1,332,275
Economic and community development	465,074	391,601	455,170	352,412	345,807	469,503	816,146	531,984	434,940	35,375
Capital outlay	860,979	969,031	1,801,828	913,146	2,059,278	396,478	846,250	3,588,221	625,952	-
Debt service -										
Principal retirement	326,949	319,327	164,828	302,011	141,408	117,470	92,985	90,452	41,424	2,577
Interest and fiscal charges	78,312	118,067	116,056	84,722	103,044	89,070	92,185	94,061	95,054	118,089
Bond issuance costs	-	-	-	-	25,000	-	-	-	-	-
Total expenditures	$ 8,547,920	$ 8,011,399	$ 8,540,098	$ 7,193,399	$ 8,328,223	$ 6,808,233	$ 7,915,037	$ 10,994,105	$ 8,220,725	$ 8,876,957
Expenditures for capitalized assets	$ 860,979	$ 969,031	$ 1,801,828	$ 913,146	$ 1,884,647	$ 280,572	$ 302,307	$ 3,415,762	$ 305,602	$ 1,908,945
Debt service as a percentage of noncapital expenditures	5%	6%	4%	6%	4%	3%	2%	2%	2%	2%

Source: The Town's financial records.

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

	Fiscal Year Ended June 30									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Excess (deficiency) of revenues over expenditures	$ (251,549)	$ (295,111)	$ (736,106)	$ (213,212)	$ (1,684,926)	$ 140,704	$ 103,278	$ (2,039,553)	$ 411,687	$ 166,951
Other financing sources (uses):										
Capital lease agreements		8,838	764,664		208,237	62,784	18,459	-	42,123	-
Proceeds of long-term debt issuance	4,904,000				1,005,000	-	-	-	-	-
Payments to Refunding Bond Trustee	(1,396,752)									
Transfers in	894,208	641,103	266,480	1,729,132	411,442	499,244	1,219,431	1,974,620	71,915	-
Transfers out	(894,208)	(641,103)	(266,480)	(1,729,132)	(411,442)	(499,244)	(1,219,431)	(1,942,845)	(71,915)	-
Total other financing sources (uses)	3,507,248	8,838	764,664	-	1,213,237	62,784	18,459	31,775	42,123	-
Changes in fund balances	$ 3,255,699	$ (286,273)	$ 28,558	$ (213,212)	$ (471,689)	$ 203,488	$ 121,737	$ (2,007,778)	$ 453,810	$ 166,951

Source: The Town's financial records.

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

	Fiscal Year Ended June 30									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Retail Trade	1,106,741	1,040,491	990,166	686,400	691,160	701,977	832,860	898,920	1,068,343	1,108,776
Restaurants & Bars	520,320	473,070	437,452	309,169	301,925	307,921	319,393	324,358	321,300	305,811
Communications & Utilities	269,845	230,848	251,911	127,280	167,542	150,683	118,950	135,303	136,274	126,126
Construction	212,866	182,702	236,112	128,008	142,535	353,081	307,651	430,671	512,790	681,725
Real Estate, Rental & Leasing	173,914	170,109	170,973	147,728	134,821	140,596	122,225	111,852	121,702	115,071
Accommodation	207,993	138,850	131,748	88,626	84,609	110,798	142,302	148,694	139,946	116,911
Arts & Entertainment	134,961	114,106	92,444	59,604	62,416	53,087	62,039	56,874	52,342	42,792
Manufacturing	67,644	75,231	72,694	57,808	52,222	55,908	53,684	68,785	64,840	58,736
Services	69,088	75,939	57,851	45,369	42,630	59,894	133,860	43,705	44,090	48,833
Wholesale Trade	28,043	26,000	57,668	59,127	54,873	64,400	112,402	159,886	144,925	133,614
Other	71,912	67,486	42,385	26,309	28,756	36,839	54,597	81,322	102,832	137,798
Total	$ 2,863,327	$ 2,594,832	$ 2,541,404	$ 1,735,428	$ 1,763,489	$ 2,035,184	$ 2,259,963	$ 2,460,371	$ 2,709,385	$ 2,876,192
Total revenue % growth by year	10.3%	2.1%	46.4%	-1.6%	-13.3%	-9.9%	-8.1%	-9.2%	-5.8%	56.6%

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

Note: See tax rate changes on the following page.

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

Fiscal Year	City Sales Tax	Franchise Tax	Accomodation/ Bed Tax	Total
2015	2,655,846	266,973	207,993	3,130,812
2014	2,459,051	267,059	138,850	2,864,960
2013	2,412,725	250,327	131,748	2,794,800
2012	1,650,126	245,501	88,626	1,984,253
2011	1,678,879	243,353	84,609	2,006,841
2010	1,850,812	239,946	110,798	2,201,556
2009	2,021,646	238,072	142,302	2,402,020
2008	2,165,643	237,227	148,694	2,551,564
2007	2,446,528	219,502	139,946	2,805,976
2006	2,715,194	187,130	116,911	3,019,235

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

TOWN OF CAMP VERDE, ARIZONA
Direct and Overlapping Sales Tax Rates
Last Ten Fiscal Years

	Overlapping Rates					
Fiscal Year Ended June 30	Town of Camp Verde					
	Sales Tax	Hospitality	Real Property Rentals	Construction	Yavapai County	Arizona State
2015	3.65	6.65	2.00	3.65	0.75	5.60
2014	3.00	6.00	2.00	3.00	0.75	5.60
2013	3.00	6.00	2.00	3.00	0.75	5.60
2012	2.00	4.00	2.00	3.00	0.75	6.60
2011	2.00	4.00	2.00	3.00	0.75	6.60
2010	2.00	4.00	2.00	3.00	0.75	6.60
2009	2.00	4.00	2.00	3.00	0.75	5.60
2008	2.00	4.00	2.00	3.00	0.75	5.60
2007	2.00	4.00	2.00	3.00	0.75	5.60
2006	2.00	4.00	2.00	3.00	0.75	5.60

Source: Arizona Department of Revenue.

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

	Governmental Activities			Business-type Activities		Total Outstanding Debt		
Fiscal Year	Revenue Bonds	Capital Leases	Loans Payable	Bonds Payable	Notes Payable	Total Debt	Percentage of Personal Income	Per Capita
2015	$ 5,702,227	$ 471,967	$ -	$ -	$ -	$ 6,174,194	N/A	N/A
2014	2,281,084	625,670	-	-	-	2,906,754	0.04%	266
2013	2,446,200	770,465	-	-	-	3,216,665	0.05%	293
2012	2,600,000	11,463	5,276	-	-	2,616,739	0.04%	240
2011	2,685,000	224,305	9,665	-	-	2,918,970	0.04%	269
2010	1,765,000	68,502	13,638	-	-	1,847,140	0.03%	170
2009	1,845,000	39,592	17,234	-	-	1,901,826	0.03%	175
2008	1,925,000	30,862	20,490	-	-	1,976,352	0.03%	181
2007	2,005,000	38,367	23,437	-	-	2,066,804	0.03%	191
2006	2,040,000	-	25,168	-	-	2,065,168	0.03%	195

Source: The Town's financial records.

Note: FY15 population information was not available at the time the audit was completed.

TOWN OF CAMP VERDE, ARIZONA
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year	Revenue Bonds	Total Bonds	Per Capita
2015	$ 5,702,227	$ 5,702,227	N/A
2014	2,281,084	2,281,084	209
2013	2,446,200	2,446,200	223
2012	2,600,000	2,600,000	239
2011	2,685,000	2,685,000	247
2010	1,765,000	1,765,000	162
2009	1,845,000	1,845,000	170
2008	1,925,000	1,925,000	177
2007	2,005,000	2,005,000	185
2006	2,040,000	2,040,000	193

Source: The Town's financial records.

Note: FY15 population information was not available at the time the audit was completed.

TOWN OF CAMP VERDE, ARIZONA
Direct and Overlapping Governmental Activities Debt
June 30, 2015

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable to Town	Estimated Amount Applicable to Town
Overlapping:			
Yavapai County Community College*	$ 37,395,000	2.7%	$ 993,757
Camp Verde Unified School District	-	91.5%	-
Camp Verde Fire District	-	100.0%	-
Camp Verde Sanitary District	11,144,079	100.0%	11,144,079
Total Overlapping Debt			$ 12,137,836
Direct:			
Town of Camp Verde	6,174,194	100.0%	6,174,194
Total Direct and Overlapping Debt			$ 18,312,030

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

Note: * - FY14 debt amount was used as the information for FY15 was not yet available.

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

6% Debt Limit

	Fiscal Year Ended June 30									
	2015	**2014**	**2013**	**2012**	**2011**	**2010**	**2009**	**2008**	**2007**	**2006**
Primary Assessded Value **(HIDE)**	61,464,859	61,658,697	65,576,506	71,284,066	81,699,851	93,710,990	110,746,846	106,919,901	73,375,205	63,401,800
Debt Limit	3,687,892	3,699,522	3,934,590	4,277,044	4,901,991	5,622,659	6,644,811	6,415,194	4,402,512	3,804,108
Total applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	3,687,892	3,699,522	3,934,590	4,277,044	4,901,991	5,622,659	6,644,811	6,415,194	4,402,512	3,804,108
Total net debt applicable to the limit as a percentage of the debt limit	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

20% Debt Limit

	Fiscal Year Ended June 30									
	2015	**2014**	**2013**	**2012**	**2011**	**2010**	**2009**	**2008**	**2007**	**2006**
Debt Limit	12,292,972	12,331,739	13,115,301	14,256,813	16,339,970	18,742,198	22,149,369	21,383,980	14,675,041	12,680,360
Total applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	12,292,972	12,331,739	13,115,301	14,256,813	16,339,970	18,742,198	22,149,369	21,383,980	14,675,041	12,680,360
Total net debt applicable to the limit as a percentage of the debt limit	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Source: The Town's financial records and the Yavapai County Assessor's Office.

TOWN OF CAMP VERDE, ARIZONA
Pledged Revenue Coverage
Last Ten Fiscal Years

	Revenue Bonds			
Fiscal	Excise Tax	Debt Service		
Year	Revenue	Principal	Interest	Coverage %
2015	6,073,538	$ 172,857	66,610	25
2014	5,623,395	$ 165,115	105,755	21
2013	5,362,690	$ 153,800	112,998	20
2012	4,310,193	$ 85,000	102,793	23
2011	4,448,330	$ 85,000	82,725	27
2010	4,957,453	$ 80,000	85,250	30
2009	5,493,926	$ 80,000	87,600	33
2008	5,706,421	$ 80,000	89,650	34
2007	5,725,674	$ 35,000	91,475	45
2006	5,733,379	$ -	86,706	66

Source: The Town's financial records.

TOWN OF CAMP VERDE, ARIZONA
Demographic and Economic Statistics – Yavapai County
Last Ten Calendar Years

Year	Town of Camp Verde Population	Yavapai County Population	County Personal Income (1)	County Per Capita Income	County Unemployment Rate
2014	10,925	218,844	7,172,392	32,774	6.3 %
2013	10,960	215,389	6,811,155	31,623	8.0 %
2012	10,883	212,530	6,800,376	31,997	8.6 %
2011	10,849	210,867	6,498,204	30,817	9.8 %
2010	10,875	210,137	6,245,478	29,721	10.9 %
2009	10,871	211,172	6,272,906	29,705	10.3 %
2008	10,892	211,211	6,602,128	31,258	6.0 %
2007	10,829	208,773	6,602,162	31,624	3.6 %
2006	10,596	204,082	6,058,552	29,687	3.9 %
2005	10,148	195,424	5,471,859	28,000	4.4 %

Sources: Bureau of Economic Analysis (bea.gov)
Arizona Office of Employment & Population Statistics (azstats.gov)
Unemployment Rate information from US Bureau of Labor Statistics (bls.gov)

Note: (1) - In thousands of dollars
Information for FY15 was not available at the time of printing.

TOWN OF CAMP VERDE, ARIZONA
Principal Employers – Yavapai County
Current, Prior, & Nine Years Ago Fiscal Years

	2015		2014	2006
Employer	**Employees**	**Percentage of Total Employment**	**Employees**	**Employees**
Cliff Castle Casino & Hotel	327	13.6 %	490	N/A
Yavapai-Apache Nation	294	12.3	217	N/A
Camp Verde Unified School District	227	9.5	197	N/A
Town of Camp Verde	117	4.9	107	N/A
Bashas	102	4.3	110	N/A
Rainbow Acres	80	3.3	70	N/A
The Haven of Camp Verde	55	2.3	58	N/A
Out of Africa Wildlife Park	47	2.0	48	N/A
McDonald's	38	1.6	46	N/A
Denny's	34	1.4	36	N/A
Total	1,321	55.0 %	1,379	-
Total Employment*	2,400		2,500	N/A

Source(s): The Town's financial records.
United States Census Bureau (census.gov)
Local business' records

Note: Total employment information for FY2006 was not available.
Total employment for 2014 & 2015 is estimated from the Town's financial records and other sources.

TOWN OF CAMP VERDE, ARIZONA
Full-Time Equivalent City Government Employees by Function/Program
Last Ten Fiscal Years

	Full-time Equivalent Employees as of June 30									
	2015	**2014**	**2013**	**2012**	**2011**	**2010**	**2009**	**2008**	**2007**	**2006**
General Government										
Management Services	5.2	5.1	5.1	5.1	5.4	5.4	5.2	7.2	5.0	7.0
Finance	2.2	2.2	2.0	2.0	1.0	2.5	2.0	2.1	2.9	2.9
Economic Development	1.6	1.6	1.0	1.0	0.0	0.0	0.0	0.0	0.0	0.0
Municipal Court	5.6	5.6	5.6	5.6	5.6	5.5	6.0	6.0	6.0	6.0
Total General Government	14.6	14.5	13.7	13.7	6.6	8.0	8.0	8.1	8.9	8.9
Public Safety										
Marshal's Department	32.2	30.2	26.7	28.0	26.0	28.0	29.6	32.6	31.0	30.0
Animal Control	1.0	1.0	1.0	1.0	1.0	2.0	2.0	2.0	2.0	2.0
Total Public Safety	33.2	31.2	27.7	29.0	27.0	30.0	31.6	34.6	33.0	32.0
Public Works										
Admin	2.8	2.4	1.7	1.0	1.0	2.5	1.5	1.0	1.0	0.0
Streets	5.2	6.2	5.8	5.4	5.0	3.5	6.5	7.0	6.0	6.0
Maintenance	7.4	7.2	6.2	6.4	7.0	6.0	6.0	7.0	8.0	7.0
Total Public Works	15.4	15.8	13.7	12.8	13.0	12.0	14.0	15.0	15.0	13.0
Library	6.2	5.8	5.3	5.4	4.2	5.0	5.4	5.4	4.6	4.9
Parks & Recreation	4.6	4.3	3.5	3.6	3.6	2.8	2.7	3.7	3.0	4.0
Community Development	6.0	5.0	5.0	5.0	4.0	4.0	5.0	7.0	6.0	8.0
Sewer	7.2	7.1	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total	87.1	83.7	68.9	69.4	58.4	61.8	66.7	73.8	70.5	70.8

Source: The Town's financial records.

TOWN OF CAMP VERDE, ARIZONA
Capital Assets Statistics by Function
Last Ten Fiscal Years

	Fiscal Year Ended June 30									
Function	**2015**	**2014**	**2013**	**2012**	**2011**	**2010**	**2009**	**2008**	**2007**	**2006**
Public Safety										
Police stations	1	1	1	1	1	1	1	1	1	1
Police patrol vehicles	31	31	22	19	17	30	30	31	29	26
Streets										
Streets (miles)	110	110	110	110	110	110	106	106	106	105
Streetlights	110	110	110	110	110	92	102	102	102	98
Traffic signals	6	6	6	6	6	2	2	2	2	2
Parks and Recreation										
Parks developed	4	4	4	4	4	4	3	2	2	2
Parks acreage	138	138	138	138	138	138	130	130	12	12
Swimming pools	1	1	1	1	1	1	1	1	1	1
Tennis courts	1	1	1	1	1	1	1	1	1	1
Sewer										
Pipeline (Miles)	29	29	29	29	29	29	29	20	20	20
Manholes	440	440	440	440	440	440	440	265	265	265

Source: The Town's facilities records.

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

TOWN OF CAMP VERDE, ARIZONA
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS

	Fiscal Year Ended June 30									
Function	**2015**	**2014**	**2013**	**2012**	**2011**	**2010**	**2009**	**2008**	**2007**	**2006**
General Government										
Business Licenses	673	645	650	582	555	597	576	556	544	542
Public Safety										
Total Incidents	10,020	13,782	10,462	11,614	11,234	10,420	8,348	10,281	9,741	9,821
Public Works										
Street Resurfacing (miles)	-	-	-	-	-	0.25	-	-	8.30	8.70
Library										
Circulation	62,140	52,631	51,303	63,580	59,883	76,813	80,139	69,349	62,855	58,722
Traffic	67,824	33,787	27,766	25,831	22,336	N/A	N/A	N/A	N/A	N/A
Community Development										
Building Permits	331	362	387	312	341	364	128	107	151	348

Source: The Town's records.

9.

Town of Camp Verde

Agenda Item Submission Form – Section I

Meeting Date: January 20, 2015

☐ *Consent Agenda* ☐ *Decision Agenda* ☐ *Executive Session Requested*

☒ *Presentation Only* ☐ *Action/Presentation* ☐ *Special Session* ☐ Pre-Session

Requesting Department: Economic Development

Staff Resource/Contact Person: Steve Ayers

Agenda Title (be exact): Presentation followed by discussion of Buxton Company's proposal to provide retail recruitment and retention services to the Town of Camp Verde.

List Attached Documents:

1) Proposed Scope of Work Draft
2) Benefits of Retail Strategy
3) Buxton Business Retention Program
4) Buxton Consumer Report
5) Buxton Camp Verde Leakage Report

Estimated Presentation Time: 20 minutes

Estimated Discussion Time: 15 minutes

Reviews Completed by:

☒ ***Department Head:*** ☐ ***Town Attorney Comments:***

Finance Review: ☐ **Budgeted** ☐ **Unbudgeted** ☒ **N/A**

Finance Director Comments/Fund:

Fiscal Impact:

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

Comments:

Background Information:

The citizens of the Camp have repeatedly, through the Community General Plan and other documents, sought the opportunity shop locally. In addition, because the Town of Camp Verde's primary revenue source

comes from transaction privilege taxes, there is a clear and present need to grow the number and size of retail sales transactions.

Now that we have begun extension of sanitary sewer service in the area of State Route 260 East and Finnie Flat and are on the verge of developing infrastructure to additional commercial properties along the soon-to-be-widened State Route 260 West commercial corridor, it is time the Town began a proactive recruitment strategy to bring potential retailers to Camp Verde.

Buxton is one of the largest retail recruitment services companies in the nation, serving over 2,500 national retailers along with dozens of communities, of all size, across the country. Buxton is also one of the largest retail analytics service companies in America, capable of providing accurate information from which to make educated and realistic decisions when it comes to identifying potential retailers. In addition, Buxton's analytics also serve existing retailers looking to expand products and services.

Recommended Action (Motion): I am requesting direction from council to bring back a firm proposal from Buxton for council's consideration

Instructions to the Clerk:

Buxton Rough Draft Scope of Services – Camp Verde, AZ

Below you will find our standard Scope of Work outline for our Multi-year partnership:

Retail Recruitment and Retention Solution: Your Community Profile
Our solution is a total marketing strategy that enables community leaders to understand the consumer profile of their residents and to identify specific retailers and restaurants who seek a market with household purchasing habits just like yours. This solution provides you with the ability to actively pursue identified retailers, making a compelling case for their expansion to your community by utilizing custom marketing packages that Buxton will create for you. You will have access to the same analytical information and insights retailers depend on today to make site selection decisions providing you with instant credibility and the ability to differentiate your community.

Step 1 - Research Your Community
Buxton uses over 250 consumer and business databases that are updated regularly and compare your potential sites to the universe of all competing sites operating in the U.S. We define your current retail situation and those in any neighboring communities that impact your retail environment.

Step 2 – Define and Evaluate Your Trade Area
Customers shop by convenience, measuring distance based on time, not mileage. We will conduct a custom drive-time analysis to determine your trade area using our proprietary methodology and knowledge of individual retail client's actual trade areas. Your drive-time trade area will be provided to you as a map that accurately depicts your consumer shopping patterns.

Step 3 – Profile Your Trade Area's Residential Customers
Your community profile will analyze all the households in your drive-time trade area. Based on more than 7,500 categories of lifestyles, purchase behaviors and media reading and viewing habits (psychographics), the households in your trade area are assessed to gain an understanding of the types of retailers that would be attracted to your site.

Step 4 – We Match Retailers and Restaurants to Market Potential
Buxton will match the consumer profile of your community's trade area against the customer profiles of 5,000+ retailers in our proprietary database. We will identify the similarity between the two profiles analyzed using Buxton's proprietary retail matching algorithm to determine if your site presents an attractive opportunity for each retailer. We then qualify the list of matched results to verify that a retailer is currently operating or expanding , that they operate in similar sites and that your site affords adequate buffer from competition and cannibalization to be realistically considered.

Step 5 – We Create Marketing Packages
Buxton will assemble individualized marketing packages for up to twenty (20) targeted retailers and will notify each retailer's key real estate decision maker, by letter that they have been qualified by Buxton as a potential viable fit for your site and should expect to be contacted by a representative of the city. Your marketing packages will be delivered to you in SCOUT and include:

1. Map of the retail site and trade area
2. Map of retailer's potential customers

3. Retailer match report that compares the site's trade area characteristics and consumer profile with the retailer's sites in similar trade areas

Step 5 – Implementation
Buxton will assist in the implementation of the retail development roadmap as an extension of your staff. Throughout the implementation phase, our team assists with breaking down the barriers of engagement with the targeted retailers through being an unbiased third party market research firm.

Solution Deliverables:

- SCOUT Touch Access
- Drive Time Trade Area Maps
- Retail Site Assessment
- Retail Match List (specific retailers that match your trade area's consumer profile)
- Retailer Specific Marketing Packages (for up to twenty (20) retailers)
- Mobile tablet device at completion pre-loaded with all findings

Multi Year Deliverables: Year 2 & 3 of this partnership will include a Retail Recruitment model refresh, retail marketing packages, and full SCOUT and SCOUT Touch.
Partnership Investment Structure:
Initial 3-year term - $50,000 annually with provisions in place allowing evaluation of partnership each year

Buxton

Public Sector

THE THREE BENEFITS OF RETAIL DEVELOPMENT STRATEGIES

Retail Is The Nation's Largest Non-Farm Employment Sector

Economic development initiatives often focus on recruiting "big" companies and industries, while overlooking what the U.S. Bureau of Labor Statistics reports is the nation's largest non-farm employment sector: retail.

Retailers come in many shapes and sizes and tend to be very sensitive to economic swings, making it critical that communities develop strategies to attract and retain the right retailers. If you aren't convinced that retail development is worth the investment, here are three benefits that a thriving retail sector provides.

RETAIL DEVELOPMENT BENEFITS:

1. Increase Sales Tax Revenue
2. Enhance Quality of Life
3. Support Local Businesses

> "Finding the right match is critical for communities planning to recruit retail. One retailer's success in a community often attracts others."
>
> **Cody Howell**
> Vice President & General Manager, Buxton

Benefit #1: Increase Sales Tax Revenue

Perhaps the primary driver of retail recruitment efforts is sales tax collection, which has played an important role in making up for shortfalls in other revenue streams.

The share of sales tax revenue generated by retailers is substantial. But if your residents have to leave the community to shop at their preferred retail outlets, those sales tax dollars end up benefitting a neighboring community. By identifying and recruiting the retailers that are the best match for your community's needs and interests, you can keep sales tax dollars in your city's general fund and invest the money back into local public projects and services.

Benefit #2:
Enhance Quality Of Life

Convenient shopping and dining options greatly contribute to a community's quality of life. Shorter drive-times save time and fuel costs, while increasing the frequency of visits. But to truly enhance quality of life, community leaders should focus on recruiting the retailers that are the best match for the community's needs and desires. Otherwise, residents may continue to bypass local retailers in favor of others that provide the products, services, or experiences they seek.

Use Buxton's SCOUT platform to recruit the best retailers for your community.

Benefit #3:
Support Local Businesses

Retail development efforts shouldn't focus exclusively on recruitment. An equally important part of any strategy is support for existing retailers. Whether existing outlets are owned by local entrepreneurs or larger chains, they can all benefit from insights on local demographic and lifestyle trends, competitors in neighboring communities, and local government decisions that could impact their business. Smart communities use analytical tools to help existing retailers optimize their location, marketing, and merchandising strategies, contributing to long-term success.

Smart Communities Use Analytical Tools

Since 1994, Buxton has provided big answers for retailers and communities. Our insights go beyond broad regional demographics by drilling down to the household-level in order to give you the clearest picture of your community. We've helped 650 communities recruit over 35 million square feet of retail space. Contact us today to learn more.

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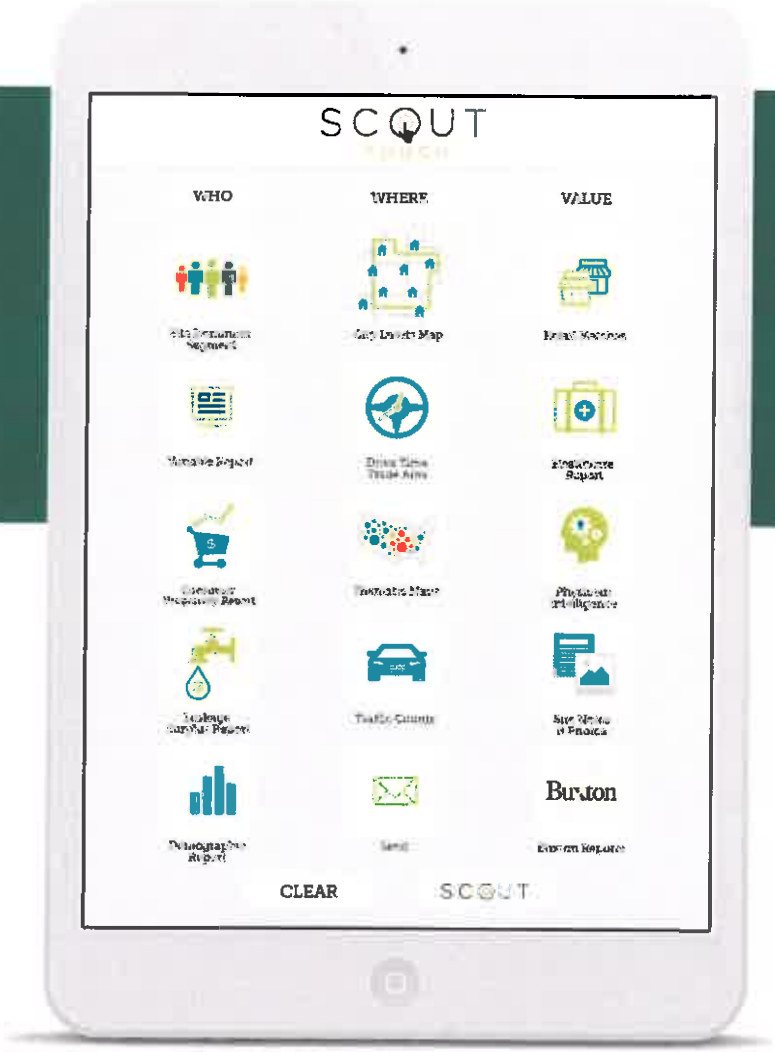
BUXTON BUSINESS RETENTION

Business Retention and Expansion: Powered by Buxton Consumer Reports



A thriving local business community is essential for economic success. But with all of the competing demands on your time, how can you efficiently and effectively provide the answers entrepreneurs need in order to decide whether to expand their businesses...or even simply to stay in your community?

With Buxton's consumer analytics, you can help your local businesses spot opportunities for growth.

- Understand the retail and restaurant categories that present the best new business opportunities
- Identify the products and services local businesses should offer based on consumer purchase propensities
- Enhance local business marketing programs with a detailed knowledge of local consumer attitudes and preferences

To learn more about the consumer reports available through Buxton and how they can help your business retention and expansion efforts, contact us today.

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Buxton

BUXTON CONSUMER REPORTS

Powering Local Business Growth

If you own a local business or are considering starting one, you face a lot of important and difficult questions.

- What retail or restaurant categories are most likely to be successful in my community?
- Is there enough demand in the trade area for me to add an additional location?
- What merchandise mix or menu items should I offer?
- How can I create marketing materials that better resonate with my local audience?

Fortunately, your local government can help you find the answers to these questions and many more. Through your community's partnership with Buxton, the leader in consumer analytics, you can access local reports to understand factors such as the following:

- The categories of retail and restaurants that have unmet demand…and the ones that are saturated
- The products and services that consumers in your area are most likely to purchase
- The lifestyles and attitudes of local consumers, including the psychographic segments that are most dominant in your community

To learn more about Buxton's reports and how to access them, please contact your local economic development representatives.

About Buxton

Buxton is the industry leader in customer analytics. We help businesses understand who their customers are, where more potential customers are located and the value of each customer. More than 3,000 clients in the retail, restaurant, healthcare, private equity, and public sectors have relied on our insights to guide their growth strategies. Retail clients include Jamba Juice, GNC and Anthropologie.

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Buxton

Retail Leakage and Surplus Analysis

The Retail Leakage and Surplus Analysis examines the quantitative aspect of the community's retail opportunities. It is a guide to understanding retail opportunities but it is not an analysis that indicates unconditional opportunities. The analysis is sometimes called "a gap analysis" or "a supply and demand analysis" and can aid in the following:

- Indicating how well the retail needs of local residents are being met
- Uncovering unmet demand and possible opportunities
- Understanding the strengths and weaknesses of the local retail sector
- Measuring the difference between estimated and potential retail sales

Understanding Retail Leakage

Retail leakage means that residents are spending more for products than local businesses capture. Retail sales leakage suggests that there is unmet demand in the trade area and that the community can support additional store space for that type of business.

However, retail leakage does not necessarily translate into opportunity. For example, there could be a strong competitor in a neighboring community that dominates the market for that type of product or store.

Understanding Retail Surplus

A retail surplus means that the community's trade area is capturing the local market plus attracting non-local shoppers. A retail surplus does not necessarily mean that the community cannot support additional business. Many communities have developed strong clusters of stores that have broad geographic appeal. Examples of these types of retailers include: sporting goods stores, home furnishing stores, restaurants, and other specialty operations that become destination retailers and draw customers from outside the trade area.

Examining the quantitative aspects (Leakage/Surplus) is only part of the evaluation of community's retail opportunities. Before any conclusions can be drawn about potential business expansion or recruitment opportunities, qualitative considerations such as trade area psychographics and buying habits must be analyzed in context of other market factors.

Interpreting Leakage Index

1.0 = equilibrium, meaning that demand and sales in the area being analyzed are in balance.
.80 = demand exceeds sales by 20%, meaning that consumers are leaving the area being analyzed.
1.2 = sales exceed demand by 20%, meaning that consumers are coming from outside the area being analyzed.

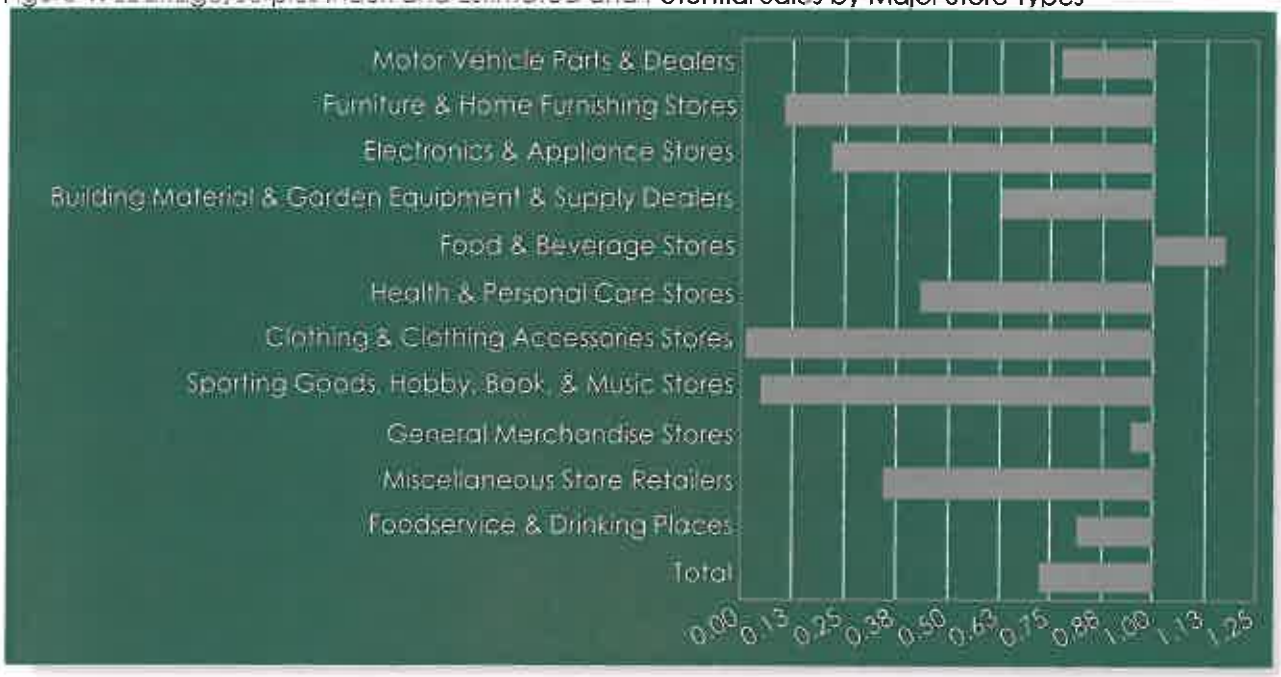
All estimates, projections or forecasts in this model are subject to errors, including statistical error, error due to the subjective nature of some data, error due to changes in demographics, error based on lagging competitor information or growth data, and error due to factors that are not included in the model. The user assumes all risk of reliance on this information.

Leakage/Surplus Index by Major Store Type

The quantitative comparison of retail leakage and surplus in the twelve major store types shown in the chart and table below provides an initial measure of market opportunities. Combining this analysis with the knowledge of the local retail situation will take the process of identifying retail possibilities one step further.

Figure 1 provides the leakage/surplus indices and following is the sales potential and estimated sales for major store types.

Figure 1. Leakage/Surplus Index and Estimated and Potential Sales by Major Store Types



Store Type	Potential	Estimated Sales	Surplus/Leakage
Motor Vehicle Parts & Dealers	38,411,702	29,802,183	0.8
Furniture & Home Furnishing Stores	5,453,586	576,037	0.1
Electronics & Appliance Stores	5,164,691	1,129,706	0.2
Building Material & Garden Equipment & Supply Dealers	14,557,107	9,139,959	0.6
Food & Beverage Stores	30,279,523	35,493,776	1.2
Health & Personal Care Stores	12,777,247	5,536,823	0.4
Clothing & Clothing Accessories Stores	10,656,026	121,776	0.0
Sporting Goods, Hobby, Book, & Music Stores	4,844,878	235,561	0.0
General Merchandise Stores	30,576,956	29,028,099	0.9
Miscellaneous Store Retailers	6,984,203	2,436,070	0.3
Foodservice & Drinking Places	24,534,839	19,990,855	0.8
Total	184,240,758	[illegible]	[illegible]

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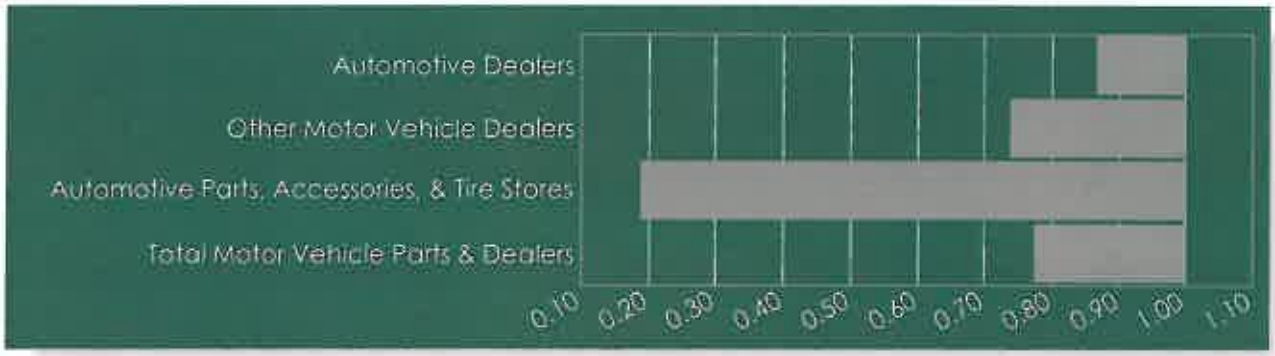
Sub-Categories of Motor Vehicle Parts & Dealers



Store Type	Potential	Estimated Sales	Surplus/Leakage
Automotive Dealers	30,406,451	26,347,096	0.9
Other Motor Vehicle Dealers	3,531,905	2,604,726	0.7
Automotive Parts, Accessories, & Tire Stores	4,473,346	850,361	0.2
Total Motor Vehicle Parts & Dealers	38,411,702	29,802,183	[illegible]

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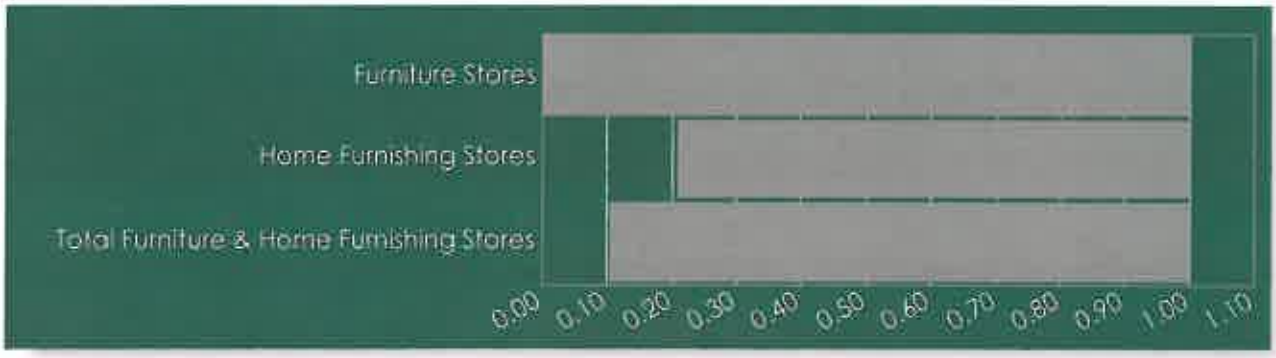
Sub-Categories of Furniture & Home Furnishing Stores



Store Type	Potential	Estimated Sales	Surplus/Leakage
Furniture Stores	2,700,091	0	0.0
Home Furnishing Stores	2,753,495	576,037	0.2
Total Furniture & Home Furnishing Stores	5,453,584	576,037	[illegible]

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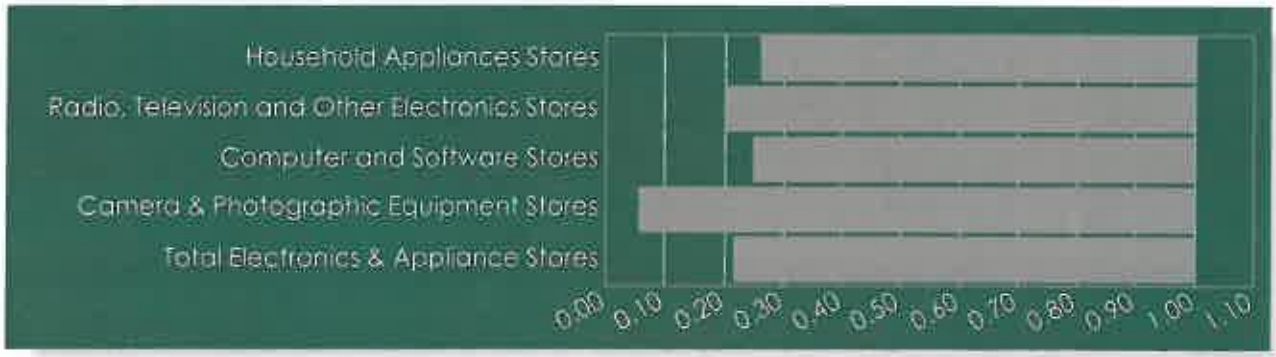
Sub-Categories of Electronics & Appliance Stores



Store Type	Potential	Estimated Sales	Surplus/Leakage
Household Appliances Stores	569,071	148,780	0.3
Radio, Television and Other Electronics Stores	3,150,428	645,251	0.2
Computer and Software Stores	1,307,377	327,843	0.3
Camera & Photographic Equipment Stores	137,815	7,832	0.0
Total Electronics & Appliance Stores	5,164,691	1,129,706	[illegible]

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Sub-Categories of Building Material & Garden Equipment & Supply Dealers

Store Type	Potential	Estimated Sales	Surplus/Leakage
Home Centers	5,596,648	46,102	0.0
Paint and Wallpaper Stores	489,852	178,493	0.4
Hardware Stores	1,162,459	1,369,545	1.2
Other Building Materials Dealers	4,067,957	6,611,689	1.6
Outdoor Power Equipment Stores	525,366	31,143	0.0
Nursery and Garden centers	2,714,825	902,987	0.3
Total Building Material & Garden Equipment & Supply Dealers	14,557,107	9,139,959	[illegible]

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Sub-Categories of Food & Beverage Stores

Store Type	Potential	Estimated Sales	Surplus/Leakage
Supermarkets and Other Grocery (except Convenience) Stores	25,652,225	30,482,980	1.2
Convenience Stores	1,458,986	3,345,979	2.3
Specialty Food Stores	1,117,524	747,312	0.7
Beer, Wine, & Liquor Stores	2,050,788	917,505	0.4
Total Food & Beverage Stores	30,279,523	35,493,774	1.2

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Sub-Categories of Health & Personal Care Stores

Store Type	Potential	Estimated Sales	Surplus/Leakage
Pharmacies and Drug Stores	10,734,578	5,248,810	0.5
Cosmetics, Beauty Supplies and Perfume Stores	653,481	274,086	0.4
Optical Goods Stores	484,959	0	0.0
Other Health and Personal Care Stores	904,229	13,927	0.0
Total Health & Personal Care Stores	12,777,247	5,536,823	[illegible]

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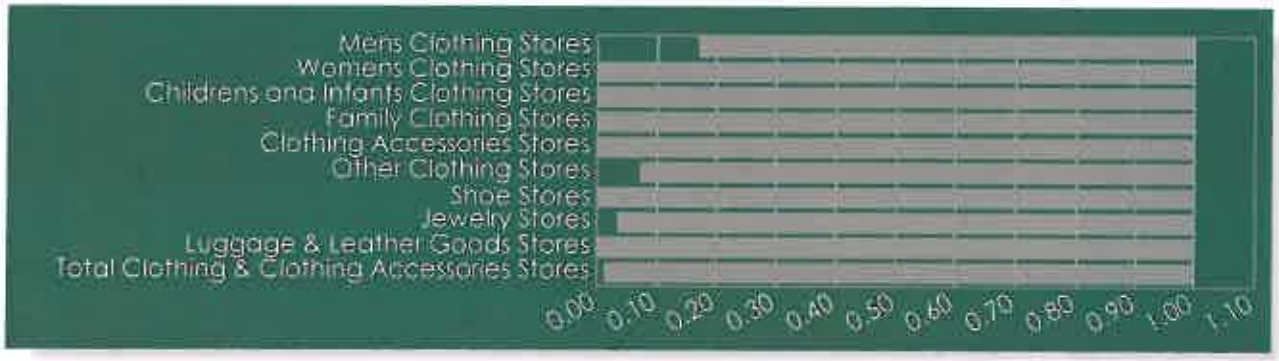
Sub-Categories of Clothing & Clothing Accessories Stores



Store Type	Potential	Estimated Sales	Surplus/Leakage
Mens Clothing Stores	322,015	55,096	0.2
Womens Clothing Stores	1,659,032	0	0.0
Childrens and Infants Clothing Stores	615,243	0	0.0
Family Clothing Stores	4,297,113	0	0.0
Clothing Accessories Stores	295,859	0	0.0
Other Clothing Stores	549,794	40,498	0.0
Shoe Stores	1,908,815	0	0.0
Jewelry Stores	751,992	26,182	0.0
Luggage & Leather Goods Stores	256,163	0	0.0
Total Clothing & Clothing Accessories Stores	10,656,026	121,776	[illegible]

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Sub-Categories of Sporting Goods, Hobby, Book, & Music Stores

Store Type	Potential	Estimated Sales	Surplus/Leakage
Sporting Goods Stores	2,299,859	59,559	0.0
Hobby, Toys and Games Stores	1,199,272	176,002	0.1
Sew/Needlework/Piece Goods Stores	384,756	0	0.0
Musical Instrument and Supplies Stores	147,931	0	0.0
Book Stores	518,478	0	0.0
News Dealers and Newsstands	112,355	0	0.0
Prerecorded Tape, Compact Disc, and Record Stores	182,227	0	0.0
Total Sporting Goods, Hobby, Book, & Music Stores	4,844,878	235,561	[illegible]

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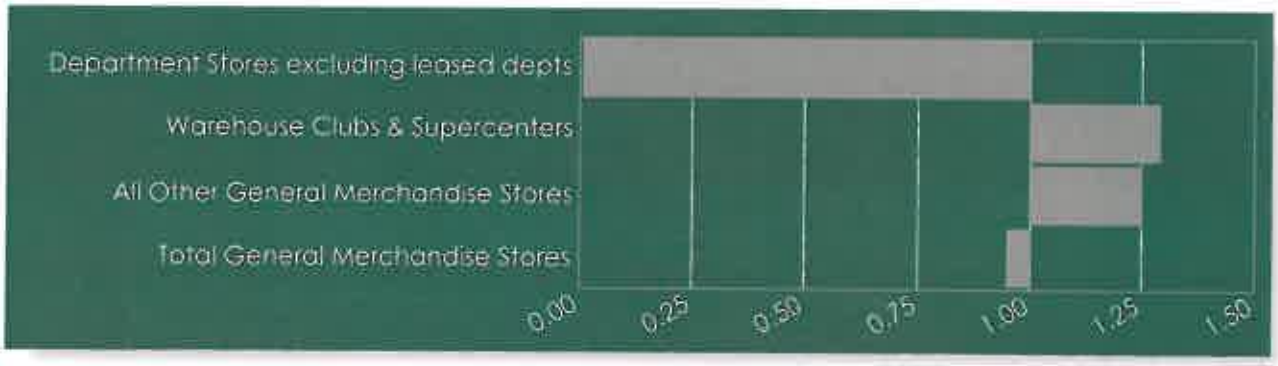
Sub-Categories of General Merchandise Stores



Store Type	Potential	Estimated Sales	Surplus/Leakage
Department Stores excluding leased depts	8,149,681	84,621	0.0
Warehouse Clubs & Supercenters	19,315,281	25,044,564	1.3
All Other General Merchandise Stores	3,111,994	3,898,914	1.3
Total General Merchandise Stores	30,576,956	[illegible]	[illegible]

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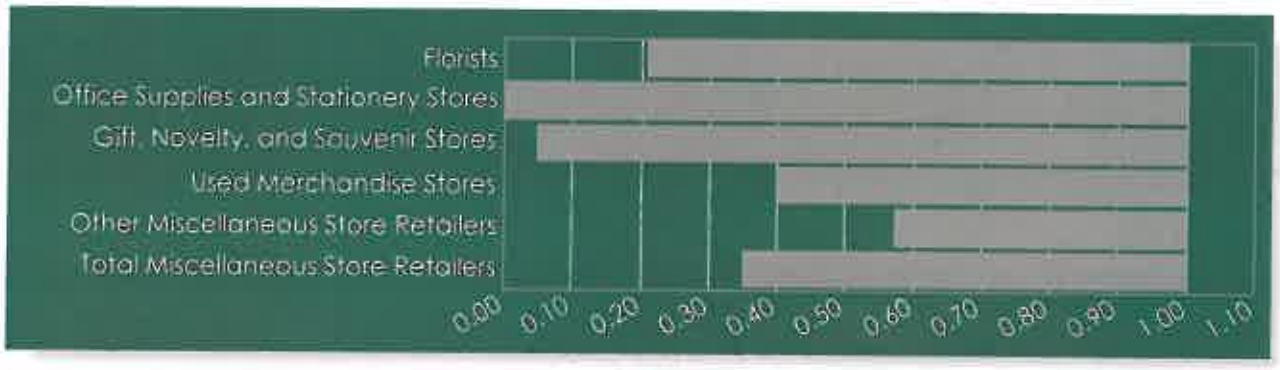
Sub-Categories of Miscellaneous Store Retailers



Store Type	Potential	Estimated Sales	Surplus/Leakage
Florists	458,180	96,248	0.2
Office Supplies and Stationery Stores	1,061,732	0	0.0
Gift, Novelty, and Souvenir Stores	1,270,711	64,620	0.0
Used Merchandise Stores	733,036	294,854	0.4
Other Miscellaneous Store Retailers	3,460,544	1,980,348	0.6
Total Miscellaneous Store Retailers	6,984,203	2,436,070	0.3

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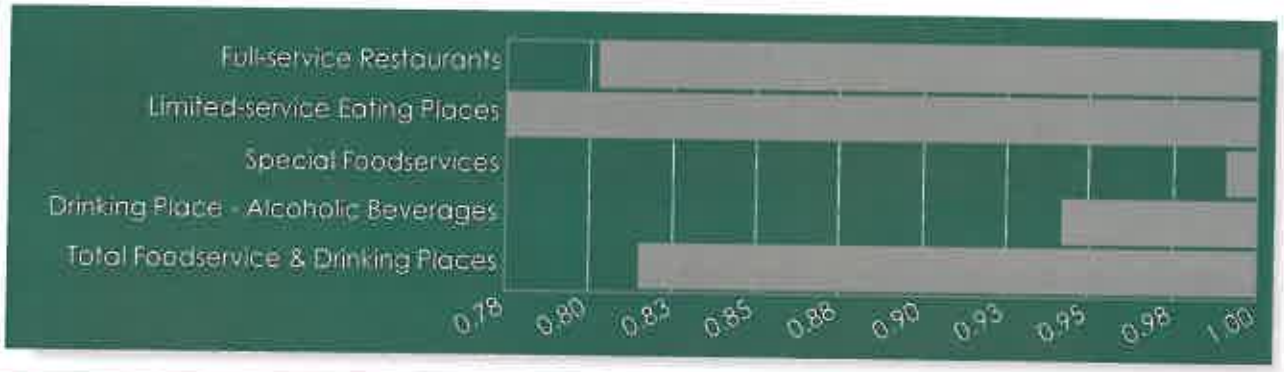
Sub-Categories of Foodservice & Drinking Places



Store Type	Potential	Estimated Sales	Surplus/Leakage
Full-service Restaurants	10,603,498	8,510,241	0.8
Limited-service Eating Places	10,535,535	8,170,274	0.8
Special Foodservices	2,287,779	2,266,526	1.0
Drinking Place - Alcoholic Beverages	1,108,027	1,043,814	0.9
Total Foodservice & Drinking Places	24,534,839	19,990,855	0.8

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Sources and Methodology

The primary data sources used in the construction of the database include:

- Current Year CAPE (Census Area Projections & Estimates) Consumer Expenditure Estimates
- Census of Retail Trade, Merchandise Line Sales
- Census Bureau Monthly Retail Trade

The Census of Retail Trade presents a table known as the Merchandise Line summary, which relates approximately 120 merchandise lines (e.g. hardware) to each of the store types. For each merchandise line, the distribution of sales by store type can be computed, yielding a conversion table which apportions merchandise line sales by store type.

The CAPE (Census Area Projections & Estimates) Consumer Expenditure database was re-computed to these merchandise lines by aggregating both whole and partial categories, yielding, at the block group level, a series of merchandise line estimates which are consistent with the CAPE Consumer Expenditure database.

These two components were then combined in order to derive estimated potential by store type. The results were then compared to current retail trade statistics to ensure consistency and completeness.

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QUARTERLY REPORT
Board of Adjustments & Appeals
October – December 2015

REGULARLY SCHEDULED MEETINGS: 3

Tuesday, October 13, 2015 – Regular Session
Present: Chairman Binick, Vice Chairman Hough, Board Members Blue, Lichty, Stevens and Buchanan
Absent: Board Member McHenry

Tuesday, November 10, 2015 – Regular Session
Cancelled, no business before the Board

Tuesday, December 8, 2015 – Regular Session
Cancelled, no business before the Board

SPECIAL SESSION MEETINGS: 0

WORK SESSIONS: 0

THE FOLLOWING APPLICATIONS WERE APPROVED:

October 13, 2015: Approval of a variance request by owner Laura and Michael Spaan to seek a reduction from the required side yard setback of 25' to a reduced side setback of 7' on the west side of the parcel to construct a single family home. The buildable area of the parcel is potentially limited due to flood zone and topography constraints. The property is located adjacent to 2610 North Thomas Paine Circle, parcel 403-20-009A.

THE FOLLOWING APPLICATIONS WERE DENIED:

There were no applications denied.

THE FOLLOWING APPEALS WERE DENIED:

There were no appeals denied.

THE FOLLOWING ITEMS WERE DISCUSSED BY BOARD:

October 13, 2015 – Spaan Variance, Parcel 403-20-009A

THE FOLLOWING ITEMS WERE DISCUSSED IN WORK SESSIONS:

There were no items discussed in work sessions.

THE FOLLOWING PRESENTATIONS WERE HEARD BY THE BOARD:

There were no presentations heard by the Board.

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Chairman Jim Binick

QUARTERLY REPORT
Planning and Zoning Commission
October – December 2015

REGULARLY SCHEDULED MEETINGS: 1

WORK SESSIONS: 4

JOINT WORK SESSIONS: 2

SPECIAL SESSIONS: 2

THURSDAY OCTOBER 1, 2015 – SPECIAL SESSION

Present: Chairman Davis, Vice Chairman Freeman, Commissioners Blue, Burnside, Norton and Parrish.
Absent: Commissioner Hisrich.

THURSDAY OCTOBER 8, 2015 – GENERAL PLAN WORK SESSION

Present: Chairman Davis, Vice Chairman Freeman, Commissioners Blue, Burnside, and Hisrich.
Absent: Commissioner Norton, and Commissioner Parrish.

THURSDAY OCTOBER 22, 2015 – GENERAL PLAN WORK SESSION

CANCELLED

THURSDAY NOVEMBER 5, 2015 – REGULAR SESSION

CANCELLED

THURSDAY NOVEMBER 12, 2015 – GENERAL PLAN WORK SESSION

Present: Chairman Davis, Vice Chairman Freeman, Commissioners Blue, Burnside, and Hisrich.
Absent: Commissioner Norton, and Commissioner Parrish

THURSDAY DECEMBER 3, 2015 – SPECIAL SESSION

Present: Chairman Davis, Vice Chairman Freeman, Commissioners Blue, Hisrich, Burnside and Norton
Absent: Commissioner Parrish

THURSDAY DECEMBER 10, 2015 – GENERAL PLAN WORK SESSION

Present: Chairman Davis, Vice Chairman Freeman, Commissioners Blue, Burnside, and Norton
Absent: Commissioner Parrish, and Commissioner Hisrich

THE FOLLOWING WAS A JOINT WORK SESSION WITH COUNCIL:

Friday, October 16, 2015 – Update by Planning & Zoning Chairman B.J Davis, and other members of the P&Z Commission regarding the General Plan process, various elements of the General Plan and Character Areas that are included in the General Plan.
Present: Chairman Davis, Vice Chairman Freeman
Absent: Commissioners Blue, Burnside, Norton, Parrish and Hisrich

Friday, November 20, 2015 – Update by Planning & Zoning Chairman B.J Davis, and other members of the P&Z Commission regarding the General Plan process, various elements of the General Plan and Character Areas that are included in the General Plan.
Present: Chairman Davis, Vice Chairman Freeman
Absent: Commissioners Blue, Burnside, Norton, Parrish and Hisrich

THE FOLLOWING REGULAR SESSION ITEMS WERE DISCUSSED:

There were no Regular Session meetings held this quarter.

THE FOLLOWING SPECIAL SESSION ITEMS WERE DISCUSSED:

October 1, 2015:

6. **Public Hearing, Discussion and possible Recommendation for approval (or denial) to Council on Use Permit 20150245, an application submitted by Mrs. Sue Mesa, agent for Mr. Ignacio M Mesa, owner of parcel 404-13-013D, which is 10.09 acres. The property owner is requesting a Use Permit to allow for Agri-Tourism in a residential neighborhood zoned R-R (Residential-Rural) for the purpose of selling and operating a wine tasting room as authorized by Arizona Domestic Farm Winery License #13133013. Agri-Tourism is an allowed use under the R-R (Residential-Rural) District in the current Planning & Zoning Ordinance with a Use Permit. The property is located at 4053 E State Route 260, in Camp Verde, Yavapai County, Arizona.**
   On a motion by Norton, seconded by Freeman, the Commission recommends for approval to Council on Use Permit 20150245, an application submitted by Mrs. Sue Mesa, agent for Mr. Ignacio M Mesa, owner of parcel 404-13-013D, which is 10.09 acres. The property owner is requesting a Use Permit to allow for Agri-Tourism in a residential neighborhood zoned R-R (Residential-Rural) for the purpose of selling and operating a wine tasting room as authorized by Arizona Domestic Farm Winery License #13133013 with the following stipulations:
   - Per Arizona Department of Transportation (ADOT), should the use increase additional improvements at the entrance be required.
   - Per the Camp Verde Fired District, should the entry gate be locked after closing then a knox box will be required.
   - Provide suction water pipe at the pond for fired water supply per the Camp Verde Fired Department specifications with adequate water supply to be available at any time.
   - Per the Building Official, as a condition of the Use Permit approval for Clear Creek Vineyard & Winery LLC a Commercial Tenant Improvement Building Permit Application along with As-Built Plans will be required by the Building Division in order to change the use and occupancy of the existing Residential Barn (Group U Occupancy) into a Commercial Wine Tasting Room (Group A-2) Occupancy) and Wine Processing Facility (Group F-2 Occupancy). The applicant should note that the Certificate of Occupancy from the Building Division will not be issued until this item has been completed.
   - This Use Permit shall be in perpetuity.

   Agri-Tourism is an allowed us under the R-R (Residential-Rural) District in the current Planning & Zoning Ordinance with a Use Permit. The property is located at 4053 E State Route 260, in Camp Verde, Yavapai County, Arizona.

December 3, 2015:

6. **Public Hearing, Discussion and possible Recommendation for approval (or denial) to Council on Use Permit 20150310, an application submitted by Mr. Philip Moreau, managing member of the Verde River RV Resort - Sedona LLC, owner of parcels 403-19-205 which is 11.46 acres, 403-19-013H which is 3.7 acres, 403-19-013J which is 9.29 acres, 403-19-207 which is 1.81 acres, 403-19-013Q which is 2.46 acres, for a total of 28.72 acres located at 1472 W Horseshoe Bend Drive in Camp Verde, Yavapai County, Arizona. The property owner is requesting an amended Use Permit, in perpetuity, for all parcels, for the Verde River RV Resort, formerly known as the Camp Verde RV Resort, which will consist of one hundred fifty (150) RV sites, three (3) bath houses, one (1) operations/reception center, one (1) recreation building, one (1) maintenance building, one (1) propane fill station, one (1) pump station, one (1) wastewater treatment plant, one (1) elevated spa, one (1) miniature golf area, two (2) dog parks, two (2) pickle ball courts, one (1) playground with basketball court, one (1) horseshoe pits, and one (1) additional well. A Recreational Vehicle Park is an allowed use under the R-R (Residential-Rural) District in the current Planning & Zoning Ordinance with a Use Permit.**
   On a motion by Commissioner Burnside, seconded by Commissioner Blue, the Commission voted unanimously to approve Use Permit 20150310, an application submitted by Mr. Philip Moreau, managing member of the Verde River RV Resort - Sedona LLC, owner of parcels 403-19-205 which is 11.46 acres, 403-19-013H which is 3.7 acres, 403-19-013J which is 9.29 acres, 403-19-207 which is 1.81 acres, 403-19-013Q which is 2.46 acres, for a total of 28.72 acres located at 1472 W Horseshoe Bend Drive in Camp Verde, Yavapai County, Arizona.

The property owner is requesting an amended Use Permit, in perpetuity, for all parcels, for the Verde River RV Resort, formerly known as the Camp Verde RV Resort, which will consist of one hundred fifty (150) RV sites, three (3) bath houses, one (1) operations/reception center, one (1) recreation building, one (1) maintenance building, one (1) propane fill station, one (1) pump station, one (1) wastewater treatment plant **or other approved sanitary system as approved by the Yavapai County Environmental Services Unit,** one (1) elevated spa, one (1) miniature golf area, two (2) dog parks, two (2) pickle ball courts, one (1) playground with basketball court, one (1) horseshoe pits, and one (1) additional well. A Recreational Vehicle Park is an allowed use under the R-R (Residential-Rural) District in the current Planning & Zoning Ordinance with a Use Permit.

7. **Public Hearing, Discussion and possible Recommendation to Council for a Text Amendment to the Town of Camp Verde Planning & Zoning Ordinance amending the requirements of Part Two – Zoning Classifications, Section 203 – Use District, Subsection D. R-R District (Residential-Rural), (Formerly RCU), Item 3f. "Agri-Tourism", and Part Two – Zoning Classifications, Section 203 – Use Districts, Subsection N. AG District, Item 3a. "Agri-Tourism".**
   On a motion by Commissioner Burnside, seconded by Commissioner Freeman, the Commission voted unanimously to recommend for approval to Council a Text Amendment to the Town of Camp Verde Planning & Zoning Ordinance amending the requirements of Part Two – Zoning Classifications, Section 203 – Use District, Subsection D. R-R District (Residential-Rural), (Formerly RCU), Item 3f. "Agri-Tourism", and Part Two – Zoning Classifications, Section 203 – Use Districts, Subsection N. AG District, Item 3a. "Agri-Tourism".

THE FOLLOWING GENERAL PLAN WORK SESSION ITEMS WERE DISCUSSED:

October 8, 2015:

5. **Discussion, Public Input, and Commission Consensus on Chapter 7 – Housing.** Continued from the September 10, 2015 General Plan Work Session.
6. **Discussion, and Direction to Staff regarding a possible Text Amendment to the current Planning and Zoning Ordinance under Part Two – Zoning Classifications, Section 203 – Use Districts, Item D – R-R District (Residential-Rural), Item 3. – Uses and Structures Subject to Use Permit, Item F. Agri-Tourism.** Resource: Chairman Davis.
7. **Discussion, Public Input, and Commission Consensus on Chapter 4 – Economic Development.** Resource: Community Development Director Michael Jenkins.

November 12, 2015:

5. **Discussion, Public Input, and Commission Consensus on Chapter 4 – Economic Development.** Continued from the October 8, 2015 General Plan Work Session.
6. **Discussion, Public Input, and Commission Consensus on Chapter 7 – Housing.** Continued from the October 8, 2015 General Plan Work Session.

December 10, 2015:

5. **Discussion, Public Input, and Commission Consensus on Acknowledgement Page.**
   Staff Resource: Community Development Director, Michael Jenkins
6. **Discussion, Public Input, and Commission Consensus on Table of Contents Page.**
   Staff Resource: Community Development Director, Michael Jenkins
7. **Discussion, Public Input, and Commission Consensus on Chapter 1 - Introduction.**
   Staff Resource: Community Development Director, Michael Jenkins
8. **Discussion, Public Input, and Commission Consensus on Status of Remaining General Plan Items including Preface, Trails Map, etc.**
   Staff Resource: Community Development Director, Michael Jenkins

THE FOLLOWING PRESENTATIONS WERE HEARD BY THE COMMISSION:

There were no presentations heard by the Commission.

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B.J. Davis, Chairman of the Planning and Zoning Commission

12-

Town of Camp Verde

Agenda Item Submission Form – Section I

Meeting Date: January, 20, 2016

☐ *Consent Agenda* ☒ *Decision Agenda* ☐ *Executive Session Requested*

☐ *Presentation Only* ☐ *Action/Presentation* ☐ *Pre-Session Agenda*

Requesting Department: **Town Clerk**

Staff Resource/Contact Person:

Agenda Title (be exact): Discussion, consideration and possible approval of amendment to the Town's Salary Plan with the addition of the Visitor Center Ambassador job description.

List Attached Documents: Copy of job description and copy of salary plan

Estimated Presentation Time:

Estimated Discussion Time:

Reviews Completed by:

☒ ***Department Head:*** Steve Ayers ☐ ***Town Attorney Comments:*** N/A

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

Background Information: On February 4th of 2013 the Chamber of Commerce closed and the tourist information portion was turned over to the Economic Development Department. In May of 2013 the Visitor Center was relocated in with the historical society and help needed to be hired to run it. No official job description has been created as it was believed that it may be a temporary situation. It's been 2 years and we need to get a job description and range for it on our salary plan.

Recommended Action (Motion): *We would recommend approval of a job description for the Visitor Center Ambassador in range 29 on the salary plan with the pay scale being a Minimum $10.23, Midpoint $12.62 and Maximum $15.26. This range includes the Library Clerk position for comparison.*

Instructions to the Clerk: None

Job Description

Visitor Center Ambassador

Department:	**Economic Development**	Revised Date:	**January 2016**

GENERAL PURPOSE: Under general supervision, process and maintain tourist information and perform a wide variety of general duties as required by the Camp Verde Economic Development Department.

PRIMARY DUTIES AND RESPONSIBILITIES:

*The following duties **ARE NOT** intended to serve as a comprehensive list of all duties performed by all employees in this classification, only a representative summary of the primary duties and responsibilities. Incumbent(s) may not be required to perform all duties listed and may be required to perform additional, position-specific duties.*

- The Camp Verde Visitors Center Ambassador welcomes guests to the Visitors Center
- This role interacts with the public in a friendly manner
- When dealing with the public face-to-face it is essential to make quick, appropriate decisions.
- Ambassadors will be required to help make sure there is a good supply of brochures, trail maps
- Must help keep the center clean and safe for visitors to walk through and report any maintenance issues that may need repairs.
- Performs other related duties as assigned or required.

MANAGERIAL RESPONSIBILITIES:

None

JOB REQUIREMENTS:

Good customer service is a must, outgoing, friendly personality and ability to make quick appropriate decisions when needed. Working knowledge to include but not limited to Camp Verde and the Verde Valley, particularly the tourist attractions, hiking trails, biking trails, parks, restaurants and hotel/motel options. Ability to work flexible days, hours, week-ends and special events.

MINIMUM QUALIFICATIONS:

Education and Experience:

Job Description

High school or GED equivalent; AND one year in the Camp Verde area, and customer service experience; OR any combination of education, training, and experience to provide the desired knowledge, skills, and other characteristics.

Required Knowledge of:

- Town and department policies and procedures.
- Modern office filing procedures.
- Streets, buildings, and geography of the Town of Camp Verde.
- Functions, operations, and services the Visitor Center and the Town of Camp Verde.

Physical Demands / Work Environment:

- Work is performed in normal office setting.
- Some lifting may be required up to 10 lbs.

Town of Camp Verde
Salary Plan

Effective 07/15

Position	Range		Minimum	Midpoint	Maximum
Deputy Town Clerk; Children's Librarian *E*	49	Annual	$35,044.00	$44,184.00	$53,324.00
Recreation Supervisor; Building Inspector		Bi-weekly	$1,347.85	$1,699.38	$2,050.92
		Hourly	$16.85	$21.24	$25.64
Admin Asst to Town Manager;	48	Annual	$34,189.00	$43,106.00	$52,023.00
Dispatch Supervisor; Maintenance Foreman		Bi-weekly	$1,314.96	$1,657.92	$2,000.88
Civilian Investigator; Public Works Analyst;		Hourly	$16.44	$20.72	$25.01
Senior Wastewater Operator					
Assistant Planner; Plans Examiner	46	Annual	$32,542.00	$41,029.00	$49,517.00
Accountant		Bi-weekly	$1,251.62	$1,578.04	$1,904.50
		Hourly	$15.65	$19.73	$23.81
HR Specialist; Special Events Coordinator;	45	Annual	$31,748.00	$40,029.00	$48,309.00
Code Enforcement Officer;		Bi-weekly	$1,221.08	$1,539.58	$1,858.04
Economic Development Specialist		Hourly	$15.26	$19.24	$23.23
Lead Maintenance Worker	44	Annual	$30,974.00	$39,052.00	$47,131.00
Wastewater Operator		Bi-weekly	$1'191.31	$1,502.00	$1,812.73
		Hourly	$14.89	$18.78	$22.66
Dispatcher; Records Specialist;	43	Annual	$30,219.00	$38,100.00	$45,981.00
Senior Equipment Operator;		Bi-weekly	$1,162.27	$1,465.38	$1,768.50
Property and Evidence Custodian		Hourly	$14.53	$18.32	$22.11
Administrative Assistant	42	Annual	$29,481.00	$37,170.00	$44,860.00
Permit Technician		Bi-weekly	$1,133.88	$1,429.62	$1,725.38
		Hourly	$14.17	$17.87	$21.57
Court Clerk	40	Annual	$28,061.00	$35,379.00	$42,698.00
Finance Clerk		Bi-weekly	$1,079.27	$1,360.73	$1,642.23
		Hourly	$13.49	$17.01	$20.53
Library Specialist	39	Annual	$27,376.00	$34,517.00	$41,657.00
Equipment Operator		Bi-weekly	$1,052.92	$1,327.58	$1,602.19
		Hourly	$13.16	$16.59	$20.03
Animal Control Officer	38	Annual	$26,709.00	$33,675.00	$40,64.1.00
		Bi-weekly	$1,027.27	$1,295.19	$1,563.12
		Hourly	$12.84	$16.19	$19.54
Records Clerk	37	Annual	$26,057.00	$32,853.00	$39,649.00
		Bi-weekly	$1,002.19	$1,263.58	$1,524.96
		Hourly	$12.53	$15.79	$19.06
Animal Shelter Operator	36	Annual	$25,422.00	$32,052.00	$38,682.00
		Bi-weekly	$977.77	$1,232.77	$1,487.77
		Hourly	$12.22	$15.41	$18.60
Maintenance Worker	34	Annual	$24,197.00	$30,508.00	$36,818.00
		Bi-weekly	$930.65	$1,173.38	$1,416.08
		Hourly	$11.63	$14.67	$17.70
Senior Library Clerk	33	Annual	$23,607.00	$29,763.00	$35,920.00
Laborer		Bi-weekly	$907.96	$1'144.73	$1,381.54
		Hourly	$11.35	$14.31	$17.27
Receptionist	32	Annual	$23,031.00	$29,038.00	$35,044.00
		Bi-weekly	$885.81	$1,116.85	$1,347.85
		Hourly	$11.07	$13.96	$16.85
Library Clerk	29	Annual	$21,386.00	$26,964.00	$32,542.00
Visitor Center Ambassador		Bi-weekly	$822.54	$1,037.08	$1,251.62
		Hourly	$10.28	$12.96	$15.65
Janitor	28	Annual	$20,865.00	$26,307.00	$31,748.00
		Bi-weekly	$802.50	$1,011.81	$1,221.08
		Hourly	$10.03	$12.65	$15.26

Town of Camp Verde
Salary Plan

Effective 07/15

Position	Range		Minimum	Midpoint	Maximum
Town Manager *E*	93	Annual	$103,864.00	$130,953.00	$158,042.00
		Bi-weekly	$3,994.77	$5,036.65	$6,078.54
		Hourly	$49.93	$62.96	$75.98
Town Marshal/ HR Director *E*	82	Annual	$79,160.00	$99,805.00	$120,451.00
		Bi-weekly	$3,044.62	$3,838.65	$4,632.73
		Hourly	$38.06	$47.98	$57.91
Public Works Director/Town Engineer *E*	78	Annual	$71,715.00	$90,419.00	$109,122.00
		Bi-weekly	$2,758.27	$3,477.65	$4,197.00
		Hourly	$34.48	$43.47	$52.46
Community Development Director *E*	77	Annual	$69,966.00	$88,213.00	$106,461.00
		Bi-weekly	$2,691.00	$3,392.81	$4,094.65
		Hourly	$33.64	$42.41	$51.18
Finance Director *E*	73	Annual	$63,385.00	$79,917.00	$96,448.00
Economic Development Director *E*		Bi-weekly	$2,437.88	$3.073.73	$3,709.54
		Hourly	$30.47	$38.42	$46.37
Parks & Recreation Director E	72	Annual	$61,839.00	$77,968.00	$94,096.00
Commander;		Bi-weekly	$2,378.42	$2,998.77	$3,619.08
		Hourly	$29.73	$37.48	$45.24
Library Director *E*	69	Annual	$57,424.00	$72,401.00	$87,377.00
Risk Manager *E*		Bi-weekly	$2,208.62	$2,784.65	$3,360.65
		Hourly	$27.61	$34.81	$42.01
Special Projects Administrator *E*	68	Annual	$56,023.00	$70,635.00	$85,246.00
		Bi-weekly	$2,154.73	$2,716.73	$3,278.69
		Hourly	$26.93	$33.96	$40.98
Town Clerk *E*	67	Annual	$54,657.00	$68,912.00	$83,167.00
		Bi-weekly	$2,102.19	$2,650.46	$3,198.73
		Hourly	$26.28	$33.13	$39.98
Chief Building Official *E* Wastewater Manager	64	Annual	$50,754.00	$63,992.00	$77,229.00
		Bi-weekly	$1,952.08	$2,461.23	$2,970.35
		Hourly	$24.40	$30.77	$37.13
Sergeant (Police)	62	Annual	$48,309.00	$60,908.00	$73,508.00
		Bi-weekly	$1,858.04	$2,342.62	$2,827.23
		Hourly	$23.23	$29.28	$35.34
Senior Planner *E*	59	Annual	$44,860.00	$56,559.00	$68,259.00
		Bi-weekly	$1,725.38	$2,175.35	$2,625.35
		Hourly	$21.57	$27.19	$32.82
Streets Supervisor/ Inspector	56	Annual	$41,657.00	$52,521.00	$63,385.00
CAD Draftsman		Bi-weekly	$1,602.19	$2,020.04	$2,437.88
		Hourly	$20.03	$25.25	$30.47
Senior Accountant	55	Annual	$40,641.00	$51,240.00	$61,839.00
		Bi-weekly	$1,563.12	$1,970.77	$2,378.42
		Hourly	$19.54	$24.63	$29.73
Deputy (police officer)	53	Annual	$38,682.00	$48,771.00	$58,860.00
		Bi-weekly	$1,487.77	$1,875.81	$2,263.85
		Hourly	$18.60	$23.45	$28.30
Streets Maintenance Foreman	52	Annual	$37,739.00	$47,581.00	$57,424.00
		Bi-weekly	$1,451.50	$1,830.04	$2,208.62
		Hourly	$18.14	$22.88	$27.61
Court Supervisor	50	Annual	$35,920.00	$45,289.00	$54,657.00
		Bi-weekly	$1,381.54	$1,741.88	$2,102.19
		Hourly	$17.27	$21.77	$26.28

13.

Town of Camp Verde

Agenda Item Submission Form – Section I

Town Council – Regular Session
Meeting Date: January 20, 2016

☐ *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): Discussion and Possible Approval of Resolution 2016-957, a Resolution of the Mayor and Common Council of the Town of Camp Verde, Yavapai County, Arizona, on a request by Mr. G. Scott Simonton, Manager of Simonton Ranch 18, LLC, owner of the un-platted ELK CREEK SUBDIVISION located in the Simonton Ranch Master Planned Community, to provide for an extension of time for the Preliminary Plat approval of the said ELK CREEK SUBDIVISION. This time extension is based on the original "DEVELOPMENT AGREEMENT" between the Town of Camp Verde and Harvard Investments, (See attached, Exhibit "A", Development Agreement) as recorded in Book 3663, Page 213 of the Yavapai County, Arizona, Recorder, under Section 8:11 as follows:

- **" If the PAD Plan is not approved by the Town Council, or is approved subject to conditions or stipulations not accepted by Developer, Developer shall have no obligation to construct any of the improvements provided for in this Agreement or the PAD. If market conditions and/or development financing materially change the feasibility of the PAD Plan, Developer may interrupt development until market conditions and/or development financing are again favorable, at which time continued development of the Property will be in accordance with the PAD Plan."**

Aside from the above referenced Development Agreement, the Developer has submitted a letter dated December 8, 2015, (See attached, Exhibit "B") agreeing to the following:

- Update the Drainage Report.
- Submit a copy of the recently prepared Traffic Study on Finnie Flat Road.
- Make corrections to water and sewer plans caused by the construction of a sewer line through Elk Creek to serve the Verde Valley Medical Center.
- Upon approval of the Final Plat and prior to recordation, an assurance of completion will be provided.

List Attached Documents:

- Exhibit "A", Development Agreement between the Town and Harvard Investments.
- Exhibit "B", Letter from Developer dated December 8, 2015.
- Resolution 2016-957 (Requesting an extension of the approval for the Preliminary Plat for Elk Creek).
- Resolution 2006-690 (Town Council approval of the Elk Creek @ Simonton Ranch Preliminary Plat in 2006).

Estimated Presentation Time: *10 minutes*

Estimated Discussion Time: *20 minutes*

Reviews Completed by:

☒ ***Department Head:*** ☒ ***Town Attorney Comments:***

Background Information: The Preliminary Plat for the ELK CREEK SUBDIVISION was reviewed by the Planning & Zoning Commission on July 6, 2006 and approved by the Town Council on July 26, 2006 per Resolution 2006-690 (See attached Resolution 2006-690). Per Part 5, Section 505 (PRELIMINARY SUBDIVISION PLAT), Item E.3.b of the current Town of Camp Verde Planning & Zoning Ordinance, one of the following terms for approval is provided:

- "Approval is valid for a period of twenty-four (24) months from date of Council action, <u>unless an extended period is requested and approved by Council.</u>"

Per Exhibit "B", letter from Developer dated December 8, 2015, a request for an extension of time for the Elk Creek Preliminary Plat approval was made. This request is based on the Development Agreement between the Town and Harvard Investments (Original Developer). It appears in the public record that several recordings were subsequently filed with the County Recorder assigning the development rights in the subject Development Agreement from HARVARD INVESTMENTS to HOMESTEAD AT CAMP VERDE LIMITED PARTNERSHIP and then to CAMP VERDE HOMESTEAD LLC (G Scott Simonton, Manager).

Per a specific portion of Section 8:11 of the Development Agreement, (Exhibit "A") page 13, the following was agreed to by the Town and the Developer:

- "If market conditions and/or development financing materially change the feasibility of the PAD Plan, Developer may interrupt development until market conditions and/or development financing are again favorable, at which time continued development of the Property will be in accordance with the PAD Plan."

Staff and the Town Attorney both support the time extension request of the Preliminary Plat for the proposed Elk Creek @ Simonton Ranch Subdivision based on the additional items the Developer has agreed to in his letter dated December 8, 2015 (Exhibit "B") as follows:

- Update the Drainage Report.
- Submit a copy of the recently prepared Traffic Study on Finnie Flat Road.
- Make corrections to water and sewer plans caused by the construction of a sewer line through Elk Creek to serve the Verde Valley Medical Center.
- Upon approval of the Final Plat and prior to recordation, an assurance of completion will be provided.

Recommended Action (Motion):

A Motion to Approve (OR Deny) Resolution 2016-957, a Resolution of the Mayor and Common Council of the Town of Camp Verde, Yavapai County, Arizona, on a request by Mr. G. Scott Simonton, Manager of Simonton Ranch 18, LLC, owner of the un-platted ELK CREEK SUBDIVISION located in the Simonton Ranch Master Planned Community, to provide for an extension of time for the Preliminary Plat approval of the said ELK CREEK SUBDIVISION. This time extension is based on the original "DEVELOPMENT AGREEMENT" between the Town of Camp Verde and Harvard Investments as recorded in Book 3663, Page 213 of the Yavapai County , Arizona, Recorder, under Section 8:11 of said agreement as follows:

- If the PAD Plan is not approved by the Town Council, or is approved subject to conditions or stipulations not accepted by Developer, Developer shall have no obligation to construct any of the improvements provided for in this Agreement or the PAD. If market conditions and/or development financing materially change the feasibility of the PAD Plan, Developer may interrupt development until market conditions and/or development financing are again favorable, at which time continued development of the Property will be in accordance with the PAD Plan.

Aside from the above referenced Development Agreement, the Developer has submitted a letter dated December 8, 2015 agreeing to the following:

- Update the Drainage Report.
- Submit a copy of the recently prepared Traffic Study on Finnie Flat Road.
- Make corrections to water and sewer plans caused by the construction of a sewer line through Elk Creek to serve the Verde Valley Medical Center.
- Upon approval of the Final Plat and prior to recordation, an assurance of completion will be provided.

Instructions to the Clerk: NA

Town of Camp Verde
P.O. Box 710
Camp Verde Az 86322

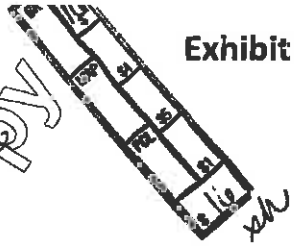

Exhibit "A"

3148200 BK 3663 PG 213
Yavapai County
Patsy Jenney-Colon, Recorder
05/14/1999 12:41P PAGE 1 OF 31
TOWN OF CAMP VERDE
RECORDING FEE 16.00
SURCHARGE 0.00
POSTAGE 0.00

ORDINANCE NO. 99-A142

DEVELOPMENT AGREEMENT WITH HARVARD INVESTMENTS, INC.

AN ORDINANCE OF THE MAYOR AND COMMON COUNCIL OF THE TOWN OF CAMP VERDE, ADOPTING A DEVELOPMENT AGREEMENT WITH HARVARD INVESTMENTS, INC., FOR A PLANNED AREA DEVELOPMENT (PAD) OF APPROXIMATELY 400 ACRES AT THE INTERSECTION OF SR 260 AND I-17 IN THE CORPORATE LIMITS OF THE TOWN.

WHEREAS, pursuant to ARS §9-500.05.A, a municipality may, by resolution or ordinance, enter into a development agreement relating to property within the municipality, provided that the development agreement is consistent with the general plan applicable to the property on the date the development agreement is executed; and

WHEREAS, the agreement may by law include the duration, permitted uses of the property, densities and maximum heights of buildings, provisions for reservation of dedication of land for public purposes, provisions to protect environmentally sensitive lands, provisions for preservation and restoration of historic structures, phasing or time of construction or development of the property, requirements for public infrastructure, conditions for special taxing districts, and other matters relating to the development of the property; and

WHEREAS, it would be in the best interests of the public to publish the development agreement once the ordinance is passed, and to record it with the Yavapai County Recorder within 10 days as required by law, whereupon the burdens of the development agreement are binding on, and the benefits inure to, the parties to the agreement and to all their successors in interest and assigns.

NOW THEREFORE, *be it ordained by the Mayor and Common Council of the Town of Camp Verde, that the development agreement with Harvard Investments, Inc., as set forth in Exhibit A, shall be executed by the Mayor on behalf of the Town, and that it is found to have included the necessary elements, and consistent with the general plan of the Town, to be published and recorded as required by law.*

Passed and adopted this **28th** day of **April 1999.**

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Attest:

Town Clerk

Approved as to form:

Town Attorney

Approved:

Carter Rogers

Mayor

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When recorded, return to
BURCH & CRACCHIOLO (MD)
702 E. Osborn Road, #200
Phoenix, AZ 85014

DEVELOPMENT AGREEMENT
(The Homestead at Camp Verde)

THIS DEVELOPMENT AGREEMENT ("Agreement") is entered into by and between the Town of Camp Verde, an Arizona municipal corporation (the "Town"), and Harvard Investments, Inc., a Nevada corporation (the "Developer"). The Town and the Developer are referred to herein collectively as the "parties."

RECITALS:

A. Developer is the owner of certain real property in the Town consisting of approximately 393 net acres, located generally east of the northeast corner of State Route 260 and I-17, which property is legally described on Exhibit A attached hereto (the "Property").

B. The Town and the Developer each desire that the Property be developed in accordance with the Planned Area Development Plan for The Homestead at Camp Verde ("PAD Plan"), to be submitted to the Town Council contemporaneously with this

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Agreement, which PAD Plan provides for single-family and multi-family residences, a commercial site, a neighborhood medical center, neighborhood parks, green belt open space, walking/jogging/equestrian trails, an elementary school site, and a church site.

C. The Town and the Developer acknowledge and agree that development of the Property pursuant to this Agreement will result in significant planning and economic benefits to the Town and its residents by (i) increasing tax and other revenues to the Town based on improvements to be constructed on the Property and the operation of new businesses on the Property; and (ii) creating housing and employment in the Town through the development of the Property, and (iii) providing for the design, construction and financing of public infrastructure to service the Property; and (iv) providing for other matters relating to the development of the Property.

D. The Town confirms that development of the Property pursuant to this Agreement is consistent with the Town of Camp Verde General Plan ("General Plan"), and any specific development plan applicable to the Property on the date of this Agreement.

E. The Town confirms that prior to the execution of this Agreement, the Town has given all required public notice and has held all required public hearings to receive comment, discuss and otherwise consider and approve the terms and conditions of this Agreement.

F. The Town and the Developer are entering into this Agreement pursuant to the provisions of A.R.S. § 9-500.05.

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AGREEMENT:

NOW, THEREFORE, in consideration of the premises and mutual promises set forth in this Agreement, the Town and the Developer state, confirm and agree as follows:

1. Incorporation of Recitals. The Recitals stated above are true and correct and are incorporated herein by this reference.

2. Town Services. The Town shall provide all municipal services to the Property, to the same extent and upon the same terms and conditions as those services are provided to other real properties in the Town, except as otherwise provided herein.

3. Assured Water Supply. The Town and Developer acknowledge and agree that the Property is within the water service area certificated to the Camp Verde Water System. A "will serve" letter from the Camp Verde Water System is attached to the Pad Plan as Exhibit M.

4. Water Distribution System.

4.1 Developer or Camp Verde Water System (but not the Town) shall construct any off-site water transmission lines and other improvements required to bring water service to the Property ("Off-Site Water Improvements"). The Town shall not pay any portion of the cost of the Off-Site Water Improvements. The Developer and Camp Verde Water System may elect, but shall not be required by the Town to oversize the Off-Site Water Improvements beyond what is needed to serve the Property.

4.2 Developer or Camp Verde Water System (but not the Town) shall

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construct any on-site water improvements required to serve the Property with water supplied by the Camp Verde Water System (the "On-Site Water Improvements") The On-Site Water Improvements shall consist of (a) on-site water transmission lines and those fire hydrants and valves required to serve the Property as shown on the Conceptual Water Distribution Plan prepared by Shepard-Wesnitzer, Inc. as Job No. 99022, and submitted to the Town under separate cover; and (b) on-site water distribution lines required to serve individual parcels within the Property. The on-site distribution lines shall be identified on the improvement plans approved by the Town prior to recording of the final plat for individual parcels within the Property.

4.3 The Town shall not pay any portion of the cost of the On-Site Water Improvements. The Developer and Camp Verde may elect but shall not be required by the Town to oversize the On-Site Water Improvements beyond what is needed to serve the Property.

4.4 Developer, or the Camp Verde Water District, at its election, may obtain federal funding and/or enter cost-sharing agreements with builders and/or establish improvement districts to finance all or any portion of the on-site and/or off-site water improvements required to provide water service to the Property.

5. Wastewater Treatment.

5.1 The Town and the Developer acknowledge and agree that the Property is within the wastewater treatment service area certificated to the Camp Verde Sanitary District.

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A "will serve" letter from the Camp Verde Sanitary District is attached to the PAD Plan as Exhibit N.

6. Sanitary Sewer System.

6.1 Developer or Camp Verde Sanitary District (but not the Town) shall construct any off-site sewer mains or other improvements required to bring sanitary sewer service to the Property ("Off-Site Water Improvements"). The Town shall not be required to pay any portion of the Off-Site Sewer Improvements. The Developer or Camp Verde Sanitary District may elect but shall not be required by the Town to oversize the Off-Site Water Improvements beyond what is needed to serve the Property.

6.2 Developer or the Camp Verde Sanitary District (but not the Town) shall construct the on-site sewer improvements required to serve the Property (the "On-Site Sewer Improvements"). The On-Site Sewer Improvements shall consist of (a) the sewer mains and pump station required to serve the Property as shown on the Conceptual Sanitary Sewer Plan prepared by Shepard-Wesnitzer, Inc. as Job No. 99022, and submitted to the Town under separate cover; and (b) the lateral sewer lines serving individual parcels within the Property. The lateral sewer lines will be identified on the improvement plans approved by the Town prior to recording of the final plat for individual parcels within the Property.

6.2.1 The Town shall not pay any portion of the cost of the On-Site Sewer Improvements. The Developer or the Camp Verde Sanitary District may elect but shall not be required by the Town to oversize the On-Site Sewer Improvements beyond what

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is needed to serve the Property.

6.3 Developer or the Camp Verde Sanitary District, at its election, may obtain federal funding and/or enter cost-sharing agreements with builders and/or establish improvement districts to finance all or any portion of the on-site and/or off-site sewer improvements required to provide sanitary sewer service to the Property.

6.5 The Town acknowledges and agrees that the Developer or Camp Verde Sanitary District (but not the Town) owns all effluent resulting from the treatment of wastewater generated on the Property.

7. Infrastructure Assurances; Easements.

7.1 The Developer acknowledges and agrees that the Town, prior to recording the final plat for the Property or any portion thereof, may require the Developer to provide assurances which are appropriate and necessary to assure that the installation of the required infrastructure improvements will be completed ("Infrastructure Assurance"). In satisfaction of such Infrastructure Assurance, the City shall hold certificates of occupancy or equivalent building approval for the Property or any portion thereof to be improved until such infrastructure improvements are completed as provided in the Town's subdivision ordinances.

7.2 The Developer and its agents shall have the right to enter, remain upon and cross over any Town easements or rights-of-way to the extent reasonably necessary to design and/or construct the water and sewer improvements and other improvements for the Property,

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provided that the Developer's use of such right does not materially impede or materially adversely affect the Town's use and enjoyment of the subject property and provided also that the Developer shall restore such easements and right-of-way to substantially the same condition as existed prior to Developer's entry. Any improvements constructed by the Developer within Town easements or rights-of-way shall be constructed in compliance with all applicable codes, regulations and policies of the Town and, upon completion, such improvements shall be dedicated to and accepted by the Town for maintenance.

8. PAD Plan; CC&Rs; Design Guidelines.

8.1 The Town, in recognition of the valuable considerations being provided by Developer pursuant to this Agreement and the financial investment of the Developer in developing the Property, hereby agrees that the Property may be developed in phases. The Town will permit the Developer to make the determination of the phases in which the Property will be developed and the order in which the phases will be completed. A preliminary phasing schedule is attached to the PAD Plan as Exhibit P.

8.2 The PAD Plan shall provide for a maximum of 800 single-family units and a maximum of 300 apartment units, together with the other land uses identified on Exhibit C-1a of the PAD Plan.

8.3 The Developer acknowledges and agrees that Town approval of the PAD Plan does not include approval of roadway cross sections for construction. Construction plans for all roadways shall be reviewed and approved by the City's engineering department

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prior to commencement of construction.

8.4 The Arizona Department of Transportation ("ADOT") has represented to the Developer and the City that any traffic signals ("Traffic Signals") required along that portion of Finnie Flat Road and/or Highway 260 adjacent to the Property shall be installed by ADOT at ADOT's expense. The Town shall reasonably cooperate with Developer to have the Traffic Signals installed by ADOT at ADOT's expense. If the Town, at its discretion, elects to realign Industrial Road, and Industrial Road as realigned requires a traffic signal, the Town shall pay the full cost of such traffic signal.

8.5 Common areas within each phase of the Property shall be developed as that phase is developed and dedicated to the homeowner's association for the Property (the "Association"), whereafter the common areas will be maintained by the Association at the expense of the Association, except as otherwise provided herein or in a separate agreement between the Association and a joint user.

8.6 Developer shall maintain Parcel 15 of the Property as open space for up to ten (10) years after the PAD Plan is approved by the Town Council. At any time during said 10-year period, the local school district (the "School District") may elect to take title to Parcel 15 for use as an elementary school site (including school buildings, administrative buildings, play fields, recreational areas and related support facilities) by written notice to Developer. Upon receipt of such notice within said 10-year period, Developer shall convey Parcel 15 to the School District, free of charge, for use as an elementary school site, subject

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to the School District providing such documentation as Developer may reasonably require to confirm that the School District has sufficient funds to build and open an elementary school on Parcel 15 within two (2) years after the date of conveyance. Notwithstanding anything herein to the contrary, the requirement that the School District build and open an elementary school on Parcel 15 within two years after the date of conveyance can be satisfied by building and opening play fields and other recreational areas ("Recreational Facilities") as adjunct facilities to an elementary school located elsewhere in the School District. The elementary school site, after conveyance to the School District, shall be designed, constructed, operated and maintained by the School District at no expense to the Developer, but in conformance with the CC&Rs and Design Guidelines of The Homestead at Camp Verde. The deed of conveyance shall include a restriction limiting Parcel 15 to use as an elementary school site, and also shall include a reverter clause that provides for title to Parcel 15 to revert to Developer if the School District does not build and open the elementary school and/or maintain the Recreational Facilities within two (2) years after the date of conveyance, or if the School District ceases to operate the elementary school and/or Recreational Facilities within five (5) years after the date of conveyance. If, within 10 years after the PAD Plan is approved by the Town Council, the School District does not provide written notice to Developer that the School District elects to take title to Parcel 15 for use as an elementary school site, then the Developer shall maintain Parcel 15 as open space for an additional two (2) years and anytime within said 2-year period, the Town may elect to take title to Parcel

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15 for use as a public park by written notice to Developer. Upon receipt of such notice from the Town, Developer shall convey Parcel 15 to the Town, free of charge, for use as a public park, subject to the Town agreeing to develop and open Parcel 15 as a public park within one (1) year after the date of conveyance, with recreational amenities equal to or better than the recreational amenities in the parks developed on Parcels M and N. The deed of conveyance shall include a restriction limiting Parcel 15 to use as a public park, and also shall include a reverter clause that provides for title to Parcel 15 to revert to Developer if the Town does not develop and open Parcel 15 as a public park within one (1) year after the date of conveyance. The public park will be maintained by the Association at the Town's expense, with the maintenance responsibilities of the Association and the financial responsibilities of the Town set forth in a separate agreement. If, within said 2-year period, the City does not provide written notice to the Developer that the City elects to take title to Parcel 15 for use as a public park, or if title to Parcel 15 reverts to Developer as provided herein, Developer may develop Parcel 15 in accordance with the zoning designation of PAD 7-9, and any lots so developed within Parcel 15 shall be in addition to the lots already permitted under the approved PAD Plan.

8.6.1 For purposes of Section 8.6 and the remainder of this Agreement, the "date of conveyance" shall be defined as the date the subject deed is recorded in the official records of Yavapai County.

8.6.2 For purposes of Section 8.6 and the remainder of this Agreement,

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the "cost of maintenance," "cost of maintaining," "maintenance costs" and similar phrases shall include the cost of appropriate insurance, as reasonably determined by Developer. All insurance policies shall name the Town or the Developer or the Association as additional insureds, as the case may be.

8.7 Developer shall develop Parcels M and N as parks with tot lots and active recreation areas and shall maintain Parcels M and N as parks for up to three (3) years after the PAD Plan is approved by the Town Council. At any time during said 3-year period, the Town may elect to take title to Parcels M and N for use as public parks by written notice to Developer. Upon receipt of such written notice, Developer shall convey Parcels M and N to the Town, free of charge, for use as public parks, and the Developer shall maintain Parcels M and N as public parks until 50 percent of the single-family residences at The Homestead at Camp Verde have been built out, provided that the Town agrees that after such build-out Parcels M and N will be maintained by the Association at Town expense, with the maintenance responsibilities of the Association and the financial responsibilities of the Town set forth in a separate agreement. If, within said 3-year period, the Town does not provide written notice to the Developer that the Town elects to take title to Parcels M and N for use as a public park, Developer shall dedicate Parcels M and N to the Association and Parcels M and N will be maintained by the Association as parks for use by residents of The Homestead at Camp Verde, but shall not be available for public use.

8.8 Town residents have expressed an interest in having public access to Parcel

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K and having public restrooms located at or near Parcel K. Developer will permit public access to Parcel K and will develop public restrooms at or near Parcel K, if the Town agrees, by written notice to Developer within three (3) years after the PAD Plan is approved by the Town Council, to be responsible for the cost of maintaining Parcel K as a natural habitat and the cost of maintaining the public restrooms from and after the first day the public restrooms are opened. If the Town delivers such notice within said 3-year period, Parcel K and the public restrooms shall be maintained by the Association at the Town's expense, with maintenance responsibilities of the Association and the financial responsibilities of the Town set forth in a separate agreement. If the Town does not deliver such notice within the 3-year period, the Developer shall not be under any obligation to develop public restrooms at or near Parcel K, or to make Parcel K available for public use.

8.9 Developer shall develop a walking/jogging trail system as depicted in Exhibit C-2 of the PAD Plan for use by residents of The Homestead at Camp Verde, with designated portions of the trail system available for equestrian use. The trail system, when developed, shall be dedicated to the Association and thereafter maintained by the Association. If the Town desires the trail system to be available for public use, the Town may elect by written notice to Developer within five (5) years after the PAD Plan is approved by the Town Council, to assume the cost of maintenance of the trail system. If the Town delivers such notice within said 5-year period, the trail system shall be maintained by the Association at the Town's expense, with the maintenance responsibilities of the

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Association and the financial responsibilities of the Town set forth in a separate agreement. If the Town does not deliver such notice within said 5-year period, the trail system shall be maintained by the Association for use by residents of The Homestead at Camp Verde, but shall not be available for public use, and the Developer may elect to eliminate equestrian use of the trail system.

8.10 The CC&Rs and/or Design Guidelines for The Homestead at Camp Verde shall require that homebuilders install fixtures with low water usage; and also shall require that homebuilders construct all fireplaces in compliance with the General Plan. Developer will encourage local builders and tradesmen to bid for work at The Homestead at Camp Verde.

8.11 If the PAD Plan is not approved by the Town Council, or is approved subject to conditions or stipulations not accepted by Developer, Developer shall have no obligation to construct any of the improvements provided for in this Agreement or the PAD. If market conditions and/or development financing materially change the feasibility of the PAD Plan, Developer may interrupt development until market conditions and/or development financing are again favorable, at which time continued development of the Property will be in accordance with the PAD Plan.

8.12 The Town agrees that issuance of the construction permits, sewer permits, occupancy permits, and other permits and approvals required from the Town to develop the Property pursuant to this Agreement and the PAD Plan shall not be unreasonably delayed or

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withheld, provided that Developer complies with all applicable permit requirements and pays all required fees. Developer's commencement of any part of the PAD Plan shall vest the entire PAD Plan.

8.13 The Town and Developer acknowledge and agree that amendments to the PAD Plan may be necessary from time to time to reflect changes in market conditions and development financing and/or to meet the new requirements of one or more of the potential users or builders of any part of the Property. If and when the Town and Developer find that changes or adjustments are necessary or appropriate, they shall effectuate minor changes or adjustments through administrative amendments approved by the Town Planning and Zoning Director, which, after execution, shall be attached to the PAD Plan as an addendum and become a part thereof, and may be further changed and amended from time to time as necessary with the approval of the Town and the Developer. No such minor amendment shall require prior notice or hearing. All major changes or amendments shall be reviewed by the Planning and Zoning Commission and approved by the Town Council. The parties shall cooperate in good faith to agree upon, and use reasonable best efforts to process, any minor or major amendments to the PAD Plan. The Developer and the Town agree that such amendments shall be incorporated by this reference into this Agreement with the same force and effect as if set forth herein and shall not require corresponding amendment to this Agreement.

8.13.1 For purposes of this Agreement, a major amendment to the PAD

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Plan shall involve (a) an increase in the approved number of dwelling units or leaseable area within the PAD; (b) a significant change in zoning for the PAD; (c) any change in the PAD that could have a significant impact on areas adjoining the PAD; and (d) any change in the PAD that could have a significant traffic impact on roadways adjacent or external to the PAD. All other proposed changes shall be deemed minor amendments.

8.14 The Town agrees that no Town moratorium (except as permitted by A.R.S. § 9-463.06) and no Town ordinance, resolution or other land use rule or regulation enacted in the future that materially impairs the Developer's ability to develop the Property in accordance with the PAD Plan shall apply to or govern the development of the Property, or any portion thereof, for a period of twenty (20) years from the date this Agreement is recorded in the official records of Yavapai County ("Moratorium Period"). Within the Moratorium Period, the development of the Property shall be governed by the PAD ordinance existing and in force for the Town at the time this Agreement is recorded, except as modified herein, and Town shall not impose or enact any additional conditions, zoning exactions, dedications, development fees, rules or regulations applicable to or governing the development of the Property. Notwithstanding the foregoing, the Town reserves the right to impose new development fees and to increase administrative fees and/or impose new administrative fees during the Moratorium Period, so long as the same are done in accordance with all applicable laws and such new or additional fees are generally and uniformly applied to all developers and new construction in the City. If the Town adopts a

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development fee enabling ordinance for future application to specific "benefitted areas" as permitted under A.R.S. 11-1101 et seq., and such benefitted areas include the Property, the plan shall include a provision for repayment to Developer for public facilities covered by such plan that were constructed at Developer's expense. Notwithstanding the foregoing, the City also reserves the right to enact: (i) future land use rules, regulations, development fees and official policies which are consistent with and not contrary to the existing land use regulations applicable to and governing the development of the Property, or contrary land use regulations of which application to the Property has been consented to in writing by the Developer, (ii) future land use rules, regulations and official policies of Town enacted as necessary to comply with future state and federal laws and regulations, provided that in the event any such state and federal laws or regulations prevent or preclude compliance with this Agreement, such affected provisions of this Agreement shall be modified as may be necessary in order to comply with such state and federal laws or regulations; (iii) future generally applicable land use rules, regulations and official policies of Town reasonably necessary in order to protect the public health and safety and in connection with bona fide public health and safety purposes and not arbitrarily imposed; and (iv) future imposition of taxes or filing or review fees, or modifications thereto, so long as such taxes or fees are imposed or charged by Town to all persons and entities.

9. Cooperation and Alternative Dispute Resolution.

9.1 To further the cooperation of the parties in implementing this Agreement,

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the Town and Developer each shall designate and appoint a representative to act as a liaison between the Town and its various departments and the Developer. The initial representative for the Town (the "Town Representative") shall be the Town Manager and the initial representative for the Developer shall be its project manager, as identified by the Developer from time to time (the "Developer Representative"). The representatives shall be available at all reasonable times to discuss and review the performance of the parties to this Agreement and the development of the Property.

9.2 The Town acknowledges and agrees that it is desirable for the Developer to proceed rapidly with the implementation of this Agreement and the development of the Property and that, accordingly, an expedited review and construction inspection process is necessary. Accordingly, the parties agree that if at any time the Developer believes an impasse has been reached with the Town staff on any issue affecting the Property, the Developer shall have the right to immediately appeal to the Town Manager for an expedited decision pursuant to this Section. Notwithstanding anything contained herein to the contrary, in the event the Town does not have a sufficient number of personnel to implement the expedited development review process or the expedited construction inspection process, the Developer may elect to pay the cost incurred by the Town for private independent consultants and advisors which may be retained by the Town, as necessary, to assist the Town in the review and/or inspection process; provided, however, that such consultants shall take instruction from, be controlled by, and be responsible to the Town and not the

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Developer.

9.3 If the issue on which an impasse is reached is an issue where a final decision can be reached by the Town staff, the Town Manager shall give the Developer a final decision within 15 days after the Developer's request for an expedited decision. If the issue on which an impasse has been reached is one where a final decision requires an interpretation by the Board of Adjustment, the Town Manager shall schedule the Board of Adjustment within 30 days after the Developer's request for an expedited decision. If the issue on which an impasse has been reached is one where a final decision requires action by the Town Council, the Town Manager shall schedule a Town Council hearing on the issue within 30 days after Developer's request for an expedited decision; provided, however, that if the issue is appropriate for review by the Town's Planning and Zoning Commission, the matter shall be submitted to the Commission first, and then to the Town Council. Both the Town and Developer agree to continue to use reasonable good faith efforts to resolve any impasse pending any such expedited decision.

10. Default. Failure or unreasonable delay by either party to perform or otherwise act in accordance with any term or provision hereof shall constitute a breach of this Agreement and, if the breach is not cured within 30 days after written notice thereof from the other party (the "Cure Period"), shall constitute a default under this Agreement; provided, however, that if the failure is such that more than 30 days would reasonably be required to perform such action or comply with any term or provision hereof, then the party shall have

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such additional time as may be necessary to perform or comply so long as the party commences performance or compliance within said 30 day period and diligently proceeds to complete such performance or fulfill such obligation. Any notice of a breach shall specify the nature of the alleged breach and the manner in which said breach may be satisfactorily cured, if possible. In the event a breach is not cured within the Cure Period, the non-defaulting party shall have all rights and remedies which may be available under law or equity, including without limitation the right to specifically enforce any term or provision of this Agreement and/or the right to institute an action for damages.

11. Mediation; Arbitration. Notwithstanding other dispute processing mechanisms available under the Town Code, any dispute, claim or cause of action arising out of or relating to this Agreement may be settled by either party submitting the matter to mediation or either party submitting the matter to binding arbitration in accordance with the rules of the American Arbitration Association and the Arizona Uniform Arbitration Act, A.R.S. §12-1501, et seq. The judgment rendered by the arbitrator(s) shall be final, conclusive and binding upon the parties and may be entered in any court of competent jurisdiction. Notwithstanding any other provision of this Agreement, however, a dispute concerning an action, decision or omission of the Town Council shall not be submitted to mediation or arbitration, but instead shall be resolved through a civil action filed in a court of competent jurisdiction.

12. Notices and Filings. All notices, filings, consents, approvals and other

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communications provided for herein or given in connection herewith shall be validly given, filed, made, delivered or served if in writing and delivered personally or sent by certified United States Mail, postage pre-paid, return receipt requested if to:

The Town: Town of Camp Verde
P. O. Box 710
Camp Verde, AZ 86322
Attn: Town Manager

With copy to: Town of Camp Verde
P. O. Box 710
Camp Verde, AZ 86322
Attn: Town Attorney

The Developer: Harvard Investments, Inc.
2425 E. Camelback Road, Suite 900
Phoenix, AZ 85016
Attn: Craig Krumwiede

With a copy to: Burch & Cracchiolo, P.A.
702 E. Osborn, Ste. 200
Phoenix, AZ 85014
Attn: Marvin Davis

Or to such other address or addresses as may hereafter be specified by notice given by any of the above for itself to the others. Any notice or other communication directed to a party to this Agreement shall become effective upon the earliest of the following: (a) actual receipt by that party; (b) delivery to the address of the party, addressed to the party; or (c) if given by certified or registered U.S. Mail, return receipt requested, 36 hours after deposit with the United States Postal Service, addressed to the party.

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13. General Provisions.

13.1 Good Standing; Authority. Each of the parties represents and warrants to the other (a) that it is duly formed and validly existing; (b) that it is a Delaware corporation qualified to do business in Arizona with respect to the Developer, or a municipal corporation, with respect to the Town; and (c) that the individuals executing this Agreement on behalf of their respective parties are authorized and empowered to bind the party on whose behalf each such individual is signing.

13.2 Recordation. This Agreement shall be recorded in its entirety in the Official Records of Yavapai County, Arizona, not later than 10 days after its full execution.

13.3 Future Effect. The provisions of this Agreement are binding upon and shall inure to the benefit of the parties, and all of their successors in interest and assigns; provided, however, that the Developer's rights and obligations hereunder may be assigned, in whole or in part, only to a person or entity that has acquired title to the Property or a portion thereof and only by a written instrument recorded in the Official Records of Yavapai County, Arizona, expressly assigning such rights and obligations. Notwithstanding the foregoing, Developer may assign all or part of its rights and obligations under this Agreement to a homeowner's association to be established by the Developer or to any financial lender from which Developer has borrowed funds for use in developing the Property. Additionally, the Developer may assign its rights and duties under this Agreement to a wholly-owned subsidiary of, or to an affiliated entity controlled by the Developer. In

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the event of a complete assignment by Developer, all of Developer's obligations hereunder shall terminate effective upon the assumption by Developer's assignee of such obligations.

13.4 Term. This Agreement shall be effective on the date of execution by both parties hereto and shall automatically terminate twenty (20) years after the date this Agreement is recorded in the official records of Yavapai County; provided, however, that the Town's obligation to provide municipal services to the Property, once commenced, shall survive termination of this Agreement.

13.5 Termination Upon Sale of Public Lots. Except as otherwise provided herein, the Town and Developer hereby acknowledge and agree that this Agreement is not intended to and shall not create conditions or exceptions to title or covenants running with the Property when sold to the end purchaser or user. Therefore, in order to alleviate any concern as to the effect of this Agreement on the status of title to any of the Property, no deed restriction requiring conformance with the PAD Plan shall be placed on any parcel or lot within the Property as a condition to issuing building permits, and this Agreement shall terminate without the execution or recordation of any further document or instrument as to any lot (a "Public Lot") which has been finally subdivided and individually (and not in "bulk") leased (for a period of longer than one year) or sold to the end purchaser or user thereof, and thereupon such Public Lot shall be released from and no longer be subject to or burdened by the provisions of this Agreement.

13.6 No Partnership; Third Parties. It is not intended by this Agreement to,

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and nothing contained in this Agreement shall, create any partnership, joint venture or other agreement between the Developer and the Town. No term or provision of this Agreement is intended to, or shall, be for the benefit of any person or entity not a party hereto, and no such other person or entity shall have any right or cause of action hereunder.

13.7 Waiver. No delay in exercising any right or remedy shall constitute a waiver thereof, and no waiver by the Town or the Developer of the breach of any covenant or condition of this Agreement shall be construed as a waiver of any preceding or succeeding breach of the same or any other covenant or condition of this Agreement. No waiver shall be effective unless it is in writing and is signed by the party asserted to have granted such waiver.

13.8 Severability. If any provision of this Agreement is declared void or unenforceable by a court of competent jurisdiction, such provision shall be severed from this Agreement, which shall otherwise remain in full force and effect. If any applicable law or court of competent jurisdiction prohibits or excuses the Town or Developer, as applicable, from undertaking any contractual commitment to perform any act hereunder, this Agreement shall remain in full force and effect, but the provisions requiring such action shall be deemed to permit the Town or Developer, as applicable, to take such action at its discretion, if such a construction is permitted by law.

13.9 Further Documentation. Each party agrees in good faith to execute such further or additional instruments and documents and to take such further acts as may be

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to the fair meaning of its language. The rule of construction that ambiguities shall be resolved against the party who drafted a provision shall not be employed in interpreting this Agreement.

13.11 Headings; Counterparts. The headings of this Agreement are for purposes of reference only and shall not limit or define the meaning of any provision of this Agreement. This Agreement may be executed in any number of counterparts, each of which shall be an original but all of which shall constitute one and the same instrument.

13.12 Computation of Time. In computing any period of time under this Agreement, the date of the act or event from which the designated period of time begins to run shall not be included. The last day of the period so completed shall be included unless it is a Saturday, Sunday or legal holiday, in which event the period shall run until the end of the next day which is not a Saturday, Sunday or legal holiday. The time for performance of any obligation or taking any action under this Agreement shall be deemed to expire at 5:00 p.m. (Phoenix time) on the last day of the applicable time period provided herein.

13.13 Amendment. No change or addition is to made to this Agreement except by a written amendment executed by the parties hereto. Within 10 days after any amendment to this Agreement, such amendment shall be recorded in the Official Records of Yavapai County.

13.14 Governing Law. This Agreement shall be interpreted and governed according to laws of the State of Arizona. The venue for any dispute hereunder shall be

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Yavapai County, Arizona, and the parties hereby irrevocably waive any right to object to such venue.

13.15 Entire Agreement. This Agreement, together with all Exhibits attached hereto (which are incorporated herein by this reference), constitutes the entire agreement between the parties pertaining to the subject matter hereof. All prior and contemporaneous agreements, representations and understandings of the parties, oral or written, are superseded by and merged in this Agreement.

13.16 Time is of the essence of this Agreement and with respect to the performance required by each party hereunder.

IN WITNESS WHEREOF, the parties have executed this Agreement on the date(s) written below.

TOWN:

TOWN OF CAMP VERDE,
an Arizona municipal corporation

By: Carter Rogers
Its: Mayor
Date: 5/11/99

Approved as to Form:

By: _____
Town Attorney
Date: 5/11/99

Attested by:

_____
Town Clerk

5/6/99
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DEVELOPER:

HARVARD INVESTMENTS, INC.,
a Nevada corporation

By: _____
Its: Vice President
Date: May 7, 1999

STATE OF Arizona)
) ss.
County of Maricopa)

Subscribed and sworn to before me this 7 day of May, 1999, by Christopher J. Cacheris, the Vice President of Harvard Investments, Inc.

_____
Notary Public

11/13/01
My Commission Expires

NOTARY PUBLIC
STATE OF ARIZONA
Maricopa County
JUDITH A. MAZZOCOLI
My Appointment Expires 11/13/01

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LIST OF EXHIBITS

Exhibit	Description
A	The Property

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The Homestead at Camp Verde: Legal Description

PARCEL 1:

The North half of the Northeast quarter of Section 36, Township 14 North, Range 4 East of the Gila and Salt River Base and Meridian, Yavapai County, Arizona; AND

PARCEL 2:

The Southeast quarter of Section 25, Township 14 North, Range 4 East of the Gila and Salt River Base and Meridian, Yavapai County, Arizona; AND

PARCEL 3:

Lots 3 and 4 of Section 30, Lot 1 and the North half of the Northeast quarter of the Northwest quarter of Section 31, Township 14 North, Range 5 East of the Gila and Salt River Base and Meridian, Yavapai County, Arizona; AND

PARCEL 4:

That portion of the South one-half of the Northeast quarter and the East one-half of the Northwest quarter of Section 36, Township 14 North, Range 4 East of the Gila and Salt River Base and Meridian, Yavapai County, Arizona, described as follows:

BEGINNING at the Northeast corner of said South one-half of the Northeast quarter, said point lies South 1 degrees, 43 minutes, West, a distance of 1322.60 feet from the Northeast corner of said Section 36:

THENCE South 89 degrees, 54 minutes, West, a distance of 1373.15 feet along the 1/16 line to a point on a 3.8650 degree curve to the left, and the TRUE POINT OF BEGINNING of this description, having a delta of 23 degrees, 00 minutes, 13 seconds, R = 1482.40 feet, L = 595.18 feet, T = 301.68 feet (Total curve data: Delta = 82 degrees, 24 minutes, 40 seconds, R = 1482.40 feet);

THENCE along said curve for 595.18 feet to the P. T. of said curve, station 50+46.55

THENCE South 89 degrees, 11 minutes, West, a distance of 1662.97 feet to Station 43+44.74, the P. T. of a 7.4778 degree curve to the right, having a Delta of 90 degrees, R = 766.20 feet, L = 1203.54 feet, and T = 766.20 feet;

Exhibit A

Legal Description

The Homestead at Camp Verde

Harvard Investments
2425 E. Camelback Rd., Suite 900 · Phoenix, AZ 85016

THE PLANNING CENTER

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THENCE Northwesterly along said 7.4778 degree curve a distance of 1203.54 feet to the P. C. of said curve, Station 32+19.74 and an angle point;

THENCE North 00 degree, 49 minutes, West, 710 feet to the North line of said Section 36;

THENCE East along said Section line, 100.0 feet to the East right of way line of Route "A" (See "Finnie Flats Road Right of Way, Easement, and Real Property Exchange Agreement," dated November 5, 1984, recorded November 5, 1984 in Book 1674 of Official Records, Page 901, and thereafter amended by Stipulation and Agreement to Amend Finnie Flats Road Right of Way, Easement and Real Property Exchange Agreement, dated June 17, 1985 recorded June 28, 1985 in Book 1733 of Official Records, Page 493);

THENCE South 00 degrees, 49 minutes, East along the East right of way, 710.00 feet to the P. C. of a 8.60 degrees curve to the left. Station 32+19.74, and along a portion of said curve for 856.50 feet to a P. O. C. having a Delta = 73 degrees, 39 minutes, 32 minutes, 32 seconds, R = 666.20 feet, L = 856.50 feet, and T = 498.95 feet (Total curve data: Delta 90 degrees, R = 666.20 feet), this P. O. C. also being a point on the East line of said East one-half of the Northwest quarter;

THENCE North 10.0 feet to the Northwest corner of said South one-half of the Northeast quarter;

THENCE North 89 degrees, 54 minutes, East along the North right of way line, 1273.86 feet to the TRUE POINT OF BEGINNING and the end of this description.

EXCEPT all gas, oil, metals and mineral rights as reserved in Patent from the State of Arizona recorded May 28, 1970 in Book 602 of Official Records, Page 202.

EXCEPTING from the above described parcels:

The Easterly 50 feet of the Northeast quarter of the Northeast quarter of the Northwest quarter of Section 31 and the Easterly 50 feet of the G. L. O., Lot 4 of Section 30, Township 14 North, Range 5 East of the Gila and Salt River Base and Meridian, Yavapai County, Arizona.

ALSO EXCEPTING all that portion lying Northerly of the Southerly Meander line of the Verde River.

AND EXCEPTING therefrom all that portion of G. L. O., Lots 1 and 2 Section 31, Township 14, Range 5 East as conveyed in Warranty Deed Recorded January 27, 1997 in Book 3347 of Official Records, Page 921.

Exhibit A

Legal Description

The Homestead at Camp Verde

Harvard Investments
2425 E. Camelback Rd., Suite 900 · Phoenix, AZ 85016

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Town of Camp Verde
P.O. Box 710
Camp Verde Az 86322

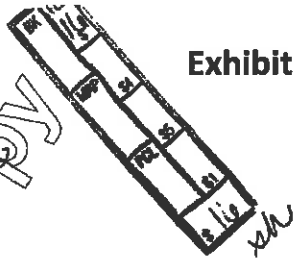

Exhibit "A"

3148200 BK 3663 PG 213
Yavapai County
Patsy Jenney-Colon, Recorder
05/14/1999 12:41P PAGE 1 OF 31
TOWN OF CAMP VERDE
RECORDING FEE 16.00
SURCHARGE 0.00
POSTAGE 0.00

ORDINANCE NO. 99-A142

DEVELOPMENT AGREEMENT WITH HARVARD INVESTMENTS, INC.

AN ORDINANCE OF THE MAYOR AND COMMON COUNCIL OF THE TOWN OF CAMP VERDE, ADOPTING A DEVELOPMENT AGREEMENT WITH HARVARD INVESTMENTS, INC., FOR A PLANNED AREA DEVELOPMENT (PAD) OF APPROXIMATELY 400 ACRES AT THE INTERSECTION OF SR 260 AND I-17 IN THE CORPORATE LIMITS OF THE TOWN.

WHEREAS, pursuant to ARS §9-500.05.A, a municipality may, by resolution or ordinance, enter into a development agreement relating to property within the municipality, provided that the development agreement is consistent with the general plan applicable to the property on the date the development agreement is executed; and

WHEREAS, the agreement may by law include the duration, permitted uses of the property, densities and maximum heights of buildings, provisions for reservation of dedication of land for public purposes, provisions to protect environmentally sensitive lands, provisions for preservation and restoration of historic structures, phasing or time of construction or development of the property, requirements for public infrastructure, conditions for special taxing districts, and other matters relating to the development of the property; and

WHEREAS, it would be in the best interests of the public to publish the development agreement once the ordinance is passed, and to record it with the Yavapai County Recorder within 10 days as required by law, whereupon the burdens of the development agreement are binding on, and the benefits inure to, the parties to the agreement and to all their successors in interest and assigns.

NOW THEREFORE, *be it ordained by the Mayor and Common Council of the Town of Camp Verde, that the development agreement with Harvard Investments, Inc., as set forth in Exhibit A, shall be executed by the Mayor on behalf of the Town, and that it is found to have included the necessary elements, and consistent with the general plan of the Town, to be published and recorded as required by law.*

Passed and adopted this **28th** day of **April 1999.**

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When recorded, return to
BURCH & CRACCHIOLO (MD)
702 E. Osborn Road, #200
Phoenix, AZ 85014

DEVELOPMENT AGREEMENT
(The Homestead at Camp Verde)

THIS DEVELOPMENT AGREEMENT ("Agreement") is entered into by and between the Town of Camp Verde, an Arizona municipal corporation (the "Town"), and Harvard Investments, Inc., a Nevada corporation (the "Developer"). The Town and the Developer are referred to herein collectively as the "parties."

RECITALS:

A. Developer is the owner of certain real property in the Town consisting of approximately 393 net acres, located generally east of the northeast corner of State Route 260 and I-17, which property is legally described on Exhibit A attached hereto (the "Property").

B. The Town and the Developer each desire that the Property be developed in accordance with the Planned Area Development Plan for The Homestead at Camp Verde ("PAD Plan"), to be submitted to the Town Council contemporaneously with this

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AGREEMENT:

NOW, THEREFORE, in consideration of the premises and mutual promises set forth in this Agreement, the Town and the Developer state, confirm and agree as follows:

1. Incorporation of Recitals. The Recitals stated above are true and correct and are incorporated herein by this reference.

2. Town Services. The Town shall provide all municipal services to the Property, to the same extent and upon the same terms and conditions as those services are provided to other real properties in the Town, except as otherwise provided herein.

3. Assured Water Supply. The Town and Developer acknowledge and agree that the Property is within the water service area certificated to the Camp Verde Water System. A "will serve" letter from the Camp Verde Water System is attached to the Pad Plan as Exhibit M.

4. Water Distribution System.

4.1 Developer or Camp Verde Water System (but not the Town) shall construct any off-site water transmission lines and other improvements required to bring water service to the Property ("Off-Site Water Improvements"). The Town shall not pay any portion of the cost of the Off-Site Water Improvements. The Developer and Camp Verde Water System may elect, but shall not be required by the Town to oversize the Off-Site Water Improvements beyond what is needed to serve the Property.

4.2 Developer or Camp Verde Water System (but not the Town) shall

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A "will serve" letter from the Camp Verde Sanitary District is attached to the PAD Plan as Exhibit N.

6. Sanitary Sewer System.

6.1 Developer or Camp Verde Sanitary District (but not the Town), shall construct any off-site sewer mains or other improvements required to bring sanitary sewer service to the Property ("Off-Site Water Improvements"). The Town shall not be required to pay any portion of the Off-Site Sewer Improvements. The Developer or Camp Verde Sanitary District may elect but shall not be required by the Town to oversize the Off-Site Water Improvements beyond what is needed to serve the Property.

6.2 Developer or the Camp Verde Sanitary District (but not the Town) shall construct the on-site sewer improvements required to serve the Property (the "On-Site Sewer Improvements"). The On-Site Sewer Improvements shall consist of (a) the sewer mains and pump station required to serve the Property as shown on the Conceptual Sanitary Sewer Plan prepared by Shepard-Wesnitzer, Inc. as Job No. 99022, and submitted to the Town under separate cover; and (b) the lateral sewer lines serving individual parcels within the Property. The lateral sewer lines will be identified on the improvement plans approved by the Town prior to recording of the final plat for individual parcels within the Property.

6.2.1 The Town shall not pay any portion of the cost of the On-Site Sewer Improvements. The Developer or the Camp Verde Sanitary District may elect but shall not be required by the Town to oversize the On-Site Sewer Improvements beyond what

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provided that the Developer's use of such right does not materially impede or materially adversely affect the Town's use and enjoyment of the subject property and provided also that the Developer shall restore such easements and right-of-way to substantially the same condition as existed prior to Developer's entry. Any improvements constructed by the Developer within Town easements or rights-of-way shall be constructed in compliance with all applicable codes, regulations and policies of the Town and, upon completion, such improvements shall be dedicated to and accepted by the Town for maintenance.

8. PAD Plan; CC&Rs; Design Guidelines.

8.1 The Town, in recognition of the valuable considerations being provided by Developer pursuant to this Agreement and the financial investment of the Developer in developing the Property, hereby agrees that the Property may be developed in phases. The Town will permit the Developer to make the determination of the phases in which the Property will be developed and the order in which the phases will be completed. A preliminary phasing schedule is attached to the PAD Plan as Exhibit P.

8.2 The PAD Plan shall provide for a maximum of 800 single-family units and a maximum of 300 apartment units, together with the other land uses identified on Exhibit C-1a of the PAD Plan.

8.3 The Developer acknowledges and agrees that Town approval of the PAD Plan does not include approval of roadway cross sections for construction. Construction plans for all roadways shall be reviewed and approved by the City's engineering department

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to the School District providing such documentation as Developer may reasonably require to confirm that the School District has sufficient funds to build and open an elementary school on Parcel 15 within two (2) years after the date of conveyance. Notwithstanding anything herein to the contrary, the requirement that the School District build and open an elementary school on Parcel 15 within two years after the date of conveyance can be satisfied by building and opening play fields and other recreational areas ("Recreational Facilities") as adjunct facilities to an elementary school located elsewhere in the School District. The elementary school site, after conveyance to the School District, shall be designed, constructed, operated and maintained by the School District at no expense to the Developer, but in conformance with the CC&Rs and Design Guidelines of The Homestead at Camp Verde. The deed of conveyance shall include a restriction limiting Parcel 15 to use as an elementary school site, and also shall include a reverter clause that provides for title to Parcel 15 to revert to Developer if the School District does not build and open the elementary school and/or maintain the Recreational Facilities within two (2) years after the date of conveyance, or if the School District ceases to operate the elementary school and/or Recreational Facilities within five (5) years after the date of conveyance. If, within 10 years after the PAD Plan is approved by the Town Council, the School District does not provide written notice to Developer that the School District elects to take title to Parcel 15 for use as an elementary school site, then the Developer shall maintain Parcel 15 as open space for an additional two (2) years and anytime within said 2-year period, the Town may elect to take title to Parcel

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the "cost of maintenance," "cost of maintaining," "maintenance costs" and similar phrases shall include the cost of appropriate insurance, as reasonably determined by Developer. All insurance policies shall name the Town or the Developer or the Association as additional insureds, as the case may be.

8.7 Developer shall develop Parcels M and N as parks with tot lots and active recreation areas and shall maintain Parcels M and N as parks for up to three (3) years after the PAD Plan is approved by the Town Council. At any time during said 3-year period, the Town may elect to take title to Parcels M and N for use as public parks by written notice to Developer. Upon receipt of such written notice, Developer shall convey Parcels M and N to the Town, free of charge, for use as public parks, and the Developer shall maintain Parcels M and N as public parks until 50 percent of the single-family residences at The Homestead at Camp Verde have been built out, provided that the Town agrees that after such build-out Parcels M and N will be maintained by the Association at Town expense, with the maintenance responsibilities of the Association and the financial responsibilities of the Town set forth in a separate agreement. If, within said 3-year period, the Town does not provide written notice to the Developer that the Town elects to take title to Parcels M and N for use as a public park, Developer shall dedicate Parcels M and N to the Association and Parcels M and N will be maintained by the Association as parks for use by residents of The Homestead at Camp Verde, but shall not be available for public use.

8.8 Town residents have expressed an interest in having public access to Parcel

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Association and the financial responsibilities of the Town set forth in a separate agreement. If the Town does not deliver such notice within said 5-year period, the trail system shall be maintained by the Association for use by residents of The Homestead at Camp Verde, but shall not be available for public use, and the Developer may elect to eliminate equestrian use of the trail system.

8.10 The CC&Rs and/or Design Guidelines for The Homestead at Camp Verde shall require that homebuilders install fixtures with low water usage; and also shall require that homebuilders construct all fireplaces in compliance with the General Plan. Developer will encourage local builders and tradesmen to bid for work at The Homestead at Camp Verde.

8.11 If the PAD Plan is not approved by the Town Council, or is approved subject to conditions or stipulations not accepted by Developer, Developer shall have no obligation to construct any of the improvements provided for in this Agreement or the PAD. If market conditions and/or development financing materially change the feasibility of the PAD Plan, Developer may interrupt development until market conditions and/or development financing are again favorable, at which time continued development of the Property will be in accordance with the PAD Plan.

8.12 The Town agrees that issuance of the construction permits, sewer permits, occupancy permits, and other permits and approvals required from the Town to develop the Property pursuant to this Agreement and the PAD Plan shall not be unreasonably delayed or

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Plan shall involve (a) an increase in the approved number of dwelling units or leaseable area within the PAD; (b) a significant change in zoning for the PAD; (c) any change in the PAD that could have a significant impact on areas adjoining the PAD; and (d) any change in the PAD that could have a significant traffic impact on roadways adjacent or external to the PAD. All other proposed changes shall be deemed minor amendments.

8.14 The Town agrees that no Town moratorium (except as permitted by A.R.S. § 9-463.06) and no Town ordinance, resolution or other land use rule or regulation enacted in the future that materially impairs the Developer's ability to develop the Property in accordance with the PAD Plan shall apply to or govern the development of the Property, or any portion thereof, for a period of twenty (20) years from the date this Agreement is recorded in the official records of Yavapai County ("Moratorium Period"). Within the Moratorium Period, the development of the Property shall be governed by the PAD ordinance existing and in force for the Town at the time this Agreement is recorded, except as modified herein, and Town shall not impose or enact any additional conditions, zoning exactions, dedications, development fees, rules or regulations applicable to or governing the development of the Property. Notwithstanding the foregoing, the Town reserves the right to impose new development fees and to increase administrative fees and/or impose new administrative fees during the Moratorium Period, so long as the same are done in accordance with all applicable laws and such new or additional fees are generally and uniformly applied to all developers and new construction in the City. If the Town adopts a

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the Town and Developer each shall designate and appoint a representative to act as a liaison between the Town and its various departments and the Developer. The initial representative for the Town (the "Town Representative") shall be the Town Manager and the initial representative for the Developer shall be its project manager, as identified by the Developer from time to time (the "Developer Representative"). The representatives shall be available at all reasonable times to discuss and review the performance of the parties to this Agreement and the development of the Property.

9.2 The Town acknowledges and agrees that it is desirable for the Developer to proceed rapidly with the implementation of this Agreement and the development of the Property and that, accordingly, an expedited review and construction inspection process is necessary. Accordingly, the parties agree that if at any time the Developer believes an impasse has been reached with the Town staff on any issue affecting the Property, the Developer shall have the right to immediately appeal to the Town Manager for an expedited decision pursuant to this Section. Notwithstanding anything contained herein to the contrary, in the event the Town does not have a sufficient number of personnel to implement the expedited development review process or the expedited construction inspection process, the Developer may elect to pay the cost incurred by the Town for private independent consultants and advisors which may be retained by the Town, as necessary, to assist the Town in the review and/or inspection process; provided, however, that such consultants shall take instruction from, be controlled by, and be responsible to the Town and not the

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such additional time as may be necessary to perform or comply so long as the party commences performance or compliance within said 30 day period and diligently proceeds to complete such performance or fulfill such obligation. Any notice of a breach shall specify the nature of the alleged breach and the manner in which said breach may be satisfactorily cured, if possible. In the event a breach is not cured within the Cure Period, the non-defaulting party shall have all rights and remedies which may be available under law or equity, including without limitation the right to specifically enforce any term or provision of this Agreement and/or the right to institute an action for damages.

11. Mediation; Arbitration. Notwithstanding other dispute processing mechanisms available under the Town Code, any dispute, claim or cause of action arising out of or relating to this Agreement may be settled by either party submitting the matter to mediation or either party submitting the matter to binding arbitration in accordance with the rules of the American Arbitration Association and the Arizona Uniform Arbitration Act, A.R.S. §12-1501, et seq. The judgment rendered by the arbitrator(s) shall be final, conclusive and binding upon the parties and may be entered in any court of competent jurisdiction. Notwithstanding any other provision of this Agreement, however, a dispute concerning an action, decision or omission of the Town Council shall not be submitted to mediation or arbitration, but instead shall be resolved through a civil action filed in a court of competent jurisdiction.

12. Notices and Filings. All notices, filings, consents, approvals and other

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13. General Provisions.

13.1 Good Standing; Authority. Each of the parties represents and warrants to the other (a) that it is duly formed and validly existing; (b) that it is a Delaware corporation qualified to do business in Arizona with respect to the Developer, or a municipal corporation, with respect to the Town; and (c) that the individuals executing this Agreement on behalf of their respective parties are authorized and empowered to bind the party on whose behalf each such individual is signing.

13.2 Recordation. This Agreement shall be recorded in its entirety in the Official Records of Yavapai County, Arizona, not later than 10 days after its full execution.

13.3 Future Effect. The provisions of this Agreement are binding upon and shall inure to the benefit of the parties, and all of their successors in interest and assigns; provided, however, that the Developer's rights and obligations hereunder may be assigned, in whole or in part, only to a person or entity that has acquired title to the Property or a portion thereof and only by a written instrument recorded in the Official Records of Yavapai County, Arizona, expressly assigning such rights and obligations. Notwithstanding the foregoing, Developer may assign all or part of its rights and obligations under this Agreement to a homeowner's association to be established by the Developer or to any financial lender from which Developer has borrowed funds for use in developing the Property. Additionally, the Developer may assign its rights and duties under this Agreement to a wholly-owned subsidiary of, or to an affiliated entity controlled by the Developer. In

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and nothing contained in this Agreement shall, create any partnership, joint venture or other agreement between the Developer and the Town. No term or provision of this Agreement is intended to, or shall, be for the benefit of any person or entity not a party hereto, and no such other person or entity shall have any right or cause of action hereunder.

13.7 Waiver. No delay in exercising any right or remedy shall constitute a waiver thereof, and no waiver by the Town or the Developer of the breach of any covenant or condition of this Agreement shall be construed as a waiver of any preceding or succeeding breach of the same or any other covenant or condition of this Agreement. No waiver shall be effective unless it is in writing and is signed by the party asserted to have granted such waiver.

13.8 Severability. If any provision of this Agreement is declared void or unenforceable by a court of competent jurisdiction, such provision shall be severed from this Agreement, which shall otherwise remain in full force and effect. If any applicable law or court of competent jurisdiction prohibits or excuses the Town or Developer, as applicable, from undertaking any contractual commitment to perform any act hereunder, this Agreement shall remain in full force and effect, but the provisions requiring such action shall be deemed to permit the Town or Developer, as applicable, to take such action at its discretion, if such a construction is permitted by law.

13.9 Further Documentation. Each party agrees in good faith to execute such further or additional instruments and documents and to take such further acts as may be

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Yavapai County, Arizona, and the parties hereby irrevocably waive any right to object to such venue.

13.15 Entire Agreement. This Agreement, together with all Exhibits attached hereto (which are incorporated herein by this reference), constitutes the entire agreement between the parties pertaining to the subject matter hereof. All prior and contemporaneous agreements, representations and understandings of the parties, oral or written, are superseded by and merged in this Agreement.

13.16 Time is of the essence of this Agreement and with respect to the performance required by each party hereunder.

IN WITNESS WHEREOF, the parties have executed this Agreement on the date(s) written below.

TOWN:

TOWN OF CAMP VERDE,
an Arizona municipal corporation

By: Carlos Rogers
Its: Mayor
Date: 5/11/99

Approved as to Form:

By: _____
Town Attorney
Date: 5/11/99

Attested by: _____
Town Clerk

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LIST OF EXHIBITS

Exhibit	Description
A	The Property

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THENCE Northwesterly along said 7.4778 degree curve a distance of 1203.54 feet to the P. C. of said curve, Station 32+19.74 and an angle point;

THENCE North 00 degree, 49 minutes, West, 710 feet to the North line of said Section 36;

THENCE East along said Section line, 100.0 feet to the East right of way line of Route "A" (See "Finnie Flats Road Right of Way, Easement, and Real Property Exchange Agreement," dated November 5, 1984, recorded November 5, 1984 in Book 1674 of Official Records, Page 901, and thereafter amended by Stipulation and Agreement to Amend Finnie Flats Road Right of Way Easement and Real Property Exchange Agreement, dated June 17, 1985 recorded June 28, 1985 in Book 1733 of Official Records, Page 493);

THENCE South 00 degrees, 49 minutes, East along the East right of way, 710.00 feet to the P. C. of a 8.60 degrees curve to the left. Station 32+19.74, and along a portion of said curve for 856.50 feet to a P. O. C. having a Delta = 73 degrees, 39 minutes, 32 minutes, 32 seconds, R = 666.20 feet, L = 856.50 feet, and T = 498.95 feet (Total curve data: Delta 90 degrees, R = 666.20 feet), this P. O. C. also being a point on the East line of said East one-half of the Northwest quarter;

THENCE North 10.0 feet to the Northwest corner of said South one-half of the Northeast quarter;

THENCE North 89 degrees, 54 minutes, East along the North right of way line, 1273.86 feet to the TRUE POINT OF BEGINNING and the end of this description.

EXCEPT all gas, oil, metals and mineral rights as reserved in Patent from the State of Arizona recorded May 28, 1970 in Book 602 of Official Records, Page 202.

EXCEPTING from the above described parcels:

The Easterly 50 feet of the Northeast quarter of the Northeast quarter of the Northwest quarter of Section 31, and the Easterly 50 feet of the G. L. O., Lot 4 of Section 30, Township 14 North, Range 5 East of the Gila and Salt River Base and Meridian, Yavapai County, Arizona.

ALSO EXCEPTING all that portion lying Northerly of the Southerly Meander line of the Verde River.

AND EXCEPTING therefrom all that portion of G. L. O., Lots 1 and 2 Section 31, Township 14, Range 5 East as conveyed in Warranty Deed Recorded January 27, 1997 in Book 3147 of Official Records, Page 921.

Exhibit A

Legal Description

The Homestead at Camp Verde

Harvard Investments
2425 E. Camelback Rd., Suite 900 · Phoenix, AZ 85016

THE PLANNING CENTER

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Simonton
Companies

Exhibit "B"

December 8, 2015

Town of Camp Verde
Mr. Mike Jenkins, Community Development Director
473 S. Main Street, Suite 102
Camp Verde, Arizona 86322

Re: Elk Creek at Simonton Ranch
Parcel 404-23-103P

Mr. Jenkins:

Elk Creek at Simonton Ranch ("Elk Creek") is an approximately 22.97 acre parcel within Simonton Ranch, a Planned Area Development ("PAD"). A preliminary plat for was approved by the Town Council for Elk Creek on July 26, 2006. Shortly thereafter a final plat was submitted together with improvement plans. After Town review and requested changes, in early 2007 the final plat was ready to be forwarded to the Town Council for approval.

The final plat was never forwarded to the Town Council for approval for two reasons: (1) The availability of sewer that had been promised had not been extended to this area and the existing Camp Verde Sanitary District facility did not have the capacity to accept the discharge. In fact, the new sewer facility did not become operational until 2010. (2) In late 2006 and early 2007, the entire country, including the town of Camp Verde, experienced a severe economic downturn and real estate crisis. That continued until the first signs of emerging for the downturn started in mid to late 2012. Then in 2013, the real estate market retreated somewhat and was somewhat level through 2014. 2015 has seen the emergence form the downturn.

The history of what was happening in Camp Verde and the nation is important in that those factors and issues were address in a Development Agreement (Ordinance No. 99-A142) between the Town and the owner of the Simonton Ranch property (formerly Homestead at Camp Verde) and recorded in Book 3663 Page 213 of Yavapai County on May 14, 1999 ("Development Agreement"). Section 8.11 of the Development Agreement states "If market conditions and/or development financing materially change the feasibility of the PAD Plan, Developer may interrupt development until market conditions and/or development financing are again favorable, at which time continued development of the Property will be in accordance with the PAD Plan."

There is no question but what the lack of available sewer and the national real estate downturn caused development and the processing of the final plat to be suspended as accounted for in the Development Agreement. It has not been until 2015 that economic conditions warranted the renewal of that process.

As provided for in the Development Agreement, Simonton Ranch 18, LLC ("Simonton"), the current owner of the Elk Creek property, hereby respectfully requests that the approval for the Elk Creek at Simonton Ranch preliminary plat be extended and/or recognized as only having been suspended as per the Development Agreement terms and that the application for final plat be resumed at the point it was suspended due to the conditions mentioned above.

In recognition of the passage of time from suspension until the present, Simonton agrees to update the Drainage Report, submit a copy of the recently prepared Traffic Study on Finnie flat Road, make corrections to water and sewer plans caused by the construction of a sewer line through Elk Creek to serve the Verde Valley Medical Center, and such other minor revisions as may be requested by Town staff. Simonton also acknowledges that upon approval of the final plat and prior to recordation, an assurance of completion will be provided.

If you have any questions about this request, do not hesitate to contact me at either (480) 218-7575 or Scott@SimontonCompanies.com.

Sincerely,

G. Scott Simonton, Manager
Simonton Ranch 18, LLC

RESOLUTION 2006-690

A RESOLUTION OF THE COMMON COUNCIL OF THE TOWN OF CAMP VERDE, ARIZONA APPROVING THE PRELIMINARY PLAT 2006-02 FOR THE PURPOSE OF DEVELOPING ELK CREEK @ SIMONTON RANCH SUBDIVISION WITHIN SIMONTON RANCH MASTER PLANNED COMMUNITY ON A PORTION OF PARCEL 403-23-103C CONSISTING OF APPROXIMATELY 24 ACRES AND 87 LOTS WITH THE MINIMUM LOT SIZE BEING 5,000 SQUARE FEET.

SITE LOCATION: OFF OF FINNIE FLAT ROAD ACCESSED BY SIMONTON PARKWAY AND ELK CREEK ROAD, A NEW ROADWAY.

The Common Council of the Town of Camp Verde hereby resolves as follows:

I. The Common Council hereby finds as follows:

A. A request for approval of Preliminary Plat 2006-02 was filed by Scott Simonton, agent for Camp Verde Homestead, LLC, owner for a portion of parcel 403-23-103C.

B. The request was reviewed by the Planning and Zoning Commission on July 6, 2006 and by the Common Council on July 26, 2006 in public hearings that were advertised and posted according to state law.

C. The purpose of the preliminary plat is to develop Elk Creek @ Simonton Ranch residential subdivision with 87 lots.

D. The proposed use will not constitute a threat to the health, safety, welfare or convenience to the general public and should be approved.

The Common Council of the Town of Camp Verde hereby approves PP 2006-02 for the purpose of developing Elk Creek @ Simonton Ranch Subdivision with 87 lots on a portion of parcel 403-23-103C with the following exceptions:

1. The local road ROW will be 50' in width with two 17' travel lanes and one 4' sidewalk on one side of the roadway with 8' PUE on either side of the roadway and parking will be allowed on both sides of the roadway.

NOTE:

Pursuant to approved PAD for Simonton Ranch, the setbacks are to be 18' in front, 20' in the rear and 5' on the sides. The lot coverage shall be a maximum of 50%.

PASSED AND ADOPTED AT A REGULAR SESSION OF THE COMMON COUNCIL OF THE TOWN OF CAMP VERDE, ARIZONA ON JULY 26, 2006.

Tony Gioia, Mayor

Date: 7.27.06

Attest: Deborah Barber 8-3-06
Deborah Barber, Town Clerk

APPROVED AS TO FORM:

Town Attorney