TOWN OF CAMP VERDE, ARIZONA

Annual Expenditure Limitation Report

June 30, 2021

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Colby & Powell, PLC
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INDEPENDENT ACCOUNTANTS' REPORT

The Auditor General of the State of Arizona

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

We have examined the accompanying Annual Expenditure Limitation Report of the Town of Camp Verde, Arizona, for the year ended June 30, 2021 and the related notes to the report. The Town's management is responsible for presenting this report in accordance with the uniform expenditure reporting system as described in note 1. Our responsibility is to express an opinion on this report based on our examination.

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

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

Colby & Powell

March 25, 2022

TOWN OF CAMP VERDE, ARIZONA
Annual Expenditure Limitation Report - Part I
Year Ended June 30, 2021

1. Economic Estimates Commission expenditure limitation	$ 12,847,345
2. Amount subject to the expenditure limitation (total amount from Part II, Line C	9,408,686
3. Amount under (in excess of) the expenditure limitation (if excess expenditures are reported, provide an explanation)	$ 3,438,659

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

Signature of Chief Fiscal Officer: [signature]

Name and Title: Michael E. Showers - Finance Director

Telephone No.: 928-554-0811 Date: March 25, 2022

See accompanying notes to report.

TOWN OF CAMP VERDE, ARIZONA
Annual Expenditure Limitation Report - Part II
Year Ended June 30, 2021

Description	Governmental Funds	Enterprise Funds	Fiduciary Funds	Total
A. Amounts reported on the Reconciliation, Line D	$ 14,897,035	$ 2,271,173	$ 904,581	$ 18,072,789
B. Less exclusions claimed:				
Debt proceeds	2,276,362	618,641	-	2,895,003
Debt service requirements on bonded indebtedness	1,301,334	-	-	1,301,334
Debt service requirements on other long-term obligations	324,746	226,900	-	551,646
Dividends, interest and gains on the sale or redemption of investment securities	5,106	261	-	5,367
Trustee or custodian	-	-	904,581	904,581
Grants and aid from the federal government	1,615,684	-	-	1,615,684
Grants, aid, contributions or gifts from a private agency, organization, or individual except amounts received in lieu of taxes	53,655	-	-	53,655
Amounts received from the State of Arizona	55,933	-	-	55,933
Highway user revenue in excess of those received in fiscal year 1979-1980	1,075,900	-	-	1,075,900
Contracts with other political subdivisions	205,000	-	-	205,000
Total exclusions claimed	6,913,720	845,802	904,581	8,664,103
C. Amount subject to expenditure limitation	$ 7,983,315	$ 1,425,371	$ -	$ 9,408,686

See accompanying notes to report.

TOWN OF CAMP VERDE, ARIZONA
Annual Expenditure Limitation Report - Reconciliation
Year Ended June 30, 2021

Description	Governmental Funds	Enterprise Funds	Fiduciary Funds	Total
A. Total expenditures/expenses/deductions and applicable other financing uses, special items, and extraordinary items reported within the fund financial statements	$ 15,236,598	$ 2,242,647	$ 904,581	$ 18,383,826
B. Subtractions:				
Items not requiring the use of current financial resources:				
Depreciation	-	945,760	-	945,760
Pension and other postemployment benefits (OPEB) expense	-	67,636	-	67,636
Required fees paid to the Arizona Department of Revenue	28,806	-	-	28,806
Present value of net minimum capital lease payments recorded as expenditures at the inception of the agreement	310,757	-	-	310,757
Total subtractions	339,563	1,013,396	-	1,352,959
C. Additions:				
Principal payments on long-term debt	-	192,652	-	192,652
Acquisition of capital assets	-	796,370	-	796,370
Pension and OPEB contributions paid in the current year	-	52,900	-	52,900
Total additions	-	1,041,922	-	1,041,922
D. Amounts reported on Part II, Line A	$ 14,897,035	$ 2,271,173	$ 904,581	$ 18,072,789

See accompanying notes to report.

TOWN OF CAMP VERDE, ARIZONA
Notes to Annual Expenditure Limitation Report
Year Ended June 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

NOTE 2 – DEBT SERVICE REQUIREMENTS ON BONDED INDEBTEDNESS

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

	Principal	Interest	Total
Revenue Bonds, Series 2011	$ 388,919	$ 968	$ 389,887
Revenue Refunding Bonds, Series 2014	360,000	88,580	448,580
Revenue Bonds, Series 2017	165,000	215,450	380,450
Revenue Bonds, Series 2020	-	82,417	82,417
Total debt service on bonded indebtedness	$ 913,919	$ 387,415	$ 1,301,334

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

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

	Governmental Funds	Enterprise Funds
Capital leases payable:		
Principal payments	$ 283,420	$ 110,959
Interest payments	41,326	19,219
	324,746	130,178
Loans payable from direct borrowings and direct placements:		
Principal payments	-	81,693
Interest payments	-	15,029
	-	96,722
Total debt service on other long-term obligations	$ 324,746	$ 226,900

NOTE 4 – EXPENDITURES OF INTERGOVERNMENTAL REVENUES

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

Grants and aid from the federal government	$	1,615,684
Amounts received from the State of Arizona		55,933
Highway user revenues in excess of those received in fiscal year 1979-80		1,075,900
Other revenues (non-excludable)		4,473,457
Total intergovernmental revenues as reported in the in the fund financial statements	$	7,220,974

NOTE 5 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

The subtraction of $67,636 for pension and other post employment benefit (OPEB) expense consists of changes in the net pension and OPEB liabilities, changes in deferred outflows related to pensions and OPEB, and changes in deferred inflows related to pensions and OPEB, recognized in the current year in the enterprise fund. The addition of $52,900 for pension and OPEB contributions paid in the current year consists of the required pension and OPEB contributions made to the Arizona State Retirement System from the enterprise fund. The schedule below reconciles the net effect the subtraction and addition have on the expenditures subject to the limitation to the amounts reported on the statement of cash flows' net effect on cash.

			Enterprise Fund
Statement of Cash Flows			
Change in net pension and OPEB asset		$	(1,647)
Change in deferred inflows related to pensions and OPEB			(27,213)
Change in deferred outflows related to pensions and OPEB			(49,983)
Change in net pension and OPEB liability			93,579
	Total	$	14,736
AELR- Reconciliation			
Pension/OPEB contributions - addition		$	52,900
Pension/OPEB expense(income) - subtraction			67,636
	Total	$	14,736

NOTE 6 – CONTRACTS WITH OTHER POLITICAL SUBDIVISIONS

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

	Governmental Funds
Town of Clarkdale, Arizona	$ 135,000
Town of Jerome, Arizona	70,000
Total contracts with other political subdivisions	$ 205,000