TOWN OF CAMP VERDE, ARIZONA

Annual Expenditure Limitation Report

June 30, 2022

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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, 2022, 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.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

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

February 28, 2023

TOWN OF CAMP VERDE, ARIZONA
Annual Expenditure Limitation Report - Part I
Year Ended June 30, 2022

1. Economic Estimates Commission expenditure limitation	$ 16,408,064
2. Amount subject to the expenditure limitation (total amount from Part II, Line C	14,003,270
3. Amount under (in excess of) the expenditure limitation (if excess expenditures are reported, provide an explanation)	$ 2,404,794

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

Signature of Chief Fiscal Officer: ______________________

Name and Title: Michael Showers Finance Director

Telephone No.: (928) 554-0811 Date: February 28, 2023

See accompanying notes to report.

TOWN OF CAMP VERDE, ARIZONA
Annual Expenditure Limitation Report - Part II
Year Ended June 30, 2022

Description	Governmental Funds	Enterprise Funds	Fiduciary Funds	Total
A. Amounts reported on the Reconciliation, Line D	$ 17,718,118	$ 3,940,659	$ 1,679,262	$ 23,338,039
B. Less exclusions claimed:				
Debt proceeds	3,352,175	1,085,807	-	4,437,982
Debt service requirements on bonded indebtedness	957,161	-	-	957,161
Debt service requirements on other long-term obligations	111,066	356,067	-	467,133
Dividends, interest and gains on the sale or redemption of investment securities	17,078	163	-	17,241
Trustee or custodian	-	-	1,679,262	1,679,262
Grants and aid from the federal government	683,595	-	-	683,595
Grants, aid, contributions or gifts from a private agency, organization, or individual except amounts received in lieu of taxes	117,861	-	-	117,861
Amounts received from the State of Arizona	6,670	-	-	6,670
Highway user revenue in excess of those received in fiscal year 1979-1980	921,197	-	-	921,197
Contracts with other political subdivisions	46,667	-	-	46,667
Total exclusions claimed	6,213,470	1,442,037	1,679,262	9,334,769
C. Amount subject to expenditure limitation	$ 11,504,648	$ 2,498,622	$ -	$ 14,003,270

See accompanying notes to report.

TOWN OF CAMP VERDE, ARIZONA
Annual Expenditure Limitation Report - Reconciliation
Year Ended June 30, 2022

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	$ 18,055,293	$ 2,609,736	$ 1,679,262	$ 22,344,291
B. Subtractions:				
Items not requiring the use of current financial resources:				
Depreciation	-	944,751	-	944,751
Pension and other postemployment benefits (OPEB) expense	-	39,331	-	39,331
Present value of net minimum lease, financed purchase, and subscription-based information technology arrangement (SBITA) contract payments recorded as expenditures at the agreements' inception	337,175	-	-	337,175
Total subtractions	337,175	984,082	-	1,321,257
C. Additions:				
Principal payments on long-term debt	-	139,601	-	139,601
Acquisition of capital assets	-	2,093,081	-	2,093,081
Pension and OPEB contributions paid in the current year	-	82,323	-	82,323
Total additions	-	2,315,005	-	2,315,005
D. Amounts reported on Part II, Line A	$ 17,718,118	$ 3,940,659	$ 1,679,262	$ 23,338,039

See accompanying notes to report.

TOWN OF CAMP VERDE, ARIZONA
Notes to Annual Expenditure Limitation Report
Year Ended June 30, 2022

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 Refunding Bonds, Series 2014	$ 370,000	$ 78,072	$ 448,072
Revenue Bonds, Series 2017	170,000	210,350	380,350
Revenue Bonds, Series 2020	15,000	85,344	100,344
Revenue Bonds, Series 2022	-	28,395	28,395
Total debt service on bonded indebtedness	$ 555,000	$ 402,161	$ 957,161

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
Financed purchases:		
Principal payments	$ 104,099	$ 56,125
Interest payments	6,967	435
	111,066	56,560
Loans payable from direct borrowings and direct placements:		
Principal payments	-	83,476
Interest payments	-	216,031
	-	299,507
Total debt service on other long-term obligations	$ 111,066	$ 356,067

TOWN OF CAMP VERDE, ARIZONA
Notes to Annual Expenditure Limitation Report
Year Ended June 30, 2022

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	$	683,595
Amounts received from the State of Arizona		6,670
Highway user revenues in excess of those received in fiscal year 1979-80		921,197
Other revenues (non-excludable)		6,080,704
Total intergovernmental revenues as reported in the in the fund financial statements	$	7,692,166

NOTE 5 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

The subtraction of $39,331 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 $82,323 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	$	(15,617)
Change in deferred inflows related to pensions and OPEB		155,954
Change in deferred outflows related to pensions and OPEB		(8,360)
Change in net pension and OPEB liability		(174,969)
Total	$	(42,992)
AELR- Reconciliation		
Pension/OPEB contributions - addition	$	82,323
Pension/OPEB expense(income) - subtraction		39,331
Total	$	(42,992)

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	$ 35,000
Town of Jerome, Arizona	11,667
Total contracts with other political subdivisions	$ 46,667