

**TOWN OF CAMP VERDE, ARIZONA**

**Annual Expenditure Limitation Report**

**June 30, 2016**

## TABLE OF CONTENTS

INDEPENDENT ACCOUNTANTS' REPORT .....	1
Annual Expenditure Limitation Report - Part I .....	2
Annual Expenditure Limitation Report - Part II .....	3
Annual Expenditure Limitation Report - Reconciliation .....	4
Notes to Annual Expenditure Limitation Report .....	5



COLBY &  
POWELL, PLC

CERTIFIED PUBLIC ACCOUNTANTS

1535 W. Harvard Avenue, Suite 101 · Gilbert, Arizona 85233

Tel: (480) 635-3200 · Fax: (480) 635-3201

## INDEPENDENT ACCOUNTANTS' REPORT

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

We have examined the accompanying Annual Expenditure Limitation Report of the Town of Camp Verde, Arizona, for the year ended June 30, 2016. This report is the responsibility of the Town's management. Our responsibility is to express an opinion on this report based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the amounts and disclosures in the report and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the Annual Expenditure Limitation Report of the Town of Camp Verde, Arizona, for the year ended June 30, 2016, referred to above presents fairly, in all material respects, the information required by the uniform expenditure reporting system described in Note 1.

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

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

January 3, 2017

**TOWN OF CAMP VERDE, ARIZONA**  
**Annual Expenditure Limitation Report - Part I**  
**Year Ended June 30, 2016**

1. Economic Estimates Commission expenditure limitation	\$ 11,538,560
2. Amount subject to the expenditure limitation (total amount from Part II, Line C)	<u>7,121,919</u>
3. Amount under (in excess of) the expenditure limitation (if excess expenditures are reported, provide an explanation)	<u>\$ 4,416,641</u>

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

Signature of Chief Fiscal Officer:   
Name and Title: Michael E. Showers - Finance Director  
Telephone No.: 928-554-0811 Date: 1/12/17

*See accompanying notes to report.*

**TOWN OF CAMP VERDE, ARIZONA**  
**Annual Expenditure Limitation Report - Part II**  
**Year Ended June 30, 2016**

Description	Governmental Funds	Enterprise Funds	Fiduciary Funds	Total
A. Amounts reported on the Reconciliation, Line D	\$ 11,734,939	\$ 1,198,116	\$ -	\$ 12,933,055
B. Less exclusions claimed:				
Bond proceeds	3,125,641	-	-	3,125,641
Debt service requirements on bonded indebtedness	366,179	-	-	366,179
Debt service requirements on other long-term obligations	218,431	-	-	218,431
Dividends, interest and gains on the sale or redemption of investment securities	29,594	1,042	-	30,636
Grants and aid from the federal government	528,736	-	-	528,736
Grants, aid, contributions or gifts from a private agency, organization, or individual except amounts received in lieu of taxes	416,867	-	-	416,867
Highway user revenue in excess of those received in fiscal year 1979-1980	641,959	-	-	641,959
Contracts with other political subdivisions	254,615	228,072	-	482,687
Total exclusions claimed	<u>5,582,022</u>	<u>229,114</u>	<u>-</u>	<u>5,811,136</u>
C. Amount subject to expenditure limitation	<u>\$ 6,152,917</u>	<u>\$ 969,002</u>	<u>\$ -</u>	<u>\$ 7,121,919</u>

*See accompanying notes to report.*

**TOWN OF CAMP VERDE, ARIZONA**  
**Annual Expenditure Limitation Report - Reconciliation**  
**Year Ended June 30, 2016**

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	\$ 12,264,939	\$ 1,727,706	\$ -	\$ 13,992,645
B. Subtractions:				
Items not requiring the use of working capital:				
Depreciation	-	721,452	-	721,452
Pension expense	-	87,361	-	87,361
Present value of net minimum capital lease payments recorded as expenditures at the inception of the agreement	530,000	-	-	530,000
Total subtractions	530,000	808,813	-	1,338,813
C. Additions:				
Acquisition of capital assets	-	261,534	-	261,534
Pension contributions paid in the current year	-	17,689	-	17,689
Total additions	-	279,223	-	279,223
D. Amounts reported on Part II, Line A	\$ 11,734,939	\$ 1,198,116	\$ -	\$ 12,933,055

*See accompanying notes to report.*

**TOWN OF CAMP VERDE, ARIZONA**  
**Notes to Annual Expenditure Limitation Report**  
**Year Ended June 30, 2016**

***NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES***

The Annual Expenditure Limitation Report (AELR) is presented on the basis of accounting prescribed by the *Uniform Expenditure Reporting System* (UERS), as required by Arizona Revised Statutes Section 41-1279.07. 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 – BOND PROCEEDS***

The exclusion claimed for bond proceeds are from a Series 2014 refunding bond for which \$3,125,641 of the proceeds were expended in the year ended June 30, 2016. Bond proceeds of \$381,607 have been carried forward to future years.

***NOTE 3 – 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	\$ 75,706	\$ 29,731	\$ 105,437
Revenue Refunding Bonds, Series 2014	93,000	167,742	260,742
	\$ 168,706	\$ 197,473	\$ 366,179

***NOTE 4 – DEBT SERVICE REQUIREMENTS ON OTHER LONG-TERM OBLIGATIONS***

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

Capital leases payable:	
Principal payments	\$ 206,485
Interest payments	11,946
	\$ 218,431

**TOWN OF CAMP VERDE, ARIZONA**  
**Notes to Annual Expenditure Limitation Report**  
**Year Ended June 30, 2016**

**NOTE 5 – HIGHWAY USER REVENUE EXCLUSION AND CARRYFORWARD**

Highway user revenues received in the current fiscal year.	\$	880,724
Highway user revenues received in the current fiscal year equal to fiscal year 1979-80 revenues received.		-
Revenues available for exclusion in the current fiscal year.	\$	<u>880,724</u>
Actual expenditures of highway user revenues in the current fiscal year.	\$	641,959
Amount equal to 1979-80 revenues expended in the current fiscal year.		-
Excludable revenues expended in the current fiscal year.	\$	<u>641,959</u>
Revenues available for exclusion in the current fiscal year.	\$	<u>641,959</u>
Unspent excludable revenue available as carryforward in future years.	\$	<u>1,316,602</u>

**NOTE 6 – EXPENDITURES OF INTERGOVERNMENTAL REVENUES**

The following schedule presents revenues from which exclusions have been claimed for federal grants and aid, contracts with other political subdivisions, and highway user revenues in the Governmental Funds:

Grants and aid from the federal government		\$ 528,736
Highway user revenues in excess of those received in fiscal year 1979-80		641,959
Contracts with other political subdivisions	254,615	
Contracts with other political subdivisions reported as charges for services	<u>(105,000)</u>	
		149,615
Other revenues (non-excludable)		3,260,915
Amount carried forward		<u>238,765</u>
Total intergovernmental revenues as reported in the in the fund financial statements		<u>\$ 4,819,990</u>

**NOTE 7 – CONTRIBUTIONS FROM PRIVATE AGENCIES AND ORGANIZATIONS**

The exclusion claimed for grants, aid, contributions or gifts from a private agency, organization, or individual except amounts received in lieu of taxes are as follows:

Citizens Committee		\$ 416,753
Other		114
		<u>\$ 416,867</u>

**TOWN OF CAMP VERDE, ARIZONA**  
**Notes to Annual Expenditure Limitation Report**  
**Year Ended June 30, 2016**

***NOTE 8 – CONTRACTS WITH OTHER POLITICAL SUBDIVISIONS***

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

	Governmental Funds	Enterprise Funds
Camp Verde Sanitary District	\$ -	\$ 228,072
Yavapai County Library District	74,615	-
Yavapai County Flood District	75,000	-
Town of Clarkdale, Arizona	70,000	-
Town of Jerome, Arizona	35,000	-
	\$ 254,615	\$ 228,072

***NOTE 9 – PENSIONS***

The subtraction of \$87,361 for pension expense consists of the change in the net pension liability recognized in the current year in the Enterprise Fund. The addition of \$17,689 for pension contributions paid in the current year consists of the required pension contributions made to the Arizona State Retirement System from the Enterprise Funds.