

**TOWN OF CAMP VERDE, ARIZONA**

**Annual Expenditure Limitation Report**

**June 30, 2018**

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COLBY &  
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CERTIFIED PUBLIC ACCOUNTANTS

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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, 2018 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.

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

January 23, 2019

**TOWN OF CAMP VERDE, ARIZONA**  
**Annual Expenditure Limitation Report - Part I**  
**Year Ended June 30, 2018**

1. Economic Estimates Commission expenditure limitation	\$ 11,897,122
2. Amount subject to the expenditure limitation (total amount from Part II, Line C)	<u>8,989,941</u>
3. Amount under (in excess of) the expenditure limitation (if excess expenditures are reported, provide an explanation)	<u><u>\$ 2,907,181</u></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: January 23, 2019

*See accompanying notes to report.*

**TOWN OF CAMP VERDE, ARIZONA**  
**Annual Expenditure Limitation Report - Part II**  
**Year Ended June 30, 2018**

Description	Governmental Funds	Enterprise Funds	Fiduciary Funds	Total
A. Amounts reported on the Reconciliation, Line D	\$ 10,803,661	\$ 1,857,359	\$ -	\$ 12,661,020
B. Less exclusions claimed:				
Debt proceeds	1,512,035	60,175	-	1,572,210
Debt service requirements on bonded indebtedness	557,191	-	-	557,191
Debt service requirements on other long-term obligations	379,343	113,120	-	492,463
Dividends, interest and gains on the sale or redemption of investment securities	17,888	2,769	-	20,657
Grants and aid from the federal government	115,668	-	-	115,668
Grants, aid, contributions or gifts from a private agency, organization, or individual except amounts received in lieu of taxes	58,367	-	-	58,367
Amounts received from the State of Arizona	-	-	-	-
Highway user revenue in excess of those received in fiscal year 1979-1980	630,785	-	-	630,785
Contracts with other political subdivisions	223,738	-	-	223,738
Total exclusions claimed	<u>3,495,015</u>	<u>176,064</u>	<u>-</u>	<u>3,671,079</u>
C. Amount subject to expenditure limitation	<u>\$ 7,308,646</u>	<u>\$ 1,681,295</u>	<u>\$ -</u>	<u>\$ 8,989,941</u>

*See accompanying notes to report.*

**TOWN OF CAMP VERDE, ARIZONA**  
**Annual Expenditure Limitation Report - Reconciliation**  
**Year Ended June 30, 2018**

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	\$ 11,100,106	\$ 2,019,766	\$ -	\$ 13,119,872
B. Subtractions:				
Items not requiring the use of current financial resources:				
Depreciation	-	852,797	-	852,797
Pension and other postemployment benefits (OPEB) expense	-	52,400	-	52,400
Present value of net minimum capital lease payments recorded as expenditures at the inception of the agreement	296,445	-	-	296,445
Total subtractions	<u>296,445</u>	<u>905,197</u>	<u>-</u>	<u>1,201,642</u>
C. Additions:				
Principal payments on long-term debt	-	105,936	-	105,936
Acquisition of capital assets	-	593,199	-	593,199
Pension and OPEB contributions paid in the current year	-	43,655	-	43,655
Total additions	<u>-</u>	<u>742,790</u>	<u>-</u>	<u>742,790</u>
D. Amounts reported on Part II, Line A	<u>\$ 10,803,661</u>	<u>\$ 1,857,359</u>	<u>\$ -</u>	<u>\$ 12,661,020</u>

*See accompanying notes to report.*

**TOWN OF CAMP VERDE, ARIZONA**  
**Notes to Annual Expenditure Limitation Report**  
**Year Ended June 30, 2018**

**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:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Revenue Bonds, Series 2011	\$ 81,741	\$ 23,577	\$ 105,318
Revenue Refunding Bonds, Series 2014	<u>329,000</u>	<u>122,873</u>	<u>451,873</u>
Total debt service on bonded indebtedness	<u>\$ 410,741</u>	<u>\$ 146,450</u>	<u>\$ 557,191</u>

**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:

	<u>Governmental Funds</u>	<u>Enterprise Funds</u>
Capital leases payable:		
Principal payments	\$ 366,047	\$ 105,936
Interest payments	<u>13,296</u>	<u>7,184</u>
Total debt service on other long-term obligations	<u>\$ 379,343</u>	<u>\$ 113,120</u>

**TOWN OF CAMP VERDE, ARIZONA**  
**Notes to Annual Expenditure Limitation Report**  
**Year Ended June 30, 2018**

***NOTE 4 – HIGHWAY USER REVENUE EXCLUSION AND CARRYFORWARD***

Highway user revenues received in the current fiscal year.	\$	937,271
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>937,271</u>
Actual expenditures of highway user revenues in the current fiscal year.	\$	630,785
Amount equal to 1979-80 revenues expended in the current fiscal year.		-
Excludable revenues expended in the current fiscal year.	\$	<u>630,785</u>
Revenues available for exclusion in the current fiscal year.	\$	<u>630,785</u>
Unspent excludable revenue available as carryforward in future years.	\$	<u>990,077</u>

***NOTE 5 – 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		\$ 115,668
Highway user revenues in excess of those received in fiscal year 1979-80		630,785
Contracts with other political subdivisions	223,738	
Contracts with other political subdivisions reported as charges for services	<u>(150,000)</u>	
		73,738
Other revenues (non-excludable)		3,402,116
Amount carried forward		<u>306,486</u>
Total intergovernmental revenues as reported in the in the fund financial statements		<u>\$ 4,528,793</u>

**TOWN OF CAMP VERDE, ARIZONA**  
**Notes to Annual Expenditure Limitation Report**  
**Year Ended June 30, 2018**

***NOTE 6 – 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 consist of donations from individuals and businesses for parks and recreation, police k-9, and other economic development within the Town. Total exclusion totaled \$58,367.

***NOTE 7 – CONTRACTS WITH OTHER POLITICAL SUBDIVISIONS***

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

	Governmental Funds
Yavapai County Library District	\$ 73,738
Yavapai County	45,000
Town of Clarkdale, Arizona	70,000
Town of Jerome, Arizona	35,000
Total contracts with other political subdivisions	\$ 223,738

***NOTE 8 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS***

The subtraction of \$52,400 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 \$43,655 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.