



*Town of Star Valley*  
*Popular Annual Financial Report*  
*Fiscal Year Ending June 30, 2022*





## Town Manager's Message



On behalf of our mayor, councilmembers, and staff, I would like to thank you for reviewing the 1st edition of our Popular Annual Financial Report (PAFR). Our goal is to communicate important financial information in a manner that is easily understood. These days, having a clear picture of how your government is administered is of utmost importance. The PAFR is only a snapshot of important financial information contained in the town's audited financial statements. The financial statements were prepared in conformance with Generally Accepted Accounting Principles (GAAP) and audited by an independent accounting firm, receiving an unmodified opinion.

We have selected what we believe to be the most relevant and interesting data to be included here. While the numbers in the report come from an audited source, they are presented in an abridged, unaudited non-GAAP format.

This report is not intended to replace the full-disclosure financial statements. Rather, by reading this report, our hope is that you will be able to gain a general understanding and summary of the town's financial activities and position for the fiscal year ending June 30, 2022. Citizens who wish to review audited GAAP-basis financial statements can refer to the Town of Star Valley's website, <https://starvalleyaz.com/wp-content/uploads/2022/05/Financial-Statements-FY20.pdf> or you can request a hard copy if you prefer.

Please feel free to comment on the report and tell us what you would like to see in future editions. After all, this report is intended to be a tool for its reader regardless of financial training or background. I hope you find our 2022 PAFR to be highly informative. If you ever have any questions about the town's finances, do not hesitate to contact Town Hall at 3675 E AZ-260, Star Valley, AZ 85541, or call (928) 472-7752.



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The information in a Popular Annual Financial Report (PAFR) is designed to give a snapshot of the town's financial status for the given year. Please review our audited financial statements located on our website for a more detailed review of the town's finances.



Revenue Budget 2022:  
\$2,652,328



Population: 2,484  
Median Age: 63.5  
(US Census 2020)

### Historical Population

Census	Pop	%
2000	1,536	-
2010	2,310	50.4%
2020	2,484	7.5%

(US Decennial Census)



Median Household  
Income: \$48,600  
(US Census 2020)



Star Valley  
Elevation: 4,650  
Square Miles: 36.1



(US Census 2020)

Housing Units in Star Valley: 1,650

### Housing Values

0-50k	43.9%
51-100K	7%
101-200k	5.3%
201-300k	12.7%
301-400k	19.8%
500k plus	11.3%

## Introduction

The Town of Star Valley was incorporated in 2005, making this community one of Arizona's newest towns. The town of Star Valley is located in Northern Gila County and contains 36 square miles of land within its incorporated boundaries, whereas the community's planning area contains about 100 square miles. Currently, both public and private lands are included. Star Valley's elevation is approximately 4,650 feet and is nearly surrounded by the Tonto National Forest. The Town is located south of the Mogollon Rim and north of the Sonoran Desert, which comprises a portion of central and southern Gila County. Immediately west of the community is the incorporated Town of Payson.



We are pleased to present the Town of Star Valley's popular annual financial report (PAFR) for the fiscal year ending June 30, 2022. The PAFR summarizes the town's financial information in a user-friendly and simplified format. Our goal in producing this report is to present the town's finances in a manner that appeals to a wider audience, enhancing the interest and understanding of the town's overall financial condition. Each year the town prepares and presents an audited financial report in a precise and detailed format. The format of the PAFR is intended to present the information in a summarized, easy-to-understand level, removing technical details. The PAFR is unaudited and does not comply with generally accepted accounting principles, although the financial information stems directly from the audited financials. To view this more in-depth information you can view the report at <https://starvalleyaz.com/wp-content/uploads/2022/05/Financial-Statements-FY20.pdf>.

The Town of Star Valley adopted the town Council\Manager form of government and has a Town Manager, Mayor, and six Councilmembers that are elected at-large. Councilmembers are responsible for and responsive to the citizens who elected them. Council functions include but are not limited to reviewing and approving the annual budget, establishing long & short-term objectives and priorities, responding to constituent needs and complaints, and representing the community to other levels of government. Our success is building on the foundation of the dedicated service of our staff in partnership with our elected officials.

- ✚ Mayor Bobby Davis
- ✚ Andy McKinney, Vice Mayor
- ✚ Belle McDaniel, Councilmember
- ✚ George Binney, Councilmember
- ✚ Ray Armington, Councilmember
- ✚ Dennis Dueker, Councilmember
- ✚ Matt Highstreet, Councilmember

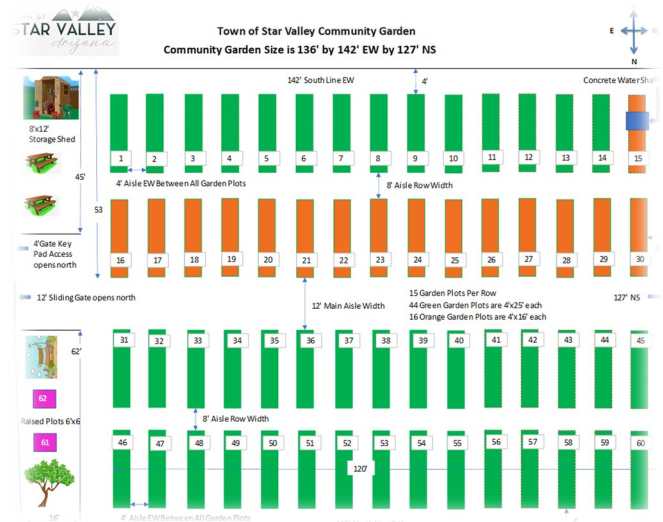


## Community – What community services does Star Valley offer?

Star Valley's 5 ½ acre community park opened its gates in 2014. The park was named in honor of Ronnie and Diane McDaniel who were instrumental in the incorporation of Star Valley. The park contains a playground, tot playground, children's zipline, fitness trail, and pickleball court. There are numerous small ramadas available and one large group area ramada. A water battle arena complete with water cannons will soon be completed as another recreational opportunity for children, and adults too!



Our Mission is to provide a secure and enjoyable year-round community garden, where fellow gardeners living within the Rim Country can grow productive organic gardens while taking pride in the care and maintenance of their individual plots and the Star Valley community garden.





## Revenues – Where does the money come from?

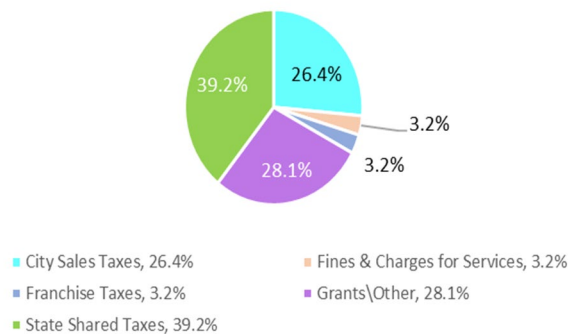
The town accounts for basic functions such as public safety, parks, community development, and general administration using government resources.

The largest source of revenue for the Town of Star Valley comes from state-shared taxes, which make up about 39% of the general fund revenues for the town. The town received one-time operating grants which are 28% of the revenues for the year ending 2022. This is mainly due to the CARES Act grant.

### 2022 General Fund Revenues

City Sales Taxes	\$	570,945
State Shared Taxes		846,115
Franchise Taxes		68,629
Grants\Other		605,931
Fines & Charges for Services		68,231
<b>Total Revenues</b>	<b>\$</b>	<b>2,159,851</b>

### 2022 General Fund Revenues



The Town of Star Valley maintains one type of proprietary fund. Enterprise funds are used to report the same function presented as business-type activities in government-wide financial statements. The town uses enterprise funds to account for its water operations.

### 2022 Enterprise Fund - Water Revenues

Total Revenues for Water Services	<b>\$</b>	<b>230,646</b>
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### Three Year Comparison All Fund Categories



Each of the major revenue categories for the years 2021 & 2022 is comparable and shows recovery from the COVID pandemic. The town received one-time grant dollars in 2020, which significantly increased the grant category. These grant dollars are mainly due to the CARES Act.

## Expenditures – Where does the money go?

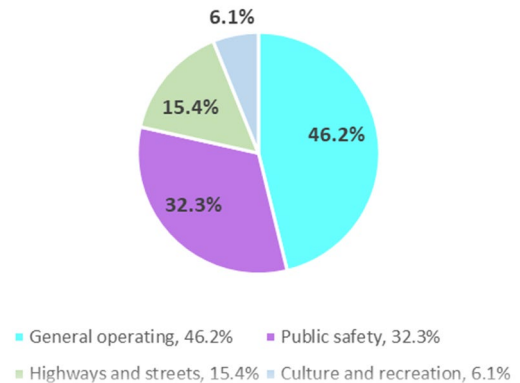
Operating expenses are costs that are associated with the maintenance and administration of day-to-day operations. The Town of Star Valley spends about 46% of its town budget on general operating expenditures, which is the largest spending category, followed by public safety at 32%. The town holds an Intergovernmental Agreement (IGA) with its neighboring town, the Town of Payson for its coverage of the police department.



### 2022 General Fund Expenditures

General operating	\$ 519,026
Public safety	362,073
Highways and streets	172,918
Culture and recreation	68,476
<b>Total Expenditures</b>	<b>\$ 1,122,493</b>

### 2022 General Fund Expenditures

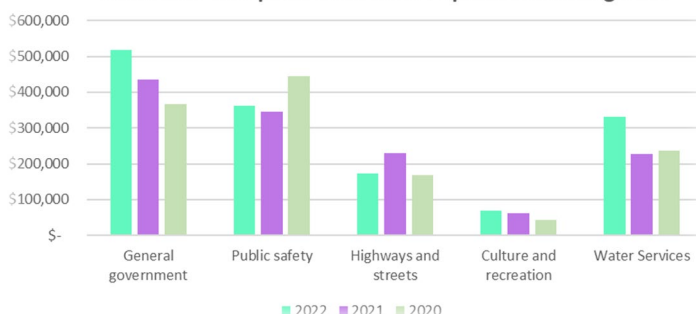


### 2022 Enterprise Fund - Water Expenditures

Total Expenditures for Water Department	\$ 332,406
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The town's Water Department finished the year with expenditures at \$332,406. Included in these expenditures is the depreciation expense of \$80,388. Other expenditures included water system improvements such as meter and water line replacements.

### Three Year Comparison All Fund Expenditure Categories



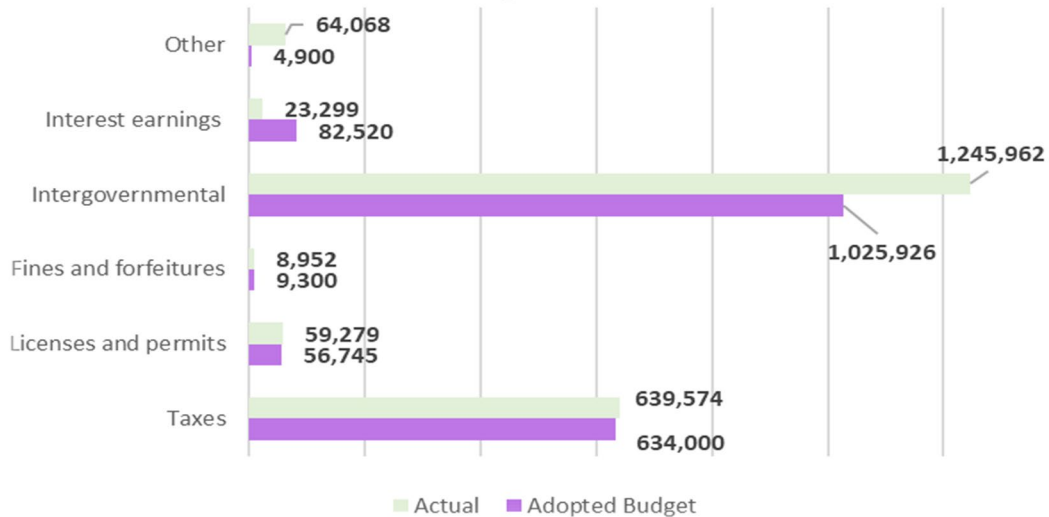
The town's increase in general operating expenditures is the result of several increases in common expenditures such as auditing services, general liability insurance, and other controlling expenses. The Water Department's expenditures have increased due to improvements in the water infrastructure.



## Budget Performance – How did we do this year?

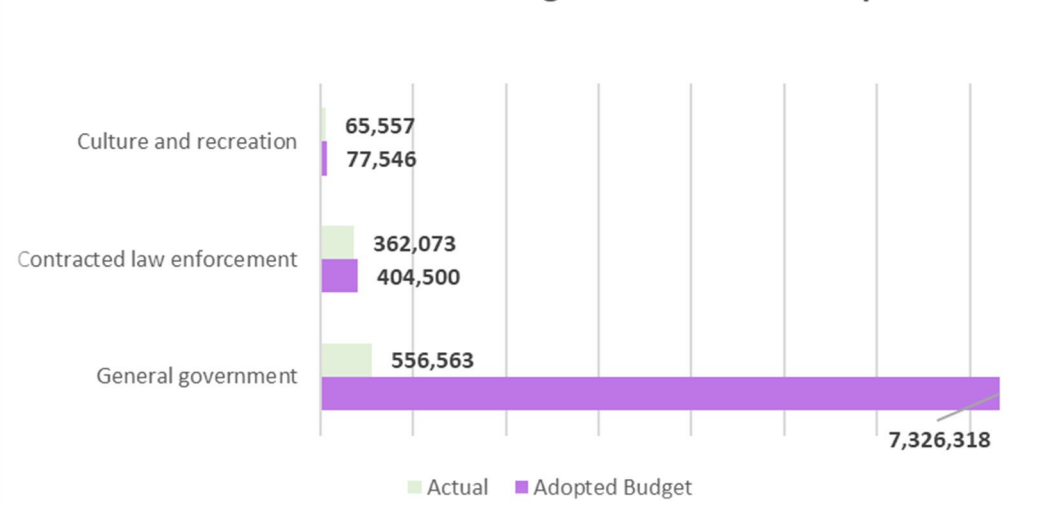
This year the town's actual state shared revenues fell right in-line with the adopted budget amounts. Due to the economic downturn regarding Interest rates, interest earnings reflect a decline in comparison to the budgeted amount. Other revenues include an unexpected Prop 202 tribal grant and town park donations.

### 2022 General Fund Budget Performance - Revenues



For the fiscal year 2022, the town budgeted its reserves for possible capital improvement projects to ensure budget authority.

### 2022 General Fund Budget Performance - Expenditures





## Net Position – What is the net position?

The difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources represents the net position, which may serve as a useful indicator of a government's financial position. The more assets that outweigh the liabilities, the stronger the financial health. In the case of Star Valley, assets exceeded liabilities by \$12,879,780 at the close of the most recent fiscal year.

### Town of Star Valley

	Governmental Activities			Business-type Activities		
	2022	2021	Net Change	2022	2021	Net change
<b>Assets and Deferred Outflows</b>	\$ 9,405,614	\$ 8,421,769	\$ 983,845	\$ (408,988)	\$ (358,044)	\$ (50,944)
Current and Capital assets	2,100,671	2,134,522	(33,851)	2,196,600	2,266,005	(69,405)
Deferred outflows	64,876	57,079	7,797	10,899	9,973	926
<b>Total Assets and Deferred Outflows</b>	<b>11,571,161</b>	<b>10,613,370</b>	<b>957,791</b>	<b>1,798,511</b>	<b>1,917,934</b>	<b>(119,423)</b>
<b>Liabilities and Deferred Inflows</b>						
Current liabilities	37,466	78,771	(41,305)	35,505	46,884	(11,379)
Long-term liabilities	263,387	348,502	(85,115)	49,719	66,993	(17,274)
Deferred inflows	83,597	36,744	46,853	20,218	9,228	10,990
<b>Total Liabilities and Deferred Inflows</b>	<b>384,450</b>	<b>464,017</b>	<b>(79,567)</b>	<b>105,442</b>	<b>123,105</b>	<b>(17,663)</b>
<b>Net Position</b>						
Net investment in capital assets	2,100,671	2,134,522	(33,851)	2,196,600	2,266,005	(69,405)
Restricted	2,696,635	2,349,720	346,915	-	-	-
Unrestricted	6,389,405	5,665,111	724,294	(503,531)	(471,176)	(32,355)
<b>Total Net Position</b>	<b>\$ 11,186,711</b>	<b>\$ 10,149,353</b>	<b>\$ 1,037,358</b>	<b>\$ 1,693,069</b>	<b>\$ 1,794,829</b>	<b>\$ (101,760)</b>

