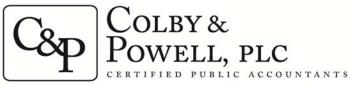
TOWN OF MAMMOTH, ARIZONA

Annual Expenditure Limitation Report and Independent Auditors' Report

June 30, 2011

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INDEPENDENT AUDITORS' REPORT

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

& Fowell

We have audited the accompanying Annual Expenditure Limitation Report of the Town of Mammoth, Arizona, for the year ended June 30, 2011. This report is the responsibility of the Town of Mammoth, Arizona's management. Our responsibility is to express an opinion on this report based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the report is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the report. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall report presentation. We believe that our audit provides a reasonable basis for our opinion.

The accompanying Annual Expenditure Limitation Report was prepared for the purpose of complying with the uniform expenditure reporting system as discussed in Note 1, and is not intended to be a presentation in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the Annual Expenditure Limitation Report of the Town of Mammoth, Arizona, for the year ended June 30, 2011, referred to above presents fairly, in all material respects, the information required by the uniform expenditure reporting system on the basis of accounting 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.

April 6, 2012

TOWN OF MAMMOTH, ARIZONA Annual Expenditure Limitation Report - Part I Year Ended June 30, 2011

1.	Economic Estimates Commission expenditure limitation	\$	-	
2.	Voter-approved alternative expenditure limitation (Approved May 18, 2010)	3	3,029,703	
3.	Enter applicable amount from Line 1 or Line 2			\$ 3,029,703
4.	Amount subject to the expenditure limitation (total amount from Part II, Line C)	1	,664,081	
5.	Board-authorized expenditures necessitated by a disaster declared by the Governor (Article IX, Sec. 20[2][a], Arizona Constitution)		-	
6.	Board-authorized expenditures necessitated by a disaster not declared by the Governor (Article IX, Sec. 20[2][b], Arizona Constitution)		-	
7.	Prior-year voter approved expenditures to exceed the expenditure limitation for the reporting fiscal year (Article IX, Sec. 20[2][c], Arizona Constitution)		<u>-</u>	
8.	Subtotal	1	,664,081	
9.	Board-authorized excess expenditures for the previous fiscal year necessitated by a disaster not declared by the Governor and and not approved by the voters (Article IX, Sec. 20[2][b], Arizona Constitution)		<u>-</u>	
10.	Total adjusted amount subject to the expenditure limitation			 1,664,081
11.	Amount under (in excess of) the expenditure limitation (if excess expenditures are reported, provide an explanation.)			\$ 1,365,622
repo	creby certify, to the best of my knowledge and belief, that our is accurate and in accordance with the requirements of em.			
Sign	nature of Chief Fiscal Officer:			
Nar	ne and Title:			
Tele	enhone Number: Date:			

TOWN OF MAMMOTH, ARIZONA Annual Expenditure Limitation Report – Part II Year Ended June 30, 2011

Description	Governmental Funds		
A. Amounts reported on the Reconciliation, Line D	\$ 1,172,160	\$ 491,921	\$ 1,664,081
B. Less exclusions claimed: (Note 1)			
C. Amounts subject to the expenditure limitation	\$ 1,172,160	\$ 491,921	\$ 1,664,081

TOWN OF MAMMOTH, ARIZONA Annual Expenditure Limitation Report – Reconciliation Year Ended June 30, 2011

Description	Governmental Funds	Enterprise Funds	Total
A. Total expenditures/expenses/deductions and applicable other financing uses, special items, and extraordinary items reported within the fund financial statements	\$ 1,172,160	\$ 505,994	\$ 1,678,154
B. Subtractions			
1. Items not requiring use of working capital:			
Depreciation	-	14,073	14,073
Loss on disposal of capital assets	-	-	-
Bad debt expense	-	-	-
Claims incurred but not reported	-	-	-
Landfill closure and postclosure care costs	-	-	-
2. Expenditures of separate legal entities			
established under Arizona Revised Statutes	-	-	-
3. Present value of net minimum capital lease and installment purchase contract payments recorded as expenditures at inception of the			
agreements 4. Involuntary court judgments	-	-	-
5. Total subtractions		14,073	14,073
3. Total subtractions		14,073	14,073
C. Additions			
1. Principal payments on long-term debt	-	-	-
2. Acquisition of capital assets	-	-	-
Claims paid in the current year but reported as expenses incurred but not reported in previous years	-	-	-
 Landfill closure and postclosure care costs recorded as expended in previous years 	_	_	-
5. Total additions	-		
D. Amounts reported on Part II, Line A	\$ 1,172,160	\$ 491,921	\$ 1,664,081

TOWN OF MAMMOTH, ARIZONA Notes to Annual Expenditure Limitation Report Year Ended June 30, 2011

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, and in accordance with the voter approved alternative expenditure limitation adopted May 10, 2010, as authorized by the Arizona Constitution, Article IX, Section 20(9).

In accordance with the UERS requirements, a note to the AELR is presented below for 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 Assets for the Proprietary Funds, and the Statement of Cash Flows for the Proprietary Funds.

Using a voter approved alternative expenditure limitation, there are no constitutionally allowed exclusions available to the Town in determining the amount subject to the expenditure limitation. Therefore, there are no exclusions taken in Part II of the Annual Expenditure Limitation Report.