

TOWN OF MAMMOTH, ARIZONA
Annual Expenditure Limitation Report
and Independent Auditors' Report
June 30, 2009

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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

We have audited the accompanying Annual Expenditure Limitation Report of the Town of Mammoth, Arizona, for the year ended June 30, 2009. 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, 2009, 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.

Colby & Powell

December 18, 2009

TOWN OF MAMMOTH, ARIZONA
Annual Expenditure Limitation Report - Part I
Year Ended June 30, 2009

| | | |
|--|------------------|----------------------------|
| 1. Economic Estimates Commission expenditure limitation | \$ - | |
| 2. Voter-approved alternative expenditure limitation (Approved March 16, 2006) | <u>2,975,179</u> | |
| 3. Enter applicable amount from Line 1 or Line 2 | | \$ 2,975,179 |
| 4. Amount subject to the expenditure limitation (total amount from Part II, Line C) | 1,865,119 | |
| 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 | 1,865,119 | |
| 9. Board-authorized excess expenditures for the previous fiscal year necessitated by a disaster not declared by the Governor 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 | | <u>1,865,119</u> |
| 11. Amount under (in excess of) the expenditure limitation (if excess expenditures are reported, provide an explanation.) | | <u><u>\$ 1,110,060</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: _____

Telephone Number: _____ Date: _____

See accompanying notes to report.

TOWN OF MAMMOTH, ARIZONA
Annual Expenditure Limitation Report – Part II
Year Ended June 30, 2009

| <u>Description</u> | <u>Governmental Funds</u> | <u>Enterprise Funds</u> | <u>Total</u> |
|---|-------------------------------|-----------------------------|---------------------|
| A. Amounts reported on the Reconciliation, Line D | \$ 1,348,147 | \$ 516,972 | \$ 1,865,119 |
| B. Less exclusions claimed: (Note 1) | <u>-</u> | <u>-</u> | <u>-</u> |
| C. Amounts subject to the expenditure limitation | <u>\$ 1,348,147</u> | <u>\$ 516,972</u> | <u>\$ 1,865,119</u> |

See accompanying notes to report.

TOWN OF MAMMOTH, ARIZONA
Annual Expenditure Limitation Report – Reconciliation
Year Ended June 30, 2009

| 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 | <u>\$ 1,348,147</u> | <u>\$ 476,772</u> | <u>\$ 1,824,919</u> |
| B. Subtractions | | | |
| 1. Items not requiring use of working capital: | | | |
| Depreciation | - | 6,608 | 6,608 |
| 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 | <u>-</u> | <u>6,608</u> | <u>6,608</u> |
| C. Additions | | | |
| 1. Principal payments on long-term debt | - | - | - |
| 2. Acquisition of capital assets | - | 46,808 | 46,808 |
| 3. Claims paid in the current year but reported as expenses incurred but not reported in previous years | - | - | - |
| 4. Landfill closure and postclosure care costs recorded as expended in previous years | - | - | - |
| 5. Total additions | <u>-</u> | <u>46,808</u> | <u>46,808</u> |
| D. Amounts reported on Part II, Line A | <u>\$ 1,348,147</u> | <u>\$ 516,972</u> | <u>\$ 1,865,119</u> |

See accompanying notes to report.

TOWN OF MAMMOTH, ARIZONA
Notes to Annual Expenditure Limitation Report
Year Ended June 30, 2009

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 March 16, 2006, 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.