

TOWN OF MAMMOTH, ARIZONA
Annual Expenditure Limitation Report
and Independent Accountants' Report
June 30, 2012

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INDEPENDENT ACCOUNTANTS' REPORT

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

We were engaged to examine the accompanying Annual Expenditure Limitation Report of the Town of Mammoth, Arizona, for the year ended June 30, 2012. 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 examination.

We were unable to obtain appropriate evidence to support amounts and disclosures in the Town's financial statements due to the inadequacy of the Town of Mammoth, Arizona's accounting records. As such, we were not able to satisfy ourselves about the amounts at which certain expenditures are recorded in the accompanying report.

Because of the significance of the matters discussed in the second paragraph, the scope of our work was not sufficient to enable us to express, and we do not express, an opinion on the Annual Expenditure Limitation Report referred to in the first paragraph.

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 & Powell".

December 19, 2014

TOWN OF MAMMOTH, ARIZONA
Annual Expenditure Limitation Report - Part I
Year Ended June 30, 2012

1. Economic Estimates Commission expenditure limitation	\$ -	
2. Voter-approved alternative expenditure limitation (Approved May 18, 2010)	<u>3,286,618</u>	
3. Enter applicable amount from Line 1 or Line 2		\$ 3,286,618
4. Amount subject to the expenditure limitation (total amount from Part II, Line C)	1,871,098	
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	1,871,098	
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>1,871,098</u>
11. Amount under (in excess of) the expenditure limitation (if excess expenditures are reported, provide an explanation.)		<u><u>\$ 1,415,520</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, 2012

<u>Description</u>	<u>Governmental Funds</u>	<u>Enterprise Funds</u>	<u>Total</u>
A. Amounts reported on the Reconciliation, Line D	\$ 1,339,388	\$ 531,710	\$ 1,871,098
B. Less exclusions claimed: (Note 1)	<u>-</u>	<u>-</u>	<u>-</u>
C. Amounts subject to the expenditure limitation	<u>\$ 1,339,388</u>	<u>\$ 531,710</u>	<u>\$ 1,871,098</u>

See accompanying notes to report.

TOWN OF MAMMOTH, ARIZONA
Annual Expenditure Limitation Report – Reconciliation
Year Ended June 30, 2012

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	\$ 1,339,388	\$ 546,216	\$ 1,885,604
B. Subtractions			
1. Items not requiring use of working capital:			
Depreciation	-	14,506	14,506
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	-	14,506	14,506
C. Additions			
1. Principal payments on long-term debt	-	-	-
2. Acquisition of capital assets	-	-	-
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	-	-	-
D. Amounts reported on Part II, Line A	\$ 1,339,388	\$ 531,710	\$ 1,871,098

See accompanying notes to report.

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 18, 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 Position 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.