TOWN OF CLARKDALE, ARIZONA

Annual Expenditure Limitation Report
and Independent Auditors' Report
June 30, 2010

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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 Clarkdale, Arizona

We have audited the accompanying Annual Expenditure Limitation Report of the Town of Clarkdale, Arizona, for the year ended June 30, 2010. This report is the responsibility of the Town of Clarkdale, Arizona's management. Our responsibility is to express an opinion on this report based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards. 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 generally accepted accounting principles.

In our opinion, the Annual Expenditure Limitation Report of the Town of Clarkdale, Arizona, for the year ended June 30, 2010, 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 6, 2010

TOWN OF CLARKDALE, ARIZONA
Annual Expenditure Limitation Report - Part I
Year Ended June 30, 2010

1. Voter approved expenditure limitation (Approved March 14, 2006)	$ 33,699,902
2. Amount subject to the expenditure limitation (total amount from **Part II, Line C**)	5,007,216
3. Amount under the expenditure limitation	$ 28,692,686

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: Kathy Bainbridge

Name and Title: Kathy Bainbridge, Town Clerk-Finance DR

Telephone Number: 928-639-2445 Date: 1/19/2011

See accompanying notes to report.

TOWN OF CLARKDALE, ARIZONA
Annual Expenditure Limitation Report – Part II
Year Ended June 30, 2010

Description	Governmental Funds	Enterprise Funds	Total
A. Amounts reported on the **Reconciliation, Line D**	$ 2,959,688	$ 2,047,528	$ 5,007,216
B. Less exclusions claimed:	-	-	-
C. Amounts subject to the expenditure limitation	$ 2,959,688	$ 2,047,528	$ 5,007,216

See accompanying notes to report.

TOWN OF CLARKDALE, ARIZONA
Annual Expenditure Limitation Report – Reconciliation
Year Ended June 30, 2010

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	$ 2,959,688	$ 1,793,053	$ 4,752,741
B. Subtractions			
1. Items not requiring use of working capital			
a. Depreciation and amortization	-	336,824	336,824
b. Bad debt expense	-	-	-
2. Expenditures of separate legal entities established under Arizona Revised Statutes	-	-	-
3. Present value of minimum capital lease and installment purchase contract payments recorded as expenditures at inception of the agreements	-	-	-
4. Involuntary court judgments	-	-	-
Total subtractions	-	336,824	336,824
C. Additions			
1. Principal payments on long-term debt	-	188,692	188,692
2. Acquisition of capital assets	-	402,607	402,607
Total additions	-	591,299	591,299
D. Amounts reported on **Part II, Line A**	$ 2,959,688	$ 2,047,528	$ 5,007,216

See accompanying notes to report.

TOWN OF CLARKDALE, ARIZONA
Notes to Annual Expenditure Limitation Report
Year Ended June 30, 2010

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 14, 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 any exclusion claimed on Part II and each deduction 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 Balance 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.