



ANNUAL EXPENDITURE LIMITATION REPORT

Year Ended June 30, 2012





TOWN OF MARANA, ARIZONA  
EXPENDITURE LIMITATION REPORT  
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HENRY & HORNE, LLP  
Certified Public Accountants

## INDEPENDENT AUDITORS' REPORT

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

We have audited the financial statements of Town of Marana, Arizona as of and for the year ended June 30, 2012, and have issued our separate report thereon dated February 15, 2013. We have also audited the accompanying Annual Expenditure Limitation Report of Town of Marana, Arizona for the year ended June 30, 2012. This report is the responsibility of the Town'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 Town of Marana, Arizona, for the year ended June 30, 2012, 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 the members of the Arizona State Legislature 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.

*Henry & Horne LLP*

Casa Grande, Arizona  
February 15, 2013

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TOWN OF MARANA, ARIZONA  
ANNUAL EXPENDITURE LIMITATION REPORT-PART I  
YEAR ENDED JUNE 30, 2012

1. Economic Estimates Commission expenditure limitation	\$ 13,625,976
2. Voter-approved alternative expenditure limitation (Approved June 21, 2011) See Note 1	<u>126,965,590</u>
3. Enter applicable amount from Line 1 or Line 2	<u>\$ 126,965,590</u>
4. Amount subject to the expenditure limitation (total amount from Part II, Line C)	<u>53,049,401</u>
5. Amount under the expenditure limitation	<u>\$ 73,916,189</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

Signature of Chief Fiscal Officer: \_\_\_\_\_

Name and Title: Erik Montague, Finance Director

Telephone Number: (520) 382-1900 Date: \_\_\_\_\_

TOWN OF MARANA, ARIZONA  
ANNUAL EXPENDITURE LIMITATION REPORT-PART II  
YEAR ENDED JUNE 30, 2012

Description	Governmental Funds
A. Amounts reported on the Reconciliation, Line D	\$ 47,325,204
B. Less exclusions claimed:	
1. Bond proceeds	
Debt service requirements on bonded indebtedness	-
Proceeds from other long-term obligations	-
Debt service requirements on other long-term	-
2. Dividends, interest, and gains on the sale or redemption of investment securities	-
3. Trustee or custodian	-
4. Grants and aid from the federal government	-
5. Grants, aid, contributions, or gifts from a private agency, organization, or individual, except amounts received in lieu of taxes	-
6. Amounts received from the State of Arizona	-
7. Quasi-external interfund transactions	-
8. Amounts accumulated for the purchase of land, and the purchase or construction of buildings or improvements	-
9. Highway user revenues in excess of those received in fiscal year 1979-80	-
10 Contracts with other political subdivisions	-
11 Refunds, reimbursements, and other recoveries	-
12 Voter-approved exclusions not identified above (attach resolution)	-
13 Prior years carryforward	-
14 Total exclusions claimed	-
C. Amounts subject to the expenditure limitation	\$ 47,325,204



TOWN OF MARANA, ARIZONA  
ANNUAL EXPENDITURE LIMITATION REPORT-RECONCILIATION  
YEAR ENDED JUNE 30, 2012

Description	Governmental Funds
Total expenditures/expenses/deductions and applicable other financing uses, special items, and extraordinary items reported within the fund financial statements	\$ 47,325,204
B. Deductions:	
1. Items not requiring use of working capital:	
Depreciation	-
Loss on disposal of capital assets	-
Bad debt expense	-
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	-
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 paid in the current year but reported as expenses in previous years	-
5. Total additions	-
D. Amounts reported on Part II, Line A	\$ 47,325,204

<u>Enterprise Funds</u>	<u>Internal Service Funds</u>	<u>Fiduciary Funds</u>	<u>Total</u>
\$ 8,016,851	\$ -	\$ -	\$ 55,342,055
4,069,745	-	-	4,069,745
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>4,069,745</u>	<u>-</u>	<u>-</u>	<u>4,069,745</u>
-	-	-	-
1,777,091	-	-	1,777,091
-	-	-	-
-	-	-	-
<u>1,777,091</u>	<u>-</u>	<u>-</u>	<u>1,777,091</u>
<u>\$ 5,724,197</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 53,049,401</u>

TOWN OF MARANA, ARIZONA  
ANNUAL EXPENDITURE LIMITATION REPORT  
Year Ended June 30, 2012

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 plan adopted on May 19, 2009 as authorized by the Arizona Constitution, Article IX, Section 20(9). This plan provides for the Town to allow the Mayor and Council to adopt an annual expenditure limitation each year, which for fiscal year 2011-2012 equaled the budget of \$126,965,590. This budget was adopted formally on June 21, 2011.