

CITY OF EL MIRAGE, ARIZONA
ANNUAL EXPENDITURE LIMITATION REPORT
JUNE 30, 2021
WITH REPORT OF
CERTIFIED PUBLIC ACCOUNTANTS

CITY OF EL MIRAGE, ARIZONA
Annual Expenditure Limitation Report
June 30, 2021

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Independent Accountants' Report on AELR

The Auditor General of the State of Arizona and
The Honorable Mayor and City Council
City of El Mirage, Arizona

We have examined the accompanying Annual Expenditure Limitation Report of the City of El Mirage, Arizona, for the year ended June 30, 2021, and the related notes to the report. The City of El Mirage, Arizona's management is responsible for presenting this report in accordance with the uniform expenditure reporting system as described in note 1. Our responsibility is to express an opinion on this report based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether this report is presented in accordance with the uniform expenditure reporting system in all material respects. An examination involves performing procedures to obtain evidence about the amounts and disclosures in the report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of the report, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

In our opinion, the annual expenditure limitation report referred to above is presented in accordance with the uniform expenditure reporting system as described in note 1 in all material respects.

HintonBurdick, PLLC
Gilbert, Arizona
October 14, 2021

CITY OF EL MIRAGE, ARIZONA
Annual Expenditure Limitation Report – Part I
Year Ended June 30, 2021

1. Economic Estimates Commission expenditure limitation	\$ 130,595,233	
2. Voter-approved alternative expenditure limitation	<u>\$ -</u>	
3. Enter applicable amount from line 1 or line 2		\$ 130,595,233
4. Amount subject to the expenditure limitation (total amount from Part II, Line C)		<u>40,869,059</u>
5. Amount under (in excess of) the expenditure limitation (If excess expenditures are reported, provide an explanation)		<u><u>\$ 89,726,174</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: Robert Nilles, Finance Director

Telephone Number: (623) 876-2955 Date: _____

See accompanying notes to report

CITY OF EL MIRAGE, ARIZONA
Annual Expenditure Limitation Report – Part II
Year Ended June 30, 2021

Description	Governmental Funds	Enterprise Funds	Total
A. Amounts reported on the Reconciliation Line D	\$ 29,861,246	\$ 11,007,813	\$ 40,869,059
B. Less exclusions claimed:			
1. Debt proceeds	-	-	-
2. Debt service requirements	-	-	-
3. Dividends, interest and gains on the sale or redemption of investment securities	-	-	-
4. Trustee or custodian	-	-	-
5. Grants and aid from the Federal government	-	-	-
6. Grants, aid, contributions, or gifts from a private agency, organization, or individual except amounts received in lieu of taxes	-	-	-
7. Amounts received from the State of Arizona	-	-	-
8. Quasi-external interfund transactions	-	-	-
9. Voter-approved amounts accumulated for the purchase of land, and the purchase or construction of buildings or improvements	-	-	-
10. Highway user revenues in excess of those received in fiscal year 1979-80	-	-	-
11. Contracts with other political subdivisions	-	-	-
12. Refunds, reimbursements, and other recoveries	-	-	-
13. Voter-approved exclusions not identified above (attach resolution)	-	-	-
14. Prior years carryforward	-	-	-
15. Qualifying capital improvement expenditures repaid in accordance with A.R.S. §41-1279.07	-	-	-
16. Total exclusions claimed	-	-	-
C. Amount subject to the expenditure limitation (If an individual fund type amount is negative, reduce exclusions claimed to net to zero.)	\$ 29,861,246	\$ 11,007,813	\$ 40,869,059
	<u>\$ 29,861,246</u>	<u>\$ 11,007,813</u>	<u>\$ 40,869,059</u>

See accompanying notes to report

CITY OF EL MIRAGE, ARIZONA
Annual Expenditure Limitation Report - Reconciliation
Year Ended June 30, 2021

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	\$ 29,861,246	\$ 10,691,640	\$ 40,552,886
B. Subtractions:			
1. Items not requiring use of working capital:			
Depreciation	-	2,648,430	2,648,430
Loss on disposal of capital assets	-	-	-
Bad debt expense	-	-	-
Pension/Other postemployment benefits expense	-	189,912	189,912
Claims incurred but not reported	-	-	-
Landfill closure and postclosure care costs and pollution remediation	-	-	-
2. Expenditures of separate legal entities established under Arizona Revised Statutes	-	-	-
3. Required fee paid to the Arizona Dept. of Revenue	-	-	-
4. Present value of net minimum capital lease and installment purchase contract payments recorded as expenditures at inception of the agreements	-	-	-
5. Involuntary court judgments	-	-	-
6. Total subtractions	\$ -	\$ 2,838,342	\$ 2,838,342
C. Additions:			
1. Principal payments on long-term debt	-	1,154,169	1,154,169
2. Capital asset acquisitions	-	1,786,591	1,786,591
3. Amounts paid in the current year but reported as expenses in previous years:			
Claims previously recognized as IBNR	-	-	-
Landfill closure and postclosure care costs and pollution remediation	-	-	-
4. Pension and OPEB contributions paid in the current year	-	213,755	213,755
5. Transfers to separate legal entities	-	-	-
6. Total additions	-	3,154,515	3,154,515
D. Amounts reported on Part II, Line A	\$ 29,861,246	\$ 11,007,813	\$ 40,869,059

See accompanying notes to report

CITY OF EL MIRAGE, ARIZONA
Notes to the Annual Expenditure Limitation Report
June 30, 2021

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 §41-1279.07. The AELR excludes expenditures, expenses, or deductions of certain revenues specified in the Arizona Constitution, Article IX §20, from the total expenditures, expenses or deductions reported in the fund financial statements.

In accordance with the UERS requirements, a note to the AELR is presented below for any exclusion claimed in part II and 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 Net Position for the Proprietary Funds, and the Statement of Cash Flows for the Proprietary Funds.

Note 2 Reconciliation - Total Expenditures/Expenses/Deductions

Total expenses as reported on the Reconciliation are summarized as follows:

Enterprise Funds:	
Operating expenses	\$ 10,269,318
Non-operating expenses	
Interest expense	<u>422,322</u>
Total	<u><u>\$ 10,691,640</u></u>

Note 3 Reconciliation - Subtractions and Additions

The subtractions for depreciation and pension/OPEB expense and the additions for principal payments on long-term debt, the acquisition of capital assets, and pension/OPEB contributions are all provided in the Statement of Cash Flows for the Proprietary Funds and the financial statement footnotes 5 and 6. The subtraction for pension expense is based on the calculated change in the net pension liability as reported in the Statement of Cash Flows for the Proprietary Funds.

CITY OF EL MIRAGE, ARIZONA
Notes to the Annual Expenditure Limitation Report
June 30, 2021

Note 4 Part II - Exclusions

No exclusions have been reported. The City is well under the Economic Estimates Commission expenditure limitation without reporting any exclusions.