

**CITY OF GLENDALE, ARIZONA**  
**ANNUAL EXPENDITURE LIMITATION REPORT**  
**YEAR ENDED JUNE 30, 2024**

**CITY OF GLENDALE, ARIZONA  
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## INDEPENDENT ACCOUNTANTS' REPORT

Auditor General of the State of Arizona  
Honorable Mayor and the City Council  
City of Glendale, Arizona  
Glendale, Arizona

We have examined the accompanying Annual Expenditure Limitation Report of the City of Glendale, Arizona (City), for the year ended June 30, 2024, and the related notes to the report. The City's management is responsible for presenting this report in accordance with the *Uniform Expenditure Reporting System* (UERS) 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 UERS 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.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

In our opinion, the Annual Expenditure Limitation Report of the City of Glendale, Arizona, referred to above is presented in accordance with the *Uniform Expenditure Reporting System* as described in Note 1, in all material respects.

*CliftonLarsonAllen LLP*

**CliftonLarsonAllen LLP**

Phoenix, Arizona  
March 26, 2025

**CITY OF GLENDALE, ARIZONA  
ANNUAL EXPENDITURE LIMITATION REPORT - PART I  
YEAR ENDED JUNE 30, 2024  
(AMOUNTS EXPRESSED IN THOUSANDS)**

**City of Glendale, Arizona  
Annual Expenditure Limitation Report—Part I  
Year ended June 30, 2024**

1. Economic Estimates Commission expenditure limitation	\$	<u>730,771</u>
2. Amount subject to the expenditure limitation (total amount from Part II, line C)	\$	<u>491,598</u>
3. Amount under (in excess of) the expenditure limitation	\$	<u><u>239,173</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 financial officer: Levi D. Gibson

Name and title: Levi D. Gibson, Budget and Finance Director

Telephone number: (623) 930-2268 Date: 3-27-2025

**CITY OF GLENDALE, ARIZONA  
ANNUAL EXPENDITURE LIMITATION REPORT - PART II  
YEAR ENDED JUNE 30, 2024  
(AMOUNTS EXPRESSED IN THOUSANDS)**

City of Glendale, Arizona  
Annual Expenditure Limitation Report—Part II  
Year ended June 30, 2024

Description	Governmental funds	Enterprise funds	Internal service funds	Total
A. Amounts reported on the Reconciliation, line D	\$ 688,326	\$ 217,755	\$ 80,239	\$ 986,320
B. Less exclusions claimed:				
1. Debt proceeds	150,083		-	150,083
2. Debt service requirements	127,059	29,289		156,348
Dividends, interest, and gains on the sale or redemption of investment				
3. securities	30,000	3,701	5,810	39,511
4. Grants and aid from the federal government	34,706	17,500	-	52,206
Grants, aid, contributions, or gifts from a private agency, organization, or				
5. individual, except amounts received in lieu of taxes	49	-	-	49
6. Amounts received from the State of Arizona	5,313	-	-	5,313
7. Quasi-external interfund transactions	-	-	74,429	74,429
8. Highway user revenues in excess of those received in fiscal year 1979-80	14,245	-	-	14,245
9. Contracts with other political subdivisions	2,538	-	-	2,538
10. Total exclusions claimed	363,993	50,490	80,239	494,722
C. Amounts subject to the expenditure limitation	<u>\$ 324,333</u>	<u>\$ 167,265</u>	<u>\$ -</u>	<u>\$ 491,598</u>

See accompanying notes to report.

**CITY OF GLENDALE, ARIZONA**  
**ANNUAL EXPENDITURE LIMITATION REPORT - RECONCILIATION**  
**YEAR ENDED JUNE 30, 2024**  
**(AMOUNTS EXPRESSED IN THOUSANDS)**

City of Glendale, Arizona  
Annual Expenditure Limitation Report—Reconciliation  
Year ended June 30, 2024

Description	Governmental funds	Enterprise funds	Internal service funds	Total
Total expenditures/expenses/deductions and applicable other financing uses, special items, and extraordinary items reported within the fund financial statements	\$ 697,628	\$ 180,842	\$ 76,212	\$ 954,682
B. Subtractions:				
1. Items not requiring use of current financial resources:				
a. Depreciation and amortization	-	39,151	\$ 3,536	42,687
b. Bad debt expense	-	188	\$ -	188
c. Pension and other postemployment benefits (OPEB) expense	-	4,412	\$ 1,051	5,463
d. Claims incurred but not reported (IBNR)	-	-	\$ 28,074	28,074
e. Landfill closure and postclosure care costs and pollution remediation	-	505	\$ -	505
2. Expenditures of separate legal entities established under Arizona Revised Statutes	7,647	-	\$ -	7,647
3. Required fees paid to the Industrial Commission of Arizona Present value of net minimum lease, financed purchase, and subscription-based information technology arrangement (SBITA) contract payments recorded as expenditures at the agreements' inception	718	-	\$ -	718
	937	-	\$ -	937
5. Total subtractions	9,302	44,256	32,661	86,219
C. Additions:				
1. Principal payments on long-term debt	-	21,957	\$ -	21,957
2. Capital asset acquisitions	-	55,673	\$ 5,976	61,649
3. Claims previously recognized as IBNR	-	-	\$ 29,869	29,869
4. Pension and OPEB contributions paid in the current year	-	3,539	\$ 843	4,382
5. Total additions	-	81,169	\$ 36,688	117,857
D. Amounts reported on Part II, line A	\$ 688,326	\$ 217,755	\$ 80,239	\$ 986,320

See accompanying notes to report.

**CITY OF GLENDALE, ARIZONA**  
**NOTES TO ANNUAL EXPENDITURE LIMITATION REPORT**  
**JUNE 30, 2024**  
**(AMOUNTS EXPRESSED IN THOUSANDS)**

**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, which 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-based financial statements.

In accordance with the UERS requirements, a note to the AELR is presented below for any exclusion claimed on Part II and each subtraction or addition in the reconciliation that cannot be traced directly to an amount reported in the fund-based 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 Enterprise and Internal Service Funds and the Statement of Cash Flows for the Enterprise and Internal Service Funds.

**NOTE 2 BOND PROCEEDS**

The exclusion claimed for debt proceeds consists of expenditures for payment to bond escrow agent, bond issuance costs and capital expenditures in the year the expenditure occurs, and any unused amounts are carried forward for future years. The carryforward and excludable expenditures were calculated as follows:

	<u>Governmental</u>
Prior year carryforward	\$ -
Bond proceeds and premium	115,613
Bond proceeds and premium utilized	<u>(8,753)</u>
Carryforward	<u>\$ 106,860</u>
 Bond proceeds and premium utilized	 (8,753)
Bond issuance costs	(1,150)
Payments to bond escrow agent	<u>(140,180)</u>
Excludable expenditures	<u>\$ (150,083)</u>

**NOTE 3 DEBT SERVICE REQUIREMENTS ON BONDED INDEBTEDNESS**

The exclusion claimed for debt service requirements on bonded indebtedness in the Governmental and Enterprise Funds consist of principal and interest expenditures/expenses, excluding principal and interest paid from legally separate entities.

The following is a summary of the exclusions claimed for principal and interest requirements on bonded indebtedness:

	<u>Governmental</u>	<u>Enterprise</u>
Principal	\$ 105,485	\$ 21,957
Interest	21,574	4,548
Plus: Amortized Premium		3,470
Less: Amortized Deferred Amount on Refunding		<u>(686)</u>
	<u>\$ 127,059</u>	<u>\$ 29,289</u>

**CITY OF GLENDALE, ARIZONA**  
**NOTES TO ANNUAL EXPENDITURE LIMITATION REPORT**  
**JUNE 30, 2024**  
**(AMOUNTS EXPRESSED IN THOUSANDS)**

**NOTE 4 GRANTS AND AID FROM FEDERAL GOVERNMENT, AMOUNTS RECEIVED FROM STATE AND CONTRACTS WITH OTHER POLITICAL SUBDIVISIONS, AND HIGHWAY USER REVENUES**

The following schedule presents revenues from which exclusions have been claimed for federal grants and aid, amounts received from the State of Arizona, contracts with other political subdivisions, and highway user revenues in the Governmental and Enterprise Funds.

	<u>Governmental</u>	<u>Enterprise</u>
Grants and aid from the federal government	\$ 34,706	\$ 17,500
Amounts received from the State of Arizona	5,313	-
Contracts with other political subdivisions	2,538	-
Highway user revenues in excess of those received in fiscal year 1979-80 (Note 4)	18,021	-
Other revenues (non-excludable)	<u>119,254</u>	<u>6,580</u>
Total intergovernmental revenues and capital contributions as reported in the fund-based financial statements	<u>\$ 179,832</u>	<u>\$ 24,080</u>

**NOTE 5 HIGHWAY USER REVENUES IN EXCESS OF THOSE RECEIVED IN FISCAL YEAR 1979-80**

The exclusion claimed for highway user revenues in excess of those received in fiscal year 1979-80 was calculated as follows:

	<u>Governmental</u>
HURF Fund revenues	\$ 19,286
Less: 1979-80 base revenues	<u>(1,265)</u>
Excludable revenues	<u>\$ 18,021</u>
 HURF Fund expenditures	 \$ 17,193
Less: 1979-80 base revenues	<u>(1,265)</u>
Non-excludable revenues	<u>(1,683)</u>
Excludable expenditures	<u>\$ 14,245</u>
 Prior year carry forward	 \$ 16,819
Current year additions	3,776
Less: Transfer Out	<u>-</u>
Current year carry forward	<u>\$ 20,595</u>

**NOTE 6 QUASI-EXTERNAL INTERFUND TRANSACTIONS**

The exclusion of \$74,429 for quasi-external transactions consists of the portion of self-insurance premiums expended by the City in the governmental funds for services paid and expensed in the Internal Service Funds. The exclusion was less than actual contributions from the governmental funds due to governmental fund expenditures exceeding current year Internal Service Fund expenses.



**CITY OF GLENDALE, ARIZONA**  
**NOTES TO ANNUAL EXPENDITURE LIMITATION REPORT**  
**JUNE 30, 2024**  
**(AMOUNTS EXPRESSED IN THOUSANDS)**

**NOTE 7    BAD DEBT EXPENSE**

The subtraction for bad debt expense of \$188 in the Enterprise Funds is reported as water and sewer, landfill, sanitation, and housing operating expenses.

**NOTE 8    CLAIMS INCURRED BUT NOT REPORTED AND CLAIMS PAID IN THE CURRENT YEAR BUT REPORTED AS EXPENSES**

The subtraction of \$28,074 for claims incurred but not reported consists of the estimated costs of claims incurred and expensed in the current year, but not yet paid in the Internal Service Funds. The addition of \$29,869 for claims paid in the current year but reported as expenses incurred, but not reported in the previous year consist of cash payments in the current year for claims recognized as an expense in the previous year in the Internal Service Fund.

**NOTE 9    EXPENDITURES OF SEPARATE LEGAL ENTITIES ESTABLISHED UNDER ARIZONA REVISED STATUTES**

The subtraction for separate legal entities established under Arizona Revised Statutes consist of expenditures of the municipal property corporation, which is included within the City's reporting entity, but not included in the Economic Estimates Commission base limit calculations and are reported in the Governmental Funds category in the fund financial statements.

<u>Separate legal entities</u>	<u>Expenditures</u>
Municipal Property Corporation	
Operating	\$        7
Principal	2,235
Interest	5,405
	<u>\$    7,647</u>

**NOTE 10    DIVIDENDS, INTEREST AND GAINS ON SALE OF INVESTMENT SECURITIES**

The exclusion claimed for dividends, interest, and gains on sale or redemption of investment securities of \$30,000 in the Governmental Funds \$3,701 in the Enterprise Funds and \$5,810 in the Internal Service Funds. There is no revenue remaining to carry forward to future years.

**CITY OF GLENDALE, ARIZONA**  
**NOTES TO ANNUAL EXPENDITURE LIMITATION REPORT**  
**JUNE 30, 2024**  
**(AMOUNTS EXPRESSED IN THOUSANDS)**

**NOTE 11 PENSION & OPEB EXPENSE AND CONTRIBUTIONS**

The subtraction for pension and OPEB expense consists of the change in the net pension liabilities recognized in the current year in the Enterprise Funds and Internal Service Funds.

	Enterprise	Internal Service Funds
Subtraction of Pension Expense	\$ 4,650	\$ 1,094
Subtraction of OPEB Expense	(238)	(43)
	<u>\$ 4,412</u>	<u>\$ 1,051</u>

The addition for pension and OPEB contributions paid in the current year consists of the required pension and OPEB contributions made to the Arizona State Retirement System from the Enterprise Funds and Internal Service Funds.

	Enterprise	Internal Service Funds
Addition of Pension Contributions paid in the current year	\$ 3,510	\$ 826
Addition of OPEB Contributions paid in the current year	29	17
	<u>\$ 3,539</u>	<u>\$ 843</u>

The schedule below reconciles the net effect the subtraction and addition have on the expenditures subject to the limitation to the amounts reported on the statement of cash flows' net effect on cash.

	Enterprise	Internal Service Funds
Change in net pension and OPEB asset	\$ 13	\$ 3
Change in deferred inflows related to pensions and OPEB	16	8
Change in deferred outflows related to pensions and OPEB	588	138
Change in net pension and OPEB liability	256	59
Total	<u>\$ 873</u>	<u>\$ 208</u>

**NOTE 12 CONTRIBUTIONS & DONATIONS FROM PRIVATE DONORS**

The contributions and donations are from various donors and recorded in local revenues.

	Governmental
Contributions/Donations	\$ 49
	<u>\$ 49</u>