

CITY OF GLENDALE, ARIZONA
ANNUAL EXPENDITURE LIMITATION REPORT
YEAR ENDED JUNE 30, 2025

**CITY OF GLENDALE, ARIZONA
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YEAR ENDED JUNE 30, 2025**

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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, 2025, 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
February 25, 2026

**CITY OF GLENDALE, ARIZONA
ANNUAL EXPENDITURE LIMITATION REPORT - PART I
YEAR ENDED JUNE 30, 2025
(AMOUNTS EXPRESSED IN THOUSANDS)**

**City of Glendale, Arizona
Annual Expenditure Limitation Report
Year ended June 30, 2025**

1. Economic Estimates Commission expenditure limitation	\$	<u>765,293</u>
2. Amount subject to the expenditure limitation (total amount from Part II, line C)	\$	<u>525,571</u>
3. Amount under (in excess of) the expenditure limitation	\$	<u><u>239,722</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: 

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

Telephone number (623) 930-2268

Date: 3/3/2026

**CITY OF GLENDALE, ARIZONA
ANNUAL EXPENDITURE LIMITATION REPORT - PART II
YEAR ENDED JUNE 30, 2025
(AMOUNTS EXPRESSED IN THOUSANDS)**

City of Glendale, Arizona
Annual Expenditure Limitation Report
Year ended June 30, 2025

Description	Governmental funds	Enterprise funds	Internal service funds	Total
A. Amounts reported on the Reconciliation, line D	\$ 605,556	\$ 242,234	\$ 84,520	\$ 932,310
B. Less exclusions claimed:				
1. Debt proceeds (Note 2)	3,295	-	-	3,295
2. Debt service requirements (Note 3)	97,335	59,268	-	156,603
Dividends, interest, and gains on the sale or redemption of investment securities (Note 10)	32,699	3,463	6,486	42,648
4. Grants and aid from the federal government (Note 4)	33,144	18,353	-	51,497
Grants, aid, contributions, or gifts from a private agency, organization, or individual, except amounts received in lieu of taxes (Note 12)	95	-	-	95
6. Amounts received from the State of Arizona (Note 4)	3,581	-	-	3,581
7. Quasi-external interfund transactions (Note 6)	-	-	78,034	78,034
Highway user revenues in excess of those received in fiscal year 1979-80				
8. (Note 5)	13,798	-	-	13,798
9. Contracts with other political subdivisions (Note 4)	2,631	-	-	2,631
10 Prior years carryforward (Note 14)	54,557	-	-	54,557
11 Total exclusions claimed	<u>241,135</u>	<u>81,084</u>	<u>84,520</u>	<u>406,739</u>
C. Amounts subject to the expenditure limitation	<u>\$ 364,421</u>	<u>\$ 161,150</u>	<u>\$ -</u>	<u>\$ 525,571</u>

See accompanying notes to report.

**CITY OF GLENDALE, ARIZONA
ANNUAL EXPENDITURE LIMITATION REPORT - RECONCILIATION
YEAR ENDED JUNE 30, 2025
(AMOUNTS EXPRESSED IN THOUSANDS)**

City of Glendale, Arizona
Annual Expenditure Limitation Report
Year ended June 30, 2025

Description	Governmental funds	Enterprise funds	Internal service funds	Total
A. Total expenditures/expenses/deductions and applicable other financing uses, special items, and extraordinary items reported within the fund financial	\$ 612,178	\$ 185,729	\$ 82,530	\$ 880,437
B. Subtractions:				
1. Items not requiring use of current financial resources:				
a Depreciation and amortization	-	41,035	3,975	45,010
b Loss on disposal of capital assets	-	-	20	20
c Pension and other postemployment benefits (OPEB) expense (Note 11)	-	3,080	865	3,945
d Claims incurred but not reported (IBNR) (Note 7)	-	-	24,324	24,324
e Landfill closure and postclosure care costs and pollution remediation	-	1,092	-	1,092
f Compensated absences (Note 8)	-	6,178	1,986	8,164
Expenditures of separate legal entities established under Arizona Revised Statutes (Note 9)	4,390	-	-	4,390
3. Required fees paid to the Industrial Commission of Arizona (Note 13) Present value of net minimum lease, financed purchase, and subscription-based information technology arrangement (SBITA) contract payments recorded as expenditures at the agreements' inception	-	-	639	639
4. recorded as expenditures at the agreements' inception	<u>2,232</u>	<u>-</u>	<u>-</u>	<u>2,232</u>
6. Total subtractions	<u>6,622</u>	<u>51,385</u>	<u>31,809</u>	<u>89,816</u>
C. Additions:				
1. Principal payments on long-term debt	-	51,725	-	51,725
2. Amortization of bond premiums	-	3,020	-	3,020
3. Investments in joint ventures	-	400	-	400
4. Capital asset acquisitions	-	43,433	2,830	46,263
5. Amounts paid in the current year but reported as expenses in previous years:				
a Claims previously recognized as IBNR (Note 7)	-	-	28,074	28,074
b Compensated absences (Note 8)	-	5,381	1,794	7,175
6. Pension and OPEB contributions paid in the current year (Note 11)	-	3,931	1,101	5,032
8. Total additions	<u>-</u>	<u>107,890</u>	<u>33,799</u>	<u>141,689</u>
D. Amounts reported on Part II, line A	<u>\$ 605,556</u>	<u>\$ 242,234</u>	<u>\$ 84,520</u>	<u>\$ 932,310</u>

See accompanying notes to report.

CITY OF GLENDALE, ARIZONA
NOTES TO ANNUAL EXPENDITURE LIMITATION REPORT
JUNE 30, 2025
(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:

	Governmental	Enterprise
Bond proceeds and premium	48,910	50,443
Bond proceeds and premium utilized	(3,295)	
Bond issuance costs		(443)
Uses of bond refunding		
Carryforward	\$ 45,615	\$ 50,000

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:

	Governmental	Enterprise
Principal	\$ 71,004	\$ 51,725
Interest	26,331	4,837
Plus: Amortized Premium		3,020
Plus: Amortized Gain/Loss		372
Less: Amortized Deferred Amount on Refunding		(686)
	\$ 97,335	\$ 59,268

CITY OF GLENDALE, ARIZONA
NOTES TO ANNUAL EXPENDITURE LIMITATION REPORT
JUNE 30, 2025
(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.

	Governmental	Enterprise
Grants and aid from the federal government	\$ 33,144	\$ 18,353
Amounts received from the State of Arizona	3,581	-
Contracts with other political subdivisions	2,631	-
Highway user revenues in excess of those received in fiscal year 1979-80 (Note 5)	18,424	-
Other revenues (non-excludable)	126,536	2,113
Total intergovernmental revenues and capital contributions as reported in the fund-based financial statements	\$ 184,316	\$ 20,466

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:

	Governmental
HURF Fund revenues	\$ 19,689
Less: 1979-80 base revenues	(1,265)
Excludable revenues	\$ 18,424
HURF Fund expenditures	\$ 16,692
Less: 1979-80 base revenues	(1,265)
Non-excludable revenue	(1,629)
Excludable expenditures	\$ 13,798
Current year carry forward	\$ 4,626

NOTE 6 QUASI-EXTERNAL INTERFUND TRANSACTIONS

The exclusion of \$78,034 for quasi-external transactions consists of the expended portion of self-insurance premiums and charges for services of \$57,789 and \$36,613, respectively, in the Internal Service Funds. Remaining revenues of \$16,368 have been carried forward to future years.

**CITY OF GLENDALE, ARIZONA
NOTES TO ANNUAL EXPENDITURE LIMITATION REPORT
JUNE 30, 2025
(AMOUNTS EXPRESSED IN THOUSANDS)**

NOTE 7 CLAIMS INCURRED BUT NOT REPORTED AND CLAIMS PAID IN THE CURRENT YEAR BUT REPORTED AS EXPENSES

The \$24,324 subtraction 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 \$28,074 addition for claims paid in the current year but reported as expenses incurred but not reported in the previous years, consists of cash payments in the current year for claims recognized as an expense in the previous year in the Internal Service Fund.

NOTE 8 COMPENSATED ABSENCES INCURRED BUT NOT EXPENSED AND COMPENSATED ABSENCES PAID IN THE CURRENT YEAR BUT EXPENSED IN PREVIOUS YEARS

The subtraction of \$6,178 and \$1,986 for compensated absences in the Enterprise and Internal Service Funds respectively, consists of the estimated costs of compensated absences incurred and expensed in the current year but not yet paid. The addition of \$5,381 and \$1,794 for compensated absences in the Enterprise and Internal Service Funds respectively, consist of the current year, but reported as expenses in previous years, consists of cash payments in the current year for compensated absences recognized as an expense in previous years.

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

The subtraction for separate legal entities established under Arizona Revised Statutes consists 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	\$ 6
Principal	2,370
Interest	2,014
	\$ 4,390

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 \$32,699 in the Governmental Funds, \$3,463 in the Enterprise Funds and \$6,486 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, 2025
(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.

	<u>Enterprise</u>	<u>Internal Service Funds</u>
Subtraction of Pension Expense	\$ 3,298	\$ 925
Subtraction of OPEB Expense	(218)	(60)
	<u>\$ 3,080</u>	<u>\$ 865</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.

	<u>Enterprise</u>	<u>Internal Service Funds</u>
Addition of Pension Contributions paid in the current year	\$ 3,864	\$ 1,083
Addition of OPEB Contributions paid in the current year	67	18
	<u>\$ 3,931</u>	<u>\$ 1,101</u>
Total	<u>\$ 851</u>	<u>\$ 236</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.

	<u>Enterprise</u>	<u>Internal Service Funds</u>
Change in net pension and OPEB asset	\$ (159)	\$ (44)
Change in deferred inflows related to pensions and OPEB	744	212
Change in deferred outflows related to pensions and OPEB	(1,795)	(502)
Change in net pension and OPEB liability	359	98
Total	<u>\$ (851)</u>	<u>\$ (236)</u>

NOTE 12 CONTRIBUTIONS & DONATIONS FROM PRIVATE DONORS

The exclusion claimed for grants, aid, contributions, or gift from a private agency, organization, or individual consists of contributions and donations received from various donors and recorded in local revenues.

	<u>Governmental</u>
Contributions/Donations	\$ 95
	<u>\$ 95</u>

CITY OF GLENDALE, ARIZONA
NOTES TO ANNUAL EXPENDITURE LIMITATION REPORT
JUNE 30, 2025
(AMOUNTS EXPRESSED IN THOUSANDS)

NOTE 13 REQUIRED FEES PAID TO THE INDUSTRIAL COMMISSION OF ARIZONA

The subtraction for required fees State law required the City to pay that are excluded from the city expenditure limitation consists of payments to the Industrial Commission of Arizona pursuant to A.R.S. §23-1703 for the Municipal Firefighter Cancer Reimbursement Fund, which were recorded as an insurance claims and premiums expenditure.

NOTE 14 CARRYFORWARD EXPENDED

Prior years carryforward consists of constitutionally excludable revenues unexpended in the year of receipt that have been accumulated and were expended in the current year as follows:

	Description	<u>Governmental</u>	<u>Enterprise</u>
Bond proceeds		\$ 54,557	-
Total prior years carryforward expended		<u>\$ 54,557</u>	<u>\$ -</u>

NOTE 15 CARRYFORWARD

Revenues that are constitutionally excludable that were not spent in the year of receipt may be accumulated and excluded in future years when spent. The reduction in carryforward amounts received from debt proceeds includes \$7,087 of amounts that are no longer available for exclusion by the City. A summary of the accumulated revenue sources and their balances is shown in the table below:

	Description	Balance June 30, 2024	Carryforward added	Carryforward used	Balance June 30, 2025
Bond proceeds		\$ 106,860	\$ 95,615	\$ (61,644)	\$ 140,831
Quasi-external interfund transactions		-	16,368	-	16,368
Highway user revenues in excess of those received in fiscal year 1979-80		20,595	4,626	-	25,222
Total carryforward		<u>\$ 127,455</u>	<u>\$ 116,609</u>	<u>\$ (61,644)</u>	<u>\$ 182,421</u>