



February 20, 2024

Via E-mail

Ms. Megan Smith, CPA  
Accountability Services Manager  
Office of the Auditor General  
2910 N. 44<sup>th</sup> Street, Suite 410  
Phoenix, Arizona 85018

RE: Reports Required by the Uniform Expenditure Reporting System

In accordance with state statute, the City of Chandler is submitting the following:

1. Independent Auditor's Report on the compliance of the Annual Expenditure Limitation Report.
2. Annual Expenditure Limitation Report, Part I
3. Annual Expenditure Limitation Report, Part II
4. Reconciliation Report
5. Notes to Annual Expenditure Limitation Report

Should you have any questions, please contact me at (480) 782-2316.

Sincerely,

A handwritten signature in blue ink that reads "Lina Alam".

Lina Alam  
Accounting Supervisor

**Mailing Address**

Mail Stop 702  
P.O. Box 4008  
Chandler, AZ 85244-4008

**Management Services**

Accounting  
480-782-2333  
480-782-2330 Fax  
chandleraz.gov

**Location**

Fourth Floor  
175 S. Arizona Ave.  
Chandler, AZ 85225

## Independent Accountant's Report

The Auditor General of the State of Arizona

The Honorable Mayor and City Council  
of the City of Chandler, Arizona

We have examined the accompanying Annual Expenditure Limitation Report of the City of Chandler, Arizona for the year ended June 30, 2023, 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 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 AICPA. 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.

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

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

*Heinfeld Meech & Co. PC*

Heinfeld, Meech & Co., P.C.  
Scottsdale, Arizona  
February 15, 2024

City of Chandler  
Annual Expenditure Limitation Report  
Year ended June 30, 2023

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City of Chandler  
 Annual Expenditure Limitation Report  
 Year ended June 30, 2023

1. Economic Estimates Commission expenditure limitation	\$	<u>285,965,702</u>	
2. Voter-approved alternative expenditure limitation (approved August 2, 2022)		<u>1,352,658,536</u>	
3. Enter applicable amount from line 1 or line 2			\$ <u>1,352,658,536</u>
4. Amount subject to the expenditure limitation (total amount from Part II, line C)	\$	<u>695,235,265</u>	
5. Board-authorized expenditures necessitated by a disaster the Governor declared	-		
6. Board-authorized expenditures necessitated by a disaster the Governor did not declare	-		
7. Prior-year, voter-approved expenditures to exceed the expenditure limitation for the reporting fiscal year	-		
8. Subtotal			\$ <u>695,235,265</u>
9. Board-authorized excess expenditures for the previous fiscal year necessitated by a disaster the Governor did not declare and the voters did not approve	+		
10. Total adjusted amount subject to the expenditure limitation	\$	<u>695,235,265</u>	
11. Amount under (in excess of) the expenditure limitation	\$	<u>657,423,271</u>	

*If excess expenditures are reported, provide an explanation here.  
 Delete all line item descriptions not used.*

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: *Dawn Lang*

Name and title: Dawn Lang, Deputy City Manager / CFO

Telephone number: 480-782-2255

Date: Feb. 21, 2024

See accompanying notes to report.

City of Chandler  
Annual Expenditure Limitation Report  
Year ended June 30, 2023

Description	Governmental funds	Enterprise funds	Internal service funds	Fiduciary funds	Total
A. Amounts reported on the Reconciliation, line D	\$457,129,305	\$200,970,455	\$37,135,505	\$ -	\$695,235,265
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 ( <i>attach resolution</i> )					-
14. Prior years carryforward					-
15. Qualifying capital improvement expenditures repaid in accordance with A.R.S. §41-1279.07					-
16. Total exclusions claimed	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
C. Amounts subject to the expenditure limitation	<u>\$457,129,305</u>	<u>\$200,970,455</u>	<u>\$37,135,505</u>	<u>\$ -</u>	<u>\$695,235,265</u>

If an individual fund category/type amount is negative, reduce exclusions claimed to net to zero.

Delete all exclusion line item descriptions not used.

See accompanying notes to report.

City of Chandler  
 Annual Expenditure Limitation Report  
 Year ended June 30, 2023

Description	Governmental funds	Enterprise funds	Internal service funds	Fiduciary funds	Total
A. Total expenditures/expenses/deductions and applicable other financing uses, special items, and extraordinary items reported within the fund financial statements	\$ 457,279,200	\$ 170,102,171	\$ 39,995,650	\$ -	\$ 667,377,021
B. Subtractions:					
1. Items not requiring use of current financial resources:					
a. Depreciation		46,813,929			46,813,929
b. Loss on disposal of capital assets		144,405			144,405
c. Bad debt expense		28,597			28,597
d. Pension and other postemployment benefits (OPEB) expense		2,567,426			2,567,426
e. Claims incurred but not reported (IBNR)			19,771,275		19,771,275
f. Landfill closure and postclosure care costs and pollution remediation					-
2. Expenditures of separate legal entities established under Arizona Revised Statutes					-
3. Required fees paid to the Industrial Commission of Arizona					-
4. Present value of net minimum lease, financed purchase, and subscription-based information technology arrangement (SBITA) contract payments recorded as expenditures at the agreements' inception	149,895				149,895
5. Involuntary court judgments					-
6. Total subtractions	<u>149,895</u>	<u>49,554,357</u>	<u>19,771,275</u>	<u>-</u>	<u>69,475,527</u>
C. Additions:					
1. Principal payments on long-term debt		21,706,158			21,706,158
2. Capital asset acquisitions		56,339,054			56,339,054
3. Amounts paid in the current year but reported as expenses in previous years:					
a. Claims previously recognized as IBNR			16,911,130		16,911,130
b. Landfill closure and postclosure care costs and pollution remediation					-
4. Pension and OPEB contributions paid in the current year		2,377,429			2,377,429
5. Transfers to separate legal entities					-
6. Total additions	<u>-</u>	<u>80,422,641</u>	<u>16,911,130</u>	<u>-</u>	<u>97,333,771</u>
D. Amounts reported on Part II, line A	<u>\$ 457,129,305</u>	<u>\$ 200,970,455</u>	<u>\$ 37,135,505</u>	<u>\$ -</u>	<u>\$ 695,235,265</u>

Delete all subtraction and addition line item descriptions not used.

See accompanying notes to report.

City of Chandler  
Annual Expenditure Limitation Report  
Year ended June 30, 2023

Note 1 - Summary of significant accounting policies

The Annual Expenditure Limitation Report (AELR) is presented as prescribed by the Uniform Expenditure Reporting System (UERS), as required by Arizona Revised Statutes §41-1279.07, and in accordance with the voter-approved alternative expenditure limitation adopted August 02, 2022, as authorized by the Arizona Constitution, Article IX, §20(9). The City's budget for fiscal year 2022-23 was approved on June 09, 2022.

In accordance with the UERS, 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 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 proprietary funds; statement of cash flows for the proprietary funds; and the statement of changes in fiduciary net position for the fiduciary funds.

Note 2 Total Expenditures/Expenses/Deductions

Enterprise Funds:	
Total Operating Expenses	\$ 155,755,804
Interest Expense	9,583,644
Loss on Disposal of Capital Assets	144,405
Bond Issuance Costs	-
Equity Interest in Joint Venture	4,618,318
Total:	<u>\$ 170,102,171</u>