



February 22, 2023

Via E-mail

Ms. Megan Smith, CPA
Accountability Services Manager
Office of the Auditor General
2910 N. 44th 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
6. The City's Comprehensive Annual Financial Report (CAFR)
For the year ended June 30, 2022

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

Sincerely,

A handwritten signature in cursive script that reads "Lina Alam".

Lina Alam
Accounting Supervisor

Management Services

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

Accounting
480-782-2333
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Location
Fourth Floor
175 S. Arizona Ave.
Chandler, AZ 85225



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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, 2022, 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, 2023

City of Chandler
Annual Expenditure Limitation Report
Year ended June 30, 2022

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City of Chandler
 Annual Expenditure Limitation Report—Part I
 Year ended June 30, 2022

1. Economic Estimates Commission expenditure limitation	\$	<u>266,224,167</u>	
2. Voter-approved alternative expenditure limitation (approved August 28, 2018)		<u>1,058,074,338</u>	
3. Enter applicable amount from line 1 or line 2			\$ <u>1,058,074,338</u>
4. Amount subject to the expenditure limitation (total amount from Part II, line C)	\$	<u>587,472,491</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>587,472,491</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>587,472,491</u>
11. Amount under (in excess of) the expenditure limitation			\$ <u><u>470,601,847</u></u>

*If excess expenditures are reported, provide an explanation.
 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 financial officer: 

Name and title: Dawn Lang, Deputy City Manager

Telephone number: 480-782-2255

Date: 2/8/2023

See accompanying notes to report.

City of Chandler
 Annual Expenditure Limitation Report—Part II
 Year ended June 30, 2022

Description	<u>Governmental funds</u>	<u>Enterprise funds</u>	<u>Internal service funds</u>	<u>Fiduciary funds</u>	<u>Total</u>
A. Amounts reported on the Reconciliation, line D	\$ 377,477,809	\$ 174,347,356	\$ 35,647,326	\$ -	\$ 587,472,491
B. Less exclusions claimed:					
<u>16. Total exclusions claimed</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
C. Amounts subject to the expenditure limitation	<u>\$ 377,477,809</u>	<u>\$ 174,347,356</u>	<u>\$ 35,647,326</u>	<u>\$ -</u>	<u>\$ 587,472,491</u>

See accompanying notes to report.

City of Chandler
Annual Expenditure Limitation Report—Reconciliation
Year ended June 30, 2022

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	\$ 377,477,809	\$ 152,941,927	\$ 33,672,594	\$ -	\$ 564,092,330
B. Subtractions:					
1. Items not requiring use of current financial resources:					
a. Depreciation		47,798,972			47,798,972
b. Loss on disposal of capital assets					-
c. Bad debt expense		157,448			157,448
d. Pension and other postemployment benefits (OPEB) expense		1,952,418			1,952,418
e. Claims incurred but not reported (IBNR)			16,911,130		16,911,130
6. Total subtractions	-	49,908,838	16,911,130	-	66,819,968
C. Additions:					
1. Principal payments on long-term debt		19,096,488			19,096,488
2. Capital asset acquisitions		49,880,611			49,880,611
3. Amounts paid in the current year but reported as expenses in previous years:					
a. Claims previously recognized as IBNR			18,885,862		18,885,862
b. Landfill closure and postclosure care costs and pollution remediation					-
4. Pension and OPEB contributions paid in the current year		2,337,168			2,337,168
5. Transfers to separate legal entities					-
6. Total additions	-	71,314,267	18,885,862	-	90,200,129
D. Amounts reported on Part II, line A	\$ 377,477,809	\$ 174,347,356	\$ 35,647,326	\$ -	\$ 587,472,491

Delete all subtraction and addition line item descriptions not used.

See accompanying notes to report.

City of Chandler
Notes to Annual Expenditure Limitation Report
Year ended June 30, 2022

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 28, 2018, as authorized by the Arizona Constitution, Article IX, §20(9). The City's budget for Fiscal Year 2021-22 was approved on June 24, 2021.

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	\$ 137,807,373
Interest Expense	9,699,228
Loss on Disposal of Capital Assets	-
Bond Issuance Costs	817,008
Equity Interest in Joint Venture	<u>4,618,318</u>
Total:	<u>\$ 152,941,927</u>