



February 26, 2025

Via E-mail

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,

Lina Alam  
Accounting Supervisor

**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, 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 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 24, 2025

City of Chandler  
Annual Expenditure Limitation Report  
Year ended June 30, 2024

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City of Chandler  
 Annual Expenditure Limitation Report  
 Year ended June 30, 2024

1. Economic Estimates Commission expenditure limitation	\$	310,201,636	
2. Voter-approved alternative expenditure limitation (approved August 2, 2022)		1,656,274,385	
3. Enter applicable amount from line 1 or line 2	\$		1,656,274,385
4. Amount subject to the expenditure limitation (total amount from Part II, line C)	\$	800,922,445	
8. Subtotal			
10. Total adjusted amount subject to the expenditure limitation	\$		800,922,445
11. Amount under (in excess of) the expenditure limitation	\$		800,922,445
	\$		855,351,940

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: 2-26-25

See accompanying notes to report.

City of Chandler  
 Annual Expenditure Limitation Report  
 Year ended June 30, 2024

Description	Governmental funds	Enterprise funds	Internal service funds	Fiduciary funds	Total
A. Amounts reported on the Reconciliation, line D	\$ 539,989,448	\$ 220,198,482	\$ 40,734,515	\$ -	\$ 800,922,445
B. Less exclusions claimed: 16. Total exclusions claimed	-	-	-	-	-
C. Amounts subject to the expenditure limitation	<u>\$ 539,989,448</u>	<u>\$ 220,198,482</u>	<u>\$ 40,734,515</u>	<u>\$ -</u>	<u>\$ 800,922,445</u>

See accompanying notes to report.

City of Chandler  
 Annual Expenditure Limitation Report  
 Year ended June 30, 2024

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	\$ 546,191,910	\$ 176,310,251	\$ 44,777,135		\$ 767,279,296
B. Subtractions:					
1. Items not requiring use of current financial resources:					
a. Depreciation and amortization		46,151,682			46,151,682
b. Loss on disposal of capital assets		8,000			8,000
c. Bad debt expense		383,032			383,032
d. Pension and other postemployment benefits (OPEB) expense		3,261,794			3,261,794
e. Claims incurred but not reported (IBNR)			23,813,895		23,813,895
4. Present value of net minimum lease, financed purchase, and subscription-based information technology arrangement (SBITA) contract payments recorded as expenditures at the agreements' total subtractions	6,202,462				6,202,462
6. Total subtractions	6,202,462	49,804,508	23,813,895	-	79,820,865
C. Additions:					
1. Principal payments on long-term debt		16,414,943			16,414,943
2. Capital asset acquisitions		74,529,643			74,529,643
3. Amounts paid in the current year but reported as expenses in previous years:					
a. Claims previously recognized as IBNR		2,748,153	19,771,275		19,771,275
4. Pension and OPEB contributions paid in the current year		93,692,739	19,771,275		113,464,014
6. Total additions	-	220,196,482	40,734,515	-	\$ 800,922,445
D. Amounts reported on Part II, line A	\$ 539,989,448	\$ 220,196,482	\$ 40,734,515	\$ -	\$ 800,922,445

See accompanying notes to report.

City of Chandler  
Annual Expenditure Limitation Report  
Year ended June 30, 2024

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 2023-24 was approved on June 15, 2023.

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	\$ 161,347,048
Interest Expense	10,010,523
Loss on Disposal of Capital Assets	8,000
Bond Issuance Costs	326,362
Equity Interest in Joint Venture	<u>4,618,318</u>
Total:	<u>\$ 176,310,251</u>