

**PRELIMINARY OFFICIAL STATEMENT DATED JANUARY 2, 2026**

**NEW ISSUE – BOOK-ENTRY-ONLY**

**RATINGS:** Fitch: “AAA”  
Moody’s: “Aaa”  
S&P: “AAA”  
See “RATINGS” herein

*In the opinion of Greenberg Traurig, LLP, Phoenix, Arizona, Bond Counsel, assuming the accuracy of certain representations and certifications and the continuing compliance with certain tax covenants, under existing statutes, regulations, rulings and court decisions, interest on the Bonds (as defined herein) (i) is excludable from gross income for federal income tax purposes and (ii) is exempt from income taxation under the laws of the State of Arizona. Further, interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals, but in the case of the federal alternative minimum tax imposed by Section 55(b)(2) of the Internal Revenue Code of 1986, as amended (the “Code”), on applicable corporations (as defined in Section 59(k) of the Code), interest on the Bonds is not excluded from the determination of adjusted financial statement income. See “TAX EXEMPTION” herein for a description of certain other federal tax consequences of ownership of the Bonds.*



**\$160,000,000\***  
**CITY OF CHANDLER, ARIZONA**  
**GENERAL OBLIGATION BONDS,**  
**SERIES 2026**

**Dated:** Date of Initial Delivery

**Due:** July 1, as shown on the inside front cover page

The City of Chandler, Arizona (the “City”) will issue its \$160,000,000\* aggregate principal amount of General Obligation Bonds, Series 2026 (the “Bonds”) for the purpose of (i) acquiring and constructing public facilities and buildings, improvements to parks and recreation facilities, streets, and public safety facilities and (ii) paying the costs of issuance of the Bonds.

The Bonds will be dated the date of initial delivery and will be issuable as fully registered securities without coupons and will be initially registered in the name of Cede & Co., as nominee of The Depository Trust Company (“DTC”), which will act as securities depository for the Bonds. Beneficial interests in the Bonds will be available to purchasers in amounts of \$5,000 of principal due on specific maturity dates or integral multiples thereof. Purchasers will not receive certificates representing their beneficial interests in the Bonds. See APPENDIX F – “BOOK-ENTRY-ONLY SYSTEM.” The principal of, premium, if any, and interest on the Bonds will be paid by U.S. Bank Trust Company, National Association to Cede & Co., as long as Cede & Co. is the registered owner of the Bonds. Disbursement of such payments to the DTC participants is the responsibility of DTC, and disbursement of such payments to the purchasers of beneficial ownership interests in the Bonds is the responsibility of DTC participants and Indirect Participants (as defined herein), as more fully described herein. The City and DTC each reserve the right to discontinue the book-entry-only system at any time.

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**See Maturity Schedule on Inside Front Cover Page**

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**Proposals for the Bonds may be submitted solely as an electronic bid using the facilities of PARITY® up to and including the hour of 8:00 A.M., Mountain Standard Time (“MST”), on January 13, 2026.\* See “NOTICE INVITING BIDS FOR THE PURCHASE OF OBLIGATIONS” for the Bonds herein.**

The Bonds will mature on the dates and in the principal amounts set forth on the inside front cover page. Interest on the Bonds will be payable semiannually on January 1 and July 1, commencing July 1, 2026.\*

The Bonds will be subject to redemption by the City prior to their stated maturity dates.\*

Principal of and interest on the Bonds will be payable from a continuing, direct, annual, ad valorem tax levied against all taxable property within the boundaries of the City unlimited as to rate or amount. See “THE BONDS – Security For and Sources of Payment of the Bonds” herein.

The Bonds are offered when, as and if issued by the City, subject to the approving opinion of Greenberg Traurig, LLP, Phoenix, Arizona, Bond Counsel, as to validity and tax exemption. It is expected that the Bonds will be available for delivery through the facilities of DTC on or about January 28, 2026\*.

*This cover page contains certain information with respect to the Bonds for quick reference only. It is not a summary of all material information with respect to the Bonds. Investors are advised to read this entire Official Statement to obtain information essential to the making of an informed investment decision with respect to the Bonds.*

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\* Preliminary, subject to change.

**\$160,000,000\***  
**CITY OF CHANDLER, ARIZONA**  
**GENERAL OBLIGATION BONDS,**  
**SERIES 2026**

**MATURITY SCHEDULE**

<b>Date (July 1)</b>	<b>Principal Amount</b>	<b>Interest Rate</b>	<b>Yield</b>	<b>CUSIP No. 158843 (a)</b>
2027	\$2,500,000			
2028	1,000,000			
2029	8,000,000			
2030	3,000,000			
2031	4,000,000			
2032	4,000,000			
2033	5,000,000			
2034	5,000,000			
2035	9,000,000			
2036	11,500,000			
2037	12,000,000			
2038	12,500,000			
2039	13,000,000			
2040	13,500,000			
2041	14,000,000			
2042	14,000,000			
2043	14,000,000			
2044	14,000,000			

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\* Preliminary, subject to change.

## **CITY OF CHANDLER, ARIZONA**

### **CITY COUNCIL**

Kevin Hartke, *Mayor*  
Christine Ellis, *Vice Mayor*  
Angel Encinas, *Councilmember*  
OD Harris, *Councilmember*  
Jennifer Hawkins, *Councilmember*  
Matt Orlando, *Councilmember*  
Jane Poston, *Councilmember*

### **CITY ADMINISTRATIVE OFFICERS**

John M. Pombier, *City Manager*  
Tadd Wille, *Assistant City Manager*  
Dawn Lang, *Deputy City Manager/CFO*  
Ryan Peters, *Deputy City Manager*  
Leah Powell, *Deputy City Manager*  
Kelly Schwab, *City Attorney/Risk Manager*  
Dana DeLong, *City Clerk*

### **BOND COUNSEL**

Greenberg Traurig, LLP  
*Phoenix, Arizona*

### **FINANCIAL ADVISOR**

Piper Sandler & Co.  
*Phoenix, Arizona*

### **BOND REGISTRAR AND PAYING AGENT**

U.S. Bank Trust Company, National Association  
*Tempe, Arizona*

## **REGARDING THIS OFFICIAL STATEMENT**

This Official Statement does not constitute an offering of any security other than the City of Chandler, Arizona (the “City”) General Obligation Bonds, Series 2026 (the “Bonds”), identified on the inside front cover page hereof. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, and there shall be no sale of the Bonds by any person in any jurisdiction in which it is unlawful to make such offer, solicitation or sale. No dealer, broker, salesperson or other person has been authorized by the City to give any information or to make any representations other than as contained in this Official Statement, and if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing.

The information set forth in this Official Statement has been provided by the City, Maricopa County, the State of Arizona Department of Revenue and other sources which are considered to be reliable and customarily relied upon in the preparation of similar official statements, but such information is not guaranteed as to accuracy or completeness and is not to be construed as the promise or guarantee of the City or Piper Sandler & Co. (the “Financial Advisor”). The presentation of information, including tables of receipts from taxes and other sources, is intended to show recent historical information and is not intended to indicate future or continuing trends in the financial position or other affairs of the City. All estimates and assumptions contained herein have been based on the latest information available and are believed to be reliable, but no representations are made that such estimates and assumptions are correct, will be realized or will be repeated in the future. The information and any expressions of opinion contained herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City or any other parties or matters described herein since the date thereof.

The sale and issuance of the Bonds will not be registered under the Securities Act of 1933, as amended, the Securities Exchange Act of 1934, as amended, or the Securities Act of Arizona in reliance upon exemptions provided under such acts for the sale and issuance of securities such as the Bonds. The Bonds will not be listed on any stock or other securities exchange. Neither the Securities and Exchange Commission (the “SEC”) nor any other federal, state or other government entity or agency will have passed upon the merits of the Bonds or the accuracy or adequacy of this Official Statement or approved the Bonds for sale.

None of the City, the Financial Advisor or Bond Counsel (as defined herein) are actuaries, nor have any of them performed any actuarial or other analysis of the City’s unfunded liabilities under the Arizona Public Safety Retirement System, the Arizona State Retirement System or the Elected Officials’ Retirement Plan.

A wide variety of other information, including financial information, concerning the City is available from publications and websites of the City and others. Any such information that is inconsistent with the information set forth in this Official Statement should be disregarded. No such information is a part of, or incorporated into, this Official Statement, except as expressly noted herein.

The information contained herein in APPENDIX F – “BOOK-ENTRY-ONLY SYSTEM” has been furnished by The Depository Trust Company and no representation has been made by the City, the Financial Advisor, Bond Counsel or any of their counsel or agents, as to the accuracy or completeness of such information.

The City will undertake to provide continuing disclosure as described in this Official Statement under “CONTINUING SECONDARY MARKET DISCLOSURE” and in APPENDIX E – “FORM OF CONTINUING DISCLOSURE UNDERTAKING,” pursuant to Rule 15c2-12 of the SEC.

References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader’s convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement for purposes of, Rule 15c2-12 of the SEC.

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**\$160,000,000\***  
**CITY OF CHANDLER, ARIZONA**  
**GENERAL OBLIGATION BONDS,**  
**SERIES 2026**

**NOTICE INVITING BIDS FOR THE PURCHASE OF BONDS**

(Electronic Bidding Only)

**NOTICE IS HEREBY GIVEN** that unconditional bids will be received to and including the hour of 8:00 a.m., Mountain Standard Time (“MST”), on January 13, 2026\* by the City of Chandler, Arizona (the “City”), for the purchase of all, but not less than all, of the City’s General Obligation Bonds, Series 2026 in the principal amount of \$160,000,000\* (the “Bonds”) as electronic bids using the facilities of PARITY® (“PARITY”). For purposes of the bids received through the electronic bid process, the time as maintained by PARITY shall constitute the official time.

The City reserves the right to cancel or reschedule the sale of the Bonds or alter the terms thereof upon notice given through PARITY at [www.ipreo.com](http://www.ipreo.com) at any time prior to the time bids are to be received. If no legal bid or bids are received for the Bonds on said date (or such later date as is established as provided herein) at the time specified, bids will be received for the Bonds on such other date and at such other time as shall be designated through PARITY as soon as practicable. As an accommodation to the bidders, telephonic, telecopied or emailed notice of the postponement of the sale date or dates or of a change in the principal payment schedule will be given to any bidder who has requested such notice of the City’s Financial Advisor, Piper Sandler & Co. (the “Financial Advisor”), Bill Davis (email: [william.davis@psc.com](mailto:william.davis@psc.com); telephone: (602) 808-5428). Failure of any bidder to receive such telephonic, telecopied or emailed notice shall not affect the legality of the sale.

Any prospective purchaser that intends to submit an electronic bid must submit its electronic bid through the facilities of PARITY. The normal fee for the use of PARITY may be obtained from PARITY, and such fee will be the responsibility of those submitting bids. All bids must be submitted on the official bid form that resides on the PARITY system (the “Official Bid Form”), without alteration or interlineation. All electronic bids must be submitted by 8:00 a.m., MST, on January 13, 2026.\* Subscription to i-Deal’s BIDCOMP Competitive Bidding System is required in order to submit an electronic bid. Representatives of the City will not confirm any subscription nor be responsible for the failure of any prospective purchaser to subscribe.

An electronic bid made through the facilities of PARITY shall be deemed an irrevocable offer to purchase the Bonds on the terms provided in this Notice Inviting Bids for the Purchase of Bonds (this “Notice”) and shall be binding upon the bidder as if made by a signed, sealed proposal delivered to the City. Neither the City nor the Financial Advisor shall be responsible for any malfunction or mistake made by, or as a result of, the use of the facilities of PARITY, the use of such facilities being the sole risk of the bidder.

If any provisions of this Notice shall conflict with information provided by PARITY as the approved provider of electronic bidding services, this Notice shall control. All electronic bids will be deemed to incorporate the provisions of this Notice and the Official Bid Form. Further information about PARITY, including any fee charged, may be obtained from IPREO at 1359 Broadway, 2nd Floor, New York, New York 10018, Attention: Customer Support (212) 849-5021 and from the following website: [www.newissuehome.i-deal.com](http://www.newissuehome.i-deal.com).

For information purposes only, bidders are requested to state in their electronic bid the “true interest cost” as described under “AWARD AND DELIVERY” herein.

**BONDS IN GENERAL**

The Bonds will be dated the date of initial delivery. Interest on the Bonds will be payable semiannually on January 1 and July 1 of each year, commencing July 1, 2026.\* The Bonds, when issued, will be registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company (“DTC”). DTC will act as securities depository for the Bonds through its book-entry system. Purchases of beneficial ownership interests in the Bonds will be made in book-entry form in amounts of \$5,000 of principal due on a specific maturity date, or any integral multiple thereof. Purchasers will not receive certificates representing their beneficial interests in the

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\* Preliminary, subject to change.

Bonds. The principal of and interest on the Bonds will be paid by U.S. Bank Trust Company, National Association, as the Bond Registrar and Paying Agent for the Bonds (the “Bond Registrar and Paying Agent”), to Cede & Co., as long as Cede & Co. is the registered owner of the Bonds. Disbursement of such payments to the DTC Participants is the responsibility of DTC, and disbursement of such payments to the purchasers of beneficial ownership interests in the Bonds is the responsibility of DTC Participants and Indirect Participants, as more fully described in the preliminary official statement relating to the Bonds (the “Preliminary Official Statement”).

Except as otherwise provided under “MODIFICATION OF MATURITY SCHEDULE AND PAR AMOUNT” and “REDEMPTION PROVISIONS – Mandatory Redemption,” the Bonds will mature (or be subject to mandatory redemption) on July 1 in each of the years and in the amounts as follows (the “Maturity Schedule”):

<b>Date (July 1)</b>	<b>Principal Amount</b>
2027	\$2,500,000
2028	1,000,000
2029	8,000,000
2030	3,000,000
2031	4,000,000
2032	4,000,000
2033	5,000,000
2034	5,000,000
2035	9,000,000
2036	11,500,000
2037	12,000,000
2038	12,500,000
2039	13,000,000
2040	13,500,000
2041	14,000,000
2042	14,000,000
2043	14,000,000
2044	14,000,000

As described below under the heading “REDEMPTION PROVISIONS – Mandatory Redemption,” bidders may specify that the principal amount of Bonds scheduled to mature on or after July 1, 2036\*, shall be combined into one or more term Bonds (“Term Bonds”). Term Bonds, if any, must consist of the total principal payments of two or more consecutive years and mature in the latest of those years. Serial maturities converted to Term Bonds, as specified, must bear the same rate of interest and reoffering price. Any Term Bond will be subject to mandatory redemption in the same amounts and on the same dates as the Bonds would have matured if they were not included in a Term Bond.

#### **MODIFICATION OF MATURITY SCHEDULE AND PAR AMOUNT**

The preliminary aggregate principal amount of the Bonds and the preliminary principal amount of each annual principal payment for the Bonds as set forth in this Notice (collectively, the “Preliminary Amounts”) may be revised before the receipt of electronic bids for their purchase (such revised amounts referred to collectively as the “Revised Amounts”). ANY SUCH REVISIONS WILL BE PUBLISHED ON PARITY NOT LATER THAN 5:00 P.M., MST, ON THE LAST BUSINESS DAY PRIOR TO THE DATE OF SALE. In the event that no such revisions are made, the Preliminary Amounts will constitute the Revised Amounts. Bidders shall submit bids based on the Revised Amounts, and the Revised Amounts will be used to compare bids and select the winning bidder.

*The City reserves the right to change the aggregate principal amount of Bonds set forth in this Notice after determination of the winning bidder in an amount not to exceed **\$15,000,000.00**. \* Further, the City reserves the right to change the maturity schedule set forth in this Notice after determination of the winning bidder, by adjusting one or more principal maturities of the Bonds in increments of \$5,000.*

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\* Preliminary, subject to change.

As promptly as reasonably possible after the bids are received, the City will notify the winning bidder, if and when an award is made. The initial reoffering prices (the “Initial Reoffering Prices”), among other things, will be used by the City to calculate the final principal amount of each annual principal payment for the Bonds (collectively, the “Final Amounts”) to accommodate the objectives of the City. THE WINNING BIDDER MAY NOT WITHDRAW ITS BID OR CHANGE THE INTEREST RATES PROPOSED OR THE INITIAL REOFFERING PRICES AS A RESULT OF ANY CHANGES MADE TO THE REVISED AMOUNTS. The dollar amount bid by such entity will be adjusted to reflect changes in the dollar amount of the underwriter’s discount and the original issue discount/premium, if any, but will not change the compensation per \$1,000 of aggregate par amount of Bonds from the compensation that would have been received based on the purchase price in the winning bid and the Initial Reoffering Prices. The Final Amounts will be communicated to such entity as soon as possible, but not later than 3:00 p.m. MST, on the date of the sale.

## **REDEMPTION PROVISIONS**

*Optional Redemption.* The Bonds maturing before and on July 1, 2035\*, will not be subject to redemption prior to their stated maturity dates. The Bonds maturing on or after July 1, 2036\*, will be subject to optional redemption prior to their stated maturity dates, at the direction of the City, in whole or in part in denominations of \$5,000 or integral multiples thereof from maturities selected by the City, on July 1, 2035\*, and on any date thereafter, at a redemption price equal to the principal amount of Bonds being redeemed plus accrued interest to the date fixed for redemption, without premium.

*Mandatory Redemption.* A bidder may specify that the principal amount of Bonds scheduled to mature on or after July 1, 2036\*, shall be combined into one or more Term Bonds maturing in the years as specified, which are subject to mandatory redemption annually until payment at maturity in the principal amounts shown in the maturity schedule above at par and accrued interest to the date fixed for redemption, without premium. If so specified, then serial maturities converted into a single term Bond must bear the same rate of interest and reoffering price.

*Notice of Redemption.* Not more than 60, nor less than 30, days before any redemption date, the Bond Registrar and Paying Agent will cause a notice of any such redemption to be provided to DTC as further described in the Preliminary Official Statement. Such notice may provide that the redemption is conditional upon moneys for payment of the redemption price being held in separate accounts by the Bond Registrar and Paying Agent.

## **AUTHORIZATION AND USE OF FUNDS**

The Bonds are being issued by the City pursuant to Title 35, Chapter 3, Article 3, Arizona Revised Statutes, and a resolution adopted by the City Council of the City on November 13, 2025 (the “Resolution”). The Bonds will constitute a portion of the bonds authorized by the voters at special bond elections held in the City, and will be issued for the following purposes and to pay costs of issuance of the Bonds:

- (a) Parks and Recreation Facilities;
- (b) Public Facilities and Buildings;
- (c) Streets; and
- (d) Public Safety Facilities.

## **SECURITY AND SOURCE OF PAYMENT**

The Bonds will be payable as to principal and interest from a continuing, direct, annual, *ad valorem* tax to be levied against all of the taxable property within the boundaries of the City. The Bonds will be payable from such tax without limit as to rate or amount. Such tax is to be levied, assessed and collected as other taxes of the City, in an amount sufficient to pay the interest on all the Bonds then outstanding and installments of the principal of the Bonds becoming due and payable in the ensuing year.

Pursuant to the Bond Resolution, payment of all or any part of the Bonds may be provided for by the irrevocable deposit, in trust, of moneys or obligations issued or guaranteed by the United States government (“Defeasance Obligations”) or both, which, with the maturing principal of and interest on such Defeasance Obligations, if any, will be sufficient, as evidenced by a certificate or report of an accountant, to pay when due the principal or

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\* Preliminary, subject to change.

redemption price of and interest on such Bonds. If the maturing principal of the Defeasance Obligations or other moneys, or both, is sufficient to pay the principal of, premium, if any, and interest on such Bonds as the same matures, comes due or becomes payable upon prior redemption, a certificate or report of an accountant shall not be required. Any Bonds so provided for will no longer be outstanding under the Bond Resolution or payable from *ad valorem* taxes on taxable property in the City and the owners of such Bonds shall thereafter be entitled to payment only from the moneys and Defeasance Obligations deposited in trust.

## **BID DETAILS AND PARAMETERS**

*Form of Bids.* Bids for the Bonds must be unconditional, and for not less than the entire offering of the Bonds. By submitting a bid, each bidder agrees to all of the terms and conditions of this Notice (including any amendments issued by the City through PARITY and i-Deal Prospectus). Bids must be submitted electronically through PARITY. Bids may not be withdrawn or revised after the time that bids are due.

*Interest Rates Bid.* Interest on the Bonds is payable commencing on July 1, 2026\*, and thereafter on January 1 and July 1 of each year. Interest is calculated on the basis of a 30-day month and 360-day year from the date of the Bonds. Bids may specify any number of interest rates in multiples of one-eighth of one percent (1/8 of 1 percent) or one-twentieth of one percent (1/20 of 1 percent). All Bonds of the same maturity must bear interest at the same rate and no Bond shall bear interest at more than one rate. No rate of interest may exceed 5.00%. The highest rate bid shall not exceed the lowest rate bid by more than two percent (2.00%) per annum.

*Premium and Discount.* No bid will be considered for a price that is less than 100 percent of the aggregate par value of the Bonds.

## **ESTABLISHMENT OF ISSUE PRICE\*\***

(a) The winning bidder shall assist the City in establishing the issue price of the Bonds and shall execute and deliver to the City on the date of issuance of the Bonds (the “Closing Date”) an “issue price” or similar certificate setting forth the reasonably expected initial offering price to the public or the sales price or prices of the Bonds, together with the supporting pricing wires or equivalent communications, substantially in the form attached as the Exhibit to this Notice, with such modifications as may be appropriate or necessary, in the reasonable judgment of the winning bidder, the City, the Financial Advisor, and Greenberg Traurig, LLP (“Bond Counsel”).

(b) The City intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining “competitive sale” for purposes of establishing the issue price of the Bonds) will apply to the initial sale of the Bonds (the “competitive sale requirements”) because:

- (1) the City shall disseminate this Notice to potential underwriters in a manner that is reasonably designed to reach potential underwriters;
- (2) all bidders shall have an equal opportunity to bid;
- (3) the City may receive bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
- (4) the City anticipates awarding the sale of the Bonds to the bidder who submits a firm offer in conformance with this Notice to purchase the Bonds at a price that produces the lowest true interest cost to the City, as set forth in this Notice under the heading “AWARD AND DELIVERY.”

Any bid submitted pursuant to this Notice shall be considered a firm offer for the purchase of the Bonds, as specified in the bid.

(c) In the event that the competitive sale requirements are not satisfied, the City shall so advise the winning bidder. The City may determine to treat (i) the first price at which 10% of a maturity of the Bonds (the “10% test”) is

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\* Preliminary, subject to change.

\*\* Note: 10% test or hold-the-offering-price rule may apply if competitive sale requirements are not satisfied.

sold to the public as the issue price of that maturity and/or (ii) the initial offering price to the public as of the sale date of any maturity of the Bonds as the issue price of that maturity (the “hold-the-offering-price rule”), in each case applied on a maturity-by-maturity basis (and if different interest rates apply within a maturity, to each separate CUSIP number within that maturity). The winning bidder shall advise the City if any maturity of the Bonds satisfies the 10% test as of the date and time of the award of the Bonds. The City shall promptly advise the winning bidder, at or before the time of award of the Bonds, which maturities (and if different interest rates apply within a maturity, which separate CUSIP number within that maturity) of the Bonds shall be subject to the 10% test or shall be subject to the hold-the-offering-price rule. Bids will not be subject to cancellation in the event that the City determines to apply the hold-the-offering-price rule to any maturity of the Bonds. Bidders should prepare their bids on the assumption that some or all of the maturities of the Bonds will be subject to the hold-the-offering-price rule in order to establish the issue price of the Bonds.

(d) By submitting a bid, the winning bidder shall (i) confirm that the underwriters have offered or will offer the Bonds to the public on or before the date of award at the offering price or prices (the “initial offering price”), or at the corresponding yield or yields, set forth in the bid submitted by the winning bidder and (ii) agree, on behalf of the underwriters participating in the purchase of the Bonds, that the underwriters will neither offer nor sell unsold Bonds of any maturity to which the hold-the-offering-price rule shall apply to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

- (1) the close of the fifth (5<sup>th</sup>) business day after the sale date; or
- (2) the date on which the underwriters have sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The winning bidder will advise the City promptly after the close of the fifth (5<sup>th</sup>) business day after the sale date whether it has sold 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

(e) If the competitive sale requirements are not satisfied, then until the 10% test has been satisfied as to each maturity of the Bonds, the winning bidder agrees to promptly report to the City the prices at which the unsold Bonds of that maturity have been sold to the public. That reporting obligation shall continue, whether or not the Closing Date has occurred, until either (i) all Bonds of that maturity have been sold or (ii) the 10% test has been satisfied as to the Bonds of that maturity, provided that, the winning bidder’s reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the City or Bond Counsel.

(f) The City acknowledges that, in making the representations set forth above, the winning bidder will rely on (i) the agreement of each underwriter to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an underwriter or dealer who is a member of the selling group is a party to a third-party distribution agreement that was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in the third-party distribution agreement and the related pricing wires. The City further acknowledges that each underwriter shall be solely liable for its failure to comply with its agreement regarding the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement to comply with its corresponding agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds.

(g) By submitting a bid, each bidder confirms that:

- (1) any agreement among underwriters, any selling group agreement and each third-party distribution agreement (to which the bidder is a party) relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each

underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such third-party distribution agreement, as applicable:

(A)(i) to report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it, whether or not the Closing Date has occurred, until either all Bonds of that maturity allocated to it have been sold or it is notified by the winning bidder that the 10% test has been satisfied as to the Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the winning bidder, and (ii) to comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the winning bidder and as set forth in the related pricing wires,

(B) to promptly notify the winning bidder of any sales of Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below), and

(C) to acknowledge that, unless otherwise advised by the underwriter, dealer or broker-dealer, the winning bidder shall assume that each order submitted by the underwriter, dealer or broker-dealer is a sale to the public.

- (2) any agreement among underwriters or selling group agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter or dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement to (A) report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it, whether or not the Closing Date has occurred, until either all Bonds of that maturity allocated to it have been sold or it is notified by the winning bidder or such underwriter that the 10% test has been satisfied as to the Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the winning bidder or such underwriter, and (B) comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the winning bidder or the underwriter and as set forth in the related pricing wires.

(h) Sales of any Bonds to any person that is a related party to an underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below) shall not constitute sales to the public for purposes of this Notice. Further, for purposes of this Notice:

- (1) “public” means any person other than an underwriter or a related party,
- (2) underwriter” means (i) any person that agrees pursuant to a written contract with the City (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the public),
- (3) a purchaser of any of the Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) at least 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and
- (4) “sale date” means the date that the Bonds are awarded by the City to the winning bidder.

## **RIGHT OF REJECTION**

The City Council of the City, the Deputy City Manager/Chief Financial Officer of the City or the designees of any of them reserve the right to reject any and all bids and to waive any irregularity or informality in any bid, except that the time for receiving bids shall be of the essence.

## **AWARD AND DELIVERY**

Unless all bids are rejected or the receipt of bids is continued, the award of the Bonds will be made not later than 11:59 p.m., MST, on January 13, 2026\*. The Bonds will be sold to the bidder submitting a bid in conformance with this Notice that produces the lowest true interest cost to the City, based on the bid price, the interest rates specified in the bid and the principal amounts identified in this Notice. The true interest cost will be the rate necessary, on a 30/360 basis and semiannual compounding, to discount the debt service payments from the payment dates to the date of the Bonds and to the price bid. The true interest cost calculations will be performed by Parity and the Financial Advisor, and the City will base its determination of the best bid solely on such calculations. (See “BID DETAILS AND PARAMETERS.”) Delivery of the Bonds will be made to the purchaser through the facilities of DTC upon payment in federal or immediately available funds, at the offices of Bond Counsel, or, at the purchaser’s request and expense, at any other place mutually agreeable to both the City and the purchaser. The closing of the sale of the Bonds will be on or about January 28, 2026\*, or on such other date as is mutually agreed upon.

## **CANCELLATION**

Pursuant to Arizona law, if within three years from the award of the contract for the purchase of the Bonds any person who was significantly involved in initiating, negotiating, securing, drafting or creating a contract for the purchase of the Bonds on behalf of the City becomes an employee or agent of the winning bidder in any capacity or a consultant to the winning bidder with respect to the contract for the purchase of the Bonds, the City may cancel the award of the contract without penalty or further obligation by the City and refuse to deliver the Bonds to the winning bidder. In addition to such cancellation, if such person becomes an employee or agent of such entity with respect to the contract for the purchase of the Bonds, the City may recoup any fees or commissions paid or due to the winning bidder with respect to the award to the winning bidder and the actual sale of the Bonds.

## **GOOD FAITH DEPOSIT**

The winning bidder for the Bonds shall deliver a good faith deposit in the amount of \$3,000,000 to the City, as instructed by the City. The good faith deposit must be paid by federal funds wire transfer delivered no later than twenty four (24) hours following the winning bidder’s receipt of the verbal award. Wiring instructions will be provided to the winning bidder at the time of the verbal award. If not so received, the bid of the lowest bidder will be rejected and the City may direct the second lowest bidder to submit a Good Faith Deposit and thereafter may award the sale of the Bonds to the same. The good faith deposit will be retained by the City as security for the performance of the winning bidder and shall be applied to the purchase price of the Bonds upon delivery of the Bonds to the winning bidder. Pending delivery of the Bonds, the good faith deposit may be invested for the sole benefit of the City. If the Bonds are ready for delivery and the winning bidder fails or neglects to complete the purchase within 30 days following acceptance of its bid, the good faith deposit shall be retained by the City as reasonable liquidated damages, and not as a penalty.

Such retention will constitute a full release and discharge of all claims by the City against the winning bidder and, in that event, the City may call for additional bids. The City’s actual damages may be higher or lower than the amount of such good faith deposit. Such amount constitutes a good faith estimate of the City’s actual damages. Each bidder waives the right to claim that actual damages arising from such default are less than such amount.

## **LEGAL OPINION**

The Bonds are sold with the understanding that the City will furnish the purchaser with the approving opinion of Bond Counsel. Bond Counsel has been retained by the City to render its opinion only upon the legality of the Bonds under Arizona law and on the exemption of the interest income on such Bonds from federal and State of Arizona income taxes, the delivery of said opinion being a condition precedent to the delivery of the Bonds and the purchase thereof. (See “TAX EXEMPTION.”) The fees of Bond Counsel will be paid from proceeds of the sale of the Bonds.

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\* Preliminary, subject to change.

Except to the extent necessary to issue its approving opinion as to validity of the Bonds, Bond Counsel has not been requested to examine or review, and has not examined or reviewed, any financial documents, statements or materials that have been or may be furnished in connection with the authorization, issuance or marketing of the Bonds and accordingly will not express any opinion with respect to the accuracy or completeness of any such financial documents, statements or materials. In submitting a bid for the Bonds, the bidder agrees to the representation of the City by Bond Counsel. See “LEGAL MATTERS” in the Preliminary Official Statement and Appendix C – “Form of Approving Legal Opinion” to the Preliminary Official Statement.

### **TAX EXEMPTION**

The Internal Revenue Code of 1986, as amended (the “Code”), includes requirements which the City must continue to meet with respect to the Bonds after the issuance thereof in order that interest on the Bonds not be included in gross income for federal income tax purposes. The failure by the City to meet these requirements may cause interest on the Bonds to be included in gross income for federal income tax purposes retroactive to their date of issuance. The City has covenanted to take the actions required by the Code in order to maintain the exclusion from federal gross income of interest on the Bonds.

In the opinion of Bond Counsel to be rendered with respect to the Bonds on the date of issuance of the Bonds, assuming the accuracy of certain representations and certifications of the City and continuing compliance by the City with the tax covenants referred to above, under existing statutes, regulations, rulings and court decisions, interest on the Bonds will be excludable from gross income for federal income tax purposes. Interest on the Bonds will not be an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals, but in the case of the alternative minimum tax imposed by Section 55(b)(2) of the Code on applicable corporations (as defined in Section 59(k) of the Code), interest on the Bonds will not be excluded from the determination of adjusted financial statement income. Bond Counsel is further of the opinion upon the date of issuance of the Bonds that the interest on the Bonds will be exempt from income taxation under the laws of the State of Arizona.

Except as described above, Bond Counsel will express no opinion regarding the federal income tax consequences resulting from the ownership of, receipt or accrual of interest on, or disposition of the Bonds. Prospective purchasers of the Bonds should be aware that the ownership of the Bonds may result in other collateral federal tax consequences, including (i) the denial of a deduction for interest on indebtedness incurred or continued to purchase or carry the Bonds or, in the case of a financial institution, that portion of an owner’s interest expense allocable to interest on a Bond; (ii) the reduction of the loss reserve deduction for property and casualty insurance companies by the applicable statutory percentage of certain items, including the interest on the Bonds; (iii) the inclusion of interest on the Bonds in the earnings of certain foreign corporations doing business in the United States for purposes of the branch profits tax; (iv) the inclusion of interest on the Bonds in passive investment income subject to federal income taxation of certain Subchapter S corporations with Subchapter C earnings and profits at the close of the taxable year; (v) the inclusion in gross income of interest of the Bonds by recipients of certain Social Security and Railroad Retirement benefits; (vi) net gain realized upon the sale or other disposition of property such as the Bonds generally must be taken into account when computing the Medicare tax with respect to net investment income or undistributed net investment income, as applicable, imposed on certain high income individuals and specified trusts and estates; and (vii) receipt of certain investment income, including interest on the Bonds, is considered when determining qualification limits for obtaining the earned income credit provided by Section 32(a) of the Code. The nature and extent of the other tax consequences described above will depend on the particular tax status and situation of each owner of the Bonds. Prospective purchasers of the Bonds should consult their own tax advisors as to the impact of these and any other tax consequences.

See “TAX EXEMPTION” in the Preliminary Official Statement.

### **CERTIFICATES TO BE DELIVERED**

In connection with the initial issuance of the Bonds, representatives of the City will deliver a certificate certifying that no litigation is pending affecting the sale and issuance of the Bonds, an arbitrage certificate covering expectations concerning the use of proceeds from the sale of the Bonds and related matters and a certificate regarding the accuracy of the hereinafter described final official statement for the Bonds.

## **CUSIP IDENTIFICATION NUMBERS**

It is anticipated that CUSIP identification numbers will be printed on the Bonds; however, neither the failure to print CUSIP numbers on any Bond nor any error with respect thereto will constitute cause for failure or refusal by the purchaser thereof to accept delivery of and pay for the Bonds. The Financial Advisor will obtain CUSIP numbers. The charge of the CUSIP Service Bureau shall be paid by the City.

## **PRELIMINARY OFFICIAL STATEMENT DEEMED FINAL; DELIVERY OF OFFICIAL STATEMENT**

The City deems the Preliminary Official Statement to be final as of its date, except for the omission of the offering prices or yields, the interest rates and any other terms or provisions required by the City to be specified in bids for the Bonds, and other terms of the Bonds depending on such matters. The winning bidder shall supply the Deputy City Manager/Chief Financial Officer of the City, within 24 hours after the award of the Bonds, all necessary pricing information and any underwriter identification necessary to complete the final official statement to be used in connection with the sale of the Bonds.

Promptly after receiving such information, the City will prepare such final official statement in substantially the same form as the Preliminary Official Statement, subject to any amendments which the City believes should be made in such final official statement.

The City will provide the winning bidder with such final official statements within seven (7) business days of the award of the Bonds. Such final official statements will be provided to the winning bidder electronically. No hard copies of such final official statement will be provided to the winning bidder.

## **CONTINUING DISCLOSURE**

The City, as the “obligated person” with respect to the Bonds, will covenant for the benefit of the owners of the Bonds to provide certain financial information and operating data relating to the City by not later than February 1 in each year commencing February 1, 2027 (the “Annual Reports”), and to provide notices of the occurrence of certain enumerated events (the “Notices of Listed Events”). The Annual Reports and the Notices of Listed Events will be filed by the City through the Electronic Municipal Market Access System. These covenants will be made in order to assist the purchaser in complying with the Securities and Exchange Commission Rule 15c2-12(b)(5) (the “Rule”), and the form of the undertaking necessary pursuant to the Rule is included as Appendix E – “Form of Continuing Disclosure Undertaking” to the Preliminary Official Statement. *Pursuant to Arizona Law, the ability of the City to comply with such covenants will be subject to annual appropriation of funds sufficient to provide for the costs of compliance with such covenants.* A failure by the City to comply with these covenants, including due to failure to appropriate for such purposes, must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market. See “CONTINUING SECONDARY MARKET DISCLOSURE” in the Preliminary Official Statement.

## **FURTHER INFORMATION**

Further information, including copies of the Bond Resolution and the Preliminary Official Statement, may be obtained from the City of Chandler, Deputy City Manager/Chief Financial Officer at (480) 782-2255, or from Piper Sandler & Co., Financial Advisor to the City: Bill Davis (by telephone (602) 808-5428 or by email: [william.davis@psc.com](mailto:william.davis@psc.com)).

DATED: January 2, 2026

/s/ Dawn Lang

Deputy City Manager/Chief Financial Officer  
City of Chandler, Arizona

**EXHIBIT TO NOTICE**

**ISSUE PRICE CERTIFICATE**

**\$160,000,000\***

**CITY OF CHANDLER, ARIZONA  
GENERAL OBLIGATION BONDS, SERIES 2026**

The undersigned, on behalf of [NAME OF UNDERWRITER/REPRESENTATIVE] [“(SHORT NAME OF UNDERWRITER)”] [(the “Representative”)] [, on behalf of itself and [NAMES OF OTHER UNDERWRITERS] (together, the “Underwriting Group”)] hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the “Bonds”).

**[Alternative 1-Competitive Sale Rule applies]**

**1. [Reasonably Expected Initial Offering Price.]**

(a) As of the Sale Date, the reasonably expected initial offering prices of the Bonds to the Public by [SHORT NAME OF UNDERWRITER] are the prices listed in Schedule A (the “Expected Offering Prices”). The Expected Offering Prices are the prices for the Maturities of the Bonds used by [SHORT NAME OF UNDERWRITER] in formulating its bid to purchase the Bonds. Attached as Schedule B is a true and correct copy of the bid provided by [SHORT NAME OF UNDERWRITER] to purchase the Bonds.

(b) [SHORT NAME OF UNDERWRITER] was not given the opportunity to review other bids prior to submitting its bid.

(c) The bid submitted by [SHORT NAME OF UNDERWRITER] constituted a firm offer to purchase the Bonds.]

**[Alternatives 2-4 are available choices if Alternative 1 does not apply] [Note that Alternative 3 [where two rules apply] involves portions of Sections 1, 2(a) and 2(b) and Alternative 4 involves portions of 2(a) and 2(b)]**

**[1. Sale of the Bonds. [Alternative 2 – All Maturities Use General Rule:** As of the date of this certificate, for each Maturity of the Bonds, the first price at which at least 10% of such Maturity of the Bonds was sold to the Public is the respective price listed in Schedule A.][Alternative 3 – Select Maturities Use General Rule: *Sale of the General Rule Maturities.* As of the date of this certificate, for each Maturity of the General Rule Maturities, the first price at which at least 10% of such Maturity of the Bonds was sold to the Public is the respective price listed in Schedule A.]

**2. [Initial Offering Price of the [Bonds]][Hold-the-Offering-Price Maturities]].**

(a) **[Alternative 4 – All Maturities Use Hold-the-Offering-Price Rule:** [SHORT NAME OF UNDERWRITER][The Underwriting Group] offered the Bonds to the Public for purchase at the respective initial offering prices listed in Schedule A (the “Initial Offering Prices”) on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as Schedule B.] **[Alternative 3 – Select Maturities Use Hold-the-Offering-Price Rule:** [SHORT NAME OF UNDERWRITER][The Underwriting Group] offered the Hold- the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in Schedule A (the “Initial Offering Prices”) on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as Schedule B.]

(b) **[Alternative 4 – All Maturities use Hold-the-Offering-Price Rule:** As set forth in the Notice Inviting Bids for the Purchase of Bonds and bid award, [SHORT NAME OF UNDERWRITER][the members of the Underwriting Group] [has][have] agreed in writing that, (i) for each Maturity of the Bonds, [it][they] would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price

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\* Preliminary, subject to change.

for such Maturity during the Holding Period for such Maturity (the “hold-the-offering-price rule”), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter (as defined below) has offered or sold any Maturity of the Bonds at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.] **[Alternative 3 - Select Maturities Use Hold-the-Offering-Price Rule:** As set forth in the Notice Inviting Bids for the Purchase of Bonds and bid award, [SHORT NAME OF UNDERWRITER][the members of the Underwriting Group] [has][have] agreed in writing that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, [it][they] would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the “hold-the-offering-price rule”), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter (as defined below) has offered or sold any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.]

[2.][3.] **Total Issue Price.** The total of the issue prices of all the Maturities is \$.....

[2.][4.] **Defined Terms.**

[(a) *General Rule Maturities* means those Maturities of the Bonds listed in Schedule A hereto as the “General Rule Maturities.”]

[(b) *Hold-the-Offering-Price Maturities* means those Maturities of the Bonds listed in Schedule A hereto as the “Hold-the-Offering-Price Maturities.”]

[(c) *Holding Period* means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date ([DATE]), or (ii) the date on which the [SHORT NAME OF UNDERWRITER][the Underwriters] [has][have] sold at least 10% of such Hold-the- Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering- Price Maturity.]

(a) *Issuer* means the City of Chandler, Arizona.

(b) *Maturity* means the Bonds with the same credit and payment terms. The Bonds with different maturity dates, are treated as separate Maturities.

(c) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of the Bonds generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(d) The *Sale Date* of the Bonds is January 13, 2026\*.

(e) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents [SHORT NAME OF UNDERWRITER/REPRESENTATIVE]’s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Certificate Relating To Federal Tax Matters of the Issuer and with

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\* Preliminary, subject to change.

respect to compliance with the federal income tax rules affecting the Bonds, and by Greenberg Traurig, LLP, as Bond Counsel, in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

[UNDERWRITER/REPRESENTATIVE]

By: \_\_\_\_\_  
Authorized Representative

Dated: [Closing Date]

**SCHEDULE A**  
**[EXPECTED OFFERING PRICES] [SALE PRICES]**  
**(ATTACHED)**

**SCHEDULE B**  
**[COPY OF UNDERWRITER'S BID] (ATTACHED)**

## OFFICIAL STATEMENT

### **\$160,000,000\*** **CITY OF CHANDLER, ARIZONA** **GENERAL OBLIGATION BONDS,** **SERIES 2026**

## INTRODUCTORY STATEMENT

The Official Statement, which includes the cover page, inside front cover page and the appendices hereto (the “Official Statement”), has been prepared in connection with the original sale and issuance by the City of Chandler, Arizona (the “City”) of its General Obligation Bonds, Series 2026 in the aggregate principal amount of \$160,000,000\* (the “Bonds”).

The Bonds will be issued in the form of fully registered bonds, registered in the name Cede & Co., as nominee of The Depository Trust Company (“DTC”). DTC will act as the securities depository for the Bonds.

All financial and other information presented in this Official Statement has been provided by the City from its records, except for information expressly attributed to other sources. The presentation of information, including tables of receipts from revenues, taxes and other sources, is intended to show recent historic information and is not intended to indicate future or continuing trends in the financial position or other affairs of the City. No representation is made that past experience, as is shown by that financial and other information, will necessarily continue or be repeated in the future.

Reference to provisions of Arizona law, whether codified in the Arizona Revised Statutes (the “Arizona Revised Statutes” or “A.R.S.”), or uncoded, or of the Arizona constitution (the “Arizona Constitution”) or the Charter of the City (the “Charter”) are references to those current provisions. Those provisions may be amended, repealed or supplemented.

As used in this Official Statement “debt service” means principal and interest on the obligations referred to, “County” means Maricopa County, Arizona and “State” or “Arizona” means the State of Arizona. Initial capitals denote terms defined herein.

Concurrently with the issuance of the Bonds, the City expects to offer its \$190,000,000\* Excise Tax Revenue Obligations, Series 2026 (the “Series 2026 Excise Tax Obligations”), pursuant to a separate official statement. See “STATEMENTS OF BONDS OUTSTANDING – Excise Tax Revenue Obligations Outstanding and to be Outstanding” in APPENDIX B – “CITY OF CHANDLER, ARIZONA – FINANCIAL DATA”.

## THE BONDS

### **Authorization and Purpose – Bonds**

The Bonds will be issued pursuant to the Arizona Constitution and laws of the State, and under the provisions of Resolution No. 5947 authorizing issuance of the Bonds adopted by the Mayor and City Council of the City on November 13, 2025 (the “Resolution”). The Bonds were authorized by the qualified electors of the City voting at special bond elections held on May 16, 1989, May 18, 2004, May 15, 2007, and November 2, 2021.

The Bonds are being issued in order to provide funds for the purpose of (i) acquiring and constructing improvements to parks and recreation facilities, public facilities and buildings, streets, and public safety facilities, and (ii) paying the costs of issuance of the Bonds.

### **Authorized and Unissued Bonds**

The City expects to issue additional general obligation bonds in the future pursuant to existing and future voted bond authorizations. Such bonds may be secured by, and payable from, the same levy of ad valorem taxes as the Bonds and all other outstanding general obligation bonds of the City. Following the sale of the Bonds, the City will have \$579,175,000\* aggregate principal amount of general obligation bonds authorized but unissued, pursuant to voter approvals given at special bond elections held on May 16, 1989, May 18, 1993, May 20, 1997, May 18, 2004, May 15, 2007, November 2, 2021, and November 4, 2025. In addition, certain amounts of net premium on general obligation bonds of the City reduce the principal amount of authorized but unissued general obligation bonds of the City.

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\* Preliminary, subject to change.

## General Provisions

The Bonds will be dated as of the date of initial delivery. The Bonds will mature on the dates and in the principal amounts set forth on the inside front cover page of this Official Statement. Interest on the Bonds will be payable semiannually on January 1 and July 1 commencing July 1, 2026\* (each, an “Interest Payment Date”) and thereafter until maturity or prior redemption. See “THE BONDS – Redemption Provisions” herein.

The Bonds will initially be registered in the name of Cede & Co., as nominee of DTC, for the purpose of the book-entry-only system (“Book-Entry-Only System”) described herein. The City has chosen the close of business of the Bond Registrar and Paying Agent (as defined herein) on the fifteenth (15th) day of the month in the month preceding an Interest Payment Date (the “Record Date”) for the Bonds. Beneficial ownership interests in the Bonds may be purchased through direct and indirect participants of DTC in the principal amounts of \$5,000 or integral multiples thereof due on a specific maturity date. See APPENDIX F – “BOOK-ENTRY-ONLY SYSTEM.”

So long as Cede & Co. is the registered owner of the Bonds, as nominee for DTC, references herein to “Owners” or registered owners of the Bonds (other than under the captions “TAX EXEMPTION”) shall mean Cede & Co., as aforesaid, and shall not mean the owners of book-entry interests in the Bonds. When notices are given, they shall be sent by the City or the hereinafter-described Bond Registrar and Paying Agent to DTC only.

See “TAX EXEMPTION” for a discussion of the treatment of the interest on the Bonds for federal and State income tax purposes.

## Bond Registrar and Paying Agent

U.S. Bank Trust Company, National Association, will serve as the initial bond registrar and paying agent (the “Bond Registrar and Paying Agent”) for the Bonds. The City may change the Bond Registrar and Paying Agent without notice or consent of the registered owners of the Bonds.

## Redemption Provisions

### *Optional Redemption*

The Bonds maturing before and on July 1, 2035\*, will not be subject to redemption prior to their stated maturity dates. The Bonds maturing on or after July 1, 2036\*, will be subject to optional redemption prior to their stated maturity dates, at the direction of the City, in whole or in part in denominations of \$5,000 or integral multiples thereof from maturities selected by the City, on July 1, 2035\*, and on any date thereafter, at a redemption price equal to the principal amount of Bonds being redeemed plus accrued interest to the date fixed for redemption, without premium.

### *Mandatory Redemption*

The Bonds maturing on July 1 of the following years are subject to mandatory redemption prior to their stated maturity dates, and will be redeemed on July 1 of the respective years set forth below and in the principal amounts set forth below, by payment of a redemption price equal to the principal amount of the Bonds then called for redemption plus the interest accrued to the date fixed for redemption, but without premium, as follows:

Term Bonds Maturing July 1, 20\_\_

<u>Year</u>	<u>Principal Amount</u>
20__	\$
20__ (maturity)	

Whenever Bonds subject to mandatory redemption are redeemed (other than pursuant to mandatory redemption) or delivered to the Bond Registrar and Paying Agent for cancellation, the principal amount of the Bonds so retired shall satisfy and be credited against the mandatory redemption requirements for such Bonds for such years as the City may direct.

### *Notice of Redemption*

So long as the Bonds are held under the Book-Entry-Only System, notices of redemption will be sent to DTC, in the manner required by DTC. If the Book-Entry-Only System is discontinued, notice of redemption of any Bond will be mailed to the registered owner

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\* Preliminary, subject to change.

of the Bond or Bonds being redeemed at the address shown on the bond register maintained by the Bond Registrar and Paying Agent not more than sixty (60) days nor less than thirty (30) days prior to the date set for redemption. Failure to properly give notice of redemption shall not affect the redemption of any Bond for which notice was properly given. Notice of any redemption will also be sent to the Municipal Securities Rulemaking Board (the "MSRB"), currently through the MSRB's Electronic Municipal Market Access system ("EMMA"), in the manner required by the MSRB, but no defect in said further notice or record nor any failure to give all or a portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as prescribed above.

If moneys for the payment of the redemption price are not on deposit with and held in separate accounts by the Bond Registrar and Paying Agent prior to sending the notice of redemption, such redemption shall be conditional on such moneys being so held on or prior to the date set for redemption and if not so held by such date the redemption shall be cancelled and be of no force and effect. The notice of redemption shall describe the conditional nature of the redemption.

#### *Effect of Call for Redemption*

Notice of redemption having been given in the manner described above, the Bonds or portions thereof called for redemption will become due and payable on the redemption date, and, if moneys sufficient for payment of the redemption price are held in separate accounts by the Bond Registrar and Paying Agent, interest on such Bonds or such portions thereof shall cease to accrue from and after such redemption date.

#### *Redemption of Less Than All of a Bond*

The City may redeem an amount which is included in a Bond in the denomination in excess of, but divisible by, \$5,000. In that event, if the Book-Entry-Only System is discontinued, the registered owner shall submit the Bond for partial redemption and the Bond Registrar and Paying Agent shall make such partial payment and shall cause to be issued a new Bond, in a principal amount which reflects the redemption so made, to be authenticated and delivered to the registered owner thereof.

#### **Mutilated, Lost or Destroyed Bonds**

If the Book-Entry-Only System described above is discontinued, and any Bond becomes lost, stolen or destroyed, or mutilated, the Bond Registrar shall complete, authenticate, deliver and register new Bonds to replace any Bond lost, stolen or destroyed, or mutilated, upon receipt by the Bond Registrar and Paying Agent of evidence satisfactory to it of the loss, theft, destruction or mutilation of any Bond and of indemnity satisfactory to it.

#### **Registration and Transfer**

So long as the Book-Entry-Only System is in effect, the Bonds will not be transferred. If the Book-Entry-Only System is discontinued, the Bonds will be transferred only upon the bond register maintained by the Bond Registrar and Paying Agent and one or more new Bonds, registered in the name of the transferee, of the same principal amount, maturity and rate of interest as the surrendered Bonds will be authenticated, upon surrender to the Bond Registrar and Paying Agent of the Bond or Bonds to be transferred, together with an appropriate instrument of transfer executed by the transferor if the Bond Registrar and Paying Agent's requirements for transfer are met. The Bond Registrar and Paying Agent may, but will not be required to, transfer or exchange any Bonds during the period from the Record Date to and including the next respective Interest Payment Date. The Bond Registrar and Paying Agent may, but will not be required to, transfer or exchange any Bonds which have been selected for redemption. If the Bond Registrar and Paying Agent transfers or exchanges Bonds within the periods referred to above, the interest payment on such Bonds will be made payable to and mailed to the owners shown on the bond register maintained by the Bond Registrar and Paying Agent as of the close of business on the respective Record Date.

If the Book-Entry-Only System is discontinued, the transferor will be responsible for all transfer fees, taxes, and any other costs relating to the transfer of ownership of individual Bonds.

#### **Security For and Sources of Payment of the Bonds**

The Bonds are direct, general obligations of the City and are payable as to both principal and interest from a continuing, direct, annual, ad valorem tax levied against all of the taxable property located within the boundaries of the City. The Bonds are payable from such tax without limit as to rate or amount. Such tax is to be levied, assessed and collected as other taxes of the City, in an amount sufficient to pay the interest on all the Bonds then outstanding and installments of the principal of the Bonds becoming due and payable in the ensuing year. A record of property taxes levied and collected for the City for the most recent five fiscal years may be found in APPENDIX B – "CITY OF CHANDLER, ARIZONA – FINANCIAL DATA," attached hereto. The proceeds of such taxes will be kept by the City in a debt service fund, and by law may be used only for payment of principal, interest, premium,

Pursuant to A.R.S. Section 35-458.C, the Bonds are secured by a lien on all revenues received pursuant to the tax levy. The lien arises automatically without the need for any action or authorization by the City Council. The lien is valid and binding from the time of issuance of the Bonds, and the revenues received pursuant to the levy of the tax are immediately subject to the lien. The lien attaches immediately to the revenues and is effective, binding and enforceable against the City and any successors, transferees, creditors and all other parties asserting rights in the revenues, irrespective of whether the parties have notice of the lien, without the need for any physical delivery, recordation, filing or further act.

Pursuant to the Resolution, payment of all or any part of the Bonds may be provided for by the irrevocable deposit, in trust, of moneys or obligations issued or guaranteed by the United States of America (“Defeasance Obligations”) or both which, with the maturing principal of and interest on such Defeasance Obligations, if any, will be sufficient, as evidenced by a certificate or report of an accountant, to pay when due the principal or redemption price of and interest on such Bonds. If the maturing principal of the Defeasance Obligations or other moneys, or both, is sufficient to pay the principal of, premium, if any, and interest on such Bonds or portion thereof as the same matures, comes due or becomes payable upon prior redemption, a certificate or report of an accountant shall not be required. Any Bonds so provided for will no longer be outstanding under the Resolution or payable from *ad valorem* taxes on taxable property in the City, and the owners of such Bonds shall thereafter be entitled to payment only from the moneys and Defeasance Obligations deposited in trust.

Project Fund	
Costs of Issuance <i>(b)</i>	
Deposit to the Debt Service Fund	
	<hr/>
Total Uses	

## DEBT SERVICE REQUIREMENTS (a)

The following schedule sets forth (i) the annual debt service requirements of the outstanding general obligation bonds of the City, (ii) plus the debt service requirements of the Bonds, and (iii) the combined total annual general obligation bond debt service requirements of the City after issuance of the Bonds.

Fiscal Year Ended June 30	Outstanding General Obligation Bonded Debt Debt Service	Plus: The Bonds*		Less: Water & Wastewater Revenue Supported GO Debt Service	Net General Obligation Bonded Debt Service to be Outstanding*
		Principal	Interest (b)		
2026	\$ 52,284,843		\$3,809,944	\$ 10,904,723	\$ 45,190,064
2027	42,451,605	\$2,500,000	7,070,000	9,366,219	42,655,386
2028	45,245,773	1,000,000	6,945,000	11,318,273	41,872,499
2029	18,349,985	8,000,000	6,895,000		33,244,985
2030	20,056,860	3,000,000	6,495,000		29,551,860
2031	17,496,060	4,000,000	6,345,000		27,841,060
2032	17,028,435	4,000,000	6,145,000		27,173,435
2033	12,348,625	5,000,000	5,945,000		23,293,625
2034	11,931,250	5,000,000	5,695,000		22,626,250
2035	2,178,125	9,000,000	5,445,000		16,623,125
2036		11,500,000	4,995,000		16,495,000
2037		12,000,000	4,420,000		16,420,000
2038		12,500,000	3,940,000		16,440,000
2039		13,000,000	3,440,000		16,440,000
2040		13,500,000	2,920,000		16,420,000
2041		14,000,000	2,380,000		16,380,000
2042		14,000,000	1,820,000		15,820,000
2043		14,000,000	1,260,000		15,260,000
2044		14,000,000	700,000		14,700,000
	<u>\$ 239,371,560</u>	<u>\$160,000,000</u>	<u>\$86,664,944</u>	<u>\$ 31,589,215</u>	<u>\$ 454,447,289</u>

(a) Prepared by the Financial Advisor to the City. Columns may not add up due to rounding.

(b) Interest is estimated. The first interest payment on the Bonds will be due July 1, 2026\*. Thereafter, interest payments will be made semiannually on January 1 and July 1 until the prior redemption or final maturity of the Bonds.

\* Preliminary, subject to change.

## **TAX EXEMPTION**

### **General**

The Internal Revenue Code of 1986, as amended (the “Code”), includes requirements which the City must continue to meet after the issuance of the Bonds in order that the interest on the Bonds be and remain excludable from gross income for federal income tax purposes. The City’s failure to meet these requirements may cause the interest on the Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds. The City has covenanted in the Resolution to take the actions required by the Code in order to maintain the exclusion from gross income for federal income tax purposes of interest on the Bonds.

In the opinion of Bond Counsel, assuming the accuracy of certain representations and certifications of the City and continuing compliance by the City with the tax covenants referred to above, under existing statutes, regulations, rulings and court decisions, the interest on the Bonds is excludable from gross income of the holders thereof for federal income tax purposes. Interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals, but in the case of the alternative minimum tax imposed by Section 55(b)(2) of the Code on applicable corporations (as defined in Section 59(k) of the Code), interest on the Bonds is not excluded from the determination of adjusted financial statement income. Bond Counsel is further of the opinion that the interest on the Bonds is exempt from income taxation under the laws of the State. Bond Counsel will express no opinion as to any other tax consequences regarding the Bonds. Prospective purchasers of the Bonds should consult with their own tax advisors as to the status of interest on the Bonds under the tax laws of any state other than the State.

The above opinion on federal tax matters with respect to the Bonds will be based on and will assume the accuracy of certain representations and certifications of the City, and compliance with certain covenants of the City to be contained in the transcript of proceedings and that are intended to evidence and assure the foregoing, including that the Bonds will be and will remain obligations the interest on which is excludable from gross income for federal income tax purposes. Bond Counsel will not independently verify the accuracy of those certifications and representations. Bond Counsel will express no opinion as to any other consequences regarding the Bonds.

Except as described above, Bond Counsel will express no opinion regarding the federal income tax consequences resulting from the receipt or accrual of the interest on the Bonds, or the ownership or disposition of the Bonds. Prospective purchasers of Bonds should be aware that the ownership of Bonds may result in other collateral federal tax consequences, including (i) the denial of a deduction for interest on indebtedness incurred or continued to purchase or carry the Bonds, (ii) the reduction of the loss reserve deduction for property and casualty insurance companies by the applicable statutory percentage of certain items, including the interest on the Bonds, (iii) the inclusion of the interest on the Bonds in the earnings of certain foreign corporations doing business in the United States for purposes of a branch profits tax, (iv) the inclusion of the interest on the Bonds in the passive income subject to federal income taxation of certain Subchapter S corporations with Subchapter C earnings and profits at the close of the taxable year, (v) the inclusion of interest on the Bonds in the determination of the taxability of certain Social Security and Railroad Retirement benefits to certain recipients of such benefits, (vi) net gain realized upon the sale or other disposition of property such as the Bonds generally must be taken into account when computing the Medicare tax with respect to net investment income or undistributed net investment income, as applicable, imposed on certain high income individuals and specified trusts and estates and (vii) receipt of certain investment income, including interest on the Bonds, is considered when determining qualification limits for obtaining the earned income credit provided by Section 32(a) of the Code. The nature and extent of the other tax consequences described above will depend on the particular tax status and situation of each owner of the Bonds. Prospective purchasers of the Bonds should consult their own tax advisors as to the impact of these and any other tax consequences.

Bond Counsel’s opinions are based on existing law, which is subject to change. Such opinions are further based on factual representations made to Bond Counsel as of the date thereof. Bond Counsel assumes no duty to update or supplement its opinions to reflect any facts or circumstances that may thereafter come to Bond Counsel’s attention, or to reflect any changes in law that may thereafter occur or become effective. Moreover, Bond Counsel’s opinions are not a guarantee of a particular result, and are not binding on the Internal Revenue Service or the courts; rather, such opinions represent Bond Counsel’s professional judgment based on its review of existing law, and in reliance on the representations and covenants that it deems relevant to such opinion.

## **Original Issue Discount and Original Issue Premium**

Certain of the Bonds (“Discount Bonds”) may be offered and sold to the public at an original issue discount (“OID”). OID is the excess of the stated redemption price at maturity (the principal amount) over the “issue price” of a Discount Bond determined under Code Section 1273 or 1274 (*i.e.*, for obligations issued for money in a public offering, the initial offering price to the public (other than to bond houses and brokers) at which a substantial amount of the obligation of the same maturity is sold pursuant to that offering). For federal income tax purposes, OID accrues to the owner of a Discount Bond over the period to maturity based on the constant yield method, compounded semiannually (or over a shorter permitted compounding interval selected by the owner). The portion of OID that accrues during the period of ownership of a Discount Bond (i) is interest excludable from the owner’s gross income for federal income tax purposes to the same extent, and subject to the same considerations discussed above, as other interest on the Bonds, and (ii) is added to the owner’s tax basis for purposes of determining gain or loss on the maturity, redemption, prior sale, or other disposition of that Discount Bond.

Certain of the Bonds (“Premium Bonds”) may be offered and sold to the public at a price in excess of their stated redemption price (the principal amount) at maturity (or earlier for certain Premium Bonds callable prior to maturity). That excess constitutes bond premium. For federal income tax purposes, bond premium is amortized over the period to maturity of a Premium Bond, based on the yield to maturity of that Premium Bond (or, in the case of a Premium Bond callable prior to its stated maturity, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on that Premium Bond), compounded semiannually (or over a shorter permitted compounding interval selected by the owner). No portion of that bond premium is deductible by the owner of a Premium Bond. For purposes of determining the owner’s gain or loss on the sale, redemption (including redemption at maturity), or other disposition of a Premium Bond, the owner’s tax basis in the Premium Bond is reduced by the amount of bond premium that accrues during the period of ownership. As a result, an owner may realize taxable gain for federal income tax purposes from the sale or other disposition of a Premium Bond for an amount equal to or less than the amount paid by the owner for that Premium Bond.

Owners of Discount and Premium Bonds should consult their own tax advisors as to the determination for federal income tax purposes of the amount of OID or bond premium properly accruable or amortizable in any period with respect to the Discount or Premium Bonds and as to other federal tax consequences, and the treatment of OID and bond premium for purposes of state and local taxes on, or based on, income.

## **Changes in Federal and State Tax Law**

From time to time, there are legislative proposals suggested, debated, introduced or pending in Congress or in the State legislature that, if enacted into law, could alter or amend one or more of the federal tax matters, or state tax matters, respectively, described above including, without limitation, the excludability from gross income of interest on the Bonds, adversely affect the market price or marketability of the Bonds, or otherwise prevent the holders from realizing the full current benefit of the status of the interest thereon. It cannot be predicted whether or in what form any such proposal may be enacted, or whether, if enacted, any such proposal would affect the Bonds. Prospective purchasers of the Bonds should consult their tax advisors as to the impact of any proposed or pending legislation.

## **Information Reporting and Backup Withholding**

Interest paid on tax-exempt bonds such as the Bonds is subject to information reporting to the Internal Revenue Service in a manner similar to interest paid on taxable obligations. This reporting requirement does not affect the excludability of interest on the Bonds from gross income for federal income tax purposes. However, in conjunction with that information reporting requirement, the Code subjects certain non-corporate owners of the Bonds, under certain circumstances, to “backup withholding” at the rates set forth in the Code, with respect to payments on the Bonds and proceeds from the sale of the Bonds. Any amount so withheld would be refunded or allowed as a credit against the federal income tax of such owner of the Bonds. This withholding generally applies if the owner of the Bonds (i) fails to furnish the payor such owner’s social security number or other taxpayer identification number (“TIN”), (ii) furnished the payor an incorrect TIN, (iii) fails to properly report interest, dividends, or other “reportable payments” as defined in the Code, or (iv) under certain circumstances, fails to provide the payor or such owner’s securities broker with a certified statement, signed under penalty of perjury, that the TIN provided is correct and that such owner is not subject to backup withholding. Prospective purchasers of the Bonds may also wish to consult with their tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding.

## **LEGAL MATTERS**

Certain legal matters relating to the authorization, sale and execution and delivery of the Bonds and with regard to the tax-exempt status of the interest on the Bonds are subject to the legal opinion of Bond Counsel. (See “TAX EXEMPTION”). The signed legal opinion of Bond Counsel dated and premised on facts existing and law in effect as of the date of original execution and delivery of the Bonds, will be delivered to the City at the time of original execution and delivery of the Bonds.

The form of the legal opinion is set forth as APPENDIX C – “FORM OF APPROVING LEGAL OPINION”. The legal opinion to be delivered may vary from that text if necessary to reflect facts and law on the date of delivery. The opinion will speak only as of its date, and subsequent distributions of it by recirculation of this Official Statement or otherwise shall create no implication that Bond Counsel has reviewed or expressed any opinion concerning any of the matters referred to in the opinion subsequent to its date. In rendering its opinion, Bond Counsel will rely upon certificates and representations of facts to be contained in the transcript of proceedings which Bond Counsel will not have independently verified.

While Bond Counsel has participated in the preparation of portions of this Official Statement, it has not been engaged to confirm or verify, and expresses and will express no opinion as to, the accuracy, completeness or fairness of any statements in this Official Statement, or in any other reports, financial information, offering or disclosure documents or other information pertaining to the City or the Bonds that may be prepared or made available by the City or others to the holders of the Bonds or others.

From time to time, there are legislative proposals (and interpretations of such proposals by courts of law and other entities and individuals) which, if enacted, could alter or amend the property tax system of the State and numerous matters, both financial and nonfinancial, impacting the operations of municipalities which could have a material impact on the City and could adversely affect the secondary market value or marketability of the Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to obligations (such as the Bonds) issued prior to enactment.

The legal opinions to be delivered concurrently with the delivery of the Bonds will express the professional judgment of the attorneys rendering the opinion as to the legal issues explicitly addressed therein dated and speaking only as of the date of delivery of the Bonds. By rendering a legal opinion, the opinion giver does not become an insurer or guarantor of that expression of professional judgment, of the transaction opined upon, or of the future performance of parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

## **CYBERSECURITY**

The City, like all modern public and private organizations, depends on its digital infrastructure to deliver essential services and maintain daily operations. As a recipient and provider of personal, confidential, and other sensitive information, the City faces an evolving landscape of cyber threats — including hacking, malware, ransomware, and other sophisticated attack vectors. Federal agencies have repeatedly cautioned that critical infrastructure sectors, including municipal water systems, remain high-value targets for nation-state actors and criminal organizations.

To address these risks, the City implemented a cybersecurity program designed to strengthen its defenses, enhance system resilience, and promote cyber awareness across the workforce. These efforts include continuous security hardening, investments in modern protective technologies, and employee training focused on safeguarding the City’s digital assets.

While the City is committed to maintaining reasonable and practicable standards of cybersecurity, no organization can guarantee complete protection against all threats. As such, despite the City’s proactive posture and ongoing mitigation efforts, the possibility remains that a significant cyber incident could impact City operations or financial resources.

## **LITIGATION**

### **No Litigation Relating to the Bonds**

To the knowledge of the appropriate representatives of the City, no litigation or administrative action or proceeding is pending or threatened restraining or enjoining, or seeking to restrain or enjoin, the execution or delivery of the Bonds or contesting or questioning the proceedings and authority under which the Bonds have been authorized and are to be executed, sold or delivered, or the validity of the sale of the Bonds. An authorized City representative will deliver a certificate to the same effect at the time of the original delivery of the Bonds.

### **Other Litigation Against the City**

Like any large municipality, the City is currently involved in multiple lawsuits and annually receives numerous claims pertaining to City operations. The City retains responsibility for payment of the first \$1,750,000 of each loss, and has excess insurance for the next \$30 million. The City is adequately funded for its retention. Based on the information currently available to the City, as of the date of this Official Statement none of the pending lawsuits or received claims are reasonably anticipated to exceed the City's available insurance coverage or materially adversely affect the City or its ability to collect property taxes, which are the source of repayment of the Bonds.

## **FINANCIAL STATEMENTS**

The audited financial statements of the City as of June 30, 2025, and for its fiscal year then ended, which are included as APPENDIX D – “CITY OF CHANDLER, ARIZONA – AUDITED FINANCIAL STATEMENTS OF THE CITY OF CHANDLER, ARIZONA FOR THE FISCAL YEAR ENDED JUNE 30, 2025” of this Official Statement, have been audited by Heinfeld, Meech & Co., P.C. These are the most recent audited financial statements available to the City. These audited financial statements may not represent the current financial conditions of the City. The City did not request the consent of Heinfeld, Meech & Co., P.C. to include its report and Heinfeld, Meech & Co., P.C. has performed no procedures subsequent to rendering its opinion on the financial statements.

## **CONTINUING SECONDARY MARKET DISCLOSURE**

The City has agreed for the benefit of the beneficial owners of the Bonds, in accordance with Rule 15c2-12 of the Commission (the “Rule”) to provide certain financial information and operating data relating to the City by not later than February 1 in each year commencing February 1, 2027 (the “Annual Reports”), and to provide notices of the occurrence of certain enumerated events (the “Notices”) as set forth in APPENDIX E – “FORM OF CONTINUING DISCLOSURE UNDERTAKING.” The Annual Reports and the Notices and any other documentation or information required to be filed by such covenants will be filed by the City with the Municipal Securities Rulemaking Board (the “MSRB”) in a format prescribed by the MSRB. Currently, the MSRB requires filing through the MSRB's Electronic Municipal Market Access system, as described in APPENDIX E – “FORM OF CONTINUING DISCLOSURE UNDERTAKING.” The specific nature of the information to be contained in the Annual Report and the Notices and the method of their dissemination is set forth in APPENDIX E. These covenants will be made in order to assist the original purchaser in complying with the Rule. A failure by the City to comply with these covenants must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of Bonds in the secondary market. *Pursuant to Arizona Law, the ability of the City to comply with such covenants is subject to annual appropriation of funds sufficient to provide for the costs of compliance with such covenants.* Should the City not comply with such covenants due to a failure to appropriate for such purpose, the City has covenanted to provide notice of such failure. Absence of continuing disclosure, due to non-appropriation or otherwise, may adversely affect the transferability and marketability of the Bonds.

The City previously entered into continuing disclosure undertakings (the “Prior Undertakings”) with respect to certain previously issued bonds which require the filing of certain event notices. The City timely filed its Annual Financial Report for fiscal year ending June 30, 2018 through and including fiscal year ended June 30, 2022; however, the filing was not associated with all of the related CUSIP numbers until October 28, 2021.

The City has implemented procedures to facilitate compliance with the Prior Undertakings, the continuing disclosure undertaking related to the Bonds and future similar undertakings.

## **RATINGS**

Fitch Ratings, Inc. (“Fitch”), Moody’s Investors Service, Inc. (“Moody’s”) and S&P Global Ratings, a division of Standard & Poor’s Financial Services LLC (“S&P”), have assigned the ratings of “AAA,” “Aaa” and “AAA,” respectively, on the Bonds. Such ratings reflect only the views of Fitch, Moody’s and S&P. An explanation of the significance of the Fitch rating may be obtained at 300 West 57<sup>th</sup> Street, New York, New York 10019. An explanation of the significance of a rating assigned by Moody’s may be obtained at One Front Street, Suite 1900 San Francisco, California 94111. An explanation of the significance of a rating assigned by S&P may be obtained at 55 Water Street, New York, New York 10041. Such ratings may be revised downward or withdrawn entirely by Fitch, Moody’s, or S&P, if, in their respective judgment, circumstances so warrant. Any downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Bonds. The City has covenanted in its continuing disclosure certificate (see “CONTINUING SECONDARY MARKET DISCLOSURE” herein) that it will file notice of any formal change in any such rating relating to the Bonds.

## **FINANCIAL ADVISOR**

The Financial Advisor has been engaged by the City for the purpose of advising the City as to certain debt service structuring matters specific to the Bonds and on certain matters relative to the City’s overall debt financing program. The Financial Advisor has assisted in the assembly and preparation of this Official Statement at the direction and on behalf of the City. No person is entitled to rely on the Financial Advisor’s participation as an assumption of responsibility for, or an expression of opinion of any kind with regard to, the accuracy or completeness of the information contained herein.

## **RELATIONSHIP BETWEEN PARTIES**

Bond Counsel has acted as bond counsel or represented the Financial Advisor in other financing transactions underwritten by the Financial Advisor and may do so in the future.

## **POLITICAL DONATIONS**

To the best of their knowledge, none of the City, the Bond Registrar and Paying Agent, the Financial Advisor or their counsel or agents are known to have made political contributions other than those, if any, permitted under applicable securities regulations to any person who sought a seat on the City Council at its last election or any election prior to the last election.

## **CERTIFICATION CONCERNING OFFICIAL STATEMENT**

Documents delivered with respect to the Bonds will include a certificate to the effect that to the knowledge of the Deputy City Manager/Chief Financial Officer of the City after appropriate review, this Official Statement is true, correct and complete in all material respects and does not include any untrue statement of a material fact or omit to state any material fact necessary to make such statements and information herein, in light of the circumstances under which they were made, not misleading and that no event has occurred since date of this Official Statement that should be disclosed herein in order to make the statements and information herein not misleading in any material respect. In the event this Official Statement is supplemented or amended prior to the date of delivery of the Bonds, the foregoing confirmation will also encompass such supplements or amendments. All financial and other information presented in this Official Statement has been provided by the City from its records, except for information expressly attributed to other sources. The presentation of information, including tables of receipts from taxes and other sources, is intended to show certain historic information, and is not intended to indicate future or continuing trends in the financial position or other affairs of the City. No representation is made that past experience, as is shown by that financial and other information, will necessarily continue or be repeated in the future.

## **ADDITIONAL INFORMATION**

The information in this Official Statement has been provided by the City, the County, Arizona, Assessor's, Treasurer's and Finance offices, the Arizona Department of Revenue and other sources which are considered to be reliable and are customarily relied upon in the preparation of similar official statements, but such information is not guaranteed as to accuracy or completeness. All estimates and assumptions contained herein are believed to be reliable, but no representations are made that such estimates and assumptions are correct or will be realized. Any information or expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale hereunder shall under any circumstances create an implication that there has been no change as to the affairs of the City. This Official Statement may be supplemented from time to time by the provision of supplemental or additional documents.

## **CONCLUDING STATEMENT**

The summaries or descriptions of documents contained herein and all references to other materials not purporting to be quoted in full are only brief outlines of certain provisions thereof and do not constitute complete statements of such provisions and do not summarize all the pertinent provisions of such documents. For further information, reference should be made to the complete documents, copies of which are available for inspection from the Financial Advisor.

To extent that any statements made in this Official Statement involve matters of opinion or estimates, whether or not expressly stated to be such, they are made as such and not as representations of fact or certainty and no representation is made that any of these opinions or estimates have been or will be realized. Information in this Official Statement has been derived by the City from official records and other sources and is believed to be reliable. Information other than that obtained from the official records of the City has not been independently confirmed or verified by the City and its accuracy is not guaranteed. The presentation of information, including tables of receipts from taxes and other sources, is intended to show recent historic information and is not intended to indicate future or continuing trends in the financial position or other affairs of the City. No representation is made that past experience, as is shown by that financial or other information, will necessarily continue or be repeated in the future.

Neither this Official Statement nor any statement that may have been or that may be made orally or in writing is to be construed as part of a contract or agreement between the City and the purchasers or holders of any Bonds.

The attached Appendices A through F are integral parts of this Official Statement and must be read together with all of the foregoing statements.

This Official Statement has been prepared on direction of the City and has been approved by and executed for and on behalf of the City by its authorized representative indicated below.

CITY OF CHANDLER, ARIZONA

By: \_\_\_\_\_  
Kevin Hartke, Mayor

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## CITY OF CHANDLER, ARIZONA

## GENERAL ECONOMIC AND DEMOGRAPHIC INFORMATION

**General**

The City is located in the southeastern portion of the County. The City encompasses more than 65 square miles and is one of several major cities comprising the greater Phoenix, Arizona metropolitan area, which is Arizona's economic, political and population center.

The City was founded in 1912 and incorporated in 1920. The following table sets forth a record of the population statistics of the City since 1980, along with the population statistics for the County and the State.

## POPULATION STATISTICS

<b>Year</b>	<b>City of Chandler</b>	<b>Maricopa County</b>	<b>State of Arizona</b>
2025 Estimate (a)	288,299	4,787,790	7,718,747
2020 Census	275,987	4,420,568	7,151,502
2010 Census (Revised)	236,326	3,817,117	6,392,017
2005 Special Census	233,681	3,700,516	6,044,985
2000 Census	176,581	3,072,149	5,130,632
1990 Census	90,533	2,122,101	3,665,305
1980 Census	29,673	1,509,175	2,716,546

(a) Estimate as of July 1, 2025 (released in December 2025) provided by the Arizona Office of Economic Opportunity.

Source: Arizona Office of Economic Opportunity and the U.S. Census Bureau.

The following table contains historical information in regard to the geographic incorporated size of the City as set forth in square miles.

**LAND AREA**  
**City of Chandler, Arizona**

<b>Year</b>	<b>Square Miles</b>
2025	65.75
2024	65.74
2023	65.68
2022	65.55
2021	65.53

Source: The City Management Services Department and City Planning Division.

## Municipal Government and Organization

The City adopted the City Charter in 1965 which provides for a Council-Manager form of government. The seven-member City Council is elected at-large on a staggered basis and consists of the Mayor and six councilmembers. The current Mayor and councilmembers serve four-year terms.

The City Council appoints the City Manager who has full responsibility for carrying out City Council policies and administering City operations. The City Manager is responsible for appointment of department heads. The City employees are hired under procedures as specified in the City Charter. The government and operations of the City are provided by a staff of 1,756 full-time equivalent employees.

## Economy

The major industry clusters contributing to the economic base of the City include high-tech manufacturing and development, advanced business services, retail and consumer services, healthcare, and financial services. The City is home to a wide variety of technology industries, with a heavy concentration in the semiconductor cluster. The continued economic development of the City is driven by the educational attainment of City residents. Approximately 78% of adult residents have attended some college and 49% possess a bachelor's or advanced degree. This educational attainment level attracts employers in "knowledge based" industries, adding to the concentration of high-wage jobs.

The following table sets forth unemployment rate averages for the City, the County, the State and the United States.

**UNEMPLOYMENT RATE AVERAGES (a)**

Calendar Year	City of Chandler	Maricopa County	State of Arizona	United States
2025 (b)	3.3%	3.6%	4.1%	2.7%
2024	2.9	3.1	3.6	4.3
2023	3.0	3.4	3.8	3.8
2022	2.9	3.1	3.7	3.6
2021	4.0	4.5	4.9	5.4

(a) Data is not seasonally adjusted.

(b) Data through July 2025.

Source: Arizona Office of Economic Opportunity, in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics.

The City has five designated employment corridors: Airpark Area, Downtown Chandler, Price Corridor, Uptown Chandler and West Chandler. The five corridors represent approximately 76% of all the jobs in the City. There are more than 50 companies on the 2025 Fortune 1000 list in the City, and two companies in the Fortune 500 are headquartered in the City (Insight Enterprises and Microchip Technology). Below is data from the Maricopa Association of Governments (MAG) 2023 Employer Database with data on the five designated employment corridors:

Employment Corridor	Number of Businesses	Number of Jobs
Airpark Area	484	14,130
Downtown Chandler	123	3,560
Price Corridor	747	43,900
Uptown Chandler	566	12,070
West Chandler	841	29,880

The City has approximately 12 million square feet of office space and more than 30 million square feet of industrial space throughout the City.

## Employment and Employers

Electronics plants located in the City include: Microchip Technologies, producer of electronic circuitry; Rogers Corporation, manufacturer of materials for printed circuit boards and power electronic devices; Intel Corporation, manufacturer of microcomputer components; and NXP, manufacturer of semiconductor and satellite systems.

A partial list of major manufacturing employers located within the City is set forth in the following table.

### MAJOR MANUFACTURING EMPLOYERS (a) City of Chandler, Arizona

Employer	Employees
Intel	10,000
Northrop Grumman	1,700
Microchip Technology (HQ)	1,700
NXP	1,700
Rogers Corporation (HQ)	400
Arizona Nutritional Supplements (HQ)	345
Ultra Clean Technology	320
Applied Materials	300
ASML	300
TEL - Tokyo Electron America	250
ArmorWorks	240
Goodrich Turbomachinery	230
SOLLiD Cabinetry	205
Advantest (Essai)	170
Adept Life Sciences	150
Air Products and Chemicals	150
Isola (HQ)	150
CoValence Laboratories	140
Infineon Technologies Americas Corp	140
Advanced Circuits	130

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(a) *Some of the major manufacturing employers are subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and in accordance therewith file reports, proxy statements and other information (collectively, the "Filings") with the Commission. Such Filings may be inspected and copies are available at the public reference facilities maintained by the Commission at 100 F Street, N.E., Washington, D.C. 20549. In addition, the Filings may also be inspected at the offices of the New York Stock Exchange ("NYSE") at 20 Broad Street, New York, New York 10005. The Filings may also be obtained through the internet on the Commission's EDGAR database at <http://www.sec.gov>. None of the City, Bond Counsel, the Financial Advisor or their respective agents or consultants have examined the information set forth in the Filings for accuracy or completeness, nor do they assume responsibility for the same.*

Source: The City's Economic Development Division.

The City also serves as the location of a significant number of non-manufacturing employers. The following is a partial list of major non-manufacturing employers in the City.

**MAJOR NON-MANUFACTURING EMPLOYERS (a)**  
**City of Chandler, Arizona**

<u>Employer</u>	<u>Employees</u>
Wells Fargo Bank	5,500
Chandler Unified School District	4,900
Bank of America	3,600
Chandler Regional Medical Center (Dignity Health)	3,000
City of Chandler	2,300
PayPal	1,500
Insight Enterprises (HQ)	1,400
Bashas (HQ and Distribution Center)	1,100
Chandler-Gilbert Community College	1,000
Verizon Wireless	1,000
INTRAEDGE	850
Liberty Mutual Insurance	800
Toyota Financial Services	780
Safelite Auto Glass	700
Avnet	600
Allstate Insurance Company	500
Republic Services	500

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*(a) Some of the major non-manufacturing employers are subject to the informational requirements of the Exchange Act, and in accordance therewith file the Filings with the Commission. The Filings may be inspected and copies are available at the public reference facilities maintained by the Commission. In addition, the Filings may also be inspected at the offices of the NYSE or on the Commission's EDGAR database. None of the City, the Financial Advisor, Bond Counsel or their respective agents or consultants have examined the information set forth in the Filings for accuracy or completeness, nor do they assume responsibility for the same.*

Source: The City's Economic Development Division.

### **Agriculture**

Agricultural production still is a contributor to the diversified economic base of the City. Principal products include livestock, alfalfa, small grains, citrus and vegetables. As the residential, commercial and industrial development of the City has occurred, the contribution of agricultural production to the economy of the City has decreased.

### **Commerce**

A 1.3 million square foot super-regional shopping mall known as Chandler Fashion Center opened for business in 2001. This mall is home to three anchor department stores, including Dillard's, Macy's, and Scheels; a Harkins theater complex, outdoor urban village and more than 180 specialty retail shops. Additionally, the Downtown Chandler entertainment and business district serves as a hub for commercial activities due to numerous retail, restaurant and entertainment venues. Several community shopping centers serve residents of the City and surrounding areas, including Chandler Pavilions, Casa Paloma, Chandler Festival, Chandler Gateway, Paseo Del Oro Shopping Center, North Park Plaza Shopping Center, Fulton Ranch Towne Center and Crossroads Towne Center. A number of neighborhood shopping centers are also dispersed throughout the City.

The following table sets forth a record of the excise tax collections of the City for the most recent audited five fiscal years and the 2025-26 adopted budget figures.

**City of Chandler  
Excise Tax Collections  
FY 2020-21 to FY 2025-26**

	2020-21 (a)	2021-22 (a)	2022-23 (a)	2023-24 (a)	2024-25 (a)	Budgeted 2025-26 (b)
City Transaction Privilege (Sales) and Use Tax (c)	\$155,646,675	\$178,575,967	\$204,989,328	\$210,737,044	\$204,965,247	\$203,838,400
State-Shared Sales Tax	30,982,818	38,801,443	41,309,738	42,363,408	42,987,267	43,186,000
State-Shared Income Tax (d)	37,324,127	36,011,056	53,013,618	74,386,039	59,599,347	55,747,000
Franchise Fees	3,615,294	3,652,812	3,630,508	3,383,051	2,807,599	3,190,000
Licenses and Permits	6,663,312	6,918,972	8,742,071	5,095,759	13,818,609	7,710,300
Fines and Forfeitures	2,853,782	3,365,893	4,127,033	4,296,570	4,180,605	3,851,400
Totals	<u>\$237,086,008</u>	<u>\$267,326,143</u>	<u>\$315,812,296</u>	<u>\$340,261,871</u>	<u>\$328,358,674</u>	<u>\$317,523,100</u>

(a) Amounts are actual collections provided by the City's Budget Department (cash basis).

(b) Budgeted figures are "forward-looking" statements, subject to change upon audit and should be considered with an abundance of caution. Planned reductions in Sales and Use Tax reflect State Law changes precluding the residential rental classification from remaining taxable.

(c) Includes City Transaction Privilege Sales Tax, Privilege Audit Assessments, Privilege License Fees and Privilege Tax Interest. Excludes Excise Tax Refunds from Government Property Lease Excise Tax program. Chapter 204, Laws of Arizona 2023, eliminates the ability of Arizona municipalities to levy a transaction privilege tax on the business of renting or leasing real property for residential purposes from and after December 31, 2024. The City experienced a reduction in revenues relating to the elimination of this transaction privilege tax for Fiscal Year 2024-25.

(d) Pursuant to State law, the State's four personal income tax rate categories were consolidated into a single flat rate of 2.5% over a three-year period beginning after December 31, 2021, which may result in a reduction in State-shared income taxes distributed to Arizona municipalities.

Source: City of Chandler Budget Department.

## Tourism

The direct, indirect and induced benefits derived from the activities surrounding tourism contribute greatly to the economic health of the community. With more than 30 hotels representing more than 5,000 available rooms, the City's tourism market continues to receive significant private sector investment in new properties and the repositioning of older properties to meet the needs of leisure and business travelers.

Leisure travel to the City is driven by proximity to various shopping, dining, recreational, sporting and scenic attractions located within a short drive. However, business travel comprises most of the City's visitors due to the high density of employment. As home to a number of Fortune 500 companies with global, regional and local headquarters spanning several industry clusters (autonomous vehicle, high-tech manufacturing, semiconductor manufacturing, aerospace, aviation, healthcare and bioscience, advanced business and financial business services, etc.) business travelers drive the City's lodging market.

## **Transportation**

Industry, business and residents benefit from the transportation network available in and near the City. Rail, bus, highway and air facilities are developed throughout the area.

The City is served by the Union Pacific Railroad for long distance freight rail service and the Valley Metro Transit System for local public transportation.

The City is served by a network of streets and highways. The Superstition Freeway (“U.S. Highway 60”) parallels the northern border of the City. U.S. Highway 60 connects to cities in northern and eastern Arizona. The Superstition Freeway also connects to Interstate Highway 10 which connects the cities of Tucson and Phoenix. State Highway 87 and Arizona Loop 202 bisect the City. The Price Freeway (a north-south portion of Loop 101) and the San Tan Freeway (an east-west portion of Loop 202) facilitate traffic flow to the City by connecting together the 101, 202 and I-10 freeways.

Residents of the area have ready access to Chandler Municipal Airport, Stellar Airpark, Mesa Gateway Airport and Sky Harbor International Airport. The Chandler Municipal Airport, owned and operated by the City, is located approximately three miles southeast of the central business district of the City and is designed to relieve private aircraft activity at Sky Harbor International Airport. The Chandler Municipal Airport has approximately 430 based aircraft and two parallel runways, 4,870 feet and 4,401 feet, respectively. The Chandler Municipal Airport offers various services including full-service maintenance facilities, sightseeing excursions, flight schools, and aircraft hangars. The Stellar Airpark is a private airport that is open to public use and is located west of the central business district of the City. The Stellar Airpark has a 4,000 foot runway and provides various services. The Mesa Gateway Airport is owned and operated by the Mesa Gateway Airport Authority that includes the City of Mesa, Town of Gilbert, Town of Queen Creek, the Gila River Indian Community and the City of Apache Junction. The Mesa Gateway Airport has three expansive runways (10,401 feet; 10,201 feet; and 9,300 feet), a passenger terminal, and convenient parking. With two airlines, Mesa Gateway Airport is positioned to be a dynamic reliever airport to Phoenix’s Sky Harbor International Airport. In fiscal year 2024-25, Mesa Gateway Airport had more than two million passengers. Phoenix Sky Harbor International Airport is located 15 miles to the northwest of the City and is home to 26 airlines offering nonstop flights to more than 130 domestic destinations and 25 international destinations.

## **Education**

Arizona State University (“ASU”) is the largest public university in the Southwest by enrollment. ASU spans five campuses in the metro Phoenix area with Fall 2025 enrollment of approximately 158,000 students including ASU online programs. ASU’s main campus remains in the bordering City of Tempe, Arizona and is home to the Ira A. Fulton Schools of Engineering, a nationally recognized research and innovation institution designed to meet the growing needs of the engineering and technology industries. Adjacent to Mesa Gateway Airport, the Polytechnic Campus serves approximately 6,300 students. Chandler is home to the ASU Chandler Innovation Center, which is utilized by several ASU departments and includes a fabrication shop for student projects. The University of Arizona’s Chandler campus is located in Downtown Chandler, where it offers a number of undergraduate and graduate level degree programs aligned with the workforce needs of area employers. Located in the City is the Chandler-Gilbert Community College, which offers a complete educational program and serves nearly 20,000 students annually. The Chandler Unified School District provides primary and secondary education to residents in the City area through 31 elementary schools, four junior highs, two middle schools, three secondary schools (grades 7-12), four high schools, and one online school. A number of private and charter schools are also located in the City.

## CITY OF CHANDLER, ARIZONA - FINANCIAL DATA

## 2025-26 Fiscal Year –Estimated Net Full Cash and Assessed Values

Estimated Net Full Cash Value (a)(b)	\$61,419,063,236
Net Assessed Limited Property Value (b)	4,124,257,465
Net Assessed Full Cash Value (b)	6,969,158,207

(a) *Estimated Net Full Cash Value is the total market value of the property, less unsecured personal property and less estimated exempt property within the City, as projected by the Arizona Department of Revenue, Division of Property and Special Taxes.*

(b) *See “PROPERTY TAXES” herein for an explanation of these values.*

Source: *State and County Abstract of the Assessment Roll, Arizona Department of Revenue and Property Tax Rates and Assessed Values, Arizona Tax Research Association and the City.*

**STATEMENTS OF BONDS OUTSTANDING**  
**General Obligation Bonds Outstanding and to be Outstanding (a)**

<b>Issue Series</b>	<b>Original Amount</b>	<b>Maturity Dates Outstanding</b>	<b>Balance Outstanding</b>
2016REF	\$ 39,050,000	7-1-26/27	\$ 31,675,000
2017	58,740,000	7-1-26/32	26,490,000
2019	30,400,000	7-1-26/35	20,375,000
2021REF	48,205,000	7-1-26/28	44,560,000
2021	31,295,000	7-1-26/28	750,000
2023	106,415,000	7-1-26/34	84,040,000
Total General Obligation Bonds Outstanding			\$ 207,890,000
Less: Water and Wastewater Funds Supported General Obligation Bonds (b)			(29,957,800)
Plus: The Bonds			160,000,000 *
Net General Obligation Bonds Outstanding and to be Outstanding			<u>\$ 337,932,200 *</u>

(a) *Excludes the debt service requirements for the City’s refunded and defeased bonds currently outstanding which are secured by obligations issued by the United States Government being held in their respective irrevocable trust accounts.*

(b) *The City intends to pay the debt service requirements of the following general obligation bonds with funds provided by the water and wastewater funds of the City: \$11,155,000 aggregate principal amount of the City’s General Obligation Refunding Bonds, Series 2016 and \$18,802,800 aggregate principal amount of the City’s General Obligation Refunding Bonds, Taxable Series 2021 (collectively, the “Water and Wastewater Funds Supported General Obligation Bonds”). In the event that revenues available for payment of such annual debt service requirements from the respective enterprise funds proves to be insufficient, or the City elects not to pay debt service requirements on such general obligation bonds from the water and wastewater funds, the debt service requirements of such bonds will become payable from the annual levy of an ad valorem tax upon all of the taxable property located within the City.*

\* Preliminary, subject to change.

## Water and Wastewater Revenue Bonds Outstanding (a)

	<b>Balance Outstanding</b>
Total Water and Wastewater Revenue Bonds Outstanding	\$0
Plus: Water and Wastewater Funds Supported General Obligation Bonds (b)	29,957,800
Plus: Water and Wastewater Funds Supported Excise Tax Revenue Obligations (c)	225,970,000
Plus: The Series 2026 Excise Tax Obligations (c)	190,000,000 *
Total Water and Wastewater Supported Bonds Outstanding	<u>\$445,927,800 *</u>

- (a) Excludes the debt service requirements for the City's refunded and defeased bonds currently outstanding which are secured by obligations issued by the United States Government being held in their respective irrevocable trust accounts.
- (b) The City intends to pay the debt service requirements of the Water and Wastewater Funds Supported General Obligation Bonds with funds provided by the Water and Wastewater Funds of the City. In the event that revenues available for payment of such annual debt service requirements from the respective enterprise funds proves to be insufficient, or the City elects not to pay debt service requirements on such general obligation bonds from the Water and Wastewater Funds, the debt service requirements of such bonds will become payable from the annual levy of an ad valorem tax upon all of the taxable property located within the City.
- (c) The City intends to pay the debt service requirements of the Water and Wastewater Funds Supported Excise Tax Revenue Obligations (as defined herein) with funds provided by the Water and Wastewater Funds of the City.

## Water Supply and Drought Conditions

Since January 2022, Central Arizona Project (CAP) has been experiencing shortage conditions due to low reservoir storage in both Lakes Powell and Mead. Chandler has received a reduced allocation of Colorado River water since 2024. (See the second paragraph in footnote (a) to the Direct and Overlapping General Obligation Bonded Debt Outstanding table herein for a description of CAP.) The Bureau of Reclamation declared a Tier 1 shortage for the Lower Basin States in 2024, 2025 and 2026, resulting in a 3% reduction to Chandler's supplies for 2024 through 2025 and an 11% reduction to Chandler's normal allocation in 2026. Further reductions up to 20% are anticipated beginning in 2027. The Colorado River Basin States are currently engaged in discussions to update the Colorado River operating guidelines which replace the existing rules beginning in 2027. The Bureau of Reclamation has given the Colorado River Basin States a Spring 2026 deadline to have a framework agreement in place.

The City has a long history of sustainable water management, investments in water infrastructure and acquiring high priority water rights for drought resiliency. The City's diverse water resource portfolio provides operational flexibility to meet customer demands, even during periods of prolonged drought. Water for the City's drinking water system is provided from several sources including renewable surface water supplies from the Salt River, Verde River and the Colorado River and groundwater. Additionally, the City reuses 100% of the reclaimed water collected and treated within the City, and stores water in underground aquifers to provide a back-up supply during extreme drought and surface water shortages. The community has demonstrated their commitment to water conservation by reducing water use more than 20% over the past 25 years. The City is currently designated with a 100-Year Assured Water Supply by the Arizona Department of Water Resources. Should there be any adverse impacts on water and wastewater enterprise funds, the City leadership has historically adjusted rates on a ongoing cadence to ensure revenue requirements are met. Chandler does not transfer enterprise funds to general fund except to pay indirect costs.

Notwithstanding the foregoing, although the City has multiple sources of water along with reservoirs and other facilities to mitigate risk, future water availability, drought, flooding, adverse weather events and other climate and environmental conditions in Arizona are unpredictable and subject to change. The City is situated in a desert environment, and the ability of the City to operate its water system effectively may be affected, and potentially may be significantly affected, by the water supply available to the City. The impacts associated with climate, natural disasters, and other "force majeure" events on the City and its water system cannot be predicted, but could be significant. No portion of the City's water or wastewater system revenues are pledged to the payment of principal and interest on the Bonds.

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\* Preliminary, subject to change.

### Excise Tax Revenue Obligations Outstanding and to be Outstanding

<b>Issue Series</b>	<b>Original Amount</b>	<b>Maturity Dates Outstanding</b>	<b>Balance Outstanding</b>
2015	\$ 66,660,000	7-1-26/35	\$ 43,235,000
2016REF	19,510,000	7-1-26/28	8,630,000
2017	36,220,000	7-1-26/37	28,550,000
2019	13,000,000	7-1-26/28	5,140,000
2021 REF	85,460,000	7-1-26/33	75,915,000
2023	106,415,000	7-1-26/38	64,500,000
Total Excise Tax Revenue Obligations Outstanding			\$ 225,970,000
Plus: The Series 2026 Excise Tax Obligations (a)(b)			190,000,000 *
Less: Water and Wastewater Funds Supported Excise Tax Revenue Obligations (b)			(415,970,000)*
Total Net Excise Tax Revenue Supported Obligations Outstanding and to be Outstanding			<u>\$ 0</u>

(a) The Series 2026 Excise Tax Obligations will be issued in January 2026\* pursuant to a separate official statement.

(b) The City intends to pay the debt service requirements of all outstanding Excise Tax Revenue Obligations (collectively, the "Water and Wastewater Funds Supported Excise Tax Revenue Obligations") with funds provided by the City's Water and Wastewater Utility.

### Direct General Obligation Bonded Debt, Legal Limitation and Available General Obligation Bonding Capacity

By statute, the Arizona Constitutional limit for general obligation bonded indebtedness of a city for general municipal purposes may not exceed six percent (6%) of Net Full Cash Assessed Value in that city. In addition to the six percent (6%) limitation for general purpose bonds, cities may issue general obligation bonds up to an additional twenty percent (20%) of the Net Full Cash Assessed Value for such city for water, artificial light or sewers, for the acquisition and development of land for open space preserves, parks, playgrounds and recreational facilities, for the acquisition and development of public safety, law enforcement, fire and emergency facilities and streets and transportation facilities.

<b>General Municipal Purpose Bonds</b>		<b>Water, Light, Sewer, Open Space, Public Safety, Law Enforcement, Fire and Emergency Services, Park, Street, and Transportation Bonds</b>	
Total 6% General Obligation Bonding Capacity	\$ 418,149,492	Total 20% General Obligation Bonding Capacity	\$ 1,393,831,641
Less: 6% General Obligation Bonds Outstanding	(16,903,670) *(a)	Less: 20% General Obligation Bonds Outstanding	(384,793,670) *(a)
Less: Original Issue Premium	(961,930) *(b)	Less: Original Issue Premium	(6,938,070) *(b)
Less: Unamortized Original Issue Premium	(464,850) (b)	Less: Unamortized Original Issue Premium	(17,191,231) (b)
Net 6% General Obligation Bonding Capacity	<u>\$ 399,819,042*</u>	Net 20% General Obligation Bonding Capacity	<u>\$ 984,908,670*</u>

(a) Includes the Bonds.

(b) This amount reduces the City's borrowing capacity pursuant to State statutes and the Arizona Constitution, and the principal amount of bonds authorized at the elections of the City. Such capacity (but not authorization) will be recaptured as premium is amortized.

\* Preliminary, subject to change.

## Direct and Overlapping General Obligation Bonded Debt Outstanding

Overlapping Jurisdiction	Overlapping General Obligation Bonded Debt (b)	Proportion Applicable to City of Chandler (a)	
		Approximate Percent	Net Debt Amount
State of Arizona	None	4.465%	None
Maricopa County	None	6.792%	None
Maricopa County Community College District	\$ 26,675,000	6.792%	\$ 1,811,699
Maricopa County Special Health Care District	512,560,000	7.292%	37,378,409
Kyrene Elementary School District No. 28	200,160,000	18.317%	36,663,870
Mesa Unified School District No. 4	170,560,000	4.066%	6,934,425
Gilbert Unified School District No. 41	86,970,000	2.281%	1,983,606
Chandler Unified School District No. 80	344,810,000	70.151%	241,887,366
Tempe Union High School District No. 213	136,260,000	15.478%	21,091,000
East Valley Institute of Technology District No. 401	None	15.392%	None
City of Chandler (c)	337,932,200 *	100.000%	337,932,200 *
Total Direct and Overlapping General Obligation Bonded Debt to be Outstanding			<u>\$ 685,682,576 *</u>

- (a) *Proportion applicable to the City is computed on the ratio of 2023-24 net assessed limited property value for the overlapping jurisdiction within the City to the total net limited assessed property valuation of the overlapping jurisdiction.*

*Does not include the obligation of the Central Arizona Water Conservation District ("CAWCD") to the United States of America, Department of the Interior, for repayment of certain capital costs for construction of the Central Arizona Project ("CAP"), a major reclamation project that has been substantially completed by the Department of the Interior. The obligation is evidenced by a master contract between CAWCD and the Department of the Interior. In April 2003, the United States and CAWCD agreed to settle litigation over the amount of the construction cost repayment obligation, the amount of the respective obligations for payment of the operation, maintenance and replacement costs and the application of certain revenues and credits against such obligations and costs. Under the agreement, CAWCD's obligation for substantially all of the CAP features that have been constructed so far will be set at \$1.646 billion, which amount assumes (but does not mandate) that the United States will acquire a total of 667,724 acre feet of CAP water for federal purposes. The United States will complete unfinished CAP construction work related to the water supply system and regulatory storage stages of CAP at no additional cost to CAWCD. Of the \$1.646 billion repayment obligation, 73% will be interest bearing and the remaining 27% will be non-interest bearing. These percentages have been fixed for the entire 50-year repayment period, which commenced October 1, 1993. CAWCD is a multi-county water conservation district having boundaries coterminous with the exterior boundaries of Maricopa, Pima and Pinal Counties. It was formed for the express purpose of paying administrative costs and expenses of the CAP and to assist in the repayment to the United States of the CAP capital costs. Repayment will be made from a combination of power revenues, subcontract revenues (i.e., agreements with municipal, industrial and agricultural water users for delivery of CAP water) and a tax levy against all taxable property within CAWCD's boundaries. At the date of this Official Statement, the tax levy is limited to fourteen cents per \$100 of Net Assessed Limited Property Value, of which fourteen cents is being currently levied. (See Arizona Revised Statutes, Sections 48-3715 and 48-3715.02.) There can be no assurance that such levy limit will not be increased or removed at any time during the life of the contract.*

- (b) *Includes total general obligation bonds outstanding. Does not include authorized but unissued general obligation bonds of the City or such other jurisdictions as follows or which may be authorized in the future:*

\* Preliminary, subject to change.

<b>Overlapping Jurisdiction</b>	<b>General Obligation Bonds Authorized but Unissued</b>
State of Arizona	None
Maricopa County	None
Maricopa County Community College District	\$ 3,000
Maricopa County Special Health Care District	898,000,000
Chandler Unified School District No. 80	271,500,000
Tempe Union High School District No. 213	None
Kyrene Elementary School District No. 28	118,250,000
Mesa Unified School District No. 4	None
Gilbert Unified School District No. 41	None
East Valley Institute of Technology District No. 401	None
City of Chandler	579,175,000 *

(c) *Includes the Bonds. Net of the Water and Wastewater Funds Supported General Obligation Bonds. In the event that the net revenues would prove to be insufficient or the City elects not to pay debt service requirements on the Water and Wastewater Funds Supported General Obligation Bonds from revenues from these enterprises, this debt would become payable from ad valorem taxes.*

#### **Direct and Overlapping General Obligation Bonded Debt Ratios\***

	<b>Per Capita Bonded Debt Population @ 286,342 (a)</b>	<b>As a Percent of City's 2025-26</b>	
		<b>Net Full Cash Assessed Value</b>	<b>Estimated Net Full Cash Value</b>
Direct General Obligation Bonded Debt (\$337,932,200)	\$1,180.17	4.85%	0.55%
Direct and Overlapping General Obligation Bonded Debt Outstanding (\$685,682,576)	\$2,394.63	9.84%	1.12%

(a) *Includes the Bonds. Net of the Water and Wastewater Funds Supported General Obligation Bonds.*

Source: The Arizona Department of Economic Security, Research Administration Population and Statistical Unit and U.S. Census Bureau, Arizona Department of Administration.

\* Preliminary, subject to change.

## Direct and Overlapping Tax Rates per \$100 Assessed Value

Inside the City, East Valley Institute of Technology and:

Inside Gilbert Unified School District No. 41	<u>\$ 9.1814</u>
Inside Mesa Unified School District No. 4	<u>\$ 10.0895</u>
Inside Tempe Union High School District No. 213 and Kyrene Elementary School District No. 28	<u>\$ 9.5267</u>
Inside Chandler Unified School District No. 80	<u>\$ 9.3504</u>

Source: *Maricopa County 2025 Tax Levy*, Maricopa County Department of Finance.

### Expenditure Limitation; One-Year and Multi-Year Overrides

Since fiscal year 1982-83, all cities in Arizona have been subject to an annual expenditure limitation imposed by the Arizona Constitution. This limitation is based upon the City's actual 1979-80 expenditures adjusted annually for subsequent growth in population and inflation. The Constitution exempts certain expenditures from the limitation. The principal exemptions for the City are payments for debt service on bonds and other long-term obligations, as well as expenditures of federal funds and certain state-shared revenues.

The Constitution provides four processes, all requiring voter approval, for cities to modify the expenditure limitation:

1. A four-year home rule option.
2. A permanent adjustment to the 1979-80 base.
3. A one-time override for the following fiscal year.
4. An accumulation for pay-as-you-go capital expenditures.

City voters have approved four-year home rule options on a regular basis since the implementation of the expenditure limitation. To the extent that the home rule option is not approved by the voters, the City would be subject to the expenditure limitations prescribed by the Constitution. On August 2, 2022, the City's voters approved a four-year home rule option to exceed the expenditure limitation by the City beginning in Fiscal Year 2023-24. This four-year home rule option will be in effect through fiscal year 2026-27.

### City Retirement Systems

All full-time employees of the City, the Mayor and City Council participate in one of the three pension plans administered by the State described below. The Arizona State Retirement System is for the benefit of the employees of the state and certain other governmental jurisdictions. All benefited City employees, except sworn fire and police personnel and the City Council, are included in the plan that is a multiple employer cost-sharing defined benefit pension plan. All sworn fire and police personnel participate in the Public Safety Personnel Retirement System that is an agent multiple-employer defined benefit pension plan. The Mayor and City Council contribute to the State's Elected Officials Retirement Plan ("EORP") that is also a multiple-employer cost-sharing pension plan. The EORP is not described herein because of its relative insignificance to the City's financial statements. See Note 10 in APPENDIX D for further discussion of the retirement plans of the City.

#### *Arizona State Retirement System*

All full-time City employees (except public safety personnel and elected officials) participate in the Arizona State Retirement System (the "System"), a multiple-employer cost-sharing defined benefit pension plan. The System was established in 1953 and became effective in 1971. The System provides for retirement, disability, health insurance premium benefits, and death and survivor benefits. The System is administered in accordance with A.R.S. Title 38, Chapter 5. The System has reported increases in its unfunded liabilities as compared to both the smoothed value of plan assets and the market value of plan assets. The effect of the increase in the System's unfunded liabilities on the City, or

on the City's and its employees' future annual contributions to the System, cannot be determined at this time. The most recent annual report for the ASRS may be accessed at: <https://www.azasrs.gov/content/annual-reports>.

The actuarially determined contribution rates for fiscal year 2024-25 were 12.27% (12.05 percent for retirement, 0.07 percent for health insurance premium benefit, and 0.15 percent for long-term disability) for both employees and employers. The City's contribution to the System for the fiscal year 2023-24 was \$11,771,462 and for fiscal year 2024-25 was \$13,038,746 equal to the required contributions, not including alternate contributions.

Effective July 1, 2025, the City's annual contribution rates are 12.00% (11.86% retirement and 0.14% long-term disability) for fiscal year 2025-26 for both employees and employers.

#### *Arizona Public Safety Personnel Retirement System (Full-Time Police and Firefighter Employees)*

All full-time sworn police officers and firefighters are eligible to participate in the Public Safety Personnel Retirement System (the "PSPRS") in separate agent multiple-employer defined benefit retirement plans. The PSPRS provides for retirement, health insurance premium benefits, and death and survivor benefits. The PSPRS is administered in accordance with A.R.S. Title 38, Chapter 5, Article 4. The PSPRS has reported overall increases in its unfunded liabilities as compared to both the smoothed value of plan assets and the market value of plan assets. The most recent annual report for the PSPRS may be accessed at <http://www.psprs.com/investments--financials/annual-reports>.

As of June 30, 2025, the City reported the following unfunded liabilities to pensions:

Plan	Net Pension Liabilities
PSPRS – Fire	(\$229,163)
PSPRS – Police	\$7,969,446

The City's total long-term liabilities decreased by \$117.7 million during the current fiscal year. The City reported a decrease in pension liability of \$72.7 million, primarily due to lump sum payments made to the Public Safety Personnel Retirement System (PSPRS) in fiscal year 2022-23 (\$50 million), 2023-24 (\$73 million), and 2024-25 (\$7 million), an increase in post-employment benefits of \$4.1 million. In addition, the City has budgeted a \$25 million payment in the current fiscal year to ensure a fully paid off status for future actuarial results. This has and will continue to result in significantly reducing the City's future employer contribution rates for funding the City's actuarially required PSPRS contributions.

#### *Healthcare Benefits for Retired Employees*

During the year ended June 30, 2018, the City implemented the provisions of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions ("GASB 75"). The City is required to report the actuarially accrued cost of post-employment benefits, other than pension benefits ("OPEB"), such as health and life insurance for current and future retirees. GASB 75 addresses reporting by governments that provide OPEB by measuring and recognizing net assets or liabilities, deferred outflows of resources, deferred inflows of resources, and expenses/expenditures related to OPEB provided through defined benefit OPEB plans.

The City's employees, their spouses and survivors may be eligible for certain retiree healthcare benefits under healthcare programs provided by the City. Employees on long-term disability and their spouses may also qualify for retiree healthcare benefits through the City. It is expected that substantially all City employees that reach normal or early retirement age while working for the City will become eligible for such benefits. Currently, such retirees may obtain the healthcare benefits offered by the City by paying 100% of the applicable premium. Although the retirees pay 100% of their premium, the retirees' participation in the City's healthcare program affects the City's healthcare costs for its employees and results in an implicit rate subsidy.

The City provides other post-employment benefits to its retirees that consist of an implicit subsidy for healthcare and a retirement health savings (RHS) plan for reimbursement of eligible medical expenses. The City offers the RHS plan to employees and contributes toward a savings plan for each employee that they are eligible to use for medical expense reimbursement at separation from service. The City makes no contribution to the retirees' premiums other than allowing them to participate through the City's pooled benefits. By providing retirees with access to the City's healthcare plans based on the same rates it charges to active employees, the City is in effect providing an implicit subsidy to retirees. This implicit subsidy exists because, on average, retiree healthcare costs are higher than active employee healthcare

costs. Because the City does not contribute anything toward this plan in advance, the City employs a pay-as-you-go method through paying the higher rate for active employees each year.

The City's net OPEB liability as of June 30, 2025 was \$72,122,804 was determined by an actuarial as of that date and is reflected on the Balance Sheet in the City's Financial Statements. This is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined which represents a level of funding that is paid on an ongoing basis, and projected to cover normal cost each year to amortize the unfunded actuarial liability over a period not to exceed thirty years.

## **PROPERTY TAXES**

### **General**

For tax purposes in Arizona, real property and improvements and personal property is either valued by the Maricopa County Assessor (the "Assessor of the County") or the Arizona Department of Revenue. Property valued by the Assessor of the County is referred to as "locally assessed" property and generally encompasses residential, agricultural and traditional commercial and industrial property. Property valued by the Arizona Department of Revenue is referred to as "centrally valued" property and is generally large mine and utility entities.

Locally assessed property has two different values, Limited Property Value and Full Cash Value (both as defined below). Limited Property Value is used as the basis for taxation. Full Cash Value is used as the ceiling for determining Limited Property Value and for determining debt limits for certain local governmental entities including for school districts.

For centrally valued property and personal property (except mobile homes), Full Cash Value of the property is the basis for taxation of such property and for determining constitutional and statutory debt limits for most local governmental entities.

"Limited Property Value" means, for property in existence in the prior year, the lesser of (a) the Full Cash Value of the property or (b) an amount 5% greater than the Limited Property Value of such property determined for the prior year. Limited Property Value is established at a level or percentage of Full Cash Value comparable to properties of the same or similar use or classification for property erroneously totally or partially omitted from the property tax rolls in the prior year; property for which a change in use occurred; property modified by construction, destruction, or demolition since the preceding valuation year such that the total value of the modification is equal to or greater than 15% of the Full Cash Value; and property that has been split, subdivided or consolidated, with variations depending on when the change occurred. There is no limit on the growth of Full Cash Value.

### **Primary Taxes**

Taxes levied for the maintenance and operation of counties, cities, towns, school districts, community college districts and the State are "primary taxes". These taxes are levied against the Net Assessed Limited Property Value (as defined below) of the taxing jurisdiction. "Net Assessed Limited Property Value" is determined by excluding the value of property exempt from taxation from the Limited Property Value of locally assessed property and from Full Cash Value of centrally valued property and combining the resulting two amounts.

The primary taxes levied by a county, city, town and community college district are constitutionally limited to a maximum increase of 2% over the maximum allowable prior year's levy limit plus any taxes on property not subject to tax in the preceding year (e.g., new construction and property brought into the jurisdiction because of annexation). The 2% limitation does not apply to primary taxes levied on behalf of school districts.

Primary taxes on residential property only are constitutionally limited to 1% of the Limited Property Value of such property. This constitutional limitation on residential primary tax levies is implemented by reducing the school districts' taxes. To offset the effects of reduced school district property taxes, the State compensates the school districts by providing additional state aid.

## Secondary Taxes

Taxes levied for debt retirement (e.g., debt service on the City's bonds), voter-approved budget overrides and maintenance and operation of special service districts such as sanitary, water conservation, fire, road improvement and career technical education districts are "secondary taxes". Like primary taxes, secondary taxes also are levied against the Net Assessed Limited Property Value of the taxing jurisdiction. There is no constitutional or statutory limitation on annual levies for voter-approved bond indebtedness and certain special district assessments.

## Assessment Ratios

All property, both real and personal, is assigned a classification to determine its assessed valuation for tax purposes. Each legal classification is defined by property use and has an assessment ratio (a percentage factor) that is multiplied by the taxable value of the property -- Limited Property Value or Full Cash Value, as applicable -- to obtain the "Assessed Limited Property Value" or the "Full Cash Assessed Value," respectively. The current assessment ratios for each class of property are set forth by tax year in the following table.

**PROPERTY TAX ASSESSMENT RATIOS**  
**Tax Year 2021 through Tax Year 2025**

Property Classification (a)	Tax Year				
	2021	2022	2023	2024	2025
Mining, utilities, commercial and industrial (b)	18%	17.5%	17%	16.5%	16%
Agricultural and vacant land	15	15	15	15	15
Owner occupied residential	10	10	10	10	10
Leased or rented residential	10	10	10	10	10
Railroad, private car company and airline flight property (c)	15	15	14	14	13

- (a) Additional property classifications exist, but seldom amount to a significant portion of a municipal body's total valuation.
- (b) The assessment ratio for this property classification will decrease to 15.5% for tax year 2026 and 15% for each tax year thereafter.
- (c) This percentage is determined annually pursuant to Section 42-15005, Arizona Revised Statutes.

Source: State and County Abstract of the Assessment Roll, Arizona Department of Revenue.

## Tax Procedures

The Arizona tax year is defined as the calendar year, although tax procedures begin prior to January 1 of the prior fiscal year and continue through May of such fiscal year, when payment of the second installment of property taxes for the tax year becomes delinquent.

The first step in the tax process is the determination of the Full Cash Value of each parcel of real property within the State. "Full Cash Value" is statutorily defined to mean "the value determined as prescribed by statute" or if a statutory method is not prescribed it is "synonymous with market value." "Market Value" means that estimate of value that is derived annually by use of standard appraisal methods and techniques, which generally includes the market approach, the cost approach and the income approach. As a general matter, the various county assessors use a cost approach for commercial/industrial property and a market approach for residential property. Arizona law allows taxpayers to appeal the county assessor's valuations by providing evidence of a lower value, which may be based upon another valuation approach.

In valuing centrally valued property, the Arizona Department of Revenue begins generally with information provided by taxpayers and then applies procedures provided by State law. Appeals are also allowed for such valuations.

On or before the third Monday in August of each year, the Board of Supervisors of the County prepares the tax roll that sets forth the valuation by taxing district of all property in the County subject to taxation. The Assessor of the County is required to complete the assessment roll by December 15th of the year prior to the levy. This tax roll also shows the valuation and classification of each parcel of land located within the County for the tax year. The tax roll is then forwarded

to the Treasurer of the County. With the various budgetary procedures having been completed by the governmental entities, the appropriate tax rate for each jurisdiction is then applied to the parcel of property in order to determine the total tax owed by each property owner. Any subsequent decrease in the value of the tax roll as it existed on the date of the levy due to appeals or other reasons would reduce the amount of taxes received by each jurisdiction.

The property tax lien on real property attaches on January 1 of the fiscal year the tax is levied. Such lien is prior and superior to all other liens and encumbrances on the property subject to such tax except liens or encumbrances held by the State or liens for taxes accruing in any other years.

In the event the County is expressly enjoined or prohibited by law from collecting taxes due from any taxpayer, such as may result from the bankruptcy of a taxpayer, any resulting deficiency could be collected in subsequent tax years by adjusting the City's tax rate charged to non-bankrupt taxpayers during such subsequent tax years.

### **Delinquent Tax Procedures**

The property taxes due to the City are billed, along with State and other taxes, in September of the calendar tax year and are due and payable in two installments on October 1 and March 1 and become delinquent on November 1 and May 1. Delinquent taxes are subject to an interest penalty of 16% per annum prorated monthly as of the first day of the month. (However, delinquent interest is waived if a taxpayer, delinquent as to the November 1 payment, pays the entire year's tax bill by December 31.) After the close of the tax collection period, the Assessor of the County prepares a delinquent property tax list and the property so listed is subject to a tax lien sale in February of the succeeding year. In the event there is no purchaser for the tax lien at the sale, the tax lien is assigned to the State, and the property is reoffered for sale from time to time until such time as it is sold, subject to redemption, for an amount sufficient to cover all delinquent taxes.

Three years after the sale of the tax lien, the tax lien certificate holder may bring an action in a court of competent jurisdiction to foreclose the right of redemption and, if the delinquent taxes plus accrued interest are not paid by the owner of record or any entity having a right to redeem, a judgment is entered ordering the Treasurer of the County to deliver a treasurer's deed to the certificate holder as prescribed by law.

Chapter 176, Laws of Arizona 2024 (commonly referred to by its original bill number as "SB1431") revises the redemption and foreclosure process for tax lien certificate holders whereby a delinquent taxpayer may request an entry of judgment directing the sale of the property for excess proceeds. If a delinquent taxpayer requests an excess proceeds sale, and an entry of judgment is granted to direct such excess proceeds sale, a tax lien certificate holder's potential financial return on the subject tax lien eligible for foreclosure may decrease relative to the tax lien certificate holder's potential financial return on such tax lien prior to the enactment of SB1431. Therefore, in connection with the new excess proceeds sale process instituted by SB1431, it is reasonable to conclude that "tax sale investors" may be less willing to purchase tax liens. The effective date of SB1431 was September 14, 2024. None of the City, the Financial Advisor, or the counsel or agents of either of them, are able to determine or predict what impact, if any, SB1431 will have on property tax collections in the City.

It should be noted that in the event of a taxpayer filing for relief pursuant to the United States Bankruptcy Code (the "Bankruptcy Code"), the law is currently unsettled as to whether a lien can be attached against the taxpayer's property for property taxes levied during the pending bankruptcy. Such taxes might constitute an unsecured and possibly non-interest bearing administrative expense payable only to the extent that the secured creditors of a taxpayer are over secured, and then possibly only on the prorated basis with other allowed administrative claims. It cannot be determined, therefore, what adverse impact bankruptcy might have on the ability to collect *ad valorem* taxes on property of a taxpayer within the City. Proceeds to pay such taxes come only from the taxpayer or from a sale of the tax lien on delinquent property.

It cannot be determined what impact any deterioration of the financial conditions of any taxpayer, whether or not protection under the Bankruptcy Code is sought, may have on payment of or the secondary market for bonds issued by the City. None of the City, the Financial Advisor or their respective attorneys, agents or consultants has undertaken any independent investigation of the operations and financial condition of any taxpayer, nor have they assumed responsibility for the same.

### Property Taxes Levied and Collected (a)

Fiscal Year	Tax Rate	Adopted Tax Levy	Adjusted Tax Levy as of June 30th (b)	Collected to June 30th of Initial Fiscal Year		Adjusted Levy as of 11/3/2025 (b)	Cumulative Collections to 11/3/2025 (b)	
				Amount	% of Adj. Levy		Amount	% of Adj. Levy
2025/26	\$ 1.0818	\$ 44,360,973	(c)	(c)	(c)	\$ 44,327,827	\$ 20,334,390	45.87%
2024/25	1.0826	44,077,813	\$ 43,981,192	\$ 43,581,476	99.09%	43,975,684	43,774,811	99.54
2023/24	1.0926	42,438,232	42,198,604	41,767,411	98.98	41,838,555	41,823,038	99.96
2022/23	1.1026	41,688,388	40,975,432	40,572,165	99.02	40,390,816	40,384,939	99.99
2021/22	1.1126	38,884,287	38,854,096	38,698,830	99.60	38,487,189	38,480,926	99.98

(a) *Taxes are certified and collected by the Treasurer of the County. Taxes in support of debt service are levied by the Board of Supervisors of the County as required by Arizona Revised Statutes. Delinquent taxes are subject to an interest and penalty charge of 16% per annum which is prorated at a monthly rate of 1.33%. Delinquent interest is waived if a taxpayer, delinquent as to the November 1 payment pays the entire year's tax bill by December 31. Interest and penalty collections for delinquent taxes are not included in the collection figures above, but are deposited in the County General Fund.*

(b) *The Tax Levy is adjusted downward in future years after the initial levy as a result of successful taxpayer appeals. The Tax Levy, net of resolutions (as presented in the Maricopa County Treasurer's Office report), is noted in this presentation.*

(c) *In the process of collection.*

**SPECIAL NOTE:** The assessed valuation of property owned by the Salt River Project Agricultural Improvement and Power District ("SRP") is not included in the assessed valuation of the City in the prior table or in any other valuation information set forth in this Official Statement. Because of SRP's quasi-governmental nature, property owned by SRP is exempt from property taxation.

However, SRP may elect each year to make voluntary contributions in lieu of property taxes with respect to certain of its electrical facilities (the "SRP Electric Plant"). If SRP elects to make the in lieu contribution for the year, the full cash value of the SRP Electric Plant and the in lieu contribution amount is determined in the same manner as the full cash value and property taxes owed is determined for similar non-governmental public utility property, with certain special deductions.

If after electing to make the in lieu contribution, SRP then failed to make the in lieu contribution when due, the Treasurer of the County and the City have no recourse against the property of SRP and the City.

Since 1964, when the in lieu contribution was originally authorized in State statute, SRP has never failed to make that election. The fiscal year 2025-26 estimated in lieu assessed valuation of SRP within the City is \$52,822,000 which represents approximately 1.3% of the combined Net Assessed Limited Property Value in the City. SRP's total contribution in lieu of property tax payments (primary & secondary) was \$458,191 for fiscal year 2025-26.

Source: Treasurer of the County.

**Direct and Overlapping Assessed Valuations and Total Tax Rates  
Per \$100 Assessed Valuation**

<b>Overlapping Jurisdiction</b>	<b>2025-26 Net Assessed Limited Property Value</b>	<b>2025-26</b>
		<b>Combined Primary and Secondary Tax Rates Rates Per \$100 Net Assessed Limited Property Value</b>
State of Arizona	\$ 92,371,826,506	\$ 0.0000
Maricopa County	60,724,517,168	1.1591 (a)
Maricopa County Community College District	60,724,517,168	1.0828
Maricopa County Fire District Assistance Tax	60,724,517,168	0.0076
Maricopa County Special Health Care District	60,474,824,210	0.2914 (b)
Maricopa County Library District	60,724,517,168	0.0462
Maricopa County Flood Control District (a)	56,554,825,877	0.1428
Central Arizona Water Conservation District (b)	60,474,824,210	0.1400 (c)
East Valley Institute of Technology District No. 401	29,382,856,266	0.0500
Chandler Unified School District No. 80	4,139,463,360	5.3487
Tempe Union High School District No. 213	4,880,653,534	2.2586
Kyrene Elementary School District No. 28	2,767,414,742	3.2664
Mesa Unified School District No. 4	4,221,073,957	6.0878
Gilbert Unified School District No. 41	3,032,141,969	5.1797
City of Chandler	4,124,257,465	1.0818
<hr/>		
(a)	<i>The assessed value of the Maricopa County Flood Control District does not include the personal property assessed value of the County.</i>	
(b)	<i>Value shown for the Central Arizona Water Conservation District covers only the County portion of such district.</i>	
(c)	<i>Includes Net Assessed Limited Property Value for the East Valley Institute of Technology District No. 401 within Pinal County.</i>	

Source: Maricopa County 2025 Tax Levy, Maricopa County Department of Finance.

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## Property Value by Property Classification

Set forth below is a breakdown of the Net Full Cash Assessed Property Valuation of the City by property classification.

Class	2025-26	2024-25	2023-24	2022-23	2021-22
Commercial, industrial, utilities and mines	\$ 2,101,361,793	\$ 2,088,313,938	\$ 1,800,359,154	\$ 1,534,793,910	\$ 1,488,882,870
Agricultural and vacant	99,276,326	98,347,525	82,244,489	72,256,990	76,801,910
Residential (owner occupied)	2,994,162,472	3,264,687,346	2,824,334,410	2,135,013,774	1,990,237,285
Residential (rental)	1,615,665,029	1,645,377,546	1,346,567,408	1,052,393,288	946,787,996
Railroad	4,111,783	4,428,074	3,849,664	2,216,430	2,011,500
Historical property	154,089,850	279,322,237	222,807,895	215,617,419	177,317,246
Commercial historical property	-	-	-	-	-
Certain Government property improvements	490,954	416,490	14,137	529,079	520,137
Totals (a)	<u>\$ 6,969,158,207</u>	<u>\$ 7,380,893,156</u>	<u>\$ 6,280,177,157</u>	<u>\$ 5,012,820,890</u>	<u>\$ 4,682,558,944</u>

(a) Totals may not add up due to rounding.

Source: State and County Abstract of the Assessment Roll, Arizona Department of Revenue.

## Net Assessed Limited Property Value of Major Taxpayers

Taxpayer (a)	Description	2025-26 Net Assessed Limited Property Value	As % of City's Total 2025-26 Net Assessed Limited Property Value
Intel Corporation	Manufacturing Plant	\$181,311,512	4.40%
Salt River Project (T&D)	Utilities	103,079,152	2.50%
	Commercial Rental		
CI Phoenix-Chandler I-VII LLC	Property	33,900,330	0.82%
Wells Fargo Bank NA	Financial Services	26,872,314	0.65%
Salt River Project (CWIP)	Utilities	23,463,746	0.57%
Arizona Public Service	Utilities	20,568,203	0.50%
Southwest Gas Corp	Manufacturing Plant	17,701,242	0.43%
CAZ 7 LLC	Utilities	17,561,974	0.43%
Freescall Semiconductor Inc	Manufacturing Plant	16,871,290	0.41%
TWC-Chandler LLC	Manufacturing Plant	15,849,628	0.38%
<b>Total</b>		<b>\$457,179,391</b>	<b>11.09%</b>
<b>Total City Net Assessed Limited Property Value</b>		<b>\$4,124,257,465</b>	

(a) Some of the major taxpayers are subject to the informational requirements of the Exchange Act, and in accordance therewith file the Filings with the Commission. The Filings may be inspected and copies are available at the public reference facilities maintained by the Commission. In addition, the Filings may also be inspected at the offices of the New York Stock Exchange at 20 Broad Street, New York, New York 10005. The Filings may also be obtained through the Internet on the Commission's EDGAR database at <http://www.sec.gov>. None of the City, Bond Counsel, the Financial Advisor or their respective agents or consultants have examined the information set forth in the Filings for accuracy or completeness, nor do they assume responsibility for the same.

Source: County Assessor's Office.

## Property Values

The tables below list the various property values for the City for fiscal year 2021-22 through 2025-26. **All values herein are net of the estimated value of property exempt from taxation.**

### Property Values for Fiscal Year 2021-22 through 2025-26

<b>Fiscal Year</b>	<b>Net Assessed Limited Property Value</b>	<b>Net Full Cash Assessed Value</b>	<b>Estimated Net Full Cash Value (a)</b>
2025-26	\$ 4,124,257,465	\$ 6,969,158,207	\$ 61,419,063,236
2024-25	4,108,053,847	7,380,893,156	66,333,399,270
2023-24	3,900,094,692	6,280,177,157	61,704,952,635
2022-23	3,702,957,065	5,012,820,890	48,805,511,338
2021-22	3,463,794,661	4,682,558,944	40,751,143,934

(a) *Estimated Net Full Cash Value is the total estimated “market value” of taxable property, which is calculated by multiplying the Full Cash Value by the ratio of Net Assessed Full Cash Value divided by the Assessed Full Cash Value. Each value as reported by the Assessor of the County in the State Abstract.*

Source: *Maricopa County 2025 Tax Levy*, Maricopa County Department of Finance and *Abstract and Assessment Roll*, State of Arizona Department of Revenue.

### Net Assessed Limited Property Value and Net Full Cash Assessed Value Comparisons and Trends

The tables below are shown to indicate for fiscal year 2021-22 through 2025-26, the (i) Net Assessed Limited Property Values and (ii) Net Full Cash Values of the City, the County and the State of Arizona, each on a comparative basis.

#### Comparative Net Assessed Limited Property Value Histories

<b>Fiscal Year</b>	<b>City of Chandler</b>	<b>Percent Increase/ (Decrease)</b>	<b>Maricopa County</b>	<b>Percent Increase/ (Decrease)</b>	<b>State of Arizona</b>	<b>Percent Increase/ (Decrease)</b>
2025-26	\$4,124,257,465	0.39%	\$60,724,517,168	4.11%	\$92,371,826,506	4.46%
2024-25	4,108,053,847	5.33%	58,328,686,358	6.59%	88,425,611,337	6.50%
2023-24	3,900,094,692	5.32%	54,722,310,149	6.10%	83,026,514,349	5.89%
2022-23	3,702,957,065	6.90%	51,575,018,189	5.85%	78,405,598,978	5.67%
2021-22	3,463,794,661	6.79%	48,724,126,672	6.61%	74,200,233,397	6.13%

Source: *Maricopa County 2025 Tax Levy*, Maricopa County Department of Finance, *Property Tax Rates and Assessed Values*, Arizona Tax Research Association and *Abstract and Assessment Roll*, State of Arizona Department of Revenue.

#### Comparative Net Full Cash Value Histories

<b>Fiscal Year</b>	<b>City of Chandler</b>	<b>Percent Increase/ (Decrease)</b>	<b>Maricopa County</b>	<b>Percent Increase/ (Decrease)</b>	<b>State of Arizona</b>	<b>Percent Increase/ (Decrease)</b>
2025-26	\$6,969,158,207	-5.58%	\$110,166,905,847	-2.04%	\$157,397,026,499	-0.98%
2024-25	7,380,893,156	17.53%	112,459,810,477	22.83%	158,962,333,751	22.78%
2023-24	6,280,177,157	25.28%	91,557,158,470	26.74%	129,473,530,919	24.65%
2022-23	5,012,820,890	7.05%	72,238,314,892	6.96%	103,872,223,919	6.77%
2021-22	4,682,558,944	8.68%	67,535,008,138	9.24%	97,282,221,465	8.08%

Source: *Maricopa County 2025 Tax Levy*, Maricopa County Department of Finance and *Abstract and Assessment Roll*, State of Arizona Department of Revenue

FORM OF APPROVING LEGAL OPINION

[Closing Date]

MAYOR AND COUNCIL  
City of Chandler, Arizona

Re: City of Chandler, Arizona General Obligation Bonds, Series 2026

We have examined copies of the proceedings of the Mayor and Council of the City of Chandler, Arizona (the “City”), and other proofs submitted to us relative to the issuance of the captioned Bonds (the “Bonds”).

In addition, we have examined such other proceedings, proofs, instruments, certificates and other documents as well as such other materials and such matters of law as we have deemed necessary or appropriate for the purposes of the opinion rendered herein below. In such examination, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity to the original documents of all documents submitted to us as copies. As to any facts material to our opinion, we have, when relevant facts were not independently established, relied upon the aforesaid proceedings and proofs.

We are of the opinion that such proceedings and proofs show lawful authority for the sale and issuance of the Bonds pursuant to the Constitution and laws of the State of Arizona now in force, and particularly with respect to the Bonds the provisions of Title 35, Chapter 3, Article 3, Arizona Revised Statutes, as amended, and that the Bonds are valid and legally binding obligations of the City, all of the taxable property within which is subject to the levy of a tax, without limitation as to rate or amount to pay the principal of and interest on the Bonds.

Based on the representations and covenants of the City and subject to the assumption stated in the last sentence of this paragraph, under existing statutes, regulations, rulings and court decisions, interest on the Bonds is excludable from the gross income of the owners thereof for federal income tax purposes, and the interest on the Bonds is exempt from income taxation under the laws of the State of Arizona. Furthermore, interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals. In the case of the alternative minimum tax imposed by Section 55(b)(2) of the Internal Revenue Code of 1986, as amended (the “Code”), on applicable corporations (as defined in Section 59(k) of the Code), interest on the Bonds is not excluded from the determination of adjusted financial statement income. We express no opinion regarding other tax consequences resulting from the ownership, receipt or accrual of interest on, or disposition of, the Bonds. The Code includes requirements which the City must continue to meet after the issuance of the Bonds in order that interest on the Bonds not be included in gross income for federal income tax purposes. The failure of the City to meet these requirements may cause interest on the Bonds to be included in gross income for federal income tax purposes retroactive to their date of issuance. The Mayor and Council of the City have resolved in Resolution No. 5947, adopted by the Mayor and Council of the City on November 13, 2025, to take the actions required by the Code in order to maintain the exclusion from gross income for federal income tax purposes of interest on the Bonds. (Subject to the same limitations in the penultimate paragraph hereof with respect to such covenants, the City has full legal power and authority to comply with such covenants.) In rendering the opinion expressed above, we have assumed continuing compliance with the tax covenants referred to above that must be met after the issuance of the Bonds in order that interest on the Bonds not be included in gross income for federal tax purposes.

The rights of the holders of the Bonds and the enforceability of those rights may be subject to bankruptcy, insolvency, reorganization, moratorium and similar laws affecting creditors’ rights. The enforcement of such rights may also be subject to the exercise of judicial discretion in accordance with general principles of equity.

This opinion represents our legal judgment based upon our review of the law and the facts we deem relevant to render such opinion and is not a guarantee of a result. This opinion is given as of the date hereof, and we assume no obligation to review or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Respectfully submitted,

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**CITY OF CHANDLER, ARIZONA**

**AUDITED FINANCIAL STATEMENTS OF THE CITY OF CHANDLER, ARIZONA  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

The following audited financial statements are for the fiscal year ended June 30, 2025. These are the most recent audited financial statements available to the City. These audited financial statements may not represent the current financial conditions of the City. The City did not request the consent of Heinfeld, Meech & Co., P.C. to include its report and Heinfeld, Meech & Co., P.C. has performed no procedures subsequent to rendering its opinion on the audited financial statements.

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# City of Chandler

## Annual Comprehensive Financial Report

Fiscal Year Ended June 30, 2025

*“Making it Happen”*



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**CITY OF CHANDLER, ARIZONA**  
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
**FOR THE YEAR ENDED JUNE 30, 2025**

**Prepared by**  
Management Services Department  
Dawn Lang, Deputy City Manager | CFO  
Kristi Smith, Financial Services Director  
Julie Goucher, Accounting Senior Manager



**CITY OF CHANDLER, ARIZONA  
ANNUAL COMPREHENSIVE FINANCIAL REPORT  
FOR THE YEAR ENDED JUNE 30, 2025**

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**CITY OF CHANDLER, ARIZONA  
ANNUAL COMPREHENSIVE FINANCIAL REPORT  
FOR THE YEAR ENDED JUNE 30, 2025**

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**CITY OF CHANDLER, ARIZONA**  
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
**FOR THE YEAR ENDED JUNE 30, 2025**

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## 1

# Introductory Section

- Letter of Transmittal
- Elected and Appointed Officials
- Organizational Chart
- Certificate of Achievement for Excellence in Financial Reporting



Decades of award-winning financial management, and purchasing practices are indications of our stability and strength.





November 25, 2025

Honorable Mayor, Members of the City Council, City Manager, and residents of the City of Chandler:

The Annual Comprehensive Financial Report of the City of Chandler, Arizona (the city), for the year ended June 30, 2025, is hereby submitted in accordance with City Charter and State statutes. Both the City Charter and State statutes require that the city issue annually a report on its financial position and activity, and that this report be audited by an independent certified public accountant. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the city's management. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner that fairly presents the financial position and results of operations of the various funds and component units of the city.

Generally accepted accounting principles (GAAP) in the United States of America require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City of Chandler's MD&A can be found immediately following the report of the independent auditors.

The city is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1996 and U.S. Office of Management and Budget Uniform Guidance. Information related to this single audit, including a schedule of expenditures of federal awards, the independent auditors' reports on the internal control structure and compliance with applicable laws and regulations, and a schedule of findings and questioned costs are included in a separately issued report.

#### **GOVERNMENTAL STRUCTURE, LOCAL ECONOMIC CONDITION AND OUTLOOK**

The city, incorporated on February 17, 1920, is located in the southeastern portion of Maricopa County, and encompasses approximately 66 square miles. The city has operated under a council-manager form of government since May 25, 1964, and is governed by the City Council, consisting of a mayor and a six member council. Councilmembers are elected at-large on a staggered basis; the mayor and council members are elected for four-year terms and are limited to two consecutive terms in office. The City Council is vested with policy and legislative authority, and is responsible for passing ordinances, adopting the annual budget, appointing committees, commissions, and board members, and appointing the positions of City Manager, City Attorney, City Clerk, and City Magistrate. The City Manager is responsible for carrying out the policies and ordinances of the City Council, as well as overseeing the day-to-day operations of the city.

Chandler is the fifth largest city in Arizona and is one of several major cities comprising the greater Phoenix metropolitan area, which is the economic, political, and population center of the State of Arizona. The city's population has experienced remarkable growth over the past 25 years, increasing more than 65 percent, from an estimated 176,581 in 2000 to 291,442 in 2025, based on intercensal population estimates. The city's manufacturing sector has been a major driver of economic growth during this time and includes high-tech industrial companies such as Intel Corporation, Northrop Grumman, Microchip Technology, and NXP Semiconductors. These four companies combine to employ approximately 17,000 people in the city. Total manufacturing employment is over 30,000 with many companies in the supply chain also operating in Chandler. Another industry that has experienced strong growth is financial services with companies such as Wells Fargo, Bank of America, GM Financial Services and Toyota Financial Services establishing corporate offices in Chandler. Information technology is another growth industry with Insight Enterprises Inc., a Fortune 500 company, headquartered in Chandler.

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175 S. Arizona Ave.  
Chandler, AZ 85225

The city boasts a strong labor market serving the high technology field's demand for skilled workers. Chandler's median age is 37.4 years, and the median household income is \$113,802. In addition, 78 percent of the adult population has a college degree or some college education. Nearly 27 percent of jobs in Chandler are in high technology fields while the national average is about 10 percent, according to data from the Maricopa Association of Governments and Bureau of Labor Statistics. The city's unemployment rate averaged 3.5 percent during fiscal year 2024-25 compared with 3.5 percent for Maricopa County and 3.9 percent for the State of Arizona.

The city's transaction privilege sales tax revenues, which comprise over 51 percent of its general fund, decreased by 2.3 percent for fiscal year 2024-25 from the prior year actuals. The city continues to strengthen its financial position and has benefited from ongoing and one-time revenues created by increased retail spending and new development, including the \$20+ billion Intel expansion that kicked off in February 2022. With increased modest operating revenue growth, managing costs of services during a time of inflation and higher cost of personnel in the market is critical. As the city ages, maintaining existing infrastructure is also a focus to ensure quality amenities for residents and businesses. Consistently applying sound financial practices, achieving notable economic development successes, and having a structured plan over the last ten years that has paid down its Public Safety Personnel Retirement System (PSPRS) unfunded liability have helped the city continue its strong financial position. This has contributed to Chandler's AAA General Obligation Bond and Excise Tax Revenue Obligation bond credit ratings from all three ratings agencies.

The city enters into tax abatement agreements as part of economic development programs. Long-term impacts from tax abatements are minimal and considered immaterial. Additional tax abatement details are included in Note 18.

The City of Chandler's continued goal is to provide the highest quality services to the community in the most cost-effective manner. These services include Public Safety: Police and Fire; Community Services: Parks and Recreation and Libraries; Cultural Development: Center for the Arts, Vision Gallery, and Museum; Public Works: Streets and Traffic; Utilities: Water, Wastewater, Reclaimed Water and Solid Waste; Neighborhood Resources; Development Services; Airport; Tax and Licensing and numerous internal services. The Council's strategy to achieve these results is through goals to improve Chandler in a coordinated manner and to make fiscally responsible decisions that will continue to strengthen the city. The Chandler Industrial Development Authority, the Chandler Cultural Foundation, the Chandler Museum Foundation, and the Chandler Housing and Community Services Corporation are four legally separate entities, all of which are reported separately within the city's financial statements. Additional detail on these entities can be found in Note 1.

In March 2023, the City Council re-established and/or altered six Focus Areas, identified below, to provide guidance and direction as to what accomplishments the city should focus on and in what areas. The alterations included an additional focus area added to delineate Community Safety from Quality of Life, and Mobility was re-named Connectivity to focus on transportation and technology networks. Additional, Innovation and Technology was changed to Sustainability and Technology to allow for better alignment of the advancements being made toward sustainability. Good Governance continues to be a philosophy to support the overall goals of the city, while other outlined focus areas concentrate efforts to make progress towards the City Council's vision.

- **Community Safety**

Chandler is recognized among the safest cities in the nation. Our fire and police departments are accredited and elite in their field. We ensure our community's safety with continued investment in people, systems and technology. Innovative partnerships extend our ability to address emerging community safety needs.

- **Connectivity**

The ability to connect people, places and commerce through local, regional and virtual networks - is essential. Chandler is served by three major highways, two railroad corridors, a well-planned street and transit network, expending bike and shared-use paths and a municipal airport that efficiently connects people and commerce. Chandler's advanced communication systems enhance our ability to connect through technology and transportation networks.

- **Economic Vitality**

Economic vitality includes the use of creative policies and marketing efforts that ensure Chandler remains a world-class community for residents, visitors and businesses. Our approach preserves the viability of employment corridors and positions properties for adaptive reuse, infill and redevelopment. Chandler offers a business-focused environment for global industry leaders, exciting startups and entrepreneurs through every stage of development. Our business climate, talented workforce and lifestyle make Chandler a destination of choice for key industries.

- **Neighborhoods**

To sustain an exceptional quality of life for Chandler residents, preservation and enhancement of neighborhoods is paramount. These approaches ensure that all neighborhoods remain safe and vibrant. Engaging residents, developers and community stakeholders provides opportunities to achieve this goal, while maintaining each neighborhood's distinct character.

- **Quality of Life**

Chandler's commitment to high standards has spanned generations of city leadership and resulted in the safe and beautiful community residents and businesses enjoy today. Our innovative practices maximize cost savings for taxpayers while enhancing the quality of city services. Our unparalleled quality of life includes a focus on arts, culture, learning and recreation. High-quality developments, parks and amenities shape the character of our neighborhoods and commercial centers.

- **Sustainability and Technology**

Chandler's high-tech industries, businesses and talented workforce drive the local economy. We recognize the importance of infrastructure, water and streamlined city services that support key industries engaged in the development of current and future technologies. The pursuit of sustainable and technological infrastructure and services advance our ability to meet the unique needs of the community and equip our empowered, talented workforce to serve.

## **2024-2025 Accomplishments**

Under the guidance and leadership of the Mayor and Council, along with the expertise and dedication of city management and staff, a number of accomplishments were achieved this last fiscal year. Listed below are just a few of those accomplishments:

- Maintained AAA General Obligation (GO) bond and Excise Tax Revenue Obligation credit ratings with stable outlooks from all three rating agencies, making Chandler one of a select few municipalities in the U.S. with this distinction;
- Completed financial analysis and education regarding bond authorization need and timing throughout the 31 member Resident Bond Exploratory Committee process to eventually bring a recommendation to City Council that does not increase the city property tax rate supporting payment of bonded debt and positions the city to continue its Capital Improvement Program (CIP);
- Completed financial analysis to pay off the Public Safety Personnel Retirement System (PSPRS) Unfunded Liability in July 2023, to reduce the ongoing contribution rates expense of approximately \$8 - \$10 million annually, to help offset the impact of the state reduction of \$11 million in ongoing Residential Rental Transaction Privilege Tax (TPT) revenue in January 2025;
- Successfully negotiated a solar contract that identifies nearly 9 megawatts of power generation across 23 city facilities, generating ongoing electrical savings;
- Developed an Opioids Response Strategic Plan to mitigate the impact of opioids in the community;

- Implemented the Join Team Chandler marketing campaign with the Human Resources Department to promote career opportunities to prospective applicants through targeted communications and a recruitment website. Three videos received nominations in the commercial category at the 2024 Rocky Mountain Emmy Awards;
- Conducted the Primary Election in July 2024 and the General Election in November 2024 and served as a ballot drop-off location for all registered voters;
- Improved customer service by implementing an online reservation service for the public to make appointments with court clerks;
- Law worked with the Development Services Department to recover past due annual license fees in the amount of \$636 thousand to preserve the parties' long standing business relationship and telecommunication services to Chandler residents;
- Honored as the winner of the 2024 ICMA Local Government Excellence Award in Community Equity and Inclusion for the city's Diversity, Equity & Inclusion Strategic Plan, recognizing innovation in balancing social, economic, environmental, and cultural needs in communities of 50 thousand or more;
- Partnered with IDIA, Chandler Unified School District (CUSD), and AZCEND to launch the HIVE at San Marcos, a technology resource center providing digital training and support to community hubs, senior centers, affordable housing, and shelters;
- Reintroduced the Chandler Non-Profit Coalition (CNPC) with For Our City – Chandler, serving as a central hub for local non-profits to connect, collaborate, and strengthen collective impact;
- Economic Development assisted business location and expansion projects included D.R. Horton, The Mahoney Group, 3D Barrier Bags, Turbo Resources, and VIAVI Solutions;
- Economic Development helped reactivate vacant retail spaces by supporting the recruitment and opening of new businesses including Round1 Bowling & Arcade, Seafood City Supermarket, Carolina's Mexican Food, and Mox Boarding House;
- Collaborated with CUSD and Chandler-Gilbert Community College (CGCC) to launch the City of Chandler Scholarship, which provided financial assistance to 25 CGCC students pursuing 79 targeted STEM Advanced Manufacturing programs;
- Continued the operation of Chandler Flex. Over 100,000 rides have been provided to more than 3,700 unique riders since the programs's inception in July 2022. Added 4.5 square miles to the service area in July 2024;
- Secured \$8.6 million in federal grants for use on five transportation projects (Lindsay Road, Roadway Safety Action Plan, Riggs Road/Paseo Trail Crossing Study, Street Sweeper, and Chandler Flex);
- Completed two sessions of internship partnership with Chandler-Gilbert Community College for a total of 6 since the program began. The Spring 2024 program had 16 new interns, nine returning, for a total of 25 interns in 19 departments/divisions. The Fall 2024 program had 14 new interns, 10 returning, for a total of 24 interns in 20 departments/divisions;
- Implemented a new integrated benefits and wellness platform for employee and retirees which allowed access to their benefits information 24/7 from any computer or mobile phone;
- Completed the Chandler Center for the Arts (CCA) Needs Assessment in partnership with the Chandler Cultural Foundation and the Chandler Unified School District;
- Celebrated the CCAs 35th Anniversary and served over 166,000 people continuing its commitment to engaging and inclusive programming with over 50 nonprofit and cultural institutions utilizing CCA for their activities;
- Hosted 85 free activities at the Vision Gallery, wrapped seven utility boxes, and brought additional public art projects to the community including City Hall Banners, a Wall Street mural, and art at the Tumleweed Recreation Center;

- Contracted with an outside consultant to produce a 5-year strategic plan for the newly reorganized Museum Division;
- Completed the Mesquite Groves Aquatic Center renovation that included water slides, decking, diving boards, and turf; completed the public input process and developed a new master plan for the Mesquite Groves Park site; and completed the Brooks Crossing Park renovation;
- Completed the Parks' Urban Forestry Inventory, partially funded by the Arizona Department of Forestry and Fire Management with a \$40 thousand Community Challenge Grant;
- Received a \$50 thousand grant from the Gila River Indian Community for the Chandler Nature Center to renovate the community garden;
- Updated the Downtown Region Area Plan, South Arizona Avenue Area Plan;
- Issued over 3,300 building permits for over \$1.1 billion in construction valuation in calendar year 2024 and conducted 11,397 building inspections;
- Implemented Chandler's fiber infrastructure project, Council approved five new telecommunications licenses to accelerate the delivery of fast broadband to residents and businesses, and four Fiber to the Home (FTTH) service providers were included;
- Government Experience (GovEx) ranked the City of Chandler as #2 nationally, the GovEx Award encompasses the full experience of government across multiple channels (web, mobile, etc.) and digital services. Jurisdictions receiving an Overall Experience Award demonstrate a focus on optimizing the constituent and customer experience across disparate channels;
- 2024 Digital Cities Award ranked the City of Chandler #2 nationally. The Digital Cities award recognizes cities utilizing technology to enhance digital services and transparency, strengthen cybersecurity, digital privacy rights, digital equity, and finding innovative ways to support solutions for social challenges facing cities today;
- Implemented cybersecurity and threat detection solutions as well as multi-factor authentication (MFA) for privileged access users that are responsible for maintaining and administering system access to customers. MFA prevents unauthorized access;
- Achieved the second highest program in the state of Arizona to have the most enrolled participants with the City of Chandler Family Self Sufficiency program totaling 120 families. A total of 15 Chandler families graduated from the program in both Public Housing and Housing Choice Voucher (HCV) in the fiscal year;
- Celebrated the 14th year of For Our City Day with a kickoff event in Pamela Park and over 200 volunteers performed several alley cleanup projects;
- Continued to promote a Book Rich Environment in the Public Housing Authority (PHA) with the Public Housing Youth Program that served approximately 500 youth and provided over 1,000 books;
- Implemented the Chandler Public Housing Authority's first phase of the plan to develop existing public housing units with the approval of the Villas on McQueen, a new 157-unit affordable housing project;
- Administered \$1.4 million of Community Development Block Grant (CDBG) funds effectively and provided public services, neighborhood revitalization, and housing activities for households with low and moderate income;
- Allocated \$2.1 million of General Funds to support 46 nonprofit organizations that provided human services to residents;
- The Fire Department responded to over 29,000 emergency incidents;

- Redesigned the operational deployment of personnel utilizing additional rovers, early-hire firefighters, and a peaktime unit which resulted in increased availability of vacation time for firefighters while decreasing overtime spending by \$850 thousand from FY 2023-24;
- Established a new critical response unit, CR2840, that is focused on addressing opioid-related incidents, education, prevention and establishing connections to care. This program was developed utilizing One Arizona Agreement funds;
- Completed 163 miles of asphalt repaving, surface seal, and slurry treatments. Along with completion of ADA upgrades to 450 sidewalk/driveway locations and 791 corner ramps;
- Treated and delivered 21.4 billion gallons (BG) of potable drinking water & treated 9.7BG of wastewater, 8.4BG were reused by customers for irrigation and cooling;
- Provided 839 residential water audits and high-water use checks, 87 landscape consultations and 168 smart controller conversions for a total water savings of over 57.4M gallons;
- Implemented the new Water Efficiency Technology Rebate Program, completed nine evaluations, responded to 21 inquiries and assisted four customers to gain approvals; estimated that 100K gallons saved per year;
- Awarded \$1.1M in Environmental Protection Agency (EPA) and Water Infrastructure Finance Authority (WIFA) grant funding for Automatic Meter Infrastructure (AMI) program;
- Developed and submitted service line inventory and notified approximately 89K residents to meet Lead and Copper Rule Revision requirements;
- Responded to 19 inquiries regarding the Large Landscape Grass Removal Rebate Program, assisted 11 customers to gain approvals, resulting in over 230,000 sq ft of grass removed, estimating 11 million gallons of water saved per year;
- While Part I crime increased negligibly in 2024 to 15.8 per 1,000 population, crime remains at historic lows, making 2024 the second safest year in Chandler's 30-year history of tracking crime statistics;
- The Forensic Services Section received the prestigious Foresight Maximus Award for the 7th consecutive year in recognition of superior laboratory performance;
- The Real Time Operations Center (ROC) became fully operational, leveraging technology to serve as a force multiplier to solve and reduce crime as well as enhance public and officer safety. The ROC received the Team of the Year award from the National Real Time Crime Center Association to acknowledge regionalization efforts focused on technology and information sharing across jurisdictional boundaries;
- Volunteers in Policing satisfied \$413 thousand in warrants, staffed the Senior Lock Box program by completing 132 new installations and 404 courtesy checks, and added 8 new therapy dogs to the Paws for Police program.

## **FINANCIAL INFORMATION**

### **Internal Control Structure**

Management of the city is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the city are protected from loss, theft, or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with GAAP. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal, state, and county financial assistance, the city is also responsible for ensuring that an adequate internal control structure is in place to ensure and document compliance with applicable laws and regulations related to these programs. This internal control structure is subject to periodic evaluation by management and various other city staff, as needed.

### **Single Audit**

As a part of the city's single audit, described earlier, tests were made of the city's internal control structure and of its compliance with applicable laws and regulations, including those related to federal financial assistance programs.

### **Budgetary Controls**

The city maintains budgetary controls as an integral part of its overall system of internal controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Council. Activities of the general fund, special revenue funds, capital projects funds, enterprise funds, internal service funds, and fiduciary funds are included in the annual appropriated budget. The level of budgetary control (i.e., the level at which expenditures cannot legally exceed the appropriated amount) is the total budget, as adopted (FY 2024-25, \$1.63 billion). The city additionally exercises management control and oversight of the budget at the department level within each fund and maintains an encumbrance accounting system as another method of maintaining budgetary control. Encumbered amounts do not lapse at fiscal year-end and appropriation equal to the amount of year-end encumbrances are added to the current year budget in each cost center. Expenditures against those encumbrances are charged to the current year appropriation.

As demonstrated by the statements and schedules included in the financial section of this report, the city continues to meet its responsibility for sound financial management.

## **OTHER INFORMATION**

### **Independent Audit**

City Charter and State statute require an annual audit by a firm of independent certified public accountants and the firm of Heinfeld, Meech & Co., P.C. has been selected by the city to uphold this requirement. In addition to meeting the requirements set forth in City Charter and State statutes, the audit was also designed to meet the requirements of the federal Single Audit Act of 1996 and the related U.S. Office of Management and Budget's Uniform Guidance. Auditing standards generally accepted in the United States of America and the standards set forth in the General Accountability Office's Government Auditing Standards were used by the auditors in conducting the engagement. The auditor's report on the basic financial statements is included in the financial section of this report. The auditor's reports on internal controls and compliance with applicable laws and regulations can be found in a separately issued single audit report.

### **Financial Awards**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Chandler, Arizona, for its Annual Comprehensive Financial Report for the year ended June 30, 2024, marking the forty-third consecutive year the city has received the GFOA Certificate of Achievement. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of a municipal government financial report.

In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized Annual Comprehensive Financial Report whose contents conform to program standards. Such reports must satisfy both GAAP and applicable legal requirements.

Additionally, the city was also awarded the Distinguished Budget Presentation Award for the fiscal year beginning July 1, 2024 from the GFOA, marking the thirty-seventh consecutive year of receiving this award. The award reflects the commitment of staff to meeting the highest principles of governmental budgeting.

In order to be awarded a Distinguished Budget Presentation Award, the city had to satisfy nationally recognized guidelines for effective budget presentation. The guidelines are designed to assess how well an entity's budget serves as a policy document, financial plan, operational guide, and communications device. The city's budget presentation receives an outstanding rating in many of the areas rated.

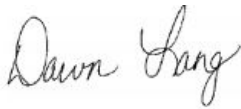
The Certificate of Achievement and Distinguished Budget Presentation Awards are valid for a period of one year only.

We believe our current Certificate of Achievement report continues to conform to the Certificate of Achievement program requirements and we are submitting it to the GFOA.

### **Acknowledgments**

I wish to express my sincere thanks to the entire staff of the Accounting Division; without whose assistance this report could not have been prepared. Special acknowledgment is made for the work of Kristi Smith, Management Services Director; Julie Goucher, Accounting Senior Manager; Tracy Schmidt, Accounting Supervisor; Lina Alam, Accounting Supervisor; Debbie Motta, Senior Accountant; Joanne Chang, Senior Accountant; and Sara Story, Senior Accountant. Finally, I wish to thank the Mayor and Council, City Manager, Assistant City Manager, Deputy City Manager, Directors, and city staff for their continued support in promoting sound financial policies and internal controls.

Respectfully submitted,

A handwritten signature in cursive script that reads "Dawn Lang". The ink is dark and the signature is fluid.

Dawn Lang  
Deputy City Manager | CFO

**CITY OF CHANDLER, ARIZONA**  
**ELECTED AND APPOINTED OFFICIALS**  
**JUNE 30, 2025**

---

**Kevin Hartke, Mayor**

Christine Ellis, Vice Mayor

Angel Encinas, Councilmember

OD Harris, Councilmember

Jennifer Hawkins, Councilmember

Matt Orlando, Councilmember

Jane Poston, Councilmember

**Executive Staff**

Joshua H. Wright, City Manager

Tadd Wille, Assistant City Manager

Dawn Lang, Deputy City Manager I CFO

Andy Bass, Deputy City Manager

**Department Heads and Directors**

Kelly Schwab, City Attorney

Dana DeLong, City Clerk

Alicia M. Skupin, Presiding City Magistrate

Matt Burdick, Communications and Public Affairs Director

John Sefton, Community Services Director

Kim Moyers, Cultural Development Director

Kevin Snyder, Development Services Director

Micah Miranda, Economic Development Director

Tom Dwiggin, Fire Chief

Rae Lynn Nielsen, Human Resources Director

Sandip Dholakia, Chief Information Officer

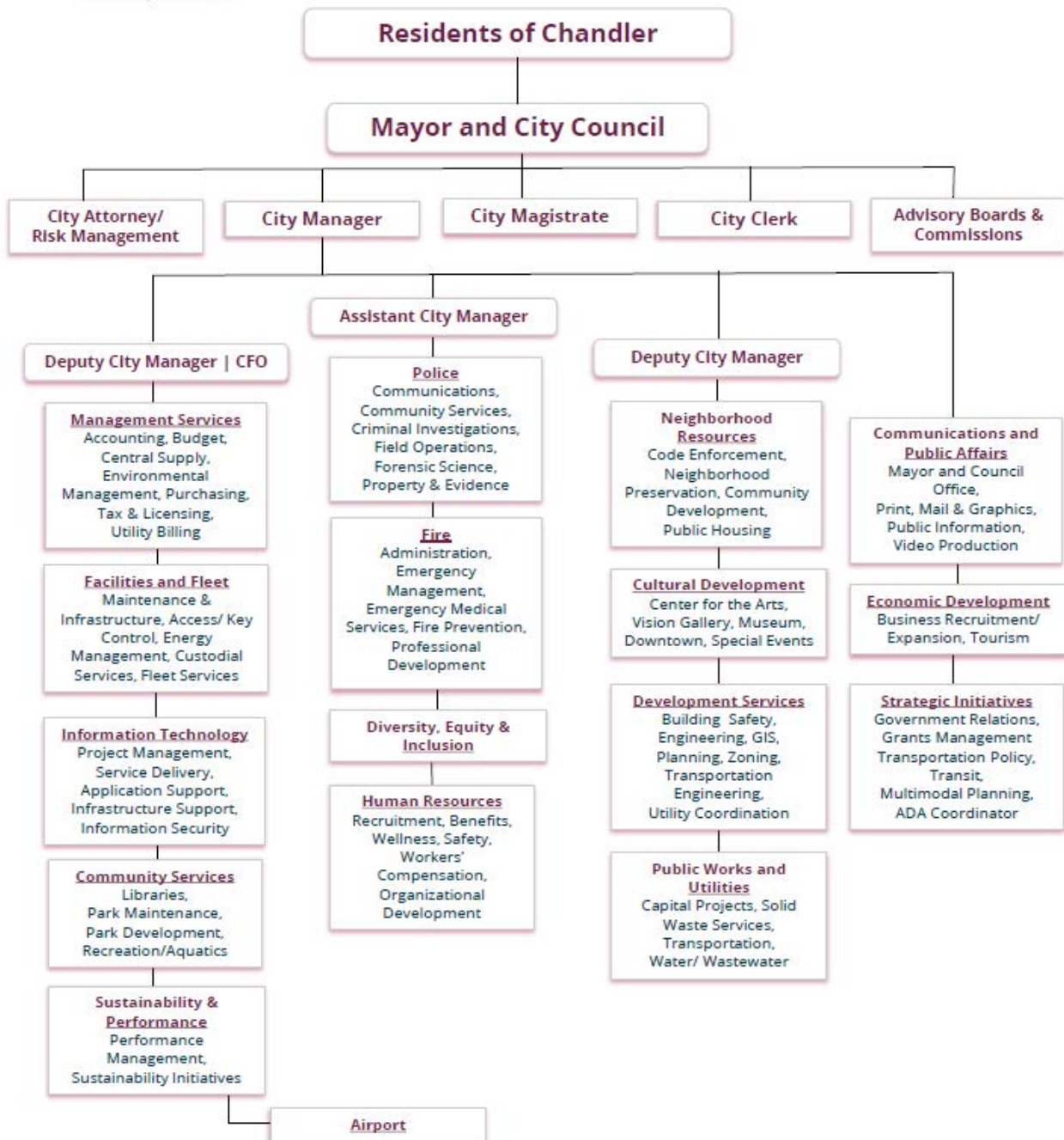
Dawn Lang, Deputy City Manager I CFO as Management Services Director

Leah Powell, Neighborhood Resources Director

Bryan Chapman, Chief of Police

John Knudson, Public Works & Utilities Director

## City of Chandler Organizational Chart





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Chandler  
Arizona**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2024

*Christopher P. Morrill*

Executive Director/CEO



## 2 Financial Section

- Independent Auditor's Report
- Management's Discussion and Analysis (MD&A)
- Basic Financial Statements
- Required Supplementary Information
- Other Financial Statements



A clear vision, strong reserves, prudent spending and sound financial management have enabled Chandler to deliver a balanced budget and maintain AAA bond ratings from all three rating agencies.

**Financial Section Tab**

**Independent Auditor's Report**

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

**Report on Audit of Financial Statements*****Opinions***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component units and remaining fund information of the City of Chandler, Arizona (the "City"), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component units and remaining fund information of the City of Chandler, Arizona, as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of City of Chandler, Arizona, and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

***Change in Accounting Principle***

As described in Note 1 to the financial statements, the City implemented the provisions of GASB Statement No. 101, *Compensated Absences*, for the year ended June 30, 2025. Our opinion is not modified with respect to this matter.

***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for one year beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements. In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, budgetary comparison information, net pension liability information, and other postemployment benefit plan information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The Other Financial Statements, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Other Financial Statements, are fairly stated in all material respects, in relation to the basic financial statements as a whole.

#### *Other Information*

Management is responsible for the other information included in the annual report. The other information comprises the Introductory Section and Statistical Section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on other work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

#### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated November 25, 2025, on our consideration of City of Chandler, Arizona's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Chandler, Arizona's internal control over financial reporting and compliance.

*Heinfeld Meech & Co. PC*

Heinfeld, Meech & Co., P.C.  
Scottsdale, Arizona  
November 25, 2025



**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)**  
**(Required Supplementary Information)**



## **CITY OF CHANDLER, ARIZONA**

### **Management's Discussion and Analysis (MD&A)**

#### **Year Ended June 30, 2025**

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As management of the City of Chandler (city), we offer readers of the city's financial statements this narrative overview and analysis of the financial activities of the city for the fiscal year ended June 30, 2025. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal beginning on page one and the accompanying notes to the financial statements.

#### **FINANCIAL HIGHLIGHTS**

The financial statements, which follow the Management's Discussion and Analysis, provide these significant, key financial highlights for fiscal year 2025 as follows:

- The assets and deferred outflows of resources of the city exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$1.9 billion (net position). This represents an increase of \$112.8 million from the prior year. Factors that have contributed to the increase in net position are decreases in pension liabilities and increases in capital assets, primarily capital projects placed in service. Of this amount, \$514.6 million (unrestricted net position) may be used to meet the city's obligations to residents and creditors. However, \$55.5 million is invested in a joint venture with the Town of Gilbert for the San Tan Vista Water Treatment Plant, which decreased \$4.6 million from the prior year, and is not available for obligations.
- At June 30, 2025, the city's governmental funds reported combined ending fund balances of \$543.1 million; a decrease of \$8.7 million in comparison with the prior year primarily due to a decrease in other financing sources resulting from bond issuance and associated premiums received in the prior fiscal year as well as a reduction of the additional pension contributions that were made above and beyond the actuarially determined contribution.
- Approximately 61.3 percent of the total combined fund balance amount, \$332.8 million, is available for spending at the city's discretion (assigned or unassigned).
- At June 30, 2025, total fund balance for the general fund was \$361.4 million which represents an increase of \$42.4 million from the prior year, primarily due to one-time pension payments made in the prior fiscal year.
- General revenues from governmental activities accounted for \$429.5 million, or 79.3 percent of all revenues from governmental activities as opposed to 80.5 percent in the prior year. Program specific revenues in the form of charges for services and grants and contributions accounted for \$112.0 million or 20.7 percent of total governmental activity revenues, as opposed to 19.5 percent in the prior year. The city had \$179.7 million of program revenues (\$183.9 million in the prior year) and \$23.1 million in general revenues and transfers (\$15.0 million in the prior year) related to business-type activities.
- At June 30, 2025, the city's proprietary funds reported combined total net position of \$837.0 million as compared to \$819.2 million in the prior year; an increase for the current year of \$17.8 million. The increase in net position is primarily driven by revenue from grants and entitlements as well as miscellaneous revenue including settlement payments and housing portability rents. This results in a total unrestricted net position of \$206.8 million, of which \$125.7 million of the unrestricted net position is in the water fund.

#### **OVERVIEW OF FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the city's basic financial statements. The city's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide financial statements.** The government-wide financial statements are designed to provide readers with a broad overview of the city's finances in a manner similar to a private-sector business.

## CITY OF CHANDLER, ARIZONA

### Management's Discussion and Analysis (MD&A)

#### Year Ended June 30, 2025

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The **Statement of Net Position** presents information on all of the city's assets, liabilities, and deferred inflows/outflows of resources with the difference reported as net position. Net position is categorized as capital assets less related debt, restricted by an outside third party and unrestricted. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the city is improving or deteriorating.

The **Statement of Activities** presents information showing how the city's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused compensated absences).

In the government-wide financial statements the city's activities are presented in the following categories:

- **Governmental activities** - Most of the city's basic services are included here, such as general government, public safety, transportation and development and community services. Sales taxes, state shared revenues and charges for services finance most of these activities.
- **Business-type activities** - The services provided by the city included here are water, wastewater, reclaimed water, solid waste, airport services and housing services. The services are financed through user fees and charges.
- **Component units** - The discretely presented component units are the Chandler Industrial Development Authority, the Chandler Cultural Foundation, the Chandler Museum Foundation, and the Chandler Housing and Community Services Corporation.

**Fund financial statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The city uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the city can be divided into two categories: governmental funds and proprietary funds.

**Governmental funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the city's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the city's near-term financing decision. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The city maintains 19 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund and general obligation bonds debt service fund, which are considered to be major funds. Data from the other 17 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements and schedules in the financial section of this report.

**CITY OF CHANDLER, ARIZONA**  
**Management's Discussion and Analysis (MD&A)**  
**Year Ended June 30, 2025**

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The city adopts an annual appropriated budget for the general, special revenue, general obligation debt service, capital projects and proprietary funds. Budgetary comparison statements have been provided in the required supplementary information for the general fund and in the other financial statements for the general obligation bonds debt service fund and non-major governmental funds to demonstrate compliance with the budget.

**Proprietary funds.** The city maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The city uses enterprise funds to account for its water, wastewater, reclaimed water, solid waste, airport and housing services. Internal service funds are an accounting device used to accumulate and allocate costs internally among the city's various functions. The city uses an internal service fund to account for its self-insurance funds. Because self-insurance funds are funded predominantly by governmental functions rather than business-type functions, it has been included within governmental activities in the government-wide financial statements. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

The proprietary fund financial statements provide separate information for the water and wastewater funds, which are considered to be major funds of the city. Data from the other three enterprise funds are combined into a single, aggregated presentation. Individual fund data for each of the non-major enterprise funds are provided in the form of combining statements in the financial section of this report.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found immediately following the basic financial statements in this report.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the city's budget process. The city adopts an annual budget for all governmental and enterprise funds. A budgetary comparison schedule has been provided for the General Fund as required supplementary information. The required supplementary information also includes schedules of net pension liabilities, pension contributions and other post employment benefit (OPEB) liabilities.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

Net position may serve over time as a useful indicator of a government's financial position. In the case of the city, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$1.93 billion as of June 30, 2025. This reflects continued strong operations in governmental activities, increased revenues from services provided and grants awarded, and careful monitoring of expenses in governmental activities.

A significant portion of the city's net position (62.9 percent) reflects its investment in capital assets (e.g., land and improvements, buildings and improvements, improvements other than buildings, vehicles, machinery and equipment, water rights and construction in progress), less any related debt used to acquire those assets that is still outstanding. The city uses these capital assets to provide services to its residents; consequently, these assets are not available for future spending. Although the city's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

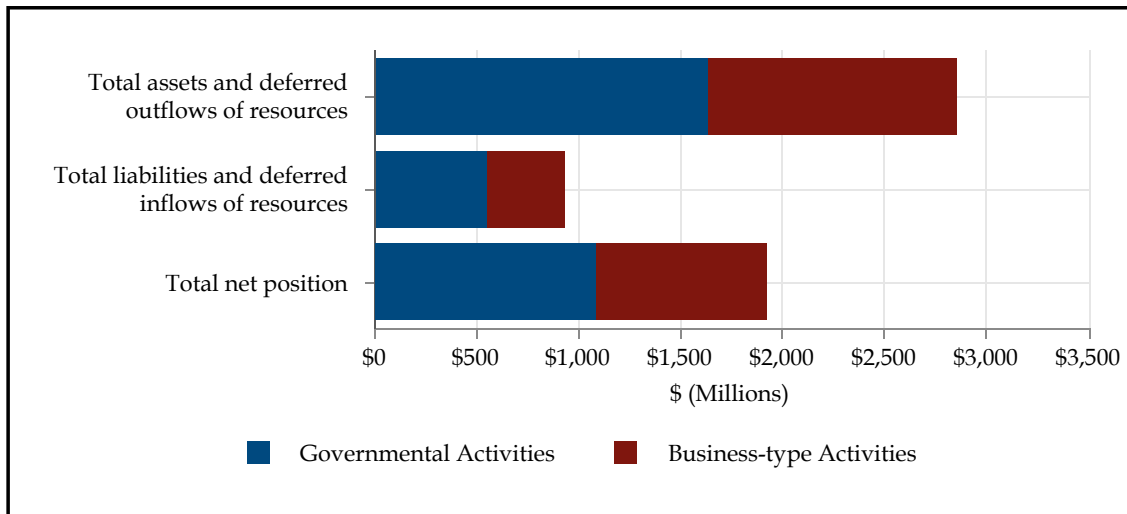
An additional portion of the city's net position (10.4 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (26.7 percent) includes \$55.5 million which is invested in a joint venture with the Town of Gilbert for the San Tan Vista Water Treatment Plant that may not be used to meet the city's obligations to residents and creditors.

**CITY OF CHANDLER, ARIZONA**  
**Management's Discussion and Analysis (MD&A)**  
**Year Ended June 30, 2025**

At the end of the current fiscal year, the city is able to report positive balances in all three categories of net position: net investment in capital assets, restricted and unrestricted. The same situation held true for the prior fiscal year.

The following table presents a condensed statement of the city's net position for the fiscal years ended June 30, 2025 and 2024.

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total (Primary Govt.)</b>	
	2025	2024	2025	2024	2025	2024
Current assets	\$ 691,782,180	\$ 698,413,961	\$ 231,514,368	\$ 292,975,380	\$ 923,296,548	\$ 991,389,341
Capital assets, net	819,970,008	763,039,535	911,410,621	836,174,421	1,731,380,629	1,599,213,956
Long-term assets	15,687,470	15,088,409	66,254,755	64,163,639	81,942,225	79,252,048
Total assets	1,527,439,658	1,476,541,905	1,209,179,744	1,193,313,440	2,736,619,402	2,669,855,345
Total deferred outflows of resources	115,127,055	170,056,278	10,409,021	10,114,194	125,536,076	180,170,472
<b>Total assets and deferred outflows of resources</b>	<b>1,642,566,713</b>	<b>1,646,598,183</b>	<b>1,219,588,765</b>	<b>1,203,427,634</b>	<b>2,862,155,478</b>	<b>2,850,025,817</b>
Current liabilities	104,775,375	101,765,657	65,281,641	45,875,498	170,057,016	147,641,155
Long-term liabilities	413,523,349	526,235,366	310,913,974	331,653,355	724,437,323	857,888,721
Total liabilities	518,298,724	628,001,023	376,195,615	377,528,853	894,494,339	1,005,529,876
Total deferred inflows of resources	34,894,451	24,198,429	6,343,855	6,690,360	41,238,306	30,888,789
<b>Total liabilities and deferred inflows of resources</b>	<b>553,193,175</b>	<b>652,199,452</b>	<b>382,539,470</b>	<b>384,219,213</b>	<b>935,732,645</b>	<b>1,036,418,665</b>
Net position:						
Net investment in capital assets	\$ 614,855,681	572,110,660	597,070,834	526,875,770	1,211,926,515	1,098,986,430
Restricted	166,710,948	251,642,729	33,158,230	28,190,997	199,869,178	279,833,726
Unrestricted	307,806,909	170,645,342	206,820,231	264,141,654	514,627,140	434,786,996
<b>Total net position</b>	<b>\$1,089,373,538</b>	<b>\$ 994,398,731</b>	<b>\$ 837,049,295</b>	<b>\$ 819,208,421</b>	<b>\$1,926,422,833</b>	<b>\$1,813,607,152</b>

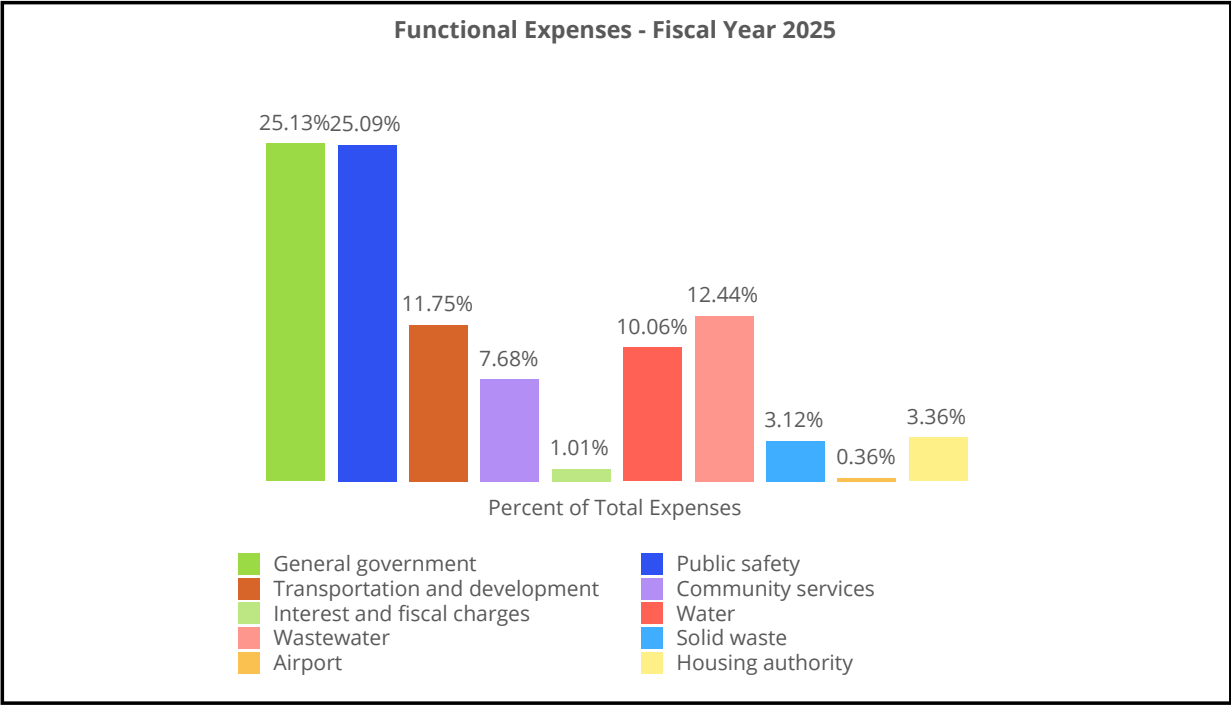
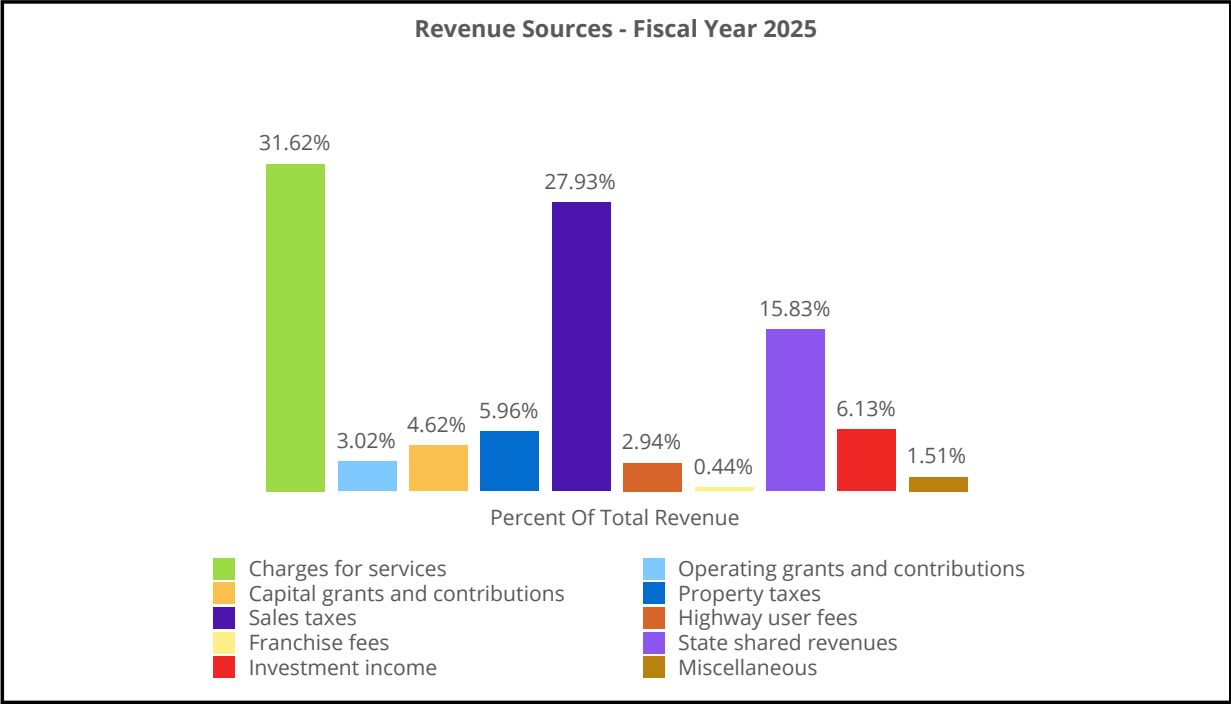


**CITY OF CHANDLER, ARIZONA**  
**Management's Discussion and Analysis (MD&A)**  
**Year Ended June 30, 2025**

**Changes in net position.** The city's total revenues for the fiscal year ended June 30, 2025 were \$743.3 million. The total cost of all programs and services was \$630.5 million, which results in an increase in net position of \$112.8 million. The following table presents a summary of the changes in net position for the fiscal years ended June 30, 2025 and 2024.

	<b>Governmental</b>		<b>Business-type</b>		<b>Total</b>	
	<b>Activities</b>		<b>Activities</b>		<b>(Primary Govt.)</b>	
	2025	2024	2025	2024	2025	2024
<b>Revenues:</b>						
Program revenues						
Charges for services	\$ 90,162,665	\$ 76,561,603	\$ 144,765,920	\$ 143,099,880	\$ 234,928,585	\$ 219,661,483
Operating grants and contributions	4,600,440	13,304,466	17,882,587	12,460,952	22,483,027	25,765,418
Capital grants and contributions	17,284,480	16,299,587	17,074,215	28,318,640	34,358,695	44,618,227
General revenues						
Property taxes	44,321,587	42,508,632	—	—	44,321,587	42,508,632
Sales taxes	207,605,337	208,766,241	21,236	23,363	207,626,573	208,789,604
Highway user taxes	21,880,284	21,430,580	—	—	21,880,284	21,430,580
Franchise Fees	3,245,696	3,691,281	—	—	3,245,696	3,691,281
State shared revenues	117,646,741	133,384,945	—	—	117,646,741	133,384,945
Investment income	32,989,892	25,508,647	12,606,364	10,854,527	45,596,256	36,363,174
Miscellaneous	1,809,952	2,109,152	9,433,541	3,033,563	11,243,493	5,142,715
Gain on sale of capital assets	—	—	4,050	4,401	4,050	4,401
Total revenues	541,547,074	543,565,134	201,787,913	197,795,326	743,334,987	741,360,460
<b>Expenses:</b>						
General government	158,427,128	258,864,611	—	—	158,427,128	258,864,611
Public safety	158,185,614	85,894,534	—	—	158,185,614	85,894,534
Transportation and development	74,087,692	59,823,718	—	—	74,087,692	59,823,718
Community services	48,423,518	43,606,131	—	—	48,423,518	43,606,131
Interest and fiscal charges	6,382,171	5,935,673	—	—	6,382,171	5,935,673
Water	—	—	63,443,736	69,667,817	63,443,736	69,667,817
Wastewater	—	—	78,455,540	70,135,806	78,455,540	70,135,806
Solid waste	—	—	19,642,278	19,412,684	19,642,278	19,412,684
Airport	—	—	2,285,462	2,873,143	2,285,462	2,873,143
Chandler housing authority	—	—	21,186,167	14,220,801	21,186,167	14,220,801
Total expenses	445,506,123	454,124,667	185,013,183	176,310,251	630,519,306	630,434,918
<b>Excess (deficiency) before transfers</b>	96,040,951	89,440,467	16,774,730	21,485,075	112,815,681	110,925,542
<b>Transfers in (out)</b>	(1,066,144)	(1,069,860)	1,066,144	1,069,860	—	—
<b>Change in net position</b>	94,974,807	88,370,607	17,840,874	22,554,935	112,815,681	110,925,542
<b>Beginning net position</b>	994,398,731	906,028,124	819,208,421	796,653,486	1,813,607,152	1,702,681,610
<b>Ending net position</b>	\$ 1,089,373,538	\$ 994,398,731	\$ 837,049,295	\$ 819,208,421	\$ 1,926,422,833	\$ 1,813,607,152

**CITY OF CHANDLER, ARIZONA**  
**Management’s Discussion and Analysis (MD&A)**  
**Year Ended June 30, 2025**



## **CITY OF CHANDLER, ARIZONA**

### **Management's Discussion and Analysis (MD&A)**

#### **Year Ended June 30, 2025**

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As evidenced in the previous graph, the largest financing source for the city is charges for services at 31.62 percent, associated with the user fees (i.e., water, wastewater) and general government charges for services such as permits and recreation/facility uses. Sales taxes and state shared revenues (i.e., sales tax, urban revenue sharing) also comprise a significant portion of the city's revenues at 27.93 percent and 15.83 percent, respectively, of the total revenues with capital grants and contributions for an additional 4.62 percent of the city's total revenues.

The city as a whole uses the largest amount of resources for general government functions (i.e. cultural development, information technology, neighborhood resources, law, etc.) and public safety functions at 25.13 percent and 25.09 percent respectively. The next largest users of resources are wastewater at 12.44 percent, transportation and development at 11.75 percent, and water at 10.06 percent of the city's total expenses.

**Governmental activities.** The increase in governmental net position totaled \$95.0 million for the year ended June 30, 2025 compared with an increase of \$88.4 million in the prior year. Contributing factors include a decrease in governmental activities expenditures primarily due to a one-time \$73 million pension payment made in the prior fiscal year (vs. a one-time payment of \$7 million in fiscal year 2025). Transportation and Development expenditures increased primarily due to increases in professional services. Overall, governmental activity expenditures had a decrease of \$8.6 million over the prior year.

Revenue from charges for services increased for general government due primarily to increases in self insurance premiums. Transportation and development charges for services increased primarily due to permit revenues relating to the Intel expansion. The increase in transportation and development capital grants was primarily due to grants for fiber upgrades and transportation projects. Public Safety operating grants decreased primarily due to American Rescue and Recovery Act funds received in the prior year. State shared revenues decreased from the prior year as a result of the adoption of a flat income tax rate in fiscal year 2025. The overall change in governmental activity revenues was a decrease of \$2.0 million from the prior year.

**Business-type activities.** The increase in business-type net position totaled \$17.8 million for the year ended June 30, 2025 compared with an increase of \$22.6 million in the prior year. The net increase was due to a variety of factors including increases in interest revenue, housing assistance payments and housing grant funds received and distributed. The wastewater fund received less in developer contributions associated with reclaimed water projects and the water fund miscellaneous revenue increased primarily due to a PFAS (per- and polyfluoroalkyl substances) lawsuit settlement.

#### **FINANCIAL ANALYSIS OF THE CITY'S FUNDS**

As noted earlier, the city uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds.** The focus of the city's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the city's financing requirements. Fund balances are reported on a hierarchy of five classifications based on spending constraints in order to provide better consistency and clarification. These classifications include nonspendable, restricted, committed, assigned and unassigned. The spendable balances are the restricted, committed, assigned and unassigned fund balances. Additional information on fund balances and their classifications can be found in Note 9 of the financial statements.

The financial performance of the city as a whole is reflected in its governmental funds. As the city completed the year, its governmental funds reported a combined fund balance of \$543.1 million, a decrease of \$8.7 million in comparison with the prior year increase of \$66.6 million. Approximately \$332.8 million (61.3 percent) of this amount is combined assigned and unassigned balances, all which may be spent at the city's discretion. The total compared to the prior years' assigned and unassigned balances of \$299.1 million represents an increase of \$33.7 million.

**CITY OF CHANDLER, ARIZONA**  
**Management's Discussion and Analysis (MD&A)**  
**Year Ended June 30, 2025**

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The remainder of the fund balance comprising of nonspendable and restricted balances amounts to \$210.3 million (38.7 percent of the total fund balance). The nonspendable balance consists of inventories. The restricted balance is constrained for specific purposes imposed by external parties or enabling legislation. The total compared to the prior years' nonspendable and restricted balances of \$252.7 million represents a decrease of \$42.4 million.

The general fund is the chief operating fund of the city. At the end of the current fiscal year, assigned and unassigned fund balance of the general fund was \$348.7 million, while total fund balance reached \$361.4 million. As a measure of the general fund's liquidity, it may be useful to compare both assigned and unassigned fund balance and total fund balance to total fund expenditures. Assigned and unassigned fund balance represents 1.15 coverage of total annual general fund expenditures. The amount of fund balance is well above the city's contingency reserve financial policy, allowing the funding of other reserves (e.g., economic development, capital projects and compensated absences). The city's general fund balance increased by \$42.4 million during the current fiscal year. While revenues remained relatively stable over the prior year, expenditures were reduced due to a one-time pension payment of \$73 million in the prior fiscal year (vs. a \$7 million payment in fiscal year 2025). In addition, capital outlay and subscription based information technology arrangement (SBITA) expenditures were reduced over the prior year.

The general obligation bonds debt service fund accounts for the accumulation of resources for and payments of general obligation bonded debt. The fund balance restricted for general obligation debt service payments increased by \$0.2 million during the current fiscal year. The increase is due to debt service payments made during the fiscal year based on the defined debt service payment schedules having increased over prior fiscal years and being offset by interfund transfers of \$10.5 million due to system development fees debt repayment.

**Proprietary funds.** The city's proprietary funds, which include enterprise and internal service funds, provide the same type of information found in the government-wide financial statements, but in more detail. Net position for the enterprise funds and the internal service funds at the end of the fiscal year amounted to \$837.0 million and \$48.8 million, respectively, compared to \$819.2 million and \$44.3 million in the prior fiscal year. As stated above, various factors contributed to the increase, some of which include increases in capital projects in process and placed in service, miscellaneous income from PFAS (per- and polyfluoroalkyl substances) lawsuit settlement, and Chandler Housing Authority grant income and expense.

The enterprise funds net position is 24.7 percent unrestricted compared to 32.2 percent in the prior fiscal year. Unrestricted net position of the water fund at the end of the year amounted to \$125.7 million, and those for the wastewater fund amounted to \$51.2 million, compared to \$150.8 million and \$87.3 million in the prior fiscal year. The balances will support planned utility infrastructure and the related debt service.

**BUDGETARY HIGHLIGHTS**

For the 2024-25 budget year, the city continued to engage in fiscally responsible budgeting practices, adhered to financial policies, and used conservative budgeting while resetting anticipated revenues based on a growing economic trend. With a continued conservative mindset, the City Council adopted a balanced budget for fiscal year 2024-25 that allowed for needed improved service levels in many areas adding spending for a variety of operating and capital needs. Overall planned capital expenditures increased as additional projects were added to address our aging infrastructure, and one-time revenues were applied to select capital projects. The city's major sources of General Fund revenues include Local Sales Tax (Transaction Privilege Tax-TPT), State Shared TPT Revenue Urban Revenue Sharing (State Shared Income Tax).

The city projects current General Fund revenues and determines what portion can be sustained as ongoing revenues to support ongoing operating expenditures. Ongoing current revenues are not expected to exceed 81% of total estimated revenues for fiscal year 2024-25, with 19% treated as one-time revenues. Each revenue is reviewed for trends, development spikes, new economic additions, and economic events with temporary impacts to determine ongoing levels each year that are available to support ongoing expenditures.

**CITY OF CHANDLER, ARIZONA**  
**Management's Discussion and Analysis (MD&A)**  
**Year Ended June 30, 2025**

The fiscal year 2024-25 adopted budget contains a Budget Stabilization Reserve of \$10 million which provides an opportunity to balance the budget for no more than three consecutive years, until permanent ongoing reductions can be implemented, should State legislation, unexpected decreases in property values, or other economic fluctuations cause operating revenues to decrease more than anticipated.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital assets.** As of June 30, 2025, the city had invested \$1.2 billion in capital assets net of related debt, including buildings, system improvements, vehicles, machinery and equipment, SBITA's, water rights and infrastructure assets. Total depreciation/amortization expense for the year was \$102.3 million.

During fiscal year 2024-25, the city achieved significant progress in advancing numerous capital improvement projects, completing several key initiatives and concluding several noteworthy capital improvement projects. Among the accomplishments are the completion of the Pecos SWTP Water Quality Lab and Admin Building HVAC renovation and filter improvements (\$11.5 million), Sewer Pipeline Assessment and Rehabilitation (\$23.2 million), and Wall Street Improvements to Frye Rd (\$3.1 million).

Numerous capital projects were also in process during the year. Some of the larger projects and their estimated total project costs include the Water Conveyance and Interconnect Facility (\$79.7 million), Water Treatment Plant/Production Facility Improvements (\$63.8 million), Water Reclamation Facility Improvements (\$41.6 million), Tumbleweed Park Pickleball and Softball Complex (\$28.9 million), Tumbleweed Park Multi-Generation Facility Expansion (\$18.2 million), and Information Technology System Enhancements (\$21.2 million).

The following table presents capital asset balances net of accumulated depreciation and amortization for the fiscal years, ended June 30, 2025 and 2024:

	<b>Governmental</b>		<b>Business-type</b>		<b>Total</b>	
	<b>Activities</b>		<b>Activities</b>		<b>(Primary Govt.)</b>	
	2025	2024	2025	2024	2025	2024
Land	\$ 102,250,357	\$ 101,748,183	\$ 58,361,283	\$ 57,328,151	\$ 160,611,640	\$ 159,076,334
Land improvements	—	—	389,674	454,766	389,674	454,766
Infrastructure	298,783,965	319,459,158	—	—	298,783,965	319,459,158
System improvements	—	—	632,016,704	538,467,152	632,016,704	538,467,152
Buildings and improvements	186,498,589	193,287,979	6,185,196	6,275,727	192,683,785	199,563,706
Subscription based IT arrangements	3,053,632	5,064,643	—	—	3,053,632	5,064,643
Vehicles, machinery and equipment	26,241,004	26,934,819	5,011,304	3,925,327	31,252,308	30,860,146
Water rights	—	—	40,931,537	41,360,140	40,931,537	41,360,140
Construction in progress	203,142,461	116,544,753	168,514,923	188,363,158	371,657,384	304,907,911
<b>Total</b>	<b>\$ 819,970,008</b>	<b>\$ 763,039,535</b>	<b>\$ 911,410,621</b>	<b>\$ 836,174,421</b>	<b>\$1,731,380,629</b>	<b>\$1,599,213,956</b>

Additional information on the city's capital assets can be found in Note 4 of the financial statements.

**Long-term debt.** At the end of the current fiscal year, the city had total bonded debt outstanding of \$496.8 million in long-term debt outstanding with \$63.0 million due within one year. The following table presents a summary of the city's outstanding long-term obligations for the fiscal years ended June 30, 2025 and 2024.

**CITY OF CHANDLER, ARIZONA**  
**Management's Discussion and Analysis (MD&A)**  
**Year Ended June 30, 2025**

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total (Primary Govt.)</b>	
	2025	2024	2025	2024	2025	2024
General obligation bonds	\$ 215,907,223	\$ 249,009,159	\$ 39,937,777	\$ 49,480,841	\$ 255,845,000	\$ 298,490,000
Excise tax revenue obligations	—	—	240,995,000	250,405,000	240,995,000	250,405,000
Issuance premiums	19,013,255	22,348,687	17,285,366	19,965,864	36,298,621	42,314,551
Total bonds & obligations payable	\$ 234,920,478	\$ 271,357,846	\$ 298,218,143	\$ 319,851,705	\$ 533,138,621	\$ 591,209,551
Claims payable	23,025,295	23,813,895	—	—	23,025,295	23,813,895
Arbitrage liability	219,247	189,980	—	—	219,247	189,980
Subscription based IT arrangements	2,754,337	4,579,664	—	—	2,754,337	4,579,664
Landfill closure/post closure	—	—	4,340,000	4,340,000	4,340,000	4,340,000
Compensated absences	21,110,526	15,362,525	2,397,481	1,555,830	23,508,007	16,918,355
Notes payable	—	—	5,000,000	—	5,000,000	—
Net pension liability	125,434,295	199,488,891	20,675,371	19,344,718	146,109,666	218,833,609
Post-employment benefits	72,122,804	68,499,616	9,032,477	8,553,638	81,155,281	77,053,254
Total long-term liabilities	<u>\$ 479,586,982</u>	<u>\$ 583,292,417</u>	<u>\$ 339,663,472</u>	<u>\$ 353,645,891</u>	<u>\$ 819,250,454</u>	<u>\$ 936,938,308</u>

The city's total long-term liabilities decreased by \$117.7 million during the current fiscal year. The city reported a decrease in pension liability of \$72.7 million, primarily due to lump sum payments made to the Public Safety Personnel Retirement System (PSPRS) in fiscal year 2022-23 (\$50 million), 2023-24 (\$73 million), and 2024-25 (\$7 million), an increase in post-employment benefits of \$4.1 million and a net decrease of \$52.1 million in bonds due to the impact of regularly scheduled payments being made as planned.

State statutes currently limit the amount of general obligation debt a city may issue to 20 percent of its total assessed valuation for water, sewer, artificial lighting, open space, parks, public safety and emergency services, streets, transportation and recreational facilities. The current debt limitation for the city is \$1.4 billion. The city has \$263.8 million of outstanding general obligation debt for these purposes.

State statutes also currently limit the amount of general obligation debt a city may issue to 6 percent of its total assessed valuation for all other purposes. The current debt limitation for the city is \$418.1 million. The city has \$8.0 million of outstanding general obligation debt for this purpose.

As of year-end, the city's current bond ratings on general obligation bonds and Excise tax revenue obligation bonds (ETROs) were Aaa from Moody's Investor Services, AAA from Standard & Poor's, and AAA from Fitch Ratings.

Additional information on the city's long-term debt can be found in Note 5 of the financial statements.

**CITY OF CHANDLER, ARIZONA**  
**Management's Discussion and Analysis (MD&A)**  
**Year Ended June 30, 2025**

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**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

Adopting a balanced budget for the next fiscal year (2025-26) required the combined efforts of residents, the city Council, Executive Leadership team, and staff members throughout the organization. As the financial impacts anticipated during the fiscal year 2024-25 budget year were stronger than anticipated, additional thought and measured change was incorporated into the fiscal year 2025-26 budget.

The budget contains a variety of increases to revenues and expenditures where needed, which helps to mitigate inflationary pressures being felt across all departments and allows for a continued focus on providing high service levels and quality infrastructure in a cost-effective way. This year again included diligent monitoring of legislative bills that could impact our ongoing revenues, and we included the full impact of the legislative removal of our ability to tax residential rental transactions which began in January 2025. Also, a focused review of expenditure impacts that could potentially cause higher costs if not contained was accomplished. This included the Public Safety Personnel Retirement System (PSPRS) rates and any remaining unfunded liability, retirement vacancies which have been more difficult to fill in some cases, additional staff or contract needs, workers' compensation self-insurance claims, fleet and equipment sustainability, aging infrastructure, and addressing various capital needs under a higher construction cost environment. Even though general economic conditions are anticipated to continue at their current levels, the city is still conservative in its approach and continues to look for efficiencies to manage expenditure growth.

The budget decreased from \$1.6291 billion in fiscal year 2024-25 to \$1.6289 billion (a very small decrease of .01 percent) in fiscal year 2025-26. While there is a small reduction of appropriation, the total department operating budget is increasing from \$527 million to \$563 million (6.8%). The total new capital appropriation is increasing from \$239 million to \$278 million. There is also an additional \$568 million in capital carryforward (decreasing from \$637 million in the prior year) for projects started but not yet complete as the city continues a healthy capital improvement program to ensure existing infrastructure is well maintained and the needs of residents can be met. With an increase of 0.4 percent in Limited Property Values (including 1.3 percent of that from new growth and a decrease of 0.9 percent in appreciation), the City Council chose to reduce the primary property tax rate from \$0.2126 to \$0.2118 and keep the secondary property tax rate at \$0.87 per \$100 of assessed valuation. This planned rate reduction will help minimize the impact of higher values on property owner's tax payment.

The fiscal year 2025-26 Budget includes the sale of bonds (\$314.7 million), as part of a robust Capital Improvement Program to enhance aging infrastructure and provide quality amenities for residents. Additionally, the City Council maintained the General Fund operating contingency at 15 percent of General Fund ongoing operating revenues to provide a contingency for emergencies or to support new opportunities such as unanticipated grants or development agreements. Chandler continues maintaining and adhering to strong financial policies, has updated the Pension Funding Policy to ensure an ongoing focus on managing pension costs, and continues to plan for additional funding to ensure the maintenance of the "paid-off" status of the pension liability. Chandler remains in a solid financial position to continue its tradition of strong fiscal management as reflected by its AAA GO and ETRO bond ratings with all three rating agencies which were last reaffirmed in November of 2024.

**CONTACTING THE CITY'S FINANCE OFFICE**

This financial report is designed to provide our residents, taxpayers, customers, and investors and creditors with a general overview of the city's finances and to demonstrate the city's accountability for the money it receives. If you have questions about this report or need additional information, contact the Management Services Department, City of Chandler, P.O. Box 4008, MS 609, Chandler, AZ 85244-4008 or by calling (480) 782-2250.



## **BASIC FINANCIAL STATEMENTS**

**City of Chandler**  
**Statement of Net Position**  
**June 30, 2025**

	Component Units						
	Governmental Activities	Business-Type Activities	Total Primary Government	Chandler Industrial Development Authority	Chandler Cultural Foundation	Chandler Museum Foundation	Chandler Housing & Community Services Corp.
ASSETS							
Current assets:							
Equity in pooled cash and investments	\$ 647,732,951	\$ 198,042,746	\$ 845,775,697	\$ —	\$ —	\$ —	\$ —
Cash and investments	—	—	—	1,521,143	7,289,288	72,557	351,080
Accounts receivable	2,930,009	19,035,029	21,965,038	—	29,203	1,751	—
Privilege license tax receivable	18,700,572	—	18,700,572	—	—	—	—
Property taxes receivable	489,681	—	489,681	—	—	—	—
Due from other governments	10,799,881	8,979,557	19,779,438	—	—	—	—
Inventories	1,028,477	68,953	1,097,430	—	—	10,678	—
Prepaid items	—	799,122	799,122	—	68,705	—	—
Accrued interest receivable	3,845,434	1,155,143	5,000,577	—	71,123	—	—
Opioid settlement receivable	629,553	—	629,553	—	—	—	—
Notes receivable	328,476	—	328,476	—	—	—	—
Other receivables	5,297,146	3,433,818	8,730,964	—	—	—	—
Total current assets	691,782,180	231,514,368	923,296,548	1,521,143	7,458,319	84,986	351,080
Long-term assets:							
Cash and investments - restricted	—	—	—	—	1,434,255	291,123	—
Leases receivable	6,222,908	3,768,438	9,991,346	—	—	—	—
Due from other governments	322,438	—	322,438	—	—	—	—
Opioid settlement receivable	4,607,330	—	4,607,330	—	—	—	—
Other receivables	—	1,817,158	1,817,158	—	—	—	—
Notes receivable	—	5,154,750	5,154,750	—	—	—	—
Investment in joint venture	—	55,514,409	55,514,409	—	—	—	—
OPEB asset	4,534,794	—	4,534,794	—	—	—	—
Capital assets:							
Non-depreciable	305,392,818	226,876,206	532,269,024	—	—	—	—
Depreciable/amortizable, net	514,577,190	684,534,415	1,199,111,605	—	—	—	—
Total capital assets	819,970,008	911,410,621	1,731,380,629	—	—	—	—
Total long-term assets	835,657,478	977,665,376	1,813,322,854	—	1,434,255	291,123	—
Total assets	1,527,439,658	1,209,179,744	2,736,619,402	1,521,143	8,892,574	376,109	351,080
DEFERRED OUTFLOWS OF RESOURCES							
Deferred outflows of OPEB and pension plan items	112,366,385	6,490,203	118,856,588	—	—	—	—
Deferred amounts on refundings	2,760,670	3,918,818	6,679,488	—	—	—	—
Total deferred outflows of resources	115,127,055	10,409,021	125,536,076	—	—	—	—

<b>LIABILITIES</b>							
Current liabilities:							
Accounts payable	19,374,562	25,546,696	44,921,258	3,000	121,526	1,547	65,110
Accrued payroll	9,642,304	1,044,552	10,686,856	—	—	—	—
Due to other governments	18,034	—	18,034	—	—	—	—
Trust liabilities and deposits	4,117,156	4,262,320	8,379,476	—	—	—	—
Accrued interest	4,326,287	4,741,410	9,067,697	—	—	—	—
Unearned revenue	1,233,399	—	1,233,399	—	950,859	995	—
Customer advances	—	937,165	937,165	—	—	—	—
Subscription based IT arrangement liability	2,390,301	—	2,390,301	—	—	—	—
Compensated absences payable	7,031,432	969,577	8,001,009	—	—	—	—
Bonds payable	41,310,455	27,685,475	68,995,930	—	—	—	—
Landfill closure and postclosure liability	—	94,446	94,446	—	—	—	—
Claims and judgements payable	15,331,445	—	15,331,445	—	—	—	—
Total current liabilities	104,775,375	65,281,641	170,057,016	3,000	1,072,385	2,542	65,110
Long-term liabilities:							
Arbitrage liability	219,247	—	219,247	—	—	—	—
Subscription based IT arrangement liability	364,036	—	364,036	—	—	—	—
Compensated absences payable	14,079,094	1,427,904	15,506,998	—	—	—	—
Notes payable	—	5,000,000	5,000,000	—	—	—	—
Bonds payable	193,610,023	270,532,668	464,142,691	—	—	—	—
Net pension liability	125,434,295	20,675,371	146,109,666	—	—	—	—
OPEB liability	72,122,804	9,032,477	81,155,281	—	—	—	—
Landfill closure and postclosure liability	—	4,245,554	4,245,554	—	—	—	—
Claims and judgements payable	7,693,850	—	7,693,850	—	—	—	—
Total long-term liabilities	413,523,349	310,913,974	724,437,323	—	—	—	—
<b>Total liabilities</b>	518,298,724	376,195,615	894,494,339	3,000	1,072,385	2,542	65,110
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Deferred inflows of OPEB and pension plan items	29,394,069	2,725,998	32,120,067	—	—	—	—
Leases and Public-Private Partnerships (PPPs)	5,500,382	3,617,857	9,118,239	—	—	—	—
<b>Total deferred inflows of resources</b>	34,894,451	6,343,855	41,238,306	—	—	—	—
<b>NET POSITION</b>							
Net investment in capital assets	614,855,681	597,070,834	1,211,926,515	—	—	—	—
Restricted for:							
Transportation and development	104,117,122	—	104,117,122	—	—	—	—
Capital improvements	23,014,987	—	23,014,987	—	—	—	—
Community services	25,776,355	—	25,776,355	—	—	—	—
Community development	347,108	—	347,108	—	—	—	—
Debt service	1,858,177	33,158,230	35,016,407	—	—	—	—
OPEB benefits	4,534,794	—	4,534,794	—	—	—	—
Legal restrictions	7,062,405	—	7,062,405	—	1,434,255	291,123	285,970
Total restricted	166,710,948	33,158,230	199,869,178	—	1,434,255	291,123	285,970
Unrestricted	307,806,909	206,820,231	514,627,140	1,518,143	6,385,934	82,444	—
<b>Total net position</b>	<u>\$1,089,373,538</u>	<u>\$ 837,049,295</u>	<u>\$1,926,422,833</u>	<u>\$ 1,518,143</u>	<u>\$ 7,820,189</u>	<u>\$ 373,567</u>	<u>\$ 285,970</u>

See accompanying Notes to the Financial Statements.

**City of Chandler**  
**Statement of Activities**  
**For the year ended June 30, 2025**

Function/Programs	Expenses	Program Revenues			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total
Primary government:					
Governmental activities:					
General government	\$ 158,427,128	\$ 47,456,873	\$ 2,438,981	\$ 2,875,166	\$ 52,771,020
Public safety	158,185,614	5,905,414	731,311	—	6,636,725
Transportation and development	74,087,692	19,901,334	1,031,447	14,409,314	35,342,095
Community services	48,423,518	16,899,044	398,701	—	17,297,745
Interest on long-term debt	6,382,171	—	—	—	—
Total governmental activities	445,506,123	90,162,665	4,600,440	17,284,480	112,047,585
Business-type activities:					
Water	63,443,736	59,970,840	—	2,780,957	62,751,797
Wastewater	78,455,540	61,594,681	—	14,293,258	75,887,939
Solid waste	19,642,278	19,942,908	—	—	19,942,908
Airport	2,285,462	1,214,124	—	—	1,214,124
Chandler housing authority	21,186,167	2,043,367	17,882,587	—	19,925,954
Total business-type activities	185,013,183	144,765,920	17,882,587	17,074,215	179,722,722
Total primary government	\$ 630,519,306	\$234,928,585	\$ 22,483,027	\$ 34,358,695	\$291,770,307
Component units					
Chandler Industrial Development Authority	\$ 16,708	\$ 145,457	\$ —	\$ —	\$ 145,457
Chandler Cultural Foundation	3,237,512	2,943,510	565,541	—	3,509,051
Chandler Museum Foundation	32,076	26,810	3,571	—	30,381
Chandler Housing & Community Services Corporation	65,110	351,080	—	—	351,080
Total component units	\$ 3,351,406	\$ 3,466,857	\$ 569,112	\$ —	\$ 4,035,969

**General revenues and transfers:**

General revenues:

Property taxes, levied for general purposes

Sales taxes

Highway user taxes

Franchise fees

State shared revenues (unrestricted)

Investment income

Miscellaneous

Gain on sale of capital assets

Transfers

**Total general revenues and transfers**

**Change in net position**

**Net position - beginning of year**

**Net position - end of year**

See accompanying Notes to the Financial Statements.

Net (Expense) Revenue and Changes in Net Position						
Primary Government			Component Units			
Governmental Activities	Business-Type Activities	Total	Chandler Industrial Development Authority	Chandler Cultural Foundation	Chandler Museum Foundation	Chandler Housing & Community Services Corp.
\$ (105,656,108)	\$ —	\$ (105,656,108)	\$ —	\$ —	\$ —	\$ —
(151,548,889)	—	(151,548,889)	—	—	—	—
(38,745,597)	—	(38,745,597)	—	—	—	—
(31,125,773)	—	(31,125,773)	—	—	—	—
(6,382,171)	—	(6,382,171)	—	—	—	—
(333,458,538)	—	(333,458,538)	—	—	—	—
—	(691,939)	(691,939)	—	—	—	—
—	(2,567,601)	(2,567,601)	—	—	—	—
—	300,630	300,630	—	—	—	—
—	(1,071,338)	(1,071,338)	—	—	—	—
—	(1,260,213)	(1,260,213)	—	—	—	—
—	(5,290,461)	(5,290,461)	—	—	—	—
(333,458,538)	(5,290,461)	(338,748,999)	—	—	—	—
—	—	—	128,749	—	—	—
—	—	—	—	271,539	—	—
—	—	—	—	—	(1,695)	—
—	—	—	—	—	—	285,970
—	—	—	128,749	271,539	(1,695)	285,970
44,321,587	—	44,321,587	—	—	—	—
207,605,337	21,236	207,626,573	—	—	—	—
21,880,284	—	21,880,284	—	—	—	—
3,245,696	—	3,245,696	—	—	—	—
117,646,741	—	117,646,741	—	—	—	—
32,989,892	12,606,364	45,596,256	68,521	390,696	10,512	—
1,809,952	9,433,541	11,243,493	—	—	—	—
—	4,050	4,050	—	(3,401)	—	—
(1,066,144)	1,066,144	—	—	—	—	—
428,433,345	23,131,335	451,564,680	68,521	387,295	10,512	—
94,974,807	17,840,874	112,815,681	197,270	658,834	8,817	285,970
994,398,731	819,208,421	1,813,607,152	1,320,873	7,161,355	364,750	—
\$ 1,089,373,538	\$ 837,049,295	\$ 1,926,422,833	\$ 1,518,143	\$ 7,820,189	\$ 373,567	\$ 285,970

**City of Chandler**  
**Balance Sheet -**  
**Governmental Funds**  
**June 30, 2025**

	Major Funds			
	General	General Obligation Bonds Debt Service	Other Governmental Funds	Total
<b>ASSETS</b>				
Equity in pooled cash and investments	\$ 330,791,535	\$ 44,004,516	\$ 200,894,876	\$ 575,690,927
Accounts receivable	2,930,009	—	—	2,930,009
Privilege license tax receivable	18,700,572	—	—	18,700,572
Property taxes receivable	103,822	385,859	—	489,681
Advances to other funds	5,140,833	—	—	5,140,833
Due from other funds	11,149,478	—	—	11,149,478
Due from other governments	2,737,963	—	8,384,356	11,122,319
Inventories	1,028,477	—	—	1,028,477
Accrued interest receivable	2,087,286	86,362	1,004,876	3,178,524
Opioid settlement receivable	5,236,883	—	—	5,236,883
Notes receivable	—	—	328,476	328,476
Leases and PPP receivable	6,222,908	—	—	6,222,908
Other receivables	4,931,639	—	365,495	5,297,134
<b>Total assets</b>	<b>\$ 391,061,405</b>	<b>\$ 44,476,737</b>	<b>\$ 210,978,079</b>	<b>\$ 646,516,221</b>
<b>LIABILITIES, DEFERRED INFLOWS</b>				
<b>OF RESOURCES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 5,223,131	\$ —	\$ 13,642,064	\$ 18,865,195
Accrued payroll	9,112,399	—	409,036	9,521,435
Trust liabilities and deposits	3,822,723	—	294,433	4,117,156
Accrued interest	—	4,326,287	—	4,326,287
Due to other funds	—	—	11,149,478	11,149,478
Due to other governments	18,034	—	—	18,034
Advances from other funds	—	—	5,140,833	5,140,833
Unearned revenue	766,271	—	467,128	1,233,399
Arbitrage liability	—	219,247	—	219,247
Bonds payable	—	37,975,023	—	37,975,023
<b>Total liabilities</b>	<b>18,942,558</b>	<b>42,520,557</b>	<b>31,102,972</b>	<b>92,566,087</b>
<b>Deferred inflows of resources</b>				
Unavailable revenues - property taxes	25,217	98,003	—	123,220
Leases and Public - Private Partnerships (PPPs)	5,500,382	—	—	5,500,382
Unavailable revenues - settlements	5,236,883	—	—	5,236,883
Unavailable revenues - grants	—	—	5,024	5,024
<b>Total deferred inflows of resources</b>	<b>10,762,482</b>	<b>98,003</b>	<b>5,024</b>	<b>10,865,509</b>
<b>Fund balances:</b>				
Nonspendable	1,028,477	—	—	1,028,477
Restricted	11,592,841	1,858,177	195,788,947	209,239,965
Assigned	256,561,068	—	—	256,561,068
Unassigned	92,173,979	—	(15,918,864)	76,255,115
<b>Total fund balances</b>	<b>361,356,365</b>	<b>1,858,177</b>	<b>179,870,083</b>	<b>543,084,625</b>
<b>Total liabilities, deferred inflows and fund balances</b>	<b>\$ 391,061,405</b>	<b>\$ 44,476,737</b>	<b>\$ 210,978,079</b>	<b>\$ 646,516,221</b>

See accompanying Notes to the Financial Statements.

## City of Chandler

### Reconciliation of the Governmental Funds Balance Sheet to the Government-wide Statement of Net Position June 30, 2025

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<b>Total Fund Balances - Total Governmental Funds</b>	\$ 543,084,625
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Amounts reported for governmental activities in the Statement of Net Position were reported differently because:

Capital assets used in governmental activities are not current financial resources. Therefore, they were not reported in the Governmental Funds Balance Sheet.

Non-depreciable	\$305,392,818	
Depreciable/Amortizable buildings, vehicles, machinery and equipment and infrastructure, net	<u>514,577,190</u>	
Total capital assets		819,970,008

OPEB assets are not current financial resources and, therefore, are not reported in the Governmental Funds Balance Sheet.	4,534,794
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Certain revenues are not available to pay for current period expenditures and, therefore, are unavailable in the funds.	5,365,127
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Deferred amounts on refundings are not financial resources and, therefore, are not reported in the funds.	2,760,670
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Deferred outflows related to pensions and OPEB are not financial resources and, therefore, are not reported in the funds.	112,366,385
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Deferred inflows related to pensions and OPEB represent a future acquisition of net position that is not reported in the funds.	(29,394,069)
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The internal service fund is used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Government-wide Statement of Net Position.	48,799,192
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Long-term liabilities are not due and payable in the current period. Therefore, they were not reported in the Governmental Funds Balance Sheet. Except for the internal service funds amounts of \$23,279,518 which are included above, the long-term liabilities were adjusted as follows:

Bonds payable	(196,945,455)	
Net pension liability	(125,434,295)	
OPEB liability	(72,122,804)	
Subscription based IT arrangement liability	(2,754,337)	
Compensated absences	<u>(20,856,303)</u>	
Total long-term liabilities		<u>(418,113,194)</u>

<b>Net Position of Governmental Activities</b>	<u><u>\$1,089,373,538</u></u>
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See accompanying Notes to the Financial Statements.

**City of Chandler**  
**Statement of Revenues, Expenditures and Changes in Fund Balances -**  
**Governmental Funds**  
**For the year ended June 30, 2025**

	<b>Major Funds</b>			
	General	General Obligation Bonds Debt Service	Other Governmental Funds	Total
<b>REVENUES:</b>				
Property taxes	\$ 8,760,591	\$ 35,818,046	\$ —	\$ 44,578,637
Sales taxes	207,605,337	—	—	207,605,337
Highway user taxes	—	—	21,880,284	21,880,284
Franchise fees	3,245,696	—	—	3,245,696
State shared	117,646,741	—	—	117,646,741
Grants and entitlements	1,035,672	—	20,561,556	21,597,228
System development fees	—	—	3,216,916	3,216,916
Licenses and permits	13,820,770	—	—	13,820,770
Charges for services	26,084,156	—	4,193,287	30,277,443
Fines and forfeitures	4,180,603	—	702,455	4,883,058
Rentals	137,707	—	—	137,707
Interest revenue	17,741,005	829,979	10,461,895	29,032,879
Miscellaneous	468,904	—	481,461	950,365
<b>Total revenues</b>	<b>400,727,182</b>	<b>36,648,025</b>	<b>61,497,854</b>	<b>498,873,061</b>
<b>EXPENDITURES:</b>				
Current:				
General government	84,786,259	330,011	14,396,338	99,512,608
Public safety	153,635,194	—	1,719,351	155,354,545
Transportation and development	22,297,631	—	22,502,550	44,800,181
Community services	34,631,975	—	4,667,217	39,299,192
Capital outlay	4,368,323	—	102,230,974	106,599,297
Debt service:				
Principal	2,333,443	37,975,023	—	40,308,466
Interest and fiscal charges	103,147	8,652,575	1,965	8,757,687
<b>Total expenditures</b>	<b>302,155,972</b>	<b>46,957,609</b>	<b>145,518,395</b>	<b>494,631,976</b>
<b>Excess (deficiency) of revenues over</b>				
<b>(under) expenditures</b>	<b>98,571,210</b>	<b>(10,309,584)</b>	<b>(84,020,541)</b>	<b>4,241,085</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Proceeds from disposal of capital assets	48,545	—	524,871	573,416
SBITA agreements	508,116	—	—	508,116
Transfers in	—	10,521,439	43,004,000	53,525,439
Transfers out	(56,721,776)	—	(10,807,323)	(67,529,099)
<b>Total other financing sources (uses)</b>	<b>(56,165,115)</b>	<b>10,521,439</b>	<b>32,721,548</b>	<b>(12,922,128)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>42,406,095</b>	<b>211,855</b>	<b>(51,298,993)</b>	<b>(8,681,043)</b>
<b>FUND BALANCES:</b>				
Beginning of year	318,950,270	1,646,322	231,169,076	551,765,668
End of year	<u>\$ 361,356,365</u>	<u>\$ 1,858,177</u>	<u>\$ 179,870,083</u>	<u>\$ 543,084,625</u>

See accompanying Notes to the Financial Statements.

## City of Chandler

### Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Government-wide Statement of Activities For the year ended June 30, 2025

<b>Net Change in Fund Balances - Total Governmental Funds</b>	<b>\$ (8,681,043)</b>
Governmental activities in the Statement of Activities were reported differently because:	
Governmental funds report capital outlay as expenditures. However, in the Government-wide Statement of Net Position and Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of capital assets recorded in the current period.	110,532,616
Expenditures related to the implementation of subscription based IT arrangements are recorded as an intangible right to use asset on the government wide statements and amortized over the life of the contract.	17,715
Depreciation expense on capital assets is reported in the Government-wide Statement of Net Position and Statement of Activities, but they do not require the use of current financial resources. Therefore, depreciation expense is not reported as an expenditure in the governmental funds.	(52,766,480)
Subscription Based IT arrangements amortization expenses do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds	(2,536,851)
Some items reported in the governmental funds are sources and uses of current financial resources and therefore are not reported as revenues or expenses in the Statement of Activities. These items include:	
Principal payments on debt	40,308,466
Pension related items	8,725,745
Other post employment benefits related items	(2,494,159)
	46,540,052
Accrued interest payable, bond premium allocation and allocation of deferred outflows from bond refundings related to long-term debt is recognized as an expense in the Statement of Activities, however is not recognized in the governmental funds because it is not payable from current financial resources.	2,375,516
Gain or loss on sale of capital assets in the statement of activities do not provide current financial resources and therefore are not reported as revenues or expenditures in the governmental funds.	(142,991)
Compensated absence expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.	(5,631,211)
Certain revenues in the governmental funds that provide current financial resources are not included in the Statement of Activities because they were recognized in a prior period. However, other revenues that are unavailable in the governmental funds because they do not provide current financial resources due to unavailability are recognized in the Statement of Activities.	(510,747)
Capital assets contributed by developers to the city are not recorded in the governmental funds as they do not provide current financial resources but are recognized in the Statement of Activities as program revenues.	1,318,340
The internal service fund is used by management to charge the costs of certain activities, such as insurance, to individual funds. The change in financial position of the internal service fund is reported with governmental activities.	4,459,891
<b>Change in Net Position of Governmental Activities</b>	<b>\$ 94,974,807</b>

See accompanying Notes to the Financial Statements.

**City of Chandler**  
**Statement of Net Position -**  
**Proprietary Funds**  
**June 30, 2025**

	<b>Major Funds</b>		Other	<b>Total</b>	Governmental
	Water	Wastewater	Proprietary Funds		Activities: Internal Service Fund
<b>ASSETS</b>					
Current assets:					
Equity in pooled cash and investments	\$ 91,284,238	\$ 68,444,320	\$ 38,314,188	\$ 198,042,746	\$ 72,042,024
Accounts receivable	8,786,085	7,537,124	2,711,820	19,035,029	—
Due from other governments	—	3,823,234	5,156,323	8,979,557	—
Inventories	53,764	—	15,189	68,953	—
Prepaid invoices	360,506	277,627	\$ 160,989	799,122	—
Accrued interest receivable	528,920	392,205	234,018	1,155,143	666,910
Other receivables	2,299,010	1,069,788	65,020	3,433,818	12
Total current assets	103,312,523	81,544,298	46,657,547	231,514,368	72,708,946
Long-term assets:					
Notes receivable	—	—	5,154,750	5,154,750	—
Leases receivable	—	—	3,768,438	3,768,438	—
Investment in joint venture	55,514,409	—	—	55,514,409	—
Other receivables	1,817,158	—	—	1,817,158	—
Capital assets:					
Non-depreciable	76,856,689	117,295,051	32,724,466	226,876,206	—
Depreciable/amortizable, net	204,977,051	456,728,125	22,829,239	684,534,415	—
Total capital assets	281,833,740	574,023,176	55,553,705	911,410,621	—
Total long-term assets	339,165,307	574,023,176	64,476,893	977,665,376	—
<b>Total assets</b>	<b>442,477,830</b>	<b>655,567,474</b>	<b>111,134,440</b>	<b>1,209,179,744</b>	<b>72,708,946</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred outflows of OPEB and pension plan items	3,064,716	2,055,249	1,370,238	6,490,203	—
Deferred amounts on refundings	1,880,982	2,037,836	—	3,918,818	—
<b>Total deferred outflow of resources</b>	<b>4,945,698</b>	<b>4,093,085</b>	<b>1,370,238</b>	<b>10,409,021</b>	<b>—</b>

# **LIABILITIES**

## Current liabilities:

Accounts payable	9,103,527	9,594,870	6,848,299	25,546,696	509,367
Accrued payroll	499,119	425,349	120,084	1,044,552	120,869
Trust liabilities and deposits	2,606,135	378,488	1,277,697	4,262,320	—
Accrued interest	2,304,672	2,436,738	—	4,741,410	—
Customer advances	294,528	378,772	263,865	937,165	—
Compensated absences payable	433,769	336,045	199,763	969,577	111,020
Bonds payable	12,295,267	15,390,208	—	27,685,475	—
Landfill closure and postclosure liability	—	—	94,446	94,446	—
Claims and judgements payable	—	—	—	—	15,331,445
Total current liabilities	27,537,017	28,940,470	8,804,154	65,281,641	16,072,701

## Long-term liabilities:

Compensated absences payable	744,596	471,161	212,147	1,427,904	143,203
Notes payable	—	—	5,000,000	5,000,000	—
Bonds payable	122,536,114	147,996,554	—	270,532,668	—
Net pension liability	10,372,156	5,875,618	4,427,597	20,675,371	—
OPEB liability	4,112,715	3,236,702	1,683,060	9,032,477	—
Landfill closure and postclosure liability	—	—	4,245,554	4,245,554	—
Claims and judgements payable	—	—	—	—	7,693,850
Total long-term liabilities	137,765,581	157,580,035	15,568,358	310,913,974	7,837,053
<b>Total liabilities</b>	165,302,598	186,520,505	24,372,512	376,195,615	23,909,754

## **DEFERRED INFLOWS OF RESOURCES**

Deferred inflows of OPEB and pension plan items	1,343,163	577,163	805,672	2,725,998	—
Deferred inflows of leases and PPP	—	—	3,617,857	3,617,857	—
<b>Total deferred inflow of resources</b>	1,343,163	577,163	4,423,529	6,343,855	—

## **NET POSITION**

Net investment in capital assets	139,831,616	403,484,125	53,755,093	597,070,834	—
Restricted for:					
Debt service	15,295,524	17,862,706	—	33,158,230	—
Unrestricted	125,650,627	51,216,060	29,953,544	206,820,231	48,799,192
<b>Total net position</b>	\$ 280,777,767	\$ 472,562,891	\$ 83,708,637	\$ 837,049,295	\$ 48,799,192

See accompanying Notes to the Financial Statements.



**City of Chandler**  
**Statement of Revenues, Expenses and Changes in Net Position -**  
**Proprietary Funds**  
**For the year ended June 30, 2025**

	<b>Major Funds</b>		Other Proprietary Funds	Total	Governmental Activities: Internal Service Fund
	Water	Wastewater			
<b>OPERATING REVENUES:</b>					
Service fees	\$ 59,970,840	\$ 61,594,681	\$ 21,222,377	\$ 142,787,898	\$ 788,585
Grants and entitlements	—	—	17,882,587	17,882,587	—
Rentals	—	—	1,978,022	1,978,022	—
Sales taxes	—	—	21,236	21,236	—
Self insurance premiums	—	—	—	—	36,261,233
Miscellaneous	4,948,045	5,646	1,799,352	6,753,043	859,587
<b>Total operating revenues</b>	<b>64,918,885</b>	<b>61,600,327</b>	<b>42,903,574</b>	<b>169,422,786</b>	<b>37,909,405</b>
<b>OPERATING EXPENSES:</b>					
General and administrative	3,548,439	3,814,443	1,403,006	8,765,888	—
Personnel services	13,266,628	10,657,971	5,657,278	29,581,877	2,765,200
Contractual services	15,077,796	5,755,596	15,603,271	36,436,663	10,147,482
Commodities	5,280,421	24,339,665	7,074,538	36,694,624	5,365,671
Claims expense	—	—	—	—	32,243,656
Housing assistance payments	—	—	11,275,880	11,275,880	—
Depreciation/amortization expense	16,481,069	28,430,950	2,067,934	46,979,953	—
<b>Total operating expenses</b>	<b>53,654,353</b>	<b>72,998,625</b>	<b>43,081,907</b>	<b>169,734,885</b>	<b>50,522,009</b>
<b>OPERATING INCOME (LOSS)</b>	<b>11,264,532</b>	<b>(11,398,298)</b>	<b>(178,333)</b>	<b>(312,099)</b>	<b>(12,612,604)</b>
<b>NONOPERATING REVENUES (EXPENSES):</b>					
Interest revenue	5,768,928	4,668,025	2,169,411	12,606,364	3,957,021
Interest and fiscal charges	(5,162,715)	(5,450,080)	—	(10,612,795)	—
Accretion of bond premiums	1,423,667	1,256,831	—	2,680,498	—
Gain (loss) on disposal of capital assets	(8,350)	(6,835)	(27,950)	(43,135)	—
Equity interest in joint venture	(4,618,318)	—	—	(4,618,318)	—
<b>Total Nonoperating revenues (expenses)</b>	<b>(2,596,788)</b>	<b>467,941</b>	<b>2,141,461</b>	<b>12,614</b>	<b>3,957,021</b>
<b>INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS</b>	<b>8,667,744</b>	<b>(10,930,357)</b>	<b>1,963,128</b>	<b>(299,485)</b>	<b>(8,655,583)</b>
<b>CAPITAL CONTRIBUTIONS AND TRANSFERS:</b>					
Capital contributions	2,780,957	14,293,258	177,958	17,252,173	—
Transfers in	1,388,800	1,354,699	2,361,086	5,104,585	13,145,082
Transfers out	(2,365,882)	(1,698,161)	(152,356)	(4,216,399)	(29,608)
<b>Total capital contributions and transfers</b>	<b>1,803,875</b>	<b>13,949,796</b>	<b>2,386,688</b>	<b>18,140,359</b>	<b>13,115,474</b>
<b>CHANGE IN NET POSITION</b>	<b>10,471,619</b>	<b>3,019,439</b>	<b>4,349,816</b>	<b>17,840,874</b>	<b>4,459,891</b>
<b>NET POSITION:</b>					
Beginning of year	270,306,148	469,543,452	79,358,821	819,208,421	44,339,301
End of year	<u>\$280,777,767</u>	<u>\$472,562,891</u>	<u>\$83,708,637</u>	<u>\$837,049,295</u>	<u>\$ 48,799,192</u>

See accompanying Notes to the Financial Statements.

**City of Chandler**  
**Statement of Cash Flows -**  
**Proprietary Funds**  
**For the year ended June 30, 2025**

	<b>Major Funds</b>		Other Proprietary Funds	Total	Governmental Activities: Internal Service Fund
	Water	Wastewater			
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>					
Cash received from customers	\$ 60,731,600	\$ 59,719,411	\$ 19,923,766	\$ 140,374,777	\$ 848,779
Cash received from internal services provided	—	—	—	—	37,049,818
Cash received from grantors	—	—	12,743,647	12,743,647	—
Cash payments to suppliers	(18,970,413)	(31,606,960)	(24,786,754)	(75,364,127)	(48,236,198)
Cash payments to employees for services	(12,766,555)	(10,239,173)	(5,463,090)	(28,468,818)	(2,606,087)
<b>Net cash provided (used) by operating activities</b>	<b>28,994,632</b>	<b>17,873,278</b>	<b>2,417,569</b>	<b>49,285,479</b>	<b>(12,943,688)</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>					
Transfers in	1,388,800	1,354,699	2,361,086	5,104,585	13,145,082
Transfers out	(2,365,882)	(1,698,161)	(152,356)	(4,216,399)	(29,608)
<b>Net cash provided (used) by noncapital financing activities</b>	<b>(977,082)</b>	<b>(343,462)</b>	<b>2,208,730</b>	<b>888,186</b>	<b>13,115,474</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>					
Acquisition and construction of capital assets	(54,939,996)	(51,857,776)	(4,240,168)	(111,037,940)	—
Principal paid on bond maturities	(8,229,417)	(9,587,521)	—	(17,816,938)	—
Interest paid on bonds	(5,456,522)	(5,716,134)	—	(11,172,656)	—
Cash received from capital contributions	2,366,246	3,664,579	—	6,030,825	—
<b>Net cash provided (used) by capital and related financing activities</b>	<b>(66,259,689)</b>	<b>(63,496,852)</b>	<b>(4,240,168)</b>	<b>(133,996,709)</b>	<b>—</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>					
Investment income	5,847,393	4,826,497	2,129,953	12,803,843	3,781,953
<b>Net cash provided (used) by investing activities</b>	<b>5,847,393</b>	<b>4,826,497</b>	<b>2,129,953</b>	<b>12,803,843</b>	<b>3,781,953</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(32,394,746)</b>	<b>(41,140,539)</b>	<b>2,516,084</b>	<b>(71,019,201)</b>	<b>3,953,739</b>
<b>CASH AND CASH EQUIVALENTS:</b>					
Beginning of year	123,678,984	109,584,859	35,798,104	269,061,947	68,088,285
End of year	<u>\$ 91,284,238</u>	<u>\$ 68,444,320</u>	<u>\$ 38,314,188</u>	<u>\$ 198,042,746</u>	<u>\$ 72,042,024</u>

**RECONCILIATION OF OPERATING INCOME (LOSS) TO NET  
CASH PROVIDED (USED) BY OPERATING ACTIVITIES:**

Operating income (loss)	\$ 11,264,532	\$ (11,398,298)	\$ (178,333)	\$ (312,099)	\$ (12,612,604)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation and amortization	16,481,069	28,430,950	2,067,934	46,979,953	—
Changes in assets, liabilities and deferred items:					
(Increase) decrease in receivables	(4,235,052)	307,111	(5,051,043)	(8,978,984)	598
(Increase) decrease in due from other governments	—	(1,968,663)	(5,138,940)	(7,107,603)	—
(Increase) decrease in inventories	(1,062)	—	(2,216)	(3,278)	—
(Increase) decrease in prepaid items	(172,089)	(136,346)	(66,802)	(375,237)	—
Increase (decrease) in long-term notes payable	5,109,394	2,439,090	5,638,959	13,187,443	309,211
Increase (decrease) in payables	—	—	5,000,000	5,000,000	—
Increase (decrease) in accrued payroll and compensated absences	412,238	369,654	157,546	939,438	159,113
Increase (decrease) in deposits	78,331	(294,716)	88,620	(127,765)	—
Increase (decrease) in claims payable	—	—	—	—	(788,600)
Increase (decrease) in unearned revenue	—	—	—	—	(11,406)
Increase (decrease) in customer advances	(30,564)	75,352	6,789	51,577	—
Increase (decrease) in net pension and OPEB items	(136,885)	(116,573)	(51,760)	(305,218)	—
Increase (decrease) in OPEB liability	224,720	165,717	88,402	478,839	—
Increase (decrease) in deferred inflow leases	—	—	(141,587)	(141,587)	—
Total adjustments	17,730,100	29,271,576	2,595,902	49,597,578	(331,084)
<b>Net cash provided (used) by operating activities</b>	<b>\$ 28,994,632</b>	<b>\$ 17,873,278</b>	<b>\$ 2,417,569</b>	<b>\$ 49,285,479</b>	<b>\$ (12,943,688)</b>

**NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:**

Contributions of capital assets from developers	\$ 414,711	\$ 10,628,679	\$ —	\$ 11,043,390	\$ —
Contributions of capital assets from city government	—	—	177,958	177,958	—
Gain (loss) on disposal of capital assets	(8,350)	(6,835)	(27,950)	(43,135)	—
Accretion of bond premiums	1,423,667	1,256,831	—	2,680,498	—

See accompanying Notes to the Financial Statements.

**CITY OF CHANDLER, ARIZONA**  
**Notes to the Financial Statements**  
**June 30, 2025**

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The City of Chandler (city) was incorporated on February 17, 1920. On May 25, 1964, voters ratified a city charter providing for a Council-Manager form of government. The government of the city is operated by authority of its charter, as limited by the state legislature. A seven-member council, including a separately elected mayor, governs the city.

The following notes to the financial statements are an integral part of the city's financial statements.

**NOTE 1 - Summary of Significant Accounting Policies**

The accounting policies and procedures of the city conform to accounting principles generally accepted in the United States of America (GAAP) as applied to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The more significant of the city's accounting policies are described below.

**A. Reporting Entity**

As required by GAAP, these financial statements present the city and its component units, i.e., entities for which the city is considered to be financially accountable and/or exercise significant influence over operations. Blended component units, although legally separate entities, are a substantial part of the city's operations, and therefore data from these units are combined with data of the city. The city's discretely presented component units, on the other hand, are reported in a separate column in the basic financial statements, to emphasize that they are legally separate from the city. The component units discussed below are included in the city's reporting entity because of the significance of their operational and/or financial relationships with the city. Each component unit has a June 30 year-end.

**1. Blended Component Unit**

The City of Chandler Municipal Property Corporation (Corporation) is a nonprofit corporation which exists solely for the purpose of constructing or otherwise acquiring or equipping buildings, structures, or improvements on land owned by the city for the benefit, common good, and general welfare of the city and its residents. The Chandler City Council appoints the five members of the Board, who are responsible for approving the Corporation's bond sales. Additionally, all bond sales must be submitted to and approved by the City Council. All financial activities are reported within the enterprise funds of the city. Unaudited financial statements for the corporation are available from the City of Chandler, Management Services Department, P.O. Box 4008, MS 702, Chandler, AZ 85244-4008.

**2. Discretely Presented Component Units**

The component unit columns in the basic financial statements include the financial data of the Chandler Industrial Development Authority (Authority), the Chandler Cultural Foundation (Cultural Foundation), the Chandler Museum Foundation (Museum Foundation), and the Chandler Housing and Community Services Corporation (CHCSC).

The Authority is responsible for the issuance of tax-exempt bonds for qualified projects approved by the authority and the City Council. The authority has a seven-member board of directors appointed by the City Council. The city is able to impose its will on the authority inasmuch as the City Council must vote to ratify the actions of the authority with regard to the issuance of bonds.

The accounting records of the Authority are maintained by the city and are available from the City of Chandler, Management Services Department, P.O. Box 4008, MS 702, Chandler, AZ 85244-4008.

**CITY OF CHANDLER, ARIZONA**  
**Notes to the Financial Statements**  
**June 30, 2025**

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**NOTE 1 - Summary of Significant Accounting Policies, continued**

The Cultural Foundation oversees the operations of the Chandler Center for the Arts for the selection and scheduling of performances, other facility use, and general policy setting activities. The city is able to significantly influence its operations. Specifically, the Cultural Foundation's budget is annually reviewed and approved by the City Council and the Cultural Foundation's nine-member Board is appointed by the City Council. Financial statements for the Foundation are available from the Chandler Cultural Foundation, 250 N Arizona Ave, Chandler, AZ 85225.

The Museum Foundation oversees the operations of the Chandler Museum for the selection and scheduling of performances, other facility use, and general policy setting activities. The city is able to significantly influence its operations. Specifically, the Museum Foundation's budget is annually reviewed and approved by the City Council and the Museum Foundation's nine-member Board is appointed by the City Council. Financial statements for the Museum Foundation are available from the Chandler Museum Foundation, 300 S Chandler Village Dr., Chandler, AZ 85226.

The CHCSC was created to promote the availability and expansion of affordable housing in the city by the provision of support to the City of Chandler Neighborhood Resources Department Housing and Redevelopment Division. The Board of Directors currently consists of city directors and executive staff but is not appointed by City Council, nor does City Council approve the annual budget. The accounting records of the CHCSC are maintained by the city and are available from the City of Chandler, Management Services Department, P.O. Box 4008, MS 702, Chandler, AZ 85244-4008.

**B. Government-Wide and Fund Financial Statements**

The government-wide financial statements (e.g., the Statement of Net Position and the Statement of Activities) present financial information about the city as a whole. The reported information includes all of the nonfiduciary activities of the city and its component units. For the most part, the effect of interfund activity has been removed from these statements. These statements are to distinguish between the governmental and business-type activities of the city. Governmental activities are normally supported by taxes and intergovernmental revenues, and are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes, state shared revenues, investment income, and other items not included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments where the amounts are reasonably equivalent in value to the interfund services provided, and other charges. Elimination of these charges would distort the direct costs and program revenues reported.

**CITY OF CHANDLER, ARIZONA**  
**Notes to the Financial Statements**  
**June 30, 2025**

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**NOTE 1 - Summary of Significant Accounting Policies, continued**

**C. Measurement Focus, Basis of Accounting and Basis of Presentation**

**Government-wide Financial Statements** - The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the grantor or provider have been met. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements; the exception is any interfund activity between governmental and business-type activities, such as transfers. Interfund services provided and used are not eliminated.

**Fund Financial Statements** - Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the city considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service resources are provided during the current year for payment of long-term debt principal and interest due early in the following year (not to exceed one month) and, therefore, the expenditures and related liabilities have been recognized. Compensated absences and claims and judgments are recorded only when payment is due.

Property taxes, sales taxes, franchise fees, licenses and permits, charges for services, special assessments and investment income associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Grants and similar awards are recognized as revenue as soon as all eligibility requirements imposed by the grantor or provider have been met. Miscellaneous revenues are not susceptible to accrual because generally they are not measurable until received in cash.

Grants and similar awards received before the eligibility requirements are met are recorded as unearned revenue. Cash receipts received in advance of being billed have also been reported as unearned revenue on the governmental fund financial statements. Special assessments and delinquent property taxes have been recorded as deferred inflows of resources. Grant and similar awards received more than 60 days after the end of the current fiscal period have been recorded as deferred inflows of resources.

The city reports the following major governmental funds:

**General Fund** - This fund accounts for all financial resources of the city, except those required to be accounted for in other funds.

**General Obligation Bonds Debt Service Fund** - This fund accumulates monies for the payment of principal and interest requirements of the city's tax supported general obligation bonds. Revenues for repayment are generated from secondary property taxes.

The city reports the following major proprietary funds:

**Water Fund** - This fund is used to account for the provision of water services to the residents of the city and certain county residents within the city's municipal boundaries. All activities necessary to provide such service are accounted for in this fund.

**CITY OF CHANDLER, ARIZONA**  
**Notes to the Financial Statements**  
**June 30, 2025**

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**NOTE 1 - Summary of Significant Accounting Policies, continued**

Wastewater Fund - This fund is used to account for the provision of wastewater services to the residents of the city and certain county residents within the city's municipal boundaries. All activities necessary to provide such service are accounted for in this fund.

Additionally, the city reports the following fund type:

Internal Service Fund - Internal Service Funds are established to account for financing of goods and services provided by one department or agency to other departments or agencies of the city on a cost reimbursement basis. The Internal Service Fund consists of Self Insurance Funds that administer the city's self-insured property, liability, health, dental, short-term disability and workers' compensation insurance programs.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the city's internal service fund are interfund transfers from the general fund for property and liability insurance and charges to user departments for premiums related to health, dental, workers' compensation and short-term disability self-insurance. The principal operating revenues of the city's enterprise funds are user fees and charges to customers for water, wastewater, solid waste, airport services and public housing grants. Operating expenses for these funds include the cost of sales and services, administrative expenses, depreciation, claims and premiums. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the city's policy to use restricted resources first where allowable and then unrestricted resources as they are needed.

The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column. Internal service funds are combined and the totals are presented in a single column on the face of the proprietary fund statements.

**D. Budgeting and Budgetary Control**

The City Council formally adopts an annual operating budget for the general, special revenue, debt service, capital projects, enterprise and internal service funds.

The level of control at which expenditures may not exceed budget is by department. Upon written request by the City Manager, the City Council has the authority to transfer part or all of any unencumbered appropriation balance from one department to another per City Charter requirement. The City Manager and department heads have the authority to transfer appropriations between divisions and expenditure categories within departments. Appropriations totaling \$16,539,312 were transferred from the contingency reserves within the general, special revenue, capital project and internal service funds.

All appropriations expire at the end of the fiscal year except for encumbered and capital improvements carryforward appropriations. Encumbrance accounting, under which purchase orders, contracts and other commitments for the future expenditure of funds are recorded in order to reserve that portion of the related fund balance, is employed in the governmental and proprietary fund types. Encumbrances outstanding at year-end are reported as part of restricted fund balance for governmental and proprietary funds (excluding the general fund) unless a negative fund balance is reported. If negative, encumbrances are reported as part of unassigned fund balance. Carryforwards for capital improvement projects are reported as part of assigned fund balance at year-end and encumbrances in the general fund are reported

**CITY OF CHANDLER, ARIZONA**  
**Notes to the Financial Statements**  
**June 30, 2025**

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**NOTE 1 - Summary of Significant Accounting Policies, continued**

as part of unassigned fund balance. Significant encumbrances for the general fund are \$12,485,588, for water enterprise fund are \$44,072,625, for wastewater enterprise fund are \$48,744,358, and for non-major governmental funds are \$97,522,714.

The budgets are adopted on a basis differing from generally accepted accounting principles in that for budgetary purposes: (1) current year encumbrances are treated as expenditures; (2) bond proceeds for proprietary funds are considered revenue; (3) capital outlays for enterprise funds are treated as expenditures; (4) debt service principal payments are treated as expenditures for enterprise funds; (5) accrued compensated absences are not recognized as expenditures; (6) depreciation and amortization are not recognized as expenditures; (7) estimated landfill closure and post closure costs are not recognized as expenditures until incurred; (8) sales tax collected by merchants but not yet required to be remitted at the end of the fiscal year is not recorded as revenue; and (9) investments are recorded at cost.

On June 3, 1980, the voters of Arizona approved an expenditure limitation for all local governments. This limitation restricts the growth of expenditures to a percentage determined by population and inflation, with certain expenditures excluded from the limitation. Through a Home Rule option, any city can adopt its own alternative expenditure limitation if a majority of the qualified electors vote in favor of the issue at a regular election. On August 2, 2022, the City of Chandler voters approved to continue under Home Rule for the next four years.

**E. Pooled Cash and Investments**

City Charter, Ordinance, and Trust Agreements authorize the city to invest in obligations guaranteed by the full faith and credit of the United States of America, government sponsored enterprises, government bonds with minimum credit ratings of Aa or AA, commercial paper with a minimum short-term rating of P1 or A1, negotiable certificates of deposit, corporate bonds carrying a minimum credit rating of A, repurchase agreements and the Local Government Investment Pool. The City of Chandler Municipal Property Corporation is additionally authorized to invest in banker's acceptances, U.S. Corporate obligations rated Aa3 and AA or better, full faith and credit general obligations or special revenue bonds of any state or political subdivision rated AAA and Aaa, Refcorp interest strips and money market funds.

Nonparticipating interest-earning investment contracts are stated at cost. Money market investments and participating interest investment contracts with a remaining maturity of one year or less at time of purchase are stated at amortized cost. All other investments are stated at fair value.

Cash resources of the city are combined to form a pool of cash and investments. Excluded from this pool are the cash and investments of the Chandler Health Care Benefits Trust, Workers' Compensation and Employer Liability Trust, Chandler Industrial Development Authority, Chandler Museum Foundation, Chandler Cultural Foundation, and the Chandler Housing and Community Services Corporation. Interest earned on the pooled cash and investments is distributed each month on the basis of average monthly equity in the pool.

**F. Receivables and Payables**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans).

All accounts receivables are shown net of an allowance for uncollectible accounts.

**CITY OF CHANDLER, ARIZONA**  
**Notes to the Financial Statements**  
**June 30, 2025**

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**NOTE 1 - Summary of Significant Accounting Policies, continued**

Receivables not anticipated to be collected within a one year period are classified as long-term assets. Significant long-term receivables at year-end included \$5,154,750 in notes receivable, \$4,607,330 in opioid settlements, \$1,817,158 in PFAS settlements, and \$9,991,346 in anticipated lease revenue.

Amounts due from other governments include receivables from other governmental entities including, but not limited to federal, state, or county entities. At year-end the receivables included \$5,791,945 due from the federal government for grants, \$8,942,181 due from the State of Arizona for shared revenues and grants, \$5,045,312 due from Maricopa County for grants, and \$322,438 due from the City of Mesa for shared costs.

**G. Inventories**

Inventories are stated at average cost using the first-in/first-out (FIFO) method. Inventories are recorded as expenses/expenditures when consumed in the government-wide financial statements and governmental and proprietary fund financial statements, respectively.

**H. Prepaid Items**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items under the purchases method.

**I. Capital Assets**

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the city as assets with an initial, individual cost of \$10,000 or more and an estimated useful life of more than one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. The city defines general government infrastructure capital assets included in capital improvement projects completed at year's end in excess of \$100,000.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are completed.

Estimated useful lives for capital assets were determined based on the city's historical experience and various industry standards. Capital assets of the city are depreciated/amortized using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	20-40
Building improvements	20
Infrastructure	12-50
Machinery and equipment	5-15
Subscription based IT arrangements	varies based on length of contract
System improvements	25
Vehicles	4-7
Water rights	100

**CITY OF CHANDLER, ARIZONA**  
**Notes to the Financial Statements**  
**June 30, 2025**

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**NOTE 1 - Summary of Significant Accounting Policies, continued**

**J. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position includes a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The city has two items that qualify for reporting in this category: the deferred charge on refunding reported in the government-wide statement of net position and deferred amounts related to pension and OPEB. The deferred charge on refunding resulted from the difference between the carrying value of the refunded debt and its re-acquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred amounts related to pension and OPEB relate differences between estimated and actual investment earnings, changes in actuarial assumptions and other pension and OPEB related changes.

In addition to liabilities, the statement of financial position includes a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The city has three items that qualify for reporting in this category. Unavailable revenue is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes, settlements, and public private partnerships. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. In the government-wide financial statement the city reports deferred amounts related to OPEB and pension plan items, leases and public private partnerships.

**K. Compensated Absences**

Vacation leave vests with the employee as it is earned dependent on accumulated time and the individual's vacation benefits associated with their rank within the city. All employees may carryforward only the amount of vacation benefits equal to the maximum allowable earned credits for the preceding calendar year. Upon termination or retirement, an employee will be compensated for accumulated vacation leave dependent on accumulated time and the individual's vacation benefits associated with their rank within the city. Payment will be based on the individual's rate of pay at termination or retirement. Upon death, the same benefits shall be paid to the employee's beneficiary. Liabilities are recognized on the government-wide and proprietary fund financial statements for leave that has not been used, as well as leave that has been used but not yet paid in cash or settled through non-cash means.

Sick leave benefits provided for ordinary sick pay are not vested with the employee. Upon retirement, an employee will be compensated for 50 percent of accumulated sick leave. Payment will be based on the monthly compensation paid to the employee at the time of retirement and paid into a Retirement Health Savings Plan. Upon death, the same benefits shall be paid to the employee's beneficiary. Liabilities are recognized on the government-wide and proprietary fund financial statements for leave that has not been used, as well as leave that has been used but not yet paid in cash or settled through non-cash means.

**L. Long-Term Obligations**

In the government-wide financial statements and proprietary fund statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental or business-type activities and proprietary fund Statement of Net Position. Bond related items, such as premiums and discounts, are deferred and amortized over the life of the bonds using the straight-line method. Bond issuance costs are expensed in the current period.

**CITY OF CHANDLER, ARIZONA**  
**Notes to the Financial Statements**  
**June 30, 2025**

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**NOTE 1 - Summary of Significant Accounting Policies, continued**

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

The debt service funds are specifically established to account for and service the long-term obligations for the governmental funds. Each enterprise fund individually accounts for and services the applicable bonds and lease purchase obligations which benefit these funds. Long-term obligations are recognized as a liability of a governmental fund when due or when resources have been accumulated for payment early in the following year. For other long-term obligations, only the portion that is expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund.

**M. Fund Balance**

In the fund financial statements, governmental funds report fund balances as nonspendable, restricted, committed, assigned and unassigned. Nonspendable, restricted and committed classifications represent “reserved” fund balances whereas assigned and unassigned classifications represent “unreserved” fund balances (see Note 9 for additional details).

**N. Capital Contributions**

Capital contributions, as shown in the enterprise funds, represent federal and state grants received, subdividers’ costs of installing water mains, water service connections installed at the customers’ expense and transfers of equipment from governmental funds. Capital contributions are shown as an inflow of resources in both the government-wide and fund financial statements (see Note 8).

**O. Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the pension plan’s fiduciary net position and additions to/deductions from the plan’s fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**P. Post-Employment Health Care and Life Insurance Benefits**

In addition to providing pension benefits, the city allows for continuance of certain health care and life insurance benefits for retired employees. Substantially all of the city’s employees may become eligible for those benefits if they are eligible to receive a retirement pension when leaving employment with the city. The cost of retiree health care and life insurance premiums is borne both by the retiree and the specific retirement plan under which they participated. There is no direct cost paid by the city.

**Q. Statements of Cash Flows**

The city considers all highly liquid investments (including restricted assets) with an original maturity of three months or less to be cash equivalents. In the statements of cash flows, cash receipts and payments are classified according to whether they stem from operating, noncapital financing, capital and related financing or investing activities.

**CITY OF CHANDLER, ARIZONA**  
**Notes to the Financial Statements**  
**June 30, 2025**

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**NOTE 1 - Summary of Significant Accounting Policies, concluded**

**R. Interfund Activity**

Flows of cash from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers between governmental funds are eliminated in the Statement of Activities. Interfund transfers in the fund statements are reported as other financing sources/uses in governmental funds.

**S. Use of Estimates**

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**T. Leases**

As lessor, the city recognizes lease receivables with an initial, individual value of \$100,000 or more. If there is no stated rate in the lease contract (or if the stated rate is not the rate the city charges the lessee) and the implicit rate cannot be determined, the city uses its own estimated incremental borrowing rate as the discount rate to measure lease receivables.

**U. Subscription Based IT Arrangements (SBITA)**

As the user of hosted software programs, the city recognizes those agreements that are calculated to have initial estimated total current value of \$100,000 or more for the life of the contract. If there is no stated rate in the subscription contract (or if the stated rate is not the rate the city charges the lessee) and the implicit rate cannot be determined, the city uses its own estimated incremental borrowing rate as the discount rate to measure SBITA liabilities.

**V. Public-Private, Public-Public (PPPs) and Availability Payment Arrangements (APAs)**

The city may at times enter into agreements or arrangements with partners from other public agencies, or private companies to accomplish goals of city leadership and provide services to the residents of Chandler. The city recognizes any agreement that has been entered into and qualifies under the Governmental Accounting Standards Board Statement 94 to provide users of the financial statements with details on the agreements.

**W. Implementation of New Accounting Standards**

During the year ended June 30, 2025, the city implemented the provisions of Governmental Accounting Standards Board Statement 101, Compensated Absences. This Statement updates the recognition and measurement guidance for compensated absences. Liabilities are recognized for leave that has not been used, as well as leave that has been used but not yet paid in cash or settled through noncash means. The city's analysis of compensated absences in effect at the beginning of the year resulted in no changes to beginning balances reported in the financial statements due to the implementation of this standard.

**CITY OF CHANDLER, ARIZONA**  
**Notes to the Financial Statements**  
**June 30, 2025**

**NOTE 2 - Cash and Investments**

The city maintains a cash and investment pool that is available for use by all funds, except for the Chandler Industrial Development Authority, the Chandler Cultural Foundation, the Chandler Museum Foundation, the Chandler Housing and Community Development Services Corporation, and the Chandler Health Care Benefits Trust. Each fund's portion of this pool is displayed on the financial statements as Equity in Pooled Cash and Investments. Pooled cash and investments are stated at fair value with accrued interest shown separately. Restricted cash and investments are amounts held separately by trustees and amounts segregated due to their source and future intent. In addition, the Industrial Development Authority, the Chandler Cultural Foundation, the Chandler Museum Foundation, and the CHCSC separately hold investments and are not included in the subsequent disclosures.

**Deposits**

At year-end, cash on hand was \$45,007, the carrying amount of the city deposits was \$41,059,110, and the bank balance was \$44,988,416. Of the bank balance, \$250,000 was covered by federal depository insurance and \$44,738,416 was covered by collateral held in the pledging bank's trust department in the city's name. In addition, at June 30, 2025, the city had \$119,330,561 of restricted cash held by paying agent consisting of \$72,047,697 in July 1, 2025 debt service payments, and \$47,282,864 in bond proceeds not yet drawn from the 2023 Excise Tax Revenue Obligation and General Obligation Bond issuances. The cash held by paying agent is in money market funds invested primarily in short-term U.S. Treasury securities.

*Fair Value Measurements.* The city categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset.

- Level 1 inputs are quoted prices in active markets for identical assets
- Level 2 inputs are significant other observable inputs
- Level 3 inputs are significant unobservable inputs

At June 30, 2025, the city had the following investments and maturities:

Investment Type	Category	Fair Value	Investment Maturities (in Years)		Concentration of Credit Risk %	S&P/Moody Credit Rating
			Less than 1 Year	1-5 Years		
U.S. Treasuries	Level 1	\$363,960,181	\$ 40,241,331	\$323,718,850	53.12 %	
U.S. Agencies:						
Fannie Mae	Level 2	504,498	504,498	—	0.07	AA+/Aa1
Federal Farm Credit Banks	Level 2	1,714,071	—	1,714,071	0.25	AA+/Aa1
Federal Home Loan Bank	Level 2	8,023,294	—	8,023,294	1.17	AA+/Aa1
Freddie Mac	Level 2	1,734,381	—	1,734,381	0.25	AA+/Aa1
Corporate Bonds:						
Adobe Inc	Level 2	3,344,203	—	3,344,203	0.49	A+/A1
Advanced Micro Devices Inc	Level 2	176,282	—	176,282	0.03	A/A2
Amazon.com Inc	Level 2	97,384	97,384	—	0.01	AA/A1
AstraZeneca PLC	Level 2	2,684,084	—	2,684,084	0.39	A+/A1
Bank of America Corp	Level 2	8,400,472	—	8,400,472	1.23	A+/Aa2

**CITY OF CHANDLER, ARIZONA**  
**Notes to the Financial Statements**  
**June 30, 2025**

**NOTE 2 - Cash and Investments, continued**

Investment Type	Category	Fair Value	Investment Maturities (in Years)		Concentration of Credit Risk %	S&P/Moody Credit Rating
			Less than 1 Year	1-5 Years		
Bank of New York Mellon Corp	Level 2	11,814,407	3,843,533	7,970,874	1.72	A/Aa3
BlackRock Inc	Level 2	5,636,261	—	5,636,261	0.82	AA-/Aa3
Caterpillar Inc	Level 2	4,745,153	2,388,911	2,356,242	0.69	A/A2
Charles Schwab Corp	Level 2	223,706	223,706	—	0.03	A-/A2
Chevron Corp	Level 2	11,038,723	—	11,038,723	1.61	AA-/Aa2
Cisco Systems Inc	Level 2	4,429,546	—	4,429,546	0.65	AA-/A1
Citibank Na	Level 2	1,777,716	—	1,777,716	0.26	A+/Aa3
Citigroup Inc	Level 2	317,229	—	317,229	0.05	BBB+/A3
Eli Lilly & Co	Level 2	3,045,054	—	3,045,054	0.44	A+/Aa3
Equitable Financial Life Global Funding	Level 2	5,061,085	—	5,061,085	0.74	A+/A1
Goldman Sachs Bank Usa	Level 2	7,135,170	—	7,135,170	1.04	A+/A1
Home Depot Inc	Level 2	3,282,795	—	3,282,795	0.48	A/A2
Johnson & Johnson	Level 2	91,510	—	91,510	0.01	AAA/Aaa
JPMorgan Chase & Co	Level 2	11,748,098	—	11,748,098	1.71	AA-/Aa2
Kenvue Inc	Level 2	2,047,904	—	2,047,904	0.30	A/A1
Mastercard Inc	Level 2	5,708,596	—	5,708,596	0.83	A+/Aa3
Microsoft Corp	Level 2	3,109,411	263,846	2,845,565	0.45	AAA/Aaa
Morgan Stanley Bank	Level 2	7,551,628	—	7,551,628	1.10	A+/Aa3
National Rural Utilities Cooperative Finance Corp	Level 2	2,269,948	—	2,269,948	0.33	A-/A2
New York Life Global Funding	Level 2	5,562,953	—	5,562,953	0.81	AA+/Aa1
Novartis AG	Level 2	6,602,670	6,602,670	—	0.96	AA-/Aa3
PACCAR Inc	Level 2	4,425,012	—	4,425,012	0.65	A+/A1
PepsiCo Inc	Level 2	473,810	154,937	318,873	0.07	A+/A1
Salesforce Inc	Level 2	2,137,305	—	2,137,305	0.31	A+/A1
State Street Corp	Level 2	7,614,568	—	7,614,568	1.11	A/Aa3
Target Corp	Level 2	2,130,834	—	2,130,834	0.31	A/A2
Toyota Motor Corp	Level 2	7,256,924	—	7,256,924	1.06	A+/A1
Truist Financial Corp	Level 2	2,312,257	—	2,312,257	0.34	A-Baa1
US Bank Na	Level 2	5,005,120	—	5,005,120	0.73	A+/A2
Walmart Inc	Level 2	5,593,176	79,910	5,513,266	0.82	AA/Aa2
Wells Fargo Bank Na	Level 2	6,086,473	—	6,086,473	0.89	A+/Aa2
Municipal Bonds:						
Scottsdale-REF	Level 2	1,645,000	1,645,000	—	0.24	AAA/Aaa
Asset Backed:						
Amxca 2024-1 A	Level 2	5,099,838	—	5,099,838	0.74	AAA/NA
Amxca 2024-3 A	Level 2	2,023,493	—	2,023,493	0.30	AAA/NA
Baat 2023-1A A3	Level 2	983,472	—	983,472	0.14	NR/Aaa
Baat 2023-2A A3	Level 2	2,337,374	—	2,337,374	0.34	NR/Aaa

**CITY OF CHANDLER, ARIZONA**  
**Notes to the Financial Statements**  
**June 30, 2025**

**NOTE 2 - Cash and Investments, continued**

Investment Type	Category	Fair Value	Investment Maturities (in Years)		Concentration of Credit Risk %	S&P/Moody Credit Rating
			Less than 1 Year	1-5 Years		
Baat 251 A3	Level 2	1,506,880	—	1,506,880	0.22	NA/Aaa
Bacct 2023-A2 A2	Level 2	1,187,334	—	1,187,334	0.17	NR/Aaa
Bacct 2025-A1 A	Level 2	1,610,594	—	1,610,594	0.24	AAA/NR
Bmwot 2022-A A3	Level 2	123,264	—	123,264	0.02	AAA/Aaa
Bmwot 2025-A A3	Level 2	2,622,263	—	2,622,263	0.38	AAA/Aaa
Carmx 2022-2 A3	Level 2	246,755	—	246,755	0.04	AAA/Aaa
Carmx 2025-2 A3	Level 2	3,935,711	—	3,935,711	0.57	AAA/NA
Cccit 2023-A1 A1	Level 2	722,159	—	722,159	0.11	AAA/Aaa
Chait 2024-A1 A	Level 2	3,067,024	—	3,067,024	0.45	AAA/NR
Chaot 245 A3	Level 2	1,248,656	—	1,248,656	0.18	AAA/NA
Fitat 2023-1 A3	Level 2	1,959,034	—	1,959,034	0.29	AAA/Aaa
Fordo 2024-C A3	Level 2	1,997,216	—	1,997,216	0.29	AAA/NA
Fordo 2025-A A3	Level 2	5,015,083	—	5,015,083	0.73	AAA/Aaa
Gmcar 2024-1 A3	Level 2	316,555	—	316,555	0.05	NR/Aaa
Gmcar 2025-1 A3	Level 2	908,062	—	908,062	0.13	NA/Aaa
Gmcar 2025-2 A3	Level 2	603,152	—	603,152	0.09	AAA/Aaa
Harot 2023-3 A3	Level 2	1,686,359	—	1,686,359	0.25	AAA/NR
Harot 2024-3 A3	Level 2	1,935,477	—	1,935,477	0.28	NA/Aaa
Harot 2025-1 A3	Level 2	2,518,835	—	2,518,835	0.37	AAA/NR
Hart 2023-C A3	Level 2	899,652	—	899,652	0.13	AAA/NR
Hart 2024-A A3	Level 2	1,513,376	—	1,513,376	0.22	AAA/NA
Hart 2024-B A3	Level 2	5,009,542	—	5,009,542	0.73	AAA/NA
Hart 2025-A A3	Level 2	2,198,213	—	2,198,213	0.32	AAA/NR
Kcot 2023-2A A3	Level 2	781,375	—	781,375	0.11	NR/Aaa
Kcot 2025-1A A3	Level 2	1,372,727	—	1,372,727	0.20	NR/Aaa
Narot 2024-B A3	Level 2	3,006,268	—	3,006,268	0.44	NA/Aaa
Narot 2025-A A3	Level 2	5,049,644	—	5,049,644	0.74	NA/Aaa
Taot 2023-C A3	Level 2	587,577	—	587,577	0.09	AAA/NR
Taot 2023-D A3	Level 2	612,065	—	612,065	0.09	AAA/NR
Taot 2024-B A3	Level 2	2,026,534	—	2,026,534	0.30	AAA/Aaa
Taot 2025-B A3	Level 2	1,348,076	—	1,348,076	0.20	AAA/NR
Valet 2023-2 A3	Level 2	4,060,518	—	4,060,518	0.59	NA/Aaa
Federal Agency Commercial Mortgage-Backed Security:						
FHMS	Level 2	61,258,819	—	61,258,819	8.94	AA+/Aa1
Bank Note:						
Morgan Stanley Bank	Level 2	1,735,307	—	1,735,307	0.25	A+/Aa3
Wells Fargo Bank Na Bank	Level 2	4,551,947	—	4,551,947	0.66	A+/Aa2

**CITY OF CHANDLER, ARIZONA**  
**Notes to the Financial Statements**  
**June 30, 2025**

**NOTE 2 - Cash and Investments, concluded**

Investment Type	Category	Fair Value	Investment Maturities (in Years)		Concentration of Credit Risk %	S&P/Moody Credit Rating
			Less than 1 Year	1-5 Years		
Money Market - Certificates of Deposit	Level 2	3,041,688	—	3,041,688	0.44	A+/Aa2
Money Market Fund	Level 1	4,108,902	4,108,902	—	0.60	AAAm/NR
Cash and cash equivalents	Level 1	5,307	5,307	—	—	AAA/Aaa
<b>Total</b>		<b>\$685,341,019</b>	<b>\$ 60,159,935</b>	<b>\$625,181,084</b>	<b>100.00 %</b>	

*Investment Valuation Techniques.* U.S. treasuries, agencies, money market, and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for identical securities. Governmental bonds, corporate bonds, other fixed income instruments, and international bonds classified in Level 2 of the fair value hierarchy are valued based on significant other observable inputs, which may include, but are not limited to, quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatility, prepayment speeds, loss severity, credit risks and default rates) or other market corroborated inputs.

*Interest Rate Risk.* In accordance with its investment policy, the city manages its exposure to declines in fair values by limiting the maturities of its investment portfolio to five years.

*Credit Risk.* The city's investment policy allows for investments in obligations guaranteed by the full faith and credit of the United States of America, government sponsored enterprises, government bonds with minimum credit ratings of AA+ or Aa1, commercial paper with a minimum short-term rating of A-1 or P-1, negotiable certificates of deposit, corporate bonds carrying a minimum credit rating of BBB+ or Baa1, repurchase agreements and the Local Government Investment Pool. The city's investment in U.S. Agencies, Corporate Bonds, Municipal bonds, and Money Market Funds were rated no lower than AA+, BBB+, AAA and AAAm by Standard & Poor's, respectively, as of June 30, 2025.

*Custodial Credit Risk - Investments.* The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the city will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. To limit its exposure, the city's investment policy requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment (DVP) basis with the underlying investments held by a third party acting as the city's agent separate from where the investment was purchased or by the trust department of the bank where purchased, in the city's name.

*Concentration of Credit Risk.* The city's investment policy does not allow for an investment in any one issuer that is in excess of 5 percent of the city's total investments. Securities issued by the United States of America or its agencies are exempt from this provision. More than 5 percent of the city's investments are in U.S. Agencies, U.S. Treasuries and Money Market Funds. See percentages in table on preceding pages.

**CITY OF CHANDLER, ARIZONA**  
**Notes to the Financial Statements**  
**June 30, 2025**

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**NOTE 3 - Property Taxes**

The city's property tax is levied and collected by the Maricopa County Treasurer. Property taxes are levied on or before the third Monday in August. The levy is based upon the January 1 limited property tax value of property as determined by the Maricopa County Assessor. Under Arizona Revised Statutes (A.R.S.), two assessed valuations are used. One is for primary taxes (used to fund operating expenditures) and the other is for secondary taxes (used to meet general obligation debt service requirements). Taxes are due in two equal installments on October 1 and March 1 following the levy date and are delinquent on the first day of November and May, respectively. Delinquent amounts bear interest at the rate of 16 percent.

The city also levies various personal property taxes during the year, which are due the second Monday of the month following receipt of the tax notice, and become delinquent 30 days thereafter.

Pursuant to A.R.S. a lien against assessed real and personal property attaches on the first day of January preceding assessment and levy; however according to case law, an enforceable legal claim to the asset does not arise.

The State Constitution and State law specify a property tax levy limitation system. The system consists of two levies, a limited levy known as the primary property tax levy and an unlimited levy referred to as the secondary levy, which may only be used to retire bonded indebtedness. There is also a control on the assessed value of property for primary tax purposes. The base year for the tax system is fiscal year 1979-80. From this base year, two assessed values evolve. The primary assessed values are allowed to increase by no more than 5 percent a year. The dollar amount of the secondary property tax levy is "unlimited" and the actual limited property value of property is used in determining the tax rate.

The primary tax levy is limited to an increase of 2 percent over the previous year's maximum allowable primary levy, plus an increased dollar amount because of a net gain in property not taxed the previous year. Also, the primary property tax from all taxing jurisdictions for homeowners may not exceed 1 percent of the market value of their homes. If the combined primary property tax (for the city, County, School District, etc.) exceeds 1 percent of the market value of the homes, the school districts will reduce their rate until the homeowners' aggregate rate is equal to or less than the allowable 1 percent. The State will then subsidize the school districts for the reduced revenue. This 1 percent limitation applies to primary property taxes only and does not affect the secondary property tax levy.

In fiscal year 2024-25, current property tax collections were \$43,584,889 or 99 percent of the tax levy, and were recognized as revenue when received. At fiscal year end, the delinquent property tax expected to be collected within 60 days is recognized as revenue and recorded as a receivable. Property taxes levied in August 2025 are not available for fiscal year 2024-25; accordingly, such taxes will not be recognized as revenue until fiscal year 2025-26.

**CITY OF CHANDLER, ARIZONA**  
**Notes to the Financial Statements**  
**June 30, 2025**

**NOTE 4 - Capital Assets**

A summary of changes in capital assets for governmental activities is as follows:

Governmental Activities	Balance June 30, 2024	Additions	Retirements	Balance June 30, 2025
Capital assets, not being depreciated/ amortized:				
Land	\$ 101,748,183	\$ 502,174	\$ —	\$ 102,250,357
Construction in progress	116,544,753	102,746,884	(16,149,176)	203,142,461
Total capital assets not being depreciated/ amortized	218,292,936	103,249,058	(16,149,176)	305,392,818
Capital assets, being depreciated/ amortized:				
Infrastructure	835,315,641	5,870,736	—	841,186,377
Building and improvements	487,933,503	11,936,768	—	499,870,271
Subscription based IT arrangements	7,622,440	525,840	—	8,148,280
Vehicles, machinery and equipment	118,760,405	6,943,569	(2,199,841)	123,504,133
Total capital assets being depreciated/ amortized	1,449,631,989	25,276,913	(2,199,841)	1,472,709,061
Less accumulated depreciation/ amortization for:				
Infrastructure	(515,856,483)	(26,545,929)	—	(542,402,412)
Building and improvements	(294,645,524)	(18,726,158)	—	(313,371,682)
Subscription based IT arrangements	(2,557,797)	(2,536,851)	—	(5,094,648)
Vehicles, machinery and equipment	(91,825,586)	(7,494,393)	2,056,850	(97,263,129)
Total accumulated depreciation/ amortization	(904,885,390)	(55,303,331)	2,056,850	(958,131,871)
Total capital assets, being depreciated/ amortized, net	544,746,599	(30,026,418)	(142,991)	514,577,190
Governmental activities capital assets, net	\$ 763,039,535	\$ 73,222,640	\$ (16,292,167)	\$ 819,970,008

Construction in progress in the governmental activities capital assets is comprised of the following:

	Expended to June 30, 2025	Remaining Commitments
Streets	\$ 119,731,298	\$ 61,627,481
Parks and recreation	55,979,269	13,248,334
Buildings and related improvements	27,431,894	21,543,512
Total	\$ 203,142,461	\$ 96,419,327

**CITY OF CHANDLER, ARIZONA**  
**Notes to the Financial Statements**  
**June 30, 2025**

**NOTE 4 - Capital Assets, continued**

A summary of changes in capital assets for business-type activities is as follows:

Business-Type Activities	Balance June 30, 2024	Additions	Retirements	Balance June 30, 2025
Capital assets, not being depreciated/ amortized:				
Land	\$ 57,328,151	\$ 1,033,132	\$ —	\$ 58,361,283
Construction in progress	188,363,158	118,955,242	(138,803,477)	168,514,923
Total capital assets not being depreciated/ amortized	245,691,309	119,988,374	(138,803,477)	226,876,206
Capital assets, being depreciated/ amortized:				
System improvements	1,442,651,348	138,335,626	—	1,580,986,974
Building and improvements	27,167,341	578,074	—	27,745,415
Vehicles, machinery and equipment	24,397,609	2,167,056	(499,581)	26,065,084
Water rights	42,860,250	—	—	42,860,250
Land improvements	2,985,423	—	—	2,985,423
Total capital assets being depreciated/ amortized	1,540,061,971	141,080,756	(499,581)	1,680,643,146
Less accumulated depreciation/ amortization for:				
System improvements	(904,184,196)	(44,786,074)	—	(948,970,270)
Buildings and improvements	(20,891,614)	(668,605)	—	(21,560,219)
Vehicles, machinery and equipment	(20,472,282)	(1,031,579)	450,081	(21,053,780)
Water rights	(1,500,110)	(428,603)	—	(1,928,713)
Land improvements	(2,530,657)	(65,092)	—	(2,595,749)
Total accumulated depreciation	(949,578,859)	(46,979,953)	450,081	(996,108,731)
Total capital assets, being depreciated/ amortized, net	590,483,112	94,100,803	(49,500)	684,534,415
Business-type activities capital assets, net	\$ 836,174,421	\$ 214,089,177	\$ (138,852,977)	\$ 911,410,621

Construction in progress in the business-type activities capital assets is comprised of the following:

	Expended to June 30, 2025	Remaining Commitments
Sewer system improvements	\$ 92,644,695	\$ 45,057,844
Water system improvements	71,354,847	42,636,501
Solid waste system improvements	2,180,459	245,637
Airport improvements	2,334,922	2,776,351
Total	\$ 168,514,923	\$ 90,716,333

**CITY OF CHANDLER, ARIZONA**  
**Notes to the Financial Statements**  
**June 30, 2025**

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**NOTE 4 - Capital Assets, concluded**

Depreciation/amortization expense was charged to functions/programs as follows:

Governmental activities:	
General government	\$ 10,306,166
Public safety	7,552,723
Community services	8,743,045
Transportation and development	28,701,397
Total depreciation/amortization expense - governmental activities	<u>\$ 55,303,331</u>
Business-type activities:	
Water	\$ 16,481,069
Wastewater	28,430,950
Solid waste	612,594
Airport	776,734
Chandler housing authority	678,606
Total depreciation expense - business-type activities	<u>\$ 46,979,953</u>

Projects are reported as construction in progress when initially identified. Throughout the life of the project, it may be determined that the project does not meet the requirements for capitalization. Once a project is determined to not meet the requirements for capitalization it is removed from construction in progress. As a result, deletions and transfers out from construction in progress may be more than what is reported as additions and transfers in to depreciable capital assets.

**NOTE 5 - Long-Term Liabilities**

**A. General Obligation Bonds**

The city issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both governmental and business-type activities. Bonds issued for business-type activities are reported in the enterprise funds as they are to be repaid from enterprise revenues. In addition, general obligation bonds have been issued to refund other general obligation bonds. General obligation bonds are direct obligations and pledge the full faith and credit of the city. These bonds are generally issued as 10 to 15 year serial bonds, except for refunding issues, with varying amounts of principal maturing each year. The city has pledged future ad valorem tax revenues and net enterprise revenues to repay a total of \$292,245,056 in outstanding principal and interest of general obligation bonds and are payable through July 1, 2035. Proceeds of the bonds were used for governmental and business-type activities.

**Governmental Activities General Obligation Bonds**

Annual principal and interest payments on the government activities bonds were less than 96 percent of total ad valorem taxes. The total principal and interest remaining to be paid on the governmental activities portion of the bonds is \$250,093,656. Principal and interest paid for the current year and total ad valorem property taxes were \$42,717,393 and \$44,578,637 respectively.

**CITY OF CHANDLER, ARIZONA**  
**Notes to the Financial Statements**  
**June 30, 2025**

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**NOTE 5 - Long-Term Liabilities, continued**

General obligation bonds outstanding as reported in governmental and business-type activities at June 30, 2025 were as follows:

	Outstanding June 30, 2025
Governmental Activities General Obligation Bonds:	
\$214,540,000 Refunding Bonds, Series 2014, due in annual installments of \$10,370,000 to \$16,210,000 through 7/1/28; interest at 3 percent to 5 percent.	\$ 10,515,000
\$39,050,000 Refunding Bonds, Series 2016, due in annual installments of \$4,980,000 to \$15,465,000 through 7/1/27; interest at 3 percent to 5 percent.	25,500,000
\$58,740,000 Capital Improvement Bonds, Series 2017, due in annual installments of \$3,075,000 to \$4,160,000 through 7/1/32; interest at 2.3 percent to 4 percent.	29,715,000
\$30,400,000 Capital Improvement Bonds, Series 2019, due in annual installments of \$1,000,000 to \$2,325,000 through 7/1/35; interest at 2.3 percent to 4 percent.	22,475,000
\$48,205,000 Refunding Bonds, Series 2021, due in annual installments of \$117,390 to \$14,781,390 through 7/1/28; interest at 0.4 percent to 1.75 percent.	25,887,223
\$31,295,000 Capital Improvement Bonds, Series 2021, due in annual installments of \$250,000 to \$13,120,000 through 7/1/28; interest at 5 percent.	2,150,000
\$106,415,000 Capital Improvement Bonds, Series 2023, due in annual installments of \$6,750,000, to \$15,625,000 through 7/1/35; interest at 2.125 percent to 4 percent.	<u>99,665,000</u>
Total Governmental Activities General Obligation Bonds	<u>\$ 215,907,223</u>

**Business-Type Activity General Obligation Bonds**

Annual principal and interest payments on the business-type activities bonds were approximately 27 percent of net water and wastewater system revenues. The total principal and interest remaining to be paid on the business-type activities portion of the general obligation bonds is \$42,151,401. Principal and interest paid for the current year and total net water system, wastewater system revenues were \$10,944,680 and \$39,824,562 respectively.

	Outstanding June 30, 2025
Business-Type Activities General Obligation Bonds:	
\$214,540,000 Refunding Bonds, Series 2014, due in annual installments of \$6,895,000 to \$11,036,000 through 7/1/28; interest at 3 percent to 5 percent.	\$ 6,895,000
\$39,050,000 Refunding Bonds, Series 2016, due in annual installments of \$2,395,000 to \$8,650,000 through 7/1/27; interest at 3 percent to 5 percent.	13,550,000
\$48,205,000 Refunding Bonds, Series 2021, due in annual installments of \$68,064 to \$11,123,610 through 7/1/28; interest at 0.4 percent to 1.75 percent.	<u>19,492,777</u>
Total Business-Type Activities General Obligation Bonds	<u>\$ 39,937,777</u>

**CITY OF CHANDLER, ARIZONA**  
**Notes to the Financial Statements**  
**June 30, 2025**

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**NOTE 5 - Long-Term Liabilities, continued**

**B. Excise Tax Revenue Obligations**

Excise tax revenue obligations are issued to provide funds to acquire and construct certain improvements to the water and sewer systems of the city and to pay the costs incurred in connection with the issuance of the obligations. The city has collateralized the obligations by the pledge of all unrestricted excise taxes (transaction privilege tax, franchise fees, state-shared sales and income taxes and fees for licenses and permits) including all fines and forfeitures, which the city presently or in the future imposes or receives from other entities and which are not earmarked by the contributor for a contrary or inconsistent purpose.

The city agrees that, so long as any of the obligations remain outstanding and their principal and interest are unpaid, it will not further encumber the excise taxes unless the excise taxes received by the city in the immediately preceding fiscal year are at least three times the highest combined debt service for the current or any succeeding fiscal year for all outstanding parity obligations, including the additional parity obligations proposed, be secured by a pledge of the same excise taxes. The city does have the right to incur additional parity obligations payable from and secured by the excise taxes on parity with the obligations.

Annual principal and interest payments on the obligations are being repaid from net water and wastewater system revenues and were approximately 45 percent of net system revenues. The total principal and interest to be paid on the obligations is \$296,497,799. Principal and interest paid for the current year and net water and wastewater system revenues were \$18,051,759 and \$39,824,562 respectively. Total excise tax revenues during the fiscal year were \$346,499,147. Principal and interest payments were approximately 5 percent of total excise tax revenues.

	<u>Outstanding June 30, 2025</u>
Business-Type Activities Excise Tax Revenue Obligations:	
\$66,660,000 Water & Sewer Excise Tax Revenue Obligations, Series 2015, due in annual installments of \$2,635,000 to \$5,620,000 through 7/1/35; interest at 3 percent to 5 percent.	46,625,000
\$19,510,000 Water & Sewer Excise Tax Revenue Refunding Obligations, Series 2016, due in annual installments of \$1,180,000 to \$3,050,000 7/1/20 through 7/1/28; interest at 4 percent to 5 percent.	11,185,000
\$36,220,000 Water & Sewer Excise Tax Revenue Obligations, Series 2017, due in annual installments of \$775,000 to \$4,045,000 through 7/1/37; interest at 3 percent to 5 percent.	29,855,000
\$13,000,000 Water & Sewer Excise Tax Revenue Obligations, Series 2019, due in annual installments of \$1,270,000 to \$1,765,000 through 7/1/28; interest at 5 percent.	6,705,000
\$85,460,000 Water & Sewer Excise Tax Revenue Refunding Obligations, Series 2021, due in annual installments of \$1,040,000 to \$11,965,000 through 7/1/33; interest at 0.42 percent to 2.3 percent.	81,670,000
\$64,995,000 Water & Sewer Excise Tax Revenue Refunding Obligations, Series 2023, due in annual installments of \$455,000 to \$9,275,000 through 7/1/38; interest at 5 percent.	<u>64,955,000</u>
Total Business-Type Activities Excise Tax Revenue Obligations	<u><u>\$ 240,995,000</u></u>

**CITY OF CHANDLER, ARIZONA**  
**Notes to the Financial Statements**  
**June 30, 2025**

**NOTE 5 - Long-Term Liabilities, continued**

**Changes in Long-Term Liabilities**

	Balance			Balance	Due within
	June 30, 2024	Additions	Reductions	June 30, 2025	One Year
Governmental Activities:					
Compensated absences	\$ 15,362,525	\$ 5,748,001	\$ —	\$ 21,110,526	\$ 7,031,432
Bonds payable:					
General obligation bonds	249,009,159	—	(33,101,936)	215,907,223	37,975,023
Issuance premiums	22,348,687	—	(3,335,432)	19,013,255	3,335,432
Total bonds payable	271,357,846	—	(36,437,368)	234,920,478	41,310,455
Arbitrage Liability	189,980	29,267	—	219,247	—
Claims payable	23,813,895	32,454,858	(33,243,458)	23,025,295	15,331,445
Subscription based IT liability	4,579,664	508,116	(2,333,443)	2,754,337	2,390,301
Net pension liability	199,488,891	—	(74,054,596)	125,434,295	—
OPEB liability	68,499,616	3,623,188	—	72,122,804	—
Totals	<u>\$ 583,292,417</u>	<u>\$ 42,363,430</u>	<u>\$ (146,068,865)</u>	<u>\$ 479,586,982</u>	<u>\$ 66,063,633</u>
	Balance			Balance	Due Within
	June 30, 2024	Additions	Reductions	June 30, 2025	One Year
Business-Type Activities:					
Compensated absences	\$ 1,555,830	\$ 841,651	\$ —	\$ 2,397,481	\$ 969,577
Notes payable	—	5,000,000	—	5,000,000	—
Bonds & obligations payable:					
General obligation bonds	49,480,841	—	(9,543,064)	39,937,777	9,979,977
Excise tax revenue obligations	250,405,000	—	(9,410,000)	240,995,000	15,025,000
Issuance premiums	19,965,864	—	(2,680,498)	17,285,366	2,680,498
Total bonds & obligations payable	319,851,705	—	(21,633,562)	298,218,143	27,685,475
Net pension liability	19,344,718	1,330,653	—	20,675,371	—
OPEB liability	8,553,638	478,839	—	9,032,477	—
Landfill closure/post closure	4,340,000	—	—	4,340,000	94,446
Totals	<u>\$ 353,645,891</u>	<u>\$ 7,651,143</u>	<u>\$ (21,633,562)</u>	<u>\$ 339,663,472</u>	<u>\$ 28,749,498</u>

**Compensated Absences**

The city's policy relating to compensated absences is described in Note 1. The long-term portion of this debt is expected to be paid in future years from future resources.

**CITY OF CHANDLER, ARIZONA**  
**Notes to the Financial Statements**  
**June 30, 2025**

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**NOTE 5 - Long-Term Liabilities, continued**

**Statutory Debt Limitation**

In the absence of more restrictive bond authorization ballot limitations, the city is subject to state limitations on the amount of net bonded debt (exclusive of revenue bonds, excise tax revenue obligations, and improvement district bonds) it may have outstanding. The statutory debt limitation is 20 percent of the full cash property assessed valuation for purposes of water, wastewater, artificial light, acquisition and development of land for open space preserves, recreation facilities, public safety and emergency services, streets and transportation and 6 percent of the full cash property assessed valuation for all other purposes (e.g., library, museum, center for the arts). At June 30, 2025, the 6 percent debt limitation was \$418,149,492, providing a debt margin of \$410,133,238 and the 20 percent debt limitation was \$1,393,831,641, providing a debt margin of \$1,130,002,918.

**Conduit Debt**

To further economic development in the city, the Industrial Development Authority has issued bonds that meet the definition of a conduit debt obligation. Those bonds have provided private-sector entities with access to capital for the acquisition and construction of industrial and commercial facilities. The bonds are secured by the property they finance and are payable solely from payments received from the private-sector entities on the underlying mortgage or promissory notes. The Industrial Development Authority has not extended any additional commitments for the debt service payments of the bonds beyond the collateral and the payments from the private-sector entities on the underlying mortgage or promissory notes and maintenance of the tax-exempt status of the conduit debt obligation. At June 30, 2025, the bonds have an aggregate outstanding principal amount payable of \$1,295,220,000, none of which was recognized as a liability by the Industrial Development Authority.

**Bond Covenants**

Pursuant to certain bond indenture agreements, the city is obligated to various limitations and restrictions on annual debt service requirements, maintenance and flow of monies through various restricted accounts, minimum amounts to be maintained in various sinking funds, and minimum revenue bond coverages. The city is in compliance with all such significant limitations and restrictions in the opinion of the city's management.

**Arbitrage**

Arbitrage is the ability to obtain tax-exempt bond proceeds and invest the funds in higher yielding taxable securities, resulting in a profit. The city monitors compliance with federal arbitrage regulations. Arbitrage liability as of June 30, 2025 is \$219,247.

**CITY OF CHANDLER, ARIZONA**  
**Notes to the Financial Statements**  
**June 30, 2025**

**NOTE 5 - Long-Term Liabilities, concluded**

**Debt Service Requirements to Maturity**

The following is a summary of debt service requirements to maturity for all bonds payable as of June 30, 2025:

Years Ended June 30	GOVERNMENTAL ACTIVITIES		
	General Obligation Principal	General Obligation Interest	Total
2026	\$ 37,975,023	\$ 7,834,637	\$ 45,809,660
2027	34,363,420	6,432,348	40,795,768
2028	27,237,390	5,197,053	32,434,443
2029	29,381,390	4,110,547	33,491,937
2030	14,675,000	3,365,923	18,040,923
2031-2035	70,150,000	7,209,363	77,359,363
2036	2,125,000	26,563	2,151,563
Total	<u>\$ 215,907,223</u>	<u>\$ 34,176,434</u>	<u>\$ 250,083,657</u>

Years Ended June 30	BUSINESS-TYPE ACTIVITIES				
	General Obligation Principal	General Obligation Interest	Excise Tax Principal	Excise Tax Interest	Total
2026	\$ 9,979,977	\$ 986,281	\$ 15,025,000	\$ 8,052,900	\$ 34,044,158
2027	10,096,580	986,281	16,910,000	7,491,434	35,484,295
2028	8,737,610	890,753	16,120,000	6,906,332	32,654,695
2029	11,123,610	584,115	21,620,000	6,193,132	39,520,857
2030			21,810,000	5,466,169	27,276,169
2031-2035	—	—	89,375,000	15,442,120	104,817,120
2036-2039	—	—	60,135,000	5,950,713	66,085,713
Total	<u>\$ 39,937,777</u>	<u>\$ 3,447,430</u>	<u>\$ 240,995,000</u>	<u>\$ 55,502,800</u>	<u>\$ 339,883,007</u>

**NOTE 6 - Defeased Debt**

In prior years, the city defeased certain general obligation bonds and certain excise tax obligations by placing the proceeds of new bonds and obligations in an irrevocable trust to provide for all future debt service payments on the old bonds or obligations. Bonds and obligations that were advance refunded (defeased) had a final redemption of 7/1/24.

**CITY OF CHANDLER, ARIZONA**  
**Notes to the Financial Statements**  
**June 30, 2025**

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**NOTE 7 - Landfill Closure and Postclosure Costs**

State and federal laws and regulations require the city to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. In addition to operating expenses related to landfill activities through its closure date (October 1, 2005), an expense provision and related liability has been recognized based on the future closure and postclosure care costs to be incurred near or after the date the landfill no longer accepts waste. The recognition of these landfill closure and postclosure care costs is based on the amount of the landfill used during the year. As of June 30, 2025, the city estimates total costs related to landfill closure and postclosure care is \$17,302,007 and has recognized that entire amount since the landfill no longer accepts waste. To date, \$12,962,007 has been paid. The remaining balance of \$4,340,000 consists of a current liability of \$94,446 and \$4,245,554 recorded as a long-term liability on the city's financial statements.

The estimated total current cost of the landfill closure and postclosure, \$17,302,007 is based on the amount that would be paid if all equipment, facilities and services required to care, monitor and maintain the landfill were acquired as of June 30, 2025. However, the actual cost of closure and postclosure care may differ due to inflation, deflation, changes in technology or changes in landfill laws and regulations. The city is required by state and federal regulations to comply with local government financial test requirements that assure the city can meet the costs of landfill closure, postclosure care and, if necessary, corrective action when needed. The city complied with all local government financial test requirements for the year ended June 30, 2024. It is anticipated that future inflation costs will be financed in part from earnings on investments. The remaining portion of anticipated future inflation costs and any additional costs that might arise from changes in postclosure requirements, i.e., due to changes in technology or more rigorous environmental regulations, may need to be covered by additional charges to future taxpayers.

**NOTE 8 - Capital Contributions**

Capital contributions in the Water, Wastewater, and, Airport funds are the result of system development fees, developer contributions and government contributions. Total capital contributions amounted to the following:

	System Development Fees	Developer Contributions	Government Contributions	Total
Water	\$ 2,366,246	\$ 414,711	\$ —	\$ 2,780,957
Wastewater	3,664,579	10,628,679	—	14,293,258
Airport	—	—	177,958	177,958
Total	<u>\$ 6,030,825</u>	<u>\$ 11,043,390</u>	<u>\$ 177,958</u>	<u>\$ 17,252,173</u>

**CITY OF CHANDLER, ARIZONA**  
**Notes to the Financial Statements**  
**June 30, 2025**

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**NOTE 9 - Fund Balance**

In the fund financial statements, fund balances are reported in five classifications that comprise a hierarchy based on spending constraints placed on the purposes for which resources can be used for better consistency and clarification. The classifications of fund balance are explained below:

**Nonspendable** fund balance includes amounts that cannot be spent because either 1) it is not in a spendable form, such as inventory or prepaid items or 2) it is legally or contractually required to be maintained intact.

**Restricted** fund balance includes amounts constrained to specific purposes by their providers which are either imposed 1) by external parties (grantors, bondholders, and higher levels of government), 2) by law through constitutional provisions or 3) by enabling legislation legally enforceable by external parties.

**Committed** fund balance includes amounts with self-imposed limitations to be used only for a specific purpose pursuant to constraints by formal action of the highest level of decision making authority, namely Mayor and Council. Mayor and Council approval is required to commit resources and amounts cannot be used for any other purpose unless Mayor and Council take the same formal action to remove or change the commitment.

**Assigned** fund balance includes amounts intended to be used for a specific purpose. For the general fund, the assigned fund balance must be for a specific purpose and for all other governmental funds the assigned fund balance represents the residual balance of the fund. Fund balance assignments are approved through the Annual Budget Fund Policies section by Mayor and Council. Unlike committed fund balances, assigned fund balance amounts can be changed without formal action by the City Manager.

**Unassigned** fund balance includes amounts available for any purpose; these amounts are reported only in the general fund. In addition, other governmental funds that result in a negative fund balance are presented in this classification. Generally, the city would first apply restricted resources, then committed, assigned and unassigned resources when an expense is incurred for purposes for which more than one classification of fund balance is available.

**CITY OF CHANDLER, ARIZONA**  
**Notes to the Financial Statements**  
**June 30, 2025**

**NOTE 9 - Fund Balance, concluded**

As of June 30, 2025 the constraints placed on fund balance for the major governmental funds and other non-major governmental funds are presented in the following table:

	General	General Obligation Bonds Debt Service	Other Governmental Funds	Total
Nonspendable:				
Inventories	\$ 1,028,477	\$ —	\$ —	\$ 1,028,477
Total nonspendable	1,028,477	—	—	1,028,477
Restricted for:				
Court enhancement	447,599	—	—	447,599
Judicial enhancement	683,845	—	—	683,845
Weapons proceeds	108,720	—	—	108,720
Citing agency	97,941	—	4,358	102,299
Opioid Settlement Funds	2,002,283	—	—	2,002,283
Smart and Safe AZ	3,717,659	—	—	3,717,659
Transportation and development	—	—	125,751,938	125,751,938
Debt service reserve	—	1,858,177	—	1,858,177
Community development	—	—	347,108	347,108
Community services	—	—	46,670,556	46,670,556
OPEB asset	4,534,794	—	—	4,534,794
Other capital projects	—	—	23,014,987	23,014,987
Total restricted	11,592,841	1,858,177	195,788,947	209,239,965
Assigned to:				
Domestic violence prevention	390,650	—	—	390,650
Traffic safety reserve	1,144,180	—	—	1,144,180
PSPRS contribution	25,000,000	—	—	25,000,000
Capital improvement projects	212,156,459	—	—	212,156,459
Economic development projects	13,700,500	—	—	13,700,500
ARPA related projects	4,169,279	—	—	4,169,279
Total assigned	256,561,068	—	—	256,561,068
Unassigned	92,173,979	—	(15,918,864)	76,255,115
Total unassigned	92,173,979	—	(15,918,864)	76,255,115
Total fund balances	<u>\$ 361,356,365</u>	<u>\$ 1,858,177</u>	<u>\$ 179,870,083</u>	<u>\$ 543,084,625</u>

The city's General Fund Reserve Policy requires an amount equal to 15 percent of adopted General Fund operating revenues, excluding one-time transfers in, for fiscal year 2024-25. This amounts to \$55,999,600 and is included in unassigned above.

**CITY OF CHANDLER, ARIZONA**  
**Notes to the Financial Statements**  
**June 30, 2025**

**NOTE 10 - Retirement and Pension Plans**

The city contributes to the pension plans described below. The city's share of the Arizona State Retirement System Health Benefit Supplement (HBS) Other Postemployment Benefit (OPEB) is recorded in the financial statements and included in the aggregate disclosure below; however, the plan is not presented further in the note disclosures or required supplementary information due to the relative insignificance to the financial statements. Additionally, the city contributes to the Elected Officials Retirement Plan and non-city Other Post Employment Benefit (OPEB) plans; however the plans are not described further because of the relative insignificance to the financial statements. The plans described in this note are component units of the State of Arizona.

At June 30, 2025, the city reported the following aggregate amounts related to pensions and other postemployment benefits (OPEB) for all plans to which it contributes.

	<b>Pensions Plans</b>		
	Governmental Activities	Business-type Activities	Total
Net pension liability	\$ 125,434,295	\$ 20,675,371	\$ 146,109,666
Pension deferred outflows of resources	98,822,224	4,752,438	103,574,662
Pension deferred inflows of resources	19,482,321	1,767,976	21,250,297
Pension expense	26,433,996	5,802,584	32,236,580

	<b>OPEB Plans</b>		
	Governmental Activities	Business-type Activities	Total
Net OPEB asset	\$ 4,534,794	\$ —	\$ 4,534,794
Net OPEB liability	72,122,804	9,032,477	81,155,281
OPEB deferred outflows of resources	13,544,161	1,737,765	15,281,926
OPEB deferred inflows of resources	9,911,748	958,022	10,869,770
OPEB expense	5,982,673	880,364	6,863,037

The city reported \$36,840,274 and \$2,346,974 of pension/OPEB expenditures in its governmental and enterprise funds, respectively, related to all pension/OPEB plans to which it contributed in the current fiscal year.

**Arizona State Retirement System**

**A. Plan Description**

The city employees not covered by the other pension plans described after this section participate in the Arizona State Retirement System (ASRS). The ASRS administers a cost-sharing multiple-employer defined benefit pension plan, a cost-sharing multiple-employer defined benefit health insurance premium benefit (OPEB) plan and a cost-sharing multiple-employer defined benefit long-term disability (OPEB) plan. For governmental activities OPEB and pension liabilities are generally liquidated by the general fund. The Arizona State Retirement System Board governs the ASRS according to the provisions of A.R.S. Title 38, Chapter 5, Articles 2 and 2.1. The ASRS issues a publicly available financial report that includes its financial statements and required supplementary information. The report is available on the ASRS website at [www.azasrs.gov](http://www.azasrs.gov).

**CITY OF CHANDLER, ARIZONA**  
**Notes to the Financial Statements**  
**June 30, 2025**

**NOTE 10 - Retirement and Pension Plans, continued**

**B. Benefits Provided**

The ASRS provides retirement, health insurance premium supplement, long-term disability, and survivor benefits. State statute establishes benefit terms. Retirement benefits are calculated on the basis of age, average monthly compensation, and service credit as follows:

	Retirement Initial Membership Date:	
	Before July 1, 2011	On or After July 1, 2011
Years of service and age required to receive benefit	Sum of years and age equals 80	30 years, age 55
	10 years, age 62	25 years, age 60
	5 years, age 50*	10 years, age 62
	Any years, age 65	5 years, age 50*
		Any years, age 65
Final average salary is based on	Highest 36 months of last 120 months	Highest 60 months of last 120 months
Benefit percent per year of service	2.1% to 2.3%	2.1% to 2.3%
*With actuarially reduced benefits		

Retirement benefits for members who joined the ASRS prior to September 13, 2013, are subject to automatic cost-of-living adjustments based on excess investment earnings. Members with a membership date on or after September 13, 2013, are not eligible for cost-of-living adjustments. Survivor benefits are payable upon a members' death. For retired members, the survivor benefit is determined by the retirement benefit option chosen. For all other members, the beneficiary is entitled to the member's account balance that includes the member's contributions and employer's contributions, plus interest earned.

**C. Contributions**

In accordance with state statutes, annual actuarial valuations determine active member and employer contribution requirements. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. For the current fiscal year, active ASRS members were required by statute to contribute at the actuarially determined rate of 12.27 percent (12.12 percent for retirement and 0.15 percent for long-term disability) of the members' annual covered payroll, and the City of Chandler was required by statute to contribute at the actuarially determined rate of 12.27 percent (12.05 percent for retirement, 0.07 percent for health insurance premium benefit, and 0.15 percent for long-term disability) of the active members' annual covered payroll.

In addition, the city was required by statute to contribute at the actuarially determined rate of 10.19 percent (10.14 percent for retirement and .05 percent for long term disability) of annual covered payroll of retired members who worked in positions that would typically be filled by an employee who contributes to the ASRS.

The required contribution rate for the fiscal year ended June 30, 2025, was actuarially determined to yield contribution amounts sufficient to finance costs earned by employees during the year and to amortize the Plan's unfunded actuarially accrued liability over the period specified in the statutes. The city's contributions for the year ended June 30, 2025, were \$13,038,746. The city's pension contributions are paid by the same funds as the employee's salary, with the largest component coming from the general fund.

**CITY OF CHANDLER, ARIZONA**  
**Notes to the Financial Statements**  
**June 30, 2025**

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**NOTE 10 - Retirement and Pension Plans, continued**

**D. Pension Liability**

At June 30, 2025, the city reported a liability of \$117,777,479 for its proportionate share of the net pension liability of the ASRS. The net pension liability was measured as of June 30, 2024. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2023, to the measurement date of June 30, 2024. The city's proportion of the net pension liability was based on a projection of the city's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2024 the city's proportion was 0.74 percent, which was an increase of .06 from its proportion measured as of June 30, 2023.

**E. Pension Expense and Deferred Outflows/Inflows of Resources**

For the year ended June 30, 2025, the city recognized pension expense for ASRS of \$11,618,436 and reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 6,574,229	\$ —
Net difference between projected and actual earnings on pension plan investments	—	7,521,381
Changes in proportion and differences between contributions and proportionate share of contributions	6,107,666	—
Contributions subsequent to the measurement date	13,038,746	—
Total	<u>\$ 25,720,641</u>	<u>\$ 7,521,381</u>

The deferred outflows of resources related to ASRS pensions resulting from contributions subsequent to the measurement date as reported in the table above will be recognized as a reduction of the net pension liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ASRS pensions will be recognized in pension expense as follows:

Year Ending June 30:	
2025	\$ (50,931)
2026	8,495,616
2027	(1,903,909)
2028	(1,380,262)

**CITY OF CHANDLER, ARIZONA**  
**Notes to the Financial Statements**  
**June 30, 2025**

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**NOTE 10 - Retirement and Pension Plans, continued**

**F. Actuarial Assumptions**

The significant actuarial assumptions used to measure the total ASRS pension liability are as follows:

Actuarial valuation date	June 30, 2023
Actuarial roll forward date	June 30, 2024
Actuarial cost method	Entry age normal
Discount rate	7%
Projected salary increases	2.9%-8.4%
Inflation	2.3%
Permanent base increases	Included
Mortality rates	2017 SRA Scale U-MP

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the five-year period ended June 30, 2020. The purpose of the experience study was to review actual experience in relation to the actuarial assumptions in effect. The ASRS Board adopted the experience study recommended changes which were applied to the June 30, 2021, actuarial valuation. The study did not include an analysis of the assumed investment rate of return.

The long-term expected rate of return on ASRS pension plan investments using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target allocation and best estimates of geometric real rates of return for each major asset class of the ASRS are summarized in the following table:

Asset Class	Target Allocation	Real Rate of Return
Equity	44%	4.48%
Fixed Income - Credit	23%	4.40%
Fixed Income - Interest Rate Sensitive	6%	(0.45)%
Private Equity	10%	6.11%
Real estate	17%	6.05%
Total	100%	

**G. Discount Rate**

The discount rate used to measure the ASRS total pension liability was 7.0 percent, which remained the same when compared to the rate used for June 30, 2023. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the ASRS Board's funding policy, which establishes the contractually required rate under Arizona statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**CITY OF CHANDLER, ARIZONA**  
**Notes to the Financial Statements**  
**June 30, 2025**

***NOTE 10 - Retirement and Pension Plans, continued***

**H. Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate**

The following presents the city's proportionate share of the net pension liability calculated using the discount rate of 7 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
City's proportionate share of the net pension liability	\$ 180,341,404	\$117,777,479	\$65,635,910

**I. Pension Plan Fiduciary Net Position**

Detailed information about the pension plan's fiduciary net position is available in the separately issued ASRS financial report. The report is available on the ASRS website at [www.azasrs.gov](http://www.azasrs.gov).

**Public Safety Personnel Retirement System**

**A. Plan Description**

City public safety employees who are regularly assigned hazardous duty participate in the Public Safety Personnel Retirement System (PSPRS). The PSPRS administers an agent multiple-employer defined benefit pension plan and an agent multiple-employer defined benefit health insurance premium benefit (OPEB) plan. For governmental activities OPEB and pension liabilities are generally liquidated by the general fund. A seven-member board known as the Board of Trustees and the participating local boards govern the PSPRS according to the provisions of A.R.S. Title 38, Chapter 5, Article 4.

The PSPRS issues a publicly available financial report that includes their financial statements and required supplementary information. The report is available on the PSPRS website at [www.psprs.com](http://www.psprs.com).

**B. Benefits Provided**

The PSPRS provides retirement, health insurance premium supplement, disability and survivor benefits. State statute establishes benefits terms. Certain retirement and disability benefits are calculated on the basis of age, average monthly compensation and service credit in the table on the following page. See the publicly available PSPRS financial report for additional benefits information.

**CITY OF CHANDLER, ARIZONA**  
**Notes to the Financial Statements**  
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**NOTE 10 - Retirement and Pension Plans, continued**

	Retirement Initial Membership Date:		
	Before January 1, 2012	On or After January 1, 2012	On or After July 1, 2017
Years of service and age required to receive benefit	20 years, any age 15 years age 62	15 years and age 52.5	15 years and age 55
Final average salary is based on	Highest 36 months of last 20 years	Highest 60 months of last 20 years	Highest 60 months of last 15 years
Normal retirement	50% less 4.0% for each year of credited service less than 20 years or plus 2.0% to 2.5% for each year of credited service over 20 years, not to exceed 80%	1.5% to 2.5% per year of credited service, not to exceed 80%	1.5% to 2.5% per year of credited service, not to exceed 80%
Accidental disability retirement	50% or normal retirement, whichever is greater		
Survivor benefit:			
Retired members	80% of retired member's pension benefit		
Active members	80% to 100% of accidental disability retirement benefit or 100% of average monthly compensation if death was the result of injuries received on the job		

Retirement and survivor benefits are subject to automatic cost-of-living adjustments based on excess investment earnings. The PSPRS also provides temporary disability benefits of 50 percent of the member's compensation for up to 12 months.

**C. Employees Covered by Benefit Terms**

At June 30, 2025, the following employees were covered by the agent pension plan's benefit terms:

	PSPRS - Police	PSPRS - Fire
Inactive employees or beneficiaries currently receiving benefits	243	113
Inactive employees entitled to but not yet receiving benefits	90	39
Active employees	286	209
Total	619	361

**CITY OF CHANDLER, ARIZONA**  
**Notes to the Financial Statements**  
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**NOTE 10 - Retirement and Pension Plans, continued**

**D. Contributions**

State statutes establish the pension contribution requirements for active PSPRS employees. In accordance with state statutes, annual actuarial valuations determine employer contribution requirements for PSPRS pension benefits. The combined active member and employer contribution rates are expected to finance the cost of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. Contributions rates for the year ended June 30, 2025, are indicated below. Rates are a percentage of active members' annual covered payroll.

	<u>PSPRS - Police</u>	<u>PSPRS - Fire</u>
Active members - pension		
Tier 1	7.65 %	7.65 %
Tier 2	7.65 %	7.65 %
Tier 3 DB	8.48 %	8.82 %
Tier 3 DC	9.00 %	9.00 %
Employer rates - pension		
Tier 1	36.35 %	32.38 %
Tier 2	36.35 %	32.38 %
Tier 3 DB	31.42 %	24.53 %
Tier 3 DC	33.35 %	26.05 %

In addition, the city was required by statute to contribute at the actuarially determined rate of 22.62 percent for police and 15.32 percent for fire for the PSPRS of annual covered payroll of retired members who worked in positions that would typically be filled by an employee who contributes to the PSPRS.

For the agent plans, the contributions to the pension plan for the year ended were:

	<u>PSPRS - Police</u>	<u>PSPRS - Fire</u>
Pension:		
Contributions made	\$ 17,459,828	\$ 8,688,676

**E. Pension Liability**

At June 30, 2025, the city reported \$16,998,760 in net pension liability for police and \$11,333,427 in net pension liability for fire. The net pension liabilities were measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total pension liability as of June 30, 2024 reflects changes of benefit terms and actuarial assumptions from a court ruling for funding permanent benefit increases and a decrease in the wage growth assumption.

**CITY OF CHANDLER, ARIZONA**  
**Notes to the Financial Statements**  
**June 30, 2025**

**NOTE 10 - Retirement and Pension Plans, continued**

**F. Actuarial Assumptions**

The significant actuarial assumptions used to measure the total pension liability are as follows:

Actuarial valuation date	June 30, 2024
Actuarial cost method	Entry age normal
Investment rate of return Tier 1/2	7-Year smoothed market, subject to 20% corridor around market value Tier 1 & 2
Investment rate of return Tier 3	5-year smoothed market, 20% corridor around market for Tier 3
Price inflation	7.2 Tier 1 & 2
Wage inflation	7.0 Tier 3
Projected salary increases	3.25-12.00% varies based on age. Rates based pm 2022 experience study
Including inflation	2.5
Cost of living adjustment	Included 1.85%
Mortality rates	PubS-2010 Mortality Tables

The long-term expected rate of return on PSPRS pension plan investments was determined to be 7.20 percent for Tiers 1 and 2 and 7.0 percent for Tier 3 using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Core Bonds	6%	2.44%
International Public Equity	16%	4.47%
Cash - Mellon	2%	0.89%
Diversifying Strategies	5%	3.15%
Global Private Equity	27%	7.05%
Private Credit	20%	6.24%
U.S. Public Equity	24%	3.62%
Total	100%	

**G. Pension Discount Rates**

The discount rate of 7.20 percent was used to measure the total pension liability for Tier 1 and 2 members and 7.00 percent for Tier 3 members. The projection of cash flows used to determine the PSPRS discount rates assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments for these plans to determine the total pension liability.

**CITY OF CHANDLER, ARIZONA**  
**Notes to the Financial Statements**  
**June 30, 2025**

***NOTE 10 - Retirement and Pension Plans, continued***

	Increase/(Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
PSPRS - Police			
Balances at June 30, 2024	\$ 378,809,648	\$ 305,268,786	\$ 73,540,862
Changes for the year:			
Service cost	6,493,314	—	6,493,314
Interest on the total pension liability	27,142,796	—	27,142,796
Differences between expected and actual experience in the measurement of the pension liability	14,690,679	—	14,690,679
Contributions - employer	—	64,765,257	(64,765,257)
Contributions - employee	—	3,119,591	(3,119,591)
Net investment income	—	37,120,427	(37,120,427)
Benefit payments, including refunds of employee contributions	(16,639,362)	(16,639,362)	—
Administrative expense	—	(136,384)	136,384
Other changes	—	—	—
Net changes	31,687,427	88,229,529	(56,542,102)
Balances at June 30, 2025	<u>\$ 410,497,075</u>	<u>\$ 393,498,315</u>	<u>\$ 16,998,760</u>
	Increase/(Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
PSPRS - Fire			
Balances at June 30, 2024	\$ 227,259,596	\$ 192,351,812	\$ 34,907,784
Changes for the year:			
Service cost	4,949,074	—	4,949,074
Interest on the total pension liability	16,254,746	—	16,254,746
Changes of benefit terms	11,553,827	—	11,553,827
Contributions - employer	—	31,803,422	(31,803,422)
Contributions - employee	—	2,358,323	(2,358,323)
Net investment income	—	22,248,833	(22,248,833)
employee contributions	(12,896,626)	(12,896,626)	—
Administrative expense	—	(78,574)	78,574
Other changes	—	—	—
Net changes	19,861,021	43,435,378	(23,574,357)
Balances at June 30, 2025	<u>\$ 247,120,617</u>	<u>\$ 235,787,190</u>	<u>\$ 11,333,427</u>

**CITY OF CHANDLER, ARIZONA**  
**Notes to the Financial Statements**  
**June 30, 2025**

***NOTE 10 - Retirement and Pension Plans, continued***

**H. Sensitivity of the Net Pension Liability to Changes in the Discount Rate**

The following presents the city's net pension liability calculated using the discount rates noted above, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	Tier 1-2/Tier 3 1% Decrease	Current Discount Rate	Tier 1-2/Tier 3 1% Increase
PSPRS - Police:			
Rate	6.20	7.20	8.20
Net pension liability	\$ 74,975,664	\$ 16,998,760	\$ 29,998,075
PSPRS - Fire:			
Rate	6.20	7.20	8.20
Net pension liability	\$ 45,675,581	\$ 11,333,427	\$ 16,749,117

**I. Pension Plan Fiduciary Net Position**

Detailed information about the pension plan's fiduciary net position is available in the separately issued PSPRS financial report. The report is available on the PSPRS website at [www.psprs.com](http://www.psprs.com).

**J. Pension Expense**

For the year ended June 30, 2025, the city recognized the following as pension expense:

	Pension Expense
PSPRS - Police	\$ 13,735,324
PSPRS - Fire	6,274,439

**CITY OF CHANDLER, ARIZONA**  
**Notes to the Financial Statements**  
**June 30, 2025**

**NOTE 10 - Retirement and Pension Plans, concluded**

**K. Pension Deferred Outflows/Inflows of Resources**

At June 30, 2025, the city reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
<b>PSPRS - Police</b>		
Differences between expected and actual experience	\$ 28,930,348	\$ —
Changes of assumptions or other inputs	2,720,229	—
Net difference between projected and actual earnings on pension plan investments	—	8,879,462
Contributions subsequent to the measurement date	17,459,828	—
Total	<u>\$ 49,110,405</u>	<u>\$ 8,879,462</u>
	Deferred Outflows of Resources	Deferred Inflows of Resources
<b>PSPRS - Fire</b>		
Differences between expected and actual experience	\$ 18,414,529	\$ 42,920
Changes of assumptions or other inputs	1,640,413	—
Net difference between projected and actual earnings on pension plan investments	—	4,806,535
Contributions subsequent to the measurement date	8,688,676	—
Total	<u>\$ 28,743,618</u>	<u>\$ 4,849,455</u>

The amounts reported as deferred outflows of resources related to pension are resulting from contributions made subsequent to the measurement date but before the end of the city's fiscal year and will be recognized as a reduction of the net pension liability in the subsequent year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30:	PSPRS - Police	PSPRS - Fire
2026	\$ 4,955,743	\$ 514,541
2027	9,678,133	5,581,970
2028	3,246,215	1,497,001
2029	2,442,577	1,111,540
2030	2,488,447	2,638,897
Thereafter	—	3,861,538

**CITY OF CHANDLER, ARIZONA**  
**Notes to the Financial Statements**  
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**NOTE 11 - Post-Employment Benefits Other Than Pensions - Single Employer Plan**

The cost of postemployment healthcare benefits, from an accrual accounting perspective, should be associated with the periods in which the future costs are earned rather than in the future years when they will be paid (similar to the cost of pension benefits). GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* requires the city to recognize the entire OPEB liability and a comprehensive measure of OPEB expense. The comprehensive measure of OPEB expense includes immediate recognition in OPEB expense of the effects of changes of benefit terms, as well as the incorporation of the amortization of deferred inflows of resources and deferred outflows of resources related to OPEB over a defined, closed period.

**A. Plan Description**

The city provides post-employment health care (OPEB) for retired employees through a single employer defined benefit health plan. The plan provides health benefits for eligible retirees, their spouses and dependents through the city's group health insurance plans, which covers active and retired members. The benefits, benefit levels, and contribution rates are determined annually by the city's Human Resources Department and approved by the City Council. The plan is not accounted for as a trust fund, as an irrevocable trust has not been established to account for the plan and no assets are accumulated. The plan does not issue a separate financial report. Generally, resources from the general fund are used to pay for post-employment benefits.

The city also provides a Retirement Health Savings Plan (RHSP) for active employees that may be used upon separation from city employment. The city funds \$15, \$25, or \$40 per pay period for Fire, General, and Police Department employees, respectively, during the term of employment. The plan provides health expense reimbursements eligible under Internal Revenue Code Section 213, other than direct long-term care expenses. The plan is not accounted for as a trust fund, as an irrevocable trust has not been established to account for the plan. The plan does not issue a separate financial report. Generally, resources from the general fund are used to pay for post-employment benefits.

**B. Benefits Provided**

The city provides post-employment health care benefits to its retirees. To be eligible for benefits, an employee must qualify for retirement under one of the state retirement plans for public employees and be covered under the city's health plan during their active status.

Upon retirement, the city deposits a one-time payment of \$900-\$1,750 per year of city service in the retiree's RHSP account. The retiree must have a minimum of five years of city service to receive this contribution.

**C. Contributions**

The plan premium rates are determined annually by the city's Human Resources Department in collaboration with an outside consulting firm, reviewed, and recommended by a five member Health Care Benefits Trust Board, and approved by the City Council. The retiree's contribution is 100 percent of the actuarially determined blended premium rate. The city makes no contribution to the retirees' premiums other than allowing them to participate through the city's pooled benefits. By providing retirees with access to the city's healthcare plans based on the same rates it charges to active employees, the city is in effect providing a subsidy to retirees. This implied subsidy exists because, on average, retiree healthcare costs are higher than active employee healthcare costs. The city contributes 0 percent of these premiums for employees. By not contributing anything toward this plan in advance, the city employs a pay-as-you-go method through paying the higher rate for active employees each year. A separate financial report is not issued for the plan.

**CITY OF CHANDLER, ARIZONA**  
**Notes to the Financial Statements**  
**June 30, 2025**

***NOTE 11 - Post-Employment Benefits Other Than Pensions - Single Employer Plan, continued***

**D. Employees Covered by Benefit Terms**

The following employees were covered as of the effective date of the OPEB valuation:

Inactive employees or beneficiaries	
currently receiving benefits	797
Active members	1,717
Total	<u>2,514</u>

**E. Total OPEB Liability**

The city's total OPEB liability of \$81,155,281 was measured as of June 30, 2024 and was determined by an actuarial valuation as of that date.

**F. Actuarial Assumptions and Other Inputs**

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit cost between the employer and plan members to that point. The total OPEB liability in the June 30, 2024 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Measurement date	June 30, 2024
Actuarial valuation date	June 30, 2023
Discount rate	3.93%
Inflation rate	2.3% - 2.5%
Projected salary increases	Vary depending on retirement plan and years of service from 2.9% - 8.4%
Health care cost trend rates	8% graded down to an ultimate rate of 4.5% over 14 years
Medical and prescription drug	Consistent with medical/drug trends.
Retiree contribution increase	100% share of benefit related costs

The discount rate is based on the index rate for a 20 year tax exempt general obligation municipal bond with an average rating of AA/Aa or higher.

Mortality rates were based on the 2017 State Retirees of Arizona Mortality Table for current retirees and the PubS-2010 Headcount Weighted for disabled retirees.

**CITY OF CHANDLER, ARIZONA**  
**Notes to the Financial Statements**  
**June 30, 2025**

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***NOTE 11 - Post-Employment Benefits Other Than Pensions - Single Employer Plan, continued***

**G. Changes in the Total OPEB Liability**

Total OPEB liability - beginning of year	\$ 77,053,254
Changes for the year:	
Service cost	4,216,624
Interest	2,886,733
Changes in assumptions or other inputs	1,400,743
Estimated benefit payments	(4,402,073)
Net changes	<u>4,102,027</u>
Total OPEB liability - end of year	<u>\$ 81,155,281</u>

Changes in assumptions reflect the following:

1. The discount rate increased from 3.65% to 3.93% based on the changes in the Bond Buyer 20 GO index municipal bond rate from June 29, 2023 to June 27, 2024.
2. The future trend rates, per capita health costs and retiree contribution rates were updated.

**H. Sensitivity of the Total OPEB Liability to Changes in the Discount Rate**

The following presents the total OPEB liability of the city, as well as what the city's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1% Decrease (2.93%)	Current Discount Rate (3.93%)	1% Increase (4.93%)
Total OPEB liability \$	91,190,339	\$ 81,155,281	\$ 72,835,216

**I. Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates**

The following presents the total OPEB liability of the city, as well as what the city's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current rate:

	1% Decrease (7.00%)	Current Healthcare Cost Trend Rates (8.00%)	1% Increase (9.00%)
Total OPEB liability \$	76,002,628	\$ 81,155,281	\$ 87,204,132

**CITY OF CHANDLER, ARIZONA**  
**Notes to the Financial Statements**  
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**NOTE 11 - Post-Employment Benefits Other Than Pensions - Single Employer Plan, concluded**

**J. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended June 30, 2025, the city recognized OPEB expense of \$7,541,732. At June 30, 2025, the city reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 863,545	\$ 1,425,973
Changes of assumptions or other inputs	10,323,296	7,828,951
Contributions subsequent to measurement date	3,864,296	—
Total	<u>\$ 15,051,137</u>	<u>\$ 9,254,924</u>

The deferred outflows of resources resulting from contributions subsequent to the measurement date as reported in the previous table will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30:		
2026	\$	1,731,244
2027		1,466,085
2028		(1,074,868)
2029		(438,790)
2030		211,861
Thereafter		36,385

**NOTE 12 - Commitments and Contingencies**

The city is subject to a number of lawsuits, investigations, and other claims (some of which involve alleged damages in substantial amounts) that are incidental to the ordinary course of its operations, including those related to property damage and personal injury matters as well as alleged civil rights violations. All cases are being vigorously defended by the City of Chandler both as to liability as well as the amount of damages claimed. Although the City Attorney cannot reasonably estimate the actual results upon disposition of the outstanding cases, some could be significant to the city's operations, which is why the city not only self-insures with a \$1,750,000 liability retention, but carries an additional \$30,000,000 in liability insurance policies which are in excess of its self-insured retention. While the ultimate resolution of such lawsuits, investigations and claims cannot be determined at this time, in the opinion of city management (based on the advice of the City Attorney), the resolution of these matters will not have a material adverse effect on the city's financial position.

**CITY OF CHANDLER, ARIZONA**  
**Notes to the Financial Statements**  
**June 30, 2025**

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**NOTE 13 - Risk Management**

The city is exposed to various risks of loss related to litigation, claims and torts; theft of, damage to and destruction of assets; errors and omissions; employee health claims; and natural disasters (for which the city carries commercial insurance). The city established a Self-Insurance Fund (an Internal Service Fund) to account for and finance its uninsured risks of loss. This fund is broken down into the following areas: workers' compensation insurance, property and liability insurance, health insurance, dental insurance and short-term disability insurance.

Premiums are paid into the Internal Service Fund by all other funds with personnel services for workers' compensation insurance and by the general fund for property and liability insurance. The premiums are available to pay claims, fund claim reserves and pay administrative costs of the program. As with any risk retention program, the city is contingently liable with respect to claims beyond those actuarially projected.

Interfund premiums are used to reduce the amount of claim expenditures reported in the Internal Service Fund. In the opinion of city management, based on the advice of the City Attorney, the outcome of such litigation and claims will not have a materially adverse effect on the city's financial position.

In fiscal year 2024-25, the Self-Insurance Fund provided coverage for up to a maximum of \$100,000 for each property damage claim and \$1,750,000 per occurrence for general liability claims. Coverage is also provided for claims up to \$3,000,000 in Public Safety and up to \$1,500,000 in all other classifications of workers' compensation. The city purchases commercial insurance for claims in excess of coverage provided by the Self-Insurance Fund and for all other risks of loss. During fiscal year 2024-25, there were no significant reductions in the amounts of excess coverage purchased, nor has the city experienced any settlements in excess of insurance coverage over the past three fiscal years.

The city also has commercial stop loss insurance that provides specific (by individual member) coverage for health insurance claims incurred in excess of \$350,000 within the plan year, and aggregate (plan wide) coverage for health insurance claims incurred above 125 percent of total plan wide claims for the plan year. Liabilities include an amount for claims that have been incurred but not reported (IBNR). Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of payouts and other economic and social factors.

The claims liability of \$23,025,295 reported as claims payable in the Self-Insurance Fund at June 30, 2025, is based on the requirements of GASB Statement No. 10, which requires that liabilities be reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. This includes known future payments made for insurance as well as estimated IBNR calculations.

**CITY OF CHANDLER, ARIZONA**  
**Notes to the Financial Statements**  
**June 30, 2025**

**NOTE 13 - Risk Management, concluded**

Changes in the Funds' claims liability amount in fiscal years 2024 and 2025 were:

Year Ended June 30,	Risk of Loss	Beginning of Fiscal Year Balance	Current Year Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year End
2024	Workers' compensation	\$ 11,115,144	\$ 2,009,949	\$ (1,406,687)	\$ 11,718,406
	Property and liability	2,974,450	2,782,647	(226,805)	5,530,292
	Health	5,507,571	26,512,800	(25,642,900)	6,377,471
	Dental	174,110	2,142,895	(2,129,279)	187,726
		<u>\$ 19,771,275</u>	<u>\$ 33,448,291</u>	<u>\$ (29,405,671)</u>	<u>\$ 23,813,895</u>
2025	Workers' compensation	\$ 11,718,406	\$ 2,054,542	\$ (2,422,186)	\$ 11,350,762
	Property and liability	5,530,292	508,391	(420,753)	5,617,930
	Health	6,377,471	27,670,509	(28,188,653)	5,859,327
	Dental	187,726	2,221,416	(2,211,866)	197,276
		<u>\$ 23,813,895</u>	<u>\$ 32,454,858</u>	<u>\$ (33,243,458)</u>	<u>\$ 23,025,295</u>

**NOTE 14 - Interfund Transfers**

Interfund transfers are made from the General Fund and Non-Major Governmental Funds to fund costs including property and liability insurance, technology replacement and vehicle and equipment replacement, \$19,861,915. The General Fund provides funding for various capital projects, \$34,784,659, as well as annual subsidies for the Airport and Public Housing Authority, \$2,361,086. Bond payments totaling \$10,521,439 to General Obligation Bonds Debt Service Fund from Non-Major Governmental Funds for bond repayments. \$1,388,800 from Wastewater Enterprise Fund to Water Enterprise Fund for expenses paid that reclaimed water programs benefit from and \$1,354,699 from Water Enterprise Fund to Wastewater Enterprise Fund for subsidies from the water fund as a result of a recent cost-of-service study.

**CITY OF CHANDLER, ARIZONA**  
**Notes to the Financial Statements**  
**June 30, 2025**

**NOTE 14 - Interfund Transfers, concluded**

The interfund transfers in and out at June 30, 2025 are as follows:

Transfers out:	Transfers In:						Total
	General Obligation Bonds Debt Service Fund	Non-Major Govern- mental Funds	Water Enterprise Fund	Wastewater Enterprise Fund	Non-Major Enterprise Funds	Internal Service Fund	
General Fund	\$ —	\$ 41,920,690	\$ —	\$ —	\$ 2,361,086	\$ 12,440,000	\$ 56,721,776
Non-Major Governmental Funds	10,521,439	180,802	—	—	—	105,082	10,807,323
Water Enterprise Fund	—	411,183	—	1,354,699	—	600,000	2,365,882
Wastewater Enterprise Fund	—	309,361	1,388,800	—	—	—	1,698,161
Non-Major Enterprise Funds	—	152,356	—	—	—	—	152,356
Internal Service Fund	—	29,608	—	—	—	—	29,608
Total	<u>\$10,521,439</u>	<u>\$ 43,004,000</u>	<u>\$ 1,388,800</u>	<u>\$ 1,354,699</u>	<u>\$ 2,361,086</u>	<u>\$ 13,145,082</u>	<u>\$ 71,775,106</u>

In addition to the cash transfers, the city had capital contributions from the government-type activities into the business type activities in the amount of \$177,958 (see Note 8).

**NOTE 15 - Interfund Receivables and Payables**

**A. Interfund Advances To/Advances From**

Advances to other funds	Advances from other funds	Total
Governmental funds:		
General	Capital projects - public safety buildings and improvements	\$ 3,912,432
	Capital projects - public buildings	1,228,401
	Total governmental funds	<u>\$ 5,140,833</u>

Interfund advances were made from governmental funds to capital projects funds to cover expenditures in impact fee funds until impact fees are received. \$475,000 of the public safety buildings and improvements capital projects fund advances and \$100,000 of the public buildings capital projects fund advance will be repaid within one year.

**CITY OF CHANDLER, ARIZONA**  
**Notes to the Financial Statements**  
**June 30, 2025**

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**NOTE 15 - Interfund Receivables and Payables, concluded**

**B. Interfund Due To/Due From**

<u>Due from other funds</u>	<u>Due to other funds</u>	<u>Total</u>
General	Capital projects - grants	\$ 10,092,190
	Capital projects - public buildings	603,719
	Special revenue - community development	453,569
	Total general fund	<u>\$ 11,149,478</u>

Interfund balances at June 30, 2025 are short-term loans used to cover temporary cash deficits in various funds and are expected to be repaid within one year.

**NOTE 16 - Joint Venture**

The city and the Town of Gilbert entered into an Intergovernmental Agreement (Agreement) for the design, construction and operation of a Joint Water Treatment Plant. Under the Agreement, the real property, plant infrastructure and raw water pipelines will be jointly owned with each party entitled to 50 percent of the plant capacity and each party paying 50 percent of the construction costs. The Town of Gilbert acts as the Lead Agent, overseeing construction activities and operating the plant. The city's investment in the joint venture is reflected as a separate line item in the proprietary funds financial statements. Separate financial statements for the joint venture are not prepared.

Total investment in joint venture as of June 30, 2025, is:

City of Chandler's Share	\$ 55,514,409
Town of Gilbert's Share	61,673,557
	<u>\$117,187,966</u>

**NOTE 17 - Deficit in Fund Balances**

The general government capital projects fund had a deficit balance of \$3,050,422. The grants capital project fund had a deficit fund balance of \$7,353,010. The public buildings fund had a deficit balance of \$2,041,593. The public safety building and improvement capital project fund had a deficit balance of \$3,473,839. The deficit in these funds will be covered by future revenues.

**NOTE 18 - Tax Abatements**

The city has made commitments as part of our economic development programs to reimburse certain public improvement costs through transaction privilege taxes generated out of the respective development area. The total amount rebated in the fiscal year 2024-25 is \$349,773. Detailed information on such commitments is prohibited from disclosure under Arizona Revised Statute 42-2002, Disclosure of Confidential Information Prohibited, and City of Chandler Code, 62-510 Divulging of Information Prohibited. In addition, the city enters into property tax abatement agreements under Arizona Revised Statute 42-6201 through 42-6210, Government Property Lease Excise Tax (GPLET) to enhance the economic viability of the city. The recipients of the GPLET commit to conveying the property to the city upon the project completion and the city will lease it back to the recipient for an agreed upon amount. State law imposes an excise tax on buildings that are owned by the city, leased by a private party and occupied/used for commercial, residential

**CITY OF CHANDLER, ARIZONA**  
**Notes to the Financial Statements**  
**June 30, 2025**

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**NOTE 18 - Tax Abatements, concluded**

rental or industrial purposes. The city is allowed to abate the full tax for a period of eight years for both existing and new projects within redevelopment area that are part of a single central business district. After the abatement period the projects pay an excise tax in which the city receives a 7 percent distribution.

For the fiscal year ended June 30, 2025, the city abated property taxes totaling \$236,632 under this program, including the following tax abatement agreement that exceeds \$100,000:

Property Tax GPLET to a residential rental development for constructing a multi-family residential complex. The GPLET amounted to \$154,248 of property tax abated.

**NOTE 19 - Leases**

As lessor, the city has entered into lease agreements involving land for wireless towers, airport land and facilities. The city recognizes lease receivables with an initial, individual value of \$100,000 or more. If there is no stated rate in the lease contract (or if the stated rate is not the rate the city charges the lessee) and the implicit rate cannot be determined, the city uses its own estimated incremental borrowing rate as the discount rate to measure lease receivables. The city's estimated incremental borrowing rate is calculated at 2.41%. The total amount of inflows of resources, including lease revenue, interest revenue, and other lease-related inflows, recognized during the fiscal year was \$302,590.

**NOTE 20 - Subscription Based IT Arrangements**

The city has obtained the right to use various desktop and server software, cloud backup services, risk management software, budget and accounting reporting software, and other intangible right-to-use software under the provisions of various subscription-based information technology arrangements (SBITAs).

The total of the city's subscriptions assets are recorded at \$8,148,280 less accumulated amortization of \$5,094,648.

The future subscription payments under the SBITA agreements are as follows:

	Principal	Interest	Total
2026 \$	2,390,301	\$ 62,039	\$ 2,452,340
2027	216,895	8,269	225,164
2028	73,501	3,339	76,840
2029	42,829	1,671	44,500
2030	30,810	690	31,500

In addition to the amount presented above, the city had outflows of resources for the fiscal year totaling \$62,369 that were not included in the measurement of the subscription liability.

**NOTE 21 - Public Private Partnerships (PPP)**

The city as transferor has entered into a public-private partnership agreement to operate a golf course. The city owns title to the premise and all improvements therein. The city uses its own estimated incremental borrowing rate as the discount rate to measure PPP receivables. The city's estimated incremental borrowing rate is calculated at 2.41%. The city received \$7,476 in variable payments not included in the measurement of the receivable that are determined based on the number of rounds of golf. The amount of asset and deferred inflow of resources recognized during the fiscal year for the PPP were \$101,356.

## **REQUIRED SUPPLEMENTARY INFORMATION**



**City of Chandler**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**General Fund**  
**For the year ended June 30, 2025**

	<b>Budgeted Amounts</b>		Non-GAAP	Over
	Original	Final	Actual	(Under)
			Amounts	Final Budget
<b>REVENUES:</b>				
Property taxes	\$ 8,783,722	\$ 8,783,722	\$ 8,760,591	\$ (23,131)
Sales taxes	199,208,200	199,208,200	207,605,337	8,397,137
Franchise fees	4,058,200	4,058,200	3,245,696	(812,504)
State shared	115,100,000	115,100,000	117,646,741	2,546,741
Grants and entitlements	1,041,636	1,041,636	1,035,672	(5,964)
Licenses and permits	6,978,300	6,978,300	13,820,770	6,842,470
Charges for services	25,079,749	25,079,749	26,084,156	1,004,407
Fines and forfeitures	3,657,800	3,657,800	4,180,603	522,803
Rentals	66,500	66,500	137,707	71,207
Interest revenue	3,777,000	3,777,000	17,740,997	13,963,997
Miscellaneous	316,300	316,300	468,904	152,604
<b>Total Revenues</b>	<b>368,067,407</b>	<b>368,067,407</b>	<b>400,727,174</b>	<b>32,659,767</b>
<b>EXPENDITURES:</b>				
City clerk	1,136,197	1,175,838	1,076,198	99,640
City magistrate	5,847,458	6,103,175	5,429,879	673,296
City manager	25,752,238	28,545,424	26,285,180	2,260,244
Communications and public affairs	3,505,329	4,021,760	3,662,705	359,055
Community services	34,749,309	37,608,887	35,353,549	2,255,338
Development services	12,973,690	15,140,323	13,499,947	1,640,376
Fire	48,680,766	52,451,377	49,832,361	2,619,016
Information technology	24,021,020	30,240,987	23,770,594	6,470,393
Law	5,171,570	5,363,798	5,183,408	180,390
Management services	104,347,018	61,105,181	20,658,676	40,446,505
Mayor and council	1,286,810	1,355,248	1,620,710	(265,462)
Neighborhood resources	10,887,996	10,776,379	9,356,030	1,420,349
Police	98,084,065	110,425,266	107,878,841	2,546,425
Public works	10,096,986	11,561,245	10,339,805	1,221,440
<b>Total expenditures</b>	<b>386,540,452</b>	<b>375,874,888</b>	<b>313,947,883</b>	<b>61,927,005</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(18,473,045)</b>	<b>(7,807,481)</b>	<b>86,779,291</b>	<b>94,586,772</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Proceeds from disposal of capital assets	(400,000)	(400,000)	48,545	448,545
Transfers in	9,182,282	9,182,282	—	(9,182,282)
Transfers out	(175,071,585)	(172,776,074)	(56,721,776)	116,054,298
<b>Total other financing sources (uses)</b>	<b>(166,289,303)</b>	<b>(163,993,792)</b>	<b>(56,673,231)</b>	<b>107,320,561</b>
<b>Net change in fund balance</b>	<b>(184,762,348)</b>	<b>(171,801,273)</b>	<b>30,106,060</b>	<b>201,907,333</b>
<b>Fund balance, July 1, 2024</b>	<b>318,950,270</b>	<b>318,950,270</b>	<b>318,950,270</b>	<b>—</b>
<b>Fund balance, June 30, 2025</b>	<b>\$ 134,187,922</b>	<b>\$ 147,148,997</b>	<b>\$ 349,056,330</b>	<b>\$ 201,907,333</b>

See accompanying notes to this schedule.

**City of Chandler**  
**Schedule of the Proportionate Share of the Net Pension Liability -**  
**Arizona State Retirement System**  
**June 30, 2025**

	2025	2024	2023	2022
<b>City's proportion of the net pension liability (asset)</b>	0.74 %	0.68 %	0.67 %	0.71 %
<b>City's proportionate share of the net pension liability (asset)</b>	\$117,777,479	\$110,384,963	\$110,127,657	\$ 93,397,278
<b>City's covered payroll</b>	\$ 97,850,881	\$ 89,064,154	\$ 79,760,571	\$ 79,544,042
<b>City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll</b>	120.36 %	123.94 %	138.07 %	117.42 %
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	76.93 %	75.47 %	74.26 %	78.58 %

2021	2020	2019	2018	2017	2016
0.71 %	0.72 %	0.76 %	0.74 %	0.75 %	0.73 %
\$ 122,547,011	\$ 104,541,379	\$ 106,413,043	\$ 115,691,952	\$ 121,549,835	\$ 113,885,153
\$ 76,880,601	\$ 75,407,689	\$ 75,579,140	\$ 72,284,183	\$ 70,362,938	\$ 67,230,465
159.40 %	138.63 %	140.80 %	160.05 %	172.75 %	169.40 %
69.33 %	73.24 %	73.40 %	69.92 %	67.06 %	68.35 %

**City of Chandler**  
**Schedule of Contributions -**  
**All Pension Plans**  
**June 30, 2025**

	2025	2024	2023	2022
<b>Arizona State Retirement System:</b>				
Actuarially determined contribution	13,038,745	11,771,461	10,615,589	9,580,356
Contributions in relation to the actuarially determined contribution	13,038,745	11,771,461	10,615,589	9,580,356
Contribution deficiency (excess)	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
City's covered payroll	\$ 108,205,353	\$ 97,850,881	\$ 89,064,154	\$ 79,760,571
Contributions as a percentage of covered payroll	12.05 %	12.03 %	11.92 %	12.01 %
<b>Public Safety Personnel Retirement System - Police:</b>				
Actuarially determined contribution	\$ 12,834,018	\$ 14,524,367	\$ 14,382,908	\$ 13,447,447
Contributions in relation to the actuarially determined contribution <sup>1</sup>	17,618,966	64,374,367	47,767,268	28,162,248
Contribution deficiency (excess)	<u>\$ (4,784,948)</u>	<u>\$ (49,850,000)</u>	<u>\$ (33,384,360)</u>	<u>\$ (14,714,801)</u>
City's covered payroll	\$ 35,306,790	\$ 33,320,411	\$ 30,536,960	\$ 27,692,436
Contributions as a percentage of covered payroll	49.90 %	193.20 %	156.42 %	101.70 %
<b>Public Safety Personnel Retirement System - Fire:</b>				
Actuarially determined contribution	\$ 6,528,987	\$ 7,800,462	\$ 7,835,001	\$ 7,762,298
Contributions in relation to the actuarially determined contribution <sup>1</sup>	8,744,039	30,950,462	24,450,641	15,047,497
Contribution deficiency (excess)	<u>\$ (2,215,052)</u>	<u>\$ (23,150,000)</u>	<u>\$ (16,615,640)</u>	<u>\$ (7,285,199)</u>
City's covered payroll	\$ 20,163,641	\$ 20,980,264	\$ 19,900,942	\$ 18,781,268
Contributions as a percentage of covered payroll	43.37 %	147.52 %	122.86 %	80.12 %

<sup>1</sup>Additional contributions above the actuarially determined contributions were made beginning with fiscal year 2016-17 and continue.

<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
9,267,255	8,844,068	8,470,741	8,268,029	7,793,041	7,634,805
9,267,255	8,844,068	8,470,741	8,268,029	7,793,041	7,634,805
<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
\$ 79,544,042	\$ 77,240,769	\$ 75,766,914	\$ 75,853,477	\$ 72,284,183	\$ 70,362,938
11.65 %	11.45 %	11.18 %	10.90 %	10.78 %	10.85 %
\$ 12,984,242	\$ 12,080,035	\$ 12,267,559	\$ 10,950,501	\$ 8,470,411	\$ 8,561,143
22,757,769	28,869,722	15,555,559	14,300,501	10,145,411	8,561,143
<u>\$ (9,773,527)</u>	<u>\$ (16,789,687)</u>	<u>\$ (3,288,000)</u>	<u>\$ (3,350,000)</u>	<u>\$ (1,675,000)</u>	<u>\$ —</u>
\$ 26,738,554	\$ 28,589,014	\$ 27,009,157	\$ 28,294,661	\$ 27,058,086	\$ 27,946,237
85.11 %	100.98 %	57.59 %	50.54 %	37.49 %	30.63 %
\$ 7,886,828	\$ 6,682,480	\$ 7,021,133	\$ 6,392,313	\$ 4,616,587	\$ 4,438,495
13,113,301	15,627,548	8,733,133	8,042,313	5,441,587	4,438,495
<u>\$ (5,226,473)</u>	<u>\$ (8,945,068)</u>	<u>\$ (1,712,000)</u>	<u>\$ (1,650,000)</u>	<u>\$ (825,000)</u>	<u>\$ —</u>
\$ 18,143,152	\$ 19,154,805	\$ 17,259,422	\$ 18,200,175	\$ 17,275,940	\$ 16,874,362
72.28 %	81.59 %	50.60 %	44.19 %	31.50 %	26.30 %

**City of Chandler**  
**Schedule of Changes in the Net Pension Liability and Related Ratios -**  
**Public Safety Personnel Retirement System - Police**  
**June 30, 2025**

	2025	2024	2023	2022
<b>Total pension liability</b>				
Service cost	\$ 6,493,314	\$ 6,077,100	\$ 5,687,800	\$ 5,440,836
Interest	27,142,796	24,895,921	23,623,567	22,385,115
Changes of benefit terms		—	—	—
Differences between expected and actual experience	14,690,679	15,926,154	4,884,171	3,894,134
Changes of assumptions		—	3,565,456	—
Benefit payments, including refunds	(16,639,362)	(15,578,228)	(16,390,013)	(13,613,884)
<b>Net change in total pension liability</b>	<b>31,687,427</b>	<b>31,320,947</b>	<b>21,370,981</b>	<b>18,106,201</b>
<b>Total pension liability - beginning</b>	<b>378,809,648</b>	<b>347,488,701</b>	<b>326,117,720</b>	<b>308,011,519</b>
<b>Total pension liability - ending</b>	<b>\$ 410,497,075</b>	<b>\$ 378,809,648</b>	<b>\$ 347,488,701</b>	<b>\$ 326,117,720</b>
<b>Plan fiduciary net position</b>				
Contributions - employer	\$ 64,765,257	\$ 47,624,383	\$ 28,044,847	\$ 22,596,733
Contributions - employee	3,119,591	2,989,074	2,844,468	2,424,870
Net investment income	37,120,427	22,150,142	(10,549,363)	53,483,321
Benefit payments, including refunds	(16,639,362)	(15,578,228)	(16,390,013)	(13,613,884)
Administrative expense	(136,384)	(106,671)	(190,200)	(250,715)
Other	—	1,986	5,998	2,439
<b>Net change in plan fiduciary net position</b>	<b>88,229,529</b>	<b>57,080,686</b>	<b>3,765,737</b>	<b>64,642,764</b>
<b>Plan fiduciary net position - beginning</b>	<b>305,268,786</b>	<b>248,188,100</b>	<b>244,422,363</b>	<b>179,779,599</b>
<b>Plan fiduciary net position - ending</b>	<b>\$ 393,498,315</b>	<b>\$ 305,268,786</b>	<b>\$ 248,188,100</b>	<b>\$ 244,422,363</b>
<b>Net pension liability - ending</b>	<b>\$ 16,998,760</b>	<b>\$ 73,540,862</b>	<b>\$ 99,300,601</b>	<b>\$ 81,695,357</b>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	<b>95.86 %</b>	<b>80.59 %</b>	<b>71.42 %</b>	<b>74.95 %</b>
<b>Covered payroll</b>	<b>\$ 33,320,411</b>	<b>\$ 30,536,960</b>	<b>\$ 27,383,139</b>	<b>\$ 26,480,082</b>
<b>Net pension liability as a percentage of covered payroll</b>	<b>51.02 %</b>	<b>240.83 %</b>	<b>362.63 %</b>	<b>308.52 %</b>

2021	2020	2019	2018	2017	2016
\$ 5,696,125	\$ 6,149,336	\$ 5,737,868	\$ 6,092,332	\$ 5,337,103	\$ 4,583,770
20,504,731	19,203,025	17,999,842	17,064,596	14,964,498	13,839,509
—	—	—	1,501,042	17,456,919	—
12,866,840	1,302,509	(671,252)	(6,211,672)	858,761	4,879,849
—	6,562,499	—	6,528,203	8,537,784	—
(12,493,545)	(10,261,998)	(9,913,263)	(8,254,947)	(13,015,625)	(5,681,836)
26,574,151	22,955,371	13,153,195	16,719,554	34,139,440	17,621,292
281,437,368	258,481,997	245,328,802	228,609,248	194,469,808	176,848,516
<u>\$ 308,011,519</u>	<u>\$ 281,437,368</u>	<u>\$ 258,481,997</u>	<u>\$ 245,328,802</u>	<u>\$ 228,609,248</u>	<u>\$ 194,469,808</u>
\$ 28,799,919	\$ 15,572,686	\$ 10,296,409	\$ 10,247,877	\$ 8,728,082	\$ 6,155,142
2,909,915	2,206,379	2,765,932	3,244,412	3,633,359	3,308,265
2,344,516	8,365,394	9,301,979	14,017,325	677,501	3,873,466
(12,493,545)	(10,261,998)	(9,913,263)	(8,254,947)	(13,015,625)	(5,681,836)
(191,143)	(146,042)	(142,274)	(124,430)	(97,889)	(94,891)
(2,317)	(102,911)	24,215	(167,280)	238,667	(70,777)
21,367,345	15,633,508	12,332,998	18,962,957	164,095	7,489,369
158,412,254	142,778,746	130,445,748	111,482,791	111,318,696	103,829,327
<u>\$ 179,779,599</u>	<u>\$ 158,412,254</u>	<u>\$ 142,778,746</u>	<u>\$ 130,445,748</u>	<u>\$ 111,482,791</u>	<u>\$ 111,318,696</u>
<u>\$ 128,231,920</u>	<u>\$ 123,025,114</u>	<u>\$ 115,703,251</u>	<u>\$ 114,883,054</u>	<u>\$ 117,126,457</u>	<u>\$ 83,151,112</u>
58.37 %	56.29 %	55.24 %	53.17 %	48.77 %	57.24 %
\$ 28,859,014	\$ 28,848,732	\$ 28,294,661	\$ 27,058,086	\$ 27,946,237	\$ 26,187,641
444.34 %	426.45 %	408.92 %	424.58 %	419.11 %	317.52 %

**City of Chandler**  
**Schedule of Changes in the Net Pension Liability and Related Ratios -**  
**Public Safety Personnel Retirement System - Fire**  
**June 30, 2025**

	2025	2024	2023	2022
<b>Total pension liability</b>				
Service cost	\$ 4,949,074	\$ 4,818,001	\$ 4,265,733	\$ 3,923,796
Interest	16,254,746	15,003,773	14,270,752	13,243,975
Changes of benefit terms	—	—	—	—
Differences between expected and actual experience	11,553,827	7,784,656	397,039	4,097,391
Changes of assumptions	—	—	1,375,658	—
Benefit payments, including refunds	(12,896,626)	(7,829,127)	(8,101,828)	(6,981,473)
<b>Net change in total pension liability</b>	19,861,021	19,777,303	12,207,354	14,283,689
<b>Total pension liability - beginning</b>	227,259,596	207,482,293	195,274,939	180,991,250
<b>Total pension liability - ending</b>	<u>\$ 247,120,617</u>	<u>\$ 227,259,596</u>	<u>\$ 207,482,293</u>	<u>\$ 195,274,939</u>
<b>Plan fiduciary net position</b>				
Contributions - employer	\$ 31,803,422	\$ 24,643,731	\$ 15,211,791	\$ 13,299,020
Contributions - employee	2,358,323	2,063,374	1,610,854	1,778,804
Net investment income	22,248,833	13,853,029	(6,745,327)	34,335,848
Benefit payments, including refunds	(12,896,626)	(7,829,127)	(8,101,828)	(6,981,473)
Administrative expense	(78,574)	(60,174)	(121,595)	(160,215)
Other	—	—	—	4,795
<b>Net change in plan fiduciary net position</b>	43,435,378	32,670,833	1,853,895	42,276,779
<b>Plan fiduciary net position - beginning</b>	192,351,812	159,680,979	157,827,084	115,550,305
<b>Plan fiduciary net position - ending</b>	<u>\$ 235,787,190</u>	<u>\$ 192,351,812</u>	<u>\$ 159,680,979</u>	<u>\$ 157,827,084</u>
<b>Net pension liability - ending</b>	<u>\$ 11,333,427</u>	<u>\$ 34,907,784</u>	<u>\$ 47,801,314</u>	<u>\$ 37,447,855</u>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	95.41 %	84.64 %	76.96 %	80.82 %
<b>Covered payroll</b>	\$ 21,920,009	\$ 20,259,508	\$ 18,946,241	\$ 18,187,540
<b>Net pension liability as a percentage of covered payroll</b>	51.70 %	172.30 %	252.30 %	205.90 %

2021	2020	2019	2018	2017	2016
\$ 4,025,473	\$ 4,353,346	\$ 4,014,526	\$ 3,863,571	\$ 3,174,665	\$ 2,915,603
12,453,112	11,689,082	10,794,299	9,983,423	8,707,808	8,264,915
—	—	—	753,382	10,272,193	—
1,086,650	(171,678)	1,014,752	941,823	96,063	(1,037,307)
—	3,122,509	—	2,845,297	4,937,927	—
(6,278,162)	(5,792,594)	(6,363,418)	(5,049,317)	(5,647,270)	(3,614,319)
11,287,073	13,200,665	9,460,159	13,338,179	21,541,386	6,528,892
169,704,177	156,503,512	147,043,353	133,705,174	112,163,788	105,634,896
<u>\$ 180,991,250</u>	<u>\$ 169,704,177</u>	<u>\$ 156,503,512</u>	<u>\$ 147,043,353</u>	<u>\$ 133,705,174</u>	<u>\$ 112,163,788</u>
\$ 15,654,338	\$ 8,004,060	\$ 5,956,704	\$ 5,514,825	\$ 4,672,177	\$ 3,222,291
1,432,043	1,462,348	1,633,743	2,312,753	2,140,037	1,837,291
1,488,011	5,389,738	6,174,093	9,228,731	440,223	2,568,880
(6,278,162)	(5,792,594)	(6,363,418)	(5,049,317)	(5,647,270)	(3,614,319)
(121,320)	(94,355)	(94,669)	(82,059)	(63,746)	(63,063)
5	(42,251)	1,035	50,502	38,948	(55,142)
12,174,915	8,926,946	7,307,488	11,975,435	1,580,369	3,895,938
103,375,390	94,448,444	87,140,956	75,165,521	73,585,152	69,689,214
<u>\$ 115,550,305</u>	<u>\$ 103,375,390</u>	<u>\$ 94,448,444</u>	<u>\$ 87,140,956</u>	<u>\$ 75,165,521</u>	<u>\$ 73,585,152</u>
<u>\$ 65,440,945</u>	<u>\$ 66,328,787</u>	<u>\$ 62,055,068</u>	<u>\$ 59,902,397</u>	<u>\$ 58,539,653</u>	<u>\$ 38,578,636</u>
63.84 %	60.92 %	60.35 %	59.26 %	56.22 %	65.61 %
\$ 19,154,805	\$ 19,025,780	\$ 18,200,175	\$ 17,275,940	\$ 16,874,362	\$ 15,671,133
341.64 %	348.63 %	340.96 %	346.74 %	346.91 %	246.18 %

**City of Chandler**  
**Schedule of Changes in OPEB Liabilities and Related Ratios -**  
**Single Employer Plan**  
**June 30, 2025**

	<b>2025</b>	<b>2024</b>	<b>2023</b>
Measurement date	6/30/2024	6/30/2023	6/30/2022
Total OPEB liability - beginning of year	\$ 77,053,254	\$ 73,012,042	\$ 81,921,795
Changes for the year			
Service cost	4,216,624	3,516,892	4,846,361
Interest	2,886,733	2,654,511	1,844,376
Changes of benefit terms	—	1,330,772	—
Differences between expected and actual experience	—	1,267,071	—
Changes in assumptions or other inputs	1,400,743	(1,615,465)	(12,824,888)
Benefit payments	(4,402,073)	(3,112,569)	(2,775,602)
Net changes	<u>4,102,027</u>	<u>4,041,212</u>	<u>(8,909,753)</u>
Total OPEB liability - end of year	<u>\$ 81,155,281</u>	<u>\$ 77,053,254</u>	<u>\$ 73,012,042</u>
Total covered employee payroll	174,947,856	157,665,425	\$ 142,472,650
Total OPEB liability as percentage of covered employee payroll	46.39 %	48.87 %	51.25 %

The city implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, for the fiscal year ended June 30, 2018. Information for the prior years is not available.

**Notes:** No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017
\$ 63,003,983	\$ 53,112,727	\$ 51,751,856	\$ 52,838,811	\$ 66,519,700
3,414,033	2,940,955	2,585,397	3,020,484	3,962,284
1,440,322	1,921,296	2,059,914	1,939,376	1,967,447
—	—	—	—	—
(2,181,125)	—	(5,086,575)	(883,708)	(8,539,064)
18,748,388	7,368,121	4,021,143	(1,789,527)	(8,174,073)
(2,503,806)	(2,339,116)	(2,219,008)	(3,373,580)	(2,897,483)
18,917,812	9,891,256	1,360,871	(1,086,955)	(13,680,889)
81,921,795	63,003,983	\$ 53,112,727	\$ 51,751,856	\$ 52,838,811
\$ 130,254,557	\$ 116,931,839	\$ 113,713,741	\$ 108,862,317	\$ 106,207,139
62.89 %	53.88 %	46.71 %	47.54 %	49.75 %

**CITY OF CHANDLER, ARIZONA**  
**Notes to the Required Supplementary Information**  
**June 30, 2025**

**NOTE 1 - Budgetary Basis of Accounting**

The adopted budget of the city is prepared on a basis consistent with accounting principles generally accepted in the United States of America with the following exception: reserved encumbrances at year end are recognized as expenditures. Consequently, the following adjustment is necessary to present the change in fund balance for the general fund on a budgetary basis in order to provide a meaningful comparison.

	<u>General Fund</u>
Statement of Revenues, Expenditures and Changes in Fund Balances- Net change in fund balance	\$ 42,406,095
Reserved encumbrances at June 30, 2025 recognized as budgetary expenditures in fiscal year ended June 30, 2025	<u>(12,300,035)</u>
Budgetary Comparison Schedule - Net change in fund balance	<u>\$ 30,106,060</u>

**NOTE 2 - Pension Plan Schedules**

**Actuarial Assumptions for Valuations Performed**

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated, which is the most recent actuarial valuation. The actuarial assumptions used are disclosed in the notes to the financial statements.

**Factors that Affect Trends - Arizona State Retirement System (ASRS)**

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the five-year period ended June 30, 2020. The purpose of the experience study was to review actual experience in relation to the actuarial assumptions in effect. The ASRS Board adopted the experience study recommended changes which were applied to the June 30, 2021 actuarial valuation. The study did not include an analysis of the assumed investment rate of return.

**Factors that Affect Trends - Public Safety Personnel Retirement System (PSPRS)**

The actuarial assumptions used in the June 30, 2024 valuation for PSPRS were based on the results of an actuarial experience study for the period ending June 30, 2022. The total pension liability used to calculate the net pension liability for PSPRS was determined by an actuarial valuation as of that date. The total pension liability as of June 30, 2024 reflects changes of benefit terms and actuarial assumptions for funding assumed future permanent benefit increases.

**CITY OF CHANDLER, ARIZONA**  
**Notes to the Required Supplementary Information**  
**June 30, 2025**

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**NOTE 3 - Other Post Retirement Employment Benefit (OPEB) Plan Schedules**

The City of Chandler does not have assets invested or accumulated in a qualified OPEB trust and funds the plan on a pay-as-you-go basis.

**Actuarial Assumptions for Valuations Performed**

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated, which is the most recent actuarial valuation. The actuarial assumptions used are disclosed in the notes to the financial statements.

**Factors that Affect Trends**

The actuarial assumptions used in the June 30, 2024 valuation were made for the purposes of fulfilling plan accounting requirements. Factors such as retiree group program experience, changes in assumptions and changes in retiree group benefits program provisions or applicable law may differ from future actuarial measurements.



## **OTHER FINANCIAL STATEMENTS**



## City of Chandler

### Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual General Obligation Bonds Debt Service For the year ended June 30, 2025

	Budgeted Amounts		Non-GAAP	Over
	Original	Final	Actual	(Under)
			Amounts	Final Budget
<b>REVENUES:</b>				
Property taxes	\$ 35,940,068	\$ 35,940,068	\$ 35,818,046	\$ (122,022)
Interest revenue	160,000	160,000	829,979	669,979
<b>Total revenues</b>	<u>36,100,068</u>	<u>36,100,068</u>	<u>36,648,025</u>	<u>547,957</u>
<b>EXPENDITURES:</b>				
General government	300,000	300,000	—	(300,000)
Debt service				
Principal	37,975,023	37,975,023	37,975,023	—
Interest and fiscal charges	8,652,575	8,652,575	8,652,575	—
<b>Total expenditures</b>	<u>46,927,598</u>	<u>46,927,598</u>	<u>46,627,598</u>	<u>(300,000)</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(10,827,530)</u>	<u>(10,827,530)</u>	<u>(9,979,573)</u>	<u>847,957</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	10,500,000	10,500,000	10,521,439	21,439
<b>Total other financing sources (uses)</b>	<u>10,500,000</u>	<u>10,500,000</u>	<u>10,521,439</u>	<u>21,439</u>
<b>Net change in fund balance</b>	<u>(327,530)</u>	<u>(327,530)</u>	<u>541,866</u>	<u>869,396</u>
<b>Fund balance, July 1, 2024</b>	<u>1,646,322</u>	<u>1,646,322</u>	<u>1,646,322</u>	<u>—</u>
<b>Fund balance, June 30, 2025</b>	<u>\$ 1,318,792</u>	<u>\$ 1,318,792</u>	<u>\$ 2,188,188</u>	<u>\$ 869,396</u>

Statement of Revenues, Expenditures and Changes in Fund  
Balances - General Obligation Bonds Debt Service Fund

\$ 211,855

Settlements and liabilities at June 30, 2025 not recognized as  
budgetary expenditures in fiscal year ended June 30, 2025

330,011

Budgetary Comparison Schedule for the General Obligation  
Bonds Debt Service Fund

\$ 541,866

## **City of Chandler**

### **Non-Major Governmental Funds**

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#### **NON-MAJOR SPECIAL REVENUE FUNDS**

A Special Revenue Fund is used to finance particular activities and is created out of receipts of specific taxes or other earmarked revenues. Such funds are authorized by statutory or charter provisions to pay for certain activities with some special form of continuing revenues.

##### **Highway User**

Used to account for the receipt and expenditure of the city's allocation of state highway user taxes. State law restricts the use of these monies to maintenance, construction and reconstruction of streets and repayment of transportation-related debt.

##### **Local Transportation Assistance**

Used to account for the receipt and expenditure of the city's allocation of state lottery monies. State law restricts the use of these monies to street and highway projects in the public right-of-way and to mass transportation purposes.

##### **Grants**

Used to account for the receipt and expenditure of miscellaneous federal, state and local grants awarded to the city for various specific operational purposes.

##### **Community Development**

Used to account for monies received from the U.S. Department of Housing and Urban Development and Maricopa County for affordable housing activities including housing rehabilitation and redevelopment activities.

##### **Police Confiscated Property**

Used to account for monies confiscated by the Police Department and monies received from the sale of confiscated property.

##### **Parks and Recreation**

Used to account for donations for park improvements and programs restricted pursuant to donor covenants.

##### **Museum**

Used to account for donations for museum improvements and programs restricted pursuant to donor covenants.

##### **Library**

Used to account for donations for library improvements and programs restricted pursuant to donor covenants.

## **City of Chandler**

### **Non-Major Governmental Funds**

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#### **NON-MAJOR CAPITAL PROJECTS FUNDS**

##### **General Government**

Used to account for the acquisition, construction and improvements of general government projects.

##### **Public Buildings**

Used to account for the acquisition, construction, reconstruction, improvement and renovation of city buildings.

##### **Grants**

Used to account for the receipt and expenditure of miscellaneous federal, state and local grants awarded to the city for various specific capital purposes.

##### **Streets**

Used to account for the acquisition, construction and improvements of city streets projects.

##### **Community Services**

Used to account for the acquisition of land and equipment, development, construction and improvement of community parks and projects.

##### **Public Safety Buildings and Improvements**

Used to account for public safety, e.g., Police and Fire Departments, building construction, renovation, improvements and equipment purchases.

##### **Vehicle and Capital Equipment Replacement**

Used to account for the purchase and/or replacement of general equipment-type assets, e.g., vehicles, furniture and office equipment.

##### **Technology Replacement**

Used to account for the purchase and/or replacement of technology assets.

##### **Municipal Arts**

Used to account for amounts earmarked for the acquisition of art for public spaces.



**City of Chandler**  
**Combining Balance Sheet -**  
**Non-Major Governmental Funds**  
**June 30, 2025**

	Special Revenue					
	Highway User	Local Transportation Assistance	Grants	Community Development	Police Confiscated Property	Parks and Recreation
<b>ASSETS</b>						
Equity in pooled cash and investments	\$ 48,071,872	\$ 6,378,679	\$ 9,480,055	\$ —	\$ 519,390	\$ 382,277
Receivables (net of allowance for uncollectible):						
Notes	—	—	—	328,476	—	—
Accrued interest	299,173	39,862	—	—	2,204	2,410
Other	—	—	—	—	—	—
Due from other governments	2,147,442	322,438	414,912	521,602	98,000	—
<b>Total assets</b>	<b>\$ 50,518,487</b>	<b>\$ 6,740,979</b>	<b>\$ 9,894,967</b>	<b>\$ 850,078</b>	<b>\$ 619,594</b>	<b>\$ 384,687</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>						
<b>Liabilities:</b>						
Accounts payable	\$ 381,122	\$ 40,784	\$ 208,094	\$ 19,175	\$ 320,803	\$ 450
Accrued payroll	299,019	1,084	75,274	30,226	—	3,433
Trust liabilities and deposits	—	—	—	—	294,433	—
Due to other funds	—	—	—	453,569	—	—
Advances from other funds	—	—	—	—	—	—
Unearned revenue	—	—	467,128	—	—	—
<b>Total liabilities</b>	<b>680,141</b>	<b>41,868</b>	<b>750,496</b>	<b>502,970</b>	<b>615,236</b>	<b>3,883</b>
<b>Deferred inflows of resources:</b>						
Unavailable revenues - grants	—	—	5,024	—	—	—
<b>Total deferred inflows of resources</b>	<b>—</b>	<b>—</b>	<b>5,024</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Fund balances (deficits):</b>						
Restricted	49,838,346	6,699,111	9,139,447	347,108	4,358	380,804
Unassigned	—	—	—	—	—	—
<b>Total fund balances (deficits)</b>	<b>49,838,346</b>	<b>6,699,111</b>	<b>9,139,447</b>	<b>347,108</b>	<b>4,358</b>	<b>380,804</b>
<b>Total liabilities, deferred inflows and fund balances</b>	<b>\$ 50,518,487</b>	<b>\$ 6,740,979</b>	<b>\$ 9,894,967</b>	<b>\$ 850,078</b>	<b>\$ 619,594</b>	<b>\$ 384,687</b>

(Continued)

**City of Chandler**  
**Combining Balance Sheet -**  
**Non-Major Governmental Funds**  
**June 30, 2025**

	Special Revenue		Capital Projects		
	Museum	Library	General Government	Public Buildings	Grants
<b>ASSETS</b>					
Equity in pooled cash and investments	\$ 42,212	\$ 290,527	\$ 1,592,266	\$ —	\$ —
Receivables (net of allowance for uncollectible):					
Notes	—	—	—	—	—
Accrued interest	261	1,853	—	379	—
Other	—	—	—	—	365,495
Due from other governments	—	—	110,847	—	4,769,115
<b>Total assets</b>	<b>\$ 42,473</b>	<b>\$ 292,380</b>	<b>\$ 1,703,113</b>	<b>\$ 379</b>	<b>\$ 5,134,610</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable	\$ —	\$ 1,028	\$ 4,753,535	\$ 209,852	\$ 2,395,430
Accrued payroll	—	—	—	—	—
Trust liabilities and deposits	—	—	—	—	—
Due to other funds	—	—	—	603,719	10,092,190
Advances from other funds	—	—	—	1,228,401	—
Unearned revenue	—	—	—	—	—
<b>Total liabilities</b>	<b>—</b>	<b>1,028</b>	<b>4,753,535</b>	<b>2,041,972</b>	<b>12,487,620</b>
<b>Deferred inflows of resources:</b>					
Unavailable revenues - grants	—	—	—	—	—
<b>Total deferred inflows of resources</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Fund balances (deficits):</b>					
Restricted	42,473	291,352	—	—	—
Unassigned	—	—	(3,050,422)	(2,041,593)	(7,353,010)
<b>Total fund balances (deficits)</b>	<b>42,473</b>	<b>291,352</b>	<b>(3,050,422)</b>	<b>(2,041,593)</b>	<b>(7,353,010)</b>
<b>Total liabilities, deferred inflows and fund balances</b>	<b>\$ 42,473</b>	<b>\$ 292,380</b>	<b>\$ 1,703,113</b>	<b>\$ 379</b>	<b>\$ 5,134,610</b>

Capital Projects							
Streets	Community Services	Public Safety Buildings and Improvements	Vehicle and Capital Equipment Replacement	Technology Replacement	Municipal Arts	Total Other Governmental Funds	
\$ 60,734,032	\$ 48,678,612	\$ 434,924	\$ 11,110,491	\$ 12,433,118	\$ 746,421	\$ 200,894,876	
—	—	—	—	—	—	328,476	
313,270	188,819	3,669	70,251	78,124	4,601	1,004,876	
—	—	—	—	—	—	365,495	
—	—	—	—	—	—	8,384,356	
<u>\$ 61,047,302</u>	<u>\$ 48,867,431</u>	<u>\$ 438,593</u>	<u>\$ 11,180,742</u>	<u>\$ 12,511,242</u>	<u>\$ 751,022</u>	<u>\$ 210,978,079</u>	
\$ 972,268	\$ 3,662,526	\$ —	\$ 230,360	\$ 446,637	\$ —	\$ 13,642,064	
—	—	—	—	—	—	409,036	
—	—	—	—	—	—	294,433	
—	—	—	—	—	—	11,149,478	
—	—	3,912,432	—	—	—	5,140,833	
—	—	—	—	—	—	467,128	
<u>972,268</u>	<u>3,662,526</u>	<u>3,912,432</u>	<u>230,360</u>	<u>446,637</u>	<u>—</u>	<u>31,102,972</u>	
—	—	—	—	—	—	5,024	
—	—	—	—	—	—	5,024	
60,075,034	45,204,905	—	10,950,382	12,064,605	751,022	195,788,947	
—	—	(3,473,839)	—	—	—	(15,918,864)	
<u>60,075,034</u>	<u>45,204,905</u>	<u>(3,473,839)</u>	<u>10,950,382</u>	<u>12,064,605</u>	<u>751,022</u>	<u>179,870,083</u>	
<u>\$ 61,047,302</u>	<u>\$ 48,867,431</u>	<u>\$ 438,593</u>	<u>\$ 11,180,742</u>	<u>\$ 12,511,242</u>	<u>\$ 751,022</u>	<u>\$ 210,978,079</u>	

(Concluded)

**City of Chandler**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances -**  
**Non-Major Governmental Funds**  
**For the year ended June 30, 2025**

	Special Revenue					
	Highway User	Local Transportation Assistance	Grants	Community Development	Police Confiscated Property	Parks and Recreation
<b>REVENUES:</b>						
Highway user taxes	\$ 21,880,284	\$ —	\$ —	\$ —	\$ —	\$ —
Grants and entitlements	—	1,024,989	2,958,506	1,642,822	—	119,729
System development fees	—	—	—	—	—	—
Charges for services	—	198,440	—	—	—	—
Fines and forfeitures	—	—	—	—	702,455	—
Interest revenue	2,639,184	354,121	198	1	(1)	20,598
Miscellaneous	73,575	186,798	—	—	—	9,766
<b>Total revenues</b>	<b>24,593,043</b>	<b>1,764,348</b>	<b>2,958,704</b>	<b>1,642,823</b>	<b>702,454</b>	<b>150,093</b>
<b>EXPENDITURES:</b>						
Current:						
General government	—	—	1,080,195	1,780,088	—	6,616
Public safety	—	—	1,271,509	—	231,451	—
Transportation and development	9,157,533	1,202,365	808,541	—	—	—
Community services	—	—	246,242	—	—	95,470
Capital outlay	11,012,044	81,352	—	—	773,017	129
Debt service:						
Interest and fiscal charges	—	—	—	—	—	—
<b>Total expenditures</b>	<b>20,169,577</b>	<b>1,283,717</b>	<b>3,406,487</b>	<b>1,780,088</b>	<b>1,004,468</b>	<b>102,215</b>
<b>EXCESS (DEFICIENCY) OF</b>						
<b>REVENUES OVER EXPENDITURES</b>	<b>4,423,466</b>	<b>480,631</b>	<b>(447,783)</b>	<b>(137,265)</b>	<b>(302,014)</b>	<b>47,878</b>
<b>OTHER FINANCING SOURCES (USES):</b>						
Proceeds from disposal of capital assets	—	—	—	—	—	—
Transfers in	—	—	—	—	—	—
Transfers out	(281,672)	(4,212)	—	—	—	—
<b>Total other financing sources (uses)</b>	<b>(281,672)</b>	<b>(4,212)</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>4,141,794</b>	<b>476,419</b>	<b>(447,783)</b>	<b>(137,265)</b>	<b>(302,014)</b>	<b>47,878</b>
<b>FUND BALANCES (DEFICITS):</b>						
Beginning of year	45,696,552	6,222,692	9,587,230	484,373	306,372	332,926
End of year	<u>\$ 49,838,346</u>	<u>\$ 6,699,111</u>	<u>\$ 9,139,447</u>	<u>\$ 347,108</u>	<u>\$ 4,358</u>	<u>\$ 380,804</u>

Special Revenue		Capital Projects				
Museum	Library	General Government	Public Buildings	Grants	Streets	Community Services
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
1,369	91,710	—	—	14,722,431	—	—
—	—	—	113,015	—	1,742,758	974,295
—	—	3,629,352	—	365,495	—	—
—	—	—	—	—	—	—
2,280	15,874	3	19,984	4	3,519,509	2,346,142
—	44,522	2,846	—	—	875	8,950
3,649	152,106	3,632,201	132,999	15,087,930	5,263,142	3,329,387
—	—	8,295,835	3,765	113,431	569,199	373,235
—	—	38,798	—	—	—	—
—	—	4,538,294	56,885	3,148,889	3,590,043	—
—	87,163	10,246	—	1	—	4,228,095
—	—	29,098,303	2,472,978	13,252,347	15,978,458	21,717,522
—	—	—	—	—	1,124	841
—	87,163	41,981,476	2,533,628	16,514,668	20,138,824	26,319,693
3,649	64,943	(38,349,275)	(2,400,629)	(1,426,738)	(14,875,682)	(22,990,306)
—	—	—	—	—	—	—
—	—	34,784,659	—	—	—	—
—	—	—	—	—	(10,000,000)	(521,439)
—	—	34,784,659	—	—	(10,000,000)	(521,439)
3,649	64,943	(3,564,616)	(2,400,629)	(1,426,738)	(24,875,682)	(23,511,745)
38,824	226,409	514,194	359,036	(5,926,272)	84,950,716	68,716,650
\$ 42,473	\$ 291,352	\$ (3,050,422)	\$ (2,041,593)	\$ (7,353,010)	\$ 60,075,034	\$ 45,204,905

(Continued)

**City of Chandler**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances -**  
**Non-Major Governmental Funds**  
**For the year ended June 30, 2025**

	Capital Projects				
	Public Safety Buildings and Improvements	Vehicle and Capital Equipment Replacement	Technology Replacement	Municipal Arts	Total Other Governmental Funds
<b>REVENUES:</b>					
Highway user taxes	\$ —	\$ —	\$ —	\$ —	\$ 21,880,284
Grants and entitlements	—	—	—	—	20,561,556
System development fees	386,848	—	—	—	3,216,916
Charges for services	—	—	—	—	4,193,287
Fines and forfeitures	—	—	—	—	702,455
Interest revenue	50,804	722,084	722,571	48,539	10,461,895
Miscellaneous	—	154,129	—	—	481,461
<b>Total revenues</b>	<b>437,652</b>	<b>876,213</b>	<b>722,571</b>	<b>48,539</b>	<b>61,497,854</b>
<b>EXPENDITURES:</b>					
Current:					
General government	2,000	—	1,882,721	289,253	14,396,338
Public safety	177,593	—	—	—	1,719,351
Transportation and development	—	—	—	—	22,502,550
Community services	—	—	—	—	4,667,217
Capital outlay	103,475	6,507,962	1,233,387	—	102,230,974
Debt service:					
Interest and fiscal charges	—	—	—	—	1,965
<b>Total expenditures</b>	<b>283,068</b>	<b>6,507,962</b>	<b>3,116,108</b>	<b>289,253</b>	<b>145,518,395</b>
<b>EXCESS (DEFICIENCY) OF</b>					
<b>REVENUES OVER EXPENDITURES</b>	<b>154,584</b>	<b>(5,631,749)</b>	<b>(2,393,537)</b>	<b>(240,714)</b>	<b>(84,020,541)</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Proceeds from disposal of capital assets	—	524,871	—	—	524,871
Transfers in	—	3,586,737	4,632,604	—	43,004,000
Transfers out	—	—	—	—	(10,807,323)
<b>Total other financing sources (uses)</b>	<b>—</b>	<b>4,111,608</b>	<b>4,632,604</b>	<b>—</b>	<b>32,721,548</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>154,584</b>	<b>(1,520,141)</b>	<b>2,239,067</b>	<b>(240,714)</b>	<b>(51,298,993)</b>
<b>FUND BALANCES (DEFICITS):</b>					
Beginning of year	(3,628,423)	12,470,523	9,825,538	991,736	231,169,076
End of year	<u>\$ (3,473,839)</u>	<u>\$ 10,950,382</u>	<u>\$ 12,064,605</u>	<u>\$ 751,022</u>	<u>\$ 179,870,083</u>

(Concluded)

# City of Chandler

## Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual Highway User Special Revenue For the year ended June 30, 2025

	<b>Budgeted Amounts</b>		Non-GAAP	Over
	Original	Final	Actual	(Under)
			Amounts	Final Budget
<b>REVENUES:</b>				
Highway user taxes	\$ 17,000,000	\$ 17,000,000	\$ 21,880,284	\$ 4,880,284
Interest revenue	669,000	669,000	2,639,182	1,970,182
Miscellaneous	—	—	73,575	73,575
<b>Total revenues</b>	<u>17,669,000</u>	<u>17,669,000</u>	<u>24,593,041</u>	<u>6,924,041</u>
<b>EXPENDITURES:</b>				
General government	817,084	3,925,659	—	3,925,659
Transportation and development	22,166,045	10,486,424	9,733,707	752,717
Capital outlay	8,348,569	17,209,557	15,533,143	1,676,414
<b>Total expenditures</b>	<u>31,331,698</u>	<u>31,621,640</u>	<u>25,266,850</u>	<u>6,354,790</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(13,662,698)</u>	<u>(13,952,640)</u>	<u>(673,809)</u>	<u>13,278,831</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	(303,754)	(303,754)	(281,672)	22,082
<b>Total other financing sources (uses)</b>	<u>(303,754)</u>	<u>(303,754)</u>	<u>(281,672)</u>	<u>22,082</u>
<b>Net change in fund balance</b>	<u>(13,966,452)</u>	<u>(14,256,394)</u>	<u>(955,481)</u>	<u>13,300,913</u>
<b>Fund balance, July 1, 2024</b>	<u>45,696,552</u>	<u>45,696,552</u>	<u>45,696,552</u>	<u>—</u>
<b>Fund balance, June 30, 2025</b>	<u>\$ 31,730,100</u>	<u>\$ 31,440,158</u>	<u>\$ 44,741,071</u>	<u>\$ 13,300,913</u>

## City of Chandler

### Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual Local Transportation Assistance Special Revenue For the year ended June 30, 2025

	<b>Budgeted Amounts</b>		Non-GAAP	Over
	Original	Final	Actual	(Under)
			Amounts	Final Budget
<b>REVENUES:</b>				
Grants and entitlements	\$ 699,600	\$ 699,600	\$ 1,024,989	\$ 325,389
Charges for services	160,000	160,000	198,440	38,440
Interest revenue	94,000	94,000	354,120	260,120
Miscellaneous	—	—	186,798	186,798
<b>Total revenues</b>	<u>953,600</u>	<u>953,600</u>	<u>1,764,347</u>	<u>810,747</u>
<b>EXPENDITURES:</b>				
General government	3,097,300	3,097,300	—	3,097,300
Transportation and development	2,837,546	1,997,454	1,395,110	602,344
Capital outlay	185,000	1,025,092	81,352	943,740
<b>Total expenditures</b>	<u>6,119,846</u>	<u>6,119,846</u>	<u>1,476,462</u>	<u>4,643,384</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(5,166,246)</u>	<u>(5,166,246)</u>	<u>287,885</u>	<u>5,454,131</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	(4,212)	(4,212)	(4,212)	—
<b>Total other financing sources (uses)</b>	<u>(4,212)</u>	<u>(4,212)</u>	<u>(4,212)</u>	<u>—</u>
<b>Net change in fund balance</b>	<u>(5,170,458)</u>	<u>(5,170,458)</u>	<u>283,673</u>	<u>5,454,131</u>
<b>Fund balance, July 1, 2024</b>	<u>6,222,692</u>	<u>6,222,692</u>	<u>6,222,692</u>	<u>—</u>
<b>Fund balance, June 30, 2025</b>	<u>\$ 1,052,234</u>	<u>\$ 1,052,234</u>	<u>\$ 6,506,365</u>	<u>\$ 5,454,131</u>

# City of Chandler

## Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual Grants Special Revenue For the year ended June 30, 2025

	<b>Budgeted Amounts</b>		Non-GAAP	Over
	Original	Final	Actual	(Under)
			Amounts	Final Budget
<b>REVENUES:</b>				
Grants and entitlements	\$ 5,102,000	\$ 5,102,000	\$ 2,958,506	\$ (2,143,494)
Interest revenue	—	—	192	192
<b>Total revenues</b>	<u>5,102,000</u>	<u>5,102,000</u>	<u>2,958,698</u>	<u>(2,143,302)</u>
<b>EXPENDITURES:</b>				
General government	14,658,976	7,850,554	1,992,919	5,857,635
Public safety	—	3,029,998	1,321,376	1,708,622
Transportation and development	—	2,211,345	808,541	1,402,804
Community services	—	1,439,347	288,092	1,151,255
Capital outlay	—	118,950	104,350	14,600
<b>Total expenditures</b>	<u>14,658,976</u>	<u>14,650,194</u>	<u>4,515,278</u>	<u>10,134,916</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(9,556,976)</u>	<u>(9,548,194)</u>	<u>(1,556,580)</u>	<u>7,991,614</u>
<b>Net change in fund balance</b>	<u>(9,556,976)</u>	<u>(9,548,194)</u>	<u>(1,556,580)</u>	<u>7,991,614</u>
<b>Fund balance, July 1, 2024</b>	<u>9,587,230</u>	<u>9,587,230</u>	<u>9,587,230</u>	<u>—</u>
<b>Fund balance, June 30, 2025</b>	<u>\$ 30,254</u>	<u>\$ 39,036</u>	<u>\$ 8,030,650</u>	<u>\$ 7,991,614</u>

## City of Chandler

### Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Community Development Special Revenue For the year ended June 30, 2025

	<b>Budgeted Amounts</b>		Non-GAAP Actual Amounts	Over (Under) Final Budget
	Original	Final		
<b>REVENUES:</b>				
Grants and entitlements	\$ 7,360,000	\$ 7,360,000	\$ 1,642,822	\$ (5,717,178)
<b>Total revenues</b>	<u>7,360,000</u>	<u>7,360,000</u>	<u>1,642,822</u>	<u>(5,717,178)</u>
<b>EXPENDITURES:</b>				
General government	<u>8,665,094</u>	<u>8,371,026</u>	<u>2,196,458</u>	<u>6,174,568</u>
<b>Total expenditures</b>	<u>8,665,094</u>	<u>8,371,026</u>	<u>2,196,458</u>	<u>6,174,568</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(1,305,094)</u>	<u>(1,011,026)</u>	<u>(553,636)</u>	<u>457,390</u>
<b>Net change in fund balance</b>	<u>(1,305,094)</u>	<u>(1,011,026)</u>	<u>(553,636)</u>	<u>457,390</u>
<b>Fund balance, July 1, 2024</b>	<u>484,373</u>	<u>484,373</u>	<u>484,373</u>	<u>—</u>
<b>Fund balance (deficit), June 30, 2025</b>	<u>\$ (820,721)</u>	<u>\$ (526,653)</u>	<u>\$ (69,263)</u>	<u>\$ 457,390</u>

## City of Chandler

### Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Police Confiscated Property Special Revenue For the year ended June 30, 2025

	<b>Budgeted Amounts</b>		Non-GAAP	Over
	Original	Final	Actual	(Under)
			Amounts	Final Budget
<b>REVENUES:</b>				
Fines and forfeitures	\$ 750,000	\$ 750,000	\$ 702,455	\$ (47,545)
<b>Total revenues</b>	<u>750,000</u>	<u>750,000</u>	<u>702,455</u>	<u>(47,545)</u>
<b>EXPENDITURES:</b>				
General government	51,000	—	—	—
Public safety	650,000	650,000	250,137	399,863
Capital outlay	100,000	424,515	774,216	(349,701)
<b>Total expenditures</b>	<u>801,000</u>	<u>1,074,515</u>	<u>1,024,353</u>	<u>50,162</u>
<b>Net change in fund balance</b>	(51,000)	(324,515)	(321,898)	2,617
<b>Fund balance, July 1, 2024</b>	<u>306,372</u>	<u>306,372</u>	<u>306,372</u>	<u>—</u>
<b>Fund balance (deficit), June 30, 2025</b>	<u>\$ 255,372</u>	<u>\$ (18,143)</u>	<u>\$ (15,526)</u>	<u>\$ 2,617</u>

## City of Chandler

### Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Parks and Recreation Special Revenue For the year ended June 30, 2025

	<b>Budgeted Amounts</b>		Non-GAAP	Over
	Original	Final	Actual	(Under)
			Amounts	Final Budget
<b>REVENUES:</b>				
Grants and entitlements	\$ 130,300	\$ 130,300	\$ 119,729	\$ (10,571)
Interest revenue	5,000	5,000	20,597	15,597
Miscellaneous	1,000	1,000	9,766	8,766
<b>Total revenues</b>	<u>136,300</u>	<u>136,300</u>	<u>150,092</u>	<u>13,792</u>
<b>EXPENDITURES:</b>				
General government	25,664	25,500	6,616	18,884
Community services	110,910	112,254	95,470	16,784
Capital outlay	—	—	129	(129)
<b>Total expenditures</b>	<u>136,574</u>	<u>137,754</u>	<u>102,215</u>	<u>35,539</u>
<b>Net change in fund balance</b>	(274)	(1,454)	47,877	49,331
<b>Fund balance, July 1, 2024</b>	<u>332,926</u>	<u>332,926</u>	<u>332,926</u>	<u>—</u>
<b>Fund balance, June 30, 2025</b>	<u>\$ 332,652</u>	<u>\$ 331,472</u>	<u>\$ 380,803</u>	<u>\$ 49,331</u>

# City of Chandler

## Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Museum Special Revenue For the year ended June 30, 2025

	<b>Budgeted Amounts</b>		Non-GAAP	Over
	Original	Final	Actual	(Under)
			Amounts	Final Budget
<b>REVENUES:</b>				
Grants and entitlements	\$ 50	\$ 50	\$ 1,369	\$ 1,319
Interest revenue	1,000	1,000	2,280	1,280
<b>Total revenues</b>	<u>1,050</u>	<u>1,050</u>	<u>3,649</u>	<u>2,599</u>
<b>EXPENDITURES:</b>				
General government	<u>38,553</u>	<u>38,553</u>	<u>—</u>	<u>38,553</u>
<b>Total expenditures</b>	<u>38,553</u>	<u>38,553</u>	<u>—</u>	<u>38,553</u>
<b>Net change in fund balance</b>	(37,503)	(37,503)	3,649	41,152
<b>Fund balance, July 1, 2024</b>	<u>38,824</u>	<u>38,824</u>	<u>38,824</u>	<u>—</u>
<b>Fund balance, June 30, 2025</b>	<u>\$ 1,321</u>	<u>\$ 1,321</u>	<u>\$ 42,473</u>	<u>\$ 41,152</u>

**City of Chandler**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual -**  
**Library Special Revenue**  
**For the year ended June 30, 2025**

	<b>Budgeted Amounts</b>		Non-GAAP	Over
	Original	Final	Actual	(Under)
			Amounts	Final Budget
<b>REVENUES:</b>				
Grants and entitlements	\$ 75,300	\$ 75,300	\$ 91,710	\$ 16,410
Interest revenue	2,000	2,000	15,874	13,874
Miscellaneous	—	—	44,522	44,522
<b>Total revenues</b>	<u>77,300</u>	<u>77,300</u>	<u>152,106</u>	<u>74,806</u>
<b>EXPENDITURES:</b>				
General government	50,000	50,000	—	50,000
Community services	214,519	80,000	87,163	(7,163)
Capital outlay	—	186,241	179,041	7,200
<b>Total expenditures</b>	<u>264,519</u>	<u>316,241</u>	<u>266,204</u>	<u>50,037</u>
<b>Net change in fund balance</b>	(187,219)	(238,941)	(114,098)	124,843
<b>Fund balance, July 1, 2024</b>	<u>226,409</u>	<u>226,409</u>	<u>226,409</u>	<u>—</u>
<b>Fund balance (deficit), June 30, 2025</b>	<u>\$ 39,190</u>	<u>\$ (12,532)</u>	<u>\$ 112,311</u>	<u>\$ 124,843</u>

# City of Chandler

## Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual General Government Capital Projects For the year ended June 30, 2025

	<b>Budgeted Amounts</b>		Non-GAAP Actual Amounts	Over (Under) Final Budget
	Original	Final		
<b>REVENUES:</b>				
Miscellaneous	\$ —	\$ —	\$ 2,846	\$ 2,846
<b>Total revenues</b>	<u>—</u>	<u>—</u>	<u>2,846</u>	<u>2,846</u>
<b>EXPENDITURES:</b>				
General government	36,771,109	32,193,271	11,341,987	20,851,284
Public safety	4,551,624	596,327	119,959	476,368
Transportation and development	39,451,439	13,808,012	7,562,124	6,245,888
Community services	14,600,358	1,031,150	10,246	1,020,904
Capital outlay	43,606,370	98,579,291	56,472,859	42,106,432
<b>Total expenditures</b>	<u>138,980,900</u>	<u>146,208,051</u>	<u>75,507,175</u>	<u>70,700,876</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(138,980,900)</u>	<u>(146,208,051)</u>	<u>(75,504,329)</u>	<u>70,703,722</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Capital contributions				
Transfers in	138,980,900	138,980,900	34,784,659	(104,196,241)
<b>Total other financing sources (uses)</b>	<u>138,980,900</u>	<u>138,980,900</u>	<u>34,784,659</u>	<u>(104,196,241)</u>
<b>Net change in fund balance</b>	<u>—</u>	<u>(7,227,151)</u>	<u>(40,719,670)</u>	<u>(33,492,519)</u>
<b>Fund balance, July 1, 2024</b>	<u>514,194</u>	<u>514,194</u>	<u>514,194</u>	<u>—</u>
<b>Fund balance (deficit), June 30, 2025</b>	<u>\$ 514,194</u>	<u>\$ (6,712,957)</u>	<u>\$ (40,205,476)</u>	<u>\$ (33,492,519)</u>

## City of Chandler

### Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Public Buildings Capital Projects For the year ended June 30, 2025

	<b>Budgeted Amounts</b>		Non-GAAP	Over
	Original	Final	Actual	(Under)
			Amounts	Final Budget
<b>REVENUES:</b>				
System development fees	\$ 277,000	\$ 277,000	\$ 113,015	\$ (163,985)
Interest revenue	36,400	36,400	19,984	(16,416)
<b>Total revenues</b>	<u>313,400</u>	<u>313,400</u>	<u>132,999</u>	<u>(180,401)</u>
<b>EXPENDITURES:</b>				
General government	177,000	753,386	1,000	752,386
Capital outlay	4,522,000	5,140,968	3,027,076	2,113,892
<b>Total expenditures</b>	<u>4,699,000</u>	<u>5,894,354</u>	<u>3,028,076</u>	<u>2,866,278</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(4,385,600)</u>	<u>(5,580,954)</u>	<u>(2,895,077)</u>	<u>2,685,877</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	(100,000)	(100,000)	—	100,000
<b>Total other financing sources (uses)</b>	<u>(100,000)</u>	<u>(100,000)</u>	<u>—</u>	<u>100,000</u>
<b>Net change in fund balance</b>	<u>(4,485,600)</u>	<u>(5,680,954)</u>	<u>(2,895,077)</u>	<u>2,785,877</u>
<b>Fund balance, July 1, 2024</b>	<u>359,036</u>	<u>359,036</u>	<u>359,036</u>	<u>—</u>
<b>Fund balance (deficit), June 30, 2025</b>	<u>\$ (4,126,564)</u>	<u>\$ (5,321,918)</u>	<u>\$ (2,536,041)</u>	<u>\$ 2,785,877</u>

# City of Chandler

## Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Grants Capital Projects For the year ended June 30, 2025

	<b>Budgeted Amounts</b>		Non-GAAP	Over
	Original	Final	Actual	(Under)
			Amounts	Final Budget
<b>REVENUES:</b>				
Grants and entitlements	\$ 24,107,694	\$ 24,107,694	\$ 14,722,431	\$ (9,385,263)
Charges for services	270,960	270,960	365,495	94,535
<b>Total revenues</b>	<u>24,378,654</u>	<u>24,378,654</u>	<u>15,087,926</u>	<u>(9,290,728)</u>
<b>EXPENDITURES:</b>				
General government	9,400,747	10,431,755	120,196	10,311,559
Transportation and development	55,827,371	9,232,033	3,938,147	5,293,886
Community services	1,543,934	—	1	(1)
Capital outlay	22,060,185	70,924,466	33,729,818	37,194,648
<b>Total expenditures</b>	<u>88,832,237</u>	<u>90,588,254</u>	<u>37,788,162</u>	<u>52,800,092</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(64,453,583)</u>	<u>(66,209,600)</u>	<u>(22,700,236)</u>	<u>43,509,364</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	—	(120,000)	—	120,000
<b>Total other financing sources (uses)</b>	<u>—</u>	<u>(120,000)</u>	<u>—</u>	<u>120,000</u>
<b>Net change in fund balance</b>	<u>(64,453,583)</u>	<u>(66,329,600)</u>	<u>(22,700,236)</u>	<u>43,629,364</u>
<b>Fund balance (deficit), July 1, 2024</b>	<u>(5,926,272)</u>	<u>(5,926,272)</u>	<u>(5,926,272)</u>	<u>—</u>
<b>Fund balance (deficit), June 30, 2025</b>	<u>\$ (70,379,855)</u>	<u>\$ (72,255,872)</u>	<u>\$ (28,626,508)</u>	<u>\$ 43,629,364</u>

# City of Chandler

## Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Streets Capital Projects For the year ended June 30, 2025

	<b>Budgeted Amounts</b>		Non-GAAP	Over
	Original	Final	Actual	(Under)
			Amounts	Final Budget
<b>REVENUES:</b>				
System development fees	\$ 3,000,000	\$ 3,000,000	\$ 1,742,758	\$ (1,257,242)
Interest revenue	1,203,000	1,203,000	3,519,506	2,316,506
Miscellaneous	—	—	875	875
<b>Total revenues</b>	<u>4,203,000</u>	<u>4,203,000</u>	<u>5,263,139</u>	<u>1,060,139</u>
<b>EXPENDITURES:</b>				
General government	2,214,751	11,914,206	978,212	10,935,994
Transportation and development	76,419,879	13,560,533	4,265,318	9,295,215
Capital outlay	34,689,600	85,319,412	32,898,316	52,421,096
<b>Total expenditures</b>	<u>113,324,230</u>	<u>110,794,151</u>	<u>38,141,846</u>	<u>72,652,305</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(109,121,230)</u>	<u>(106,591,151)</u>	<u>(32,878,707)</u>	<u>73,712,444</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	(10,000,000)	(10,000,000)	(10,000,000)	—
<b>Total other financing sources (uses)</b>	<u>(10,000,000)</u>	<u>(10,000,000)</u>	<u>(10,000,000)</u>	<u>—</u>
<b>Net change in fund balance</b>	<u>(119,121,230)</u>	<u>(116,591,151)</u>	<u>(42,878,707)</u>	<u>73,712,444</u>
<b>Fund balance, July 1, 2024</b>	<u>84,950,716</u>	<u>84,950,716</u>	<u>84,950,716</u>	<u>—</u>
<b>Fund balance (deficit), June 30, 2025</b>	<u>\$ (34,170,514)</u>	<u>\$ (31,640,435)</u>	<u>\$ 42,072,009</u>	<u>\$ 73,712,444</u>

## City of Chandler

### Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Community Services Capital Projects For the year ended June 30, 2025

	<b>Budgeted Amounts</b>		Non-GAAP	Over
	Original	Final	Actual	(Under)
			Amounts	Final Budget
<b>REVENUES:</b>				
System development fees	\$ 449,000	\$ 449,000	\$ 974,295	\$ 525,295
Interest revenue	1,108,400	1,108,400	2,346,144	1,237,744
Miscellaneous	—	—	8,950	8,950
<b>Total revenues</b>	<u>1,557,400</u>	<u>1,557,400</u>	<u>3,329,389</u>	<u>1,771,989</u>
<b>EXPENDITURES:</b>				
General government	92,800	17,577,220	3,841	17,573,379
Community services	63,666,864	10,104,393	6,482,185	3,622,208
Capital outlay	4,620,000	42,252,370	29,465,585	12,786,785
<b>Total expenditures</b>	<u>68,379,664</u>	<u>69,933,983</u>	<u>35,951,611</u>	<u>33,982,372</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(66,822,264)</u>	<u>(68,376,583)</u>	<u>(32,622,222)</u>	<u>35,754,361</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	(500,000)	(500,000)	(521,439)	(21,439)
<b>Total other financing sources (uses)</b>	<u>(500,000)</u>	<u>(500,000)</u>	<u>(521,439)</u>	<u>(21,439)</u>
<b>Net change in fund balance</b>	<u>(67,322,264)</u>	<u>(68,876,583)</u>	<u>(33,143,661)</u>	<u>35,732,922</u>
<b>Fund balance, July 1, 2024</b>	<u>68,716,650</u>	<u>68,716,650</u>	<u>68,716,650</u>	<u>—</u>
<b>Fund balance (deficit), June 30, 2025</b>	<u>\$ 1,394,386</u>	<u>\$ (159,933)</u>	<u>\$ 35,572,989</u>	<u>\$ 35,732,922</u>

## City of Chandler

### Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Public Safety Buildings and Improvements Capital Projects For the year ended June 30, 2025

	<b>Budgeted Amounts</b>		Non-GAAP	Over
	Original	Final	Actual	(Under)
			Amounts	Final Budget
<b>REVENUES:</b>				
System development fees	\$ 865,000	\$ 865,000	\$ 386,848	\$ (478,152)
Interest revenue	9,000	9,000	50,802	41,802
<b>Total revenues</b>	<u>874,000</u>	<u>874,000</u>	<u>437,650</u>	<u>(436,350)</u>
<b>EXPENDITURES:</b>				
General government	376,600	1,287,058	2,000	1,285,058
Public safety	7,139,084	5,488,420	4,813,537	674,883
Capital outlay	—	740,206	103,475	636,731
<b>Total expenditures</b>	<u>7,515,684</u>	<u>7,515,684</u>	<u>4,919,012</u>	<u>2,596,672</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(6,641,684)</u>	<u>(6,641,684)</u>	<u>(4,481,362)</u>	<u>2,160,322</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	(550,000)	(550,000)	—	550,000
<b>Total other financing sources (uses)</b>	<u>(550,000)</u>	<u>(550,000)</u>	<u>—</u>	<u>550,000</u>
<b>Net change in fund balance</b>	<u>(7,191,684)</u>	<u>(7,191,684)</u>	<u>(4,481,362)</u>	<u>2,710,322</u>
<b>Fund balance (deficit), July 1, 2024</b>	<u>(3,628,423)</u>	<u>(3,628,423)</u>	<u>(3,628,423)</u>	<u>—</u>
<b>Fund balance (deficit), June 30, 2025</b>	<u>\$ (10,820,107)</u>	<u>\$ (10,820,107)</u>	<u>\$ (8,109,785)</u>	<u>\$ 2,710,322</u>

## City of Chandler

### Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Vehicle and Capital Equipment Replacement Capital Projects For the year ended June 30, 2025

	<b>Budgeted Amounts</b>		Non-GAAP	Over
	Original	Final	Actual	(Under)
			Amounts	Final Budget
<b>REVENUES:</b>				
Interest revenue	\$ 252,000	\$ 252,000	\$ 722,086	\$ 470,086
Miscellaneous	—	—	154,129	154,129
<b>Total revenues</b>	<u>252,000</u>	<u>252,000</u>	<u>876,215</u>	<u>624,215</u>
<b>EXPENDITURES:</b>				
General government	7,120,247	808,868	51,541	757,327
Public safety	516,600	516,600	—	516,600
Capital outlay	5,239,380	8,829,377	7,415,351	1,414,026
<b>Total expenditures</b>	<u>12,876,227</u>	<u>10,154,845</u>	<u>7,466,892</u>	<u>2,687,953</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(12,624,227)</u>	<u>(9,902,845)</u>	<u>(6,590,677)</u>	<u>3,312,168</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Proceeds from disposal of capital assets	300,000	300,000	524,871	224,871
Transfers in	3,586,737	3,586,737	3,586,737	—
<b>Total other financing sources (uses)</b>	<u>3,886,737</u>	<u>3,886,737</u>	<u>4,111,608</u>	<u>224,871</u>
<b>Net change in fund balance</b>	<u>(8,737,490)</u>	<u>(6,016,108)</u>	<u>(2,479,069)</u>	<u>3,537,039</u>
<b>Fund balance, July 1, 2024</b>	<u>12,470,523</u>	<u>12,470,523</u>	<u>12,470,523</u>	<u>—</u>
<b>Fund balance (deficit), June 30, 2025</b>	<u>\$ 3,733,033</u>	<u>\$ 6,454,415</u>	<u>\$ 9,991,454</u>	<u>\$ 3,537,039</u>

## City of Chandler

### Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Technology Replacement Capital Projects For the year ended June 30, 2025

	<b>Budgeted Amounts</b>		Non-GAAP Actual Amounts	Over (Under) Final Budget
	Original	Final		
<b>REVENUES:</b>				
Interest revenue	\$ 221,000	\$ 221,000	\$ 722,571	\$ 501,571
<b>Total revenues</b>	<u>221,000</u>	<u>221,000</u>	<u>722,571</u>	<u>501,571</u>
<b>EXPENDITURES:</b>				
General government	4,475,700	2,150,687	2,195,781	(45,094)
Capital outlay	3,440,800	3,472,797	1,347,241	2,125,556
<b>Total expenditures</b>	<u>7,916,500</u>	<u>5,623,484</u>	<u>3,543,022</u>	<u>2,080,462</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(7,695,500)</u>	<u>(5,402,484)</u>	<u>(2,820,451)</u>	<u>2,582,033</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	4,621,290	4,621,290	4,632,604	11,314
<b>Total other financing sources (uses)</b>	<u>4,621,290</u>	<u>4,621,290</u>	<u>4,632,604</u>	<u>11,314</u>
<b>Net change in fund balance</b>	<u>(3,074,210)</u>	<u>(781,194)</u>	<u>1,812,153</u>	<u>2,593,347</u>
<b>Fund balance, July 1, 2024</b>	<u>9,825,538</u>	<u>9,825,538</u>	<u>9,825,538</u>	<u>—</u>
<b>Fund balance, June 30, 2025</b>	<u>\$ 6,751,328</u>	<u>\$ 9,044,344</u>	<u>\$ 11,637,691</u>	<u>\$ 2,593,347</u>

## City of Chandler

### Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Municipal Arts Capital Projects For the year ended June 30, 2025

	<b>Budgeted Amounts</b>		Non-GAAP Actual Amounts	Over (Under) Final Budget
	Original	Final		
<b>REVENUES:</b>				
Interest revenue	\$ 17,000	\$ 17,000	\$ 48,539	\$ 31,539
<b>Total revenues</b>	17,000	17,000	48,539	31,539
<b>EXPENDITURES:</b>				
General government	620,000	710,000	289,578	420,422
<b>Total expenditures</b>	620,000	710,000	289,578	420,422
<b>Net change in fund balance</b>	(603,000)	(693,000)	(241,039)	451,961
<b>Fund balance, July 1, 2024</b>	991,736	991,736	991,736	—
<b>Fund balance, June 30, 2025</b>	<u>\$ 388,736</u>	<u>\$ 298,736</u>	<u>\$ 750,697</u>	<u>\$ 451,961</u>



## **City of Chandler**

### **Non-Major Proprietary Funds**

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#### **Solid Waste**

Used to account for the provision of solid waste (refuse) services to the residential customers of the city. All activities necessary to provide such service are accounted for in this fund.

#### **Airport**

Used to account for the provision of airport services at the city's municipal airport. All activities necessary to provide such service are accounted for in this fund, including but not limited to administration, operation, maintenance, financing and related debt service, billing and collection.

#### **Chandler Housing Authority**

Used to account for expenditures of the city's housing assistance programs which consist of housing owned and operated by the city and rent subsidy payments to private sector owners of dwelling units. Financing for this fund is derived from tenants and the United States Department of Housing and Urban Development.

**City of Chandler**  
**Combining Statement of Net Position -**  
**Non-Major Proprietary Funds**  
**June 30, 2025**

	Solid Waste	Airport	Chandler Housing Authority	Total Other Proprietary Funds
<b>ASSETS</b>				
Current assets:				
Equity in pooled cash and investments	\$25,754,786	\$ 252,456	\$12,306,946	\$38,314,188
Accounts receivable	2,572,835	287	138,698	2,711,820
Due from other governments	—	—	5,156,323	5,156,323
Inventories	—	15,189	—	15,189
Prepaid invoices	160,989	—	—	160,989
Accrued interest receivable	159,920	—	74,098	234,018
Other receivables	—	—	65,020	65,020
Total current assets	<u>28,648,530</u>	<u>267,932</u>	<u>17,741,085</u>	<u>46,657,547</u>
Long-term assets:				
Notes receivable	—	—	5,154,750	5,154,750
Leases receivable	—	3,768,438	—	3,768,438
Capital assets:				
Non-depreciable	8,588,023	22,246,486	1,889,957	32,724,466
Depreciable, net	4,987,987	11,635,173	6,206,079	22,829,239
Total capital assets	<u>13,576,010</u>	<u>33,881,659</u>	<u>8,096,036</u>	<u>55,553,705</u>
Total long-term assets	<u>13,576,010</u>	<u>37,650,097</u>	<u>13,250,786</u>	<u>64,476,893</u>
<b>Total assets</b>	<u>42,224,540</u>	<u>37,918,029</u>	<u>30,991,871</u>	<u>111,134,440</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred outflows of OPEB and pension plan items	<u>498,173</u>	<u>311,265</u>	<u>560,800</u>	<u>1,370,238</u>

<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	1,664,944	139,689	5,043,666	6,848,299
Accrued payroll	87,754	32,330	—	120,084
Trust liabilities and deposits	—	94,770	1,182,927	1,277,697
Customer advances	183,786	33,472	46,607	263,865
Compensated absences payable	108,000	28,934	62,829	199,763
Landfill closure and postclosure liability	94,446	—	—	94,446
Total current liabilities	<u>2,138,930</u>	<u>329,195</u>	<u>6,336,029</u>	<u>8,804,154</u>
Long-term liabilities:				
Compensated absences payable	100,544	44,157	67,446	212,147
Notes payable	—	—	5,000,000	5,000,000
Net pension liability	1,010,711	1,226,824	2,190,062	4,427,597
OPEB liability	685,620	237,389	760,051	1,683,060
Landfill closure and postclosure liability	4,245,554	—	—	4,245,554
Total long-term liabilities	<u>6,042,429</u>	<u>1,508,370</u>	<u>8,017,559</u>	<u>15,568,358</u>
<b>Total liabilities</b>	<u>8,181,359</u>	<u>1,837,565</u>	<u>14,353,588</u>	<u>24,372,512</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows of OPEB and pension plan items	352,424	85,618	367,630	805,672
Deferred inflows of leases	—	3,617,857	—	3,617,857
<b>Total deferred inflows of resources</b>	<u>352,424</u>	<u>3,703,475</u>	<u>367,630</u>	<u>4,423,529</u>
<b>NET POSITION</b>				
Net investment in capital assets	11,915,466	33,743,591	8,096,036	53,755,093
Unrestricted	22,273,464	(1,055,337)	8,735,417	29,953,544
<b>Total net position</b>	<u>\$34,188,930</u>	<u>\$32,688,254</u>	<u>\$16,831,453</u>	<u>\$83,708,637</u>



**City of Chandler**  
**Combining Statement of Revenues, Expenses and Changes in Net Position -**  
**Non-Major Proprietary Funds**  
**For the year ended June 30, 2025**

	Solid Waste	Airport	Chandler Housing Authority	Total Other Proprietary Funds
<b>OPERATING REVENUES:</b>				
Service fees	\$ 19,942,908	\$ 1,214,124	\$ 65,345	\$ 21,222,377
Grants and entitlements	—	—	17,882,587	17,882,587
Rentals	—	—	1,978,022	1,978,022
Sales taxes	—	21,236	—	21,236
Miscellaneous	250	15,420	1,783,682	1,799,352
<b>Total operating revenues</b>	<b>19,943,158</b>	<b>1,250,780</b>	<b>21,709,636</b>	<b>42,903,574</b>
<b>OPERATING EXPENSES:</b>				
General and administrative	1,303,006	100,000	—	1,403,006
Personnel services	2,322,387	910,737	2,424,154	5,657,278
Contractual services	14,293,556	269,216	1,040,499	15,603,271
Commodities	1,085,735	221,775	5,767,028	7,074,538
Housing assistance payments	—	—	11,275,880	11,275,880
Depreciation and amortization expense	612,594	776,734	678,606	2,067,934
<b>Total operating expenses</b>	<b>19,617,278</b>	<b>2,278,462</b>	<b>21,186,167</b>	<b>43,081,907</b>
<b>OPERATING INCOME (LOSS)</b>	<b>325,880</b>	<b>(1,027,682)</b>	<b>523,469</b>	<b>(178,333)</b>
<b>NONOPERATING REVENUES (EXPENSES):</b>				
Interest revenue	1,463,730	92,231	613,450	2,169,411
Gain (loss) on disposal of capital assets	(25,000)	(7,000)	4,050	(27,950)
<b>Total nonoperating revenues (expenses)</b>	<b>1,438,730</b>	<b>85,231</b>	<b>617,500</b>	<b>2,141,461</b>
<b>INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS</b>	<b>1,764,610</b>	<b>(942,451)</b>	<b>1,140,969</b>	<b>1,963,128</b>
<b>CAPITAL CONTRIBUTION AND TRANSFERS:</b>				
Capital contributions	—	177,958	—	177,958
Transfers in	—	1,930,086	431,000	2,361,086
Transfers out	(117,315)	(35,041)	—	(152,356)
<b>Total capital contributions and transfers</b>	<b>(117,315)</b>	<b>2,073,003</b>	<b>431,000</b>	<b>2,386,688</b>
<b>CHANGE IN NET POSITION</b>	<b>1,647,295</b>	<b>1,130,552</b>	<b>1,571,969</b>	<b>4,349,816</b>
<b>NET POSITION</b>				
Beginning of year	32,541,635	31,557,702	15,259,484	79,358,821
End of year	<u>\$ 34,188,930</u>	<u>\$ 32,688,254</u>	<u>\$ 16,831,453</u>	<u>\$ 83,708,637</u>

**City of Chandler**  
**Combining Statement of Cash Flows -**  
**Non-Major Proprietary Funds**  
**For the year ended June 30, 2025**

	Solid Waste	Airport	Chandler Housing Authority	Total Other Proprietary Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Cash received from customers	\$ 19,836,570	\$ 1,225,039	\$ (1,137,843)	\$ 19,923,766
Cash received from grantors	—	—	12,743,647	12,743,647
Cash payments to suppliers	(16,189,046)	(538,773)	(8,058,935)	(24,786,754)
Cash payments to employees for services	(2,221,382)	(889,295)	(2,352,413)	(5,463,090)
<b>Net cash provided (used) by operating activities</b>	<u>1,426,142</u>	<u>(203,029)</u>	<u>1,194,456</u>	<u>2,417,569</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>				
Transfers in	—	1,930,086	431,000	2,361,086
Transfers out	(117,315)	(35,041)	—	(152,356)
<b>Net cash provided (used) by noncapital financing activities</b>	<u>(117,315)</u>	<u>1,895,045</u>	<u>431,000</u>	<u>2,208,730</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>				
Acquisition and construction of capital assets	(2,066,543)	(1,723,905)	(449,720)	(4,240,168)
<b>Net cash provided (used) by capital and related financing activities</b>	<u>(2,066,543)</u>	<u>(1,723,905)</u>	<u>(449,720)</u>	<u>(4,240,168)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Investment income	1,440,918	92,231	596,804	2,129,953
<b>Net cash provided (used) by investing activities</b>	<u>1,440,918</u>	<u>92,231</u>	<u>596,804</u>	<u>2,129,953</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	683,202	60,342	1,772,540	2,516,084
<b>CASH AND CASH EQUIVALENTS:</b>				
Beginning of year	25,071,584	192,114	10,534,406	35,798,104
End of year	<u>\$ 25,754,786</u>	<u>\$ 252,456</u>	<u>\$ 12,306,946</u>	<u>\$ 38,314,188</u>

**RECONCILIATION OF OPERATING INCOME (LOSS) TO NET****CASH PROVIDED (USED) BY OPERATING ACTIVITIES:**

Operating income (loss)	\$ 325,880	\$ (1,027,682)	\$ 523,469	\$ (178,333)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation and amortization	612,594	776,734	678,606	2,067,934
Changes in assets, liabilities and deferred items:				
(Increase) decrease in receivables	(82,558)	107,444	(5,075,929)	(5,051,043)
(Increase) decrease in due from other governments	—	—	(5,138,940)	(5,138,940)
(Increase) decrease in inventories	—	(2,216)	—	(2,216)
(Increase) decrease in prepaid items	(66,802)	—	—	(66,802)
Increase (decrease) in payables	560,053	54,434	5,024,472	5,638,959
Increase (decrease) in long-term notes payable	—	—	5,000,000	5,000,000
Increase (decrease) in accrued payroll and compensated absences	83,069	21,849	52,628	157,546
Increase (decrease) in deposits	—	10,104	78,516	88,620
Increase (decrease) in customer advances	(24,030)	(1,702)	32,521	6,789
Increase (decrease) in net pension items	(17,914)	(15,797)	(18,049)	(51,760)
Increase (decrease) in OPEB liability	35,850	15,390	37,162	88,402
Increase (decrease) in lease deferred inflows	—	(141,587)	—	(141,587)
Total adjustments	1,100,262	824,653	670,987	2,595,902
<b>Net cash provided (used) by operating activities</b>	<b>\$ 1,426,142</b>	<b>\$ (203,029)</b>	<b>\$ 1,194,456</b>	<b>\$ 2,417,569</b>

**NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:**

Contributions of capital assets from city government	\$ —	\$ 177,958	\$ —	\$ 177,958
Gain (loss) on disposal of capital assets	(25,000)	(7,000)	4,050	(27,950)



## 3 Statistical Section

- Financial Trends
- Revenue Capacity
- Debt Capacity
- Demographic and Economic Information
- Operating Information



Strategic infrastructure investments that facilitate business and economic growth are paired with facility, park and public safety improvements that support the quality of life enjoyed by residents.



**CITY OF CHANDLER, ARIZONA**  
**Statistical Section**

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This part of the City of Chandler’s annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the city’s overall financial health.

<b><u>Contents</u></b>	<b><u>Page</u></b>
<b>Financial Trends</b>	146
Schedules 1-6 contain information to help the reader understand how the city’s financial performance and well-being have changed over time.	
<b>Revenue Capacity</b>	162
Schedules 7-9 contain information to help the reader assess the factors affecting the city’s ability to generate its sales and use tax.	
<b>Debt Capacity</b>	166
Schedules 10-13b present information to help the reader assess the affordability of the city’s current levels of outstanding debt and the city’s ability to issue additional debt in the future. Schedules 14-29 provide additional information for continuing disclosure purposes.	
<b>Demographic and Economic Information</b>	189
Schedules 30-31 offer demographic and economic indicators to help the reader understand the environment within which the city’s financial activities take place and to help make comparisons over time and with other governments.	
<b>Operating Information</b>	192
Schedules 32-34 contain information about the city’s operations and resources to help the reader understand how the city’s financial information relates to the services the city provides and the activities it performs.	

**Sources:** Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.

**CITY OF CHANDLER, ARIZONA**  
**NET POSITION BY COMPONENT**  
**LAST TEN FISCAL YEARS**  
**(accrual basis of accounting)**

	Fiscal Year			
	2016	2017	2018	2019
Governmental activities				
Net investment in capital assets	\$ 579,591,241	\$ 587,213,640	\$ 536,086,249	\$ 575,953,033
Restricted	121,767,847	122,006,140	168,510,855	173,490,725
Unrestricted	(5,872,464)	(36,358,845)	(65,575,548)	(72,592,489)
Total governmental activities net position	695,486,624	672,860,935	639,021,556	676,851,269
Business-type activities				
Net investment in capital assets	342,252,306	439,823,546	467,799,036	481,911,949
Restricted	31,365,801	32,977,926	33,447,434	31,523,149
Unrestricted	258,806,679	176,390,803	243,735,547	249,131,813
Total business-type activities net position	632,424,786	649,192,275	744,982,017	762,566,911
Primary government				
Net investment in capital assets	921,843,547	1,027,037,186	1,003,885,285	1,057,864,982
Restricted	153,133,648	155,184,734	201,958,289	205,013,874
Unrestricted	252,934,215	139,831,290	178,159,999	176,539,324
Total primary government net position	<u>\$ 1,327,911,410</u>	<u>\$ 1,322,053,210</u>	<u>\$ 1,384,003,573</u>	<u>\$1,439,418,180</u>

**Schedule 1**

<b>Fiscal Year</b>					
<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
\$ 547,511,826	\$ 555,107,220	\$ 536,775,941	\$ 555,568,147	\$ 572,110,660	\$ 614,855,681
191,839,529	189,214,016	194,380,531	182,068,932	251,642,729	166,710,948
(8,655,932)	(6,761,531)	63,657,816	168,391,045	170,645,342	307,806,909
<u>730,695,423</u>	<u>737,559,705</u>	<u>794,814,288</u>	<u>906,028,124</u>	<u>994,398,731</u>	<u>1,089,373,538</u>
477,329,239	458,616,595	473,953,519	514,595,066	526,875,770	597,070,834
33,750,526	32,154,205	31,745,566	31,119,667	28,190,997	33,158,230
<u>267,005,635</u>	<u>299,755,652</u>	<u>283,463,157</u>	<u>250,938,753</u>	<u>264,141,654</u>	<u>206,820,231</u>
<u>778,085,400</u>	<u>790,526,452</u>	<u>789,162,242</u>	<u>796,653,486</u>	<u>819,208,421</u>	<u>837,049,295</u>
1,024,841,065	1,013,723,815	1,010,729,460	1,070,163,213	1,098,986,430	1,211,926,515
225,590,055	221,368,221	226,126,097	213,188,599	279,833,726	199,869,178
<u>258,349,703</u>	<u>292,994,121</u>	<u>347,120,973</u>	<u>419,329,798</u>	<u>434,786,996</u>	<u>514,627,140</u>
<u>\$1,508,780,823</u>	<u>\$1,528,086,157</u>	<u>\$1,583,976,530</u>	<u>\$1,702,681,610</u>	<u>\$1,813,607,152</u>	<u>\$ 1,926,422,833</u>

**CITY OF CHANDLER, ARIZONA**  
**CHANGES IN NET POSITION**  
**LAST TEN FISCAL YEARS**  
**(accrual basis of accounting)**

	Fiscal Year			
	2016	2017	2018	2019
<b>Expenses</b>				
Governmental activities:				
General government	\$ 112,514,903	\$ 104,998,802	\$ 113,587,478	\$ 114,373,302
Public safety	111,568,323	149,366,614	112,371,723	124,906,187
Transportation and development	55,012,081	56,752,197	55,287,494	53,806,473
Community services	31,441,019	32,599,549	36,824,102	36,990,853
Interest and fiscal charges	7,884,146	6,623,830	6,716,119	7,046,655
Total governmental activities expenses	318,420,472	350,340,992	324,786,916	337,123,470
Business-type activities:				
Water	54,075,742	63,236,746	61,513,990	58,297,769
Wastewater	51,034,921	58,112,931	60,605,779	61,218,775
Solid waste	13,925,017	14,380,178	14,531,558	15,221,985
Airport	2,011,880	1,893,830	1,841,718	2,038,417
Chandler housing authority	7,267,806	7,728,876	8,109,635	8,478,235
Total business-type activities expenses	128,315,366	145,352,561	146,602,680	145,255,181
Total primary government expenses	<u>\$ 446,735,838</u>	<u>\$ 495,693,553</u>	<u>\$ 471,389,596</u>	<u>\$ 482,378,651</u>

## Schedule 2a

Fiscal Year					
2020	2021	2022	2023	2024	2025
\$ 138,850,297	\$ 162,849,542	\$ 157,127,919	\$ 195,086,875	\$ 185,864,611	\$ 158,427,128
109,544,169	122,146,366	104,673,550	95,958,948	158,894,534	158,185,614
59,777,330	58,847,053	56,403,523	60,990,970	59,823,718	74,087,692
38,195,563	39,565,719	41,563,661	45,928,371	43,606,131	48,423,518
6,885,184	6,653,197	6,014,168	5,292,655	5,935,673	6,382,171
353,252,543	390,061,877	365,782,821	403,257,819	454,124,667	445,506,123
60,330,758	62,049,102	61,264,619	75,887,686	69,667,817	63,443,736
66,788,084	62,753,454	63,037,577	63,849,518	70,135,806	78,455,540
16,522,728	17,040,309	16,727,814	17,278,664	19,412,684	19,642,278
2,382,288	2,186,724	1,956,786	2,209,135	2,873,143	2,285,462
8,710,570	9,207,531	9,955,131	10,877,168	14,220,801	21,186,167
154,734,428	153,237,120	152,941,927	170,102,171	176,310,251	185,013,183
\$ 507,986,971	\$ 543,298,997	\$ 518,724,748	\$ 573,359,990	\$ 630,434,918	\$ 630,519,306

**CITY OF CHANDLER, ARIZONA**  
**CHANGES IN NET POSITION**  
**LAST TEN FISCAL YEARS**  
**(accrual basis of accounting)**

	<b>Fiscal Year</b>			
	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
<b>Program Revenues</b>				
Governmental activities:				
Charges for services:				
General government	\$ 42,021,638	\$ 41,400,079	\$ 43,089,930	\$ 43,622,807
Public safety	7,471,344	6,561,052	6,100,584	4,998,779
Transportation and development	16,538,175	16,333,273	17,145,894	14,869,670
Community services	10,792,114	10,732,351	9,180,276	7,583,513
Operating grants and contributions	5,188,787	4,481,750	3,988,629	4,522,345
Capital grants and contributions	16,725,462	9,702,683	9,340,818	10,510,464
Total governmental activities program revenues	98,737,520	89,211,188	88,846,131	86,107,578
Business-type activities:				
Charges for services:				
Water	50,483,097	53,251,020	54,031,592	52,459,720
Wastewater	51,321,346	53,563,934	56,367,650	56,055,131
Solid waste	14,940,591	15,648,992	16,307,409	16,107,922
Airport	946,419	950,294	963,827	906,557
Chandler housing authority	946,408	954,070	1,085,013	1,155,430
Operating grants and contributions	5,784,021	6,198,797	6,350,858	7,224,669
Capital grants and contributions	32,690,364	27,645,932	22,360,158	18,335,155
Total business-type activities program revenues	157,112,246	158,213,039	157,466,507	152,244,584
Total primary government program revenues	<u>\$ 255,849,766</u>	<u>\$ 247,424,227</u>	<u>\$ 246,312,638</u>	<u>\$ 238,352,162</u>
Net (expense)/revenue				
Governmental activities	\$ (219,682,952)	\$ (261,129,804)	\$ (235,940,785)	\$ (251,015,892)
Business-type activities	28,796,880	12,860,478	10,863,827	6,989,403
Total primary government net (expense)	<u>\$ (190,886,072)</u>	<u>\$ (248,269,326)</u>	<u>\$ (225,076,958)</u>	<u>\$ (244,026,489)</u>

## Schedule 2b

Fiscal Year					
2020	2021	2022	2023	2024	2025
\$ 43,203,865	\$ 42,011,670	\$ 42,734,281	\$ 37,240,071	\$ 41,272,767	\$ 47,456,873
6,512,002	5,073,984	5,714,382	5,723,124	6,804,298	5,905,414
16,420,652	14,266,302	13,044,002	22,869,091	12,947,005	19,901,334
5,623,796	5,437,401	6,033,727	14,900,747	15,537,533	16,899,044
31,052,185	18,694,567	17,863,747	26,999,694	13,304,466	4,600,440
18,714,457	16,573,341	18,678,027	16,237,742	16,299,587	17,284,480
121,526,957	102,057,265	104,068,166	123,970,469	106,165,656	112,047,585
54,722,296	58,755,999	54,911,138	53,415,725	57,606,344	59,970,840
61,531,949	61,971,940	61,109,393	60,884,259	63,309,459	61,594,681
16,757,829	17,480,050	17,629,367	18,449,086	19,256,732	19,942,908
880,194	893,268	813,683	930,969	1,174,463	1,214,124
1,188,570	1,262,966	1,415,794	1,638,902	1,752,882	2,043,367
7,137,950	7,965,078	8,598,756	9,124,544	12,460,952	17,882,587
14,190,016	14,355,873	12,887,544	13,482,347	28,318,640	17,074,215
156,408,804	162,685,174	157,365,675	157,925,832	183,879,472	179,722,722
\$ 277,935,761	\$ 264,742,439	\$ 261,433,841	\$ 281,896,301	\$ 290,045,128	\$ 291,770,307
\$ (231,725,586)	\$ (288,004,612)	\$ (261,714,655)	\$ (279,287,350)	\$ (347,959,011)	\$ (333,458,538)
1,674,376	9,448,054	4,423,748	(12,176,339)	7,569,221	(5,290,461)
\$ (230,051,210)	\$ (278,556,558)	\$ (257,290,907)	\$ (291,463,689)	\$ (340,389,790)	\$ (338,748,999)

**CITY OF CHANDLER, ARIZONA**  
**CHANGES IN NET POSITION**  
**LAST TEN FISCAL YEARS**  
**(accrual basis of accounting)**

	Fiscal Year			
	2016	2017	2018	2019
<b>Governmental Revenues and Other Changes in Net Position</b>				
Governmental activities:				
Property taxes	\$ 29,214,103	\$ 29,837,763	\$ 30,816,495	\$ 32,550,250
Sales taxes	112,250,883	120,189,651	127,584,410	139,851,355
Highway user taxes	15,303,635	16,683,743	16,135,949	17,301,902
Other taxes	6,100,475	664,616	940,203	866,267
Franchise fees	3,344,817	3,285,267	3,571,744	3,567,184
State shared	60,712,442	65,924,228	64,723,211	67,156,430
Investment income	3,834,840	1,063,997	1,531,766	14,822,135
Miscellaneous	1,124,559	1,014,665	1,502,418	1,261,279
Transfers in (out)	(433,282)	(159,815)	(4,175,579)	(90,680)
Total governmental activities	<u>231,452,472</u>	<u>238,504,115</u>	<u>242,630,617</u>	<u>277,286,122</u>
Business-type activities:				
Sales taxes	10,391	10,682	13,769	17,347
Investment income	2,180,447	938,491	854,848	7,742,589
Miscellaneous	2,632,460	2,798,023	14,923,212	2,842,825
Transfers in (out)	433,282	159,815	4,175,579	90,680
Total business-type activities:	<u>5,256,580</u>	<u>3,907,011</u>	<u>19,967,408</u>	<u>10,693,441</u>
Total primary government	<u>\$ 236,709,052</u>	<u>\$ 242,411,126</u>	<u>\$ 262,598,025</u>	<u>\$ 287,979,563</u>
<b>Change in Net Position</b>				
Governmental activities	\$ 11,769,520	\$ (22,625,689)	\$ 6,689,832	\$ 26,270,230
Business-type activities	34,053,460	16,767,489	30,831,235	17,682,844
Total primary government	<u>\$ 45,822,980</u>	<u>\$ (5,858,200)</u>	<u>\$ 37,521,067</u>	<u>\$ 43,953,074</u>

## Schedule 2c

Fiscal Year					
2020	2021	2022	2023	2024	2025
\$ 34,419,182	\$ 36,371,978	\$ 39,560,904	\$ 41,363,544	\$ 42,508,632	\$ 44,321,587
140,644,918	157,513,686	182,028,630	210,027,766	208,766,241	207,605,337
16,996,911	18,108,310	19,460,326	20,835,558	21,430,580	21,880,284
1,153,237	2,226,568	2,210,634	201,799	—	—
3,441,225	3,823,524	3,861,042	3,838,738	3,691,281	3,245,696
70,769,943	80,699,253	87,038,075	108,187,240	133,384,945	117,646,741
16,951,295	584,026	(15,954,424)	5,427,207	25,508,647	32,989,892
2,085,020	1,820,520	1,916,550	1,380,596	2,109,152	1,809,952
(891,991)	105,991	(1,103,279)	(761,263)	(1,069,860)	(1,066,144)
285,569,740	301,253,856	319,018,458	390,501,185	436,329,618	428,433,345
15,521	16,516	21,379	22,063	23,363	21,236
9,974,135	249,448	(7,617,417)	3,832,676	10,854,527	12,606,364
2,962,466	2,833,025	2,811,515	15,051,582	3,033,563	9,437,591
891,991	(105,991)	1,103,279	761,263	1,069,860	1,066,144
13,844,113	2,992,998	(3,681,244)	19,667,584	14,981,313	23,131,335
\$ 299,413,853	\$ 304,246,854	\$ 315,337,214	\$ 410,168,769	\$ 451,310,931	\$ 451,564,680
\$ 53,844,154	\$ 13,249,244	\$ 57,303,803	\$ 111,213,835	\$ 88,370,607	\$ 94,974,807
15,518,489	12,441,052	742,504	7,491,245	22,554,935	17,840,874
\$ 69,362,643	\$ 25,690,296	\$ 58,046,307	\$ 118,705,080	\$ 110,925,542	\$ 112,815,681

**CITY OF CHANDLER, ARIZONA**  
**FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(modified accrual basis of accounting)**

	Fiscal Year			
	2016	2017	2018	2019
General fund				
Nonspendable	\$ 907,594	\$ 979,446	\$ 813,143	\$ 866,239
Restricted	1,566,618	1,451,061	1,980,807	2,179,767
Assigned	109,958,162	101,620,277	116,359,633	131,214,214
Unassigned	68,567,835	87,492,981	65,182,337	66,035,760
Total general fund	<u>\$ 181,000,209</u>	<u>\$ 191,543,765</u>	<u>\$ 184,335,920</u>	<u>\$ 200,295,980</u>
All other governmental funds				
Nonspendable	\$ —	\$ 7,422	\$ —	\$ —
Restricted	120,201,229	120,640,190	166,570,330	171,310,958
Assigned	—	—	—	—
Unassigned	(11,877,159)	(11,350,383)	(2,555,420)	(5,758,986)
Total all other governmental funds	<u>\$ 108,324,070</u>	<u>\$ 109,297,229</u>	<u>\$ 164,014,910</u>	<u>\$ 165,551,972</u>

**Schedule 3**

<b>Fiscal Year</b>					
<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
\$ 985,396	\$ 1,051,638	\$ 1,103,805	\$ 989,996	\$ 1,055,004	\$ 1,028,477
1,710,608	1,711,242	1,324,539	4,317,196	9,786,830	11,592,841
139,326,860	143,763,585	192,983,983	251,787,985	249,554,469	256,561,068
90,887,858	96,065,934	86,626,252	58,838,144	58,553,967	92,173,979
<u>\$ 232,910,722</u>	<u>\$ 242,592,399</u>	<u>\$ 282,038,579</u>	<u>\$ 315,933,321</u>	<u>\$ 318,950,270</u>	<u>\$ 361,356,365</u>
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
190,128,921	187,759,476	193,055,992	175,323,873	241,855,899	197,647,124
—	—	—	—	514,194	—
<u>(7,697,792)</u>	<u>(7,226,577)</u>	<u>(2,361,250)</u>	<u>(8,567,291)</u>	<u>(9,554,695)</u>	<u>(15,918,864)</u>
<u>\$ 182,431,129</u>	<u>\$ 180,532,899</u>	<u>\$ 190,694,742</u>	<u>\$ 166,756,582</u>	<u>\$ 232,815,398</u>	<u>\$ 181,728,260</u>

**CITY OF CHANDLER, ARIZONA**  
**GOVERNMENTAL FUNDS REVENUES**  
**LAST TEN FISCAL YEARS**  
**(modified accrual basis of accounting)**

	Fiscal Year			
	2016	2017	2018	2019
Property taxes	\$ 29,237,607	\$ 29,692,846	\$ 30,819,812	\$ 32,526,357
Sales taxes	112,250,883	120,189,651	127,584,410	139,851,355
Highway user taxes	15,303,635	16,683,743	16,135,949	17,301,902
Other taxes	6,100,475	664,616	940,203	866,267
Franchise fees	3,344,817	3,285,267	3,571,744	3,567,184
State shared revenues	60,712,442	65,924,228	64,723,211	67,156,430
Grants and entitlements	16,159,064	12,677,860	12,111,857	11,911,639
System development fees	16,217,004	14,683,327	13,982,674	9,023,678
Special assessments	606,757	607,191	611,499	610,501
Licenses and permits	6,634,161	7,075,996	6,394,322	7,268,592
Charges for services	19,705,786	20,869,517	21,827,375	21,512,737
Fines and forfeitures	4,828,174	3,908,387	4,865,783	4,234,286
Rentals	974,192	678,387	127,575	127,206
Contributions	200,000	200,000	200,000	200,000
Interest revenue	3,409,065	921,195	1,398,729	13,268,020
Miscellaneous	897,102	494,984	974,107	923,369
Total revenues	<u>\$ 296,581,164</u>	<u>\$ 298,557,195</u>	<u>\$ 306,269,250</u>	<u>\$ 330,349,523</u>

**Schedule 4**

<b>Fiscal Year</b>					
<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
\$ 34,334,216	\$ 36,409,345	\$ 39,540,557	\$ 41,404,976	\$ 42,449,846	\$ 44,578,637
140,644,918	157,513,686	182,028,630	210,027,766	208,766,241	207,605,337
16,996,911	18,108,310	19,460,326	20,835,558	21,430,580	21,880,284
1,153,237	2,226,568	2,210,634	201,799	—	—
3,441,225	3,823,524	3,861,042	3,838,738	3,691,281	3,245,696
70,769,943	80,699,253	87,038,075	108,187,240	133,384,945	117,646,741
49,719,415	29,417,028	36,022,070	38,834,325	25,098,601	21,597,228
8,730,973	8,207,728	5,031,031	8,235,336	2,277,282	3,216,916
508,485	587,020	610,719	565,411	—	—
7,760,403	6,656,737	6,915,745	8,754,471	5,103,244	13,820,770
20,355,702	19,631,389	22,565,072	27,125,038	28,528,858	30,277,443
5,571,322	2,920,173	3,439,778	4,420,532	5,022,282	4,883,058
213,345	174,766	119,710	253,543	138,115	137,707
596,153	5,201,737	254,874	1,040,240	2,145,416	—
15,017,352	533,383	(14,687,606)	4,864,418	22,749,651	29,032,879
1,471,977	1,105,070	1,310,929	1,047,372	1,385,085	950,365
<u>\$ 377,285,577</u>	<u>\$ 373,215,717</u>	<u>\$ 395,721,586</u>	<u>\$ 479,636,763</u>	<u>\$ 502,171,427</u>	<u>\$ 498,873,061</u>

**CITY OF CHANDLER, ARIZONA**  
**GOVERNMENTAL FUNDS EXPENDITURES AND DEBT SERVICE RATIO**  
**LAST TEN FISCAL YEARS**  
**(modified accrual basis of accounting)**

	<b>Fiscal Year</b>			
	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
General government	\$ 52,138,384	\$ 50,892,490	\$ 55,706,708	\$ 58,070,201
Public safety	104,605,663	103,167,906	109,736,277	111,496,663
Transportation and development	25,471,154	28,294,221	27,750,365	25,871,080
Community services	24,988,844	26,605,279	27,088,640	27,712,871
Capital improvements	50,009,243	44,712,255	71,268,257	69,006,722
Debt service:				
Principal retirement	17,465,000	25,240,000 (1)	20,264,000	22,820,000
Interest and fiscal charges	8,635,631	7,689,305	7,918,081	8,270,161
Bond issuance costs	—	249,838	252,611	—
Total expenditures	<u>\$283,313,919</u>	<u>\$286,851,294</u>	<u>\$319,984,939</u>	<u>\$ 323,247,698</u>
Debt service as a percentage of noncapital expenditures	10.2 %	12.9 %	10.4 %	11.2 %

**Schedule 5**

<b>Fiscal Year</b>					
<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
\$ 79,624,174	\$ 93,482,842	\$ 90,412,233	\$ 124,221,582	\$ 152,828,556	\$ 99,512,608
113,166,600	119,357,759	123,991,198	137,400,323	150,796,686	155,354,545
30,117,735	63,281,132	27,995,477	33,058,041	41,619,646	44,800,181
28,344,665	29,084,081	30,855,014	35,906,234	34,170,930	39,299,192
77,024,413	61,907,124	63,832,358	85,239,000	123,417,836	106,599,297
21,340,000	19,980,000	32,887,716	34,892,929	35,206,853	40,308,466
8,073,320	7,801,885	7,102,529	6,561,091	7,752,226	8,757,687
319,631	—	401,284	—	399,177	—
<b>\$ 358,010,538</b>	<b>\$ 394,894,823</b>	<b>\$ 377,477,809</b>	<b>\$ 457,279,200</b>	<b>\$ 546,191,910</b>	<b>\$ 494,631,976</b>
9.7 %	7.8 %	11.7 %	10.5 %	9.2 %	12.8 %

**CITY OF CHANDLER, ARIZONA**  
**OTHER FINANCING SOURCES AND USES AND NET CHANGES IN FUND BALANCE -**  
**GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(modified accrual basis of accounting)**

	Fiscal Year			
	2016	2017	2018	2019
<b>Other Financing Sources (Uses)</b>				
Bond premium	\$ —	\$ 6,339,230	\$ 3,609,365	\$ —
Face amount of bonds issued	—	25,500,000	58,740,000	—
Proceeds from disposal of capital assets	463,709	652,882	213,829	1,356,796
Payment to escrow agent	—	(31,589,392)	—	—
SBITA agreements	—	—	—	—
Transfers in	27,885,557	28,116,369	46,032,351	45,484,505
Transfers out	(29,252,060)	(29,208,275)	(47,370,020)	(48,005,487)
Total other financing sources (uses)	(902,794)	(189,186)	61,225,525	(1,164,186)
Net change in fund balance	\$ 12,364,451	\$ 11,516,715	\$ 47,509,836	\$ 5,937,639

## Schedule 6

Fiscal Year					
2020	2021	2022	2023	2024	2025
\$ 2,927,904	\$ —	\$ 2,160,918	\$ —	\$ 12,299,180	\$ —
30,400,000	—	58,244,909	—	106,415,000	—
396,924	225,081	1,566,455	3,229,367	428,163	573,416
—	—	(26,716,745)	—	—	—
—	—	—	—	6,202,462	508,116
39,282,296	44,961,787	28,249,623	45,052,169	53,550,080	53,525,439
(42,788,264)	(47,364,881)	(32,091,700)	(58,254,654)	(68,226,500)	(67,529,099)
30,218,860	(2,178,013)	31,413,460	(9,973,118)	110,668,385	(12,922,128)
<u>\$ 49,493,899</u>	<u>\$ 7,783,447</u>	<u>\$ 49,657,237</u>	<u>\$ 12,384,445</u>	<u>\$ 66,647,902</u>	<u>\$ (8,681,043)</u>

**CITY OF CHANDLER, ARIZONA**  
**TAXABLE REVENUE BY CATEGORY**  
**LAST TEN FISCAL YEARS**

	Fiscal Year				(3)
	2016	2017	2018	2019	
Amusements	\$ 1,019,939	\$ 1,019,938	\$ 1,083,161	\$ 1,318,195	
Contracting	8,855,057	11,496,791	12,388,978	17,228,786	
General Retail	51,191,162	53,137,169	56,605,561	60,029,293	
Hotel/Motel	2,957,685	3,424,279	3,712,085	4,099,450	
Miscellaneous Related Revenue (1)	2,745,130	2,527,981	2,328,030	1,757,235	
Publishing	248,433	186,862	182,820	207,462	
Rentals - Personal Property	3,125,459	3,611,180	3,676,196	4,076,298	
Rentals - Real Property	13,217,561	13,647,156	15,134,275	16,506,671	
Restaurant/Bar	10,752,479	11,341,714	11,872,941	12,773,198	
Telecommunications	3,234,369	2,796,065	2,395,673	2,191,747	
Use Tax	1,127,257	3,619,340	4,394,129	5,461,771	
Proposition 207	—	—	—	—	
Utilities	13,786,741	13,391,857	13,824,331	14,218,596	
Total Sales and Use Taxes	<u>\$ 112,261,272</u>	<u>\$ 120,200,332</u>	<u>\$ 127,598,180</u>	<u>\$ 139,868,702</u>	
City Direct Sales Tax Rate (2)	1.76%	1.75%	1.74%	1.74%	

**Source:** City of Chandler, Management Services Department

- (1) Includes license application fees, annual license fees, audit assessments, penalties and interest.
- (2) The direct tax rate was calculated using a weighted average of the actual revenues collected for each category. Tax rates vary by category, currently ranging from 1.5% to 4.4%.
- (3) In Fiscal Year 2018-19, the city did a restatement to record prior year privilege tax receivables not previously accrued; prior years have not been restated.
- (4) In Fiscal Year 2021-22, the city did a restatement due to a utility customer being overbilled; prior years have not been restated.

**Schedule 7**

<b>Fiscal Year</b>					
<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
\$ 972,105	\$ 789,411	\$ 1,348,862	\$ 1,499,745	\$ 1,718,299	\$ 1,977,892
12,824,214	14,446,470	17,894,817	27,424,398	24,868,144	19,415,528
64,911,529	75,590,425	85,823,599	95,481,330	94,343,374	99,101,378
3,560,787	3,215,504	5,980,467	6,797,429	6,773,059	6,730,908
1,710,004	2,152,443	3,983,534	5,338,248	4,087,085	3,252,019
177,542	197,578	204,025	217,427	173,156	206,962
4,282,451	3,760,815	4,207,664	5,284,141	7,262,679	6,353,763
18,184,361	19,214,217	20,876,574	23,464,287	24,642,669	19,820,941
11,987,625	13,099,159	16,324,360	17,661,723	18,556,554	18,950,360
2,337,375	1,751,284	1,571,877	1,802,196	2,048,913	1,642,558
5,335,557	7,636,473	6,966,021	6,714,688	4,042,777	7,260,062
—	256,702	1,276,846	1,518,558	1,503,202	1,615,970
14,385,889	15,419,721	15,591,363 (4)	16,845,659	18,769,693	21,298,232
<u>\$ 140,669,439</u>	<u>\$ 157,530,202</u>	<u>\$ 182,050,009</u>	<u>\$ 210,049,829</u>	<u>\$ 208,789,604</u>	<u>\$ 207,626,573</u>
1.73%	1.70%	1.70%	1.68%	1.71%	1.74%

**CITY OF CHANDLER, ARIZONA**  
**DIRECT AND OVERLAPPING SALES AND USE TAX RATES**  
**LAST TEN FISCAL YEARS**

**Schedule 8**

Fiscal Year	City Direct Tax Rate (1)	Overlapping Rates		
		Maricopa County Tax Rate (2)	State of Arizona Tax Rate (3)	Tourism & Sports Authority Tax Rate (4)
2016	1.76%	0.67%	4.92%	0.03%
2017	1.75%	0.66%	4.95%	0.03%
2018	1.74%	0.65%	4.92%	0.03%
2019	1.74%	0.65%	4.93%	0.03%
2020	1.73%	0.65%	4.86%	0.03%
2021	1.70%	0.64%	4.90%	0.02%
2022	1.70%	0.65%	4.94%	0.03%
2023	1.68%	0.65%	5.45%	0.03%
2024	1.71%	0.66%	4.93%	0.03%
2025	1.74%	0.66%	5.05%	0.03%

**Source:** City of Chandler, Management Services Department

- (1) The city's direct tax rate was calculated using a weighted average of the actual revenues collected for each category. Tax rates vary by category, currently ranging from 1.5% to 4.4%. City tax rates were last increased effective May 1, 1994.
- (2) The overlapping County tax rate was calculated using a weighted average of the actual revenues the city collected for each category. Tax rates vary by category, currently ranging from 0.5% to 0.77%. No rate changes have occurred in the past ten fiscal years.
- (3) The overlapping State tax rate was calculated using a weighted average of the actual revenues the city collected for each category. Tax rates vary by category, currently ranging from 5.5% to 5.6%. State tax rate increases during the past ten fiscal years: 1.0% effective June 1, 2011 through May 31, 2013.
- (4) The Tourism & Sports Authority (TSA) was authorized by Maricopa County voters on November 7, 2000. An additional tax rate of 1.0% is to be levied from March 1, 2001 through February 28, 2031. The only category the overlapping tax rate applies to is the Hotel/Motel category. The overlapping tax rate is calculated using a weighted average of the actual revenues the city collected for this category.

**CITY OF CHANDLER, ARIZONA  
PRINCIPAL SALES AND USE TAXPAYERS  
CURRENT YEAR AND TEN YEARS AGO**

**Schedule 9**

Taxpayer	Business Type	Fiscal Year 2025			Fiscal Year 2016		
		Sales and Use Tax Payments	Rank	Percentage of Total Sales and Use Tax Payments	Sales and Use Tax Payments	Rank	Percentage of Total Sales and Use Tax Payments
Taxpayer A	Utility	\$17,447,665	1	8.40%	\$ 10,316,152	1	9.19%
Taxpayer B	Construction Contracting	7,245,136	2	3.48%			
Taxpayer C	Department Store	5,546,415	3	2.67%	3,800,880	2	3.39%
Taxpayer D	Retailer	4,533,891	4	2.18%			
Taxpayer E	Department Store	3,891,118	5	1.87%	2,056,347	4	1.83%
Taxpayer F	Grocery Store	3,517,797	6	1.69%	2,304,583	3	2.05%
Taxpayer G	Retailer	2,786,411	7	1.34%			
Taxpayer H	Retailer	2,407,618	8	1.15%			
Taxpayer I	Commercial Leasing	2,354,745	9	1.13%			
Taxpayer J	Vehicle Dealer	2,248,183	10	1.08%	1,339,282	7	1.19%
Taxpayer K	Home Improvement				1,679,477	5	1.50%
Taxpayer L	Utility				1,343,433	6	1.20%
Taxpayer M	Department Store				1,303,090	8	1.16%
Taxpayer N	Telecommunications				1,302,120	9	1.16%
Taxpayer O	Vehicle Dealer				1,166,884	10	1.04%
		<u>\$51,978,979</u>		<u>25.01%</u>	<u>\$ 26,612,248</u>		<u>23.71%</u>

**Source:** City of Chandler, Management Services Department

**Note:** The identities of the ten largest revenue payers are prohibited from disclosure per state statute. Alternatively, the business type of the top ten taxpayers for each period has been disclosed along with the appropriate data.

**CITY OF CHANDLER, ARIZONA**  
**RATIOS OF OUTSTANDING DEBT**  
**LAST TEN FISCAL YEARS**

**Schedule 10**

Governmental Activities							
	General		Special	Subscription	General	Revenue	Special
	Obligation	Revenue	Assessment	Based IT	Obligation	Bonds	Assessment
Fiscal					Bond Issuance	Issuance	Bonds
Year	Bonds	Bonds	Bonds	Arrangements	Premiums	Premiums	Issuance
2016	\$ 205,088,000	\$ 10,055,000	\$ 3,960,000	\$ —	\$ 15,663,687	\$ 424,402	\$ 77,201
2017	186,873,000	6,685,000	3,460,000	—	19,829,438	282,935	66,172
2018	223,288,000	4,270,000	2,940,000	—	21,269,309	141,468	55,140
2019	205,764,000	2,050,000	2,395,000	—	19,097,787	—	44,112
2020	215,939,000	—	1,830,000	—	19,756,588	—	33,084
2021	195,164,000	—	1,245,000	—	17,526,932	—	22,056
2022	208,979,909	—	635,000	—	15,043,211	—	11,028
2023	176,702,193	—	—	482,119	12,825,886	—	—
2024	249,009,159	—	—	4,579,664	22,348,687	—	—
2025	215,907,223	—	—	2,754,337	19,013,255	—	—
Business-type Activities							
	General		Excise Tax	General	Revenue	Excise Tax	
	Obligation		Revenue	Obligation	Bonds	Revenue	
Fiscal				Bond Issuance	Issuance	Obligations	
Year	Bonds	Revenue Bonds	Obligations	Premiums	Premiums	Issuance	Premiums
2016	\$ 127,782,000	\$ 24,850,000	\$ 204,090,000	\$ 10,630,056	\$ 832,855	\$ 8,040,688	
2017	115,722,000	9,595,000	198,520,000	12,263,924	624,642	11,447,974	
2018	105,707,000	7,845,000	230,635,000	11,025,887	416,428	15,075,185	
2019	95,901,000	4,685,000	222,575,000	9,898,570	202,401	17,271,299	
2020	86,261,000	2,340,000	228,985,000	8,772,310	—	15,979,766	
2021	76,936,000	—	219,780,000	7,647,850	—	15,312,526	
2022	70,380,091	—	215,105,000	4,854,030	—	9,667,992	
2023	59,712,807	—	202,930,000	4,006,747	—	8,338,191	
2024	49,480,841	—	250,405,000	3,159,465	—	16,806,399	
2025	39,937,777	—	240,995,000	2,312,181	—	14,973,185	
		Less Amount	Estimated	Percentage			
		Available in	Actual	of Estimated	Total	Percentage	
Fiscal	General	Debt	Net General	Taxable	Primary	of Personal	Per
Year	Bonded Debt	Service Fund	Bonded Debt	Value of	Government	Income (2)	Capita (2)
			Outstanding	Property	(1)		
2016	\$ 359,163,743	\$ 15,281,782	\$ 343,881,961	\$28,297,114,500	1.09%	\$ 614,901,176	2,465
2017	334,688,362	8,981,699	325,706,663	28,994,768,811	1.01%	568,997,296	2,128
2018	361,290,196	7,451,989	353,838,207	33,312,389,044	1.06%	624,864,531	2,267
2019	330,661,357	4,586,562	326,074,795	36,899,750,596	0.88%	578,592,636	2,215
2020	330,729,798	4,693,193	326,036,605	40,890,232,930	0.80%	580,768,479	2,192
2021	297,274,782	5,758,393	291,516,389	44,808,678,880	0.65%	533,634,364	1,905
2022	299,257,241	4,290,154	294,967,087	48,805,511,338	0.60%	524,676,261	1,855
2023	253,247,633	2,427,863	250,819,770	61,704,952,635	0.41%	464,997,943	1,642
2024	323,998,152	1,646,322	322,351,830	73,058,672,230	0.44%	595,789,215	2,052
2025	277,170,436	1,858,177	275,312,259	68,127,314,790	0.40%	535,892,958	1,839

**Note:** Details regarding the city's outstanding debt can be found in the Notes to the Financial Statements.

(1) Includes general bonded debt, other governmental activities debt and business-type activities debt.

(2) Population and personal income data can be found in Schedule 30.

**CITY OF CHANDLER, ARIZONA**  
**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**  
**AS OF JUNE 30, 2025**

**Schedule 11**

<b>Governmental Unit</b>	<b>Debt Outstanding</b>	<b>Estimated Percentage Applicable</b>	<b>Estimated Share of Overlapping Debt</b>
<b>Debt repaid with property taxes</b>			
State of Arizona	None	4.65 %	None
Maricopa County	None	7.04	None
Maricopa County Community College District	\$ 26,675,000	7.04	\$ 1,878,704
Maricopa County Special Healthcare District	512,560,000	7.14	36,588,448
Chandler Unified School District No. 80	164,985,000	28.62	47,219,674
Kyrene Elementary School District No. 28	170,560,000	4.49	7,658,039
Mesa Unified School District No. 4	86,970,000	16.91	14,706,914
Gilbert Unified School District No. 41	344,810,000	75.20	259,312,619
Tempe Union High School District No. 213	91,545,000	16.39	15,002,300
East Valley Institute of Technology	None	14.50	None
Subtotal, overlapping debt			382,366,698
<b>City direct debt</b>	237,674,815	100.00	237,674,815
<b>Total direct and overlapping debt</b>			<u><u>\$ 620,041,513</u></u>

**Source:** Piper Sandler Companies

**Note:** The applicable percentage of overlap for each type of debt was computed on the net limited property assessed valuation as calculated for fiscal year 2024-25 for the overlapping jurisdiction to the amount of such valuation which lies within the City of Chandler.

**CITY OF CHANDLER, ARIZONA  
LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS**

	<b>Fiscal Year</b>			
	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
<b><u>6% General Obligation Bond Limitation</u></b>				
Debt limit	\$ 190,024,847	\$ 198,432,895	\$ 209,370,282	\$ 232,258,669
Total net debt applicable to limit	<u>9,427,250</u>	<u>8,952,650</u>	<u>14,974,350</u>	<u>12,511,300</u>
Legal debt margin	<u>\$ 180,597,597</u>	<u>\$ 189,480,245</u>	<u>\$ 194,395,932</u>	<u>\$ 219,747,369</u>
Total net debt applicable to the limit as a percentage of the debt limit	4.96%	4.51%	7.15%	5.39%
<b><u>20% General Obligation Bond Limitation</u></b>				
Debt limit	\$ 633,416,159	\$ 661,443,986	\$ 697,900,943	\$ 774,195,564
Total net debt applicable to limit	<u>323,442,750</u>	<u>300,592,650</u>	<u>324,166,628</u>	<u>298,881,202</u>
Legal debt margin	<u>\$ 309,973,409</u>	<u>\$ 360,851,336</u>	<u>\$ 373,734,315</u>	<u>\$ 475,314,362</u>
Total net debt applicable to the limit as a percentage of the debt limit	51.06%	45.44%	46.45%	38.61%

**Fiscal Year 2015-16 through Fiscal Year 2018-19:** Piper Jaffray Inc.

**Fiscal Year 2019-20 through Fiscal Year 2024-25:** Piper Sandler Companies

**Note:** Under Arizona law, cities may issue general obligation bonds for purposes of water, wastewater, artificial light, open space preserves, parks, public safety and emergency services, streets, transportation, playgrounds and recreational facilities up to an amount not to exceed 20 percent of secondary assessed valuation. Cities may issue general obligation bonds for any other purpose up to an amount not to exceed 6 percent of secondary assessed valuation.

**Schedule 12**

<b>Legal Debt Margin Calculation for Fiscal Year 2025</b>					
Full Cash Assessed Valuation as of June 30, 2025		\$	6,969,158,207		
Debt limit (6% of assessed value)			418,149,492		
Debt applicable to limit:					
6% general obligation bonds			7,617,900		
Excess premium on bonds outstanding			398,354		
Legal 6% debt margin		\$	410,133,238		
Debt limit (20% of assessed value)		\$	1,393,831,641		
Debt applicable to limit:					
20% general obligation bonds			248,227,100		
Excess premium on bonds outstanding			15,601,623		
Legal 20% debt margin		\$	1,130,002,918		
<b>Fiscal Year</b>					
<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
\$ 258,505,031	\$ 280,953,536	\$ 300,769,253	\$ 376,810,629	\$ 442,853,589	\$ 418,149,492
9,772,578	6,759,506	6,121,222	5,522,089	8,911,823	8,016,254
\$ 248,732,453	\$ 274,194,030	\$ 294,648,031	\$ 371,288,540	\$ 433,941,766	\$ 410,133,238
3.78%	2.41%	2.04%	1.47%	2.01%	1.92%
\$ 861,683,439	\$ 936,511,789	\$ 1,002,564,178	\$ 1,256,035,431	\$ 1,476,178,631	\$ 1,393,831,641
303,956,132	277,073,742	285,874,432	242,278,193	310,555,823	263,828,723
\$ 557,727,307	\$ 659,438,047	\$ 716,689,746	\$ 1,013,757,238	\$ 1,165,622,808	\$ 1,130,002,918
35.27%	29.59%	28.51%	19.29%	21.04%	18.93%

**CITY OF CHANDLER, ARIZONA**  
**PLEDGED-REVENUE COVERAGE**  
**LAST TEN FISCAL YEARS**

**Schedule 13a**

<b>Street &amp; Highway Revenue Bonds</b>						
<b>Fiscal Year</b>	<b>Highway User Taxes</b>	<b>Less: Operating Expenses</b>	<b>Net Available Revenue</b>	<b>Debt Service</b>		<b>Coverage</b>
				<b>Principal</b>	<b>Interest</b>	
2016	\$ 15,303,635	\$ 11,951,019	\$ 3,352,616	\$ 3,370,000	\$ 375,650	0.90
2017	16,683,743	10,887,942	5,795,801	2,415,000	256,438	2.17
2018	16,135,949	12,073,072	4,062,877	2,220,000	163,988	1.70
2019	17,301,902	10,724,907	6,576,995	2,050,000	79,200	3.09
2020 (1)	16,996,911	7,500,788	9,496,123	—	—	—
<b>Water Revenue Bonds</b>						
<b>Fiscal Year</b>	<b>Utility Service Charges</b>	<b>Less: Operating Expenses</b>	<b>Net Available Revenue</b>	<b>Debt Service</b>		<b>Coverage</b>
				<b>Principal</b>	<b>Interest</b>	
2016	\$ 50,483,097	\$ 26,907,780	\$ 23,575,317	\$ 8,408,500	\$ 566,680	2.63
2017	53,251,020	34,188,323	19,062,697	1,750,000	307,160	9.27
2018	54,031,592	35,833,361	18,198,231	2,212,000	219,660	7.48
2019	52,459,720	32,395,325	20,064,395	1,641,500	131,180	11.32
2020	54,722,296	33,556,507	21,165,789	1,638,000	65,520	12.42
2021 (2)	58,755,999	35,088,440	23,667,559	—	—	—
<b>Excise Tax Revenue Obligations</b>						
<b>Fiscal Year</b>	<b>Excise Tax Collections</b>	<b>Less: Operating Expenses</b>	<b>Net Available Revenue</b>	<b>Debt Service</b>		<b>Coverage</b>
				<b>Principal</b>	<b>Interest</b>	
2016	\$ 175,820,443	\$ —	\$ 175,820,443	\$ 2,805,000	\$ 7,193,019	17.59
2017	188,910,693	—	188,910,693	4,105,000	8,097,704	15.48
2018	195,500,184	—	195,500,184	6,640,000	8,879,859	12.60
2019	209,259,874	—	209,259,874	6,590,000	9,248,264	13.21
2020	214,706,260	—	214,706,260	9,205,000	9,274,665	11.62
2021	236,712,500	—	236,712,500	10,630,000	9,129,575	11.98
2022	266,906,299	—	266,906,299	12,175,000	7,326,414	13.69
2023	315,153,482	—	315,153,482	12,980,000	6,327,966	16.32
2024	339,503,392	—	339,503,392	9,410,000	6,910,336	20.80
2025	328,638,596	—	328,638,596	15,025,000	8,052,900	14.24

**Note:** Details regarding the city's outstanding debt can be found in the Notes to the Financial Statements. Operating expenses do not include interest, depreciation or amortization expenses.

(1) Street and highway revenue bonds matured on 7/1/2019.

(2) Water and sewer revenue bonds matured on 7/1/2020.

**CITY OF CHANDLER, ARIZONA**  
**PLEDGED-REVENUE COVERAGE**  
**LAST TEN FISCAL YEARS**

**Schedule 13b**

<b>Wastewater Revenue Bonds</b>						
<b>Fiscal Year</b>	<b>Utility Service Charges</b>	<b>Less:</b>	<b>Net Available Revenue</b>	<b>Debt Service</b>		<b>Coverage</b>
		<b>Operating Expenses</b>		<b>Principal</b>	<b>Interest</b>	
2016	51,321,346	23,054,518	28,266,828	6,846,500	368,470	3.92
2017	53,563,934	23,470,067	30,093,867	—	94,140	319.67
2018	56,367,650	28,967,201	27,400,449	948,000	94,140	26.29
2019	56,055,131	26,507,090	29,548,041	703,500	56,220	38.89
2020	61,531,949	29,092,865	32,439,084	702,000	28,020	44.44
2021 (1)	61,971,940	25,520,769	36,451,171	—	—	—

**Note:** Details regarding the city's outstanding debt can be found in the Notes to the Financial Statements. Operating expenses do not include interest, depreciation or amortization expenses.

(1) Water and sewer revenue bonds matured on 7/1/2020.

**CITY OF CHANDLER, ARIZONA**  
**PROPERTY TAX ASSESSMENT RATIOS**  
**LAST FIVE FISCAL YEARS**

**Schedule 14**

Property Classification	Tax Year 2021	Tax Year 2022	Tax Year 2023	Tax Year 2024	Tax Year 2025
Mining, Utility, Commercial, and Industrial	18.00 %	17.50 %	17.00 %	16.50 %	16.00 %
Agriculture and Vacant Land	15.00	15.00	15.00	15.00	15.00
Owner-Occupied Residential	10.00	10.00	10.00	10.00	10.00
Leased or Rented Residential	10.00	10.00	10.00	10.00	10.00
Railroad, Private Car, and Airline Flight Property	15.00	15.00	14.00	14.00	13.00

**Source:** Piper Sandler Companies as compiled from State and County Abstract of the Assessment Roll (Arizona Department of Revenue).

**CITY OF CHANDLER, ARIZONA**  
**PROPERTY TAXES LEVIED AND COLLECTED**  
**LAST FIVE FISCAL YEARS**

**Schedule 15**

	Tax Rate	Adjusted Tax Levy	to 30 June of Initial Fiscal Year	
			Collections	% of Levy
2024-25	\$ 1.0826	\$ 43,981,192	\$ 43,581,476	99.09 %
2023-24	1.0926	42,198,604	41,767,411	98.98
2022-23	1.1026	40,823,212	40,571,534	99.11
2021-22	1.1126	38,884,287	38,437,588	98.85
2020-21	1.1201	36,379,535	36,041,018	99.07

**Source:** Piper Sandler Companies as compiled from the Maricopa County Department of Finance.

# CITY OF CHANDLER, ARIZONA

## DIRECT AND OVERLAPPING ASSESSED VALUATIONS AND TAX RATES PER \$100 ASSESSED VALUATION

JUNE 30, 2025

Schedule 16

	FY 2024-25 Net Limited Property Assessed Valuation	FY 2024-25 Total Tax Rate per \$100 Assessed Valuation
State of Arizona	\$ 88,425,611,337	\$ —
Maricopa County	58,328,686,358	1.1591
Maricopa County Community College District	58,328,686,358	1.1047
Maricopa County Library District	58,328,686,358	0.0470
Maricopa County Flood Control District	53,876,587,196	0.1470
Maricopa County Fire District	58,328,686,358	0.0080
Maricopa County Special Health Care District	57,548,876,687	0.2665
Central Arizona Water Conservation District	57,548,876,687	0.1400
East Valley Institute of Technology District No. 401 (1)	28,325,407,262	0.0500
Chandler Unified School District No. 80	4,104,205,303	5.6564
Tempe Union High School District No. 213	4,742,511,408	2.3628
Kyrene Elementary School District No. 28	2,715,520,368	3.3826
Mesa Unified School District No. 4	4,064,865,288	6.3142
Gilbert Unified School District No. 41	2,865,936,353	5.2795
City of Chandler	4,108,053,847	1.0826

**Source:** Piper Sandler Companies as compiled from Maricopa County Tax Levy and State and County Abstract of the Assessment Roll (Arizona Department of Revenue).

(1) Includes Net Limited Property Assessed Value for the East Valley Institute of Technology District No. 401 within Pinal County.

**CITY OF CHANDLER, ARIZONA**  
**PROPERTY VALUE BY PROPERTY CLASSIFICATION**  
**LAST FIVE FISCAL YEARS**

**Schedule 17**

	FY 2020-21 Net Full Cash Assessed Valuation	FY 2021-22 Net Full Cash Assessed Valuation	FY 2022-23 Net Full Cash Assessed Valuation	FY 2023-24 Net Full Cash Assessed Valuation	FY 2024-25 Net Full Cash Assessed Valuation	FY 2024-25 Annual Percentage Change
Mining, Utility, Commercial, and Industrial	\$1,412,928,374	\$1,488,882,870	\$1,534,793,910	\$1,800,359,153	\$2,088,313,938	13.79%
Agriculture and Vacant Land	77,850,859	76,801,910	72,256,990	82,244,489	98,347,525	16.37%
Owner-Occupied Residential	1,837,472,779	1,990,237,285	2,135,013,774	2,824,334,410	3,624,687,346	22.08%
Leased or Rented Residential	847,104,454	946,787,996	1,052,393,288	1,346,567,408	1,645,377,546	18.16%
Railroad, Private Car, and Airline Flight Property	2,011,500	2,011,500	2,216,430	3,849,664	4,428,074	0.00%
Historical Property	130,572,188	177,317,246	215,617,419	222,807,895	279,322,237	20.23%
Improvements located on Federal, State or County or Municipal land	477,042	520,137	529,079	14,138	416,490	96.61%
<b>TOTAL</b>	<b>\$4,308,417,196</b>	<b>\$4,682,558,944</b>	<b>\$5,012,820,890</b>	<b>\$6,280,177,157</b>	<b>\$7,740,893,156</b>	<b>23.26%</b>

**Source:** Piper Sandler Companies as compiled from State and County Abstract of the Assessment Roll (Arizona Department of Revenue).

**CITY OF CHANDLER, ARIZONA**  
**NET ASSESSED LIMITED PROPERTY ASSESSED VALUE OF MAJOR TAXPAYERS**  
**JUNE 30, 2025**

**Schedule 18**

Taxpayer	Description	FY 2024-25 Net Limited Property Assessed Value	As % of Total FY 2024-25 Net Limited Property Assessed Value
Intel Corporation	Manufacturing Plant	\$ 310,498,354	7.56%
CI Phoenix-Chandler I -VII LLC	Commercial Construction	33,294,967	0.81
Wells Fargo Bank	Financial Services	25,256,009	0.61
Freescale Semiconductor, Inc.	Manufacturing Plant	18,351,079	0.45
CAZ 7, LLC	Manufacturing Plant	17,248,368	0.42
TWC Chandler, LLC	Commercial Rental Property	15,566,599	0.38
Microchip Technology Inc.	Manufacturing Plant	13,779,610	0.34
Bank of America	Financial Services	12,153,072	0.30
CAZ 1 DE, LLC	Commercial Rental Property	12,110,407	0.29
LIPT West Frye Rd LLC	Commercial Construction	11,131,692	0.27
		<u>\$ 469,390,157</u>	<u>11.43%</u>
Total City Net Limited Property Assessed Valuation		\$ 4,108,053,847	

**Source:** Maricopa County Treasurer's Office. Neither the city nor the Financial Advisor have made an independent determination of the financial position of any of the major taxpayers listed above.

**CITY OF CHANDLER, ARIZONA**  
**ESTIMATED NET FULL CASH VALUE AND ASSESSED VALUES**  
**LAST FIVE FISCAL YEARS**

**Schedule 19**

**Estimated Net Full Cash Value**

Fiscal Year	City of Chandler
2024-25	\$68,127,314,790
2023-24	73,058,672,230
2022-23	61,704,952,635
2021-22	48,805,511,338
2020-21	44,808,678,880

**Source:** Property Tax Rates and Assessed Values, Arizona Tax Research Foundation, and the State and County Abstract of the Assessment Roll (Arizona Department of Revenue).

**Comparative Net Limited Property Assessed Value History**

Fiscal Year	City of Chandler	Maricopa County	State of Arizona
2024-25	\$ 4,108,053,847	\$ 58,328,686,358	\$ 88,425,611,337
2023-24	3,900,094,692	54,722,310,149	83,026,514,349
2022-23	3,702,957,065	51,575,018,189	78,415,651,028
2021-22	3,463,794,661	48,724,126,672	74,200,233,397
2020-21	3,243,434,243	45,704,969,813	69,914,521,042

**Comparative Net Full Cash Assessed Value History**

Fiscal Year	City of Chandler	Maricopa County	State of Arizona
2024-25	\$ 6,969,158,207	\$ 112,459,810,476	\$ 158,962,333,751
2023-24	6,280,177,157	91,557,158,472	129,473,530,919
2022-23	5,012,820,890	72,238,314,892	103,872,223,919
2021-22	4,682,558,944	67,535,008,138	97,282,221,465
2020-21	4,308,417,196	61,824,712,434	90,007,317,461

**Source:** Piper Sandler Companies as compiled from State and County Abstract of the Assessment Roll (Arizona Department of Revenue) and Arizona Tax Research Association.

**CITY OF CHANDLER, ARIZONA**  
**DIRECT AND OVERLAPPING GENERAL OBLIGATION BONDED DEBT RATIOS**  
**JUNE 30, 2025**

Schedule 20

		Per Capital Bonded Debt Population Estimates	As % of City's 2024-25 Net Full Cash Assessed Value	As % of City's 2024-25 Estimated Net Full Cash Value
		291,442 (1)		
Direct General Obligation Bond Debt	\$255,845,000	\$ 877.86	3.31	0.38
Direct Overlapping General Obligation Bond Debt	\$590,256,697	\$ 2,025.30	7.63	0.87

**Source:**  
 (1) City of Chandler, Development Services Department

## CITY OF CHANDLER, ARIZONA POPULATION STATISTICS

### Schedule 21

Year	City of Chandler	Maricopa County	State of Arizona
2025 estimate	291,442 (1)	4,726,247 (2)	7,621,703 (2)
2024 estimate	288,088 (1)	4,757,600 (2)	7,658,600 (2)
2023 estimate	282,891 (1)	4,672,900 (2)	7,534,922 (2)
2022 estimate	282,873 (1)	4,575,603 (2)	7,489,121 (2)
2021 estimate	280,178 (3)	4,506,505 (3)	7,387,800 (3)
2020 Census	275,987 (1)	4,420,568 (2)	7,151,502 (2)
2019 estimate	261,173 (1)	4,367,835 (2)	7,187,990 (2)
2018 estimate	257,853 (1)	4,294,460 (2)	7,076,199 (2)
2017 estimate	254,239 (1)	4,221,684 (2)	6,965,897 (2)
2016 estimate	248,332 (3)	4,155,302 (3)	6,866,195 (3)
2015 mid-decade	243,679 (1)	4,175,049 (2)	6,833,596 (2)
2014 estimate	241,264 (1)	4,008,651 (2)	6,662,486 (2)
2010 Census	236,479 (3)	3,825,191 (3)	6,407,774 (3)
2005 Special Census	230,845 (3)	3,700,516 (3)	5,924,476 (2)
2000 Census	174,061 (3)	2,930,153 (3)	4,882,966 (3)
1990 Census	91,149 (3)	2,132,249 (3)	3,679,118 (3)
1980 Census	29,673 (1)	1,521,597 (3)	2,735,840 (3)

#### Sources:

- (1) City of Chandler, Development Services Department
- (2) Arizona Office of Economic Opportunity and Arizona Commerce Authority
- (3) U.S. Census Bureau

**CITY OF CHANDLER, ARIZONA**  
**EXCISE TAX COLLECTIONS**

**Schedule 22**

	2020-21 (1)	2021-22 (1)	2022-23 (1)	2023-24 (1)	2024-25 (1)	Adopted 2025-26
Transaction Privilege Tax	\$ 155,638,444	\$ 178,567,736	\$ 205,020,881	\$ 210,737,044	\$ 204,965,247	\$ 203,860,400
State Shared Sales Tax	30,982,818	38,801,443	41,309,738	42,363,408	42,987,267	43,186,000
State Shared Income Tax	37,324,127	36,011,056	53,013,618	74,386,039	59,599,347	55,747,000
Franchise Fees	3,615,294	3,652,812	3,630,508	3,383,051	2,807,599	3,190,000
Licenses and Permits	6,835,817	7,086,928	8,742,071	5,095,759	13,818,609	10,900,300
Fines and Forfeitures	2,316,000	2,791,624	4,127,033	4,296,570	4,180,605	5,351,400
Totals	<u>\$ 236,712,500</u>	<u>\$ 266,911,599</u>	<u>\$ 315,843,849</u>	<u>\$ 340,261,871</u>	<u>\$ 328,358,674</u>	<u>\$ 322,235,100</u>

**Note:** Includes city transaction privilege sales tax, privilege audit assessments, privilege license fees and privilege tax interest. Excludes excise tax refunds from GPLET program.

(1) Amounts are actual collections provided by the City of Chandler, Management Services Department (cash basis).

**CITY OF CHANDLER, ARIZONA**  
**TRANSACTION PRIVILEGE (SALES) TAX RATES BY CATEGORY**  
**JUNE 30, 2025**

**Schedule 23**

Taxable Activities	Chandler Tax Rate
Advertising	1.50 %
Amusements	1.50 %
Contracting	1.50 %
Construction Contracting (non MMRA) (1)	1.50% of 65% of gross
Jet Fuel Sales (and Use)	\$0.02300/gallon
Job Printing	1.50 %
Manufactured Housing	1.50 %
Timber & Extraction	1.50 %
Mining	0.10 %
Publishing	1.50 %
Hotel/Motel (≤ 30 Days)	4.40% (1.50% + 2.90%)
Hotel/Motel (> 30 Days)	1.50 %
Rentals - Real Property	
Residential	1.50 %
Commercial	1.50 %
Tangible Personal Property Rentals	1.50 %
Restaurants/Bars	1.80 %
Retail Sales	1.50 %
Telecommunications	2.75 %
Transportation for Hire	1.50 %
Utilities	2.75 %
Use Tax	1.50 %

**Source:** City of Chandler, Management Services Department

(1) MMRA - maintenance, repair, replacement and alteration

**CITY OF CHANDLER, ARIZONA**  
**STATE SALES TAX TAXABLE ACTIVITIES, TAX RATES AND DISTRIBUTION SHARE**  
**JUNE 30, 2025**

**Schedule 24**

Taxable Activities	State Transaction Privilege (Sales) Tax Rates		
	State Tax Rate	Education Tax Rate (1)	Distribution Share
Transporting	6.300 %	0.600 %	20.000 %
Utilities	6.300	0.600	20.000
Telecommunications	6.300	0.600	20.000
Pipeline	6.300	0.600	20.000
Private Car Line	6.300	0.600	20.000
Publication	6.300	0.600	20.000
Job Printing	6.300	0.600	20.000
Prime Contracting	6.300	0.600	20.000
Owner Builder Sales	5.600	0.600	20.000
Amusement	6.300	0.600	40.000
Restaurant	6.300	0.600	40.000
Personal Property Rental	6.300	0.600	40.000
Retail (excluding food sales)	6.300	0.600	40.000
Transient Lodging	7.270	N/A	50.000
Mining - non-metal, oil/gas	3.562	N/A	32.000
Commercial Lease	—	N/A	53.330
Severance - Metalliferous Mining	2.500	N/A	80.000
Use Tax Utilities	5.600	0.600	20.000
Jet Fuel Use Tax	(2)	N/A	40.000

**Source:** Arizona Department of Revenue

- (1) Represents that state transaction privilege (sales) tax rate approved by voters of the state in November 2000 (the "Education Tax") on certain of the categories of business activity at six-tenths of one percent (0.6%). The Education Tax collections are dedicated exclusively to education and are not distributed to the city or pledged to the payment of debt service. The effective dates for the Education Tax are June 1, 2001 through June 30, 2041.
- (2) Does not include the \$0.0305 per gallon state tax on the retail sale of jet fuel, which tax is only levied on the first ten million gallons sold to each purchaser in each calendar year.

**CITY OF CHANDLER, ARIZONA**  
**COMBINED SCHEDULE OF WATER AND SEWER SYSTEM REVENUES, EXPENSES, NET**  
**REVENUES AND DEBT SERVICE COVERAGE**  
**LAST FIVE FISCAL YEARS**

**Schedule 25**

	2020-21	2021-22	2022-23	2023-24	2024-25
System Revenues:					
Service Fees	\$120,727,939	\$116,020,531	\$114,299,984	\$120,915,803	\$121,565,521
Miscellaneous	35,573	568,571	12,832,795	21,558	4,953,691
Interest Income	264,558	(6,810,687)	3,442,281	9,367,520	10,436,953
Total System Revenues	<u>\$121,028,070</u>	<u>\$109,778,415</u>	<u>\$130,575,060</u>	<u>\$130,304,881</u>	<u>\$136,956,165</u>
System Expenditures:					
General and Administration	\$ 6,510,382	\$ 6,533,212	\$ 6,872,315	\$ 6,987,459	\$ 7,362,882
Personnel Services	17,923,155	17,632,637	19,509,838	21,831,616	23,924,599
Contractual Services	14,338,257	16,597,926	18,544,747	20,137,906	20,833,392
Commodities	21,857,415	22,851,386	35,663,988	31,875,211	29,620,086
Total System Expenditures	<u>\$ 60,629,209</u>	<u>\$ 63,615,161</u>	<u>\$ 80,590,888</u>	<u>\$ 80,832,192</u>	<u>\$ 81,740,959</u>
Net Income Available for Debt Service	\$ 60,398,861	\$ 46,163,254	\$ 49,984,172	\$ 49,472,689	\$ 55,215,206

# CITY OF CHANDLER, ARIZONA

## UTILITY RATE INCREASE HISTORY

Schedule 26

Effective Date	Water (10,000 gal) (Single Family)	Wastewater (Single Family)
09/01/80	8.40 %	16.67 %
04/25/83	33.80 %	— %
11/30/83	— %	41.43 %
07/01/84	— %	41.47 %
11/01/80	10.53 %	13.70 %
08/01/85	— %	7.57 %
01/01/89	8.33 %	3.95 %
01/01/90	7.69 %	5.04 %
01/01/91	4.28 %	3.96 %
04/01/92	8.05 %	3.97 %
02/15/93	7.75 %	3.97 %
10/01/94	11.55 %	6.98 %
10/01/07	(9.00)% (1)	23.90 %
10/01/09	23.64 % (2)	13.02 %
10/01/13	— %	9.00 % (3)
10/01/15	— % (4)	9.00 % (3)
10/01/17	0.70 % (5)	3.70 % (5)
07/01/22	2.00 % (6)	9.20 % (6)
01/01/24	7.00 % (7)	8.00 % (7)

**Source:** City of Chandler, Management Services Department

- (1) The water rate structure was changed in the October 1, 2007 rate increase to separate each customer class and move a higher portion of costs from the base charge to the volume charge in a tiered structure.
- (2) The water rate structure was changed in the October 1, 2009 rate increase to move 20,000 gallons of consumption from tier 4 to tier 3, as well as move a portion of costs back to the base charge from the volume charge.
- (3) The wastewater rates were increased October 1, 2013 and October 1, 2015 to cover additional debt service costs tied to new construction and expansion of facilities.
- (4) Effective October 1, 2015 the water seasonal rates (winter/summer) were eliminated and replaced with a year-round rate, but the annual cost to rate payers remained unchanged.
- (5) In 2016, a Cost of Service Study was completed water consumption rates were not changed, however, effective October 1, 2017 the water base rate increased 0.70% and the wastewater rates were increased by 3.70% to cover debt service costs tied to new construction and expansion of facilities.
- (6) In January 2022, a Cost of Service Study was completed and base water rates increased 2.0%. Additionally, base wastewater rates were increased by 9.2% cover debt service costs along with rising costs for infrastructure and expansion of facilities. Rate increases were effective July 1, 2022.
- (7) Water rates increased by 7.0% and wastewater rates were increased by 8% to cover debt service costs along with rising costs for infrastructure and expansion of facilities. Rate increases were effective January 1, 2024.

**CITY OF CHANDLER, ARIZONA**  
**TOP 10 WATER AND WASTEWATER CUSTOMERS**  
**JUNE 30, 2025**

**Schedule 27**

<b>Water</b>	
Customer name	Amount
Intel Corporation	\$ 6,424,743
NXP Semiconductors	1,281,484
Chandler Unified School District	738,721
Air Products & Chemicals	531,560
Digital 2121 South Price, LLC	250,688
Gleiberman Property, Inc.	169,243
TWC-Chandler, LLC	152,326
Townsquare Apartments	135,403
Chandler Regional Medical Center/Dignity Health	122,146
MG Country Brook Apartments, LLC	113,106

<b>Wastewater</b>	
Customer name	Amount
Intel Corporation	\$ 9,411,926
NXP Semiconductors	2,014,022
Chandler Unified School District	346,000
Gila River Indian Community (Lone Butte)	309,431
Chandler Regional Medical Center/Dignity Health	182,272
Digital 2121 South Price, LLC	166,594
Gleiberman Property, Inc.	124,187
Microchip Technology, Inc.	119,729
BMF IV AZ Laguna Village, LLC	118,606
Gila River Casino-Lone Butte-3	117,467

**Source:** City of Chandler, Management Services Department

**CITY OF CHANDLER, ARIZONA**  
**NUMBER OF WATER AND WASTEWATER CUSTOMERS**  
**LAST TEN FISCAL YEARS**

	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
<b>WATER</b>				
Residential	75,883	77,062	77,674	78,244
Commercial	4,309	4,535	4,550	4,927
Multi-Unit	1,087	1,107	1,128	1,134
Industrial	61	63	66	67
Other	1,640	2,034	2,116	2,389
<b>WASTEWATER</b>				
Residential	74,346	75,761	76,517	77,089
Commercial	2,201	2,138	2,329	2,371
Multi-Unit	920	915	952	956
Industrial	34	38	48	48
Other	475	590	592	598

**Source:** City of Chandler, Management Services Department

**Schedule 28**

<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
78,928	79,961	79,873	79,970	80,163	80,414
2,546	2,577	4,919	4,898	4,577	4,632
1,115	1,124	1,151	1,191	1,199	1,206
63	63	54	55	57	59
647	647	800	800	1,092	1,190
77,797	78,794	79,294	79,127	78,595	78,809
2,420	2,450	2,540	2,528	2,137	2,153
965	974	999	1,002	831	832
48	48	49	48	23	25
603	603	604	598	431	432

**CITY OF CHANDLER, ARIZONA**  
**DIRECT AND OVERLAPPING GENERAL OBLIGATION BONDED DEBT OUTSTANDING**  
**JUNE 30, 2025**

**Schedule 29**

	2024-25 Overlapping General Obligation Bonded Debt	2024-25 Proportion Applicable to City of Chandler Approximate Percent	Net Debt Amount
Overlapping Jurisdiction			
State of Arizona	None	4.65 %	None
Maricopa County	None	7.04	None
Maricopa County Community College District	\$ 26,675,000	7.04	\$ 1,878,704
Maricopa County Special Health Care District	512,560,000	7.14	36,588,448
Kyrene Elementary School District No. 28	164,985,000	28.62	47,219,674
Mesa Unified School District No. 4	170,560,000	4.49	7,658,039
Gilbert Unified School District No. 41	86,970,000	16.91	14,706,914
Chandler Unified School District No. 80	344,810,000	75.20	259,312,619
Tempe Union High School District No. 213	9,154,500,000	16.39	15,002,300
East Valley Institute of Technology District No. 401	None	14.50	None
City of Chandler	255,845,000	100.00	255,845,000
Total Direct and Overlapping General Obligation Bonded Debt Outstanding			<u>\$ 638,211,698</u>

**Direct and Overlapping Tax Rates Per \$100 Assessed Valuation**

Inside the City, East Valley Institute of Technology and

Inside Gilbert Unified School District No. 41	<u>\$ 9.2344</u>
Inside Mesa Unified School District No. 4	<u>\$ 10.4810</u>

Inside Tempe Union High School District No. 213 and

Kyrene Elementary School District No. 28	<u>\$ 9.7003</u>
Inside Chandler Unified School District No. 80	<u>\$ 9.6113</u>

**Source:** Piper Sandler Companies

**Note:** The applicable percentage of overlap for each type of debt was computed on the net limited property assessed valuation as calculated for fiscal year 2024-25 for the overlapping jurisdiction to the amount of such valuation which lies within the City of Chandler.

**CITY OF CHANDLER, ARIZONA  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS**

**Schedule 30**

<b>Fiscal Year</b>	<b>Population (1)</b>	<b>Total Personal Income (2)</b>	<b>Median Age (2)</b>	<b>Unemployment Rate (3)</b>	<b>Per Capita Personal Income (2)</b>
2015-16	248,332	\$8,324,088,640	34.9	4.5%	\$33,520
2016-17	254,239	8,731,329,977	35.2	3.9	34,343
2017-18	257,853	9,360,321,753	35.3	3.6	36,301
2018-19	261,173	10,101,649,294	36.0	4.0	38,678
2019-20	275,987	11,088,605,686	36.0	8.7	40,178
2020-21	280,178	(4) 11,693,509,008	36.0	5.6	41,736
2021-22	282,873	13,284,564,699	36.0	3.0	46,963
2022-23	282,891	14,130,122,559	36.1	2.9	49,949
2023-24	288,088	15,232,941,088	37.4	3.0	52,876
2024-25	291,442	15,446,426,000	37.4	3.5	53,000

**Sources:**

- (1) City of Chandler, Development Services Department
- (2) City of Chandler, Economic Development Division
- (3) Arizona Office of Employment and Population Statistics
- (4) U.S. Census Bureau

**Notes:** Total personal income is composed of earned income, dividends, interest and rents and government transfer payments.

Per capita personal income is calculated by dividing total personal income by population; amounts may not be exact due to rounding.



**CITY OF CHANDLER, ARIZONA  
PRINCIPAL EMPLOYERS  
CURRENT YEAR AND TEN YEARS AGO**

**Schedule 31**

<b>Employer</b>	<b>2025</b>		
	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total City Employment</b>
Intel Corporation	12,000	1	7.27%
Wells Fargo	5,500	2	3.33%
Chandler Unified School District	4,900	3	2.97%
Bank of America	3,600	4	2.18%
Chandler Regional Medical Center/Dignity Health	3,000	5	1.82%
City of Chandler	2,300	6	1.39%
Northrop Grumman	1,700	7	1.03%
Microchip Technology	1,700	7	1.03%
NXP	1,700	7	1.03%
PayPal	1,500	8	0.91%
Insight Enterprises	1,400	9	0.85%
Bashas (HQ and Distribution Center)	1,100	10	0.67%
<b>Total</b>	<b>40,400</b>		<b>24.48%</b>

<b>Employer</b>	<b>2016</b>		
	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total City Employment</b>
Intel Corporation	11,000	1	7.91%
Chandler Unified School District	4,900	2	3.52%
Wells Fargo	4,500	3	3.24%
Bank of America	3,800	4	2.73%
Verizon Wireless	2,400	5	1.73%
Chandler Regional Hospital	2,100	6	1.51%
Paypal	1,750	7	1.26%
Orbital ATK	1,650	8	1.19%
Microchip Technology	1,625	9	1.17%
City of Chandler	1,590	10	1.14%
<b>Total</b>	<b>35,315</b>		<b>25.40%</b>

**Source:** City of Chandler, Economic Development Division, City of Chandler Human Resources Department and Arizona Office of Employment and Population Statistics.

**CITY OF CHANDLER, ARIZONA**  
**EMPLOYEES BY FUNCTION**  
**LAST TEN FISCAL YEARS**

	<b>2015-16</b>	<b>2016-17</b> (1)	<b>2017-18</b>	<b>2018-19</b> (2)
<b>Full Time Equivalent Personnel</b>				
Mayor and council	4	11	4	5
City clerk	6	7	6	6
City manager	240	206	199	193
Communications/public affairs	15	15	15	14
City magistrate	39	38	40	37
Law	31	31	30	32
Management services	67	64	67	68
<b>Total General Government</b>	<b>402</b>	<b>372</b>	<b>361</b>	<b>355</b>
<b>Total Transportation and Development</b>	<b>150</b>	<b>152</b>	<b>160</b>	<b>84</b>
<b>Total Community Services</b>	<b>156</b>	<b>199</b>	<b>202</b>	<b>195</b>
Police	490	491	501	485
Fire	240	222	233	233
<b>Total Public Safety</b>	<b>730</b>	<b>713</b>	<b>734</b>	<b>718</b>
Municipal utilities administration	8	7	7	—
Water	87	89	90	—
Wastewater	65	69	74	—
Solid waste	21	20	18	—
<b>Total Municipal Utilities</b>	<b>181</b>	<b>185</b>	<b>189</b>	<b>—</b>
Municipal utilities administration	—	—	—	6
Water	—	—	—	90
Wastewater	—	—	—	66
Solid waste	—	—	—	19
Public works administration	—	—	—	1
Streets	—	—	—	70
<b>Total Public Works and Utilities</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>252</b>
<b>Total Primary Government</b>	<b>1,619</b>	<b>1,621</b> (1)	<b>1,646</b>	<b>1,604</b> (2)

**Source:** City of Chandler, Human Resources Department

- (1) The significant changes between 2016 and 2017 are a result of Library, Museum and Center for the Arts moving from City Manager Department to Community Services.
- (2) The significant changes between 2018 and 2019 are a result of the Streets Division and Municipal Utilities consolidating into the Public Works and Utilities Department.
- (3) The significant changes between 2023 and 2024 are a result of the Cultural Development Department consolidating into the City Manager Department.

**Note:** The calculation of full time equivalent personnel includes full time and part time regular employees as of the last pay period of the fiscal year.

**Schedule 32**

<b>2019-20</b>	<b>2020-21</b>	<b>2021-2022</b>	<b>2022-2023</b>	<b>2023-2024</b>	<b>2024-2025</b>
5	5	6	5	6	13
6	6	4	5	6	7
194	198	196	191	255	(3) 264
15	14	12	14	14	14
40	33	35	38	36	37
32	31	32	33	31	33
67	66	59	66	68	73
359	353	344	352	416	441
77	76	77	82	78	82
199	194	194	219	186	(3) 190
488	477	476	497	520	515
229	228	235	244	260	254
717	705	711	741	780	769
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
6	7	5	8	8	9
90	89	28	91	97	96
68	71	47	74	73	77
21	21	21	21	21	22
2	2	2	2	2	2
78	79	58	82	81	78
265	269	161	278	282	284
1,617	1,597	1,487	1,672	1,742	(3) 1,766

**CITY OF CHANDLER, ARIZONA**  
**OPERATING INDICATORS BY FUNCTION/PROGRAM**  
**LAST TEN FISCAL YEARS**

<b>Function/Program</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>
<b>General Government</b>				
Meeting notices posted	565	535	681	666
City council actions and agenda items prepared	844	860	838	789
Grant awards received	46	43	27	24
Inventory turnover ratio	1.74	1.81	1.79	2.04
<b>Transportation &amp; Development</b>				
Building permits issued	5,142	4,635	3,944	4,011
<b>Community Services</b>				
Library circulation	2,101,421	2,059,429	2,041,574	1,801,237
Center for the Arts events & exhibits	985	1,048	1,177	825
<b>Public Safety</b>				
Crime rate (per 1,000 population)	26	26	25	22
Total calls for police services (estimated)	145,466	156,186	159,301	154,736
Total calls for fire services	23,966	25,072	25,185	26,818
Fire inspections	5,814	4,635	5,135	6,698
Fire investigations	30	27	41	18
<b>Municipal Utilities</b>				
Water connections	83,089	84,670	84,338	85,416
Operating wells	28	31	32	31
Daily pumping capacity - wells (gallons)	66,300,000	74,400,000	74,100,000	71,300,000
Daily pumping capacity - plants (gallons)	72,000,000	72,000,000	84,000,000	84,000,000
Sewer connections	78,144	78,972	79,841	81,033
Sanitary sewer (miles)	917	928	933	935
Solid waste customers served	73,162	73,288	75,018	75,675
Solid waste refuse collected (tons)	81,653	80,069	83,004	84,500
Solid waste refuse recycled (tons)	22,102	22,305	22,101	22,887

**Source:** City of Chandler Departments

**Schedule 33**

<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>
542	395	377	210	387	419
739	460	1,299	409	597	509
33	40	39	39	43	61
2.40	1.73	2.00	2.13	2.10	2.32
4,091	4,601	4,615	3,188	3,339	3,374
1,415,291	1,356,695	1,308,861	1,581,822	1,659,547	1,565,471
537	389	690	790	799	813
23	19	20	17	16	15
146,859	139,236	146,008	154,890	148,327	154,491
26,371	26,676	28,582	28,654	28,882	29,415
6,641	3,257	3,389	3,955	6,362	2,098
23	17	14	16	41	19
86,098	87,251	83,237	86,940	87,207	87,568
31	30	30	31	32	31
71,800,000	71,800,000	69,000,000	73,000,000	76,000,000	63,000,000
84,000,000	84,000,000	84,000,000	135,000,000	135,000,000	135,000,000
81,796	82,895	81,419	81,899	83,620	83,913
941	945	947	958	1,039	1,043
76,773	77,297	76,249	78,878	79,116	79,324
86,950	94,218	93,487	86,901	79,563	79,000
21,800	22,775	20,876	18,359	18,438	17,500

**CITY OF CHANDLER, ARIZONA**  
**CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM**  
**LAST TEN FISCAL YEARS**

<b>Function/Program</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>
<b>Community Services</b>				
Developed parks	65	65	65	67
Developed acres	1,236	1,244	1,244	1,281
Undeveloped acres	302	299	299	231
Swimming pools	6	6	6	6
Lighted fields	41	43	43	41
Library bookstock	341,073	360,618	359,445	310,888
<b>Transportation and Development</b>				
Total miles streets (center line)	855	855	857	857
Street lights	27,700	27,800	27,199	29,500
Signalized intersections	218	218	220	225
<b>Public Safety</b>				
Police stations	3	3	3	3
Fire stations	10	10	11	11
<b>General Government</b>				
Based aircraft	427	455	457	523
<b>Municipal Utilities</b>				
Water mains (miles)	1,196	1,283	1,212	1,218
Fire hydrants	13,207	15,708	15,970	16,159
Average daily treatment (mgd)	29	29	28	54

**Source:** City of Chandler Departments

**Schedule 34**

<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>
67	67	68	69	69	70
1,281	1,301	1,309	1,317	1,317	1,354
231	219	209	201	201	167
6	6	6	6	6	6
43	50	51	60	64	64
310,812	294,276	295,573	302,599	307,862	305,330
858	858	858	1,020	2,090	2,090
29,500	29,731	28,515	28,462	28,538	28,610
226	232	234	238	238	238
3	3	3	3	3	3
11	11	11	11	11	11
440	448	441	449	452	451
1,228	1,232	1,237	1,250	1,242	1,242
16,296	16,492	13,780	13,371	13,930	13,918
31	31	28	84	84	84



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Phone (480) 782-2333  
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Mailing Address  
Mail Stop 702  
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175 S. Arizona Avenue  
Chandler, Arizona 85225



CONTINUING DISCLOSURE UNDERTAKING  
\$160,000,000\*  
CITY OF CHANDLER, ARIZONA  
GENERAL OBLIGATION BONDS, SERIES 2026

This Continuing Disclosure Undertaking (this “Undertaking”) is executed and delivered by the City of Chandler, Arizona (the “City”), in connection with the sale and issuance of \$160,000,000\* principal amount of City of Chandler, Arizona General Obligation Bonds, Series 2026 (the “Bonds”). The Bonds are being issued pursuant to a resolution adopted by the Mayor and Council of the City on November 13, 2025 (the “Bond Resolution”). The City covenants and agrees as follows:

1. **Definitions.** In addition to those defined hereinabove, the terms set forth below shall have the following meanings in this Undertaking, unless the context clearly otherwise requires:

“*Annual Financial Information*” means the financial information and operating data set forth in Exhibit I.

“*Annual Financial Information Disclosure*” means the dissemination of disclosure concerning Annual Financial Information and the dissemination of the Audited Financial Statements as set forth in Section 4.

“*Audited Financial Statements*” means the audited financial statements of the City prepared pursuant to the standards and as described in Exhibit I.

“*Commission*” means the Securities and Exchange Commission.

“*Dissemination Agent*” means any agent designated as such in writing by the City and which has filed with the City a written acceptance of such designation, and such agent’s successors and assigns.

“*EMMA*” means the Electronic Municipal Market Access system of the MSRB. Information regarding submissions to EMMA is available at <http://emma.msrb.org>.

“*Exchange Act*” means the Securities Exchange Act of 1934, as amended.

“*Final Official Statement*” means the Final Official Statement relating to the Bonds, dated January 13, 2026\*.

“*Financial Obligation*” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) a guarantee of (i) or (ii). The term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

“*GAAP*” means generally accepted accounting principles, as applied to governmental units as modified by the laws of the State.

“*Listed Event*” means the events set forth in Exhibit II.

“*Listed Events Disclosure*” means dissemination of disclosure concerning a Listed Event as set forth in Section 5.

“*MSRB*” means the Municipal Securities Rulemaking Board.

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\* Preliminary, subject to change.

“*Participating Underwriter*” means each broker, dealer or municipal securities dealer acting as an underwriter in the primary offering of the Bonds.

“*Rule*” means Rule 15c2-12 adopted by the Securities and Exchange Commission under the Exchange Act.

“*State*” means the State of Arizona.

2. Purpose of this Undertaking. This Undertaking is executed and delivered by the City as of the date set forth below for the benefit of the beneficial owners of the Bonds and in order to assist the Participating Underwriter in complying with the requirements of the Rule. The City represents that it will be the only obligated person with respect to the Bonds at the time the Bonds are delivered to the Participating Underwriter and that no other person is expected to become so committed at any time after such delivery of the Bonds.

3. CUSIP Numbers. The CUSIP Numbers of the Bonds are as follows:

CUSIP No. (Base 158843)	Maturity Date (July 1)
	2027
	2028
	2029
	2030
	2031
	2032
	2033
	2034
	2035
	2036
	2037
	2038
	2039
	2040
	2041
	2042
	2043
	2044

4. Annual Financial Information Disclosure. Subject to Section 8 of this Undertaking, the City shall disseminate its Annual Financial Information and its Audited Financial Statements, if any (in the form and by the dates set forth in Exhibit I), through EMMA.

If any part of the Annual Financial Information can no longer be generated because the operations to which it is related have been materially changed or discontinued, the City will disseminate a statement to such effect as part of its Annual Financial Information for the year in which such event first occurs.

If any amendment is made to this Undertaking, the Annual Information for the year in which such amendment is made shall contain a narrative description of the reasons for such amendment and its impact on the type of information being provided.

5. Listed Events Disclosure. Subject to Section 8 of this Undertaking, the City shall disseminate in a timely manner, but not more than ten (10) business days after the occurrence of the event, Listed Events Disclosure through EMMA. Whether events subject to the standard “material” would be material shall be determined under applicable federal securities laws.

6. Consequences of Failure of the City to Provide Information. The City shall give notice in a timely manner through EMMA of any failure to provide Annual Financial Information Disclosure when the same is due hereunder.

In the event of a failure of the City to comply with any provision of this Undertaking, the beneficial owner of any Bond may seek mandamus or specific performance by court order, to cause the City to comply with its obligations under this Undertaking. A default under this Undertaking shall not be deemed an event of default under the Bond Resolution, and the sole remedy available to such owners of the Bonds under this Undertaking in the event of any failure of the City to comply with this Undertaking shall be an action to compel performance.

7. Amendments; Waiver. Notwithstanding any other provision of this Undertaking, the City by certified resolution or ordinance authorizing such amendment or waiver, may amend this Undertaking, and any provision of this Undertaking may be waived only if:

(a) The amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the City, or type of business conducted;

(b) This Undertaking, as amended or affected by such waiver, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver does not materially impair the interests of the beneficial owners of the Bonds, as determined by parties unaffiliated with the City or by approving vote of the owners of the Bonds at the time of the amendment.

The Annual Financial Information containing amended operating data or financial information resulting from such amendment or waiver, if any, shall explain, in narrative form, the reasons for the amendment or waiver and the impact of the change in the type of operating data or financial information being provided. If an amendment or waiver is made specifying an accounting principle to be followed in preparing financial statements and such changes are material, the Annual Financial Information for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles. Such comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles in the presentation of the financial information in order to provide information to investors to enable them to evaluate the ability of the City to meet its obligations. To the extent reasonably feasible, such comparison also shall be quantitative. If the accounting principles of the City change or the fiscal year of the City changes, the City shall file a notice of such change in the same manner as for a notice of Listed Event.

8. Non-Appropriation. The performance by the City of its obligations in this Undertaking shall be subject to the annual appropriation of any funds that may be necessary to permit such performance. In the event of a failure by the City to comply with its covenants under this Undertaking due to a failure to appropriate the necessary funds, the City covenants to provide prompt notice of such fact to the MSRB through EMMA, in a format prescribed by the MSRB.

9. Termination of Undertaking. This Undertaking shall be terminated hereunder if the City shall no longer have liability for any obligation on or relating to repayment of the Bonds under the Bond Resolution.

10. Dissemination Agent. The City may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Undertaking, and may discharge any such Agent, with or without appointing a successor Dissemination Agent.

11. Additional Information. Nothing in this Undertaking shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Undertaking or any other means of communication, or including any other information in any Annual Financial Information Disclosure or notice of occurrence of a Listed Event, in addition to that which is required by this Undertaking. If the City chooses to include any information from any document or notice of occurrence of a Listed Event in addition to that which is specifically required by this Undertaking, the City shall have no obligation under this Undertaking to update such information or include it in any future Annual Financial Information Disclosure or Listed Events Disclosure.

12. Beneficiaries. This Undertaking has been executed in order to assist the Participating Underwriter in complying with the Rule; however, this Undertaking shall inure solely to the benefit of the City, the Dissemination Agent, if any, and the beneficial owners of the Bonds, and shall create no rights in any other person or entity.

13. Recordkeeping. The City shall maintain records of all Annual Financial Information Disclosure and Listed Events Disclosure including the content of such disclosure, the names of the entities with whom such disclosure was filed and the date of filing such disclosure.

14. Governing Law. This Undertaking shall be governed by the laws of the State.

Dated: [Closing Date]

**CITY OF CHANDLER, ARIZONA**

By \_\_\_\_\_  
Its Deputy City Manager/Chief Financial Officer

EXHIBIT I

ANNUAL FINANCIAL INFORMATION AND TIMING AND  
AUDITED FINANCIAL STATEMENTS

“Annual Financial Information” means financial information and operating data of the type contained in the Final Official Statement as follows (in each case, actual results for most recently completed fiscal year only):

- Estimated Net Full Cash and Assessed Values;
- Statements of Bonds Outstanding;
- Property Tax Assessment Ratios;
- Property Taxes Levied and Collected;
- Direct and Overlapping Assessed Valuations and Total Tax Rates per \$100 Assessed Valuation;
- Property Value by Property Classification; and
- Net Assessed Limited Property Value of Major Taxpayers.

All or a portion of the Annual Financial Information and the Audited Financial Statements as set forth below may be included by reference to other documents which have been submitted through EMMA or filed with the Commission. If the information included by reference is contained in a final official statement, the final official statement must be available from the MSRB. The City shall clearly identify each such item of information included by reference.

Annual Financial Information exclusive of Audited Financial Statements will be provided through EMMA by February 1 of each year, commencing February 1, 2027. Audited Financial Statements as described below should be filed at the same time as the Annual Financial Information. If Audited Financial Statements are not available when the Annual Financial Information is filed, unaudited financial statements shall be included, to be followed up by Audited Financial Statements within 30 days after availability to the City.

Audited Financial Statements will be prepared according to GAAP.

If any change is made to the Annual Financial Information as permitted by Section 4 of this Undertaking, the City will disseminate a notice of such change as required by Section 4, including changes in fiscal year or GAAP.

## EXHIBIT II

### EVENTS FOR WHICH LISTED EVENTS DISCLOSURE IS REQUIRED

1. Principal and interest payment delinquencies.
2. Non-payment related defaults, if material.
3. Unscheduled draws on debt service reserves reflecting financial difficulties.
4. Unscheduled draws on credit enhancements reflecting financial difficulties.
5. Substitution of credit or liquidity providers, or their failure to perform.
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations, in each case, with respect to the tax status of the security, or other material events affecting the tax status of the security.
7. Modifications to the rights of security holders, if material.
8. Bond calls, if material, or tender offers.
9. Defeasances.
10. Release, substitution or sale of property securing repayment of the securities, if material.
11. Rating changes.
12. Bankruptcy, insolvency, receivership or similar events of the City, being if any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the City in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under State or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City.
13. The consummation of a merger, consolidation or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material.
15. Incurrence of a Financial Obligation of the City, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the City, any of which affect security holders, if material.
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the City, any of which reflect financial difficulties.

**BOOK-ENTRY-ONLY SYSTEM**

*The description set forth below of the procedures and record-keeping with respect to beneficial ownership interests in the Bonds, payment of principal of, premium, if any, and interest on, the Bonds to Direct Participants, Indirect Participants and Beneficial Owners (each as hereinafter defined), and other information concerning DTC and the book-entry-only system of registration and transfer of beneficial ownership interests in the Bonds is based solely on information furnished by DTC to the City for inclusion in this Official Statement. Neither the City, the Bond Registrar and Paying Agent, the Financial Advisor, nor their agents or counsel make any representations as to the accuracy or completeness thereof.*

The Depository Trust Company (“DTC”), will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond will be issued for the Bonds in the aggregate principal amount of such issue, and will be deposited with DTC.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a Standard & Poor’s rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of each Security (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial owners will not receive written confirmation from DTC of their purchaser. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from Issuer or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by participants to Beneficial owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Issuer or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursements of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

A Beneficial Owner shall give notice to elect to have its Bonds purchased or tendered, through its Participant, to Bond Registrar and Paying Agent, and shall effect delivery of such Bonds by causing the Direct Participant to transfer the Participant's interest in the Bonds, on DTC's records, to Bond Registrar and Paying Agent. The requirement for physical delivery of Bonds in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Bonds are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Bonds to the Bond Registrar and Paying Agent's DTC account.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the City or Bond Registrar and Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

The City may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry-only system has been obtained from sources that the City believes to be reliable, but the City, the Financial Advisor or their counsel or agents takes no responsibility for the accuracy thereof.

NEITHER THE CITY, THE BOND REGISTRAR AND PAYING AGENT, THE FINANCIAL ADVISOR, NOR THEIR AGENTS OR COUNSEL HAVE ANY RESPONSIBILITY OR OBLIGATION TO ANY DIRECT PARTICIPANT, INDIRECT PARTICIPANT OR TO ANY BENEFICIAL OWNER WITH RESPECT TO: (I) THE BONDS, (II) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT; (III) THE TIMELY OR ULTIMATE PAYMENT BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL OR REDEMPTION PRICE OF OR OF INTEREST ON THE BONDS; (IV) THE TRANSMITTAL BY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF ANY NOTICE WHICH IS PERMITTED OR REQUIRED TO BE GIVEN TO BONDHOLDERS; (V) ANY CONSENT GIVEN BY DTC OR OTHER ACTION TAKEN BY DTC AS REGISTERED OWNER; OR (VI) THE SELECTION BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF A PARTIAL REDEMPTION OF THE BONDS.



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