City of Chandler

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2011

Chandler
All-America City
2010

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CITY OF CHANDLER, ARIZONA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2011

Jay Tibshraeny, Mayor
Trinity Donovan, Vice-Mayor
Rick Heumann, Councilmember
Matt Orlando, Councilmember
Kevin Hartke, Councilmember
Jack Sellers, Councilmember
Jeff Weninger, Councilmember

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CITY OF CHANDLER, ARIZONA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2011

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Introductory Section

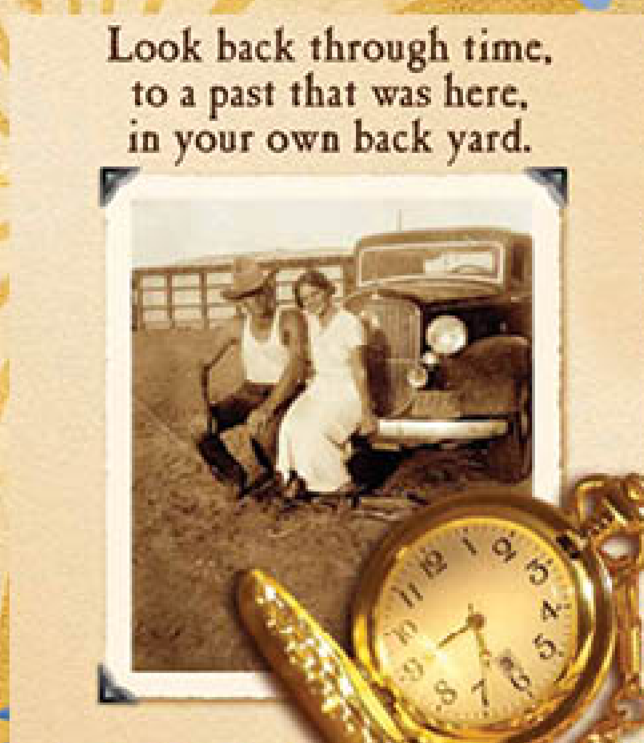
The introductory section includes the letter of transmittal, an organizational chart, and the Certificate of Achievement for Excellence in Financial Reporting.

Chandler History Kiosk Program wins national award

The American Association for State and Local History (AASLH) awards Chandler with an Award of Merit for History in Your Own Backyard kiosk program

Kiosks features stories and photographs of the people and places that once existed in the surrounding area

Topics have included farming, ethnic neighborhoods, businesses, and Southern Pacific Railroad



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January 27, 2012

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

The comprehensive annual financial report of the City of Chandler, Arizona (the City), for the year ended June 30, 2011, 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 presents fairly the financial position and results of operations of the various funds and component units of the City.

Accounting principles generally accepted in the United States of America (GAAP) 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 Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. 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 (the County), and encompasses approximately 64 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. Council members are elected at-large on a staggered basis; the mayor is elected for a two-year term and council members are elected for four-year terms. The City Council is vested with policy and legislative authority, and is responsible for passing ordinances, adopting the budget, appointing committee, commission 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.

The City is fourth 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. Between 1992 and 2010, the City's population increased by over 100 percent, from 100,416 to 236,598. The City's growth for nearly two decades prior to the recession is attributable to the growth in its manufacturing sector, which is led by high-tech industrial companies such as Intel, Orbital Sciences, Microchip Technologies and Freescale Semiconductor. These four companies combined employ 14,000 in the City.

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Chandler, Arizona 85244-4008

Management Services
Telephone (480) 782-2250
Fax (480) 782-2253
Web www.chandleraz.gov

Location
Third Floor
175 South Arizona Avenue
Chandler, Arizona 85225

The City boasts a strong labor market serving the high technology field's demand for skilled workers. Resident population has a median age of 32.5 years and a median household income of $71,710. In addition, approximately 68 percent of the population has a college degree or some college education. This highly educated workforce explains in part why the City has the highest average employee wages in the Phoenix metropolitan area, 120% of the statewide average. Over 75 percent of the City's manufacturing employees are in high technology fields; the national average is 15 percent. The City's unemployment averaged 6.1 percent for fiscal year 20010/11 compared with 8.8% for Maricopa County and 9.3% for the State of Arizona.

The City's sales tax revenues, which comprise nearly 50 percent of its general fund, increased by 6.7 percent for 2010/11 from the current year budget as the City begins to recover from the effects of the recession that was felt nationally and globally. Anticipating continued fallout from the economic recession and from the corresponding declining revenues, the City reduced its spending by $12 million in its General Fund budget for 2010/11 through a combination of spending cuts and reserves specifically set aside for bridging the budget gap over three fiscal years. The City lead other Phoenix metropolitan communities in recovering from the recession through a combination of sound financial practices and notable economic development successes.

2010/2011 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.

- Obtained AAA General Obligation Bond credit ratings with stable outlooks from all three rating agencies;
- Chandler was selected for the fourth consecutive time as one of 100 Best Communities for Young People;
- Completed construction of Chandler's new City Hall;
- Assisted with the relocation, expansion and new construction of key industries in the City, including Intel's retooling of FABs 12 and 32, eBay/PayPal, International Rectifier, B/E Aerospace, Chandler Regional Medical Center, Education Management Corporation and Digital Realty Trust;
- Developed and implemented a new Wellness Initiative for City employees;
- Initiated Voluntary Demolition Program to facilitate the elimination of blighted properties;
- Reopened Chandler Center for the Arts after major renovations;
- Completed installation of new energy management and card access systems in City facilities;
- Environmental Education Center was certified as bird habitat from the Desert Rivers Audubon Society and wildlife habitat from the National Wildlife Federation;
- Implemented E-billing option for utility customers;
- Conserved over 16 million gallons of water from the Water Conservation Residential Audit program;
- Chandler Police Forensic Services section became the first city crime lab in Arizona to receive international accreditation; and
- Completed construction of Price Road repaving and Chandler/Dobson intersection with American Recovery and Reinvestment Act grants.

Strategic Goals

The City of Chandler's continued goal is to provide the highest quality services to the community in the most cost-effective manner. 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 ultimately strengthen the City. The City continued with the Council's strategic goals by focusing on the following organizational priorities.

- **Downtown**

Downtown Chandler and the Historic Square have served as the focal point of community life since Chandler's inception. Emerging today as a location for independent business and retail, the downtown also serves as the City's cultural center providing the community with a sense of identity and uniqueness.

- **Economic Development**

The ability of the City to maintain and enhance the quality of life of its residents depends upon a successful economic development program. High paid quality jobs attract potential residents, and diversifying the employment and tax base provides revenue to support the amenities enjoyed by the community.

- **Neighborhoods**

As Chandler has grown rapidly from a community of 30,000 in 1980 to 235,000 today, neighborhoods have become increasingly important to help define the community's quality of life and provide a sense of identity and place. The maintenance and long term care of our neighborhoods will become increasingly important as the community continues to age.

- **Sustainability**

In order to assure that Chandler's quality of life is enjoyed by future generations, it is imperative that the City acts as an effective steward of our financial and environmental resources. This effort is even more critical as city resources are becoming increasingly limited, and as best practices throughout the country have provided ample evidence of the many benefits of doing business in a more sustainable fashion. The City Council is committed to the stewardship of the City's resources through improved business practices and the conservation of our financial and environmental assets.

- **Transportation**

An effective multimodal transportation system is critical to the long-term vitality of the Chandler community. The City must maintain a viable transportation network that includes an efficient arterial street and transit system that is connected regionally, as well as a network that is bicycle and pedestrian friendly.

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 and internal service 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 2010/2011, $671,006,655). 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 subsequent year expenditures against those encumbrances are charged against an encumbrance reserve established at the end of the preceding year.

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.

Cash Management Policies and Practices

The cash management program of the City provides for the continuous investment of all idle funds. Also, the City utilizes a pooled cash and investment concept for all funds. Each fund type's portion of the pool is displayed in the financial statements as Equity in Pooled Cash and Investments. External investment management firms at the direction of City staff invested cash temporarily idle during the fiscal year. In addition, the City may invest in direct obligations of the United States of America or any agency thereof, or any obligation guaranteed by the United States of America or any of its agencies. It is the City's investment policy to minimize credit and market risks while maintaining a competitive yield on its portfolio. Accordingly, all cash deposits were either insured by the Federal Depository Insurance Corporation (FDIC) or collateralized.

Risk Management

The City maintains and has substantially funded a self-insurance program for its liability, property, worker's compensation and group insurance coverage needs. Administration of employee health care benefits is governed by the City's Heath Care Benefits Trust Fund Board. Public liability, property claims and worker's compensation are administered by the City's Risk Management division in the Management Services Department. Liabilities for these claims, as reported in the financial statements, are based on independently prepared actuarial reports and historical analyses performed by the City. Excess commercial coverage is purchased for claims above the City's self-insurance retention and this coverage is obtained via a competitive bidding process.

At June 30, 2011, the City's reserve for self-insurance claims amounted to $45.8 million.

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., 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 Circular A-133. Auditing standards generally accepted in the United States of America and the standards set forth in the General Accounting 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.

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 comprehensive annual financial report for the year ended June 30, 2010, marking the twenty-ninth 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 comprehensive annual financial report, whose contents conform to program standards. Such reports must satisfy both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current 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 Penny Burczyk, Accounting Manager, Derrick Beracy, Senior Financial Reporting Analyst, Debbie Dulanski-Garcia, Senior Accountant, Lisa Dickins, Senior Accountant; Robert Steele, Senior Accountant; and Annette Fries, Executive Assistant. Special thanks also go to Kevin McManus, IT Oracle Application Manager for updating the City's annual financial reporting application, and to Julie Buelt, Senior Financial Analyst, and Dawn Lang, Assistant Management Services Director for Finance for their assistance in reviewing and preparing the final document. Their preparation of this annual financial report is particularly noteworthy in light of their simultaneous work on a successful implementation of a major upgrade to the City's financial and human resources information management system.

Finally, I wish to thank the Mayor and Council, the City Manager and City Staff for their continued support in promoting sound financial policies and internal controls.

Respectfully submitted,

Dennis Strachota
Management Services Director

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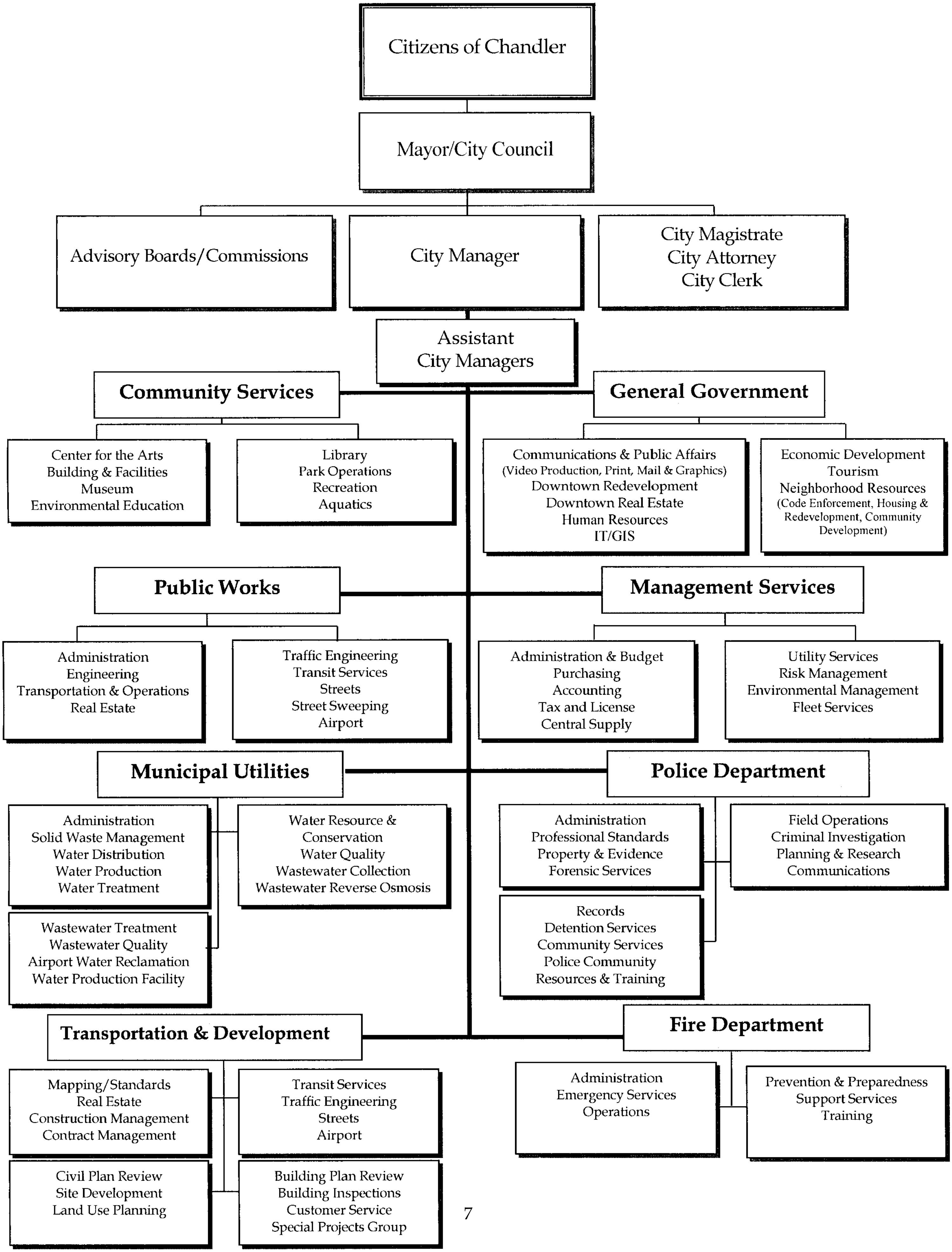
City of Chandler, Arizona
Organizational Chart



Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Chandler Arizona

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2010

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

GOVERNMENT FINANCE OFFICERS ASSOCIATION OF THE UNITED STATES AND CANADA CORPORATION SEAL CHICAGO

President

Executive Director

Financial Section

The financial section includes the City's independent auditors' report, management's discussion and analysis, basic financial statements, required supplementary information, and financial statements for individual funds.

Chandler consistently given high marks for outstanding fiscal responsibility

Received a Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association (GFOA)

Chandler's Accounting Division has received the certificate 27 consecutive times

GFOA also has given Distinguished Budget Presentation Awards to the City's Management Services Department 22 consecutive times

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Financial Section

HEINFELD, MEECH & CO., P.C.
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

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

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, 2011, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

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 discretely presented component units and remaining fund information of the City of Chandler, Arizona, as of June 30, 2011, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 10, the City implemented the provisions of the Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, for the year ended June 30, 2011, which represents a change in accounting principle.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 27, 2012, on our consideration of the City'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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 13 through 22, the Budgetary Comparison Schedule for the General Fund on pages 76 and 77, and the Schedules of Funding Progress on page 78, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements as a whole. The accompanying supplementary information such as the Introductory Section, the Other Financial Statements of the Financial Section, Other Supplemental Information, and the Statistical Section are presented for additional analysis and are not a required part of the financial statements. The Other Financial Statements of the Financial Section and the Other Supplemental Information are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole. The Introductory Section and the Statistical Section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Heinfeld, Meech & Co., P.C.

HEINFELD, MEECH & CO., P.C.
Certified Public Accountants

January 27, 2012

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

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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, 2011. 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 2011 as follows:

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by $1.287 billion (net assets). Of this amount, $428.5 million (unrestricted net assets) may be used to meet the City's ongoing obligations to citizens and creditors. However, $75.8 million is invested in a joint venture with the Town of Gilbert.
- There was a decrease in the City's total net assets by $5.5 million from the prior year due primarily to the drawdown of cash for construction of projects which were financed from prior years' bond sales.
- At June 30, 2011, the City's governmental funds reported combined ending fund balances of $255.8 million, a decrease of $30.4 million in comparison with the prior year. Approximately 58% of the total amount, $148.4 million, is available for spending at the City's discretion (committed, assigned or unassigned).
- At June 30, 2011, total fund balance for the General Fund was $162.3 million which represents a decrease of $36.1 million from the prior year.
- General revenues from governmental activities accounted for $191.5 million or 74.34% of all revenues from governmental activities. Program specific revenues in the form of charges for services and grants and contributions accounted for $66.1 million or 25.66% of total governmental activity revenues. The City had $105.0 million of program revenues and $1.7 million in general revenues and transfers related to business-type activities.
- At June 30, 2011, the City's proprietary funds reported combined total net assets of $450.1 million, and total unrestricted net assets of $168.2 million. A total of $123.4 million of the unrestricted net assets are 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.

The **statement of net assets** presents information on all of the City's assets and liabilities, with the difference between the two reported as net assets. Net assets are categorized as capital assets less related debt, restricted by an outside third party, and unrestricted. Over time, increases or decreases in net assets 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 assets changed during the most recent fiscal year. All changes in net assets 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 only 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, community services, community development, and public works. 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, 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 and the Chandler Cultural Foundation.

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 three categories: governmental funds, proprietary funds, and fiduciary 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 21 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, Streets Capital Projects Fund, and General Obligation Bonds Debt Service Fund which are considered to be major funds. Data from the other 18 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 supplemental section of this report.

The City adopts an annual appropriated budget for the General, Special Revenue, General Obligation and Highway User Revenue Debt Service, Capital Projects and Proprietary Funds. Budgetary comparison statements have been provided in the basic financial statements for the General, Streets Capital Projects, and General Obligation Bonds Debt Service Funds to demonstrate compliance with the budget. Budgetary comparison schedules for other Non-major Special Revenue and Non-major Capital Projects Funds are also included in the financial section.

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, 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, 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 and schedules in the financial section of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

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.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net assets may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by $1.287 billion as of June 30, 2011.

A significant portion of the City's net assets (63.4% percent) reflects its investment in capital assets (e.g., land and improvements, buildings and improvements, improvements other than buildings, vehicles, machinery and equipment 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 citizens; 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 assets (3.3% percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (33.3% percent) includes $75.8 million which is invested in a joint venture with the Town of Gilbert that may not be used to meet the City's ongoing obligations to citizens and creditors.

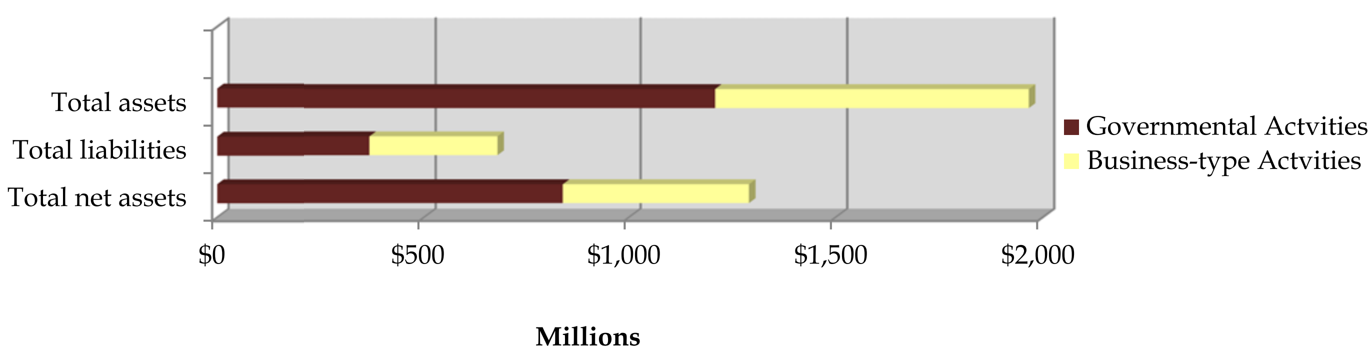
At the end of the current fiscal year, the City is able to report positive balances in all three categories of net assets, both for the City as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

There was an increase of $5.1 million in unrestricted net assets reported in connection with the City's business type activities compared to a decrease of $16.3 million for the year ended June 30, 2010.

It should be noted that the City implemented organizational changes during fiscal year ended June 30, 2011 in an effort to consolidate operations. Community development and public works were merged into one department and titled "transportation and development". These changes are reflected in the 2010 expenditures below in order to provide adequate comparative data.

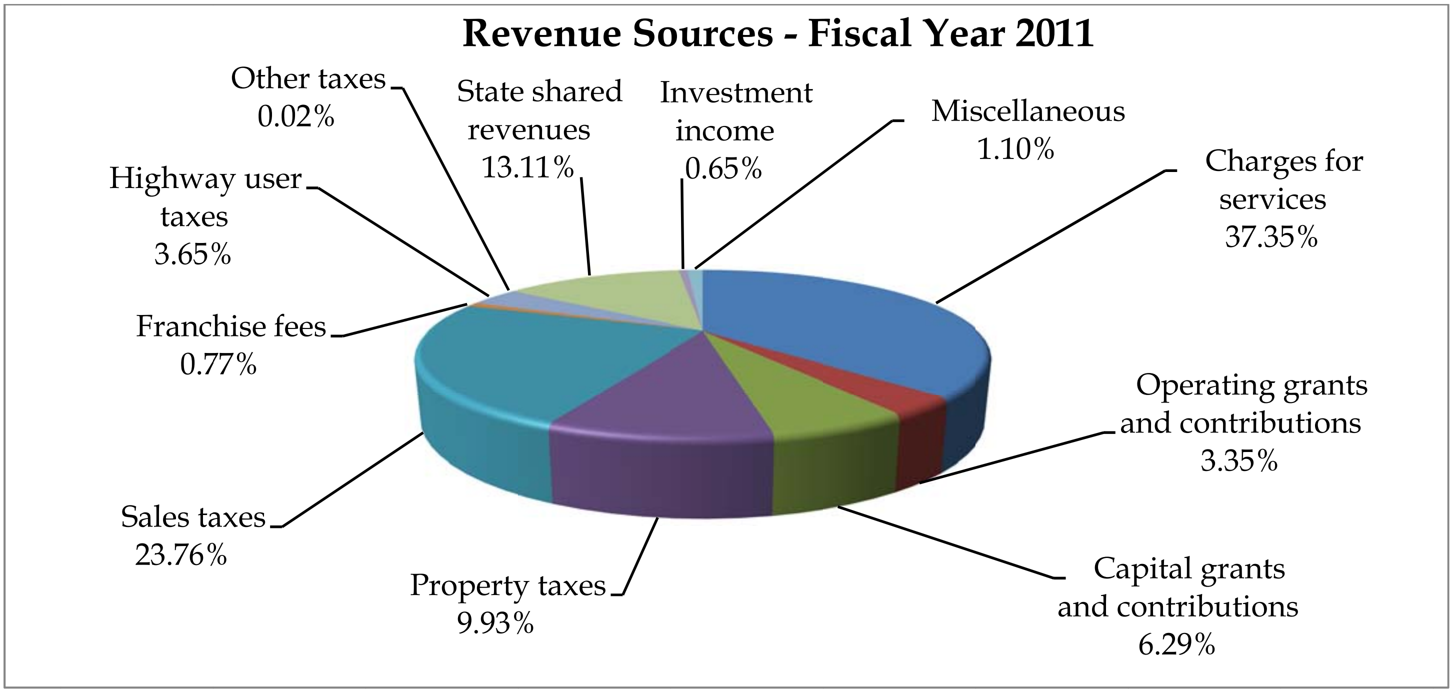
The following table presents a condensed statement of the City's net assets for the fiscal years ended June 30, 2011 and 2010.

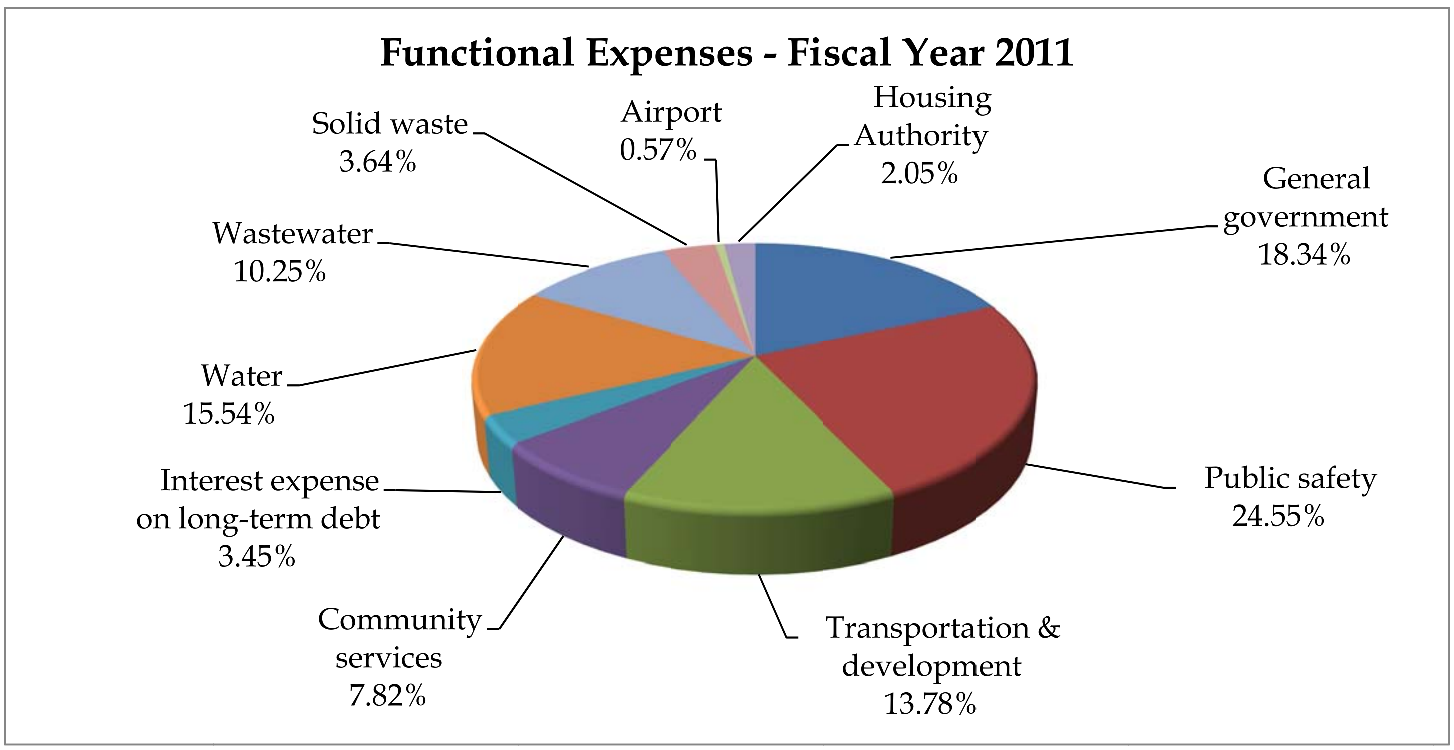
	Governmental Activities		Business-type Activities		Total (Primary Govt.)	
	2011	2010	2011	2010	2011	2010
Current assets	$ 355,620,369	$ 383,639,670	$ 122,726,233	$ 98,986,038	$ 478,346,602	$ 482,625,708
Capital assets, net	845,523,219	820,163,912	559,683,500	591,162,165	1,405,206,719	1,411,326,077
Non-current assets	4,202,142	4,021,042	78,730,971	81,807,829	82,933,113	85,828,871
Total assets	1,205,345,730	1,207,824,624	761,140,704	771,956,032	1,966,486,434	1,979,780,656
Current liabilities	48,229,324	54,288,921	30,102,524	26,602,357	78,331,848	80,891,278
Non-current liabilities	320,636,603	323,459,370	280,937,221	283,311,071	601,573,824	606,770,441
Total liabilities	368,865,927	377,748,291	311,039,745	309,913,428	679,905,672	687,661,719
Net assets:						
Invested in capital assets, net of related debt	534,292,488	537,576,346	281,936,017	298,938,820	816,228,505	836,515,166
Restricted	41,906,129	94,440,806	-	-	41,906,129	94,440,806
Unrestricted	260,307,288	198,059,181	168,164,942	163,103,784	428,472,230	361,162,965
Total net assets	$ 836,505,905	$ 830,076,333	$ 450,100,959	$ 462,042,604	$ 1,286,606,864	$ 1,292,118,937



Changes in net assets. The City's total revenues for the fiscal year ended June 30, 2011 were $364.1 million. The total cost of all programs and services was $369.7 million. The following table presents a summary of the changes in net assets for the fiscal years ended June 30, 2011 and 2010.

	Governmental Activities		Business-type Activities		Total (Primary Govt.)	
	2011	2010	2011	2010	2011	2010
Revenues:						
Program revenues						
Charges for services	$ 44,171,220	$ 37,609,321	$ 90,049,474	$ 84,911,736	$ 134,220,694	$ 122,521,057
Operating grants and contributions	5,890,147	5,510,710	6,297,200	6,367,024	12,187,347	11,877,734
Capital grants and contributions	16,041,213	8,159,960	8,659,772	8,484,239	24,700,985	16,644,199
General revenues						
Property taxes	36,158,574	40,617,269	-	-	36,158,574	40,617,269
Sales taxes	86,523,295	83,019,726	-	-	86,523,295	83,019,726
Franchise fees	2,819,521	3,174,390	-	-	2,819,521	3,174,390
Highway user taxes	13,287,878	13,116,481	-	-	13,287,878	13,116,481
Other taxes	88,561	13,965,973	-	-	88,561	13,965,973
State shared revenues	47,732,614	54,492,427	-	-	47,732,614	54,492,427
Investment income	1,841,244	3,487,145	533,313	756,641	2,374,557	4,243,786
Miscellaneous	3,071,588	850,191	946,507	1,422,790	4,018,095	2,272,981
Total revenues	257,625,855	264,003,593	106,486,266	101,942,430	364,112,121	365,946,023
Expenses:						
General government	67,808,567	57,980,882	-	-	67,808,567	57,980,882
Public safety	90,738,477	93,496,932	-	-	90,738,477	93,496,932
Tansportation & development	50,909,361	63,612,491	-	-	50,909,361	63,612,491
Community services	28,919,560	29,423,203	-	-	28,919,560	29,423,203
Interest and fiscal charges	12,767,934	13,541,708	-	-	12,767,934	13,541,708
Water	-	-	57,452,876	62,556,496	57,452,876	62,556,496
Wastewater	-	-	37,896,180	38,227,999	37,896,180	38,227,999
Solid waste	-	-	13,443,102	14,605,448	13,443,102	14,605,448
Airport	-	-	2,107,354	1,797,991	2,107,354	1,797,991
Housing authority	-	-	7,580,783	7,654,449	7,580,783	7,654,449
Total expenses	251,143,899	258,055,216	118,480,295	124,842,383	369,624,194	382,897,599
Increase (decrease) before transfers	6,481,956	5,948,377	(11,994,029)	(22,899,953)	(5,512,073)	(16,951,576)
Transfers in (out)	(244,702)	873,357	244,702	(873,357)	-	-
Increase (decrease) in net assets	6,237,254	6,821,734	(11,749,327)	(23,773,310)	(5,512,073)	(16,951,576)
Beginning net assets as restated	830,268,651	823,254,596	461,850,286	485,815,914	1,292,118,937	1,309,070,510
Ending net assets	$ 836,505,905	$ 830,076,330	$ 450,100,959	$ 462,042,604	$ 1,286,606,864	$ 1,292,118,934





Governmental Activities. The increase in governmental net assets totaled $6.2 million for the year ended June 30, 2011 compared with an increase of $6.8 million in the prior year. This increase was primarily due to the increase in charges for services of $6.6 million (17.4%) and capital grants and contributions of $7.9 million (96.6%). Sales tax revenue increased by $3.5 million (4.2%) from the prior year. However, state shared revenues decreased by $6.8 million (12.4%) from the prior year. This reduction is a result of the State of Arizona's decreased distribution of urban revenue sharing to municipal entities. Finally, as a result of the economic downturn, unrestricted investment earnings continued to decrease by $1.6 million or 47.2% over the prior year.

Business-type Activities. The decrease in business-type net assets totaled $11.7 million for the year ended June 30, 2011 compared with a decrease of $23.8 million in the prior year. This is due primarily to the increased revenue of $5.1 million or 6.1% in charges for services resulting from a rate increase and a reduction of expenses of $6.9 million of 5.1%. Also, as a result of the low interest environment, unrestricted investment earnings continued to decrease by 29.5% over the prior year.

As evident in the previous graph, the largest financing source for the City is charges for services at 37.4% associated with the user fees and charges for services. Sales taxes also comprise a significant portion of the City's revenues at 23.8% of the total revenues with state shared revenues accounting for an additional 13.1% of the City's total revenues.

The City as a whole uses the largest amount of resources for public safety at 24.5% of the total functional expenses of the City. The next largest users of resources are general government functions and water services at 18.3% and 15.5%, respectively, with transportation & development accounting for 13.8% of the City's total expenses.

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 10 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 $255.8 million, a decrease of $30.4 million in comparison with the prior year. Approximately $148.3 million (58%) 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' unreserved balance of $162.5 million represents a decrease of $14.2 million. The remainder of the fund balance comprising of non-spendable and restricted balances amounts to $107.5 million (42% of the total fund balance). The non-spendable balance consists of inventories and pre-paid amounts which are legally or contractually required to be maintained intact. The restricted balance is constrained for specific purposed imposed by external parties or enabling legislation. The total compared to the prior years restricted balance of $123.5 million, represents a decrease of $16 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 $160.6 million, while total fund balance reached $162.3 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 99.3% of total General Fund expenditures, which is well above the City's 12% reserve financial policy. The City's General Fund balance decreased by $36.1 million during the current fiscal year. A key factor in this decrease was the completion of City Hall, which was financed mostly from General Fund resources.

The Street Fund accounts for the acquisition, construction and improvements of the City's streets' projects. At the end of the current fiscal year total fund balance was $33.4 million. The fund balance of the City's Street Fund decreased by $15.7 million during the current fiscal year. A key factor in this decrease was the expenditure of prior years' bond proceeds to complete major streets projects.

Proprietary funds. The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Net assets for the Proprietary Funds and the Internal Service Funds at the end of the fiscal year amounted to $450.1 million and $45.8 million, respectively. Net assets after investments in capital assets and net of related debt are 37.4% unrestricted.

Unrestricted net assets of the Water Fund at the end of the year amounted to $123.4 million, and those for the Wastewater Fund amounted to $32.6 million. The total decline in net assets for both funds was $10 million and $1.47 million, respectively. These decreases were a result of unfunded depreciation expense.

BUDGETARY HIGHLIGHTS

Heading into a third consecutive year of worldwide economic decline, the City of Chandler held strong to its commitment to consistently engage in fiscally responsible practices in its 2010-11 Budget. The City Council adopted a balanced budget for 2010-11, further adjusting budgeted and capital expenditures to meet anticipated lower levels of revenues. As many revenue sources continued to see decreases in 2010-11, the City Council reduced spending and used a budget stabilization reserve established in the prior year to bridge budgetary gaps until the City emerged from the recession.

A key to the City's success in managing its budgetary resources is the distinction it makes between ongoing and one-time revenues and spending, and its emphasis on conservative budgeting. The City's 2010-11 budget only included ongoing pay increases for certain Public Safety union groups. Other ongoing costs, such as maintenance, utilities, and supplies were managed very closely to ensure they could be met with ongoing revenues. The City continued its practice of budgeting no more than 95% of projected general fund revenues for ongoing spending in recognition that certain revenues will level off or even grow as the City reaches residential build-out. Moreover, the City continued its revenue fluctuation fund and budget stabilization reserves, which provide protection against temporary or unanticipated reductions in revenue, and are in addition to its ongoing 12% general fund contingency.

It was a combination of continued adherence to long-standing financial policies, maintenance of healthy reserves, further reductions in operating and capital budgets, and the return of local economic growth that made it possible for the City to weather the lingering effects of the recession.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. As of June 30, 2011, the City had invested $816.2 million in capital assets net of related debt, including buildings, facilities, vehicles, computers, equipment, and infrastructure assets. Total depreciation expense for the year was $76.9 million.

Major capital asset events during the current fiscal year included the following:

- Completed construction of City Hall at a cost of $65.8 million.
- Continued acquisition of the land for the Police Driver Training Facility at a cost of $2.1 million.
- Installation of a new digital public safety radio system at a cost of $5.2 million.
- Completed design for the Fire station relocation and training center expansion at a cost of $1.0 million.

The following table presents capital asset balances net of accumulated depreciation for the fiscal years, ended June 30, 2011 and 2010.

	Governmental Activities		Business-type Activities		Total (Primary Govt.)	
	2011	2010	2011	2010	2011	2010
Land	$ 81,151,314	$ 81,151,314	$ 41,256,107	$ 41,256,107	$ 122,407,421	$ 122,407,421
Land improvements	-	-	570,340	685,527	570,340	685,527
Infrastructure	362,709,243	375,725,796	-	-	362,709,243	375,725,796
System improvements	-	-	467,969,166	505,119,327	467,969,166	505,119,327
Buildings and improvements	256,568,398	199,837,823	8,983,014	9,349,426	265,551,412	209,187,249
Machinery and equipment	26,216,855	23,977,172	1,602,438	2,014,705	27,819,293	25,991,877
Construction in progress	118,877,409	139,471,807	39,302,434	32,737,073	158,179,843	172,208,880
Total	$845,523,219	$ 820,163,912	$ 559,683,499	$ 591,162,165	$1,405,206,718	$1,411,326,077

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 of Chandler had total bonded debt outstanding of $603.3 million in long-term debt outstanding with $32.6 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, 2011 and 2010.

	Governmental Activities		Business-type Activities		Total (Primary Govt.)	
	2011	2010	2011	2010	2011	2010
General Obligation Bonds	$ 279,968,000	$ 282,888,000	$179,747,000	$ 185,032,000	$459,715,000	$ 467,920,000
Revenue Bonds	28,620,000	31,800,000	60,280,000	67,580,000	88,900,000	99,380,000
Excise Tax Revenue Obligations	-	-	48,540,000	34,040,000	48,540,000	34,040,000
Special Assessment Bonds	6,190,000	7,315,000	-	-	6,190,000	7,315,000
Total Bonds Payable	$ 314,778,000	$ 322,003,000	$288,567,000	$ 286,652,000	$603,345,000	$ 608,655,000
Arbitrage Payable	63,398	111,099	37,844	29,898	101,242	140,997
Deferred Bond Premiums	5,841,889	5,482,398	5,039,191	5,027,052	10,881,080	10,509,450
Claims Payable	1,966,172	1,811,045	-	-	1,966,172	1,811,045
Landfill Closure/Post Closure	-	-	4,340,000	4,340,000	4,340,000	4,340,000
Compensated Absences	10,490,286	10,131,319	1,049,645	991,531	11,539,931	11,122,850
Post Employment Benefits	5,572,720	3,863,996	396,372	269,574	5,969,092	4,133,570
Total Long Term Liabilities	$ 338,712,465	$ 343,402,857	$299,430,052	$ 297,310,055	$638,142,517	$ 640,712,912

The City of Chandler's total debt decreased by $2.6 million during the current fiscal year. The key factor in the decrease were lower principal payments due during the fiscal year.

During the current fiscal year the City of Chandler issued general obligation bonds to finance several general governmental capital projects as well as a general obligation refunding bond to refinance previously outstanding general obligation revenue bonds to take advantage of favorable interest rates.

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 $493.7 million. The City has $446.3 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 $148.1 million. The City has $13.3 million of outstanding general obligation debt for this purpose.

As of year-end, the City's current bond ratings on general obligation bonds were Aaa from Moody's Investor Services, AAA from Standard & Poor's, and AAA from Fitch Ratings. Ratings for the street and highway users were Aa2 from Moody's, AA from Standard & Poor's, and AA from Fitch. Water and wastewater revenue bonds were Aa1 from Moody's Investor Services, AA from Standard & Poor's, and AA+ from Fitch. Excise Tax bonds were Aa1 from Moody's Investor Services, AAA from Standard & Poor's, and AAA from Fitch.

Additional information on the City's long-term debt can be found in Note 6 of the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

While many revenue sources have been impacted by the sagging economy, the most significant drivers remain local and state-shared sales tax, state shared income tax, and property tax. In developing the budget for fiscal year 2011-12 the Chandler City Council recognized that the lingering recession had affected not only the City revenues but those of the taxpayer as well. Knowing that some expense areas were going to increase because of contractual, health care, and retirement cost increases, City management made a significant effort to find savings so that expenses, overall, did not change significantly.

The City's overall budget was virtually unchanged from $671 million for 2010-11 to $676 million in 2011-12. Because secondary assessed values decreased for the second year in a row, and future reductions were anticipated, the City Council increased the secondary property tax rate from $0.8522 in 2010-11 to $0.9422 in 2011-12 and reduced capital spending by $14 million. The primary rate remained at $0.3292 so the total property tax rate increase by 7.6%. Despite the increase, most homeowners saw a decrease in the amount of property taxes paid because assessed values on most homes decreased 15% - 20%.

Prospects for sustained economic growth looked promising at year end with more than a year of year over year growth in local sales tax revenues and the City's emergence as the leader in the Phoenix metropolitan region in the return of commercial and industrial development, led by the start of Intel's multi-billion dollar computer chip manufacturing plant expansion.

CONTACTING THE CITY'S FINANCE OFFICE

This financial report is designed to provide our citizens, 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.

BASIC FINANCIAL STATEMENTS

City of Chandler

Statement of Net Assets

June 30, 2011

	Governmental Activities	Business-Type Activities	Total	Component Units: Chandler Industrial Development Authority	Component Units: Chandler Cultural Foundation
ASSETS					
Current assets:					
Equity in pooled cash and investments	$ 337,996,366	$ 109,405,629	$ 447,401,995	$ -	$ -
Cash and investments	-	-	-	457,152	499,947
Accounts receivable	1,035,518	13,111,997	14,147,515	-	-
Interest receivable	-	-	-	-	5,883
Prepaid items	4,608	368,236	372,844	-	67,141
Property taxes receivable	1,506,442	-	1,506,442	-	-
Internal balances	494,794	(494,794)	-	-	-
Due from other governments	5,526,046	16,454	5,542,500	-	-
Inventories	888,459	233,107	1,121,566	-	-
Special assessments receivable	6,218,625	-	6,218,625	-	-
Notes receivable - current	405,214	-	405,214	-	-
Other receivables	1,544,297	85,604	1,629,901	-	7,160
Total current assets	355,620,369	122,726,233	478,346,602	457,152	580,131
Noncurrent assets:					
Cash and investments - restricted	-	-	-	-	1,364,449
Notes receivable - long term	-	363,450	363,450	-	-
Other assets	4,202,142	2,586,198	6,788,340	-	6,000
Investment in joint venture	-	75,781,323	75,781,323	-	-
Capital assets:					
Non-depreciable	200,028,723	80,558,541	280,587,264	-	-
Depreciable, net	645,494,496	479,124,959	1,124,619,455	-	77,776
Total capital assets	845,523,219	559,683,500	1,405,206,719	-	77,776
Total noncurrent assets	849,725,361	638,414,471	1,488,139,832	-	1,448,225
Total assets	1,205,345,730	761,140,704	1,966,486,434	457,152	2,028,356
LIABILITIES					
Current liabilities:					
Accounts payable	8,554,290	2,814,961	11,369,251	-	22,792
Accrued payroll	4,200,082	473,317	4,673,399	-	-
Trust liabilities and deposits	9,571,428	2,130,300	11,701,728	-	-
Accrued interest	6,374,818	5,574,051	11,948,869	-	-

Unearned revenue	8,943	617,064	626,007	-	122,930
Arbitrage liability - current	31,006	15,236	46,242	-	-
Compensated absences payable - current	602,012	60,236	662,248	-	-
Bonds payable - current	15,105,000	17,470,000	32,575,000	-	-
Deferred bond premium - current	637,843	552,409	1,190,252	-	-
Landfill closure and postclosure liability - current	-	394,950	394,950	-	-
Claims and judgements payable - current	3,117,800	-	3,117,800	-	-
Total current liabilities	48,203,222	30,102,524	78,305,746	-	145,722
Noncurrent liabilities:					
Compensated absences payable - long term	9,888,273	989,409	10,877,682	-	-
Bonds payable - long term	299,673,000	271,097,000	570,770,000	-	-
Deferred bond premium - long term	5,204,046	4,486,782	9,690,828	-	-
OPEB liability - long term	5,572,720	396,372	5,969,092	-	-
Arbitrage liability - long term	32,392	22,608	55,000	-	-
Landfill closure and postclosure liability - long term	-	3,945,050	3,945,050	-	-
Claims and judgements payable - long term	266,172	-	266,172	-	-
Total noncurrent liabilities	320,636,603	280,937,221	601,573,824	-	-
Total liabilities	368,839,825	311,039,745	679,879,570	-	145,722
NET ASSETS					
Invested in capital assets, net of related debt	534,292,488	281,936,017	816,228,505	-	77,776
Restricted for:					
Capital improvements	22,044,171	-	22,044,171	-	-
Debt service	19,017,204	-	19,017,204	-	-
Legal restrictions	844,754	-	844,754	-	1,364,449
Total restricted	41,906,129	-	41,906,129	-	1,364,449
Unrestricted	260,307,288	168,164,942	428,472,230	457,152	440,409
Total net assets	$ 836,505,905	$ 450,100,959	$ 1,286,606,864	$ 457,152	$ 1,882,634

See accompanying Notes to Basic Financial Statements.

City of Chandler
Statement of Activities and Changes in Net Assets
For the year ended June 30, 2011

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Program Revenues: Total
Primary government:					
Governmental activities:					
General government	$ 67,808,567	$ 22,548,679	$ 2,074,869	$ -	$ 24,623,548
Public safety	90,738,477	5,658,628	1,392,717	-	7,051,345
Transportation and development	50,909,361	11,884,554	1,991,830	14,260,619	28,137,003
Community services	28,919,560	4,079,359	430,731	1,780,594	6,290,684
Interest on long-term debt	12,767,934	-	-	-	-
Total governmental activities	251,143,899	44,171,220	5,890,147	16,041,213	66,102,580
Business-type activities:					
Water	57,452,876	43,708,974	-	3,500,393	47,209,367
Wastewater	37,896,180	31,610,009	-	4,586,058	36,196,067
Solid waste	13,443,102	13,277,403	-	60,990	13,338,393
Airport	2,107,354	995,307	-	500,463	1,495,770
Chandler housing authority	7,580,783	457,781	6,297,200	11,868	6,766,849
Total business-type activities	118,480,295	90,049,474	6,297,200	8,659,772	105,006,446
Total primary government	$ 369,624,194	$ 134,220,694	$ 12,187,347	$ 24,700,985	$ 171,109,026
Component units					
Chandler Industrial Development Authority	$ 79,269	$ 65,789	$ -	$ -	$ 65,789
Chandler Cultural Foundation	1,342,301	1,013,323	135,867	-	1,149,190
Total component units	$ 1,421,570	$ 1,079,112	$ 135,867	$ -	$ 1,214,979

General revenues and transfers:

Taxes:

Property taxes, levied for general purposes

Sales taxes

Franchise fees

Highway user taxes

Other taxes

Total taxes

State shared revenues (unrestricted)

Investment income

Miscellaneous

Transfers

Total general revenues and transfers

Change in net assets

Net assets - beginning of year

Net assets - end of year

See accompanying Notes to Basic Financial Statements.

Net (Expense) Revenue and Changes in Net Assets				
Primary Government			Component Units	
Governmental Activities	Business-Type Activities	Total	Chandler Industrial Development Authority	Chandler Cultural Foundation
$ (43,185,019)	$ -	$ (43,185,019)	$ -	$ -
(83,687,132)	-	(83,687,132)	-	-
(22,772,358)	-	(22,772,358)	-	-
(22,628,876)	-	(22,628,876)	-	-
(12,767,934)	-	(12,767,934)	-	-
(185,041,319)	-	(185,041,319)	-	-
-	(10,243,509)	(10,243,509)	-	-
-	(1,700,113)	(1,700,113)	-	-
-	(104,709)	(104,709)	-	-
-	(611,584)	(611,584)	-	-
-	(813,934)	(813,934)	-	-
-	(13,473,849)	(13,473,849)	-	-
(185,041,319)	(13,473,849)	(198,515,168)	-	-
-	-	-	(13,480)	-
-	-	-	-	(193,111)
-	-	-	(13,480)	(193,111)
36,158,574	-	36,158,574	-	-
86,523,295	-	86,523,295	-	-
2,819,521	-	2,819,521	-	-
13,287,878	-	13,287,878	-	-
88,561	-	88,561	-	-
138,877,829	-	138,877,829	-	-
47,732,614	-	47,732,614	-	-
1,841,244	533,313	2,374,557	1,093	14,428
3,071,588	946,507	4,018,095	-	-
(244,702)	244,702	-	-	-
191,278,573	1,724,522	193,003,095	1,093	14,428
6,237,254	(11,749,327)	(5,512,073)	(12,387)	(178,683)
830,268,651	461,850,286	1,292,118,937	469,539	2,061,317
$ 836,505,905	$ 450,100,959	$ 1,286,606,864	$ 457,152	$ 1,882,634

City of Chandler
Balance Sheet
Governmental Funds
June 30, 2011

	Major Funds				
	General	Streets Capital Projects	General Obligation Bonds Debt Service	Other Governmental Funds	Total
ASSETS					
Equity in pooled cash and investments	$ 139,635,124	$ 42,050,866	$ 35,513,210	$ 71,191,544	$ 288,390,744
Accounts receivable	993,855	-	-	-	993,855
Prepaid items	4,608	-	-	-	4,608
Property taxes receivable	399,782	-	1,106,660	-	1,506,442
Special assessments receivable	-	-	-	6,218,625	6,218,625
Notes receivable	-	-	-	405,214	405,214
Advances to other funds	28,323,345	-	-	-	28,323,345
Due from other funds	596,710	-	-	494,794	1,091,504
Due from other governments	2,292,277	-	-	3,233,769	5,526,046
Inventories	888,459	-	-	-	888,459
Other receivables	1,539,247	-	-	5,050	1,544,297
Total assets	$ 174,673,407	$ 42,050,866	$ 36,619,870	$ 81,548,996	$ 334,893,139
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	$ 3,320,362	$ 732,671	$ -	$ 4,200,437	$ 8,253,470
Accrued payroll	4,005,321	-	-	155,924	4,161,245
Trust liabilities and deposits	4,663,989	-	-	4,907,439	9,571,428
Accrued interest	-	-	5,697,155	677,663	6,374,818
Due to other funds	-	-	-	596,710	596,710
Advances from other funds	-	7,870,000	-	20,453,345	28,323,345
Arbitrage liability	-	2,433	-	28,573	31,006
Bonds payable (matured)	-	-	11,820,000	2,875,000	14,695,000
Deferred revenue	339,423	-	781,177	5,980,330	7,100,930
Total liabilities	12,329,095	8,605,104	18,298,332	39,875,421	79,107,952
Fund Balances:					
Nonspendable	893,067	-	-	-	893,067
Restricted	844,754	33,445,762	18,321,538	53,988,772	106,600,826
Committed	-	-	-	-	-
Assigned	61,733,537	-	-	-	61,733,537
Unassigned	98,872,954	-	-	(12,315,197)	86,557,757
Total fund balances	162,344,312	33,445,762	18,321,538	41,673,575	255,785,187
Total liabilities and fund balances	$ 174,673,407	$ 42,050,866	$ 36,619,870	$ 81,548,996	$ 334,893,139

See accompanying Notes to Basic Financial Statements.

City of Chandler
Reconciliation of the Governmental Funds Balance Sheet
to the Government-Wide Statement of Net Assets
June 30, 2011

Total Fund Balances - Total Governmental Funds	$ 255,785,187
Amounts reported for governmental activities in the Statement of Net Assets 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	200,028,723
Depreciable buildings, property, equipment and infrastructure, net	645,494,496
Total capital assets	845,523,219
Certain revenues are not available to pay for current period expenditures and, therefore, are deferred in the funds.	7,100,930
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 fund is included in governmental activities in the Government-Wide Statement of Net Assets.	45,837,929
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 $2,042,956 which are included above, the long-term liabilities were adjusted as follows:	
Bonds payable	(300,083,000)
Bonds premium	(5,841,889)
Bond issuance costs	4,202,142
OPEB liability	(5,550,967)
Arbitrage liability	(32,392)
Compensated absences	(10,435,254)
Total long-term liabilities	(317,741,360)
Net Assets of Governmental Activities	$ 836,505,905

See accompanying Notes to Basic Financial Statements.

City of Chandler
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the year ended June 30, 2011

	Major Funds				
	General	Streets Capital Projects	General Obligation Bonds Debt Service	Other Governmental Funds	Total
REVENUES:					
Property taxes	$ 9,666,908	$ -	$ 26,634,801	$ -	$ 36,301,709
Sales taxes	86,523,295	-	-	-	86,523,295
Franchise fees	2,819,521	-	-	-	2,819,521
Highway user taxes	-	-	-	13,287,878	13,287,878
Regional transportation tax	-	88,561	-	-	88,561
State shared	47,732,614	-	-	-	47,732,614
Grants and entitlements	-	-	-	14,759,620	14,759,620
System development fees	-	2,443,928	-	4,295,992	6,739,920
Special assessments	-	-	-	673,064	673,064
Licenses and permits	3,208,944	-	-	-	3,208,944
Charges for services	17,984,168	-	-	18,000	18,002,168
Fines and forfeitures	3,556,705	-	-	1,140,612	4,697,317
Rentals	387,952	-	-	-	387,952
Contributions	100,000	-	-	-	100,000
Interest revenue	915,006	283,600	-	436,652	1,635,258
Miscellaneous	4,080,151	92,602	-	420,351	4,593,104
Total revenues	176,975,264	2,908,691	26,634,801	35,032,169	241,550,925
EXPENDITURES:					
Current:					
General government	39,012,608	-	-	4,624,176	43,636,784
Public safety	81,886,950	-	-	2,120,802	84,007,752
Transportation and development	15,121,206	-	-	7,005,027	22,126,233
Community services	22,331,843	-	-	504,474	22,836,317
Capital improvements	3,373,225	19,674,943	-	44,251,773	67,299,941
Debt service:					
Principal	-	-	11,820,000	3,270,000	15,090,000
Bond issuance costs	-	-	165,433	113,079	278,512
Interest and fiscal charges	-	-	11,470,107	1,431,509	12,901,616
Total expenditures	161,725,832	19,674,943	23,455,540	63,320,840	268,177,155
REVENUES OVER (UNDER) EXPENDITURES	15,249,432	(16,766,252)	3,179,261	(28,288,671)	(26,626,230)
OTHER FINANCING SOURCES (USES):					
Bond premium	-	-	912,345	135,079	1,047,424
Face amount of bonds issued	-	-	10,360,000	9,925,000	20,285,000
Proceeds from disposal of capital assets	41,609	-	-	67,320	108,929
Payment to escrow agent	-	-	(10,816,839)	-	(10,816,839)
Transfers in	-	1,042,186	14,686,771	25,876,689	41,605,646
Transfers out	(51,411,746)	-	-	(4,628,693)	(56,040,439)
Total other financing sources (uses)	(51,370,137)	1,042,186	15,142,277	31,375,395	(3,810,279)
NET CHANGE IN FUND BALANCE	(36,120,705)	(15,724,066)	18,321,538	3,086,724	(30,436,509)
FUND BALANCES:					
Beginning of year	198,465,017	49,169,828	-	38,586,851	286,221,696
End of year	$ 162,344,312	$ 33,445,762	$ 18,321,538	$ 41,673,575	$ 255,785,187

See accompanying Notes to Basic 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 and Changes in Net Assets

For the year ended June 30, 2011

Net Change in Fund Balances - Total Governmental Funds		$ (30,436,509)
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 Activities and Changes in Net Assets, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of capital assets recorded and transfered in the current period.		57,290,896
Depreciation expense on capital assets is reported in the Government-Wide Statement of Activities and Changes in Net Assets, but they do not require the use of current financial resources. Therefore, depreciation expense is not reported as an expenditure in governmental funds.		(36,951,947)
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 Statement of Activities. These items include:		
Bond proceeds	$ (20,285,000)	
Principal payments on debt	15,090,000	
Payment to escrow agent	10,816,839	
Bond premium	(1,047,424)	
Other postemployment benefits obligation	(1,702,420)	
Loss on disposal of capital assets	(190,788)	2,681,207
Bond issuance costs are recognized as debt service expenditures in the governmental funds, however these costs are capitalized on the Statement of Assets and amortized in the Statement of Activities.		278,512
Accrued interest payable 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.		133,682
Arbitrage liability expenses reported in the Statement of Activities do not require the use of current financial resources and therefore, are not reported as expenditures in governmental funds.		(9,662)
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 governmental funds.		(356,519)
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 deferred in the governmental funds because they do not provide current financial resources due to unavailability are recognized in the Statement of Activities.		(515,789)
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.		5,211,146
The internal service fund is used by management to charge the costs of certain activities, such as insurance, to individual funds. The net loss of the internal service fund is reported with governmental activities.		8,912,237
Change in Net Assets of Governmental Activities		$ 6,237,254

See accompanying Notes to Basic Financial Statements.

City of Chandler
Statement of Net Assets
Proprietary Funds
June 30, 2011

	Major Funds		Other Proprietary Funds	Total	Governmental Activities: Internal Service Fund
	Water	Wastewater			
ASSETS					
Current assets:					
Equity in pooled cash and investments	$ 53,373,880	$ 40,744,378	$ 15,287,371	$ 109,405,629	$ 49,605,622
Accounts receivable	6,944,018	4,035,135	2,132,844	13,111,997	41,663
Advances to other funds	3,900,000	-	-	3,900,000	-
Due from other governments	-	-	16,454	16,454	-
Inventories	195,992	-	37,115	233,107	-
Prepaid items	-	-	368,236	368,236	-
Other receivables	-	-	85,604	85,604	-
Total current assets	64,413,890	44,779,513	17,927,624	127,121,027	49,647,285
Noncurrent assets:					
Other assets	1,341,396	1,243,440	1,362	2,586,198	-
Notes receivable - long term	-	-	363,450	363,450	-
Investment in joint venture	75,781,323	-	-	75,781,323	-
Capital assets:					
Non-depreciable	26,938,610	25,938,050	27,681,881	80,558,541	-
Depreciable, net	229,223,505	221,182,595	28,718,859	479,124,959	-
Total capital assets	256,162,115	247,120,645	56,400,740	559,683,500	-
Total noncurrent assets	333,284,834	248,364,085	56,765,552	638,414,471	-
Total assets	397,698,724	293,143,598	74,693,176	765,535,498	49,647,285
LIABILITIES					
Current liabilities:					
Accounts payable	442,910	1,524,343	847,708	2,814,961	300,820
Accrued payroll	261,667	100,998	110,652	473,317	38,837
Trust liabilities and deposits	1,202,709	684,090	243,501	2,130,300	-
Accrued interest	3,278,653	2,292,604	2,794	5,574,051	-
Due to other funds	494,794	-	-	494,794	-

Unearned revenue	277,271	162,000	177,793	617,064	8,943
Compensated absences payable - current	34,518	14,478	11,240	60,236	3,158
Bonds payable - current	11,217,219	6,232,781	20,000	17,470,000	-
Deferred bond premium - current	330,470	221,743	196	552,409	-
Arbitrage liability - current	5,232	10,000	4	15,236	-
Landfill closure and postclosure liability - current	-	-	394,950	394,950	-
Claims and judgements payable - current	-	-	-	-	3,117,800
Total current liabilities	17,545,443	11,243,037	1,808,838	30,597,318	3,469,558
Noncurrent liabilities:					
Compensated absences payable - long term	566,988	237,806	184,615	989,409	51,873
Advances from other funds	-	3,900,000	-	3,900,000	-
Bonds payable - long term	153,031,495	117,904,505	161,000	271,097,000	-
Deferred bond premium - long term	2,478,370	2,005,278	3,134	4,486,782	-
OPEB liability - long term	216,424	132,273	47,675	396,372	21,753
Arbitrage liability - long term	7,304	15,300	4	22,608	-
Landfill closure and postclosure liability - long term	-	-	3,945,050	3,945,050	-
Claims and judgements payable - long term	-	-	-	-	266,172
Total noncurrent liabilities	156,300,581	124,195,162	4,341,478	284,837,221	339,798
Total liabilities	173,846,024	135,438,199	6,150,316	315,434,539	3,809,356
NET ASSETS					
Invested in capital assets, net of related debt	100,455,848	125,131,375	56,348,794	281,936,017	-
Unrestricted	123,396,852	32,574,024	12,194,066	168,164,942	45,837,929
Total net assets	$ 223,852,700	$ 157,705,399	$ 68,542,860	$ 450,100,959	$ 45,837,929

See accompanying Notes to Basic Financial Statements.

City of Chandler
Statement of Revenues, Expenses, and Changes in Net Assets
Proprietary Funds
For the year ended June 30, 2011

	Major Funds		Other Proprietary Funds		Governmental Activities: Internal Service Fund
	Water	Wastewater		Total	
OPERATING REVENUES:					
Service fees	$ 43,708,974	$ 31,610,009	$ 14,272,710	$ 89,591,693	$ -
Grants and entitlements	-	-	6,297,200	6,297,200	-
Rentals	-	-	457,781	457,781	-
Self insurance premiums	-	-	-	-	9,948,171
Miscellaneous	13,157	2,025	409,654	424,836	852,762
Total operating revenues	43,722,131	31,612,034	21,437,345	96,771,510	10,800,933
OPERATING EXPENSES:					
General and administrative	3,977,300	2,572,800	1,516,800	8,066,900	-
Personal services	8,272,653	3,604,618	3,411,382	15,288,653	1,091,723
Contractual services	4,485,417	4,988,233	9,381,242	18,854,892	1,893,234
Commodities	10,098,904	4,593,780	2,021,239	16,713,923	1,388,037
Claims expense	-	-	-	-	11,921,441
Housing assistance payments	-	-	4,819,261	4,819,261	-
Depreciation and amortization expense	20,611,058	17,424,102	1,961,264	39,996,424	-
Total operating expenses	47,445,332	33,183,533	23,111,188	103,740,053	16,294,435
OPERATING INCOME (LOSS)	(3,723,201)	(1,571,499)	(1,673,843)	(6,968,543)	(5,493,502)
NONOPERATING REVENUES (EXPENSES):					
Interest revenue	235,318	188,822	109,173	533,313	215,648
Interest and fiscal charges	(6,557,307)	(4,585,208)	(5,588)	(11,148,103)	-
Accretion of bond premium	316,384	205,091	196	521,671	-
Amortization of bond issuance costs	(154,752)	(120,439)	(80)	(275,271)	-
Gain (loss) on disposal of capital assets	(7,000)	(7,000)	(14,383)	(28,383)	-
Equity interest in joint venture	(3,288,485)	-	-	(3,288,485)	-
Total nonoperating revenues (expenses)	(9,455,842)	(4,318,734)	89,318	(13,685,258)	215,648
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	(13,179,043)	(5,890,233)	(1,584,525)	(20,653,801)	(5,277,854)
CAPITAL CONTRIBUTIONS AND TRANSFERS:					
Capital contributions	3,500,393	4,586,058	573,321	8,659,772	-
Transfers in	-	-	840,505	840,505	14,606,731
Transfers out	(356,942)	(166,312)	(72,549)	(595,803)	(416,640)
Total capital contributions and transfers	3,143,451	4,419,746	1,341,277	8,904,474	14,190,091
Change in net assets	(10,035,592)	(1,470,487)	(243,248)	(11,749,327)	8,912,237
NET ASSETS:					
Beginning of year	233,888,292	159,175,886	68,786,108	461,850,286	36,925,692
End of year	$ 223,852,700	$ 157,705,399	$ 68,542,860	$ 450,100,959	$ 45,837,929

See accompanying Notes to Basic Financial Statements.

Chandler ✦ Arizona

Where Values Make The Difference

City of Chandler
Statement of Cash Flows
Proprietary Funds
For the year ended June 30, 2011

	Major Funds		Other Proprietary Funds	Total	Governmental Activities: Internal Service Fund
	Water	Wastewater			
CASH FLOWS FROM OPERATING ACTIVITIES:					
Cash received from customers	$ 43,346,077	$ 31,066,948	$ 14,513,625	$ 88,926,650	$ 10,768,213
Cash received from grantors	-	-	6,314,065	6,314,065	-
Cash payments to suppliers	(19,495,344)	(11,994,833)	(17,415,201)	(48,905,378)	(13,604,514)
Cash payments to employees for services	(8,143,877)	(3,611,298)	(3,365,070)	(15,120,245)	(1,070,772)
Net cash provided (used) by operating activities	15,706,856	15,460,817	47,419	31,215,092	(3,907,073)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Transfers in	-	-	840,505	840,505	14,606,731
Transfers out	(356,942)	(166,312)	(72,549)	(595,803)	(416,640)
Net cash provided (used) by noncapital financing activities	(356,942)	(166,312)	767,956	244,702	14,190,091
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Acquisition and construction of capital assets	(3,385,726)	(4,122,999)	(817,199)	(8,325,924)	-
Proceeds from debt issuance	7,050,000	7,950,000	-	15,000,000	-
Investment in Joint Venture	(237,089)	-	-	(237,089)	-
Principal paid on bond maturities	(9,699,756)	(3,365,244)	(20,000)	(13,085,000)	-
Interest paid on bonds	(6,663,634)	(4,484,673)	(5,968)	(11,154,275)	-
Cash received from other funds	494,794	-	-	494,794	-
Cash payments to other funds	(273,009)	(429,543)	(61,836)	(764,388)	-
Cash received from system development fees	3,391,396	4,474,837	573,321	8,439,554	-
Net cash provided (used) by capital and related financing activities	(9,323,024)	22,378	(331,682)	(9,632,328)	-
CASH FLOWS FROM INVESTING ACTIVITIES:					
Investment income	235,318	188,822	109,173	533,313	215,648
Net cash provided (used) by investing activities	235,318	188,822	109,173	533,313	215,648
Net increase (decrease) in cash and cash equivalents	6,262,208	15,505,705	592,866	22,360,779	10,498,666
CASH AND CASH EQUIVALENTS:					
Beginning of year	47,111,672	25,238,673	14,694,505	87,044,850	39,106,956
End of year	$ 53,373,880	$ 40,744,378	$ 15,287,371	$ 109,405,629	$ 49,605,622

RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:					
Operating income (loss)	$ (3,723,201)	$ (1,571,499)	$ (1,673,843)	$ (6,968,543)	$ (5,493,502)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	20,611,058	17,424,102	1,961,264	39,996,424	-
Changes in assets and liabilities:					
(Increase) decrease in receivables	(520,404)	(538,540)	(278,069)	(1,337,013)	(41,663)
(Increase) decrease in inventories	10,367	-	(27,476)	(17,109)	-
(Increase) decrease in prepaid items	73,601	-	-	73,601	1,849
(Increase) decrease in other assets	22,772	(28,391)	9,462	3,843	-
Increase (decrease) in payables	(1,017,691)	159,980	(321)	(858,032)	23,422
Increase (decrease) in accrued payroll and compensated absences	61,864	(48,754)	19,544	32,654	14,647
Increase (decrease) in deposits	96,799	3,535	17,574	117,908	-
Increase (decrease) in claims payable	-	-	-	-	1,572,927
Increase (decrease) in unearned revenue	24,779	18,310	1,472	44,561	8,943
Increase (decrease) in other liabilities	66,912	42,074	17,812	126,798	6,304
Total adjustments	19,430,057	17,032,316	1,721,262	38,183,635	1,586,429
Net cash provided (used) by operating activities	$ 15,706,856	$ 15,460,817	$ 47,419	$ 31,215,092	$ (3,907,073)
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:					
Contributions of capital assets from developers	$ 108,997	$ 111,221	$ -		-
Loss on disposal of assets	7,000	7,000	14,383		-
Accretion of bond premiums	316,384	205,091	196		-
Amortization of bond issuance costs	154,752	120,439	80		-

See accompanying Notes to Basic Financial Statements.

City of Chandler
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2011

	Volunteer Fireman's Pension and Relief Trust Fund	Agency Funds
ASSETS		
Equity in pooled cash and investments	$ 30,679	$ 16,500
Other receivables	7	-
Total assets	$ 30,686	$ 16,500
LIABILITIES		
Accounts payable	$ 400	$ 1,000
Due to others	-	15,500
Total liabilities	$ 400	$ 16,500
NET ASSETS		
Assets held in trust for pension benefits	30,286	
Total net assets	$ 30,286	

See accompanying Notes to Basic Financial Statements.

City of Chandler
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds - Trust Funds
For the year ended June 30, 2011

	Volunteer Fireman's Pension and Relief Trust Fund
ADDITIONS:	
Interest revenue	$ 36
Miscellaneous	87
Total additions	123
DEDUCTIONS:	
Benefits paid to plan members and suppliers	4,800
Change in net assets	(4,677)
NET ASSETS:	
Beginning of year	34,963
End of year	$ 30,286

See accompanying Notes to Basic Financial Statements.

Chandler + Arizona

Where Values Make The Difference

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 in substance 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 citizens. 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 column in the basic financial statements includes the financial data of the Chandler Industrial Development Authority (Authority). 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.

The Chandler Cultural Foundation (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 Foundation's budget is annually reviewed and approved by the City Council and the Foundation's nine-member Board is appointed by the City Council. Financial statements for the Foundation are available from the City of Chandler, Management Services Department, P.O. Box 4008, MS 702, Chandler, AZ 85244-4008.

NOTE 1 - Summary of Significant Accounting Policies, continued

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Assets 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 normally are 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, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

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 and fiduciary fund financial statements. Agency fund financial statements have no measurement focus. 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 generally are 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.

NOTE 1 - Summary of Significant Accounting Policies, continued

Delinquent property taxes have been recorded as deferred revenue. Grants and similar awards received before the eligibility requirements are met are also recorded as deferred revenue. Receivables that will not be collected within the available period have also been reported as deferred revenue on the governmental fund financial statements.

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.

Streets Fund – This fund is used to account for the acquisition, construction and improvements of City streets' projects.

General Obligation Bonds – 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 enterprise funds:

Water Services 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 boundaries. All activities necessary to provide such service are accounted for in this fund.

Wastewater Services 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 types:

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 a Self Insurance Fund that administers the City's self-insured property, liability, health and workers' compensation insurance program.

Fiduciary Funds – Fiduciary funds account for assets held by the City on behalf of the Volunteer Firefighter's Relief and Pension Trust Fund and agency funds, which account for resources held by the City in a custodial capacity for marriage licenses and peddler bonds. The Volunteer Firefighter's Relief and Pension Trust Fund is a single-employer defined benefit pension plan established to provide pension benefits for volunteer firemen of the City.

All applicable pronouncements of the Financial Accounting Standards Board (FASB) issued on or before November 30, 1989, as well as the FASB Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins are followed in both the government-wide business-type and enterprise fund financial statements, unless these pronouncements conflict with or contradict GASB pronouncements. Under this requirement, the City is given the option whether or not to apply all FASB Statements and Interpretations issued after November 30, 1989, except for those that conflict with or contradict GASB pronouncements. Accordingly, the City has elected not to implement FASB Statements and Interpretations issued after November 30, 1989.

NOTE 1 - Summary of Significant Accounting Policies, continued

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 and water fund for property and liability insurance and charges to user departments for premiums related to worker's 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, and airport services. 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, 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. Fiduciary funds are reported by fund type.

D. Budgeting and Budgetary Control

The City Council formally adopts an annual operating budget for the General, Special Revenue, Capital Projects, Enterprise and Internal Service Funds. Formal budgetary integration is not employed for the Debt Service Funds because effective budgetary control is alternately achieved through bond indenture provisions.

The level of control at which expenditures may not exceed budget is by department, except for bond and grants-in-aid funds, which are exempted by Arizona Revised Statutes. 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 $4,747,763 were transferred from the contingency reserves within the General, Proprietary, Internal Service, and Capital Projects funds.

All appropriations expire at the end of the fiscal year except for encumbered and capital improvements carry forward 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 fund types. Encumbrances outstanding and capital improvement carry forward appropriations at year-end are reported as reservations of fund balances.

The budgets are adopted on a basis differing from GAAP 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; and (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.

NOTE 1 - Summary of Significant Accounting Policies, continued

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 November 2, 2010, 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 of the U.S. Treasury, its agencies, and instrumentalities, certificates of deposit in eligible depositories, repurchase agreements, state bonds, U.S. Commercial Paper and bonds, and the State of Arizona's Local Government Investment Pool (LGIP). The City of Chandler Municipal Property Corporation is additionally authorized to invest in bankers 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 Industrial Development Authority and the Chandler Cultural Foundation. Interest earned on the pooled cash and investments is distributed each month on the basis of average monthly equity in the pool.

F. Restricted Assets

Certain proceeds of the City's enterprise funds revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the Statement of Net Assets because their use is limited by applicable bond covenants.

G. 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 trade and property tax receivables are shown net of an allowance for uncollectibles. Trade accounts receivable in excess of 90 days comprise the trade accounts receivable allowance for uncollectibles.

H. 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.

I. Prepaid Items

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

NOTE 1 - Summary of Significant Accounting Policies, continued

J. 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 $5,000 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 estimated fair market 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 the various industry standards. Capital assets of the City are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings	20-40
Building improvements	20
Infrastructure	12-50
System improvements	25
Vehicles	4-7
Machinery and equipment	5-15

K. Compensated Absences

Vacation leave vests with the employee as it is earned. All employees may carry forward 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. The amount, including related benefits, for accumulated vacation leave is reported on the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee leave, resignations or retirements. Generally, resources from the general fund are used to pay for compensated absences.

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.

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 assets. Bond related charges and credits, such as premiums, discounts and issuance costs, are deferred and amortized over the life of the bonds using the straight-line method.

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 and special assessment debt. 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 that portion is expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund.

M. Fund Equity

In the fund financial statements, governmental funds report fund balances as Nonspendable, Restricted, Committed, Assigned and Unassigned. Nonspendable, Restricted and Committed classification represent "reserved" fund balances whereas Assigned & Unassigned classifications represent "unreserved" fund balances. (See Note 10).

N. Capital Contributions - Enterprise Funds

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.

O. 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.

P. 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.

Q. 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 and after nonoperating revenues/expenses in proprietary funds.

NOTE 1 - Summary of Significant Accounting Policies, concluded

R. 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.

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, 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, and the Chandler Health Care Benefits Trust separately hold investments.

Deposits

At year-end, the carrying amount of the City deposits was $3,530,611, and the bank balance was $3,585,378. The entire bank balance was covered by the FDIC's Transaction Account Guarantee Program. In addition, at year ended June 30, 2011, the City had $14,958,866 of restricted cash held by fiscal agent consisting of unspent bond proceeds from the 2011 Excise Tax Revenue Bond issuance. The cash held by fiscal agent is in money market funds invested primarily in short-term U.S. Treasury securities.

Investments

At June 30, 2011, the City had the following investments and maturities:

		Investment Maturities (in Years)		
Investment Type	Fair Value	Less than 1	1-5	Concentration of Credit Risk %
U.S. Treasuries	$ 143,618,106	$ 47,963,412	$ 95,654,694	33.48
U.S. Agencies:				
Federal Home Loan Bank	33,144,863	20,655,626	12,489,237	7.73
Federal Home Loan Mortgage Corp.	73,800,274	6,746,172	67,054,102	17.21
Federal National Mortgage Assn	75,474,038	19,309,617	56,164,421	17.60
U.S. Agency Discount Notes:				
Federal National Mortgage Assn	3,294,538	3,294,538		0.77
Gov't Guaranteed-Corporate:				
Citibank	5,036,343	5,036,343	-	1.17
JP Morgan Chase	5,095,944	5,095,944	-	1.19
Commercial Paper:				
BNP Paribas Finance	3,998,684	3,998,684	-	0.93
The Coca-Cola Company	4,997,365	4,997,365	-	1.17
Credit Agricole	3,998,020	3,998,020	-	0.93
Rabobank	5,498,904	5,498,904	-	1.28
Toyota Motor Credit Corp	5,497,838	5,497,838	-	1.28
Money Market - Certificates of Deposit	5,487,826	5,487,826	-	1.28
Money Market - U.S. Treasuries & Agencies	59,987,850	59,987,850	-	13.99
Total	$ 428,930,593	$ 197,568,139	$ 231,362,454	100.00

NOTE 2 - Cash and Investments, concluded

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 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, and the Local Government Investment Pool. The City's investment in U.S. Agencies, Government Guaranteed Corporate Bonds, Government Guaranteed Commercial Paper and Money Market Funds were rated no lower than AAA, AAA, A-1, and AAA by Standard & Poor's respectively as of June 30, 2011.

Concentration of Credit Risk. The City's investment policy does not allow for an investment in any one issuer that is in excess of five percent of the City's total investments. Securities issues by the United States of America or its agencies are exempt from this provision. More than 5% of the City's investments are in the U.S. Agencies, and U.S. Treasuries and Agencies money market funds. See percentages in above table.

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 based upon the previous January 1 full cash 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 new 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 10 percent a year. The dollar amount of the secondary property tax levy is "unlimited" and the actual full cash 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 2010-11, current property tax collections were $33,130,930 or 91.5% 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 2011 are not available for fiscal year 2010-11; accordingly, such taxes will not be recognized as revenue until fiscal year 2011-2012.

NOTE 4 – Capital Assets

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

Government Activitites	Balance July 1,2010	Additions and Transfers In	Deletions and Transfers Out	Balance June 30, 2011
Capital assets, not being depreciated:				
Land	$ 81,151,314		$ -	$ 81,151,314
Construction in progress	139,471,807	55,494,177	(76,088,575)	118,877,409
Total capital assets not being depreciated	220,623,121	55,494,177	(76,088,575)	200,028,723
Capital assets, being depreciated:				
Infrastructure	534,115,683	6,341,125	-	540,456,808
Building and improvements	259,428,082	69,758,149	-	329,186,231
Machinery and equipment	53,648,010	6,997,166	(430,801)	60,214,375
Total capital assets being depreciated	847,191,775	83,096,440	(430,801)	929,857,414
Less accumulated depreciation for:				
Infrastructure	(158,389,887)	(19,357,678)	-	(177,747,565)
Building and improvements	(59,590,259)	(13,027,574)	-	(72,617,833)
Machinery and equipment	(29,670,838)	(4,566,695)	240,013	(33,997,520)
Total accumulated depreciation	(247,650,984)	(36,951,947)	240,013	(284,362,918)
Total capital assets, being depreciated, net	599,540,791	46,144,493	(190,788)	645,494,496
Governmental activities capital assets, net	$ 820,163,912	$ 101,638,670	$ (76,279,363)	$ 845,523,219

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

	Expended to June 30, 2011	Remaining Commitments
Streets	$ 15,227,058	$ 4,359,503
Parks and recreation	27,954,749	1,372,488
Buildings and related improvements	75,695,602	8,804,627
Total	$ 118,877,409	$ 14,536,618

NOTE 4 – Capital Assets, continued

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

Business-Type Activities	Balance July 1, 2010	Additions and Transfers In	Deletions and Transfers Out	Balance June 30, 2011
Capital assets, not being depreciated:				
Land	$ 41,256,107	$ -	$ -	$ 41,256,107
Construction in progress	32,737,073	7,922,114	(1,356,753)	39,302,434
Total capital assets not being depreciated	73,993,180	7,922,114	(1,356,753)	80,558,541
Capital assets, being depreciated:				
System improvements	881,579,645	1,616,266	-	883,195,911
Building and improvements	20,358,369	262,247	-	20,620,616
Vehicles, machinery and equipment	15,094,122	104,075	(74,778)	15,123,419
Land improvements	2,117,236	-	-	2,117,236
Total capital assets being depreciated	919,149,372	1,982,588	(74,778)	921,057,182
Less accumulated depreciation for:				
System improvements	(376,460,318)	(38,766,427)	-	(415,226,745)
Buildings and improvements	(11,008,943)	(628,659)	-	(11,637,602)
Vehicles, machinery and equipment	(13,079,417)	(486,151)	44,587	(13,520,981)
Land improvements	(1,431,709)	(115,187)	-	(1,546,896)
Total accumulated depreciation	(401,980,387)	(39,996,424)	44,587	(441,932,224)
Total capital assets, being depreciated, net	517,168,985	(38,013,836)	(30,191)	479,124,958
Business-type activities capital assets, net	$ 591,162,165	$ (30,091,722)	$ (1,386,944)	$ 559,683,499

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

	Expended to June 30, 2011	Remaining Commitments
Sewer system improvements	$ 19,073,967	$ 2,491,012
Water system improvements	20,111,776	4,495,293
Airport improvements	116,691	65,092
Total	$ 39,302,434	$ 7,051,397

NOTE 4 – Capital Assets, concluded

Depreciation expense was charged to functions/programs as follows:

Governmental activities:		
General government	$	3,453,789
Public safety		5,393,083
Community services		7,803,122
Transportation and development		20,301,953
Total depreciation expense - governmental activities	$	36,951,947
Business-type activities:		
Water	$	20,611,058
Wastewater		17,424,102
Solid waste		608,334
Airport		777,983
Chandler housing authority		574,947
Total depreciation expense - business-type activities	$	39,996,424

NOTE 5 - Operating Leases

The City leases approximately 73,000 square feet of office and library space under non-cancelable operating leases expiring through December 2010. Total costs for such leases were $506,230 for the year ended June 30, 2011. There are no future minimum lease payments at this time.

Year Ending June 30		
2011	$	506,230
Total	$	506,230

NOTE 6 - 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 proprietary funds as they are to be repaid from proprietary 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 to repay a total of $459,715,000 in outstanding general obligation bonds. Proceeds of the bonds were used for general governmental purposes. The bonds are payable solely from ad valorem taxes and are payable through July 1, 2028. Annual principal and interest payments on the bonds are expected to require 108% of total 2010-11 ad valorem taxes. Principal and interest payments which exceed current collections were funded by excess collections from prior years. The total principal and interest remaining to be paid on the bonds is $638,648,871. Principal and interest paid for the current year and total ad valorem property taxes were $39,257,669 and $36,369,964, respectively.

NOTE 6 - Long-Term Liabilities, continued

General obligation bonds outstanding as reported in governmental and business-type activities at June 30, 2011 were as follows:

Governmental Activities General Obligation Bonds:	Outstanding June 30, 2011
$6,650,000 Capital Improvement Bonds, Series 1996, due in annual installments of $225,000 to $250,000 through 7/1/13; interest at 6.5 percent.	725,000
$8,205,000 Capital Improvement Bonds, Series 1996B, due in annual installments of $450,000 to $550,000 through 7/1/13; interest at 7.2 percent to 7.25 percent.	1,475,000
$6,950,000 Capital Improvement Bonds, Series 1999, due in an annual installment of $600,000 at 7/1/11; interest at 4.35 percent.	600,000
$8,040,000 Capital Improvement Bonds, Series 2001, due in an annual installment of $535,000 at 7/1/11; interest at 4.3 percent.	535,000
$23,000,000 Capital Improvement Bonds, Series 2002, due in annual installments of $750,000 to $1,125,000 through 7/1/12; interest at 4.25 percent to 4.375 percent.	1,875,000
$21,375,000 Capital Improvement Bonds, Series 2003, due in annual installments of $500,000 to $2,775,000 through 7/1/17; interest at 3 percent to 4 percent.	11,875,000
$16,265,000 Refunding Bonds, Series 2003, due in annual installments of $880,000 to $2,775,000 through 7/1/16; interest at 3 percent to 5 percent.	8,205,000
$24,800,000 Capital Improvement Bonds, Series 2005, due in annual installments of $2,000,000 to $2,900,000 through 7/1/15; interest at 4 percent.	11,650,000
$30,905,000 Capital Improvement Bonds, Series 2006, due in annual installments of $2,000,000 to $6,675,000 through 7/1/17; interest at 4 percent to 4.5 percent.	22,725,000
$111,045,000 Capital Improvement Bonds, Series 2007, due in annual installments of $1,000,000 to $6,6000,000 through 7/1/26; interest at 3 percent to 5 percent.	57,100,000
$22,960,000 Refunding Bonds, Series 2007, due in annual installments of $845,000 to $4,240,000 through 7/1/20; interest at 4 percent to 5 percent.	22,905,000
$252,000,000 Capital Improvement Bonds, Series 2009, due in annual installments of $750,000 to $17,000,000 through 7/1/28; interest at 2.25 percent to 5 percent.	120,013,000
$9,925,000 Capital Improvement Bonds, Series 2011A, due in annual installments of $500,000 to $3,300,000 through 7/1/20; interest at 3 percent to 4 percent.	9,925,000
$10,360,000 Refunding Bonds, Series 2011B, due in annual installment of $795,000 to $3,305,000 through 7/1/18; interest at 2 percent to 4 percent.	10,360,000
Total Governmental Activities General Obligation Bonds	$ 279,968,000

NOTE 6 - Long-Term Liabilities, continued

Business-Type Activities General Obligation Bonds:	Outstanding June 30, 2011
$17,225,000 Refunding Bonds, Series 2001, due in an annual installment of $1,040,000 at 7/1/11; interest at 4.75 percent.	$ 1,040,000
$16,265,000 Refunding Bonds, Series 2003, due in annual installments of $2,225,000 to $2,580,000 through 7/1/15; interest at 4 percent to 5 percent.	7,190,000
$111,045,000 Capital Improvement Bonds, Series 2007, due in annual installments of $1,800,000 to $3,900,000 through 7/1/26; interest at 3 percent to 5 percent.	41,550,000
$252,000,000 Capital Improvement Bonds, Series 2009, due in annual installments of $4,820,000 to $11,086,000 through 7/1/28; interest at 2.25 percent to 5 percent.	129,967,000
Total Business-Type Activities General Obligation Bonds	$ 179,747,000

B. Street and Highway Revenue Bonds

Street and highway revenue bonds are issued specifically for the purpose of constructing street and highway projects. These bonds are payable solely from the revenues derived by the City from highway user taxes, including motor vehicle fuel taxes and all other taxes, fees and charges relating to registration, operation or use of vehicles on public highways or streets or to fuels or any other energy source used for the vehicles collected by the State and returned to the City.

The City has pledged future highway user revenues to repay a total of $28,620,000 in outstanding street and highway user revenue bonds. Proceeds of the bonds were used for improvements and expansions to the City's streets and highways. The bonds are payable solely from state shared gasoline tax revenues and are payable through July 1, 2019. Annual principal and interest payments on the bonds are expected to require less than 30% of total 2010-11 street and highway user revenues. The total principal and interest remaining to be paid on the bonds is $33,076,338. Principal and interest paid for the current year and street and highway user revenue taxes were $4,051,008 and $13,287,878, respectively.

NOTE 6 - Long-Term Liabilities, continued

Street and highway revenue bonds outstanding as reported in governmental activities at June 30, 2011 were as follows:

Governmental Activities Revenue Bonds:	Outstanding June 30, 2011
$2,500,000 Street & Highway User Bonds, Series 1993, due in an annual installment of $800,000 at 7/1/11; interest at 6 percent.	$ 800,000
$5,750,000 Street & Highway User Bonds, Series 1994, due in an annual installment of $1,100,000 at 7/1/11; interest at 8 percent.	1,100,000
$1,250,000 Street & Highway User Bonds, Series 1996B, due in annual installments of $25,000 through 7/1/15; interest at 5.5 percent to 7.5 percent.	125,000
$5,280,000 Street & Highway User Refunding Bonds, Series 1997, due in an annual installment of $50,000 at 7/1/11; interest at 5.9 percent.	50,000
$10,540,000 Street & Highway User Refunding Bonds, Series 2002, due in annual installments of $840,000 to $880,000 through 7/1/13; interest at 3.875 percent to 4.25 percent.	1,720,000
$5,000,000 Street & Highway User Bonds, Series 2003, due in annual installments of $1,000,000 to $1,500,000 starting 7/1/16 through 7/1/19; interest at 3.5 percent to 5 percent.	5,000,000
$10,920,000 Street & Highway User Refunding Bonds, Series 2004, due in annual installments of $200,000 to $3,360,000 through 7/1/18; interest at 3.5 percent to 5 percent.	9,375,000
$10,450,000 Street & Highway User Refunding Bonds, Series 2010, due in annual installments of $105,000 to $2,965,000 through 7/1/19; interest at 2 percent to 3.5 percent.	10,450,000
Total Governmental Activities Revenue Bonds	$ 28,620,000

C. Water and Sewer Revenue Bonds

Water and sewer revenue bonds are issued as authorized by the voters 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 bonds. These bonds are secured by a pledge of revenues from these systems, and do not constitute a general obligation of the City backed by the general taxing authority.

The City has pledged future water and wastewater system revenues, net of operating expenses, to repay a total of $60,280,000 in outstanding water and wastewater system revenue bonds. Proceeds of the bonds were used for improvements and expansions to the City's water and wastewater systems. The bonds are payable solely from net water and wastewater system revenues and are payable through July 1, 2020. Annual principal and interest payments on the bonds are expected to require less than 32% of net 2010-11 water and wastewater system revenue.

NOTE 6 - Long-Term Liabilities, continued

The total principal and interest remaining to be paid on the bonds is $72,298,700. Principal and interest paid for the current year and net water and wastewater system revenues were $10,432,478 and $32,709,288, respectively.

Water and sewer revenue bonds outstanding as reported in business-type activities at June 30, 2011 were as follows:

Business-Type Activities Revenue Bonds:	Outstanding June 30, 2011
$5,150,000 Water & Sewer Bonds, Series 1994, due in an annual installment of $2,150,000 at 7/1/14; interest at 8 percent.	$2,150,000
$16,890,000 Water & Sewer Bonds, Series 1996, due in annual installments of $250,000 to $400,000 through 7/1/13; interest at 7.25 percent.	900,000
$7,770,000 Water & Sewer Refunding Bonds, Series 1997, due in annual installments of $100,000 through 7/1/13; interest at 6.25 percent to 6.5 percent.	300,000
$5,985,000 Water & Sewer Bonds, Series 1999, due in an annual installment of $410,000 at 7/1/11; interest at 4.4 percent.	410,000
$12,500,000 Water & Sewer Bonds, Series 2001, due in annual installments of $700,000 to $1,045,000 through 7/1/18; interest at 4.25 percent to 4.5 percent.	3,270,000
$26,145,000 Water & Sewer Refunding Bonds, Series 2001, due in an annual installment of $1,595,000 at 7/1/11; interest at 4.75 percent.	1,595,000
$10,970,000 Water & Sewer Refunding Bonds, Series 2002, due in annual installments of $1,540,000 to $3,755,000 through 7/1/13; interest at 4.25 percent to 5 percent.	6,905,000
$17,830,000 Water & Sewer Refunding Bonds, Series 2003, due in annual installments of $30,000 to $7,515,000 through 7/1/16; interest at 3 percent to 5 percent.	11,675,000
$10,000,000 Water & Sewer Bonds, Series 2003, due in annual installments of $1,625,000 to $4,200,000 through 7/1/13; interest at 3 percent to 4 percent.	8,325,000
$10,000,000 Water & Sewer Bonds, Series 2005, due in annual installments of $100,000 to $2,500,000 starting 7/1/12 through 7/1/20; interest at 4 percent to 5 percent.	10,000,000
$15,485,000 Water & Sewer Refunding Bonds, Series 2005, due in annual installments of $485,000 to $5,725,000 through 7/1/17; interest at 3.50 percent to 5 percent.	14,750,000
Total Business-Type Activities Revenue Bonds	$ 60,280,000

D. 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, franchise fees, privilege, business taxes, state-shared sales and income taxes, fees for licenses and permits, and state revenue sharing), 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.

NOTE 6 - Long-Term Liabilities, continued

The City covenants and agrees that, so long as any of the obligations remain outstanding and the principal and interest thereon shall be unpaid or unprovided for or any other amounts remain unpaid or unprovided for thereunder, it will not further encumber the excise taxes on a basis equal to the pledge thereunder unless the excise taxes received by the City in the immediately preceding fiscal year shall have amounted to 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 shall 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 expected to require less than 2% of net 2010-11 excise tax revenue. The total principal and interest to be paid on the obligations is $65,633,127. Principal and interest paid for the current year and excise tax revenues were $2,218,063 and $136,164,353, respectively.

Business-Type Actvities Excise Tax Revenue Obligations:	Outstanding June 30, 2011
$34,040,000 Water & Sewer Excise Tax Obligations, Series 2009, due in annual installments of $1,100,000 to $5,455,000 through 7/1/28; interest at 2.25 percent to 4.375 percent.	$ 33,540,000
$15,000,000 Water & Sewer Excise Tax Obligations, Series 2011, due in annual installments of $645,000 to $1,210,000 through 7/1/28; interest at 3 percent to 5 percent.	15,000,000
Total Business-Type Activities Excise Tax Revenue Obligations	$ 48,540,000

E. Special Assessment Bonds with Governmental Commitment

As trustee for improvement districts, the City is responsible for collection of assessments levied against the owners of property within the improvement districts and for disbursement of these amounts for retirement of the respective bonds issued to finance the improvements. At June 30, 2011, the special assessments receivable, together with amounts paid in advance and interest to be received over the life of the assessment period, are adequate for the scheduled maturities of the bonds payable and related interest. Special assessment bonds are collateralized by properties within the districts. In the event of default by the property owner, the City may enforce an auction sale to satisfy the debt service requirements of the bonds. The City is contingently liable on special assessment bonds to the extent that proceeds from auction sales are insufficient to retire outstanding bonds.

Special assessment bonds payable with governmental commitment outstanding as reported in governmental activities at June 30, 2011 were as follows:

Governmental Activities Special Assessment Bonds:	Outstanding June 30, 2011
$7,370,000 Spectrum Improvement District Bonds, due in annual installments of $410,000 to $635,000 through 1/1/23; interest at 4 percent.	$ 6,190,000
Total Special Assessment Bonds with Governmental Commitment	$ 6,190,000

NOTE 6 - Long-Term Liabilities, continued

Changes in Long-Term Liabilities

Governmental Activities:	Balance July 1, 2010	Additions	Reductions	Balance June 30, 2011	Due Within One Year
Compensated absences	$ 10,131,319	$ 6,177,339	$ (5,818,372)	10,490,286	$ 602,012
Bonds payable:					
General obligation bonds	282,888,000	20,285,000	(23,205,000)	279,968,000	11,820,000
Revenue bonds	31,800,000	-	(3,180,000)	28,620,000	2,875,000
Special assessment bonds	7,315,000	-	(1,125,000)	6,190,000	410,000
Total bonds payable	322,003,000	20,285,000	(27,510,000)	314,778,000	15,105,000
Arbitrage liability	111,099	14,844	(62,545)	63,398	31,006
Claims payable	1,811,045	5,186,127	(3,613,200)	3,383,972	3,117,800
Post employment benefits	3,863,996	1,708,724	-	5,572,720	-
Deferred bond premiums	5,482,398	1,047,424	(687,933)	5,841,889	637,843
Totals	$ 343,402,857	$ 34,419,458	$ (37,692,050)	$ 340,130,265	$ 19,493,661

Business-Type Activities:	Balance July 1, 2010	Additions	Reductions	Balance June 30, 2011	Due Within One Year
Compensated absences	$ 991,531	$ 618,414	$ (560,300)	$ 1,049,645	$ 60,236
Bonds payable:					
General obligation bonds	185,032,000	-	(5,285,000)	179,747,000	8,760,000
Revenue bonds	67,580,000	-	(7,300,000)	60,280,000	7,610,000
Excise tax revenue obligations	34,040,000	15,000,000	(500,000)	48,540,000	1,100,000
Total bonds payable	286,652,000	15,000,000	(13,085,000)	288,567,000	17,470,000
Arbitrage liability	29,898	17,950	(10,004)	37,844	15,236
Post employment benefits	269,574	126,798	-	396,372	-
Deferred bond premiums	5,027,052	533,809	(521,670)	5,039,191	552,409
Landfill closure/post closure	4,340,000	-	-	4,340,000	394,950
Totals	$ 297,310,055	$ 16,296,971	$ (14,176,974)	$ 299,430,052	$ 18,492,831

NOTE 6 - 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 secondary 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 secondary assessed valuation for all other purposes (e.g., library, museum, center for the arts). At June 30, 2011, the 6 percent debt limitation was $148,117,597, providing a debt margin of $134,756,597 and the 20 percent debt limitation was $493,725,323, providing a debt margin of $47,371,323.

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 City's management.

Debt Service Requirements to Maturity

The following is a summary of debt service requirements to maturity for all bonds payable as of June 30, 2011:

GOVERNMENTAL ACTIVITIES

Years Ended June 30	General Obligation Principal	General Obligation Interest	Highway Users Revenue Principal	Highway Users Revenue Interest	Improvement Districts Principal	Improvement Districts Interest	Total
2012	$ 11,820,000	$ 11,408,603	$ 2,875,000	$1,022,350	$ 410,000	$ 247,600	$ 27,783,553
2013	11,860,000	11,088,475	3,700,000	885,225	430,000	231,200	28,194,900
2014	14,135,000	10,551,675	3,830,000	767,725	445,000	214,000	29,943,400
2015	14,035,000	9,978,456	3,975,000	637,000	465,000	196,200	29,286,656
2016	15,520,000	9,395,087	4,105,000	479,238	480,000	177,600	30,156,925
2017-2021	82,244,000	36,931,125	10,135,000	664,800	2,715,000	583,400	133,273,325
2022-2026	80,000,000	19,103,188	-	-	1,245,000	75,200	100,423,388
2027-2029	50,354,000	3,139,594	-	-	-	-	53,493,594
Total	$279,968,000	$111,596,203	$28,620,000	$4,456,338	$ 6,190,000	$ 1,725,200	$ 432,555,741

NOTE 6 - Long-Term Liabilities, concluded

BUSINESS-TYPE ACTIVITIES

Years Ended June 30	General Obligation Principal	General Obligation Interest	Revenue Principal	Revenue Interest	Excise Tax Principal	Excise Tax Interest	Total
2012	$ 8,760,000	$ 7,013,962	$ 7,610,000	$ 2,669,226	$ 1,100,000	$ 1,447,908	$ 28,601,096
2013	9,420,000	6,640,063	7,930,000	2,350,558	1,745,000	1,606,913	29,692,534
2014	10,595,000	6,247,863	8,260,000	1,999,818	1,815,000	1,561,763	30,479,444
2015	10,900,000	5,862,113	4,485,000	1,671,026	6,180,000	1,466,419	30,564,558
2016	10,910,000	5,507,075	6,760,000	1,359,306	4,270,000	1,338,950	30,145,331
2017-2021	48,976,000	22,337,656	25,235,000	1,968,766	10,855,000	5,600,756	114,973,178
2022-2026	49,025,000	11,706,531	-	-	13,075,000	3,423,800	77,230,331
2027-2029	31,161,000	2,022,406	-	-	9,500,000	646,618	43,330,024
Total	$179,747,000	$67,337,669	$60,280,000	$12,018,700	$48,540,000	$17,093,127	$385,016,496

Compensated Absences

The City's policy relating to compensated absences is described in Note 1. As shown in the table below, the long-term portion of this debt, amounting to $10,490,286 for governmental activities and $1,049,644 for business-type activities at June 30, 2011 is expected to be paid in future years from future resources. Compensated absences for governmental activities have been liquidated primarily by the General Fund.

	Balance July 1, 2010	Incurred	Satisfied	Balance June 30, 2011	Due Within One Year
Governmental Activities					
Compensated Absences	$10,131,319	$6,177,339	$5,818,372	$10,490,286	$ 602,009
Business-Type Activities					
Compensated Absences	$ 991,531	$ 618,414	$ 560,300	$ 1,049,645	$ 60,236

NOTE 7 - Defeased Debt

Current Year Defeasance

On May 11, 2011, the City issued $10,360,000 in General Obligation Refunding Bonds with an average interest rate of 1.65 percent. This issuance was used to advance refund $3,000,000 of Series 1999 General Obligation Bonds with an average interest rate of 4.44 percent; $1,810,000 of Series 2001 General Obligation Bonds with an average interest rate of 4.47 percent; and $5,550,000 of Series 2002 General Obligation Bonds with an average interest rate of 4.37 percent. The refunding portion of net proceeds of $10,816,839 (after payment of $166,396 in underwriting fees, insurance, and other issuance costs and receipt of $623,235 in original issue premium) was used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for future debt service payments on the 1999, 2001, and 2002 bonds. Only a portion of the future debt service payments for the 1999, 2001, and 2002 bonds were defeased. As a result, this part of the debt service payments for the bonds is considered to be defeased and the liability for that portion of the bonds has been removed from the government-wide and statement of net assets.

NOTE 7 - Defeased Debt, concluded

The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of $456,839. This difference, reported in the accompanying financial statements as a component of other assets, is being charged to operations through the year 2018 using the straight-line amortization method. The City completed the advance refunding to decrease its total debt service payments over the next 8 years by $518,063 and to obtain an economic gain (difference between the present values of the old and new debt service payments) of $501,216.

Prior Year Defeasance

In prior years, the City defeased certain general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's financial statements.

Bonds that have been advance refunded (defeased) as of June 30, 2011 are as follows:

Refunded Debt Outstanding	Amount
General Obligation Bonds, Series 1996B	2,910,000
General Obligation Bonds, Series 2002	12,525,000
Total Refunded Bonds Outstanding	$ 15,435,000

NOTE 8 – 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, 2011, the City estimates total costs related to landfill closure and postclosure care is $15,388,438 and has recognized that entire amount since the landfill no longer accepts waste. To date, $11,048,438 has been paid. The remaining balance of $4,340,000 consists of a current liability of $394,950 and $3,945,050 recorded as a non-current liability on the City's financial statements.

The estimated total current cost of the landfill closure and postclosure, $15,388,438, 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, 2011. However, the actual cost of closure and postclosure care may be higher due to inflation, 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. 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, e.g., due to changes in technology or more rigorous environmental regulations, may need to be covered by additional charges to future taxpayers.

NOTE 9 - Capital Contributions

Capital contributions in the Water, Wastewater, Solid Waste, Airport, and Housing Authority funds amounted to the following:

	System Development Fees	Developer Contributions	Government Contributions	Total
Water	$ 3,265,313	$ 235,080	$ -	$ 3,500,393
Wastewater	4,324,536	261,522	-	4,586,058
Solid Waste	60,990	-	-	60,990
Airport	-	-	500,463	500,463
Housing Authority	-	-	11,868	11,868
Total	$ 7,650,839	$ 496,602	$ 512,331	$ 8,659,772

NOTE 10 – Fund Equity

During the year ended June 30, 2011, the City implemented the provisions of GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions. GASB Statement No. 54 establishes standards for financial reporting, including note disclosure requirements for fund balance classifications of the governmental funds (General Fund, Special Revenue Funds, Capital Project Funds, Debt Service Funds, and Permanent Funds), and clarifies existing governmental fund type definitions.

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 is 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 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. Intent can be expressed by Mayor and Council or by an official to which the Mayor and Council delegates the authority. Unlike committed fund balances, assigned fund balances can be changed without formal action.

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.

NOTE 10 – Fund Equity, continued

Generally, the City would first apply restricted resources, than committed, assigned and unassigned resources when an expense is incurred for purposes for which more than are classification of fund balance are available.

As of June 30, 2011 the constraints placed on fund balance for the major governmental funds and all other governmental funds are presented in the following table:

	General	Streets Capital Projects	Other Non-Major Governmental	Grand Total
Non-spendable				
Inventories	$ 888,459	$ -	$ -	$ 888,459
Prepaid items	4,608	-	-	4,608
Total Non-spendable	893,067	-	-	893,067
Restricted for				
Court Enhancement	706,695	-	-	706,695
Judicial Enhancement	138,059	-	-	138,059
Transportation and Development	-	33,445,762	17,447,607	50,893,369
Debt Service Reserve	-	-	19,017,204	19,017,204
Community Development	-	-	427,793	427,793
Community Services	-	-	13,373,535	13,373,535
Other Capital projects	-	-	22,044,171	22,044,171
Total Restricted	844,754	33,445,762	72,310,310	106,600,826
Committed to				
	-	-	-	-
	-	-	-	-
Total Committed	-	-	-	-
Assigned to				
Domestic Violence Prevention	232,634	-	-	232,634
Self-Insurance Purposes	886,794	-	-	-
Capital Improvements Projects	39,092,109	-	-	-
Economic Development Projects	21,522,000	-	-	-
Total Assigned	61,733,537	-	-	232,634
Unassigned	98,872,954	-	(12,315,197)	86,557,757
	-	-	-	-
Total Unassigned	98,872,954	-	(12,315,197)	148,058,660
Total fund balances	$ 162,344,312	$ 33,445,762	$ 59,995,113	$ 255,785,187

NOTE 10 – Fund Equity, concluded

The City's General Fund Reserve Policy requires an amount equal to 12% of adopted General Fund operating revenues, excluding transfers in. Unassigned includes this reserve in the amount of $19,552,074.

NOTE 11 - Retirement and Pension Plans

All full-time employees of the City, the Mayor and City Council are covered by one of three pension plans. All full-time City employees, except public safety personnel, participate in the Arizona State Retirement System, a multiple-employer cost-sharing pension plan. Public safety personnel participate in the Public Safety Personnel Retirement System, which is an agent multiple-employer plan. The Mayor and City Council participate in the Elected Officials' Retirement Plan, a multiple-employer cost sharing pension plan. All three pension plans are administered by the State of Arizona.

Arizona State Retirement System

A. Plan Description

All full-time City employees (except public safety personnel) participate in the Arizona State Retirement System (the System), a multiple-employer cost sharing defined benefit pension, health insurance premium, and long-term disability plan. The System was established by the State of Arizona to provide pension benefits for employees of the state and employees of participating political subdivisions and school districts. The System is administered in accordance with Title 38, Chapter 5, of Arizona Revised Statutes. The System provides for retirement, disability, health insurance premium benefits, and death and survivor benefits. The System issues a publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to Arizona State Retirement System, P.O. Box 33910, Phoenix, AZ 85067-3910, or by calling 1-800-621-3778.

B. Funding Policy

Arizona Revised Statutes provide statutory authority for determining the employees' and employers' contribution amounts as a percentage of covered payroll. Employers are required to contribute at the same rate as employees. Although Arizona Revised Statutes prescribe the basis of making the actuarial calculation, the Arizona Legislature is able to legislate a contribution rate other than the actuarially determined rate. The actuarially determined contribution rate for the year ended June 30, 2011 was 9.85 percent (9.6 percent retirement and 0.25 percent long-term disability) for active members and the City was required to contribute 9.85 percent (9.01 percent for retirement, 0.59 percent for health insurance premium, and 0.25 percent for long-term disability) of the members' annual covered payroll. The City's contributions to the System for the years ended June 30, 2011, 2010 and 2009, were $6,307,634.16, $6,480,656 and $6,627,159 respectively, equal to the required contributions for each year.

Arizona Public Safety Personnel Retirement System (Full-time Police and Fire Employees)

A. Plan Description

All full-time sworn police officers and fire fighters are eligible to participate in the Public Safety Personnel Retirement System (PSPRS) in separate agent multiple-employer defined benefit retirement and health insurance premium plans. PSPRS was established by Title 38, chapter 5, Article 4 of the Arizona Revised Statutes to provide pension benefits for public safety employees of certain state and local governments. The PSPRS is jointly administered by the fund manager and participating local boards. The fund manager is a five-member board appointed by the Governor and the State Legislature. The fund manager is responsible for establishing contribution rates in accordance with an Actuarial study.

NOTE 11 - Retirement and Pension Plans, continued

The PSPRS provides retirement benefits, as well as death and disability and health insurance premium benefits. The PSPRS of the State of Arizona issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Public Safety Personnel Retirement System, 3010 East Camelback Road, Ste 200, Phoenix, AZ 85016 or by calling (602) 255-5575.

B. Funding Policy

The System is funded through a member contribution of 7.65 percent of gross payroll, an employer contribution set by an actuarial valuation expressed as a percent of gross payroll, and a distribution of the net earnings of the Fund. The City's current aggregate contribution rate for police is 17.57 percent of annual covered payroll of which 1.09 percent was the health insurance premium portion. The current aggregate contribution rate for firefighters is 15.65 percent of annual covered payroll of which 0.98 percent was the health insurance premium portion.

C. Annual Pension Cost

For fiscal year ended June 30, 2011, the City's annual pension cost of $4,486,814 for police and $2,363,871 for firefighters for PSPRS was equal to the City's required and actual contributions. The required contributions were determined as part of the June 30, 2009, actuarial valuations using the projected unit credit actuarial cost method.

The contribution requirements for the year ended June 30, 2011 were established by the June 30, 2009 actuarial valuations. Those valuations were based on the following. For police, the actuarial assumptions include (a) a rate of return on the investment of present and future assets of 8.5 percent per year compounded annually, attributable to inflation and other across-the-board increases, (b) projected salary increases of 5.5 percent compounded annually attributable to inflation and other across-the-board increases, and (c) additional projected salary increases of 0 percent to 3 percent per year attributable to seniority/merit. For firefighters, the actuarial assumptions include (a) a rate of return on the investment of present and future assets of 8.5 percent per year compounded annually, attributable to inflation and other across-the-board increases, (b) projected salary increases of 5.5 percent compounded annually attributable to inflation and other across-the-board increases, and (c) additional projected salary increases of 0 percent to 3 percent per year attributable to seniority/merit. The actuarial value of PSPRS assets was determined using techniques that smooth the market value of assets over a seven-year period. PSPRS's unfunded accrued liability is being amortized as a level percent of projected payroll over a closed period of 30 years. If the actuarial value of assets exceeded the actuarial accrued liability, the excess was amortized over an open period of 20 years. The remaining amortization period at July 1, 2010, was 26 years for unfunded actuarial accrued liability and 20 years for excess contributions.

NOTE 11 –Retirement and Pension Plans, continued

Arizona Public Safety Personnel Retirement System - Police
Three-Year Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percent of APC Contributed	Net Pension Obligation
2009 (Pension)	$ 4,941,860	100%	-
2009 (Health)	$ 28,330	100%	-
2010 (Pension)	$ 4,596,415	100%	-
2010 (Health)	$ 22,633	100%	-
2011 (Pension)	$ 4,437,908	100%	-
2011 (Health)	$ 48,906	100%	-

Arizona Public Safety Personnel Retirement System - Firefighters
Three-Year Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percent of APC Contributed	Net Pension Obligation
2009 (Pension)	$ 2,609,678	100%	-
2009 (Health)	$ 11,533	100%	-
2010 (Pension)	$ 2,508,750	100%	-
2010 (Health)	$ 10,834	100%	-
2011 (Pension)	$ 2,340,705	100%	-
2011 (Health)	$ 23,166	100%	-

D. Funded Status and Funding Progress

As of June 30, 2010, the most recent actuarial calculation date, the firefighters plan was 82 percent funded and police was 74 percent funded. The actuarial accrued liability for benefits was $66.9 million and $110 million, and the actuarial value of assets was $54.6 million and $81 million, resulting in an unfunded actuarial accrued liability (UAAL) of $12.3 million and $28.9 million respectively. The covered payrolls (annual payrolls of active employees covered by the plans) were $15.3 million and $26 million, and the ratio of the UAAL to the covered payroll was 80 percent and 111 percent.

The schedule of funding progress, presented as Required Supplementary Information following the Notes to the Financial Statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Elected Officials' Retirement Plan (Mayor and City Council)

A. Plan Description

The City's Mayor and Council participate in the Elected Officials' Retirement Plan (EORP), a multiple-employer cost sharing defined benefit pension and health insurance premium plan. The EORP was established and is administered by the State of Arizona to provide pension benefits for state and county elected officials, judges, and certain City-elected officials. The fund manager of the PSPRS is also the administrator for the EORP. EORP provides retirement benefits, as well as death and disability benefits. The Elected Officials' Retirement Plan issues a publicly available financial report that includes financial statements and required supplementary information for EORP. The report may be obtained by writing to Elected Officials' Retirement Plan, 3010 East Camelback Road, Ste 200, Phoenix, AZ 85016 or by calling (602) 255-5575.

__NOTE 11 –Retirement and Pension Plans, concluded__

B. Funding Policy

Covered employees are required by state statute to contribute an amount equal to 7 percent of gross salary. Incorporated city or town employers are required to contribute an amount sufficient to meet both the normal cost of a level-cost method attributable to the EORP, plus the amount required to amortize the unfunded accrued liability for the employer. Such amount is to be determined each year by actuarial valuation and paid as a level percent of compensation. The contribution requirements for plan members are established and may be amended by the Fund Manager, a five-member board. The City's rate for fiscal year ended June 2011 was 29.79 percent of the members' annual covered payroll, of which 1.80 percent was the health insurance premium portion. The city's contributions to EORP for the years ended June 30, 2011, 2010, and 2009, were $47,863, $40,950, and $37,757 respectively, equal to the required contributions for each year.

Volunteer Firemen's Pension And Relief Fund

A. Plan Description

The Volunteer Firemen's Pension Plan (VFPP) is a single-employer defined benefit pension plan administered by the City. The last actuarial valuation of the Volunteer Firemen's Pension and Relief Fund was made as of November 19, 2004, at which time the actuarial liability was fully funded. As of June 30, 2011, there was one retiree and/or beneficiary of a retiree receiving retirement benefits under the plan. There were no terminated employees entitled to benefits and not yet receiving them. Additionally there are no non-vested active employees and no partially vested employees covered by the plan. The VFPP issues a publicly available financial report that may be obtained from the City of Chandler, Management Services Department, P.O. Box 4008, MS 702, Chandler, AZ 85244-4008.

B. Funding Policy

There were no contributions to the Volunteer Firemen's Pension and Relief Fund by the City in fiscal year 2010/11. Pursuant to the November 19, 2004, actuarial valuation, the present value of all benefits payable in future years was $57,222 based upon a 6 percent rate of return and the pension obligation was deemed to be fully funded.

__NOTE 12 – Post-employment Benefits Other Than Pensions__

The cost of post-employment healthcare benefits, from an accrual accounting perspective, similar to the cost of pension benefits, should be associated with the periods in which the cost occurs, rather than in the future year when it will be paid.

A. Plan Description

The City provides post-employment medical care (OPEB) for retired employees through a single employer defined benefit medical plan. The plan provides medical benefits for eligible retirees, their spouses and dependents though 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. The plan does not issue a separate financial report.

NOTE 12 – Post-employment Benefits Other Than Pensions, continued

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 per pay period during the term of employment. The plan provides medical 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.

B. Benefits Provided

The City provides post-employment medical 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 medical plan during their active status.

Upon retirement, the City deposits a one-time payment of $800 per year of City service in the retiree's account. The retiree must have a minimum of five years of City service to receive this contribution.

C. Funding Policy

The plan premium rates are determined annually by the City's Human Resources Department, in collaboration with an outside consulting firm, and approved by the City Council. The retiree's contribution is 100% 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. 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. As of June 30, 2011, retirees contributed $818,079 and the City contributed $1,459,219 (implied subsidy).

D. Annual OPEB Costs and Net OPEB Obligation

The City's annual other post-employment benefit (OPEB) cost for each plan is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement 45.

The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities over a period not to exceed thirty years. The City's annual OPEB cost for the current year and related information for each plan are as follows at June 30, 2011:

Annual Required Contribution (ARC)	$ 3,291,374
ARC Adjustment	(203,312)
Interest Adjustment to Net OPEB Obligation	206,679
Annual OPEB Cost	$ 3,294,741
Contributions Made	(1,459,219)
Increase in Net OPEB Obligation	$ 1,835,522
Net OPEB Obligation - Beginning of year	4,133,570
Net OPEB Obligation - End of year	$ 5,969,092

NOTE 12 – Post-employment Benefits Other Than Pensions, concluded

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year 2011 were as follows:

Fiscal Year Ended June, 30	Annual OPEB Cost	Employer Contributions	Percentage of OPEB Cost Contributed	Net OPEB Obligation
2011	$ 3,294,741	$ 1,459,219	44.29%	$ 5,969,092
2010	3,293,137	1,325,055	40.24%	4,133,570
2009	2,136,825	1,188,119	55.60%	2,165,488

E. Funded Status and Funding Progress

The funded status of the plan as of the most recent actuarial valuation is as follows:

Actuarial Accrued Liability	$ 26,120,095
Actuarial Value of Plan Assets	-
Unfunded Actuarial Accrued Liability (UAAL)	$ 26,120,095
Funded Ratio	0.0%
Covered Payroll	98,508,058
UAAL as a percentage of covered payroll	26.5%

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

Calculations are based on the types of benefits provided under the terms of the substantive plan at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and plan members in the future.

Actuarial calculations reflect a long-term perspective.

The actuarial methods and significant assumptions used to determine the ARC for the current year are as follows:

1. The actuarial cost method used is the projected unit credit method.
2. As of the valuation date, July 1, 2009, there are no assets, hence no need for an actuarial value of assets.
3. The amortization method is level percent of payroll. The amortization period is 30 years. The period is open.

In the June 30, 2009 actuarial valuation, the projected unit credit actuarial cost method was used along with a discount rate of 5.0%. In addition, the actuarial assumptions included: an annual medical healthcare cost trend rate of 10% initially, reduced by decrements to an ultimate rate of 6.0% after 8 years; an annual dental healthcare cost trend rate of 5% initially, reduced to 3% after 9 years; and an annual projected salary increase of 2%.

NOTE 13 - Commitments and Contingencies

The City is subject to a number of lawsuits, investigations, and other claims (some of which involve substantial amounts) that are incidental to the ordinary course of its operations, including those related to wrongful death and personal injury matters. Although the City Attorney does not currently possess sufficient information to reasonably estimate the amounts of the liabilities to be recorded upon the settlement of such claims and lawsuits, some claims could be significant to the City's operations. 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.

NOTE 14 - 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; injuries to employees; 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. In fiscal year 2010/2011, the Self-Insurance Fund provided coverage for up to a maximum of $2,000,000 per occurrence for liability claims and $50,000 for each property damage claim. 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 2010/2011, 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.

Premiums are paid into the Internal Service Fund by all other funds and are available to pay claims, claim reserves and 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 materially adverse effect on the City's financial position.

The claims liability of $1,966,172 reported as claims payable in the Self-Insurance Fund at June 30, 2011, is based on the requirements of Governmental Accounting Standards Board 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. An excess coverage insurance policy covers individual claims in excess of $2,000,000 for general liability and $500,000 for worker's compensation. 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. Changes in the Fund's claims liability amount in fiscal years 2010 and 2011 were:

Years Ended June 30,	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year End
2010	$ 3,624,854	$ 1,571,159	(3,384,968)	$ 1,811,045
2011	$ 1,811,045	$ 3,768,327	(3,613,200)	$ 1,966,172

NOTE 15 – Interfund Transfers, concluded

The interfund transfers in and out at June 30, 2011 are as follows:

Fund	Transfer Detail	Transfers In	Transfers Out
General	Capital projects-streets	$ -	$ 1,042,186
	Non-major governmental	-	35,172,703
	Non-major enterprise	-	590,126
	Internal service	-	14,606,731
	Total general fund	-	51,411,746
Streets	General	1,042,186	-
	Total streets fund	1,042,186	-
Non-major governmental	General	35,172,703	-
	Non-major governmental	4,378,314	4,378,314
	Enterprise-water	356,942	-
	Enterprise-wastewater	166,312	-
	Non-major enterprise	72,549	250,379
	Internal service	416,640	-
	Total non-major governmental funds	40,563,460	4,628,693
Water	Non-major governmental	-	356,942
	Total water fund	-	356,942
Wastewater	Non-major governmental	-	166,312
	Total wastewater fund	-	166,312
Non-major enterprise	General	590,126	-
	Non-major governmental	250,379	72,549
	Total non-major enterprise funds	840,505	72,549
Internal service	General	14,606,731	-
	Non-major governmental	-	416,640
	Total internal service fund	14,606,731	416,640
	Total	$ 57,052,882	$ 57,052,882

Interfund transfers are made from various funds and cost centers to fund costs including dental and health insurance, computer replacement and debt service.

NOTE 16 – Interfund Receivables and Payables

A. Interfund Advances To/Advances From

Advances To	Advances From	Total
General	Capital Projects-Community Services	$ 429,287
	Capital Projects-Public Safety Buildings & Improvements	15,654,706
	Capital Projects-Streets	7,870,000
	Capital Projects-Public Buildings	4,369,352
	Total General Fund	28,323,345
Enterprise		
Water	Enterprise-Wastewater	3,900,000
	Total	$ 32,223,345

Interfund advances are made from the general fund to capital projects funds to cover expenditures in impact fee funds until impact fees are received. None will be repaid within one year.

The interfund advance was made from the water enterprise fund to the wastewater system development fees fund of the wastewater enterprise to cover expenditures until system development fees are collected. Amounts to be repaid within one year total $650,000.

B. Interfund Due To/Due From

Due from other funds	Due to other funds	Total
General	Special Revenue-Grants	$ 357,024
	Special Revenue-Community Development	193,600
	Capital Projects-Grants	46,086
	Total general fund	596,710
Non-major governmental	Water	494,794
	Total	$1,091,504

NOTE 17 – 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% of the plant capacity, and each party paying 50% of the construction costs. The Town of Gilbert acts as the Lead Agent, overseeing construction activities, which were substantially complete at June 30, 2011, 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 as of June 30, 2011, was:

City of Chandler's Share	$75,781,323
Town of Gilbert's Share	76,257,644
	$152,038,967

NOTE 18 –Deficit in Fund Balances

The grants special revenue fund and the police confiscated property fund had deficit balances of $238,222 and $40,635 respectively. The deficits will be covered by future revenues. The public buildings capital projects fund and the public safety buildings and improvements fund had deficit fund balances of $3,917,685 and $8,118,655 respectively. The funds were financed by advances of interfund loans and will be paid back by future impact fee revenues.

Chandler ✦ Arizona

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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, 2011

	Budgeted Amounts		Non-GAAP	Positive (Negative)
	Original	Final	Actual Amounts	Variance with Final Budget
REVENUES:				
Property taxes	$ 9,561,000	$ 9,561,000	$ 9,666,908	$ 105,908
Sales taxes	81,105,500	81,105,500	86,523,295	5,417,795
Franchise fees	3,207,000	3,207,000	2,819,521	(387,479)
State shared	47,253,000	47,253,000	47,732,614	479,614
Licenses and permits	2,711,400	2,711,400	3,208,945	497,545
Charges for services	9,251,031	9,251,031	17,984,170	8,733,139
Fines and forfeitures	4,324,600	4,324,600	3,546,173	(778,427)
Rentals	418,006	418,006	387,952	(30,054)
Contributions	100,000	100,000	100,000	-
Interest revenue	3,139,000	3,139,000	915,006	(2,223,994)
Miscellaneous	2,204,181	2,204,181	4,080,151	1,875,970
Total revenues	163,274,718	163,274,718	176,964,735	13,690,017
EXPENDITURES:				
General government				
City manager	22,100,779	24,546,388	22,368,806	2,177,582
City clerk	713,363	750,981	661,927	89,054
Communications and public affairs	2,064,033	2,431,079	1,955,120	475,959
Law	3,131,590	3,204,260	3,158,761	45,499
City magistrate	3,902,212	3,977,302	3,699,772	277,530
Management services	47,819,326	39,749,093	10,546,211	29,202,882
Mayor and council	816,160	830,508	724,850	105,658
Public safety				
Fire	27,273,998	27,470,123	26,627,982	842,141
Police	56,723,763	58,006,073	56,753,675	1,252,398
Transportation and development	17,396,020	19,084,940	17,755,546	1,329,394
Community services	22,615,194	24,049,272	23,232,727	816,545
Total expenditures	204,556,438	204,100,019	167,485,377	36,614,642
REVENUES OVER (UNDER) EXPENDITURES	(41,281,720)	(40,825,301)	9,479,358	50,304,659
OTHER FINANCING SOURCES (USES):				
Proceeds from disposal of capital assets	25,000	25,000	41,609	16,609
Transfers in	11,066,900	11,066,900	-	(11,066,900)
Transfers out	(79,854,791)	(79,948,348)	(51,411,746)	28,536,602
Total other financing sources (uses)	(68,762,891)	(68,856,448)	(51,370,137)	17,486,311
Change in fund balance	(110,044,611)	(109,681,749)	(41,890,779)	67,790,970
Fund balances, July 1, 2010	198,465,017	198,465,017	198,465,017	-
Fund balances, June 30, 2011	$ 88,420,406	$ 88,783,268	$ 156,574,238	$ 67,790,970

See accompanying notes to this schedule.

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 on a budgetary basis in order to provide a meaningful comparison.

	Change in Fund Balances
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	$ (36,120,705)
Reserved encumbrances at June 30, 2011 recognized as budgetary expenditures in fiscal year ended June 30, 2011	(5,770,074)
Budgetary Comparison Schedule for the General Fund	$ (41,890,779)

Arizona Public Safety Personnel Retirement System - Police
Schedule of Funding Progress

Valuation Date 30-Jun	(1) Actuarial Value of Assets	(2) Projected Unit Credit Actuarial Accrued Liability (AAL)	(3) Percent Funded (1)/(2)	(4) Unfunded AAL (2) - (1)	(5) Annual Covered Payroll	(6) Unfunded AAL as a Percentage of Covered Payroll (4)/(5)
2008	$ 66,242,859	$ 95,361,375	69.5%	$ 29,118,516	$ 25,093,684	116.0%
2009	74,018,711	102,681,147	72.1%	28,662,436	26,862,925	106.7%
2010	81,082,048	109,952,888	73.7%	28,870,840	26,008,462	111.0%

Arizona Public Safety Personnel Retirement System - Firefighters
Schedule of Funding Progress

Valuation Date 30-Jun	(1) Actuarial Value of Assets	(2) Projected Unit Credit Actuarial Accrued Liability (AAL)	(3) Percent Funded (1)/(2)	(4) Unfunded AAL (2) - (1)	(5) Annual Covered Payroll	(6) Unfunded AAL as a Percentage of Covered Payroll (4)/(5)
2008	$ 45,433,395	$ 58,745,529	77.3%	$ 13,312,134	$ 14,906,063	89.3%
2009	51,154,097	62,888,943	81.3%	11,734,846	15,408,927	76.2%
2010	54,633,092	66,930,524	81.6%	12,297,432	15,328,067	80.2%

Post-employment Benefits Other than Pensions
Schedule of Funding Progress

Valuation Date 01-Jul	(1) Actuarial Value of Assets	(2) Projected Unit Credit Actuarial Accrued Liability (AAL)	(3) Percent Funded (1)/(2)	(4) Unfunded AAL (2) - (1)	(5) Annual Covered Payroll	(6) Unfunded AAL as a Percentage of Covered Payroll (4)/(5)
2007	$ -	$ 17,961,768	0.0%	17,961,768	87,610,241	20.5%
2009	-	26,120,095	0.0%	26,120,095	98,508,058	26.5%
2011	-	33,009,726	0.0%	33,009,726	93,253,195	35.4%

OTHER FINANCIAL STATEMENTS

City of Chandler

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Streets Capital Projects

For the year ended June 30, 2011

	Budgeted Amounts		Non-GAAP Actual	Positive (Negative) Variance with
	Original	Final	Amounts	Final Budget
REVENUES:				
Interest revenue	$ 1,082,000	$ 1,082,000	$ 283,600	$ (798,400)
System development fees	900,000	900,000	2,443,928	1,543,928
Regional transportation tax	14,623,596	14,623,596	88,561	(14,535,035)
Miscellaneous	-	-	92,602	92,602
Total revenues	16,605,596	16,605,596	2,908,691	(13,696,905)
EXPENDITURES:				
General government	2,084,048	13,207,237	-	13,207,237
Transportation and development	47,596,135	-	-	-
Capital improvements	3,401,800	39,874,746	28,434,013	11,440,733
Total expenditures	53,081,983	53,081,983	28,434,013	24,647,970
Excess (deficiency) of revenues over expenditures	(36,476,387)	(36,476,387)	(25,525,322)	10,951,065
Other financing sources (uses):				
Transfers in	16,674,596	16,674,596	1,042,185	(15,632,411)
Transfers out	(14,674,596)	(14,674,596)	-	14,674,596
Total other financing sources (uses)	2,000,000	2,000,000	1,042,185	(957,815)
Change in fund balances	(34,476,387)	(34,476,387)	(24,483,137)	9,993,250
Fund balances (deficits), July 1, 2010	49,169,828	49,169,828	49,169,828	-
Fund balances (deficits), June 30, 2011	$ 14,693,441	$ 14,693,441	$ 24,686,691	$ 9,993,250

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, 2011

	Budgeted Amounts Original	Budgeted Amounts Final	Non-GAAP Actual Amounts	Positive (Negative) Variance with Final Budget
REVENUES:				
Property taxes	$ 26,815,000	$ 26,815,000	$ 26,634,801	$ (180,199)
Interest revenue	240,000	240,000	-	(240,000)
Total revenues	27,055,000	27,055,000	26,634,801	(420,199)
EXPENDITURES:				
General government	17,326,958	17,326,958	-	17,326,958
Principal	12,128,000	12,128,000	11,820,000	308,000
Bond issuance costs	-	-	165,433	(165,433)
Interest and fiscal charges	11,545,904	11,545,904	11,470,107	75,797
Total expenditures	41,000,862	41,000,862	23,455,540	17,545,322
Excess (deficiency) of revenues over expenditures	(13,945,862)	(13,945,862)	3,179,261	17,125,123
Other financing sources (uses):				
Transfers in	13,945,862	13,945,862	14,686,771	740,909
Total other financing sources (uses)	13,945,862	13,945,862	14,686,771	740,909
Change in fund balances	-	-	17,866,032	17,866,032
Fund balances (deficits), July 1, 2010	49,169,828	49,169,828	49,169,828	-
Fund balances (deficits), June 30, 2011	$ 49,169,828	$ 49,169,828	$ 67,035,860	$ 17,866,032

City of Chandler
Combining Balance Sheet
All Non-Major Governmental Funds - By Fund Type
June 30, 2011

	Special Revenue	Debt Service	Capital Projects	Total Non-Major Governmental Funds
ASSETS				
Equity in pooled cash and investments	$ 21,065,763	$ 3,838,040	$ 46,287,741	$ 71,191,544
Receivables (net of allowance for uncollectible):				
Special assessments	-	6,218,625	-	6,218,625
Notes	405,214	-	-	405,214
Other	5,050	-	-	5,050
Due from other funds	-	-	494,794	494,794
Due from other governments	2,758,352	-	475,417	3,233,769
Total assets	$ 24,234,379	$ 10,056,665	$ 47,257,952	$ 81,548,996
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	$ 696,673	$ 8,006	$ 3,495,758	$ 4,200,437
Accrued payroll	147,161	-	8,763	155,924
Trust liabilities and deposits	4,907,439	-	-	4,907,439
Accrued interest	-	677,663	-	677,663
Due to other funds	550,624	-	46,086	596,710
Advances from other funds	-	-	20,453,345	20,453,345
Arbitrage liability	-	-	28,573	28,573
Bonds payable	-	2,875,000	-	2,875,000
Deferred revenue	180,000	5,800,330	-	5,980,330
Total liabilities	6,481,897	9,360,999	24,032,525	39,875,421
Fund Balances:				
Nonspendable	-	-	-	-
Restricted	18,031,339	695,666	35,261,767	53,988,772
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	(278,857)	-	(12,036,340)	(12,315,197)
	17,752,482	695,666	23,225,427	41,673,575
Total liabilities and fund balances	$ 24,234,379	$ 10,056,665	$ 47,257,952	$ 81,548,996

City of Chandler
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
All Non-Major Governmental Funds - By Fund Type
For the year ended June 30, 2011

	Special Revenue	Debt Service	Capital Projects	Total Non-Major Governmental Funds
REVENUES:				
Highway user taxes	$ 13,287,878	$ -	$ -	$ 13,287,878
Grants and entitlements	4,992,484	-	9,767,136	14,759,620
System development fees	-	-	4,295,992	4,295,992
Special assessments	-	673,064	-	673,064
Charges for services	-	-	18,000	18,000
Fines and forfeitures	1,140,612	-	-	1,140,612
Interest income	125,670	-	310,982	436,652
Miscellaneous	296,850	-	123,501	420,351
Total revenues	19,843,494	673,064	14,515,611	35,032,169
EXPENDITURES:				
Current:				
General government	2,732,485	-	1,891,691	4,624,176
Public safety	2,120,802	-	-	2,120,802
Transportation and development	7,005,027	-	-	7,005,027
Community services	269,087	-	235,387	504,474
Capital improvements	3,585,021	-	40,666,752	44,251,773
Debt service:				
Principal	-	3,270,000	-	3,270,000
Bond issuance costs	-	-	113,079	113,079
Interest and fiscal charges	-	1,431,509	-	1,431,509
Total expenditures	15,712,422	4,701,509	42,906,909	63,320,840
REVENUES OVER (UNDER) EXPENDITURES	4,131,072	(4,028,445)	(28,391,298)	(28,288,671)
OTHER FINANCING SOURCES (USES):				
Bond premium	-	-	135,079	135,079
Face amount of bonds issued	-	-	9,925,000	9,925,000
Proceeds from disposal of capital assets	-	-	67,320	67,320
Transfers in	-	4,051,009	21,825,680	25,876,689
Transfers out	(4,593,380)	-	(35,313)	(4,628,693)
Total other financing sources (uses)	(4,593,380)	4,051,009	31,917,766	31,375,395
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(462,308)	22,564	3,526,468	3,086,724
FUND BALANCES:				
Beginning of year	18,214,790	673,102	19,698,959	38,586,851
End of year	$ 17,752,482	$ 695,666	$ 23,225,427	$ 41,673,575

Chandler ✦ Arizona

Where Values Make The Difference

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 and state 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

Use to account for donations for park improvements and programs restricted pursuant to donor covenants.

Library

Used to account for donations for library improvements and programs restricted pursuant to donor covenants.

NON-MAJOR DEBT SERVICE FUNDS

Highway User Revenue Bonds

Accumulates monies for the payment of principal and interest requirements of the City's Highway User Revenue Bonds. Revenues for repayment are generated from gas tax generated within the State of Arizona.

Special Assessment Bonds

Accumulates monies for the payment of principal and interest on Special Assessment Bonds that were issued to finance costs of improvements applicable to benefiting properties within certain improvement districts.

CAPITAL PROJECTS FUNDS

General Government

Used to account for the acquisition, construction, reconstruction, improvement and renovation of general government projects.

Public Buildings

Used to account for bond proceeds used for the acquisition, construction, reconstruction, improvement and renovation of City buildings.

Grants

Used to account for the receipt and expenditure of miscellaneous federal and state grants awarded to the City for various, specific capital purposes.

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 department, building construction, renovation and 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, office equipment.

Special Assessments

Used to account for expenditures related to special assessment districts within the City.

Computer Purchases

Used to account for the purchase and/or replacement of computer equipment.

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, 2011

	Special Revenue						
	Highway User	Local Transportation Assistance	Grants	Community Development	Police Confiscated Property	Parks and Recreation	Library
ASSETS							
Equity in pooled cash and investments	$13,803,868	$ 2,645,444	$ -	$ -	$4,302,687	$ 268,574	$ 45,190
Receivables (net of allowance for uncollectible):							
Special assessments receivable	-	-	-	-	-	-	-
Notes receivable - current	-	-	-	405,214	-	-	-
Other receivables	-	-	-	-	-	4,000	1,050
Due from other funds	-	-	-	-	-	-	-
Due from other governments	1,206,409	-	415,668	510,032	626,243	-	-
Total assets	$15,010,277	$ 2,645,444	$ 415,668	$ 915,246	$4,928,930	$ 272,574	$ 46,240
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	$ 263,190	$ 554	$ 100,024	$ 266,908	$ 62,126	$ 1,897	$ 1,974
Accrued payroll	103,374	-	16,842	26,945	-	-	-
Trust liabilities and deposits	-	-	-	-	4,907,439	-	-
Accrued interest	-	-	-	-	-	-	-
Due to other funds	-	-	357,024	193,600	-	-	-
Advances from other funds	-	-	-	-	-	-	-
Arbitrage liability - current	-	-	-	-	-	-	-
Bonds payable - current	-	-	-	-	-	-	-
Deferred revenue	-	-	180,000	-	-	-	-
Total liabilities	366,564	554	653,890	487,453	4,969,565	1,897	1,974
Fund Balances:							
Nonspendable	-	-	-	-	-	-	-
Restricted	14,643,713	2,644,890	-	427,793	-	270,677	44,266
Committed	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	(238,222)	-	(40,635)	-	-
Total fund balances (deficits)	14,643,713	2,644,890	(238,222)	427,793	(40,635)	270,677	44,266
Total liabilities and fund balances	$15,010,277	$ 2,645,444	$ 415,668	$ 915,246	$4,928,930	$ 272,574	$ 46,240

(Continued)

City of Chandler
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2011

	Debt Service		Capital Projects		
	Highway User Revenue Bonds	Special Assessment Bonds	General Government	Public Buildings	Grants
ASSETS					
Equity in pooled cash and investments	$ 3,428,863	$ 409,177	$ 656,246	$ 456,333	$ -
Receivables (net of allowance for uncollectible):					
Special assessments	-	6,218,625	-	-	-
Notes	-	-	-	-	-
Other	-	-	-	-	-
Due from other funds	-	-	-	-	494,794
Due from other governments	-	-	-	-	475,417
Total assets	$ 3,428,863	$ 6,627,802	$ 656,246	$ 456,333	$ 970,211
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	$ -	$ 8,006	$ 653,988	$ 4,655	$ 760,966
Accrued payroll	-	-	2,258	-	4,155
Trust liabilities and deposits	-	-	-	-	-
Accrued interest	553,863	123,800	-	-	-
Due to other funds	-	-	-	-	46,086
Advances from other funds	-	-	-	4,369,352	-
Arbitrage liability - current	-	-	-	11	-
Bonds payable - current	2,875,000	-	-	-	-
Deferred revenue	-	5,800,330	-	-	-
Total liabilities	3,428,863	5,932,136	656,246	4,374,018	811,207
Fund Balances:					
Nonspendable	-	-	-	-	-
Restricted	-	695,666	-	-	159,004
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	(3,917,685)	-
Total fund balances (deficits)	-	695,666	-	(3,917,685)	159,004
Total liabilities and fund balances	$ 3,428,863	$ 6,627,802	$ 656,246	$ 456,333	$ 970,211

Capital Projects						
Community Services	Public Safety Buildings and Improvements	Vehicle and Capital Equipment Replacement	Special Assessments	Computer Purchases	Municipal Arts	Total Other Governmental Funds
$ 13,322,783	$ 8,977,650	$ 14,963,050	$ 4,751,728	$ 2,733,763	$ 426,188	$ 71,191,544
-	-	-	-	-	-	6,218,625
-	-	-	-	-	-	405,214
-	-	-	-	-	-	5,050
-	-	-	-	-	-	494,794
-	-	-	-	-	-	3,233,769
$ 13,322,783	$ 8,977,650	$ 14,963,050	$ 4,751,728	$ 2,733,763	$ 426,188	$ 81,548,996
$ 232,961	$ 1,440,436	$ 244,168	$ 37	$ 157,815	$ 732	$ 4,200,437
-	-	-	2,350	-	-	155,924
-	-	-	-	-	-	4,907,439
-	-	-	-	-	-	677,663
-	-	-	-	-	-	596,710
429,287	15,654,706	-	-	-	-	20,453,345
27,399	1,163	-	-	-	-	28,573
-	-	-	-	-	-	2,875,000
-	-	-	-	-	-	5,980,330
689,647	17,096,305	244,168	2,387	157,815	732	39,875,421
-	-	-	-	-	-	-
12,633,136	-	14,718,882	4,749,341	2,575,948	425,456	53,988,772
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	(8,118,655)	-	-	-	-	(12,315,197)
12,633,136	(8,118,655)	14,718,882	4,749,341	2,575,948	425,456	41,673,575
$ 13,322,783	$ 8,977,650	$ 14,963,050	$ 4,751,728	$ 2,733,763	$ 426,188	$ 81,548,996

(Concluded)

City of Chandler
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
For the year ended June 30, 2011

	Special Revenue						
	Highway User	Local Transportation Assistance	Grants	Community Development	Police Confiscated Property	Parks and Recreation	Library
REVENUES:							
Highway user taxes	$ 13,287,878	$ -	$ -	$ -	$ -	$ -	$ -
Grants and entitlements	-	196,785	2,803,869	1,991,830	-	-	-
System development fees	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	1,140,612	-	-
Interest revenue	102,934	16,682	3,662	175	-	1,862	355
Miscellaneous	2,194	183,937	8,418	-	-	69,143	33,158
Total revenues	13,393,006	397,404	2,815,949	1,992,005	1,140,612	71,005	33,513
EXPENDITURES:							
Current:							
General government	-	-	1,033,293	1,699,192	-	-	-
Public safety	-	-	1,182,983	-	937,819	-	-
Transportation and development	6,689,840	315,187	-	-	-	-	-
Community services	-	-	180,049	-	-	68,298	20,740
Capital improvements	2,646,714	91,817	394,212	224,064	228,214	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Bond issuance costs	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-
Total expenditures	9,336,554	407,004	2,790,537	1,923,256	1,166,033	68,298	20,740
REVENUES OVER (UNDER) EXPENDITURES	4,056,452	(9,600)	25,412	68,749	(25,421)	2,707	12,773
OTHER FINANCING SOURCES (USES):							
Bond Premium	-	-	-	-	-	-	-
Face amount of bonds issued	-	-	-	-	-	-	-
Proceeds from disposal of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	(4,337,624)	(5,377)	-	(250,379)	-	-	-
Total other financing sources (uses)	(4,337,624)	(5,377)	-	(250,379)	-	-	-
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(281,172)	(14,977)	25,412	(181,630)	(25,421)	2,707	12,773
FUND BALANCES (DEFICITS):							
Beginning of year	14,924,885	2,659,867	(263,634)	609,423	(15,214)	267,970	31,493
End of year	$ 14,643,713	$ 2,644,890	$ (238,222)	$ 427,793	$ (40,635)	$ 270,677	$ 44,266

Debt Service		Capital Projects			
Highway User Revenue Bonds	Special Assessment Bonds	General Government	Public Buildings	Grants	Community Services
$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	9,767,136	-
-	-	-	291,779	-	3,200,040
-	673,064	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	100,913
-	-	104,149	-	1,724	-
-	673,064	104,149	291,779	9,768,860	3,300,953
-	-	1,490,547	-	22,838	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	13,394,586	3,199,069	8,743,270	7,244,190
2,875,000	395,000	-	-	-	-
-	-	-	-	-	79,867
1,176,009	255,500	-	-	-	-
4,051,009	650,500	14,885,133	3,199,069	8,766,108	7,324,057
(4,051,009)	22,564	(14,780,984)	(2,907,290)	1,002,752	(4,023,104)
-	-	-	-	-	95,406
-	-	-	-	-	7,010,000
-	-	-	-	-	-
4,051,009	-	14,780,984	-	-	-
-	-	-	-	-	-
4,051,009	-	14,780,984	-	-	7,105,406
-	22,564	-	(2,907,290)	1,002,752	3,082,302
-	673,102	-	(1,010,395)	(843,748)	9,550,834
$ -	$ 695,666	$ -	$ (3,917,685)	$ 159,004	$ 12,633,136

(Continued)

City of Chandler
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
For the year ended June 30, 2011

	Capital Projects					
	Public Safety Buildings and Improvements	Vehicle and Capital Equipment Replacement	Special Assessments	Computer Purchases	Municipal Arts	Total Other Governmental Funds
REVENUES:						
Highway user taxes	$ -	$ -	$ -	$ -	$ -	$ 13,287,878
Grants and entitlements	-	-	-	-	-	14,759,620
System development fees	804,173	-	-	-	-	4,295,992
Special assessments	-	-	-	-	-	673,064
Charges for services	-	-	-	-	18,000	18,000
Fines and forfeitures	-	-	-	-	-	1,140,612
Interest income	56,653	101,827	31,665	18,089	1,835	436,652
Miscellaneous	-	11,676	5,952	-	-	420,351
Total revenues	860,826	113,503	37,617	18,089	19,835	35,032,169
EXPENDITURES:						
Current:						
General government	-	-	97,148	281,158	-	4,624,176
Public safety	-	-	-	-	-	2,120,802
Transportation and development	-	-	-	-	-	7,005,027
Community services	-	-	-	-	235,387	504,474
Capital improvements	5,744,489	539,228	-	1,783,560	18,360	44,251,773
Debt service:						
Principal	-	-	-	-	-	3,270,000
Bond issuance costs	33,212	-	-	-	-	113,079
Interest and fiscal charges	-	-	-	-	-	1,431,509
Total expenditures	5,777,701	539,228	97,148	2,064,718	253,747	63,320,840
REVENUES OVER (UNDER) EXPENDITURES	(4,916,875)	(425,725)	(59,531)	(2,046,629)	(233,912)	(28,288,671)
OTHER FINANCING SOURCES (USES):						
Bond premium	39,673	-	-	-	-	135,079
Face amount of bonds issued	2,915,000	-	-	-	-	9,925,000
Proceeds from disposal of capital assets	-	67,320	-	-	-	67,320
Transfers in	-	4,510,153	-	2,534,543	-	25,876,689
Transfers out	-	(35,313)	-	-	-	(4,628,693)
Total other financing sources (uses)	2,954,673	4,542,160	-	2,534,543	-	31,375,395
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(1,962,202)	4,116,435	(59,531)	487,914	(233,912)	3,086,724
FUND BALANCES (DEFICITS):						
Beginning of year	(6,156,453)	10,602,447	4,808,872	2,088,034	659,368	38,586,851
End of year	$ (8,118,655)	$ 14,718,882	$ 4,749,341	$ 2,575,948	$ 425,456	$ 41,673,575

(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, 2011

	Budgeted Amounts		Non-GAAP Actual	Positive (Negative) Variance with
	Original	Final	Amounts	Final Budget
REVENUES:				
Highway user taxes	$ 13,000,000	$ 13,000,000	$ 13,287,878	$ 287,878
Charges for services	5,157	5,157	-	(5,157)
Interest revenue	243,000	243,000	102,934	(140,066)
Miscellaneous	-	-	2,194	2,194
Total revenues	13,248,157	13,248,157	13,393,006	144,849
EXPENDITURES:				
Current:				
General government	3,963,321	4,800,229	-	4,800,229
Transportation and development	9,923,062	7,918,291	7,185,297	732,994
Capital improvements	3,773,150	4,941,013	3,971,517	969,496
Total expenditures	17,659,533	17,659,533	11,156,814	6,502,719
Excess (deficiency) of revenues over expenditures	(4,411,376)	(4,411,376)	2,236,192	6,647,568
Other financing sources (uses):				
Transfers out	(4,336,664)	(4,336,664)	(4,337,624)	(960)
Total other financing sources (uses)	(4,336,664)	(4,336,664)	(4,337,624)	(960)
Change in fund balances	(8,748,040)	(8,748,040)	(2,101,432)	6,646,608
Fund balances, July 1, 2010	14,924,885	14,924,885	14,924,885	-
Fund balances, June 30, 2011	$ 6,176,845	$ 6,176,845	$ 12,823,453	$ 6,646,608

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, 2011

	Budgeted Amounts		Non-GAAP Actual Amounts	Positive (Negative) Variance with Final Budget
	Original	Final		
REVENUES:				
Grants and entitlements	$ -	$ -	$ 196,785	$ 196,785
Interest revenue	44,000	44,000	16,682	(27,318)
Miscellaneous	57,000	57,000	183,937	126,937
Total revenues	101,000	101,000	397,404	296,404
EXPENDITURES:				
Current:				
General government	780,400	625,524	-	625,524
Transportation and development	1,236,266	1,152,615	316,571	836,044
Capital improvements	339,132	577,659	130,402	447,257
Total expenditures	2,355,798	2,355,798	446,973	1,908,825
Excess (deficiency) of revenues over expenditures	(2,254,798)	(2,254,798)	(49,569)	2,205,229
Other financing sources (uses):				
Transfers out	(5,377)	(5,377)	(5,377)	-
Total other financing sources (uses)	(5,377)	(5,377)	(5,377)	-
Change in fund balances	(2,260,175)	(2,260,175)	(54,946)	2,205,229
Fund balances, July 1, 2010	2,659,867	2,659,867	2,659,867	-
Fund balances, June 30, 2011	$ 399,692	$ 399,692	$ 2,604,921	$ 2,205,229

City of Chandler
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Grants Special Revenue
For the year ended June 30, 2011

	Budgeted Amounts		Non-GAAP Actual Amounts	Positive (Negative) Variance with Final Budget
	Original	Final		
REVENUES:				
Grants and entitlements	$ 35,164,235	$ 35,164,235	$ 2,803,866	$ (32,360,369)
Interest revenue	-	-	3,662	3,662
Miscellaneous	-	-	8,418	8,418
Total revenues	35,164,235	35,164,235	2,815,946	(32,348,289)
EXPENDITURES:				
Current:				
General government	5,119,550	6,033,029	1,426,320	4,606,709
Public safety	2,500,000	2,797,622	1,224,390	1,573,232
Transportation and development	14,411,474	-	-	-
Community services	1,105,602	1,130,622	189,421	941,201
Capital improvements	14,612,107	28,270,155	3,179,010	25,091,145
Total expenditures	37,748,733	38,231,428	6,019,141	32,212,287
Change in fund balances	(2,584,498)	(3,067,193)	(3,203,195)	(136,002)
Fund balances (deficits), July 1, 2010	(1,107,382)	(1,107,382)	(1,107,382)	-
Fund balances (deficits), June 30, 2011	$ (3,691,880)	$ (4,174,575)	$ (4,310,577)	$ (136,002)

City of Chandler
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Community Development Special Revenue
For the year ended June 30, 2011

	Budgeted Amounts		Non-GAAP Actual Amounts	Positive (Negative) Variance with Final Budget
	Original	Final		
REVENUES:				
Grants and entitlements	$ 4,500,000	$ 4,500,000	$ 1,991,831	$ (2,508,169)
Interest revenue	-	-	175	175
Total revenues	4,500,000	4,500,000	1,992,006	(2,507,994)
EXPENDITURES:				
Current:				
General government	5,210,100	5,642,163	2,595,081	3,047,082
Capital improvements	380,000	597,917	418,707	179,210
Total expenditures	5,590,100	6,240,080	3,013,788	3,226,292
Excess (deficiency) of revenues over expenditures	(1,090,100)	(1,740,080)	(1,021,782)	718,298
Other financing sources (uses):				
Transfers out	-	-	(250,379)	(250,379)
Total other financing sources (uses)	-	-	(250,379)	(250,379)
Change in fund balances	(1,090,100)	(1,740,080)	(1,272,161)	467,919
Fund balances, July 1, 2010	609,423	609,423	609,423	-
Fund balances (deficits), June 30, 2011	$ (480,677)	$ (1,130,657)	$ (662,738)	$ 467,919

City of Chandler

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Police Confiscated Property Special Revenue

For the year ended June 30, 2011

	Budgeted Amounts		Non-GAAP Actual Amounts	Positive (Negative) Variance with Final Budget
	Original	Final		
REVENUES:				
Fines and forfeitures	$ 3,000,000	$ 3,000,000	$ 1,140,612	$ (1,859,388)
Total revenues	3,000,000	3,000,000	1,140,612	(1,859,388)
EXPENDITURES:				
Current:				
General government	67,000	-	-	-
Public safety	2,020,000	2,222,484	977,982	1,244,502
Capital improvements	980,000	1,009,878	353,741	656,137
Total expenditures	3,067,000	3,232,362	1,331,723	1,900,639
Change in fund balances	(67,000)	(232,362)	(191,111)	41,251
Fund balances, July 1, 2010	(15,214)	(15,214)	(15,214)	-
Fund balances, June 30, 2011	$ (82,214)	$ (247,576)	$ (206,325)	$ 41,251

City of Chandler
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Parks and Recreation Special Revenue
For the year ended June 30, 2011

	Budgeted Amounts		Non-GAAP Actual	Positive (Negative) Variance with
	Original	Final	Amounts	Final Budget
REVENUES:				
Interest revenue	$ 4,000	$ 4,000	$ 1,862	$ (2,138)
Miscellaneous	52,750	52,750	69,143	16,393
Total revenues	56,750	56,750	71,005	14,255
EXPENDITURES:				
Current:				
General government	8,800	8,262	-	8,262
Community services	159,931	160,469	68,301	92,168
Total expenditures	168,731	168,731	68,301	100,430
Change in fund balances	(111,981)	(111,981)	2,704	114,685
Fund balances, July 1, 2010	267,970	267,970	267,970	-
Fund balances, June 30, 2011	$ 155,989	$ 155,989	$ 270,674	$ 114,685

City of Chandler
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Library Special Revenue
For the year ended June 30, 2011

	Budgeted Amounts		Non-GAAP Actual	Positive (Negative) Variance with
	Original	Final	Amounts	Final Budget
REVENUES:				
Interest revenue	$ 1,000	$ 1,000	$ 355	$ (645)
Miscellaneous	55,000	55,000	33,158	(21,842)
Total revenues	56,000	56,000	33,513	(22,487)
EXPENDITURES:				
Current:				
General government	1,000	1,000	-	1,000
Community services	55,000	55,000	20,740	34,260
Total expenditures	56,000	56,000	20,740	35,260
Change in fund balances	-	-	12,773	12,773
Fund balances, July 1, 2010	31,493	31,493	31,493	-
Fund balances, June 30, 2011	$ 31,493	$ 31,493	$ 44,266	$ 12,773

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, 2011

	Budgeted Amounts		Total Non-GAAP Actual Amounts	Positive (Negative) Variance with Final Budget
	Original	Final		
REVENUES:				
Miscellaneous	$ -	$ -	$ 104,149	$ 104,149
Total revenues	-	-	104,149	104,149
EXPENDITURES:				
Current:				
General government	$ 26,308,471	$ 14,052,505	$ 3,382,389	$ 10,670,116
Public safety	3,000,000	-	-	-
Transportation and development	1,089,297	66,000	22,045	43,955
Community services	1,580,289	-	-	-
Capital improvements	5,941,940	23,959,839	19,630,804	4,329,035
Total expenditures	37,919,997	38,078,344	23,035,238	15,043,106
Excess (deficiency) of revenues over expenditures	(37,919,997)	(38,078,344)	(22,931,089)	(14,938,957)
Other financing sources (uses):				
Transfers in	37,919,997	37,919,997	14,780,984	(23,139,013)
Total other financing sources (uses)	37,919,997	37,919,997	14,780,984	(23,139,013)
Change in fund balances	-	(158,347)	(8,150,105)	(38,077,970)
Fund balances, July 1, 2010	-	-	-	-
Fund balances (deficit), June 30, 2011	$ -	$ (158,347)	$ (8,150,105)	$ (38,077,970)

City of Chandler
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Public Buildings Capital Projects
For the year ended June 30, 2011

	Budgeted Amounts		Non-GAAP Actual Amounts	Positive (Negative) Variance with Final Budget
	Original	Final		
REVENUES:				
System development fees	$ 141,107	$ 141,107	$ 291,779	$ 150,672
Interest revenue	97,000	97,000	-	(97,000)
Total revenues	238,107	238,107	291,779	53,672
EXPENDITURES:				
Current:				
General government	7,669,221	1,336,219	-	1,336,219
Capital improvements	-	6,333,002	3,209,627	3,123,375
Total expenditures	7,669,221	7,669,221	3,209,627	4,459,594
Excess (deficiency) of revenues over expenditures	(7,431,114)	(7,431,114)	(2,917,848)	4,513,266
Other financing sources (uses):				
Transfers in	5,009,779	5,009,779	-	(5,009,779)
Total other financing sources (uses)	5,009,779	5,009,779	-	(5,009,779)
Change in fund balances	(2,421,335)	(2,421,335)	(2,917,848)	(496,513)
Fund balances (deficits), July 1, 2010	(1,010,395)	(1,010,395)	(1,010,395)	-
Fund balances (deficits), June 30, 2011	$ (3,431,730)	$ (3,431,730)	$ (3,928,243)	$ (496,513)

City of Chandler

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Grants Capital Projects

For the year ended June 30, 2011

	Budgeted Amounts		Non-GAAP Actual Amounts	Positive (Negative) Variance with Final Budget
	Original	Final		
REVENUES:				
Grants and entitlements	$ -	$ -	$ 9,767,136	$ 9,767,136
Interest revenue	-	-	-	-
Miscellaneous	-	-	1,724	1,724
Total revenues	-	-	9,768,860	9,768,860
EXPENDITURES:				
Current:				
General government	-	-	22,838	(22,838)
Public safety	-	-	-	-
Transportation and development	-	-	-	-
Community services	-	-	-	-
Capital improvements	-	-	8,743,270	(8,743,270)
Total expenditures	-	-	8,766,108	(8,766,108)
Change in fund balances	-	-	1,002,752	1,002,752
Fund balances (deficits), July 1, 2010	(1,107,382)	(1,107,382)	(1,107,382)	-
Fund balances (deficits), June 30, 2011	$ (1,107,382)	$ (1,107,382)	$ (104,630)	$ 1,002,752

City of Chandler
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Community Services Capital Projects
For the year ended June 30, 2011

	Budgeted Amounts		Non-GAAP	Positive (Negative)
	Original	Final	Actual Amounts	Variance with Final Budget
REVENUES:				
System development fees	$ 2,287,400	$ 2,287,400	$ 3,200,040	$ 912,640
Interest revenue	194,500	194,500	100,913	(93,587)
Total revenues	2,481,900	2,481,900	3,300,953	819,053
EXPENDITURES:				
Current:				
Community services	20,355,827	-	-	-
General government	2,017,807	6,076,348	-	6,076,348
Capital improvements	550,000	16,802,355	8,206,726	8,595,629
Total expenditures	22,923,634	22,878,703	8,206,726	14,671,977
Excess (deficiency) of revenues over expenditures	(20,441,734)	(20,396,803)	(4,905,773)	15,491,030
Other financing sources (uses):				
Bond premium	-	-	95,406	95,406
Face amount of bonds issued	11,700,000	11,700,000	7,010,000	(4,690,000)
Transfers in	5,000,000	5,000,000	-	(5,000,000)
Transfers out	(8,000,000)	(8,000,000)	-	8,000,000
Total other financing sources (uses)	8,700,000	8,700,000	7,105,406	(1,594,594)
Change in fund balances	(11,741,734)	(11,696,803)	2,199,633	13,896,436
Fund balances (deficits), July 1, 2010	9,550,834	9,550,834	9,550,834	-
Fund balances (deficits), June 30, 2011	$ (2,190,900)	$ (2,145,969)	$ 11,750,467	$ 13,896,436

City of Chandler

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Public Safety Buildings and Improvements Capital Projects

For the year ended June 30, 2011

	Budgeted Amounts		Non-GAAP	Positive (Negative)
	Original	Final	Actual Amounts	Variance with Final Budget
REVENUES:				
System development fees	$ 433,400	$ 433,400	$ 804,172	$ 370,772
Interest revenue	185,000	185,000	56,653	(128,347)
Total revenues	618,400	618,400	860,825	242,425
EXPENDITURES:				
Current:				
General government	541,352	1,958,475	-	1,958,475
Public safety	17,517,664	-	-	-
Capital improvements	-	16,100,541	7,939,168	8,161,373
Total expenditures	18,059,016	18,059,016	7,939,168	10,119,848
Excess (deficiency) of revenues over expenditures	(17,440,616)	(17,440,616)	(7,078,343)	10,362,273
Other financing sources (uses):				
Bond premium	-	-	39,673	39,673
Proceeds from the issuance of debt	8,545,000	8,545,000	2,915,000	(5,630,000)
Total other financing sources (uses)	8,545,000	8,545,000	2,954,673	(5,590,327)
Change in fund balances	(8,895,616)	(8,895,616)	(4,123,670)	4,771,946
Fund balances (deficits), July 1, 2010	(6,156,453)	(6,156,453)	(6,156,453)	-
Fund balances (deficits), June 30, 2011	$ (15,052,069)	$ (15,052,069)	$ (10,280,123)	$ 4,771,946

City of Chandler

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Vehicle and Capital Equipment Capital Projects

For the year ended June 30, 2011

	Budgeted Amounts		Non-GAAP	Positive (Negative)
	Original	Final	Actual Amounts	Variance with Final Budget
REVENUES:				
Interest revenue	$ 133,000	$ 133,000	$ 101,827	$ (31,173)
Miscellaneous	10,000	10,000	11,676	1,676
Total revenues	143,000	143,000	113,503	(29,497)
EXPENDITURES:				
Current:				
General government	1,927,166	1,765,093	-	1,765,093
Capital improvements	2,253,000	2,454,751	847,896	1,606,855
Total expenditures	4,180,166	4,219,844	847,896	3,371,948
Excess (deficiency) of revenues over expenditures	(4,037,166)	(4,076,844)	(734,393)	3,342,451
Other financing sources (uses):				
Proceeds from disposal of capital assets	40,000	40,000	67,320	27,320
Transfers in	2,920,166	2,920,166	4,510,153	1,589,987
Transfers out	(35,313)	(35,313)	(35,313)	-
Total other financing sources (uses)	2,924,853	2,924,853	4,542,160	1,617,307
Change in fund balances	(1,112,313)	(1,151,991)	3,807,767	4,959,758
Fund balances, July 1, 2010	10,119,978	10,119,978	10,119,978	-
Fund balances, June 30, 2011	$ 9,007,665	$ 8,967,987	$ 13,927,745	$ 4,959,758

City of Chandler

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Special Assessments Capital Projects
For the year ended June 30, 2011

	Budgeted Amounts Original	Budgeted Amounts Final	Non-GAAP Actual Amounts	Positive (Negative) Variance with Final Budget
REVENUES:				
Interest revenue	$ 75,000	$ 75,000	$ 31,665	$ (43,335)
Miscellaneous	-	-	5,952	5,952
Total revenues	75,000	75,000	37,617	(37,383)
EXPENDITURES:				
Current:				
General government	96,372	96,953	97,148	(195)
Total expenditures	96,372	96,953	97,148	(195)
Change in fund balances	(21,372)	(21,953)	(59,531)	(37,578)
Fund balances, July 1, 2010	4,808,872	4,808,872	4,808,872	-
Fund balances, June 30, 2011	$ 4,787,500	$ 4,786,919	$ 4,749,341	$ (37,578)

City of Chandler
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Computer Purchases Capital Projects
For the year ended June 30, 2011

	Budgeted Amounts		Non-GAAP	Positive (Negative)
	Original	Final	Actual Amounts	Variance with Final Budget
REVENUES:				
Interest revenue	$ 38,000	$ 38,000	$ 18,090	$ (19,910)
Total revenues	38,000	38,000	18,090	(19,910)
EXPENDITURES:				
Current:				
General government	2,050,208	1,519,368	289,407	1,229,961
Capital improvements	1,951,090	2,442,252	2,039,037	403,215
Total expenditures	4,001,298	3,961,620	2,328,444	1,633,176
Excess (deficiency) of revenues over expenditures	(3,963,298)	(3,923,620)	(2,310,354)	(1,653,086)
Other financing sources (uses):				
Transfers in	2,410,641	2,410,641	2,534,543	123,902
Total other financing sources (uses)	2,410,641	2,410,641	2,534,543	123,902
Change in fund balances	(1,552,657)	(1,512,979)	224,189	(1,529,184)
Fund balances, July 1, 2010	2,088,034	2,088,034	2,088,034	-
Fund balances, June 30, 2011	$ 535,377	$ 575,055	$ 2,312,223	$ (1,529,184)

City of Chandler

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Municipal Arts Capital Projects

For the year ended June 30, 2011

	Budgeted Amounts		Non-GAAP Actual Amounts	Positive (Negative) Variance with Final Budget
	Original	Final		
REVENUES:				
Charges for services	$ -	$ -	$ 18,000	$ 18,000
Interest revenue	12,000	12,000	1,835	(10,165)
Total revenues	12,000	12,000	19,835	7,835
EXPENDITURES:				
Current:				
General government	130,000	50,000	-	50,000
Community services	225,000	349,931	330,655	19,276
Capital improvements	-	-	18,360	(18,360)
Total expenditures	355,000	399,931	349,015	50,916
Change in fund balances	(343,000)	(387,931)	(329,180)	58,751
Fund balances , July 1, 2010	659,368	659,368	659,368	-
Fund balances , June 30, 2011	$ 316,368	$ 271,437	$ 330,188	$ 58,751

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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 Assets
Non-Major Proprietary Funds
June 30, 2011

	Solid Waste	Airport	Chandler Housing Authority	Total Other Proprietary Funds
ASSETS				
Current assets:				
Equity in pooled cash and investments	$ 11,359,511	$ 134,445	$ 3,793,415	$ 15,287,371
Accounts receivable	2,011,568	91,185	30,091	2,132,844
Due from other governments	-	-	16,454	16,454
Inventories	-	37,115	-	37,115
Prepaid items	-	-	368,236	368,236
Other receivables	80,007	5,597	-	85,604
Total current assets	13,451,086	268,342	4,208,196	17,927,624
Noncurrent assets:				
Other assets	-	1,362	-	1,362
Notes receivable - long term	-	-	363,450	363,450
Capital assets:				
Non-depreciable	7,088,918	18,995,066	1,597,897	27,681,881
Depreciable, net	9,730,077	11,683,667	7,305,115	28,718,859
Total capital assets	16,818,995	30,678,733	8,903,012	56,400,740
Total noncurrent assets	16,818,995	30,680,095	9,266,462	56,765,552
Total assets	30,270,081	30,948,437	13,474,658	74,693,176
LIABILITIES				
Current liabilities:				
Accounts payable	782,031	39,099	26,578	847,708
Accrued payroll	45,891	18,365	46,396	110,652
Trust liabilities and deposits	16,129	45,835	181,537	243,501

Accrued interest	-	2,794	-	2,794
Unearned revenue	168,543	9,250	-	177,793
Compensated absences payable - current	4,020	2,725	4,495	11,240
Bonds payable - current	-	20,000	-	20,000
Deferred bond premium - current	-	196	-	196
Arbitrage liability - current	-	4	-	4
Landfill closure and postclosure liability - current	394,950	-	-	394,950
Total current liabilities	1,411,564	138,268	259,006	1,808,838
Noncurrent liabilities:				
Compensated absences payable - long term	66,022	44,755	73,838	184,615
Bonds payable - long term	-	161,000	-	161,000
Deferred bond premium - long term	-	3,134	-	3,134
OPEB liability - long term	34,553	13,122	-	47,675
Arbitrage liability - long term	-	4	-	4
Landfill closure and postclosure liability - long term	3,945,050	-	-	3,945,050
Total noncurrent liabilities	4,045,625	222,015	73,838	4,341,478
Total liabilities	5,457,189	360,283	332,844	6,150,316
NET ASSETS				
Invested in capital assets, net of related debt	16,818,995	30,626,787	8,903,012	56,348,794
Unrestricted	7,993,897	(38,633)	4,238,802	12,194,066
Total net assets	$ 24,812,892	$ 30,588,154	$ 13,141,814	$ 68,542,860

City of Chandler
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets
Non-Major Proprietary Funds
For the year ended June 30, 2011

	Solid Waste	Airport	Chandler Housing Authority	Total Other Proprietary Funds
OPERATING REVENUES:				
Service fees	$ 13,277,403	$ 995,307	$ -	$ 14,272,710
Grants and entitlements	-	-	6,297,200	6,297,200
Rentals	-	-	457,781	457,781
Miscellaneous	-	9,302	400,352	409,654
Total operating revenues	13,277,403	1,004,609	7,155,333	21,437,345
OPERATING EXPENSES:				
General and administrative	1,416,800	100,000	-	1,516,800
Personal services	1,437,545	526,110	1,447,727	3,411,382
Contractual services	9,139,526	46,083	195,633	9,381,242
Commodities	840,897	637,127	543,215	2,021,239
Housing assistance payments	-	-	4,819,261	4,819,261
Depreciation and amortization expense	608,334	777,983	574,947	1,961,264
Total operating expenses	13,443,102	2,087,303	7,580,783	23,111,188
OPERATING INCOME (LOSS)	(165,699)	(1,082,694)	(425,450)	(1,673,843)
NONOPERATING REVENUES (EXPENSES):				
Interest revenue	77,554	1,031	30,588	109,173
Interest expense	-	(5,588)	-	(5,588)
Accretion of bond premium	-	196	-	196
Amortization of bond issuance costs	-	(80)	-	(80)
Gain (loss) on disposal of capital assets	-	(14,383)	-	(14,383)
Total nonoperating revenues (expenses)	77,554	(18,824)	30,588	89,318
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	(88,145)	(1,101,518)	(394,862)	(1,584,525)
CAPITAL CONTRIBUTION AND TRANSFERS:				
Capital contributions	60,990	500,463	11,868	573,321
Transfers in	-	305,126	535,379	840,505
Transfers out	(64,913)	(7,636)	-	(72,549)
Total transfers	(3,923)	797,953	547,247	1,341,277
Net income (loss)	(92,068)	(303,565)	152,385	(243,248)
NET ASSETS				
Beginning of year	24,904,960	30,891,719	12,989,429	68,786,108
End of year	$ 24,812,892	$ 30,588,154	$ 13,141,814	$ 68,542,860

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City of Chandler
Combining Statement of Cash Flows
Non-Major Proprietary Funds
For the year ended June 30, 2011

	Solid Waste	Airport	Chandler Housing Authority	Total Other Proprietary Funds
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash received from customers	$ 13,048,167	$ 921,353	$ 544,105	$ 14,513,625
Cash received from grantors	-	-	6,314,065	6,314,065
Cash payments to suppliers	(11,411,640)	(772,489)	(5,231,072)	(17,415,201)
Cash payments to employees for services	(1,417,766)	(508,533)	(1,438,771)	(3,365,070)
Net cash provided (used) by operating activities	218,761	(359,669)	188,327	47,419
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Transfers in	-	305,126	535,379	840,505
Transfers out	(64,913)	(7,636)	-	(72,549)
Net cash provided (used) by noncapital financing activities	(64,913)	297,490	535,379	767,956
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisition and construction of capital assets	-	(554,952)	(262,247)	(817,199)
Principal paid on bond maturities	-	(20,000)	-	(20,000)
Interest paid on bonds	-	(5,968)	-	(5,968)
Cash payments to other funds	(57,102)	(4,734)	-	(61,836)
Capital contributions	60,990	500,463	11,868	573,321
Net cash provided (used) by capital and related financing activities	3,888	(85,191)	(250,379)	(331,682)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Investment income	77,554	1,031	30,588	109,173
Net cash provided (used) by investing activities	77,554	1,031	30,588	109,173
Net increase (decrease) in cash and cash equivalents	235,290	(146,339)	503,915	592,866
CASH AND CASH EQUIVALENTS:				
Beginning of year	11,124,221	280,784	3,289,500	14,694,505
End of year	$ 11,359,511	$ 134,445	$ 3,793,415	$ 15,287,371

RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:				
Operating income (loss)	$ (165,699)	$ (1,082,694)	$ (425,450)	$ (1,673,843)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation and amortization	608,334	777,983	574,947	1,961,264
Changes in assets and liabilities:				
(Increase) decrease in receivables	(221,075)	(92,007)	35,013	(278,069)
(Increase) decrease in inventories	-	(27,476)	-	(27,476)
(Increase) decrease in other assets	-	81	9,381	9,462
Increase (decrease) in payables	(14,417)	38,197	(24,101)	(321)
Increase (decrease) in accrued payroll and compensated absences	6,316	13,228	-	19,544
Increase (decrease) in deposits	(383)	(580)	18,537	17,574
Increase (decrease) in unearned revenue	(7,778)	9,250	-	1,472
Increase (decrease) in other liabilities	13,463	4,349	-	17,812
Total adjustments	384,460	723,025	613,777	1,721,262
Net cash provided (used) by operating activities	$ 218,761	$ (359,669)	$ 188,327	$ 47,419
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:				
Loss on disposal of assets	$ -	$ 14,383	$ -	$ 14,383
Accretion of bond premiums	-	196	-	196
Amortization of bond issuance costs	-	80	-	80

City of Chandler
Statement of Changes in Assets and Liabilities - Agency Fund
Fiduciary Funds
For the year ended June 30, 2011

	Balance July 1, 2010	Additions	Deletions	Balance June 30, 2011
Miscellaneous Deposit Fund				
Assets:				
Equity in pooled cash and investments	$ 9,500	$ 8,000	$ (1,000)	$ 16,500
Total assets	$ 9,500	$ 8,000	$ (1,000)	$ 16,500
Liabilities:				
Due to others	$ 9,500	$ 8,000	$ (1,000)	$ 16,500
Total liabilities	$ 9,500	$ 8,000	$ (1,000)	$ 16,500

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City of Chandler
Financial Data Schedule
Housing and Redevelopment
For the year ended June 30, 2011

AS SUBMITTED ELECTRONICALLY TO:
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
REAL ESTATE ASSESSMENT CENTER (REAC)

The Financial Data Schedule is a required electronic submission to the U.S. Department of Housing and Urban Development by all Housing Authorities receiving HUD funding. Financial data on each of the grant programs is presented in a combining schedule. The Financial Data Schedule presented herein has been submitted electronically to HUD.

The activities of the City of Chandler Housing and Redevelopment Division are reported as an enterprise fund in the City's Comprehensive Annual Financial Report.

City of Chandler
Financial Data Schedule
Housing and Redevelopment
June 30, 2011

Combining statement of net assets - all HUD programs

		Low Rent Public Housing		
		AMP 1 14.850a	AMP 2 14.850a	All AMPs 14.850a
FDS line #	Account description			
ASSETS				
111	Cash - unrestricted	$ 758,008	$ 326,213	$ 1,084,221
113	Cash - restricted for FSS escrow accounts	-	-	-
114	Cash - security deposits	55,653	56,860	112,513
122	Accounts receivable - HUD other projects	8,852	7,603	16,455
124	Accounts receivable - other governments	-	-	-
125	Accounts receivable - miscellaneous	-	-	-
126	Accounts receivable - tenants - dwelling rents	12,142	10,512	22,654
126.1	Allowance for doubtful accounts - dwelling rents	(2,668)	(3,185)	(5,853)
127	Notes and mortgages receivable - current	-	-	-
142	Prepaid expenses and other assets	-	-	-
161	Land	1,932,844	1,582,289	3,515,133
162	Buildings	4,943,244	8,748,390	13,691,634
164	Furniture, equipment, machinery - admin	175,545	60,105	235,650
166	Accumulated depreciation	(5,152,449)	(4,149,533)	(9,301,982)
167	Construction in progress	-	-	-
171	Notes and mortgages receivable - non-current	-	-	-
	Total assests	$ 2,731,171	$ 6,639,254	$ 9,370,425
LIABILITIES				
312	Accounts payable	13,193	6,256	19,449
321	Accrued wage/payroll taxes payable	12,816	8,604	21,420
322	Accrued compensated absences - current	631	639	1,270
341	Tenant security deposits	55,653	56,860	112,513
342	Deferred revenues	-	-	-
345	Other current liabilities	4,178	4,067	8,245
353	Noncurrent liabilities - other	-	-	-
354	Accrued compensated absences - noncurrent	10,364	10,492	20,856
	Total liabilities	96,835	86,918	183,753
NET ASSETS				
508.1	Invested in capital assets, net of related debt	1,899,184	6,241,251	8,140,435
511.1	Restricted net assets	-	-	-
512.1	Unrestricted net assets	735,152	311,085	1,046,237
	Total net assets	2,634,336	6,552,336	9,186,672
	Total liabilities and net assets	$ 2,731,171	$ 6,639,254	$ 9,370,425

Business Activities			Housing Choice Vouchers 14.871	Total
Central Office 14.850a	Other Business	Total Business Activities		
$ 551,632	$ 1,680,043	$ 2,231,675	$ 235,718	$ 3,551,614
-	-	-	126,788	126,788
-	2,500	2,500	-	115,013
-	-	-	-	16,455
-	-	-	-	-
-	-	-	13,291	13,291
-	-	-	-	22,654
-	-	-	-	(5,853)
-	-	-	-	-
-	-	-	368,236	368,236
-	200,000	200,000	-	3,715,133
-	520,613	520,613	-	14,212,247
32,718	129,670	162,388	35,470	433,508
(16,330)	(108,846)	(125,176)	(30,719)	(9,457,877)
-	-	-	-	-
-	363,450	363,450	-	363,450
$ 568,020	$ 2,787,430	$ 3,355,450	$ 748,784	$ 13,474,659
324	374	698	6,429	26,576
14,134	-	14,134	10,842	46,396
2,452	-	2,452	774	4,496
-	2,500	2,500	-	115,013
-	-	-	-	-
-	-	-	-	8,245
-	-	-	58,279	58,279
40,275	-	40,275	12,708	73,839
57,185	2,874	60,059	89,032	332,844
16,388	741,437	757,825	4,751	8,903,011
-	-	-	436,745	436,745
494,447	2,043,119	2,537,566	218,256	3,802,059
510,835	2,784,556	3,295,391	659,752	13,141,815
$ 568,020	$ 2,787,430	$ 3,355,450	$ 748,784	$ 13,474,659

City of Chandler
Financial Data Schedule
Housing and Redevelopment
June 30, 2011

Statement of revenues, expenses, and changes in fund net assets - all HUD programs

FDS line #	Account description	Low Rent Public Housing AMP 1 14.850a	Low Rent Public Housing AMP 2 14.850a	Low Rent Public Housing All AMPs 14.850a
REVENUES				
70300	Net tenant rental revenue	$ 178,644	$ 243,137	$ 421,781
70400	Tenant revenue - other	8,045	-	8,045
70600	HUD operating grants	1,057,734	596,088	1,653,822
70610	HUD capital grants	2,250	9,618	11,868
70710	Management feesearned	-	-	-
70720	Asset management fees earned	-	-	-
70730	Bookkeeping fees earned	-	-	-
71100	Investment income - unrestricted	6,509	838	7,347
713	Proceeds from disposition of assets held for sale	-	-	-
713.1	Cost of Sale of Assets	-	-	-
71400	Fraud recovery	-	-	-
71500	Other revenue	19,138	26,252	45,390
72000	Investment income - restricted	-	-	-
	Total revenues	1,272,320	875,933	2,148,253
EXPENSES				
91100	Administrative salaries	128,264	99,535	227,799
91200	Auditing fees	2,650	1,740	4,390
91300	Management fees	115,860	99,558	215,418
91310	Bookkeeping fees	14,513	12,472	26,985
914	Compensated Absences	-	-	-
91500	Employee benefit contributions - administrative	42,761	33,034	75,795
91600	Office expenses	1,920	1,815	3,735
91900	Other operating - administrative	15,016	13,551	28,567
92000	Asset management fees	19,560	16,800	36,360
92100	Tenant services - salaries	46,744	-	46,744
92300	Employee benefit contributions - Ttenant services	15,125	-	15,125
92400	Tenant services - other	801	125	926
93100	Water	29,354	3,289	32,643
93200	Electricity	47,327	7,330	54,657
93300	Gas	1,275	110	1,385
93800	Other utility expenditures	36,681	3,331	40,012
94100	Ordinary maintenance and operations -labor	145,774	102,541	248,315
94200	Ordinary maintenance and operations - materials	117,391	82,485	199,876
94300	Ordinary maintenance and operations - contract costs	98,661	81,319	179,980
94500	Ordinary maintenance and operations - ordinary maintenance	51,348	37,010	88,358
96100	Insurance	10,478	16,574	27,052
96200	Other general expenditures	11,739	2,292	14,031
96210	Compensated absences	9,048	9,458	18,506
96400	Bad debt - tenant rents	473	6,537	7,010
	Total operating expenditures	962,763	630,906	1,593,669
	Other expenditures:			
97300	Housing assistance payments	-	-	-
97350	HAP portability-in	-	-	-
97400	Depreciation	260,788	273,907	534,695
	Total expenditures	1,223,551	904,813	2,128,364
EXCESS (DEFICIENCY) OF REVENUES OF EXPENSES BEFORE OTHER FINANCING SOURCES (USES)		48,769	(28,880)	19,889
OTHER FINANCING SOURCES (USES)				
10010	Operating transfers in	45,000	45,000	90,000
10020	Operating transfers out	(45,000)	(45,000)	(90,000)
10030	Operating transfers in from primary government	26,100	224,278	250,378
11040	Equity transfers	-	-	-
	Total other financing sources (uses)	26,100	224,278	250,378
CHANGE IN NET ASSETS		74,869	195,398	270,267
TOTAL NET ASSETS, BEGINNING OF YERAR		2,559,467	6,356,938	8,916,405
NET ASSETS, END OF YEAR		$ 2,634,336	$ 6,552,336	$ 9,186,672
OTHER MEMORANDUM AMOUNTS				
70600	Maximumannual contributions commitment	-	-	-
11190	Unit months available	1,956	1,680	3,636
11210	Number of unit months leased	1,935	1,663	3,598

Business Activities					
Central Office 14.850a	Other Business	Total Business Activities	Housing Choice Vouchers 14.871	Eliminations	Total
$ -	$ 36,000	$ 36,000	$ -	$ -	$ 457,781
-	-	-	-	-	8,045
-	-	-	4,643,378	-	6,297,200
-	-	-	-	-	11,868
286,589	-	286,589	-	(286,589)	-
36,360	-	36,360	-	(36,360)	-
70,485	-	70,485	-	(70,485)	-
5,089	12,084	17,173	1,949	-	26,469
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	3,709	-	3,709
-	1,025	1,025	342,183	-	388,598
-	-	-	4,119	-	4,119
398,523	49,109	447,632	4,995,338	(393,434)	7,197,789
271,995	-	271,995	139,820	-	639,614
-	-	-	3,400	-	7,790
-	2,147	2,147	69,024	(286,589)	-
-	360	360	43,140	(70,485)	-
-	-	-	-	-	-
108,772	-	108,772	58,331	-	242,898
-	-	-	5,993	-	9,728
6,848	7,511	14,359	70,565	-	113,491
-	-	-	-	(36,360)	-
-	-	-	45,365	-	92,109
-	-	-	22,547	-	37,672
-	-	-	-	-	926
-	-	-	-	-	32,643
-	-	-	-	-	54,657
-	-	-	-	-	1,385
-	-	-	-	-	40,012
16,453	1,106	17,559	-	-	265,874
1,501	426	1,927	-	-	201,803
-	7,687	7,687	-	-	187,667
5,686	-	5,686	-	-	94,044
-	-	-	-	-	27,052
-	-	-	10,453	-	24,484
42,727	-	42,727	13,481	-	74,714
-	31,000	31,000	-	-	38,010
453,982	50,237	504,219	482,119	(393,434)	2,186,573
-	-	-	4,493,455	-	4,493,455
-	-	-	325,806	-	325,806
3,674	34,949	38,623	1,629	-	574,947
457,656	85,186	542,842	5,303,009	(393,434)	7,580,781
(59,133)	(36,077)	(95,210)	(307,671)	-	(382,992)
-	-	-	-	(90,000)	-
-	-	-	-	90,000	-
135,000	-	135,000	150,000	-	535,378
-	-	-	-		-
135,000	-	135,000	150,000	-	535,378
75,867	(36,077)	39,790	(157,671)	-	152,386
434,968	2,820,633	3,255,601	817,423	-	12,989,429
$ 510,835	$ 2,784,556	$ 3,295,391	$ 659,752	$ -	$ 13,141,815
			4,643,378		
			5,760		
			5,762		

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Where Values Make The Difference

Statistical Section

The statistical section includes various statistical schedules including historical expenditure comparisons, property taxes, debt service, and demographic information about the City.

Chandler Heights Community Facilities

Environmental Education Center

78 acre water recharge/wetlands

31 acre regional park

5 acre fishing lake

4.5 miles of trails

Police substation

430 volunteers

Chandler All-America City 2010

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Where Values Make The Difference

CITY OF CHANDLER, ARIZONA
Statistical Section

This part of the City of Chandler's comprehensive annual 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.

Contents **Page**

Financial Trends 128

Schedules 1-6 contain information to help the reader understand how the city's financial performance and well-being have changed over time.

Revenue Capacity 144

Schedules 7-9 contain information to help the reader assess the factors affecting the city's ability to generate its sales and use tax.

Debt Capacity 148

Schedules 10-13 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.

Demographic and Economic Information 155

Schedules 14-15 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.

Operating information 158

Schedules 16-18 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 comprehensive annual financial reports for the relevant year.

CITY OF CHANDLER, ARIZONA
NET ASSETS BY COMPONENT
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year			
	2002	2003	2004	2005
Governmental activities				
Invested in capital assets, net of related debt	$ (62,026,075)	$ 55,963,968	$ 101,665,063	$ 162,790,025
Restricted	22,296,791	117,111,402	90,046,996	110,932,310
Unrestricted	346,949,775	186,420,301	224,309,216	214,663,854
Total governmental activities net assets	307,220,491	359,495,671	416,021,275	488,386,189
Business-type activities				
Invested in capital assets, net of related debt	207,918,704	232,259,546	252,117,283	275,991,278
Restricted	76,248,944	70,198,611	63,985,390	72,538,299
Unrestricted	71,248,431	70,831,613	82,444,533	78,334,422
Total business-type activities net assets	355,416,079	373,289,770	398,547,206	426,863,999
Primary government				
Invested in capital assets, net of related debt	145,892,629	288,223,514	353,782,346	438,781,303
Restricted	98,545,735	187,310,013	154,032,386	183,470,609
Unrestricted	418,198,206	257,251,914	306,753,749	292,998,276
Total primary government net assets	$ 662,636,570	$ 732,785,441	$ 814,568,481	$ 915,250,188

(1) The significant increase in this year is due to the addition of the retroactive infrastructure.

	Fiscal Year					
	2006	**2007**	**2008**	**2009**	**2010**	**2011**
	$ 260,653,345 (1)	$ 288,893,354	$ 353,996,843	$ 433,851,899	$ 537,576,346	$ 534,292,488
	106,396,966	115,343,816	56,979,639	117,712,539	94,440,806	41,906,129
	208,727,675	265,645,323	341,971,306	271,690,158	198,059,181	260,307,288
	575,777,986	669,882,493	752,947,788	823,254,596	830,076,333	836,505,905
	325,992,618	347,306,362	427,130,654	387,401,986	298,938,820	281,936,017
	52,511,899	57,835,328	24,319,427	-	-	-
	76,090,729	78,718,941	45,300,009	98,413,928	163,103,784	168,164,942
	454,595,246	483,860,631	496,750,090	485,815,914	462,042,604	450,100,959
	586,645,963	636,199,716	781,127,497	821,253,885	836,515,166	816,228,505
	158,908,865	173,179,144	81,299,066	117,712,539	94,440,806	41,906,129
	284,818,404	344,364,264	387,271,315	370,104,086	361,162,965	428,472,230
	$ 1,030,373,232	$ 1,153,743,124	$ 1,249,697,878	$ 1,309,070,510	$ 1,292,118,937	$ 1,286,606,864

CITY OF CHANDLER, ARIZONA
CHANGES IN NET ASSETS
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year			
	2002	2003	2004	2005
Expenses				
Governmental activities:				
General government	$ 32,159,571	$ 30,610,529	$ 32,925,516	$ 38,116,265
Public safety	50,221,565	54,854,074	59,666,119	56,022,025
Community development	6,760,718	7,067,675	7,457,073	6,973,474
Public works	20,516,230	161,195,319	21,309,408	17,175,426
Transportation and development	-	-	-	-
Community services	17,668,011	19,823,356	20,200,390	19,017,024
Interest and fiscal charges	12,398,031	10,858,078	11,426,919	10,649,133
Total governmental activities expenses	139,724,126	284,409,031	152,985,425	147,953,347
Business-type activities:				
Water	33,004,765	35,992,958	40,544,967	41,689,649
Wastewater	21,800,113	22,986,319	24,505,362	25,825,966
Solid waste	8,675,676	14,414,774	9,705,932	9,598,287
Airport	1,305,935	1,420,574	1,458,068	1,582,079
Chandler housing authority	6,584,884	7,082,747	8,977,049	7,773,223
Total business-type activities expenses	71,371,373	81,897,372	85,191,378	86,469,204
Total primary government expenses	$ 211,095,499	$ 366,306,403	$ 238,176,803	$ 234,422,551

(1) In FY 2011 the City changed its functional categories to eliminate "Community development" and "Public works" and add "Transportation and development."

Fiscal Year						
2006	**2007**	**2008**	**2009**	**2010**	**2011**	
$ 36,669,140	$ 42,317,392	$ 54,459,719	$ 52,293,004	$ 48,920,813	$ 67,808,567	
63,840,179	76,200,082	80,860,917	87,609,165	92,421,801	90,738,477	
8,706,473	9,154,407	11,692,559	10,429,826	11,715,276	-	(1)
31,940,075	32,402,242	39,241,652	47,180,197	56,155,939	-	(1)
-	-	-	-	-	50,909,361	(1)
24,087,695	29,464,039	33,086,565	34,278,998	35,299,676	28,919,560	
11,658,090	11,479,112	14,880,604	12,938,524	13,541,708	12,767,934	
176,901,652	201,017,274	234,222,016	244,729,714	258,055,213	251,143,899	
38,582,431	40,687,283	53,554,653	53,201,379	62,556,496	57,452,876	
25,294,189	27,230,862	30,657,939	36,079,767	38,227,999	37,896,180	
8,154,317	9,843,824	6,845,979	12,076,998	14,605,448	13,443,102	
1,765,772	1,757,279	1,602,268	2,269,691	1,797,991	2,107,354	
6,713,829	9,133,427	7,593,242	7,239,185	7,654,449	7,580,783	
80,510,538	88,652,675	100,254,081	110,867,020	124,842,383	118,480,295	
$ 257,412,190	$ 289,669,949	$ 334,476,097	$ 355,596,734	$ 382,897,596	$ 369,624,194	

CITY OF CHANDLER, ARIZONA
CHANGES IN NET ASSETS
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year			
	2002	2003	2004	2005
Program Revenues				
Governmental activities:				
Charges for services:				
General government	$ 13,215,733	$ 10,972,432	$ 14,339,606	$ 11,770,912
Public safety	2,045,039	2,962,608	2,515,026	2,921,707
Community development	7,980,393	8,407,356	7,833,679	10,119,322
Public works	11,087,995	11,764,790	12,879,966	14,037,835
Transportation and development	-	-	-	-
Community services	1,339,966	1,950,792	1,713,889	1,988,832
Operating grants and contributions	1,691,043	3,323,489	1,488,369	1,041,858
Capital grants and contributions	32,016,067	29,223,045	22,107,766	13,880,993
Total governmental activities program revenues	69,376,236	68,604,512	62,878,301	55,761,459
Business-type activities:				
Charges for services:				
Water	32,210,935	34,895,930	36,148,220	36,860,006
Wastewater	18,627,080	19,253,061	19,849,892	20,541,547
Solid waste	8,575,815	9,290,021	9,850,919	9,787,298
Airport	737,950	832,232	896,968	931,547
Community services - housing authority	698,274	684,758	1,744,088	631,494
Operating grants and contributions	5,588,924	6,165,984	6,655,089	6,839,056
Capital grants and contributions	32,752,908	29,607,826	34,348,267	35,817,247
Total business-type activities program revenues	99,191,886	100,729,812	109,493,443	111,408,195
Total primary government program revenues	$ 168,568,122	$ 169,334,324	$ 172,371,744	$ 167,169,654
Net (expense)/revenue				
Governmental activities	$ (70,347,890)	$ (70,804,519)	$ (90,107,124)	$ (92,191,888)
Business-type activities	27,820,513	18,742,440	24,302,065	24,938,991
Total primary government net expense	$ (42,527,377)	$ (52,062,079)	$ (65,805,059)	$ (67,252,897)

(1) System development fees were reclassed to charges for services under program revenues.

(2) In FY 2011 the City changed its functional categories to eliminate "Community development" and "Public works" and add "Transportation and development."

Fiscal Year

2006		2007	2008	2009	2010	2011	
$ 12,359,183		$ 12,793,179.00	$ 12,629,779	$ 14,349,483	$ 16,621,003	$ 22,548,679	
3,303,895		4,178,941	4,317,843	4,802,272	7,110,304	5,658,628	
8,338,156		10,405,425	5,488,535	3,581,458	3,336,188	-	(2)
24,529,838	(1)	13,145,192	15,831,165	5,226,726	6,025,846	-	(2)
-		-	-	-	-	11,884,554	(2)
2,272,309		2,272,826	2,699,469	5,235,864	4,515,980	4,079,359	
2,167,327		3,707,115	1,897,300	2,337,910	5,510,710	5,890,147	
12,751,519		26,428,112	36,104,151	23,902,360	8,159,960	16,041,213	
65,722,227		72,930,790	78,968,242	59,436,073	51,279,991	66,102,580	
38,112,680		39,054,531	40,613,727	39,707,910	42,276,145	43,708,974	
20,499,458		21,083,587	25,145,258	25,922,530	28,406,808	31,610,009	
12,218,720		12,769,423	12,979,695	12,762,120	12,891,628	13,277,403	
1,005,728		974,190	773,449	741,556	815,751	995,307	
648,766		661,509	1,061,658	595,420	521,404	457,781	
6,634,435		6,312,438	6,114,138	6,225,928	6,367,024	6,297,200	
23,547,210		28,014,518	19,782,193	9,110,319	8,484,239	8,659,772	
102,666,997		108,870,196	106,470,118	95,065,783	99,762,999	105,006,446	
$ 168,389,224		$ 181,800,986	$ 185,438,360	$ 154,501,856	$ 151,042,990	$ 171,109,026	
$ (111,179,425)		$ (128,086,484)	$ (155,253,774)	$ (185,293,641)	$ (206,775,222)	$ (185,041,319)	
22,156,459		20,217,521	6,216,037	(15,801,237)	(25,079,384)	(13,473,849)	
$ (89,022,966)		$ (107,868,963)	$ (149,037,737)	$ (201,094,878)	$ (231,854,606)	$ (198,515,168)	

CITY OF CHANDLER, ARIZONA
CHANGES IN NET ASSETS
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year			
	2002	**2003**	**2004**	**2005**
Governmental Revenues and Other Changes in Net Assets				
Governmental activities:				
Taxes:				
Property taxes	$ 16,001,578	$ 17,953,164	$ 20,818,622	$ 22,743,537
Sales taxes	55,070,562	60,614,779	66,671,049	75,702,332
Franchise taxes	1,957,618	2,249,190	2,365,749	3,032,260
Highway user taxes	-	-	-	-
Other taxes	-	-	-	-
State shared revenues	37,850,975	39,559,356	37,903,674	40,050,636
System development fees	8,320,712	8,105,353	15,165,191	13,878,663
Investment income (loss)	7,677,017	(4,895,290) (1)	2,391,875	7,862,804
Miscellaneous	162,714	261,069	695,312	362,343
Westcor contract payment	-	-	-	-
Transfers	690,493	(767,922)	621,256	924,227
Total governmental activities	127,731,669	123,079,699	146,632,728	164,556,802
Business-type activities:				
Investment income (loss)	4,007,601	(2,624,182) (1)	1,199,710	4,069,440
Miscellaneous	639,190	897,511	376,917	232,589
Transfers	(690,493)	767,922	(621,256)	(924,227)
Total business-type activities:	3,956,298	(958,749)	955,371	3,377,802
Total primary government	$ 131,687,967	$ 122,120,950	$ 147,588,099	$ 167,934,604
Change in Net Assets				
Governmental activities	$ 57,838,779	$ 52,275,180	$ 56,525,604	$ 72,364,914
Business-type activities	31,776,811	17,873,691	25,257,436	28,316,793
Total primary government	$ 89,615,590	$ 70,148,871	$ 81,783,040	$ 100,681,707

(1) The negative income this year is the result of the City's share of a loss recognized by the State of Arizona's Local Government Investment Pool.

(2) System development fees were reclassed to charges for services under program revenues.

	Fiscal Year				
2006	2007	2008	2009	2010	2011
$ 25,016,760	$ 26,921,292	$ 34,063,123	$ 38,957,986	$ 40,617,269	$ 36,158,574
82,327,461	95,410,460	97,226,841	85,897,334	83,019,726	86,523,295
2,198,738	3,230,429	3,937,952	3,264,093	3,174,390	2,819,521
-	16,490,129	15,856,863	13,849,284	13,116,481	13,287,878
-	3,481,086	3,786,677	7,921,275	13,965,973	88,561
45,853,506	57,716,644	62,970,459	61,211,289	54,492,427	47,732,614
- (2)	-	-	-	-	-
12,286,630	17,868,181	20,823,059	10,045,274	3,487,145	1,841,244
10,736	1,822,070	767,221	995,606	850,191	3,071,588
34,500,000	-	-	-	-	-
478,441	469,201	534,086	(1,542,346)	873,357	(244,702)
202,672,272	223,409,492	239,966,281	220,599,795	213,596,959	191,278,573
6,424,600	6,876,399	5,906,545	2,536,237	756,641	533,313
532,354	1,043,407	1,792,816	788,478	1,422,790	946,507
(478,441)	(469,200)	(534,086)	1,542,346	(873,357)	244,702
6,478,513	7,450,606	7,165,275	4,867,061	1,306,074	1,724,522
$ 209,150,785	$ 230,860,098	$ 247,131,556	$ 225,466,856	$ 214,903,033	$ 193,003,095
$ 22,796,183	$ 95,323,008	$ 84,712,507	$ 35,306,154	$ 6,821,737	$ 6,237,254
28,634,972	27,668,127	13,381,312	(10,934,176)	(23,773,310)	(11,749,327)
$ 51,431,155	$ 122,991,135	$ 98,093,819	$ 24,371,978	$ (16,951,573)	$ (5,512,073)

CITY OF CHANDLER, ARIZONA
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	Fiscal Year			
	2002	2003	2004	2005
General fund				
Reserved	$ 27,158,273	$ 34,328,283	$ 50,644,739	$ 56,325,826
Unreserved	149,678,534	135,307,858	126,091,872	124,519,771
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total general fund	$ 176,836,807	$ 169,636,141	$ 176,736,611	$ 180,845,597
All other governmental funds				
Reserved	$ 74,230,663	$ 91,320,181	$ 76,703,585	$ 99,267,829
Unreserved, reported in:				
Special revenue funds	7,022,854	5,677,614	5,648,789	9,259,261
Capital projects funds	-	-	-	-
Restricted	-	-	-	-
-	-	-	-	-
Total all other governmental funds	$ 81,253,517	$ 96,997,795	$ 82,352,374	$ 108,527,090

(1) In FY 2011 the City implemented GASB 54, thus changing how fund balance is categorized.

	Fiscal Year					
2006	2007	2008	2009	2010	2011	
$ 15,211,490	$ 12,349,638	$ 28,237,521	$ 30,482,311	$ 62,149,646	$ -	(1)
148,606,301	189,087,760	196,093,067	194,457,561	137,041,044	-	(1)
-	-	-	-	-	893,067	(1)
-	-	-	-	-	844,754	(1)
-	-	-	-	-	61,733,537	(1)
-	-	-	-	-	98,872,954	(1)
$ 163,817,791	$ 201,437,398	$ 224,330,588	$ 224,939,872	$ 199,190,690	$ 162,344,312	
$ 100,167,158	$ 109,777,210	$ 43,039,742	$ 97,267,450	$ 61,355,662	$ -	(1)
8,089,144	14,064,542	17,752,306	18,786,740	18,103,651	-	(1)
253,903	9,158,971	11,608,190	7,868,412	7,379,375	-	(1)
-	-	-	-	-	105,756,072	(1)
-	-	-	-	-	(12,315,197)	(1)
$ 108,510,205	$ 133,000,723	$ 72,400,238	$ 123,922,602	$ 86,838,688	$ 93,440,875	

CITY OF CHANDLER, ARIZONA
GOVERNMENTAL FUNDS REVENUES
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	Fiscal Year			
	2002	2003	2004	2005
Taxes - local	$ 72,951,061	$ 82,591,633	$ 91,492,704	$ 102,701,196
Taxes - intergovernmental	48,797,917	49,850,293	50,173,867	51,677,502
Property taxes	-	-	-	-
Sales taxes	-	-	-	-
Franchise fees	-	-	-	-
Highway user taxes	-	-	-	-
Other taxes	-	-	-	-
State shared	-	-	-	-
Grants and entitlements	7,748,473	3,983,091	4,217,697	14,100,944
System development fees	8,320,712	8,105,353	15,165,191	13,878,663
Special assessments	175,152	513,242	251,608	439,565
License and permits	5,651,522	6,386,478	7,500,437	7,262,403
Charges for current services	12,373,053	12,843,147	13,386,852	15,133,670
Fines and forfeitures	2,796,157	3,975,613	3,517,080	4,136,342
Rentals	17,625	93,630	18,012	19,580
Contributions	-	-	5,980	250
Investment income (loss)	6,885,010	(4,330,308) (1)	2,170,414	6,987,824
Miscellaneous	1,151,110	1,538,830	2,204,555	2,667,611
Total revenues	$ 166,867,792	$ 165,551,002	$ 190,104,397	$ 219,005,550

(1) The negative income in this year is the result of the City's share of a loss recognized by the State of Arizona's Local Government Investment Pool.

(2) As of fiscal year ended June 30, 2007 the City reclassed the governmental funds revenues local and intergovernmental taxes to Property, Sales, and Other taxes.

Fiscal Year

2006	2007	2008	2009	2010	2011
$ 109,141,434	$ - (2)	$ -	$ -	$ -	$ -
60,107,031	- (2)	-	-	-	-
-	26,909,841 (2)	33,844,181	38,677,156	40,259,579	36,301,709
-	95,410,460 (2)	97,226,841	85,897,334	83,019,726	86,523,295
-	3,230,429	3,937,952	3,264,093	3,174,390	2,819,521
-	16,490,129	15,856,863	13,849,284	13,116,481	13,287,878
-	3,481,086 (2)	3,786,677	7,921,275	13,965,973	88,561
-	57,716,644	62,970,459	61,211,289	54,492,427	47,732,614
9,296,423	7,610,807	10,553,680	18,168,904	10,377,502	14,759,620
10,322,313	11,871,969	8,111,597	4,475,029	4,768,306	6,739,920
303,336	309,386	426,428	863,747	663,209	673,064
5,541,215	6,728,309	3,894,368	2,667,720	2,758,392	3,208,944
15,475,362	18,216,653	17,254,859	19,492,740	19,420,434	18,002,168
4,231,306	4,058,090	4,342,621	4,912,159	5,336,294	4,697,317
8,363	89,875	94,575	138,667	101,322	387,952
500	50,000	50,000	50,000	50,000	100,000
10,699,944	15,589,318	18,334,581	8,825,695	3,171,308	1,635,258
1,632,785	1,830,328	1,255,681	1,661,772	1,913,571	4,593,104
$ 226,760,012	$ 269,593,324	$ 281,941,363	$ 272,076,864	$ 256,588,914	$ 241,550,925

CITY OF CHANDLER, ARIZONA
GOVERNMENTAL FUNDS EXPENDITURES AND DEBT SERVICE RATIO
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	Fiscal Year			
	2002	2003	2004	2005
General government	$ 28,858,549	$ 29,448,025	$ 31,024,154	$ 41,135,736
Public safety	49,910,766	53,885,322	58,407,246	57,630,321
Community development	6,757,787	7,061,116	7,449,114	7,438,317
Public works	20,314,406	19,096,782	23,028,537	38,421,485
Transportation and development	-	-	-	-
Community services	17,575,610	20,310,994	21,048,659	20,893,626
Capital improvements	32,346,642	33,211,184	36,794,139	33,828,009
Debt service:				
Principal retirement	3,679,500	6,614,500	8,689,500	8,329,500
Interest and fiscal charges	9,730,214	8,515,445	9,641,321	9,180,338
Bond issuance costs	-	100,000	-	174,917
Total expenditures	$ 169,173,474	$ 178,243,368	$ 196,082,670	$ 217,032,249
Debt service as a percentage of noncapital expenditures	10.1%	11.1%	12.4%	11.1%

(1) In FY 2011 the City changed its functional categories to eliminate "Community development" and "Public works" and add "Transportation and development."

Fiscal Year

2006	2007	2008	2009	2010	2011	
$ 33,729,455	$ 38,124,478	$ 51,261,849	$ 40,503,113	$ 44,663,091	$ 43,636,784	
64,090,649	75,800,634	78,306,604	84,493,816	85,390,303	84,007,752	
8,740,380	8,989,308	11,593,642	10,509,467	11,614,214	-	(1)
32,555,171	22,987,692	19,306,381	19,283,643	17,664,633	-	(1)
-	-	-	-	-	22,126,233	(1)
22,738,420	25,714,032	28,830,926	29,916,002	30,078,856	22,836,317	
49,884,875	75,524,840	104,836,442	124,680,957	106,366,737	67,299,941	
17,122,071	12,374,500	16,659,500	15,275,000	17,260,000	15,090,000	
10,465,983	10,669,877	14,437,346	13,059,295	13,646,479	12,901,616	
135,437	189,840	179,201	961,100	183,969	278,512	
$ 239,462,441	$ 270,375,201	$ 325,411,891	$ 338,682,393	$ 326,868,282	$ 268,177,155	
15.9%	12.1%	14.1%	12.5%	13.3%	13.3%	

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			
	2002	2003	2004	2005
Other Financing Sources (Uses)				
Bond premium	$ 212,486	$ 1,026,142	$ -	$ 852,671
Face amount of bonds issued	23,000,000	45,850,000	-	35,720,000
Proceeds from sale of capital assets	159,247	91,245	680,019	264,352
Payment to escrow agent	-	(20,488,542)	-	(11,228,422)
Westcor contract payment	-	-	-	-
Transfers in	20,152,263	32,480,447	26,072,155	33,226,080
Transfers out	(23,649,139)	(37,723,314)	(28,318,852)	(35,170,013)
Total other financing sources and (uses)	19,874,857	21,235,978	(1,566,678)	23,664,668
Net change in fund balances	$ 17,569,175	$ 8,543,612	$ (7,544,951)	$ 25,637,969

Fiscal Year					
2006	2007	2008	2009	2010	2011
$ 515,129	$ 1,975,876	$ 165,431	$ 2,348,878	$ 290,569	$ 1,047,424
30,905,000	88,405,000	7,370,000	120,513,000	10,450,000	20,285,000
205,936	173,742	280,969	219,793	97,609	108,929
-	(24,335,292)	-	-	(10,556,600)	(10,816,839)
34,500,000	-	-	-	-	-
37,204,132	31,525,563	38,442,603	40,593,319	46,309,016	41,605,646
(39,584,767)	(34,246,951)	(41,108,342)	(44,937,903)	(39,144,322)	(56,040,439)
63,745,430	63,497,938	5,150,661	118,737,087	7,446,272	(3,810,279)
$ (17,956,999)	$ 62,716,055	$ (38,319,867)	$ 52,131,648	$ (62,833,096)	$ (30,436,509)

CITY OF CHANDLER, ARIZONA
TAXABLE REVENUE BY CATEGORY
LAST TEN FISCAL YEARS

	Fiscal Year			
	2002	2003	2004	2005
Amusements	$ 347,405	$ 410,039	$ 477,089	$ 499,388
Contracting	11,290,014	11,467,704	13,008,527	14,966,943
General Retail	19,596,953	22,261,109	25,638,223	28,835,490
Hotel/Motel	1,161,330	1,212,328	1,309,463	1,508,509
Miscellaneous Related Revenue [1]	1,440,490	2,201,668	1,583,458	3,156,782
Publishing	586,054	669,702	711,215	754,016
Rentals - Personal Property	1,760,707	2,008,711	1,994,513	1,807,806
Rentals - Real Property	4,530,384	5,207,175	5,454,033	6,074,236
Restaurant/Bar	3,921,958	4,482,235	5,015,335	5,618,535
Telecommunications	2,869,467	3,124,021	3,006,992	3,336,576
Use Tax	837,932	634,029	750,291	1,132,268
Utilities	6,417,518	6,648,449	7,448,823	7,929,178
Total Sales and Use Taxes	$ 54,760,212	$ 60,327,170	$ 66,397,962	$ 75,619,727
City Direct Sales Tax Rate [2]	1.76%	1.73%	1.74%	1.70%

Source: Tax & License Division

[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%.

Fiscal Year					
2006	**2007**	**2008**	**2009**	**2010**	**2011**
$ 611,352	$ 679,666	$ 660,985	$ 623,159	$ 602,027	$ 673,666
16,580,509	15,665,738	15,519,590	9,352,480	6,573,348	6,380,957
38,501,000	41,719,797	41,253,934	36,851,140	36,560,075	38,741,270
1,716,055	1,938,442	2,103,714	1,672,893	1,611,912	1,973,790
1,898,671	2,765,527	3,329,891	2,774,033	2,911,821	2,551,354
699,456	723,532	492,770	389,046	382,080	351,250
1,743,393	1,935,981	2,177,125	2,474,464	2,389,241	2,462,219
7,141,065	7,883,794	8,449,059	8,520,878	8,921,788	9,479,850
6,994,533	7,655,093	7,908,883	7,267,718	7,436,900	7,971,183
3,603,977	3,709,781	3,978,715	4,057,982	3,974,448	3,524,076
989,767	1,044,225	950,808	930,636	869,092	1,000,342
8,910,538	9,688,886	10,401,302	10,982,905	10,786,994	11,413,338
$ 89,390,316	$ 95,410,462	$ 97,226,776	$ 85,897,334	$ 83,019,726	$ 86,523,295
1.72%	1.72%	1.72%	1.75%	1.75%	1.77%

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]
2002	1.76%	0.67%	4.63%	0.00%
2003	1.73%	0.68%	5.10%	0.02%
2004	1.74%	0.68%	5.13%	0.02%
2005	1.70%	0.67%	5.13%	0.02%
2006	1.72%	0.68%	5.14%	0.02%
2007	1.72%	0.68%	5.12%	0.02%
2008	1.72%	0.68%	5.09%	0.02%
2009	1.75%	0.67%	5.02%	0.02%
2010	1.75%	0.67%	5.05%	0.02%
2011	1.77%	0.67%	5.85%	0.02%

Source: Tax & License Division

[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 5/01/1994.

[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 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 6.5% to 6.6%. State tax rate increases during the past ten fiscal years: 0.6% effective 6/01/2002; 1.0% effective 6/01/2010.

[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

		Fiscal Year 2011			Fiscal Year 2002		
Taxpayer	**Business Type**	**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	$ 8,553,000	1	9.89%	$ 4,552,794	1	8.31%
Taxpayer B	Department Store	2,632,948	2	3.04%			
Taxpayer C	Grocery Store	2,200,339	3	2.54%	1,261,164	3	2.30%
Taxpayer D	Department Store	1,579,991	4	1.83%			
Taxpayer E	Telecommunications	1,317,922	5	1.52%			
Taxpayer F	Home Improvement	1,242,538	6	1.44%	1,146,790	5	2.09%
Taxpayer G	Department Store	1,183,404	7	1.37%	836,420	10	1.53%
Taxpayer H	Utility	1,060,554	8	1.23%	1,099,168	7	2.01%
Taxpayer I	Department Store	1,041,631	9	1.20%	865,982	8	1.58%
Taxpayer J	Vehicle Dealer	905,145	10	1.05%			
Taxpayer K	Grocery Store				1,348,040	2	2.46%
Taxpayer L	Vehicle Dealer				1,204,399	4	2.20%
Taxpayer M	Vehicle Dealer				1,119,038	6	2.04%
Taxpayer N	Telecommunications				852,115	9	1.56%
		$ 21,717,471		25.10%	$ 14,285,909		26.09%

Source: Tax & License Division

Notes: 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 BY TYPE
LAST TEN FISCAL YEARS

Schedule 10

	Governmental Activities - General Obligation Bonds				Other Governmental Activities Debt		
Fiscal Year	General Obligation Bonds	Estimated Actual Taxable Value of Property	Percentage of Estimated Actual Taxable Value of Property	Per Capita [1]	Revenue Bonds	Special Assessment Bonds	Accrued Interest - Capital Appreciation Bonds
2002	87,250,000	8,368,335,959	1.04%	434	45,300,000	1,647,000	27,102,208
2003	106,970,000	8,981,174,789	1.19%	505	48,725,000	1,547,500	29,147,730
2004	102,480,000	10,999,084,221	0.93%	456	46,700,000	1,443,000	30,928,390
2005	120,805,000	12,256,368,621	0.99%	510	45,015,000	1,333,500	32,426,569
2006	140,130,000	13,936,132,832	1.01%	579	42,920,000	1,219,000	33,620,916
2007	197,075,000	15,180,800,679	1.30%	798	40,480,000	1,099,500	34,505,099
2008	187,645,000	26,166,428,389	0.72%	749	37,655,000	8,345,000	35,000,654
2009	294,588,000	30,523,597,506	0.97%	1,169	34,690,000	7,820,000	-
2010	282,888,000	31,011,422,761	0.91%	1,111	31,800,000	7,315,000	-
2011	279,968,000	22,396,334,191	1.25%	1,177	28,620,000	6,190,000	-

	Business-type Activities							
Fiscal Year	General Obligation Bonds	Revenue Bonds	Certificates of Participation	Excise Tax Revenue Obligations	Intergovern-mental Loans	Total Primary Government [2]	Percentage of Personal Income [1]	Per Capita [1]
2002	25,770,000	117,540,000	12,510,000	-	110,755	317,229,963	6.17%	1,576
2003	25,395,000	122,735,000	11,035,000	-	93,706	345,648,936	6.51%	1,631
2004	23,705,000	116,140,000	10,210,000	-	75,783	331,682,173	5.71%	1,476
2005	21,270,000	114,800,000	9,335,000	-	56,942	345,042,011	5.82%	1,457
2006	19,415,000	108,870,000	-	-	37,135	346,212,051	5.45%	1,431
2007	62,410,000	101,095,000	-	-	16,304	436,680,903	6.81%	1,767
2008	60,395,000	93,000,000	-	-	-	422,040,654	5.81%	1,684
2009	188,612,000	76,415,000	-	34,040,000	-	636,165,000	8.59%	2,524
2010	185,032,000	67,580,000	-	34,040,000	-	608,655,000	8.67%	2,391
2011	179,747,000	60,280,000	-	48,540,000	-	603,345,000	9.23%	2,537

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

[1] Population and personal income data can be found in Schedule 14.

[2] Includes general bonded debt, other governmental activities debt and business-type activities debt.

CITY OF CHANDLER, ARIZONA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2011

Schedule 11

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Debt repaid with property taxes			
State of Arizona	None	4.05%	None
Maricopa County	None	5.96	None
Maricopa County Community College District	$ 587,930,000	5.96	$ 35,052,387
EastValley Institute of Technology	None	13.52	None
Chandler Unified School District No. 80	227,080,000	75.59	171,640,689
Mesa Unified School District No. 4	262,845,000	4.98	13,079,167
Gilbert Unified School District No. 41	188,720,000	2.96	5,578,563
Kyrene Elementary School District No. 28	137,785,000	29.87	41,156,380
Tempe Union High School District No. 213	85,410,000	16.21	13,840,691
Subtotal, overlapping debt			280,347,877
City direct debt	314,778,000	100.00	314,778,000
Total direct and overlapping debt			$ 595,125,877

Source: US Bank, N.A.

Note: The applicable percentage of overlap for each type of debt was computed on the ratio of secondary assessed valuation as calculated for fiscal year 2010/11 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

	Fiscal Year			
	2002	2003	2004	2005
6% General Obligation Bond Limitation				
Debt limit	$ 74,634,001	$ 98,302,556	$ 108,344,928	$ 118,749,422
Total net debt applicable to limit	34,020,000	45,475,000	37,575,000	61,660,000
Legal debt margin	$ 40,614,001	$ 52,827,556	$ 70,769,928	$ 57,089,422
Total net debt applicable to the limit as a percentage of the debt limit	46%	46%	35%	52%
20% General Obligation Bond Limitation				
Debt limit	$ 248,780,004	$ 327,675,186	$ 361,149,760	$ 395,831,408
Total net debt applicable to limit	76,970,000	80,710,000	72,120,000	80,415,000
Legal debt margin	$ 171,810,004	$ 246,965,186	$ 289,029,760	$ 315,416,408
Total net debt applicable to the limit as a percentage of the debt limit	31%	25%	20%	20%

Source: Peacock, Hislop, Staley & Given, Inc. for 1997 - 2001, Piper Jaffray, Inc. for 2002-2011.

(1) In November 2006, Arizona Revised Statutes were amended to move public safety and emergency services, streets and transportation from the 6% category to the 20% category.

Notes: 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% of secondary assessed valuation. Cities may issue general obligation bonds for any other purpose up to an amount not to exceed 6% of secondary assessed valuation.

Schedule 12

Legal Debt Margin Calculation for Fiscal Year 2011

Net secondary assessed valuation as of June 30, 2011	$	2,468,626,617
Debt limit (6% of assessed value)		148,117,597
Debt applicable to limit:		
6% general obligation bonds		13,361,000
Legal 6% debt margin	$	134,756,597
Debt limit (20% of assessed value)	$	493,725,323
Debt applicable to limit:		
20% general obligation bonds		446,354,000
Legal 20% debt margin	$	47,371,323

Fiscal Year

2006	2007		2008	2009	2010	2011
$ 116,449,443	$ 179,351,393		$ 207,310,517	$ 210,484,297	$ 210,484,297	$ 148,117,597
74,720,000	66,460,000		7,795,000	10,934,000	9,494,000	13,361,000
$ 41,729,443	$ 112,891,393		$ 199,515,517	$ 199,550,297	$ 200,990,297	$ 134,756,597
64%	37%	(1)	4%	5%	5%	9%
$ 388,164,810	$ 597,837,975		$ 691,035,056	$ 701,614,322	$ 701,614,322	$ 493,725,323
84,825,000	193,025,000		240,245,000	472,266,000	458,426,000	446,354,000
$ 303,339,810	$ 404,812,975		$ 450,790,056	$ 229,348,322	$ 243,188,322	$ 47,371,323
22%	32%	(1)	35%	67%	65%	90%

CITY OF CHANDLER, ARIZONA
PLEDGED-REVENUE COVERAGE
LAST TEN FISCAL YEARS

Schedule 13a

Street & Highway Revenue Bonds

Fiscal Year	Highway User Taxes	Less: Operating Expenses	Net Available Revenue	Debt Service Principal	Debt Service Interest	Coverage
2002	10,946,942	6,859,931	4,087,011	1,910,000	2,460,983	0.94
2003	11,443,762	7,453,094	3,990,668	2,025,000	2,021,322	0.99
2004	12,225,100	7,125,374	5,099,726	2,110,000	2,255,270	1.17
2005	12,852,329	8,302,871	4,549,458	2,095,000	1,863,289	1.15
2006	13,870,790	7,731,437	6,139,353	2,440,000	1,870,433	1.42
2007	16,490,129	8,527,904	7,962,225	2,825,000	1,735,306	1.75
2008	15,856,863	8,299,229	7,557,634	2,965,000	1,628,797	1.65
2009	13,849,284	10,599,041	3,250,243	3,050,000	1,572,829	0.70
2010	13,116,481	9,018,598	4,097,883	3,180,000	1,198,194	0.94
2011	13,287,878	9,336,554	3,951,324	2,875,000	1,176,009	0.98

Water Revenue Bonds

Fiscal Year	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Debt Service Principal	Debt Service Interest	Coverage
2002	32,210,935	18,245,708	13,965,227	3,561,504	3,366,721	2.02
2003	34,895,930	21,435,429	13,460,501	7,255,900	2,965,187	1.32
2004	36,148,220	24,536,695	11,611,525	3,853,756	3,232,596	1.64
2005	36,860,006	25,371,528	11,488,478	4,282,606	2,798,390	1.62
2006	38,112,680	22,633,168	15,479,512	4,275,097	3,181,666	2.08
2007	39,054,531	23,844,731	15,209,800	4,447,321	2,881,971	2.08
2008	40,613,727	32,812,618	7,801,109	4,643,032	2,700,799	1.06
2009	39,707,910	31,084,108	8,623,802	4,854,151	2,419,526	1.19
2010	42,276,145	31,137,157	11,138,988	5,471,256	2,205,623	1.45
2011	43,708,974	26,834,274	16,874,700	6,007,332	1,875,330	2.14

Excise Tax Revenue Obligations

Fiscal Year	Excise Tax Collections	Less: Operating Expenses	Net Available Revenue	Debt Service Principal	Debt Service Interest	Coverage
2002	-	-	-	-	-	0.00
2003	-	-	-	-	-	0.00
2004	-	-	-	-	-	0.00
2005	-	-	-	-	-	0.00
2006	-	-	-	-	-	0.00
2007	-	-	-	-	-	0.00
2008	-	-	-	-	-	0.00
2009	148,768,677	-	148,768,677	-	462,667	321.55
2010	141,025,083	-	141,025,083	500,000	1,133,063	86.36
2011	136,164,353	-	136,164,353	1,100,000	1,118,063	61.39

Notes: 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.
See Note 6 for breakdown of revenue pledged for Excise Tax Revenue Obligations first pledged February 4, 2009.

CITY OF CHANDLER, ARIZONA
PLEDGED-REVENUE COVERAGE
LAST TEN FISCAL YEARS

Schedule 13b

Wastewater Revenue Bonds

Fiscal Year	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Debt Service Principal	Debt Service Interest	Coverage
2002	18,627,080	10,878,826	7,748,254	1,548,496	2,098,401	2.12
2003	19,253,061	11,701,023	7,552,038	10,714,100	2,295,089	0.58
2004	19,849,892	11,845,344	8,004,548	1,296,244	1,713,875	2.66
2005	20,541,547	12,802,253	7,739,294	3,207,394	1,592,081	1.61
2006	20,499,458	14,217,466	6,281,992	3,499,903	1,828,920	1.18
2007	21,083,587	14,349,752	6,733,835	3,647,679	1,691,169	1.26
2008	25,145,258	17,923,089	7,222,169	3,786,968	1,554,504	1.35
2009	25,922,530	17,663,644	8,258,886	3,915,849	1,341,752	1.57
2010	28,406,808	15,821,939	12,584,869	3,678,744	1,104,530	2.63
2011	31,610,009	15,759,431	15,850,578	1,602,668	947,148	6.22

Solid Waste Revenue Bonds

Fiscal Year	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Debt Service Principal	Debt Service Interest	Coverage	
2002	8,571,736	7,781,800	789,936	125,000	215,750	2.32	
2003	9,257,218	13,627,896	(4,370,678)	125,000	206,969	-13.17	(1)
2004	9,825,572	9,035,882	789,690	125,000	152,469	2.85	
2005	9,773,505	8,703,517	1,069,988	-	71,844	14.89	(2)
2006	-	-	-	-	-	0.00	
2007	-	-	-	-	-	0.00	
2008	-	-	-	-	-	0.00	
2009	-	-	-	-	-	0.00	
2010	-	-	-	-	-	0.00	
2011	-	-	-	-	-	0.00	

Notes: 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) Expenses for FY 03 include $5,323,714 in landfill closure and post closure costs. The amount expensed in FY 02 was $812,319.
The increase in comparable amounts is due to an increase in costs related to a change in the planned usage of the property following closure.

(2) All debt was defeased June 29, 2005.

CITY OF CHANDLER, ARIZONA
PLEDGED-REVENUE COVERAGE
LAST TEN FISCAL YEARS

Schedule 13c

	Municipal Property Corporation Certificates of Participation					
				Debt Service		
Fiscal Year	**Water & Sewer Utility Service Charges**	**Less: Operating Expenses**	**Net Available Revenue**	**Principal**	**Interest**	**Coverage**
2002	50,838,015	29,124,534	21,713,481	700,000	915,595	13.44
2003	54,148,991	33,136,452	21,012,539	775,000	867,295	12.79
2004	55,998,112	36,382,039	19,616,073	825,000	813,045	11.98
2005	57,401,553	38,173,781	19,227,772	875,000	755,295	11.79 (1)
2006	-	-	-	-	-	-
2007	-	-	-	-	-	-
2008	-	-	-	-	-	-
2009	-	-	-	-	-	-
2010	-	-	-	-	-	-
2011	-	-	-	-	-	-

(1) All remaining debt was defeased in 2006.

Notes: 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.

CITY OF CHANDLER, ARIZONA
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

Schedule 14

Fiscal Year	Population (1)	Total Personal Income (2)	Median Age (2)	Unemployment Rate (3)	Per Capita Personal Income (4)
2002	201,262	5,139,225,170	31.2	4.2%	25,535
2003	211,984	5,310,835,152	31.2	4.0%	25,053
2004	224,644	5,805,699,536	31.2	3.1%	25,844
2005	236,877	5,928,557,556	30.8	3.3%	25,028
2006	241,910	6,351,347,050	31.6	3.0%	26,255
2007	247,097	6,412,414,247	31.1	2.5%	25,951
2008	250,619	7,269,204,095	31.2	3.2%	29,005
2009	252,056	7,409,186,120	32.8	6.2%	29,395
2010	254,602	7,016,321,916	32.5	6.9%	27,558
2011	237,776	6,536,224,464	31.7	6.6%	27,489

Sources:

1 City's Long Range Planning Division
2 City's Economic Development Division
3 Arizona Department of Economic Security
4 SitesUSA

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

	2011		
Employer	**Employees**	**Rank**	**Percentage of Total City Employment**
Intel Corporation	9,700	1	7.05%
Bank of America	3,500	2	2.54%
Chandler Unified School District	3,000	3	2.18%
Wells Fargo Ocotillo Corp. Campus	2,600	4	1.89%
Ebay/Paypal	2,000	5	1.45%
Chandler Regional Hospital	1,600	6	1.16%
Microchip Technology	1,538	7	1.12%
City of Chandler	1,511	8	1.10%
Verizon Wireless	1,500	9	1.09%
Freescale Semiconductors	1,450	10	1.05%
Bank First	-	-	-
Motorola	-	-	-
MDT Outdoor Products, Inc.	-	-	-
JH Kelly	-	-	-
Speedfam/IPEC	-	-	-
Total	28,399		20.63%

Source: City's Economic Development Division and City of Chandler Human Resources

2002		
Employees	**Rank**	**Percentage of Total City Employment**
10,000	1	8.61%
-	-	-
2,400	3	2.07%
-	-	-
-	-	-
1,100	6	0.95%
950	8	0.82%
1,523	4	1.31%
-	-	-
-	-	-
795	9	0.68%
2,600	2	2.24%
1,000	7	0.86%
1,500	5	1.29%
675	10	0.58%
22,543		19.41%

CITY OF CHANDLER, ARIZONA
EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS

	Fiscal Year				
	2002	2003		2004	2005
Full Time Equivalent Personnel					
Mayor and council	4	4		4	5
City clerk	6	6		6	6
City manager	30	69	(1)	71	70
Communications/public affairs	11	17		17	18
City magistrate	40	41		41	40
Law	23	25		23	24
Management services	124	97	(1)	99	96
Total General Government	238	259		261	259
Total Transportation and Development	115	117		117	111
Total Community Services	170	178		183	178
Public works administration	5	2		3	3
Streets	53	53		53	48
Airport	6	5		6	6
Engineering, development and Real estate	75	72		78	74
Total Public Works	139	132		140	131
Police	423	440		438	436
Fire	174	181		179	195
Total Public Safety	597	621		617	631
Municipal utilities administration	4	5		5	5
Water	81	90		85	85
Wastewater	38	39		29	41
Solid waste	24	24		20	18
Total Municipal Utilities	147	158		139	149
Total Primary Government	1,406	1,465		1,457	1,459

Source: City's Human Resources Division

(1) The significant change in this year is a result of the Information Technology Division moving from the Management Services Department to the City Manager Department.

(2) The significant change in this year is a result of the Neighborhood Programs moving from the Mayor and Council to the City Manager Department. The Code Enforcement, Tourism, and Real Estate Services Downtown are new to the City Manager Department.

(3) The significant change in this year is a result of the City offering a retirement incentive, voluntary separation packages, and movement between departments to retain employees.

(4) The significant change in this year is the result of the combination of Planning and Development to Transportation and Development.

Notes: 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.

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Fiscal Year							
2006	2007	2008		2009	2010		2011
5	5	5		5	5		5
5	6	6		6	6		5
74	79	104	(2)	103	96		122
18	17	18		18	15		12
39	44	48		43	41		40
25	27	29		28	27		27
95	101	106		105	95	(3)	85
261	279	316		308	285		296
108	111	114		103	80	(3)	172
182	219	243		207	226	(3)	229
3	3	3		3	3		0
55	59	64		57	50		0
6	6	6		6	6		0
71	76	85		80	74		0
135	144	158		146	133		0
460	487	496		483	478		467
207	219	228		223	219		218
667	706	724		706	697		685
5	5	5		5	6		5
85	85	88		86	80		88
41	42	43		41	42		42
21	21	20		18	20		20
152	153	156		150	148		155
1,505	1,612	1,711		1,620	1,569		1,537

CITY OF CHANDLER, ARIZONA
OPERATING INDICATORS BY FUNCTION / PROGRAM
LAST TEN FISCAL YEARS

Function/Program	Fiscal Year 2002	2003	2004	2005
General Government				
Privilege tax licenses issued	13,437	14,843	15,713	16,663
Meeting notices posted	450	501	504	534
City council actions and agenda items prepared	1,109	947	996	1,542
Grant awards received	43	46	47	49
Inventory turnover ratio	2.95	3.72	3.77	3.46
Planning & Development				
Building permits issued	8,737	9,723	11,688	8,951
Community Services				
Library circulation	1,501,217	1,700,786	1,817,536	1,967,446
Center for the arts events & exhibits	523	535	1,010	1,027
Public Safety				
Crime rate (per 1,000 population)	51.8	54.1	48.1	40.7
Total calls for police services (estimated)	125,817	126,710	113,501	136,942
Total calls for fire services	13,646	13,614	14,560	15,310
Fire inspections	2,386	3,705	2,236	3,767
Fire investigations	86	49	33	58
Municipal Utilities				
Water connections	58,962	64,862	68,757	70,375
Operating wells	23	21	21	23
Daily pumping capacity - wells (gallons)	62,090,000	55,800,000	55,800,000	57,400,000
Daily pumping capacity - plants (gallons)	45,000,000	45,000,000	45,000,000	45,000,000
Sewer connections	56,313	61,911	62,107	66,750
Sanitary sewer (miles)	712	755	780	796
Solid waste customers served	52,615	55,526	59,107	62,591
Solid waste refuse collected (tons)	110,495	125,158	134,571	117,813
Solid waste refuse recycled (tons)	19,490	20,417	21,678	23,379

Source: City of Chandler Departments

(1) The 2010 Center for the arts events & exhibits is the result of renovations within the Center for the Arts

(2) The 2010 increase in Daily pumping capacity-plants (gallons) is the result of the completion of the San Tan Water Treatment Plant and the Chandler Water Treatment Plant

Fiscal Year					
2006	**2007**	**2008**	**2009**	**2010**	**2011**
20,464	20,652	22,980	23,460	22,715	23,821
505	721	470	479	481	506
1,292	1,292	1,188	1,055	977	848
57	57	61	66	40	43
2.78	3.32	3.94	2.5	2.1	2.2
7,909	6,474	5,750	3,800	3,883	2,330
2,004,000	2,082,000	2,349,232	2,506,602	2,592,243	2,494,009
1,024	1,024	989	977	335 (1)	1,050
39.9	38.0	34.9	35.2	31.8	34.4
151,941	160,355	159,535	157,039	146,508	141,279
16,662	16,682	16,709	18,474	16,904	17,892
4,375	4,878	3,585	3,891	3,208	4,424
73	74	57	49	43	46
73,822	74,406	74,841	77,596	76,894	77,408
23	23	26	29	31	30
59,900,000	58,400,000	65,100,000	66,020,000	70,700,000	64,460,000
45,000,000	45,000,000	60,000,000	60,000,000	72,000,000 (2)	72,000,000
68,515	70,169	70,863	71,880	73,042	73,118
814	828	837	857	862	866
65,173	66,451	67,433	67,902	68,362	69,480
99,547	97,646	94,633	89,408	85,160	88,466
25,017	25,877	25,555	24,596	22,245	20,832

CITY OF CHANDLER, ARIZONA
CAPITAL ASSET STATISTICS BY FUNCTION / PROGRAM
LAST TEN FISCAL YEARS

Function/Program	2002	2003	2004	2005
Community Services				
Developed parks	48	49	51	51
Developed acres	752	796	870	874
Undeveloped acres	432	405	333	349
Swimming pools	5	5	5	5
Other recreational facilities (lighted fields)	32	32	32	32
Library bookstock	373,527	405,986	422,841	450,068
Public Works				
Total miles streets (center line)	743	762	768	775
Street lights	20,400	22,154	23,140	24,218
Signalized intersections	118	136	153	166
Based aircraft	415	411	433	434
Public Safety				
Police stations	1	1	1	1
Fire stations	5	7	8	9
Municipal Utilities				
Water mains (miles)	985	1,000	1,021	1,051
Fire hydrants	8,617	9,393	10,368	10,799
Average daily treament (mgd)	19	19	21	21

Source: City of Chandler Departments

(1) The 2006 increase in Undeveloped Acres is due to the purchasing of more land at the following sites: Tumbleweed, Landfill and Veteran Oasis.

(2) The 2010 decrease in Fire Hydrants is due to the City adjusting the count to include only hydrants owned and maintained by the City.

Fiscal Year					
2006	**2007**	**2008**	**2009**	**2010**	**2011**
53	54	58	59	61	61
889	959	1,099	1,133	1,198	1,192
535 (1)	468	455	407	336	342
5	5	5	6	6	6
33	34	34	34	34	34
469,000	483,128	469,023	472,266	446,675	429,604
785	812	822	832	829	1,977
25,100	25,307	26,326	26,500	26,600	26,600
189	192	200	205	208	208
457	499	442	449	449	437
2	2	3	3	3	3
9	10	10	10	10	10
1,063	1,080	1,117	1,189	1,194	1,223
10,952	12,291	13,033	13,750	12,318 (2)	12,925
22	24	24	24	22	24

Chandler ✦ Arizona

Where Values Make The Difference

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