

CITY OF SCOTTSDALE, ARIZONA

FINANCIAL STATEMENTS

* * *

JUNE 30, 1965

PRICE WATERHOUSE & Co.

CITY OF SCOTTSDALE, ARIZONA

FINANCIAL STATEMENTS

JUNE 30, 1965

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PRICE WATERHOUSE & CO.

222 NORTH CENTRAL AVENUE

PHOENIX 85004

March 29, 1966

To the City Council of the
City of Scottsdale, Arizona

We have examined the assets, liabilities and fund balances of the General Governmental Funds, Sewer Funds, Special Assessments Fund and Trust and Agency Fund of the City of Scottsdale, Arizona at June 30, 1965 and the related statements of revenue, expenditures and changes in fund balances for the year then ended. Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances except as indicated in the following paragraph. It was not practicable to obtain confirmation of special assessment balances receivable from owners of the assessed properties by direct correspondence but we satisfied ourselves as to these amounts by application of other auditing procedures.

Our examination did not include tests of the historical cost of property and equipment acquired before June 30, 1961 because complete accounting records thereof were not available. Accordingly we do not express an opinion as to property, plant and equipment, stated as \$1,363,582 in the General Property Fund and \$1,266,004 in the Sewer Property Fund, which amounts enter into the determination of financial position.

In our opinion, with the exception stated in the preceding paragraph, the accompanying financial statements (Exhibits I-XXIII) examined by us present fairly the financial position of the City of Scottsdale, Arizona at June 30, 1965 and the results of its operations for the year then ended in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Price Waterhouse & Co.

CITY OF SCOTTSDALE, ARIZONA

ASSETS, LIABILITIES AND FUND BALANCES
JUNE 30, 1965

	Combined	General governmental funds (Exhibit III)	Sewer funds (Exhibit XI)	Special assessments fund (Exhibit XXI)	Trust and agency fund (Exhibit XXIII)
<u>ASSETS</u>					
Cash	\$ 586,741	\$ 413,403	\$ 87,079	\$ 72,983	\$13,276
Cash with fiscal agents (Note 3)	156,535	79,093	57,574	19,868	
Investments	64,152		64,152		
Condemnation deposit	25,000	25,000			
Advances to improvement districts (Note 4)	303,726	303,726			
Special assessments receivable (Note 5)	1,046,627			1,046,627	
Connection fees receivable	39,217	39,217			
Other receivables	10,000	10,000			
Due from other funds	329,887	312,300		3,935	13,652
Construction in progress	2,628,922		2,628,922		
Property, plant and equipment	2,629,586	1,363,582	1,266,004		
	<u>\$7,820,393</u>	<u>\$2,546,321</u>	<u>\$4,103,731</u>	<u>\$1,143,413</u>	<u>\$26,928</u>
<u>LIABILITIES AND FUND BALANCES</u>					
Claims payable	\$ 617,992	\$ 183,534	\$ 434,458		\$26,928
Guaranty and other deposits	26,928				
Assessments payable on city property	28,017	28,017			
Due to other funds	329,887	329,887			
Bond interest payable	236,676	24,093	32,574	\$ 180,009	
Bonds payable (Notes 6 and 7)	3,959,745	1,255,000	1,750,000	954,745	
	<u>5,199,245</u>	<u>1,820,531</u>	<u>2,217,032</u>	<u>1,134,754</u>	<u>26,928</u>
Fund balances:					
Budgetary -					
Reserve for encumbrances	107,748	107,178	570		
Otherwise restricted	403,217	338,726	64,491		
Available for appropriation	129,281	105,104	24,177		
	<u>640,246</u>	<u>551,008</u>	<u>89,238</u>		
Non-budgetary -					
Reserve for uncollected revenue	39,217	39,217			
Improvement district surplus	8,659			8,659	
Invested in plant	2,601,569	1,335,565	1,266,004		
Invested in construction	2,256,457		2,256,457		
Balance of bonded debt used to finance construction	(2,925,000)	(1,200,000)	(1,725,000)		
	<u>1,980,902</u>	<u>174,782</u>	<u>1,797,461</u>	<u>8,659</u>	
	<u>2,621,148</u>	<u>725,790</u>	<u>1,886,699</u>	<u>8,659</u>	
	<u>\$7,820,393</u>	<u>\$2,546,321</u>	<u>\$4,103,731</u>	<u>\$1,143,413</u>	<u>\$26,928</u>

CITY OF SCOTTSDALE, ARIZONA

STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 1965

	<u>Combined</u>	General governmental funds (Exhibit IV)	Sewer funds (Exhibit XII)	Special assessments fund (Exhibit XXII)
<u>Revenues</u>				
Taxes:				
City privilege license	\$ 789,777	\$ 789,777		
Property	740,063	740,063		
State sales	398,242	398,242		
Gasoline	171,644	171,644		
Automobile lien	110,048	110,048		
Light and power franchise	41,785	41,785		
Financial institution	6,568	6,568		
	<u>2,258,127</u>	<u>2,258,127</u>		
Sewer service	239,296		\$ 239,296	
Licenses and permits	165,708	165,708		
Fines and forfeitures	116,272	116,272		
Charges for municipal services and interest	79,561	51,640	27,921	
Refuse removal	41,262	41,262		
Recreation department fees	18,074	18,074		
Library fines and fees	6,272	6,272		
	<u>2,924,572</u>	<u>2,657,355</u>	<u>267,217</u>	
<u>Expenditures</u>				
Personal services	1,272,506	1,243,929	28,577	
Contractual services	508,002	501,539	6,463	
Commodities	263,062	258,850	4,212	
Capital outlay	505,970	500,820	5,150	
Payments to fiscal agents	195,174	105,771	89,403	
	<u>2,744,714</u>	<u>2,610,909</u>	<u>133,805</u>	
Excess of revenues (expenditures)	<u>179,858</u>	<u>46,446</u>	<u>133,412</u>	
Interfund transfers		<u>(934,913)</u>	<u>934,913</u>	
Changes in non-budgetary fund balances:				
Redemption of 1957 and 1961 sewer revenue bonds - net (Note 8)	(35,339)		(35,339)	
Reduction of bonded debt	81,000	56,000	25,000	
Capital outlay additions	505,970	500,820	5,150	
Net federal aid contributions	120,158		120,158	
Connection fees receivable	39,217	39,217		
Miscellaneous	2,685		35	\$2,650
	<u>713,691</u>	<u>596,037</u>	<u>115,004</u>	<u>2,650</u>
	893,549	(292,430)	1,183,329	2,650
Fund balances:				
July 1, 1964	<u>1,727,599</u>	<u>1,018,220</u>	<u>703,370</u>	<u>6,009</u>
June 30, 1965	<u>\$2,621,148</u>	<u>\$ 725,790</u>	<u>\$1,886,699</u>	<u>\$8,659</u>

CITY OF SCOTTSDALE, ARIZONA

GENERAL GOVERNMENTAL FUNDS
ASSETS, LIABILITIES AND FUND BALANCES
JUNE 30, 1965

<u>ASSETS</u>	<u>Combined</u>	General governmental operating funds (Exhibit V)	General governmental debt service fund (Exhibit VII)	General property and bonded debt funds (Exhibit IX)
Cash	\$ 413,403	\$ 413,403		
Cash with fiscal agents	79,093		\$79,093	
Condemnation deposit	25,000	25,000		
Advances to improvement districts	303,726	303,726		
Connection fees receivable	39,217	39,217		
Other receivables	10,000	10,000		
Due from other funds	312,300	312,300		
Property, plant and equipment	<u>1,363,582</u>			<u>\$1,363,582</u>
	<u>\$2,546,321</u>	<u>\$1,103,646</u>	<u>\$79,093</u>	<u>\$1,363,582</u>
<u>LIABILITIES AND FUND BALANCES</u>				
Claims payable	\$ 183,534	\$ 183,534		
Assessments payable on city property	28,017			\$ 28,017
Due to other funds	329,887	329,887		
Bond interest payable	24,093		\$24,093	
Bonds payable	<u>1,255,000</u>		<u>55,000</u>	<u>1,200,000</u>
	<u>1,820,531</u>	<u>513,421</u>	<u>79,093</u>	<u>1,228,017</u>
Fund balances:				
Budgetary -				
Reserve for encumbrances	107,178	107,178		
Otherwise restricted	338,726	338,726		
Available for appropriation	<u>105,104</u>	<u>105,104</u>		
	<u>551,008</u>	<u>551,008</u>		
Non-budgetary -				
Reserve for uncollected revenue	39,217	39,217		
Invested in plant	1,335,565			1,335,565
Balance of bonded debt used to finance construction	<u>(1,200,000)</u>			<u>(1,200,000)</u>
	<u>174,782</u>	<u>39,217</u>		<u>135,565</u>
	<u>725,790</u>	<u>590,225</u>		<u>135,565</u>
	<u>\$2,546,321</u>	<u>\$1,103,646</u>	<u>\$79,093</u>	<u>\$1,363,582</u>

CITY OF SCOTTSDALE, ARIZONA

GENERAL GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 1965

	<u>Combined</u>	<u>General governmental operating funds (Exhibit VI)</u>	<u>General governmental debt service fund (Exhibit VIII)</u>	<u>General property and bonded debt funds (Exhibit X)</u>
<u>Revenues</u>				
Taxes:				
City privilege license	\$ 789,777	\$ 789,777		
Property	740,063	637,756	\$102,307	
State sales	398,242	398,242		
Gasoline	171,644	171,644		
Automobile lieu	110,048	110,048		
Light and power franchise	41,785	41,785		
Financial institution	6,568	6,568		
	<u>2,258,127</u>	<u>2,155,820</u>	<u>102,307</u>	
Licenses and permits	165,708	165,708		
Fines and forfeitures	116,272	116,272		
Charges for municipal services	51,640	51,640		
Refuse removal	41,262	41,262		
Recreation department fees	18,074	18,074		
Library fines and fees	6,272	6,272		
	<u>2,657,355</u>	<u>2,555,048</u>	<u>102,307</u>	
<u>Expenditures</u>				
Personal services	1,243,929	1,243,929		
Contractual services	501,539	501,539		
Commodities	258,850	258,850		
Capital outlay	500,820	500,820		
Payments to fiscal agents	105,771		105,771	
	<u>2,610,909</u>	<u>2,505,138</u>	<u>105,771</u>	
Excess of revenues (expenditures)	<u>46,446</u>	<u>49,910</u>	<u>(3,464)</u>	
Interfund transfers	<u>(934,913)</u>	<u>197,220</u>	<u>(82,133)</u>	<u>\$(1,050,000)</u>
Changes in non-budgetary fund balances:				
Reduction of bonded debt	56,000			56,000
Capital outlay additions	500,820			500,820
Connection fees receivable	39,217	39,217		
	<u>596,037</u>	<u>39,217</u>		<u>556,820</u>
	<u>(292,430)</u>	<u>286,347</u>	<u>(85,597)</u>	<u>(493,180)</u>
Fund balances:				
July 1, 1964	<u>1,018,220</u>	<u>303,878</u>	<u>85,597</u>	<u>628,745</u>
June 30, 1965	<u>\$ 725,790</u>	<u>\$ 590,225</u>	<u>\$</u>	<u>\$ 135,565</u>

CITY OF SCOTTSDALE, ARIZONA

GENERAL GOVERNMENTAL OPERATING FUNDS
ASSETS, LIABILITIES AND FUND BALANCES
JUNE 30, 1965

	<u>Combined</u>	<u>General fund</u>	<u>Parks fund</u>	<u>Library fund</u>	<u>Gas tax fund</u>	<u>Major streets and highways fund</u>	<u>Public works reserve fund</u>
<u>ASSETS</u>							
Cash	\$ 413,403	\$260,692	\$ 7,010	\$ 1,842	\$ 194	\$ 43,124	\$100,541
Condemnation deposit	25,000						25,000
Advances to improvement districts	303,726	101,326				202,400	
Connection fees receivable	39,217	39,217					
Other receivables	10,000						10,000
Due from other funds	<u>312,300</u>	<u>111,427</u>	<u>4,747</u>	<u>23,154</u>	<u>27,523</u>	<u>14,878</u>	<u>130,571</u>
	<u>\$1,103,646</u>	<u>\$512,662</u>	<u>\$11,757</u>	<u>\$24,996</u>	<u>\$27,717</u>	<u>\$260,402</u>	<u>\$266,112</u>
<u>LIABILITIES AND FUND BALANCES</u>							
Claims payable	\$ 183,534	\$162,741	\$ 4,576	\$ 4,137	\$11,184	\$ 691	\$ 205
Due to other funds	<u>329,887</u>	<u>218,460</u>	<u>7,010</u>	<u>1,842</u>	<u>1,175</u>	<u>101,400</u>	<u> </u>
	<u>513,421</u>	<u>381,201</u>	<u>11,586</u>	<u>5,979</u>	<u>12,359</u>	<u>102,091</u>	<u>205</u>
Fund balances:							
Budgetary -							
Reserve for encumbrances	107,178	48,910	171	19,017	15,358		23,722
Otherwise restricted	338,726	101,326				202,400	35,000
Available for appropriation	<u>105,104</u>	<u>(57,992)</u>	<u> </u>	<u> </u>	<u> </u>	<u>(44,089)</u>	<u>207,185</u>
	551,008	92,244	171	19,017	15,358	158,311	265,907
Non-budgetary -							
Reserve for uncollected revenue	<u>39,217</u>	<u>39,217</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	<u>590,225</u>	<u>131,461</u>	<u>171</u>	<u>19,017</u>	<u>15,358</u>	<u>158,311</u>	<u>265,907</u>
	<u>\$1,103,646</u>	<u>\$512,662</u>	<u>\$11,757</u>	<u>\$24,996</u>	<u>\$27,717</u>	<u>\$260,402</u>	<u>\$266,112</u>

CITY OF SCOTTSDALE, ARIZONA

GENERAL GOVERNMENTAL OPERATING FUNDS
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 YEAR ENDED JUNE 30, 1965

	<u>Combined</u>	<u>General fund</u>	<u>Parks fund</u>	<u>Library fund</u>	<u>Gas tax fund</u>	<u>Major streets and highways fund</u>	<u>Public works reserve fund</u>	<u>Public works construction fund</u>
Revenues								
Taxes:								
City privilege license	\$ 789,777	\$ 789,777						
Property	637,756	352,271					\$285,485	
State sales	398,242	398,242						
Gasoline	171,644				\$ 65,836	\$105,808		
Automobile lieu	110,048	110,048						
Light and power franchise	41,785	41,785						
Financial institution	6,568	6,568						
	<u>2,155,820</u>	<u>1,698,691</u>			<u>65,836</u>	<u>105,808</u>	<u>285,485</u>	
Licenses and permits	165,708	165,708						
Fines and forfeitures	116,272	116,272						
Charges for municipal services	51,640	51,150					490	
Refuse removal	41,262	41,262						
Recreation department fees	18,074		\$ 18,074					
Library fines and fees	6,272			\$ 6,272				
	<u>2,555,048</u>	<u>2,073,083</u>	<u>18,074</u>	<u>6,272</u>	<u>65,836</u>	<u>105,808</u>	<u>285,975</u>	
Expenditures								
Personal services	1,243,929	1,078,447	113,500	49,059	2,443	480		
Contractual services	501,539	438,870	23,580	7,278	20,635	3,306	7,870	
Commodities	258,850	132,903	20,577	3,926	93,409	7,220	815	
Capital outlay	500,820	272,158	22,962	20,884	26,499	4,596	153,721	
	<u>2,505,138</u>	<u>1,922,378</u>	<u>180,619</u>	<u>81,147</u>	<u>142,986</u>	<u>15,602</u>	<u>162,406</u>	
Excess of revenues (expenditures)	<u>49,910</u>	<u>150,705</u>	<u>(162,545)</u>	<u>(74,875)</u>	<u>(77,150)</u>	<u>90,206</u>	<u>123,569</u>	
Interfund transfers:								
From (to) general governmental funds		(321,911)	155,047	91,244	75,620			
From (to) general governmental debt service fund	29,118	32,582			(3,464)			
From sewer revenue fund	175,005	175,005						
To sewer debt service funds	(6,903)							\$(6,903)
	<u>197,220</u>	<u>(114,324)</u>	<u>155,047</u>	<u>91,244</u>	<u>72,156</u>			<u>(6,903)</u>
Changes in non-budgetary fund balances:								
Connection fees receivable	39,217	39,217						
	<u>286,347</u>	<u>75,598</u>	<u>(7,498)</u>	<u>16,369</u>	<u>(4,994)</u>	<u>90,206</u>	<u>123,569</u>	<u>(6,903)</u>
Fund balances:								
July 1, 1964	<u>303,878</u>	<u>55,863</u>	<u>7,669</u>	<u>2,648</u>	<u>20,352</u>	<u>68,105</u>	<u>142,338</u>	<u>6,903</u>
June 30, 1965	<u>\$ 590,225</u>	<u>\$ 131,461</u>	<u>\$ 171</u>	<u>\$19,017</u>	<u>\$ 15,358</u>	<u>\$158,311</u>	<u>\$265,907</u>	<u>\$</u>

CITY OF SCOTTSDALE, ARIZONA
 GENERAL GOVERNMENTAL DEBT SERVICE FUND
 ASSETS, LIABILITIES AND FUND BALANCES
JUNE 30, 1965

	<u>Combined</u>	<u>General obligation bonds</u>					<u>Motor vehicle fuel tax anticipation bonds</u>
		<u>1957 Sewer</u>	<u>1960 Sewer</u>	<u>1961 Sewer</u>	<u>P-1 Townhall</u>	<u>P-3 Jail</u>	
<u>ASSETS</u>							
Cash with fiscal agents	<u>\$79,093</u>	<u>\$21,562</u>	<u>\$15,300</u>	<u>\$23,623</u>	<u>\$4,880</u>	<u>\$12,600</u>	<u>\$1,128</u>
<u>LIABILITIES AND FUND BALANCES</u>							
Bond interest payable	\$24,093	\$ 6,562	\$ 300	\$13,623	\$ 880	\$ 2,600	\$ 128
Bonds payable	<u>55,000</u>	<u>15,000</u>	<u>15,000</u>	<u>10,000</u>	<u>4,000</u>	<u>10,000</u>	<u>1,000</u>
	<u>\$79,093</u>	<u>\$21,562</u>	<u>\$15,300</u>	<u>\$23,623</u>	<u>\$4,880</u>	<u>\$12,600</u>	<u>\$1,128</u>

CITY OF SCOTTSDALE, ARIZONA

GENERAL GOVERNMENTAL DEBT SERVICE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 1965

	General obligation bonds						Motor vehicle fuel tax anticipation bonds
	Combined	1957 Sewer	1960 Sewer	1961 Sewer	P-1 Townhall	P-3 Jail	
<u>Revenues</u>							
Property taxes	\$102,307	\$27,988	\$15,815	\$37,130	\$5,964	\$15,410	
<u>Expenditures</u>							
Payments to fiscal agents for:							
Principal redemptions	56,000	15,000	15,000	10,000	4,000	10,000	\$2,000
Interest redemptions	48,908	12,938	600	27,050	1,760	5,200	1,360
Fiscal agents' fees	863	50	215	80	204	210	104
	<u>105,771</u>	<u>27,988</u>	<u>15,815</u>	<u>37,130</u>	<u>5,964</u>	<u>15,410</u>	<u>3,464</u>
Excess of revenues (expenditures)	<u>(3,464)</u>						<u>(3,464)</u>
Interfund transfers:							
From gas tax fund	3,464						3,464
To general fund	(32,582)	(32,582)					
To sewer debt service funds	(53,015)	(53,015)					
	<u>(82,133)</u>	<u>(85,597)</u>					<u>3,464</u>
	(85,597)	(85,597)					
Fund balances:							
July 1, 1964	<u>85,597</u>	<u>85,597</u>	_____	_____	_____	_____	_____
June 30, 1965	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ _____</u>

CITY OF SCOTTSDALE, ARIZONAGENERAL PROPERTY AND BONDED DEBT FUNDS
ASSETS, LIABILITIES AND FUND BALANCES
JUNE 30, 1965

	<u>Combined</u>	<u>General property fund</u>	<u>General bonded debt fund</u>
<u>ASSETS</u>			
Property, plant and equipment	<u>\$1,363,582</u>	<u>\$1,363,582</u>	
	<u>\$1,363,582</u>	<u>\$1,363,582</u>	
<u>LIABILITIES AND FUND BALANCES</u>			
Assessments payable on city property	\$ 28,017	\$ 28,017	
General obligation bonds payable	1,170,000		\$ 1,170,000
Fuel tax anticipation bonds payable	<u>30,000</u>		<u>30,000</u>
	<u>1,228,017</u>	<u>28,017</u>	<u>1,200,000</u>
Fund balances:			
Non-budgetary -			
Invested in plant	1,335,565	1,335,565	
Balance of bonded debt used to finance construction	<u>(1,200,000)</u>		<u>(1,200,000)</u>
	<u>135,565</u>	<u>1,335,565</u>	<u>(1,200,000)</u>
	<u>\$1,363,582</u>	<u>\$1,363,582</u>	<u>\$</u>

CITY OF SCOTTSDALE, ARIZONA

GENERAL PROPERTY AND BONDED DEBT FUNDS
STATEMENT OF CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 1965

	<u>Combined</u>	<u>General property fund</u>	<u>General bonded debt fund</u>
Interfund transfers:			
From sewer bonded debt fund	<u>(\$1,050,000)</u>		<u>(\$1,050,000)</u>
Changes in non-budgetary fund balances:			
Reduction of bonded debt	56,000		56,000
Capital outlay additons	<u>500,820</u>	<u>\$ 500,820</u>	<u> </u>
	<u>556,820</u>	<u>500,820</u>	<u>56,000</u>
	(493,180)	500,820	(994,000)
Fund balances:			
July 1, 1964	<u>628,745</u>	<u>834,745</u>	<u>(206,000)</u>
June 30, 1965	<u>\$ 135,565</u>	<u>\$1,335,565</u>	<u>(\$1,200,000)</u>

CITY OF SCOTTSDALE, ARIZONA

SEWER FUNDS
ASSETS, LIABILITIES AND FUND BALANCES
JUNE 30, 1965

	<u>Combined</u>	<u>Sewer revenue, operation and maintenance fund (Exhibit XIII)</u>	<u>Sewer system replacement and extension reserve fund (Exhibit XV)</u>	<u>Sewer debt service funds (Exhibit XVII)</u>	<u>Sewer construction, property and bonded debt funds (Exhibit XIX)</u>
<u>ASSETS</u>					
Cash	\$ 87,079	\$25,173	\$194	\$ 145	\$ 61,567
Cash with fiscal agents	57,574			57,574	
Investments	64,152			64,152	
Construction in progress	2,628,922				2,628,922
Property, plant and equipment	<u>1,266,004</u>				<u>1,266,004</u>
	<u>\$4,103,731</u>	<u>\$25,173</u>	<u>\$194</u>	<u>\$121,871</u>	<u>\$3,956,493</u>
<u>LIABILITIES AND FUND BALANCES</u>					
Claims payable	\$ 434,458	\$ 426			\$ 434,032
Bond interest payable	32,574			\$ 32,574	
Bonds payable	<u>1,750,000</u>			<u>25,000</u>	<u>1,725,000</u>
	<u>2,217,032</u>	<u>426</u>		<u>57,574</u>	<u>2,159,032</u>
Fund balances:					
Budgetary -					
Reserve for encumbrances	570	570			
Restricted for debt service	64,491		\$194	64,297	
Available for appropriation	<u>24,177</u>	<u>24,177</u>			
	<u>89,238</u>	<u>24,747</u>	<u>194</u>	<u>64,297</u>	
Non-budgetary -					
Invested in plant	1,266,004				1,266,004
Invested in construction	2,256,457				2,256,457
Balance of bonded debt used to finance construction	<u>(1,725,000)</u>				<u>(1,725,000)</u>
	<u>1,797,461</u>				<u>1,797,461</u>
	<u>1,886,699</u>	<u>24,747</u>	<u>194</u>	<u>64,297</u>	<u>1,797,461</u>
	<u>\$4,103,731</u>	<u>\$25,173</u>	<u>\$194</u>	<u>\$121,871</u>	<u>\$3,956,493</u>

CITY OF SCOTTSDALE, ARIZONA

SEWER FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 1965

	<u>Combined</u>	<u>Sewer revenue, operation and maintenance fund (Exhibit XIV)</u>	<u>Sewer system replacement and extension reserve fund (Exhibit XVI)</u>	<u>Sewer debt service funds (Exhibit XVIII)</u>	<u>Sewer construction, property and bonded debt funds (Exhibit XX)</u>
<u>Revenues</u>					
Sewer service	\$ 239,296	\$239,296			
Interest on investments	27,921	27,921			
	<u>267,217</u>	<u>267,217</u>			
<u>Expenditures</u>					
Personal services	28,577	28,577			
Contractual services	6,463	6,463			
Commodities	4,212	4,212			
Capital outlay	5,150		\$ 5,150		
Payments to fiscal agents	89,403			\$ 89,403	
	<u>133,805</u>	<u>39,252</u>	<u>5,150</u>	<u>89,403</u>	
Excess of revenues (expenditures)	<u>133,412</u>	<u>227,965</u>	<u>(5,150)</u>	<u>(89,403)</u>	
Interfund transfers	<u>934,913</u>	<u>(384,529)</u>	<u>(26,484)</u>	<u>1,069,039</u>	\$ 276,887
Changes in non-budgetary fund balances:					
Redemption of 1957 and 1961 sewer revenue bonds	(35,339)			(915,339)	880,000
Reduction of bonded debt	25,000				25,000
Capital outlay additions	5,150				5,150
Net federal aid contributions	120,158				120,158
Miscellaneous	35				35
	<u>115,004</u>			<u>(915,339)</u>	<u>1,030,343</u>
	1,183,329	(156,564)	(31,634)	64,297	1,307,230
Fund balances:					
July 1, 1964	<u>703,370</u>	<u>181,311</u>	<u>31,828</u>		<u>490,231</u>
June 30, 1965	<u>\$1,886,699</u>	<u>\$ 24,747</u>	<u>\$ 194</u>	<u>\$ 64,297</u>	<u>\$1,797,461</u>

CITY OF SCOTTSDALE, ARIZONA

SEWER REVENUE, OPERATIONS AND MAINTENANCE FUND
ASSETS, LIABILITIES AND FUND BALANCES
JUNE 30, 1965

ASSETS

Cash \$25,173

LIABILITIES AND FUND BALANCES

Claims payable \$ 426

Fund balances:

Budgetary -

Reserve for encumbrances 570

Available for appropriation 24,177

24,747

\$25,173

CITY OF SCOTTSDALE, ARIZONASEWER REVENUE, OPERATION AND MAINTENANCE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 1965Revenues

Sewer service	\$239,296
Interest on investments	<u>27,921</u>
	<u>267,217</u>

Expenditures

Personal services	28,577
Contractual services	6,463
Commodities	<u>4,212</u>
	<u>39,252</u>

Excess of revenues	<u>227,965</u>
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Interfund transfers:

From other bond construction fund	2,041
To sewer debt service funds	(206,221)
To sewer system replacement and extension reserve fund	(5,344)
To general fund	<u>(175,005)</u>
	<u>(384,529)</u>
	(156,564)

Fund balance:

July 1, 1964	<u>181,311</u>
June 30, 1965	<u>\$ 24,747</u>

CITY OF SCOTTSDALE, ARIZONA

SEWER SYSTEM REPLACEMENT AND EXTENSION RESERVE FUND
ASSETS, LIABILITIES AND FUND BALANCE
JUNE 30, 1965

ASSET

Cash

\$194

LIABILITIES AND FUND BALANCE

Fund balance:

Budgetary -

Restricted for debt service
and capital outlay

\$194

CITY OF SCOTTSDALE, ARIZONA

SEWER SYSTEM REPLACEMENT AND EXTENSION RESERVE FUND
STATEMENT OF EXPENDITURES AND CHANGES IN FUND BALANCE
YEAR ENDED JUNE 30, 1965

Expenditures

Capital outlay	<u>\$(5,150)</u>
Interfund transfers:	
From sewer revenue fund	5,344
To sewer debt service fund	<u>(31,828)</u>
	<u>(26,484)</u>
	(31,634)
Fund balance:	
July 1, 1964	<u>31,828</u>
June 30, 1965	<u>\$ 194</u>

CITY OF SCOTTSDALE, ARIZONA
SEWER DEBT SERVICE FUNDS
ASSETS, LIABILITIES AND FUND BALANCES
JUNE 30, 1965

	<u>Combined</u>	1964 Sewer revenue bond interest and redemption <u>fund</u>	<u>1964 Sewer revenue bond reserve fund</u>
<u>ASSETS</u>			
Cash	\$ 145		\$ 145
Cash with fiscal agents	57,574	\$57,574	
Investments	<u>64,152</u>	<u> </u>	<u>64,152</u>
	<u>\$121,871</u>	<u>\$57,574</u>	<u>\$64,297</u>
<u>LIABILITIES AND FUND BALANCES</u>			
Bond interest payable	\$ 32,574	\$32,574	
Bonds payable	<u>25,000</u>	<u>25,000</u>	
	57,574	57,574	
Fund balance:			
Budgetary -			
Restricted for debt service	<u>64,297</u>	<u> </u>	<u>\$64,297</u>
	<u>\$121,871</u>	<u>\$57,574</u>	<u>\$64,297</u>

CITY OF SCOTTSDALE, ARIZONA

SEWER DEBT SERVICE FUNDS
STATEMENT OF EXPENDITURES AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 1965

	<u>Combined</u>	1964 Sewer revenue bond interest and redemption <u>fund</u>	<u>1964 Sewer revenue bond reserve fund</u>	1957 and 1961 Sewer revenue bond reserve <u>funds</u>
<u>Expenditures</u>				
Payments to fiscal agents for:				
Principal redemptions	\$ 25,000	\$25,000		
Interest redemptions	64,298	64,298		
Fiscal agent's fees	105	105		
	<u>89,403</u>	<u>89,403</u>		
Interfund transfers from:				
Sewer system replacement and extension reserve fund	31,828			\$ 31,828
Sewer revenue fund	206,221	89,403		116,818
1964 sewer bond construction fund	64,297		\$64,297	
Other bond construction fund	706,775			706,775
Public works construction fund	6,903			6,903
General governmental debt service	53,015			53,015
	<u>1,069,039</u>	<u>89,403</u>	<u>64,297</u>	<u>915,339</u>
Changes in non-budgetary fund balances:				
Payment to irrevocable trust for redemption of 1957 and 1961 sewer revenue bonds	915,339			915,339
	64,297		64,297	
Fund balances:				
July 1, 1964	<u> </u>	<u> </u>	<u> </u>	<u> </u>
June 30, 1965	<u>\$ 64,297</u>	<u>\$ </u>	<u>\$64,297</u>	<u>\$ </u>

CITY OF SCOTTSDALE, ARIZONA

SEWER CONSTRUCTION, PROPERTY AND BONDED DEBT FUNDS
ASSETS, LIABILITIES AND FUND BALANCES
JUNE 30, 1965

<u>ASSETS</u>	<u>Combined</u>	1964 Sewer bond construction <u>fund</u>	Other bond construction <u>fund</u>	Sewer property <u>fund</u>	Sewer bonded debt <u>fund</u>
Cash	\$ 61,567	\$ 61,567			
Construction in progress	2,628,922	2,094,881	\$534,041		
Property, plant and equipment	<u>1,266,004</u>	<u> </u>	<u> </u>	<u>\$1,266,004</u>	
	<u>\$3,956,493</u>	<u>\$2,156,448</u>	<u>\$534,041</u>	<u>\$1,266,004</u>	
<u>LIABILITIES AND FUND BALANCES</u>					
Claims payable	\$ 434,032	\$ 434,032			
Sewer revenue bonds payable	<u>1,725,000</u>	<u> </u>			<u>\$1,725,000</u>
	<u>2,159,032</u>	<u>434,032</u>			<u>1,725,000</u>
Fund balances:					
Non-budgetary -					
Invested in plant	1,266,004			\$1,266,004	
Invested in construction	2,256,457	1,722,416	\$534,041		
Balance of bonded debt used to finance construction	<u>(1,725,000)</u>	<u> </u>	<u> </u>	<u> </u>	<u>(1,725,000)</u>
	<u>1,797,461</u>	<u>1,722,416</u>	<u>534,041</u>	<u>1,266,004</u>	<u>(1,725,000)</u>
	<u>\$3,956,493</u>	<u>\$2,156,448</u>	<u>\$534,041</u>	<u>\$1,266,004</u>	<u>\$ </u>

CITY OF SCOTTSDALE, ARIZONA

SEWER CONSTRUCTION, PROPERTY AND BONDED DEBT FUNDS
STATEMENT OF CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 1965

	<u>Combined</u>	<u>1964 Sewer bond construction fund</u>	<u>Other bond construction fund</u>	<u>Sewer property fund</u>	<u>Sewer bonded debt fund</u>
Interfund transfers:					
To sewer debt service funds	\$ (771,072)	\$ (64,297)	\$ (706,775)		
To sewer revenue fund	(2,041)		(2,041)		
To general bonded debt fund	<u>1,050,000</u>				<u>\$ 1,050,000</u>
	<u>276,887</u>	<u>(64,297)</u>	<u>(708,816)</u>		<u>1,050,000</u>
Changes in non-budgetary fund balance:					
Redemption of -					
1957 sewer revenue bonds	195,000				195,000
1961 sewer revenue bonds	685,000				685,000
Reduction of bonded debt	25,000				25,000
Capital outlay additions	5,150			\$ 5,150	
Federal aid contributions	199,800	199,800			
Less participant's share	(79,642)	(79,642)			
Premium on bonds issued	35	35			
Bonds issued		1,750,000			(1,750,000)
Construction projects completed (see below)		<u>(83,480)</u>	<u>(85,663)</u>	<u>169,143</u>	
	<u>1,030,343</u>	<u>1,786,713</u>	<u>(85,663)</u>	<u>174,293</u>	<u>(845,000)</u>
	1,307,230	1,722,416	(794,479)	174,293	205,000
Fund balances:					
July 1, 1964	<u>490,231</u>		<u>1,328,520</u>	<u>1,091,711</u>	<u>(1,930,000)</u>
June 30, 1965	<u>\$1,797,461</u>	<u>\$1,722,416</u>	<u>\$ 534,041</u>	<u>\$1,266,004</u>	<u>\$(1,725,000)</u>
Analysis of construction in progress:					
Balance, July 1, 1964		\$ 189,194	\$ 619,704		
Expended this year		2,392,022			
Less participant's contributions		<u>(402,855)</u>			
		2,178,361	619,704		
Balance, June 30, 1965		<u>(2,094,881)</u>	<u>(534,041)</u>		
Construction projects completed		<u>\$ 83,480</u>	<u>\$ 85,663</u>		

CITY OF SCOTTSDALE, ARIZONA
SPECIAL ASSESSMENTS FUND
ASSETS, LIABILITIES AND FUND BALANCE
JUNE 30, 1965

ASSETS

Cash	\$ 72,983
Cash with fiscal agents	19,868
Special assessments receivable	1,046,627
Due from other funds	<u>3,935</u>
	<u>\$1,143,413</u>

LIABILITIES AND FUND BALANCE

Bond interest payable	\$ 180,009
Bonds payable	<u>954,745</u>
	<u>1,134,754</u>
Fund balance:	
Non-budgetary -	
Improvement district surplus	<u>8,659</u>
	<u>\$1,143,413</u>

CITY OF SCOTTSDALE, ARIZONA

SPECIAL ASSESSMENTS FUND
STATEMENT OF CHANGES IN FUND BALANCE
YEAR ENDED JUNE 30, 1965

Changes in non-budgetary fund balance:

Interest on invested advance collections	\$2,830
Penalties on delinquent collections	765
Other	<u>667</u>
	4,262
Fiscal agent's fee	<u>(1,612)</u>
	2,650

Fund balance:

July 1, 1964	<u>6,009</u>
June 30, 1965	<u>\$8,659</u>

CITY OF SCOTTSDALE, ARIZONA

TRUST AND AGENCY FUND
ASSETS AND LIABILITIES
JUNE 30, 1965

ASSETS

Cash	\$13,276
Due from other funds	<u>13,652</u>
	<u>\$26,928</u>

LIABILITIES

Guaranty and other deposits	<u>\$26,928</u>
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CITY OF SCOTTSDALE, ARIZONA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1965

NOTE 1 - Principles of accounting:

The City of Scottsdale maintains its accounts on a modified cash basis. Under this method revenues are recorded only when received and expenditures are recorded when the liability has been incurred. Budgetary appropriations are encumbered immediately on execution of purchase orders, contracts or other commitment documents. For statement presentation encumbrances are not combined with expenditures but are accounted for through a segregation of budgetary fund balances.

NOTE 2 - Description of funds:

All financial operations of the city are recorded within an accounting structure consisting of a group of funds. Each fund is an independent and fiscal accounting entity created either by state statute, city charter, ordinance or usage. These funds are classified in the following categories:

The General Fund is used to account for the general operations of the city. In general, it is used for all operations for which special funds have not been established and can be used to provide additional money to supplement the more restricted funds which have been established.

The Parks Fund is used to account for the city's parks and recreation activities.

The Library Fund is used to account for the operation of the city library including the purchase of books.

The Gas Tax Fund and the Major Streets and Highway Fund are used to account for the city's share of the state gasoline taxes. The expenditures from the Gas Tax Fund are limited to improvement, construction or maintenance of municipal streets and highways and retirement of Gasoline Tax Bonds while the expenditures from the Major Streets and Highway Fund may only be used for the construction or reconstruction of major arterial streets.

The Public Works Reserve Fund receives most of its revenue from a portion of the city's share of property taxes and uses the funds for public improvements and betterment of public facilities.

The Sewer Revenue, Operation and Maintenance Fund is used to account for all revenues derived from the operation of the sewer facilities. The funds are used first to provide for the covenants of the 1964 Sewer Bond issue and second for operation and maintenance of the sewer facilities. Any remaining funds may be used for any legal municipal purpose.

The Sewer System Replacement and Extension Reserve Fund receives two percent of gross sewer revenues which is used for sewer system maintenance and redemption of sewer revenue bonds.

Bond Construction Funds are used to account for the proceeds of bond issues which have been approved by the majority of the city's qualified voters. Expenditures from these funds may only be used for the projects authorized or for redemption of the bonds issued.

The Debt Service Funds are used to account for the current principal redemption and interest requirements of the various bond funds in addition to reserve requirements and fiscal agents' fees.

Property Funds account for property, plant and equipment the city purchases or constructs either from its own funds or contributions from others.

Bonded Debt Funds account for the city's outstanding bonded indebtedness.

The Special Assessment Fund is used to account for the collection of special assessment levies and penalties, and for the repayment of special assessment bonds and interest thereon for each individual improvement district.

The Trust and Agency Fund is used to account for various deposits and similar items left in trust with the city.

The fund balances in the various funds are segregated into budgetary and non-budgetary accounts. The budgetary accounts reflect amounts which have been encumbered or restricted or amounts which are available for appropriation. The non-budgetary accounts which mainly comprise the city's investment in plant and construction are not available for appropriation.

NOTE 3 - Cash with fiscal Agents:

Cash with fiscal agents represents amounts on hand with the city's paying agents for redemption of bond interest and principal due on July 1, 1965.

NOTE 4 - Advances to improvement districts:

Certain engineering and other incidental costs are incurred by the city prior to placing improvement district contracts out for bid. These advances are considered restricted funds until the contract is awarded and the city is reimbursed by the contractor.

NOTE 5 - Special assessments receivable:

The city acts as trustee for special assessments on improvement districts whereby it collects the assessments levied against the owners of property within the improvement district and disburses these amounts to retire the bonds issued to finance the improvements.

NOTE 6 - Bonds payable:

Bonds issued by the city and outstanding at June 30, 1965 mature serially as shown below:

<u>Year</u>	<u>General Obligation Bonds</u>	<u>Sewer Revenue Bonds</u>	<u>Gas Tax Bonds</u>	<u>Total</u>
1965	\$ 54,000	\$ 25,000	\$ 1,000	\$ 80,000
1966	49,000	25,000	2,500	76,500
1967	49,000	25,000	2,500	76,500
1968	49,000	25,000	2,500	76,500
1969	54,000	30,000	2,500	86,500
1970	54,000	30,000	3,000	87,000
1971-1975	340,000	195,000	15,000	550,000
1976-1980	325,000	260,000	2,000	587,000
1981-1985	250,000	380,000		630,000
1986-1990		475,000		475,000
1991-1995		280,000		280,000
	<u>\$1,224,000</u>	<u>\$1,750,000</u>	<u>\$31,000</u>	3,005,000

Special assessments bonds payable (See Note 5) 954,745
\$3,959,745

NOTE 7 - Authorized but unissued bonds:

As of June 30, 1965 the city had received authority through bond elections but had not yet issued the following bonds:

Sewer revenue bonds	\$5,750,000
Water revenue bonds	<u>3,000,000</u>
	<u>\$8,750,000</u>

In an election held on September 28, 1965 Park and Recreational Improvement Bonds were authorized in the amount of \$1,438,000. These bonds have not been issued.

NOTE 8 - Redemption of 1957 and 1961 Sewer Revenue Bonds:

In 1961 the city planned to construct a sewage treatment plant and sewer revenue bonds were issued for that purpose. This plan was abandoned and the proceeds of the 1961 sewer revenue bonds became unexpendable for the purpose for which they had been issued. In order to remove their lien on future sewer system revenue and provide for issuance of additional sewer bonds for construction of joint sewage facilities under a five-city plan, it was necessary to retire the 1961 and the 1957 sewer revenue bonds. On July 9, 1964, the city executed an irrevocable trust agreement with The Arizona Bank whereby the city deposited \$915,339 in the trust account for the purpose of servicing and redeeming \$195,000 of 1957 Sewer Revenue Bonds and \$685,000 of 1961 Sewer Revenue Bonds. The interest earnings on the amount deposited in the trust together with the principal amount is sufficient for the redemption of principal and the payment of interest accruing to these bonds.

NOTE 9 - Contingent liabilities and commitments:

In April 1961 a former official of the city entered into a contract for the purchase of 18 acres of land for a total price of \$54,000 of which \$10,000 was paid with the balance payable over approximately ten years in accordance with the terms of the contract. A lawsuit is pending against the city for the balance of this contract. The city attorney believes that the contract is invalid; accordingly the liability thereunder is not recorded, the periodic payments have not been made, and the city has a counterclaim pending to recover the \$10,000 down payment which is included in receivables.

The city is leasing certain property and equipment with the option to purchase and to apply rentals paid to the purchase price. As the purchase option had not been exercised at June 30, 1965, liability for the remaining payments of approximately \$416,000 had not been recorded in the city's accounts.