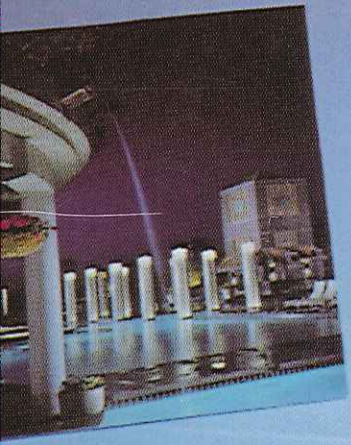
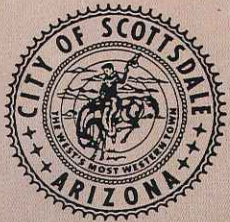
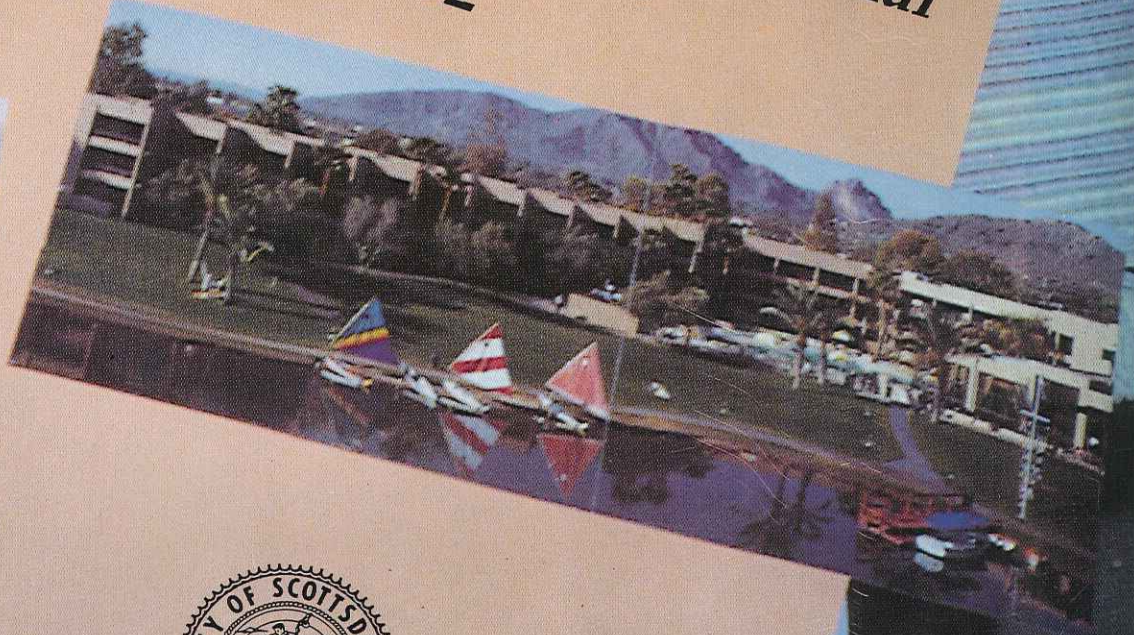
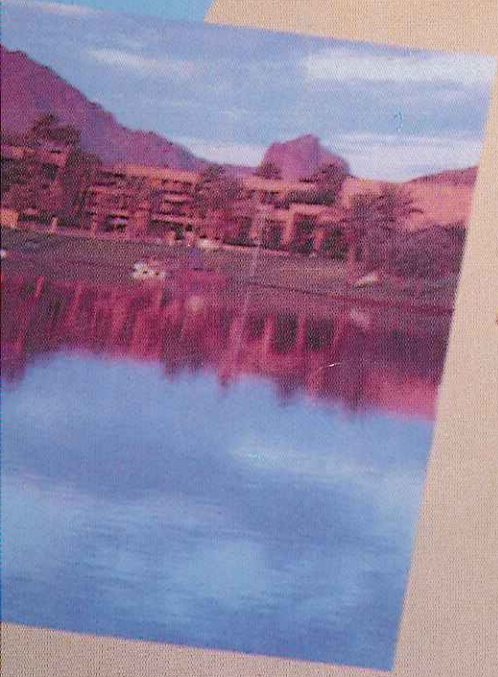


Scottsdale, Arizona Destination Attraction USA



City of Scottsdale, Arizona Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 1992



About The Cover

SCOTTSDALE DESTINATION ATTRACTION, USA

The City of Scottsdale is readily recognized as a favorite destination of the cosmopolitan traveler. Few cities can compete with Scottsdale when it comes to fine dining, luxury resorts, haute couture shopping, cultural amenities, and sporting and recreational activities.

While tourism has always been one of the City's foremost hallmarks, Scottsdale has wisely put extra effort into diversifying its economic base. The revitalization of the City's downtown area is an ongoing joint effort involving downtown property owners and the City. Through this partnership, improvement districts have been formed to upgrade the downtown area and to give distinctive character and appearance to the various shopping areas.

This same strong private-public partnership has promoted construction of several major retail developments in the downtown area — the recently opened \$125 million Scottsdale Galleria and the combined renovations to Scottsdale Fashion Square and Camelview Plaza which make it Arizona's largest regional shopping center.

Other exciting plans for the downtown area include two significant projects — development of a Canal Bank Master Plan and construction of a 7,000-seat, multi-use sports and cultural facility. The canal bank project will provide planned development along the banks of the Arizona Canal to beautify the banks with pedestrian amenities, shops and restaurants. The multi-use sports and cultural facility, will replace the City's existing stadium and provide a year-round facility to house a wide variety of events and activities.

These and other community enhancements, will make FY 1991/92 a year of vision and accomplishment. Visitors and residents alike will see Scottsdale continue to build on its strong foundation and effectively plan for a bright future.

The cover highlights several aspects of Scottsdale that promote it as a dynamic destination attraction.



**CITY OF SCOTTSDALE
COMPREHENSIVE ANNUAL
FINANCIAL REPORT
FISCAL YEAR ENDED
JUNE 30, 1992**

**CITY COUNCIL
HERBERT R. DRINKWATER, MAYOR**

**GREGORY S. BIELLI
JAMES BURKE
SAM KATHRYN CAMPANA**

**MARY MANROSS
BILL SODERQUIST
RICHARD THOMAS**

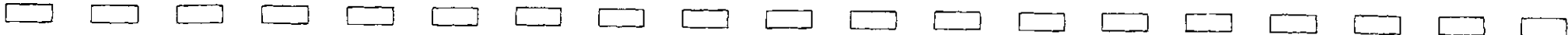
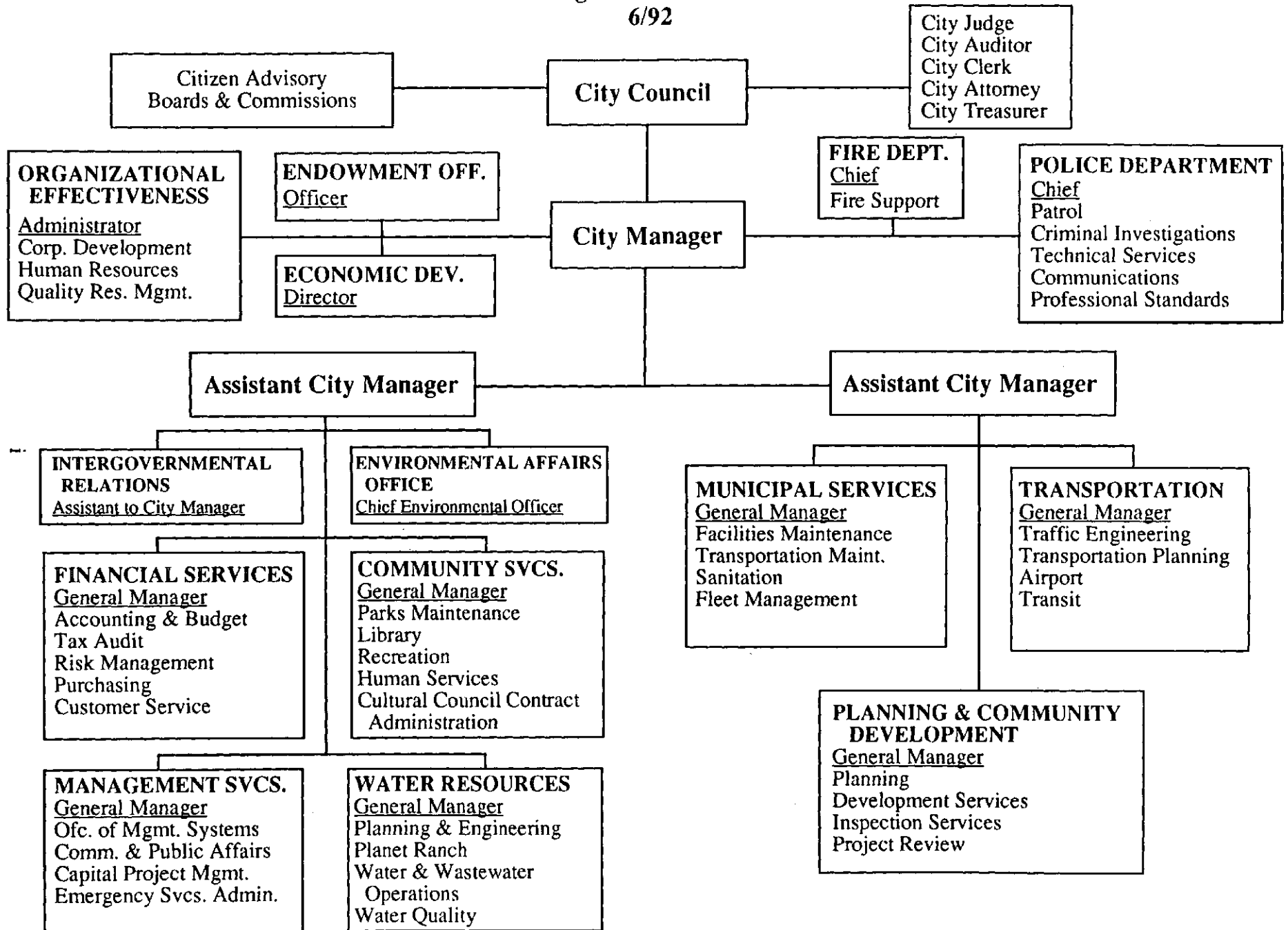
RICHARD A. BOWERS, CITY MANAGER

**RAYMOND L. GARRISON, ASSISTANT CITY MANAGER
BARBARA A. BURNS, ASSISTANT CITY MANAGER**

**Prepared by
Financial Services Department
James A. Jenkins
Financial Services General Manager/City Treasurer**

**Craig Clifford, CPA
Accounting & Budget Director**

**City of Scottsdale
Organization Chart
6/92**



City of Scottsdale
COMPREHENSIVE ANNUAL FINANCIAL REPORT

June 30, 1992

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August 31, 1992

To the Honorable Mayor and City Council
City of Scottsdale, Arizona

Dear Mayor and City Council:

The Comprehensive Annual Financial Report of the City of Scottsdale (City), Arizona, for the fiscal year ended June 30, 1992, is submitted in accordance with Article 6, Section 14, of the City Charter. This report was prepared by the City's Accounting Division. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City. We believe the data, as presented, is accurate in all material aspects; that it is presented in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the City. All disclosures that we believe are necessary to enable the reader to gain an understanding of the City's financial activities have been included.

The Comprehensive Annual Financial Report contains three sections: 1) the **Introductory Section**, which includes this transmittal letter, the City's organizational chart, and the Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting; 2) the **Financial Section**, which includes the independent auditors' report, the general purpose financial statements, and the combining and individual funds and account group financial statements and schedules; and 3) the **Statistical Section**, which includes selected financial and demographic information, generally presented on a multi-year basis.

This report represents management's report to its governing body, constituents, legislative and oversight bodies, and investors and creditors. Copies of this report will be sent to elected officials, City management personnel, bond rating agencies, and other agencies which have expressed an interest in Scottsdale's financial matters. Copies of this financial report will also be placed in the City library for use by the general public.

The City provides a full range of services including police and fire protection, sanitation service, water and sewer services, construction and maintenance of streets, recreational activities, and cultural events. This report includes the funds and account groups of all organizational entities for which the City has oversight responsibility and are consequently determined to be includable in the City's financial reporting entity, in accordance with Governmental Accounting Standards Board Statement No. 1. The statements include the activities and functions of the City of Scottsdale Municipal Property Corporation but not those of the Industrial Development Authority of the Scottsdale Cultural Council. Further data defining these determinations is available in the Notes to Financial Statements.

ECONOMIC CONDITION AND OUTLOOK

The City of Scottsdale is centrally located in Maricopa County, with its boundaries encompassing an area of approximately 185.2 square miles. The City is bordered by Phoenix, the state capital, to the west and the city of Tempe to the south. Scottsdale, together with its neighboring cities, forms the greater metropolitan Phoenix area, which is the economic, political, and population center of the state.

Currently, the Phoenix metro area (the Valley) is beginning to pull out of the economic downturn that has plagued it over the past several years. While Scottsdale has definitely been impacted by this downturn, it appears as though we have weathered this better than many other communities in the Valley. There are a number of reasons for this, including:

- Scottsdale has traditionally had a slower population growth rate than the rest of the metro area. Over the past 20 years Scottsdale has grown by an average of about 4.5% per year versus 6% for the entire country. This slower growth means that there is less dependence on the construction industry and so the slowdown in that industry did not impact Scottsdale as much. Similarly, construction employment does not account for a significant portion of the local work force.
- Median household income in Scottsdale is currently about 40% higher than the average for the metro area (\$47,344 vs. \$33,875). Traditionally, higher income families tend to be less impacted by a recessionary economy.
- Scottsdale's rate of job creation is faster than almost all of the other cities in the Valley. Scottsdale has been creating jobs faster than its population or labor force has grown by a ratio of nearly 2 to 1. Even in the current environment of slower than normal job creation there will probably be greater job creation than population growth in Scottsdale over the next year or two.
- Despite a minor dip in 1991-92, the total assessed value of Scottsdale property (from which property taxes are calculated) has risen by 353% since 1980. On a per capita basis, Scottsdale has by far the highest assessed value per resident as well as a growth rate that is higher than that for the metro area.
- Scottsdale's overall property tax rates are the lowest in the metro area. On average, property taxes in other communities are 36% higher than they are in Scottsdale.
- Sales tax collections continue to rise, increasing 8% for fiscal year 1991-92. Collections for the coming year are expected to increase. On a per capita basis, Scottsdale's sales tax collections are much greater than the rest of the metro area and continue to rise at a rapid rate.
- The general consensus of local economists is that the Phoenix metro economy now has bottomed out and is beginning to pick up again. The climb will remain slow this year and in 1993 but will hopefully pick up in years beyond. Obviously, a continuing national recession or other unforeseen events could result in a delay in this recovery. Barring any of these factors, however, it appears that we may have pulled through the worst of it already. But it will be several years until the Valley experiences the type of growth it traditionally has seen.

It is important for us to recognize the significance of the Valley-wide economic downturn and its impact on Scottsdale. However, statistics would suggest that Scottsdale has not been nearly as impacted as many of the other Valley communities. Hopefully, these factors will enable Scottsdale to continue to grow and prosper over the coming years.

MAJOR INITIATIVES

Current Year

- With many businesses today touting "quality," the City of Scottsdale has maintained the exceptional service standards its customers--our citizens--have come to expect over the past 40 years. A 1991 citizen survey indicated that this commitment has paid off--97% of Scottsdale residents rated our services as good or very good. Since Scottsdale's goal is not only to maintain but to improve service levels, we implemented a "Simply Better Service" campaign in October 1991. The campaign emphasized the concept of *KAIZEN*, a Japanese term symbolizing small, gradual improvements over time involving every member of a work force.
- The 1991-92 fiscal year also marked the beginning of a Community Visioning Process that invited citizens to address several long-range community priorities including urban development, economics, transportation, community and leisure activities, health and human services, and arts and culture. Similar programs in our past have led to such innovations as the Indian Bend Wash and the Civic Center Mall.
- 1991 marked the completion of our downtown streetscape renovation projects which were funded as an improvement district--a joint venture between the City and members of our downtown business community. The shopping and art districts of Fifth Avenue, Marshall Way, Old Scottsdale, and West Main all received a "face-lift" that promises to give new energy to these historic areas.
- The new Scottsdale Stadium and renovated Indian School Park Training Facilities were completed resulting in a new five-year contract between the San Francisco Giants and the City. The San Francisco Giants played their ninth Cactus League season in Scottsdale last spring, contributing \$8 million to our economy. The Phoenix Firebirds, the Triple A franchise of the San Francisco Giants, moved their team to the new Scottsdale Stadium in 1992. This is expected to funnel \$4.1 million into our local economy next year.
- Downtown Scottsdale underwent a dramatic transformation in 1991 with the opening of the Scottsdale Galleria; the completion of the Scottsdale Fashion Square/Camelview Plaza renovation and expansion (including the new Neiman Marcus); and the revitalization of the Fifth Avenue/Marshall Way and Old Scottsdale/West Main shopping districts. Citywide, retail sales tax receipts in 1991 were up 6.2% over the previous year.

Operational Accomplishments

- The Scottsdale Airport's Air Traffic Control Tower was named "Air Traffic Communications Facility of the Year for Arizona" by the Arizona Aviation Safety Advisory Council.

- Scottsdale was among a select group of U.S. cities to participate in a pilot internal office wastepaper recycling program. By sorting their own trash, City employees diverted nearly 66,000 pounds of potential solid waste from the landfill--the equivalent of 561 trees!
- Our "EYES" (Employees Yielding Effective Savings) program has significantly reduced the number of potholes, buckles sidewalks, and damaged street signs in Scottsdale. In 1991 over 5,500 EYES reports were recorded.
- Strict standards for medians, turn lanes, and other road features have resulted in a 40% drop in accident rates along main arterials. Accident rates at major intersections have dropped 15%.
- \$7,725,000 in revenue bonds and \$44,270,000 in Municipal Property Corporation bonds were refunded for a total savings, or a decrease in debt service payments, of \$3,028,736.
- An automated surplus property system was implemented to track all City surplus and interface with asset accounting and Police department. Also will be used for auction accounting.
- Customer utility bill statements were redesigned to include environmental charges, consumption history, and water conservation goal information with bar graphs.
- Our communications efforts were enhanced with several citizen publications. In addition, 135 live meetings were broadcast on TV35, Scottsdale Municipal Television.
- The Scottsdale City Court began a pilot program, "Trial by Declaration," which gives citizens the option to plead "not responsible" in writing for civil traffic violations not resulting in an accident. This program won the 1991 Arizona State Supreme Court Challenge Award.
- The Scottsdale Police Department became one of only 6% of all police agencies nationwide to install an 800 MHz trunked radio communications system--the most advanced radio technology available.
- Our library system reported a record circulation of over 1.3 million materials, with 60% of our residents having library cards.
- The exciting new EDITH house program that teaches fire safety to City school children was initiated. The house was obtained from the Kiwanis in September, 1991. In Scottsdale we have conducted 20 events for 4,517 children. We expect a large increase in the numbers of events and children for the upcoming year.

For the Future

The City's future financial plans emphasize three key elements:

Financial Stability - The City must continue to improve its financial planning process to ensure community stability, service quality, and responsible fiscal management. Use of economic stabilization funds during 1991-92 provided the City a means to weather recessionary times and maintain citizen service levels. In 1992-93 the City will initiate the process of rebuilding its reserves and continue to utilize long-range financial planning to support and stabilize the City's elastic revenue base.

As part of the 1992-93 financial strategy, the City is reviewing and responding to a wide variety of infrastructure and basic service issues. These issues are addressed in a manner which keeps community needs and quality of life in balance. In addition, the City continues to invest in the maintenance of its existing infrastructure to avoid more expensive reconstruction programs in the future.

Promote Quality Service - The success of the City organization is largely dependent on the commitment of every member of the work force to quality service and continuous improvement. This focus assists us in establishing and maintaining an organization valued by the citizenry and ready to meet the challenges of the 90s. Performance measurement, work force empowerment, and fiscal responsibility are integral components of our effort.

Among the challenges of the 90s is the need to have a work force representative of the community it services. The City continues to develop effective programs to promote an optimum working environment which places value on diversity, ensures open access, and provides equal opportunities.

Strengthen Partnerships - The eagerness of citizens to be involved in their government and in the support of their community has long been a Scottsdale trademark. Maintaining Scottsdale's quality lifestyle requires continuous planning, foresight, hard work, and cooperation. By pursuing a citizen-oriented visioning process, soliciting ways to forge public/private partnerships, and investing energy and finances in vital areas of the community, we can collectively ensure that the Scottsdale of tomorrow will present the same special quality of life as we enjoy today.

The decade of the 90s will bring about tremendous change to the traditional ways of doing business. Technological advances, compliance with a variety of federal and state environmental requirements, the strengthening of trade agreements with our Mexican neighbors, expanding demand for regional cooperation, and the emergence of a global economy require that Scottsdale be poised to meet the many and varied challenges of the future. These challenges can only be effectively met through carefully forged partnerships among parties of common interest--citizens, businesses, and other governmental entities.

FINANCIAL INFORMATION

Internal Control. Management of the City of Scottsdale is responsible for establishing and maintaining a system of internal control. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: 1) the safeguarding of assets against loss from unauthorized use or disposition; and 2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. 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 evaluation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. The City's internal accounting controls are considered to be adequate to safeguard the assets and provide reasonable assurance of proper recording of financial transactions.

Single Audit. As a recipient of federal, state, and county (the Government) financial assistance, the Government also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations

related to those programs. This internal control structure is subject to periodic evaluation by management and the internal audit staff of the City.

As part of the Government's single audit, tests are made to determine the adequacy of the internal control structure, including that portion related to federal financial assistance programs, as well as to determine that the Government has complied with applicable laws and regulations. The results of the Government's single audit for the fiscal year ended June 30, 1992, provided no instances of material weaknesses in the internal control structure or significant violations of applicable laws and regulations.

Budgetary Controls. The City also maintains budgetary controls. The objective of these controls is to ensure compliance with budgetary and legal provisions embodied in the annual appropriated budget approved by the City Council. The level of budgetary control (i.e., the level at which expenditures cannot legally exceed the appropriated amount) is the total budget, as adopted. In addition to maintaining budgetary control via a formal appropriation, the City maintains an encumbrance accounting system. Encumbrances are made against appropriations upon the release of a purchase order. Encumbered appropriations are carried forward at the end of each fiscal year.

Expenditure budgets are presented on a non-GAAP basis. This basis includes items that are not included on a GAAP basis such as encumbrances and excludes such items as accruals and depreciation.

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.

General Government Functions. The following schedule presents a summary of the general fund, special revenue funds, debt service funds, and capital project funds revenues for the fiscal year ended June 30, 1992, and the amount and percentage of increases and decreases in relation to prior year revenues.

Classification	Revenues			
	Amount (000s)	Percent of Total	Increase (Decrease) From 1991 (000s)	Percent of Increase (Decrease)
Taxes	\$ 54,518	48.9	\$ 3,116	6.1
Intergovernmental	26,553	23.8	1,377	5.5
Special Assessments	4,261	3.8	1,487	53.6
Licenses	705	0.6	75	11.9
Charges for Services	6,337	5.7	1,184	23.0
Fines and Forfeitures	2,228	2.0	13	0.6
Uses of Money and Property	7,407	6.6	(1,698)	(18.6)
Streetlight Districts	500	0.5	(58)	(10.4)
Miscellaneous	8,987	8.1	3,838	74.5
Total	\$ 111,496	100.00	\$ 9,334	9.1

Revenue has rebounded well in 1991-92. Tax revenue increased primarily due to the resurgence of retail sales and associated sales tax. Special assessment revenue has increased considerably over the past year with the addition of several new assessment districts.

Building activity also increased considerably which increased fees collected as charges for services. The one major decrease occurred in uses of money and property brought about by continued lower interest rates which reduced interest income by 36%. Miscellaneous revenue increased due to reimbursements to the capital projects funds.

The following schedule presents a summary of general fund, special revenue funds, debt service fund, and capital project funds expenditures for the fiscal year ended June 30, 1992, and the percentage of increases and decreases in relation to prior year amounts.

Expenditures				
Department	Amount (000s)	Percent of Total	Increase (Decrease) From 1990 (000s)	Percent of Increase (Decrease)
General Government	\$ 5,025	3.6	\$ 768	18.0
Police	18,399	13.2	1,342	7.9
Financial Services	2,674	1.9	14	0.5
Transportation	2,309	1.7	(4)	0.0
Community Services	14,411	10.3	706	5.2
Management Services	3,239	2.3	354	12.2
Municipal Services	9,624	6.9	982	11.4
Planning and Community Development	9,438	6.8	1,014	12.0
Fire	6,086	4.4	365	6.4
Streetlight Districts	441	0.3	10	2.3
Capital Improvements	40,985	29.3	11,686	39.9
Debt Service	26,971	19.3	850	3.3
Total	\$ 139,602	100.00	\$18,087	14.9

The increase in expenditures is due primarily to the increase in activity in the capital projects fund. The City sold an additional \$19 million in general obligation bonds to continue to fund the expenditures related to the Five-Year Capital Improvement Program. In addition, General Government added a new Environmental Affairs division, Management Services took over the civil defense contract, and Planning and Community Development increased expenditure for Economic Development.

General Government Fund Balances. Fund Balances reflect the accumulated excess of revenues and other financing sources over expenditures and other financing uses for general government functions. Unencumbered appropriations lapse at the close of the fiscal year and revert to unreserved fund balance. Encumbered amounts are reported as reservations of fund balance.

Fund Balances

Fund	June 30, 1991	June 30, 1992	Increase (Decrease)
General	\$43,469,417	\$42,285,367	(\$ 1,184,050)
Special Revenue			
Highway User	92,441	144,753	52,312
Grants	113,784	493,116	379,332
Debt Service	12,719,806	11,341,344	(1,378,462)
Capital Projects	27,441,940	23,446,675	(3,995,265)
Total	\$83,837,388	\$77,711,255	(\$ 6,126,133)

The decrease in fund balances is primarily due to the increased expenditures in the capital projects funds. The general fund also made operating transfers of \$1,311,090 to the capital projects funds which decreased its fund balance.

Proprietary Funds. The City's proprietary funds consist of Enterprise Funds and Internal Service Funds. The Enterprise Funds are comprised of the Water and Sewer Utility Fund, the Airport Fund, the Public Housing Fund, and the Sanitation Fund. Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to proprietary (private business) enterprises where the intent is that the cost (expenses, including depreciation) of providing goods or services to the general public on a continuing basis is to be financed or recovered primarily through user charges, or (b) it has been decided that periodic determination of revenue earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

The following schedule presents current year increases (decreases) in retained earnings for the proprietary funds:

Increases (Decreases) in Retained Earnings

Fund	June 30, 1991	June 30, 1992	Increase (Decrease)
Water and Sewer Utility	\$ 3,071,893	\$ 5,176,217	\$ 2,104,324
Airport	6,971	23,164	16,193
Sanitation	(58,551)	11,308	69,859
Motor Pool	649,771	661,293	11,522
Self Insurance	2,365,904	(1,813,519)	(4,179,423)
Total	\$ 6,035,988	\$ 4,058,463	(\$ 1,977,525)

The Water and Sewer Utility Fund increased due to an increase in revenue based on rate increases and usage. The Self-Insurance Fund decreased due to an increase in the reserves for claims against the City.

The City Council is committed to a policy of maintaining the enterprise operations of the Water and Sewer Utility, the Airport, and Sanitation funds on a self-supporting basis, adjusting user rates as necessary.

Fiduciary Fund. The Trust and Agency Fund consists of miscellaneous expendable trust funds and the Deferred Compensation Agency Fund. All amounts of compensation deferred under the plan are the property of the City subject to the claims of general creditors. The City has the duty of due care. Investments are managed by an independent plan administrator. The balance in this agency fund increased by \$934,440 due to continued contributions to the deferred compensation fund.

Debt Administration. At June 30, 1992, the City had outstanding debt issues of \$278,035,306. The breakdown was:

Debt	Balance June 30, 1992
General Obligation Bonds	\$ 102,790,000
Revenue Bonds	45,055,000
Scottsdale Municipal Property Corporation Bonds	98,220,000
Special Assessment Bonds	22,498,000
Contracts	9,472,306
Total	\$ 278,035,306

During the 1991-92 fiscal year \$19,000,000 of general obligation bonds were issued. The City maintained its Aa1 bond rating from Moody's Investor Service and AA rating from Standard and Poor's on our general obligation bonds.

General obligation debt is serviced by secondary property taxes. Revenue-supported debt is serviced with the user fees associated with the particular fund activity.

Under Arizona law, cities can issue general obligation bonds for purposes of water, sewer, artificial light, open space, parks, playground, and recreational facilities up to an amount not exceeding 20% of the secondary assessed valuation and general obligation bonds for all purposes other than those listed up to an amount not exceeding 6% of the secondary assessed valuation.

At June 30, 1992, the 20% debt limitation was \$285,075,723, providing a debt margin of \$224,570,323, and the 6% debt limitation was \$85,522,717, providing a debt margin of \$46,738,117.

Cash Management. Cash temporarily idle during the year, excluding that of Municipal Properties Corporation and ICMA Plan investments, was invested primarily in the State Treasurer's Local Government Investment Pool. In addition, amounts were invested in obligations of the U.S. Treasury and its agencies, demand deposits, repurchase agreements, bankers' acceptances, and money market funds. The City utilizes a pooled cash concept in order to invest greater amounts of cash at one time and therefore receives more favorable interest rates. The average yield on pooled investments for the 1991-92 fiscal year was 6.1% and the average daily investment balance was \$132,756,472.

The City's investment policy is to invest all of the City funds at the highest available interest rate assuring that all monies are fully secured with emphasis on safety of principal, liquidity, and financial return on principal. At June 30, 1992, 98% of investments held by the City were classified in the category of lowest credit risk as defined by the Governmental Accounting Standards Board. Remaining investments were held by the City's bank, in their trust department in the name of the Municipal Properties Corporation.

Risk Management. The City's Self-Insurance Fund, established in fiscal year 1979, is responsible for the budgeting, investigation, and payment of claims that are incurred by the City. The Self-Insurance Fund is protected by excess insurance designed to limit the exposure to loss for any single loss occurrence. For fiscal year 1992 the Self-Insurance Fund was responsible for the first \$300,000 per occurrence for workers' compensation claims and the first \$1,000,000 for liability claims against the City. The Fund was also responsible for vehicle damage over \$1,000 and all unemployment claims.

The City has an aggressive safety program which promotes employee safety on the job and focuses on risk control techniques designed to minimize accident related losses. In addition to the safety programs preventative measure, the Risk Management division reviews every claim and arbitrates each loss in order to minimize the City's liability exposure.

OTHER INFORMATION

Independent Audit. City Charter requires an annual audit by independent certified public accountants. The accounting firm of KPMG Peat Marwick has been selected by the City Council. The auditors' report is included in the financial section of this report.

In addition to this report, the auditors were also contracted to perform the Single Audit of the City's federal grant programs. This audit was designed to meet the requirements of the Federal Single Audit Act of 1984 and the related OMB Circular A-128. Due to the size and complexity of the City's financial system, the single audit report is issued separately from this financial report. Copies are available upon request.

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 for its comprehensive annual financial report for the fiscal year ended June 30, 1991, marking the eighteenth consecutive year Scottsdale has received this prestigious award.

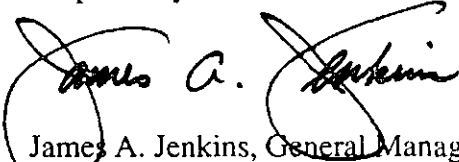
In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized comprehensive annual financial report whose contents conform to program standards. This report satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The current report is believed to conform to Certificate of Achievement program requirements and will be submitted to the GFOA in order to determine its eligibility for a certificate.

In addition, the City also received the GFOA's award for Distinguished Budget Presentation for our 1991-92 annual budget. In order to qualify for the Distinguished Budget Presentation Award, the City's budget document was judged to be especially notable as a policy document and proficient in financial planning and organization.

Acknowledgement. The preparation of this report could not have been accomplished without the dedicated service of the entire staff of the Accounting division, the assistance of administrative personnel in the various departments, and through the competent service of our independent auditors. I also wish to express my sincere appreciation to the City Council, the City Manager, and the Assistant City Managers for their interest and support in planning and conducting the financial affairs of the City in a responsible and progressive manner.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "James A. Jenkins". The signature is written in a cursive style with a large initial "J" and "A".

James A. Jenkins, General Manager
Financial Services/City Treasurer

JAJ:id

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Scottsdale,
Arizona

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 1991

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.



President

Executive Director



Peat Marwick

Certified Public Accountants

2020 North Central Avenue
Phoenix, AZ 85004

Independent Auditors' Report

The Honorable Mayor and City Council
City of Scottsdale, Arizona:

We have audited the accompanying general purpose financial statements of the City of Scottsdale, Arizona, and the combining and individual fund financial statements of the City as of and for the year ended June 30, 1992, as listed in the Financial Section Table of Contents. These financial statements are the responsibility of the City of Scottsdale, Arizona, management. Our responsibility is to express an opinion on these financial statements based on our audit.

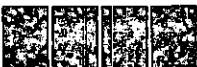
We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting 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 opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Scottsdale, Arizona, as of June 30, 1992, and the results of its operations and cash flows of its proprietary fund types and nonexpendable trust for the year then ended in conformity with generally accepted accounting principles. Also, in our opinion, the combining and individual fund financial statements referred to above present fairly, in all material respects, the financial position of each of the individual funds of the City of Scottsdale, Arizona, as of June 30, 1992, and the results of operations of such funds and cash flows of the individual proprietary funds and nonexpendable trust for the year then ended, in conformity with generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the combined general purpose financial statements taken as a whole and on the combining and individual fund financial statements. The supplemental information listed in the accompanying Financial Section Table of Contents is presented for purposes of additional analysis and is not a required part of the financial statements of the City of Scottsdale, Arizona. Such information has been subjected to the auditing procedures applied in the audit of the combined, combining and individual fund financial statements and, in our opinion, is fairly presented in all material respects in relation to the financial statements taken as a whole.

KPMG Peat Marwick

August 31, 1992



CITY OF SCOTTSDALE

EXHIBIT A-1

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS

JUNE 30, 1992

WITH COMPARATIVE TOTALS FOR JUNE 30, 1991

ASSETS AND OTHER DEBITS	GOVERNMENTAL FUND TYPES				FIDUCIARY FUND TYPE	PROPRIETARY FUND TYPES		ACCOUNT GROUPS		TOTALS (MEMORANDUM ONLY)	
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	TRUST AND AGENCY	ENTERPRISE	INTERNAL SERVICE	GENERAL FIXED ASSETS	GENERAL LONG-TERM DEBT	JUNE 30, 1992	JUNE 30, 1991
CASH AND SHORT-TERM INVESTMENTS	\$41,365,282	\$404,277	\$8,275,373	\$31,129,734	\$5,758,761	\$15,151,110	\$6,534,950	\$	\$	\$108,619,487	\$94,339,194
CASH WITH FISCAL AGENTS		2,058,566	14,043,643			3,705,799				19,808,008	18,676,964
INVESTMENTS	1,916,797				4,927,656					6,844,453	10,295,643
RECEIVABLES											
ACCRUED INTEREST	468,689		106,743	311,636	21,658	419,713	66,530			1,394,969	1,359,210
PROPERTY TAX	961,354		3,522							964,876	1,048,049
SPECIAL ASSESSMENTS			22,048,422							22,048,422	20,238,007
STATE SHARED SALES TAX	682,163									682,163	657,832
AUTO LIEU TAX	186,476									186,476	182,715
FUEL TAX		591,152								591,152	644,796
GRANTS		209,863								209,863	117,393
ACCOUNTS						4,921,599				4,921,599	4,858,547
MISCELLANEOUS	954,381	9,320		106,222	13,617	1,348,094	31,480			2,463,114	1,407,777
DUE FROM OTHER FUNDS	1,250,885					6,158,941				7,409,826	855,690
SUPPLIES INVENTORY	160,242						259,304			419,546	404,677
RESTRICTED CASH AND INVESTMENTS						25,530,228				25,530,228	29,946,218
PROPERTY, PLANT, AND EQUIPMENT - LESS ACCUMULATED DEPRECIATION						231,371,113	7,261,531	963,367,365		1,202,000,009	1,114,331,479
EXCESS PURCHASE PRICE OVER FAIR MARKET VALUE OF WATER SYSTEM ASSETS ACQUIRED, NET						627,278				627,278	708,139
AMOUNT AVAILABLE IN DEBT SERVICE FUNDS									11,341,344	11,341,344	12,719,806
AMOUNT TO BE PROVIDED FOR RETIREMENT OF GENERAL LONG-TERM DEBT									198,548,111	198,548,111	197,169,649
TOTAL ASSETS AND OTHER DEBITS	\$47,946,269	\$3,273,178	\$44,477,703	\$31,547,592	\$10,721,692	\$289,233,875	\$14,153,795	\$963,367,365	\$209,889,455	\$1,614,610,924	\$1,509,961,785

SEE NOTES TO FINANCIAL STATEMENTS

CITY OF SCOTTSDALE

EXHIBIT A-1

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS

JUNE 30, 1992

WITH COMPARATIVE TOTALS FOR JUNE 30, 1991

LIABILITIES AND FUND EQUITY	GOVERNMENTAL FUND TYPES				FIUCIARY FUND TYPE	PROPRIETARY FUND TYPES		ACCOUNT GROUPS		TOTALS (MEMORANDUM ONLY)	
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	TRUST AND AGENCY	ENTERPRISE	INTERNAL SERVICE	GENERAL FIXED ASSETS	GENERAL LONG-TERM DEBT	JUNE 30, 1992	JUNE 30, 1991
LIABILITIES											
ACCOUNTS PAYABLE	\$351,057	\$127,039	\$	\$1,351,169	\$6,000	\$3,528,698	\$21,367	\$	\$	\$5,385,330	\$2,828,918
ACCRUED PAYROLL	3,594,781	202,526		48,215		645,012	208,929			4,699,463	3,563,186
CLAIMS PAYABLE							4,091,279			4,091,279	1,622,342
DESIGNATED DEFERRED COMPENSATION BENEFITS DUE TO GENERAL FUND		247,178			4,927,656					4,927,656	3,993,216
DUE TO WATER FUND				6,158,941		1,003,707				1,250,885	855,690
ACCRUED INTEREST PAYABLE	81,933		384,446							6,158,941	
CONTRACTS PAYABLE - CURRENT PORTION						402,936				466,379	646,222
BONDS INTEREST PAYABLE		1,000,000	5,213,491			1,924,553				402,936	506,739
BONDS PAYABLE - CURRENT PORTION		1,058,566	5,490,000			1,785,000				8,138,044	7,582,636
DEFERRED REVENUE										8,333,566	7,955,000
PROPERTY TAXES	901,754									901,754	960,071
SPECIAL ASSESSMENTS			22,048,422							22,048,422	20,238,007
OTHER	731,377					760,725				1,492,102	1,089,951
GUARANTY AND OTHER DEPOSITS					1,820,194	2,631,005				4,451,199	3,090,865
OTHER				542,592		122,441				665,033	1,571,803
LONG-TERM DEBT (LESS CURRENT PORTION)						52,853,525			209,889,455	262,742,980	264,150,916
TOTAL LIABILITIES	5,660,902	2,635,309	33,136,359	8,100,917	6,753,850	65,657,602	4,321,575		209,889,455	336,155,969	320,655,562
FUND EQUITY AND OTHER CREDITS											
CONTRIBUTED CAPITAL						152,999,698	10,680,884			163,680,582	150,027,136
INVESTMENT IN GENERAL FIXED ASSETS								963,367,365		963,367,365	887,522,051
RETAINED EARNINGS (DEFICIT)											
RESERVED FOR											
REVENUE BOND RETIREMENT						2,241,976				2,241,976	1,883,782
WATER AND SEWER REPLACEMENT						5,927,249				5,927,249	5,160,197
ACQUISITION AND CONSTRUCTION						17,351,859				17,351,859	22,893,095
UNRESERVED						45,055,491	(848,664)			44,206,827	35,732,374
FUND BALANCES											
RESERVED FOR											
ENCUMBRANCES	1,883,903	170,139		6,809,881	24,426					8,888,349	15,306,403
SINKING FUND			3,340,152							3,340,152	3,159,407
STREETLIGHT DISTRICTS	619,024									619,024	560,304
DEBT SERVICE			8,001,192							8,001,192	9,560,399
LIBRARY ACQUISITIONS					174,351					174,351	174,899
UNRESERVED	39,782,440	467,730		16,636,794	3,769,065					60,656,029	57,326,176
TOTAL RETAINED EARNINGS/FUND BALANCES (DEFICIT)	42,285,367	637,869	11,341,344	23,446,675	3,967,842	70,576,575	(848,664)			151,407,008	151,757,036
TOTAL FUND EQUITY AND OTHER CREDITS	42,285,367	637,869	11,341,344	23,446,675	3,967,842	223,576,273	9,832,220	963,367,365		1,278,454,955	1,189,306,223
TOTAL LIABILITIES AND FUND EQUITY	\$47,946,269	\$3,273,178	\$44,477,703	\$31,547,592	\$10,721,692	\$289,233,875	\$14,153,795	\$963,367,365	\$209,889,455	\$1,614,610,924	\$1,509,961,785

SEE NOTES TO FINANCIAL STATEMENTS

CITY OF SCOTTSDALE

EXHIBIT A-2

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUSTS FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 1992
WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 1991

	GOVERNMENTAL FUND TYPES				FIDUCIARY FUND TYPE	TOTALS (MEMORANDUM ONLY)	
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	EXPENDABLE TRUSTS	JUNE 30, 1992	JUNE 30, 1991
REVENUES							
TAXES - LOCAL	\$31,990,295	\$	\$16,899,924	\$5,627,759	\$	\$54,517,978	\$51,401,608
TAXES - INTERGOVERNMENTAL	18,096,226	8,457,267				26,553,493	25,176,007
GRANTS		1,770,685				1,770,685	695,041
SPECIAL ASSESSMENTS			4,260,961			4,260,961	2,774,035
LICENSES	704,935					704,935	630,070
CHARGES FOR CURRENT SERVICES	6,336,520					6,336,520	5,152,757
FINES AND FORFEITURES	2,228,091					2,228,091	2,215,138
USE OF MONEY AND PROPERTY	4,369,975		1,142,726	1,894,463	121,019	7,528,183	9,126,165
STREETLIGHT DISTRICTS	499,529					499,529	558,163
OTHER	3,100,744	28,468		4,087,299	1,605,083	8,821,594	5,884,364
TOTAL REVENUES	67,326,315	10,256,420	22,303,611	11,609,521	1,726,102	113,221,969	103,613,348
EXPENDITURES							
CURRENT OPERATING DEPARTMENTS							
GENERAL GOVERNMENT	4,993,905	31,009				5,024,914	4,257,006
POLICE	18,306,428	92,719				18,399,147	17,057,240
FINANCIAL SERVICES	2,674,002					2,674,002	2,660,254
TRANSPORTATION		2,308,548				2,308,548	2,312,664
COMMUNITY SERVICES	14,268,515	142,371				14,410,886	13,704,744
MANAGEMENT SERVICES	3,239,139					3,239,139	2,885,827
PLANNING & COMMUNITY DEVELOPMENT	8,263,095	1,174,559				9,437,654	8,424,594
FIRE	6,086,072					6,086,072	5,721,096
MUNICIPAL SERVICES	3,623,928	6,000,379				9,624,307	8,643,248
STREETLIGHT DISTRICTS	440,809					440,809	431,424
EXPENDABLE TRUSTS					569,112	569,112	489,588
CAPITAL IMPROVEMENTS				40,985,281		40,985,281	29,299,122
DEBT SERVICE							
PRINCIPAL	1,141,844	1,000,000	8,877,000			11,018,844	10,964,461
INTEREST	314,457	2,120,132	13,517,906			15,952,495	15,156,912
TOTAL EXPENDITURES	63,352,194	12,869,717	22,394,906	40,985,281	569,112	140,171,210	122,008,180
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	3,974,121	(2,613,297)	(91,295)	(29,375,760)	1,156,990	(26,949,241)	(18,394,832)
OTHER SOURCES (USES)							
BOND PROCEEDS				20,450,000		20,450,000	3,625,000
PROCEEDS FROM CONTRACTS PAYABLE				4,525,000		4,525,000	
OPERATING TRANSFERS IN		3,044,941	644,395	2,549,963	561,200	6,800,499	3,024,120
OPERATING TRANSFERS OUT	(5,158,171)			(2,144,468)		(7,302,639)	(3,692,526)
PROCEEDS OF REFUNDING BONDS			48,560,925			48,560,925	15,683,250
PAYMENT TO REFUNDED BOND ESCROW AGENT			(48,560,925)			(48,560,925)	(15,683,250)
RESERVE FUND CONTRIBUTION			(1,931,562)			(1,931,562)	
TOTAL OTHER SOURCES (USES)	(5,158,171)	3,044,941	(1,287,167)	25,380,495	561,200	22,541,298	2,956,594
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	(1,184,050)	431,644	(1,378,462)	(3,995,265)	1,718,190	(4,407,943)	(15,438,238)
FUND BALANCES JULY 1	43,469,417	206,225	12,719,806	27,441,940	2,064,735	85,902,123	100,576,222
RESIDUAL EQUITY TRANSFER IN				1,073,879		1,073,879	3,407,354
RESIDUAL EQUITY TRANSFER OUT				(1,073,879)		(1,073,879)	(2,643,215)
FUND BALANCES JUNE 30	\$42,285,367	\$637,869	\$11,341,344	\$23,446,675	\$3,782,925	\$81,494,180	\$85,902,123

SEE NOTES TO FINANCIAL STATEMENTS

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICIT)-
BUDGET AND ACTUAL - BUDGET BASIS - GENERAL, SPECIAL REVENUE, AND DEBT SERVICE FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 1992

	TOTALS (MEMORANDUM ONLY)			GENERAL FUND			SPECIAL REVENUE FUNDS			DEBT SERVICE FUNDS		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES												
TAXES - LOCAL	\$48,564,366	\$48,890,219	\$325,853	\$31,291,324	\$31,990,295	\$698,971	\$	\$	\$	\$17,273,042	\$16,899,924	(\$373,118)
TAXES - INTERGOVERNMENTAL	26,628,000	26,553,493	(74,507)	18,037,000	18,096,226	59,226	8,591,000	8,457,267	(133,733)			
SPECIAL ASSESSMENTS	4,678,952	4,260,961	(417,991)							4,678,952	4,260,961	(417,991)
LICENSES	638,000	704,935	66,935	638,000	704,935	66,935						
CHARGES FOR CURRENT SERVICES	5,664,000	6,336,520	672,520	5,664,000	6,336,520	672,520						
FINES AND FORFEITURES	2,291,000	2,228,091	(62,909)	2,291,000	2,228,091	(62,909)						
USE OF MONEY AND PROPERTY	5,366,000	5,397,392	31,392	4,466,000	4,369,975	(96,025)				900,000	1,027,417	127,417
OTHER	1,275,000	757,346	(517,654)	1,275,000	757,346	(517,654)						
TOTAL REVENUES	95,105,318	95,128,957	23,639	63,662,324	64,483,388	821,064	8,591,000	8,457,267	(133,733)	22,851,994	22,188,302	(663,692)
EXPENDITURES												
CURRENT OPERATING DEPARTMENTS												
GENERAL GOVERNMENT	6,564,830	6,415,542	149,288	6,564,830	6,415,542	149,288						
POLICE	18,724,576	18,522,089	202,487	18,724,576	18,522,089	202,487						
FINANCIAL SERVICES	4,400,243	3,898,490	501,753	4,400,243	3,898,490	501,753						
TRANSPORTATION	2,398,718	2,308,760	89,958				2,398,718	2,308,760	89,958			
COMMUNITY SERVICES	14,541,390	14,483,667	57,723	14,541,390	14,483,667	57,723						
MANAGEMENT SERVICES	4,655,162	4,582,296	72,866	4,655,162	4,582,296	72,866						
PLANNING & COMMUNITY DEVELOPMENT	9,359,657	8,753,982	605,675	9,309,657	8,706,849	602,808	50,000	47,133	2,867			
FIRE	6,251,782	6,209,823	41,959	6,251,782	6,209,823	41,959						
MUNICIPAL SERVICES	11,298,696	11,608,685	(309,989)	5,342,603	5,500,057	(157,454)	5,956,093	6,108,628	(152,535)			
CONTINGENCY	(34,046)		(34,046)	(34,046)		(34,046)						
DEBT SERVICE												
PRINCIPAL	11,578,552	11,018,844	559,708	1,701,552	1,141,844	559,708	1,000,000	1,000,000		8,877,000	8,877,000	
INTEREST	16,182,483	16,208,600	(26,117)	305,252	614,457	(309,205)	2,120,932	2,120,132	800	13,756,299	13,474,011	282,288
TOTAL EXPENDITURES	105,922,043	104,010,778	1,911,265	71,763,001	70,075,114	1,687,887	11,525,743	11,584,653	(58,910)	22,633,299	22,351,011	282,288
DEFICIENCY OF REVENUES OVER EXPENDITURES	(10,816,725)	(8,881,821)	1,934,904	(8,100,677)	(5,591,726)	2,508,951	(2,934,743)	(3,127,386)	(192,643)	218,695	(162,709)	(381,404)
OTHER SOURCES (USES)												
OPERATING TRANSFERS IN	13,980,791	3,689,336	(10,291,455)	11,046,048		(11,046,048)	2,934,743	3,044,941	110,198		644,395	644,395
OPERATING TRANSFERS OUT	(2,945,371)	(4,658,171)	(1,712,800)	(2,945,371)	(4,658,171)	(1,712,800)						
TOTAL OTHER SOURCES (USES)	11,035,420	(968,835)	(12,004,255)	8,100,677	(4,658,171)	(12,758,848)	2,934,743	3,044,941	110,198		644,395	644,395
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	218,695	(9,850,656)	(10,069,351)		(10,249,897)	(10,249,897)		(82,445)	(82,445)	218,695	481,686	262,991
ENCUMBRANCES CANCELLED		2,876,332	2,876,332		2,783,891	2,783,891		92,441	92,441			
FUND BALANCES JULY 1, 1991		(7,303,679)	(7,303,679)		(8,875,433)	(8,875,433)		(198,986)	(198,986)		1,770,740	1,770,740
RESIDUAL EQUITY TRANSFER		2,510,521	2,510,521								2,510,521	2,510,521
FUND BALANCES (DEFICIT) JUNE 30, 1992	\$218,695	(\$11,767,482)	(\$11,986,177)	\$	(\$16,341,439)	(\$16,341,439)	\$	(\$188,990)	(\$188,990)	\$218,695	\$4,762,947	\$4,544,252

SEE NOTES TO FINANCIAL STATEMENTS

CITY OF SCOTTSDALE

EXHIBIT A-4

COMBINED STATEMENT OF REVENUES, EXPENSES, AND CHANGES
 IN RETAINED EARNINGS (ACCUMULATED DEFICIT)/FUND BALANCE - ALL PROPRIETARY FUND TYPES
 AND NONEXPENDABLE TRUST FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 1992
 WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 1991

	PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPE	TOTALS (MEMORANDUM ONLY)	
	ENTERPRISE	INTERNAL SERVICE	NONEXPENDABLE TRUST	JUNE 30, 1992	JUNE 30, 1991
OPERATING REVENUES					
WATER SERVICE FEES	\$26,180,321	\$	\$	\$26,180,321	\$23,360,633
SEWER SERVICE FEES	7,454,093			7,454,093	6,444,158
PLANET RANCH	380,535			380,535	852,969
SANITATION FEES	6,344,547			6,344,547	5,902,876
AIRPORT FEES	626,447			626,447	712,818
BILLINGS TO USER PROGRAMS		8,166,519		8,166,519	7,906,145
INTEREST EARNINGS			10,641	10,641	12,983
OTHER	172,693	94,951		267,644	651,304
TOTAL OPERATING REVENUES	41,158,636	8,261,470	10,641	49,430,747	45,843,886
OPERATING EXPENSES					
WATER OPERATIONS	15,770,894			15,770,894	14,124,067
SEWER OPERATIONS	2,063,776			2,063,776	5,525,401
SANITATION OPERATIONS	5,329,204			5,329,204	4,966,807
AIRPORT OPERATIONS	606,144			606,144	506,207
MOTOR POOL OPERATIONS		3,774,173		3,774,173	3,725,792
SELF-INSURANCE OPERATIONS		4,819,828		4,819,828	822,739
TRUST OPERATIONS			11,189	11,189	11,436
DEPRECIATION AND AMORTIZATION	7,007,965	1,424,133		8,432,098	7,617,544
INDIRECT COST	4,827,292			4,827,292	4,633,404
IN LIEU PROPERTY TAX	620,148			620,148	438,619
FRANCHISE FEE	1,723,250			1,723,250	1,607,650
TOTAL OPERATING EXPENSES	37,948,673	10,018,134	11,189	47,977,996	43,979,666
OPERATING INCOME (LOSS)	3,209,963	(1,756,664)	(548)	1,452,751	1,864,220

SEE NOTES TO FINANCIAL STATEMENTS

COMBINED STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN RETAINED EARNINGS (ACCUMULATED DEFICIT)/FUND BALANCE - ALL PROPRIETARY FUND TYPES
AND NONEXPENDABLE TRUST FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 1992
WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 1991

	PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPE	TOTALS (MEMORANDUM ONLY)	
	ENTERPRISE	INTERNAL SERVICE	NONEXPENDABLE TRUST	JUNE 30, 1992	JUNE 30, 1991
NON-OPERATING REVENUES (EXPENSES)					
INTEREST EARNINGS	2,651,150	404,438		3,055,588	3,326,146
PROCEEDS OF REFUNDING BONDS	8,879,970			8,879,970	
INTEREST EXPENSE	(3,279,043)			(3,279,043)	(2,665,889)
PAYMENT TO REFUNDED BOND ESCROW AGENT	(8,879,970)			(8,879,970)	
DONATIONS					55,353
TOTAL NON-OPERATING REVENUES (EXPENSES)	(627,893)	404,438		(223,455)	715,609
OPERATING TRANSFER IN	302,140	200,000		502,140	668,406
NET INCOME (LOSS) BEFORE EXTRAORDINARY ITEM	2,884,210	(1,152,226)	(548)	1,731,436	3,248,235
EXTRAORDINARY ITEM LOSS ON BOND REFUNDING	(780,000)			(780,000)	
NET INCOME (LOSS)	2,104,210	(1,152,226)	(548)	951,436	3,248,235
ADD DEPRECIATION ON FIXED ASSETS ACQUIRED BY CONTRIBUTED CAPITAL	3,106,479			3,106,479	2,844,653
INCREASE (DECREASE) IN RETAINED EARNINGS (DEFICIT)/FUND BALANCE	5,210,689	(1,152,226)	(548)	4,057,915	6,092,888
RETAINED EARNINGS (DEFICIT)/FUND BALANCE JULY 1	65,365,886	303,562	185,465	65,854,913	59,762,025
RETAINED EARNINGS (ACCUMULATED DEFICIT)/ FUND BALANCE JUNE 30	<u>\$70,576,575</u>	<u>(\$848,664)</u>	<u>\$184,917</u>	<u>\$69,912,828</u>	<u>\$65,854,913</u>

SEE NOTES TO FINANCIAL STATEMENTS

CITY OF SCOTTSDALE

EXHIBIT A-5

COMBINED STATEMENT OF CASH FLOWS - PROPRIETARY FUND TYPES
AND NONEXPENDABLE TRUST FUNDFOR THE FISCAL YEAR ENDED JUNE 30, 1992
WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 1991

	PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPE	TOTALS (MEMORANDUM ONLY)	
	ENTERPRISE	INTERNAL SERVICE	NONEXPENDABLE TRUST	JUNE 30, 1992	JUNE 30, 1991
CASH FLOWS FROM OPERATING ACTIVITIES:					
OPERATING INCOME (LOSS)	\$3,209,963	(\$1,756,664)	(\$548)	\$1,452,751	\$1,864,220
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED FROM OPERATING ACTIVITIES:					
DEPRECIATION	6,927,104	1,424,133		8,351,237	7,536,683
AMORTIZATION	80,861			80,861	80,861
CHANGES IN ASSETS AND LIABILITIES (SOURCES (USES) OF CASH):					
ACCRUED INTEREST RECEIVABLE			1,549	1,549	(238)
ACCOUNTS RECEIVABLE	(79,850)			(79,850)	(57,617)
MISCELLANEOUS RECEIVABLES	(362,015)	(14,682)		(376,697)	(577,872)
SUPPLIES INVENTORY		(12,470)		(12,470)	8,263
ACCOUNTS PAYABLE	2,397,115	(12,577)		2,384,538	(209,054)
ACCRUED PAYROLL	122,883	21,376		144,259	91,839
DUE TO GENERAL FUND	492,963			492,963	(31,339)
CLAIMS PAYABLE - REPORTED		2,115,795		2,115,795	(1,325,807)
CLAIMS PAYABLE - UNREPORTED		353,142		353,142	(28,590)
DEFERRED REVENUE	402,151			402,151	27,601
OTHER LIABILITIES	1,173,404			1,173,404	96,928
DUE FROM CAPITAL IMPROVEMENT FUNDS	(6,158,941)			(6,158,941)	
TOTAL ADJUSTMENTS	4,995,675	3,874,717	1,549	8,871,941	5,611,658
NET CASH PROVIDED BY OPERATING ACTIVITIES	8,205,638	2,118,053	1,001	10,324,692	7,475,878

SEE NOTES TO FINANCIAL STATEMENTS

COMBINED STATEMENT OF CASH FLOWS - PROPRIETARY FUND TYPES
AND NONEXPENDABLE TRUST FUNDFOR THE FISCAL YEAR ENDED JUNE 30, 1992
WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 1991

	PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPE	TOTALS (MEMORANDUM ONLY)	
	ENTERPRISE	INTERNAL SERVICE	NONEXPENDABLE TRUST	JUNE 30, 1992	JUNE 30, 1991
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
DONATIONS					55,353
OPERATING TRANSFER	302,140	200,000		502,140	668,406
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
NET ACQUISITION AND CONSTRUCTION OF PROPERTY AND EQUIPMENT	(13,469,786)	(2,291,436)		(15,761,222)	(8,647,220)
PRINCIPAL PAYMENTS ON LONG-TERM DEBT	(2,111,739)			(2,111,739)	(2,542,442)
INTEREST PAID ON LONG-TERM DEBT	(3,359,994)			(3,359,994)	(2,702,382)
INCREASE IN PUBLIC HOUSING NOTE PAYABLE					(366)
CAPITAL CONTRIBUTIONS FROM OTHER GOVERNMENT UNITS	822,377			822,377	1,307,090
WATER AND SEWER DEVELOPMENT FEES	6,050,204			6,050,204	5,401,611
CAPITAL CONTRIBUTION FROM DEVELOPERS	5,474,112			5,474,112	
PROCEEDS FROM SALE OF BONDS	8,505,000			8,505,000	
PRINCIPAL DELETION OF REFUNDED DEBT	(7,725,000)			(7,725,000)	
LOSS ON BOND REFUNDING	(780,000)			(780,000)	
NET CASH USED FOR CAPITAL AND RELATED FINANCING ACTIVITIES	(6,594,826)	(2,291,436)		(8,886,262)	(7,183,709)
CASH FLOWS FROM INVESTING ACTIVITIES:					
INTEREST RECEIVED ON INVESTMENTS	2,584,571	389,431		2,974,002	3,326,865
DECREASE IN PUBLIC HOUSING RECEIVABLE					366
NET CASH PROVIDED BY INVESTING ACTIVITIES	2,584,571	389,431		2,974,002	3,327,231
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	4,497,523	416,048	1,001	4,914,572	4,343,159
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	39,880,470	6,118,902	183,916	46,183,288	41,840,129
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$44,377,993	\$6,534,950	\$184,917	\$51,097,860	\$46,183,288

SEE NOTES TO FINANCIAL STATEMENTS

CITY OF SCOTTSDALE

EXHIBIT A-5
(CONT'D)COMBINED STATEMENT OF CASH FLOWS - PROPRIETARY FUND TYPES
AND NONEXPENDABLE TRUST FUNDFOR THE FISCAL YEAR ENDED JUNE 30, 1992
WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 1991

	PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPE	TOTALS (MEMORANDUM ONLY)	
	ENTERPRISE	INTERNAL SERVICE	NONEXPENDABLE TRUST	JUNE 30, 1992	JUNE 30, 1991
CASH AND CASH EQUIVALENT AT END OF YEAR INCLUDES:					
CASH AND SHORT-TERM INVESTMENTS	\$15,151,110				
RESTRICTED CASH AND CASH EQUIVALENTS	25,530,228				
CASH WITH FISCAL AGENTS	3,705,799				
LESS NOTE RECEIVABLE	(9,144)				
TOTAL CASH	<u>\$44,377,993</u>				
SUPPLEMENTAL DISCLOSURE OF NONCASH FINANCING ACTIVITIES:					
ADDITIONS TO PROPERTY, PLANT, AND EQUIPMENT					
CONTRIBUTIONS FROM DEVELOPERS	\$3,294,474			\$3,294,474	\$3,476,375
CONTRIBUTIONS FROM OTHER GOVERNMENT UNITS	1,118,758			1,118,758	5,403,336
	<u>\$4,413,232</u>			<u>\$4,413,232</u>	<u>\$8,879,711</u>

SEE NOTES TO FINANCIAL STATEMENTS

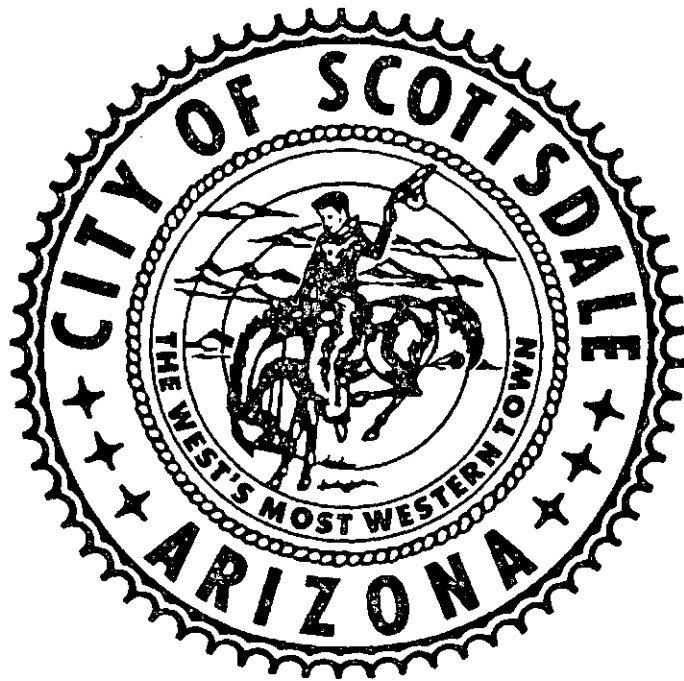
COMBINED STATEMENT OF REVENUES AND EXPENDITURES

BUDGET AND ACTUAL - BUDGET BASIS - ALL PROPRIETARY FUND TYPES

FOR THE FISCAL YEAR ENDED JUNE 30, 1992

	TOTALS (MEMORANDUM ONLY)			ENTERPRISE FUNDS			INTERNAL SERVICE FUNDS		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES									
WATER SERVICE FEES	\$26,000,000	\$26,180,321	\$180,321	\$26,000,000	\$26,180,321	\$180,321	\$	\$	\$
WATER RESOURCE FEES	2,017,000	2,380,617	363,617	2,017,000	2,380,617	363,617			
SEWER SERVICE FEES	7,250,000	7,578,467	328,467	7,250,000	7,578,467	328,467			
PLANET RANCH	500,000	380,535	(119,465)	500,000	380,535	(119,465)			
SANITATION FEES	6,250,000	6,344,546	94,546	6,250,000	6,344,546	94,546			
AIRPORT FEES	685,000	626,447	(58,553)	685,000	626,447	(58,553)			
BILLINGS TO USER PROGRAMS	8,141,000	8,166,519	25,519				8,141,000	8,166,519	25,519
CONTRIBUTIONS FROM MUNICIPALITY	200,000	200,000					200,000	200,000	
INTEREST EARNINGS	1,670,000	1,630,139	(39,861)	1,250,000	1,225,701	(24,299)	420,000	404,438	(15,562)
OTHER		94,951	94,951					94,951	94,951
TOTAL REVENUES	52,713,000	53,582,542	869,542	43,952,000	44,716,634	764,634	8,761,000	8,865,908	104,908
EXPENDITURES									
WATER OPERATIONS	16,694,735	15,790,955	903,780	16,694,735	15,790,955	903,780			
SEWER OPERATIONS	2,746,858	2,558,734	188,124	2,746,858	2,558,734	188,124			
SANITATION OPERATIONS	5,413,884	5,367,786	46,098	5,413,884	5,367,786	46,098			
AIRPORT OPERATIONS	693,895	684,230	9,665	693,895	684,230	9,665			
MOTOR POOL OPERATIONS	7,025,037	6,632,516	392,521				7,025,037	6,632,516	392,521
SELF INSURANCE OPERATIONS	2,356,279	2,383,742	(27,463)				2,356,279	2,383,742	(27,463)
CAPITAL OUTLAY									
DEBT SERVICE AND RESERVES	7,224,397	7,269,989	(45,592)	7,224,397	7,269,989	(45,592)			
TOTAL EXPENDITURES	42,155,085	40,687,952	1,467,133	32,773,769	31,671,694	1,102,075	9,381,316	9,016,258	365,058
EXCESS OF REVENUES OVER EXPENDITURES	\$10,557,915	\$12,894,590	\$2,336,675	\$11,178,231	\$13,044,940	\$1,866,709	(\$620,316)	(\$150,350)	\$469,966

SEE NOTES TO FINANCIAL STATEMENTS



**CITY OF SCOTTSDALE
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 1992**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Scottsdale (City) was incorporated on June 25, 1951, under Arizona Revised Statute Chapter 9, Section 101. The current City Charter was adopted on November 16, 1961, under Arizona Revised Statute Chapter 9, Section 281. The Charter provides for the Council - Manager form of government and provides such services as are authorized by the Charter, as limited by the State Constitution.

The accounting policies of the City conform to generally accepted accounting principles as applicable to governmental units. The following is a summary of the more significant policies:

A. REPORTING ENTITY

The Codification of Governmental Accounting and Financial Reporting Standards requires certain organizations, functions, and activities of government that meet the following criteria to be included in the general purpose financial statements. The criteria are defined as:

- 1) Manifestation of oversight by:
 - a) financial interdependency
 - b) selection of governing authority
 - c) designation of management
 - d) ability to significantly influence operations
 - e) accountability for fiscal matters

- 2) Scope of public service by:
 - a) benefits of reporting entity and/or its residents
 - b) geographic boundaries

Applying these criteria and the accounting concept of materiality, the City includes all necessary entities to be in compliance with GASB Statement No. 1. The City's major operations include police protection, parks and recreation, health and certain social services, and general administration service. In addition, the City owns and operates enterprise funds which include water, sewer, sanitation, and airport.

The accompanying financial statements also include the activities and functions of the City of Scottsdale Municipal Property Corporation since it was determined that the City had significant oversight responsibilities, participation in the selection of the governing authority and the designation of management, and the ability to significantly influence operations and accountability for fiscal matters.

The accompanying financial statements do not include the activities and functions of the Industrial Development Authority (Authority). The City does appoint the Board of Directors for the Authority, however, the City has no financial interdependency, such as responsibility for financing deficits, entitlements to surpluses, or guarantees of or "moral responsibilities" for debt. The City does not designate management of the Authority, does not significantly influence operations, and does not have accountability for fiscal matters.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

A. REPORTING ENTITY (Cont'd)

The accompanying financial statements do not include the activities and functions of the Scottsdale Cultural Council. The City does not select the Chief Executive Officer or designate management of the Council, the City has no financial interdependency such as responsibility for financing deficits, or entitlements to surpluses, or guarantees of or "moral responsibilities" for debt. The City does not significantly influence operations and does not have accountability for fiscal matters (see Note 19).

B. FUND ACCOUNTING

The accounts of the City are organized on the basis of funds or account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenue, and expenditures or expenses. The various funds are summarized by type in the financial statements. The following fund types and account groups are used by the City:

Governmental Fund Types

Governmental Funds are those through which most governmental functions typically are financed. The acquisition, use, and balances of the government's expendable financial resources and the related current liabilities--except those accounted for in proprietary funds--are accounted for through governmental funds (general, special revenue, capital projects, and debt service funds).

Governmental funds are, in essence, accounting segregations of financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used; current liabilities are assigned to the fund from which they are to be paid; and the difference between governmental fund assets and liabilities, the fund equity, is referred to as "Fund Balance."

The governmental fund measurement focus is on determination of financial position and changes in financial position rather than on net income determination. The statement of revenues, expenditures, and changes in fund balance is the primary governmental fund operating statement.

General - The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes.

Debt Service - Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Cont'd)****B. FUND ACCOUNTING (Cont'd)**

Capital Projects - Capital Projects Funds are used to ensure that revenue designated for certain purposes is properly used. A Capital Projects Fund further enhances reporting to ensure that requirements regarding the use of the revenue were fully satisfied.

Fiduciary Fund Types

Fiduciary Funds are used to account for assets held by a governmental unit in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. Expendable trust funds are classified for accounting measurement purposes like a governmental fund. Agency funds are purely custodial (assets equal liabilities) and thus do not involve measurement of results of operations.

Agency Fund - An Agency Fund is used to account for assets of a deferred compensation plan (see Note 12).

Trust Fund - An Expendable Trust Fund is used to account for assets held by the City in a trustee capacity for individuals, private organizations, other governmental units, and/or other funds, which is accounted and reported for similar to governmental funds. A Non-Expendable Trust Fund is used to account for assets held by the City in which the principal cannot be depleted. The measurement focus is on determination of net income, financial position, and cash flows.

Proprietary Fund Types

Proprietary Funds are used to account for a government's ongoing organizations and activities that are similar to those often found in the private sector. All assets, liabilities, equities, revenues, expenses, and transfers relating to the government's business and quasi-business activities--where net income and capital maintenance are measured--are accounted for through proprietary funds. The measurement focus is on determination of net income, financial position, and cash flows.

Enterprise - Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenue earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Internal Service - Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City, on a cost-reimbursement basis.

Account Groups

Account Groups are used to establish accounting control and accountability for the government's general fixed assets and unmatured principal of its general long-term debt.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

B. FUND ACCOUNTING (Cont'd)

General Fixed Assets - This account group is established to account for all fixed assets of the City, other than those accounted for in the proprietary funds.

General Long-Term Debt - This account group is established to account for all long-term debt of the City except that which is accounted for in the proprietary funds.

C. BASIS OF ACCOUNTING

The modified accrual basis of accounting is followed by the governmental and fiduciary fund types (except for non-expendable trust fund). Under the modified accrual basis of accounting, revenue is recorded when susceptible to accrual, i.e., both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred.

In applying the susceptible to accrual concept to intergovernmental revenue, the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of this revenue. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the City; therefore, revenue is recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and nearly irrevocable, i.e., revocable only for failure to comply with prescribed compliance requirements, e.g., equal employment opportunity. These resources are reflected as revenue at the time of receipt or earlier if they meet the available criterion.

Transaction privilege tax, licenses and permits, charges for services, fines and forfeitures, and miscellaneous revenue (except investment earnings) are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned since they are measurable and available. See Note 4 regarding property taxes.

The proprietary fund types and non-expendable trust fund are accounted for using the accrual basis of accounting. Revenue is recognized when earned and expenses are recognized when incurred.

D. BUDGET AND BUDGETARY ACCOUNTING

The City Council follows these procedures in establishing the budgetary data reflected in the financial statements:

- All funds have legally adopted annual budgets except for the Community Development and Grants Funds (included as Special Revenue Funds), Capital Projects Funds, Trust and Agency Funds, and Public Housing Funds.
- The budgetary process encompasses both the appropriated budget and the legally authorized non-appropriated budget. The General, Enterprise, Internal Service, Special Revenue (Highway User Fuel Tax), and Debt Service Funds have

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

D. BUDGET AND BUDGETARY ACCOUNTING (Cont'd)

appropriated budgets. The Capital Projects and Trust and Agency Funds have non-appropriated budgets. The Community Development Block Grant Fund and the Grant Fund have non-appropriated budgets within the applicable fund.

- On or before the second regular Council meeting in May, the City Manager submits to the City Council a proposed budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing them.
- Two public hearings are held prior to the budget's final adoption in order to obtain taxpayer comments.
- At the first regular Council meeting in June, the budget is legally enacted through passage of an ordinance. The ordinance sets the limit for expenditures during the fiscal year. Additional expenditures may be authorized for expenditures directly necessitated by a natural or man-made disaster as prescribed in the State Constitution, Article 9, Section 20. During 1990-91, there were no supplemental budgetary appropriations to the original budget.
- The expenditure appropriations in the adopted budget are by department. The maximum legal expenditure permitted for the fiscal year is the sum of all departmental expenditure appropriations. Departmental appropriations may be amended during the year.
- Upon the recommendation of the City Manager and with the approval of the City Council: (1) transfers may be made from the appropriations for contingencies to departments; and (2) unencumbered appropriations may be transferred from one department to another.
- Management control of budgets is further maintained at a line item level within the department. Transfers between line items within a department may be done only upon approval of the City Manager.
- Initial year budget information may be amended during the year in a legally permissible manner.
- All expenditure appropriations which have not been encumbered lapse at year end.

Certain differences as described in Note 2 exist between the basis of accounting used for budgetary purposes and that used for reporting in accordance with generally accepted accounting principles.

Budgets for the Community Development and Grants Funds, included as Special Revenue Funds, are established pursuant to the terms of the related grant awards. Budgets for Capital Projects Funds are established for individual projects and lapse at final completion of construction. Budgets for Trust and Agency funds are established in accordance with the trust agreements. Accordingly, no annual budget

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Cont'd)****D. BUDGET AND BUDGETARY ACCOUNTING (Cont'd)**

is prepared and no comparison of budget to actual is presented in the financial statements.

E. ENCUMBRANCES

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is employed in the governmental and fiduciary fund types. Encumbrances are reported as reservations of fund balances since they do not constitute expenditures or liabilities. Encumbrances outstanding at the beginning of a fiscal year which were recognized as budgetary expenditures (but not as GAAP basis expenditures) in the prior year are recognized as GAAP basis expenditures (but not as budgetary expenditures unless reappropriated) in the current year as such expenditures are incurred.

Encumbrance accounting is not employed in the proprietary fund types. Commitments in the proprietary funds at June 30, 1992, aggregated approximately \$9,323,000.

F. INVESTMENTS

Investments are stated at cost, or amortized cost, which approximates market, except for the investments held by the Agency Fund which are valued at fair market value (Note 12). The City's policy is to invest in certificates of deposit, repurchase agreements, direct U.S. Treasury debt, securities guaranteed by the United States Government or any of its agencies, and the State of Arizona Local Government Investment Pool.

G. INVENTORIES

The costs of inventory items are recorded under the consumption method as expenditures when consumed for financial statement purposes. The Stores inventory is included on the balance sheet of the General Fund. The Fleet inventory is included on the balance sheet of the Motor Pool Fund. Inventories are valued at year end based on cost with cost being determined using an average cost method.

H. GENERAL FIXED ASSETS

General fixed assets have been acquired for general governmental purposes. Assets purchased are recorded as expenditures in the governmental fund types and capitalized at cost in the General Fixed Assets Account Group. Contributed fixed assets are recorded in general fixed assets at estimated fair market value on the date of receipt.

It is the City's policy to include public domain fixed assets, such as roads, bridges, streets, and similar items in the General Fixed Assets Account Group.

No depreciation has been provided on general fixed assets.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Cont'd)**

H. GENERAL FIXED ASSETS (Cont'd)

General fixed assets sold or otherwise disposed of are eliminated from the accounts.

I. PROPERTY, PLANT, AND EQUIPMENT - PROPRIETARY FUND TYPES

Property, plant, and equipment of the Enterprise and Internal Service Funds are stated at cost or, if donated, at estimated fair market value on the date of receipt. Depreciation and amortization are provided on the straight-line method over the following estimated useful lives:

Water System	10 to 75 Years
Sewer System	30 to 50 Years
Buildings and Improvements	25 Years
Machinery and Equipment	20 Years
Motor Vehicles and Other Equipment	3 to 10 Years
Furniture, Fixtures, and Office Equipment	5 to 10 Years

When fixed assets of proprietary fund types are disposed of, the cost and accumulated depreciation or amortization is removed from the accounts, and the resultant gain or loss is recognized.

Contributions of funds from Federal, State, or local grants, subdivider infrastructure, and developer fees restricted for the purpose of purchasing property, plant, or equipment are recorded as contributed capital. Depreciation of contributed assets is recorded as an expense in the respective fund's statement of revenues, expenses, and changes in retained earnings and is closed to the respective fund's contributed capital account.

J. EXCESS PURCHASE PRICE OVER FAIR MARKET VALUE OF ASSETS ACQUIRED

The excess purchase price over fair market value of assets acquired in the Water and Sewer Utility Fund is amortized on the straight-line method over 20 to 25 years.

K. PROPERTY, PLANT, AND EQUIPMENT - ESTIMATED FAIR MARKET VALUE

Fair market value of contributed fixed assets is determined by reference to historical costs of the donor if recently constructed, and if such records are not available, at estimated fair market value on the date of receipt. Estimates used for such fixed assets contributed through June 30, 1992, are as follows:

General Fixed Assets:	
Streets and Storm Drains	\$ 598,434,000
Land	13,686,000
Traffic Signal Equipment	606,000
Water and Sewer Utility Fund:	
Water System and Sewer System	105,060,000

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Cont'd)****L. TRANSACTIONS BETWEEN FUNDS**

Transactions that would be treated as revenue, expenditures, or expenses if they involved organizations external to the governmental unit are accounted for as revenue, expenditures, or expenses in the funds involved. Transactions which constitute reimbursements of a fund for expenditures or expenses initially made from that fund which are properly applicable to another fund are recorded as expenditures or expenses in the reimbursing fund and as reductions of the expenditure or expense in the fund that is reimbursed.

Non-recurring or non-routine transfers of equity between funds are treated as residual equity transfers and are reported as additions to or deductions from the beginning fund balance of governmental funds. Residual equity transfers to proprietary fund types are treated as contributed capital, and such transfers from proprietary fund types are reported as reductions of retained earnings or contributed capital as is appropriate in the circumstances. All other transactions are treated as operating transfers and are included in the results of operations of both governmental and proprietary fund types.

Indirect administrative costs are allocated to the Enterprise Funds by applying an indirect cost rate to budgeted costs. The indirect cost rate is the ratio of indirect operating services to direct operating services. Indirect operating services are budgetary units that only support or serve other City units. Direct operating services are budgetary units that only support or serve the public. Internal Service Fund budgetary units and debt service costs are excluded from the indirect cost rate calculation.

M. FUNDS SERVICING LONG-TERM DEBT

The General Obligation Bond Debt Service Fund is specifically established to account for and service all general long-term debt of the City except as noted below:

- The General Fund accounts for and services contracts payable funded by general revenues.
- The Highway User Fuel Tax Fund accounts for and services bonds funded by Highway User revenues.
- The Municipal Property Corporation Debt Service Fund accounts for and services all Municipal Property Corporation bonds.
- The Special Assessments Debt Service Fund accounts for and services all Special Assessment bonds.
- Each Enterprise Fund individually accounts for and services the applicable bonds and contracts payable which benefit that fund.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Cont'd)****N. COMPENSATED ABSENCES**

Compensated absences are included in the funds of the City in accordance with GASB Statement No. 1, which set forth the authoritative status of National Council on Governmental Accounting Statement 4, *Accounting and Financial Reporting Principles for Claims and Judgments and Compensated Absences*.

For governmental funds, the percentage of vacation normally taken in the first sixty (60) days of the next fiscal year is recorded as a current liability. The remaining value of vacation accrued is recorded in the Long-Term Debt Account Group.

For proprietary funds, all of the outstanding vacation accrual is recorded as a current liability.

O. INCURRED-BUT-NOT-REPORTED (IBNR) CLAIMS/LOSSES

IBNR claims are included in the Self-Insurance Internal Service Fund. IBNR claim amounts are estimated by application of historical claim reporting experience to the current outstanding claims.

P. CASH EQUIVALENTS

Cash equivalents for purposes of the statement of cash flows are investments (including restricted assets) in the State of Arizona investment pool and certificates of deposit, overnight deposits, repurchase agreements, and U.S. Treasury bills and notes with maturities of three months or less at acquisition date.

Q. "MEMORANDUM ONLY" COMPARATIVE TOTAL COLUMNS

Comparative total columns for the current and prior year have been presented in the accompanying combined financial statements in order to provide an understanding of changes in the City's financial operations.

Data in these columns do not present financial position, results of operations, or cash flows in accordance with generally accepted accounting principles. These totals do not represent consolidated financial information. Interfund eliminations have not been made in the aggregation of this data.

NOTE 2 - BUDGETARY BASIS OF ACCOUNTING

The City prepares its annual budget on a basis which differs from generally accepted accounting principles (GAAP basis). The budget and all transactions are presented in accordance with the City's method (budget basis) in the combined statement of revenue, expenditures, and changes in fund balances - budget and actual - budget basis for General, Special Revenue, and Debt Service funds and the combined statement of revenue and expenses - budget basis for all Proprietary fund types to provide a meaningful comparison of actual results with the budget.

The major differences between the budget and GAAP bases are:

1. Encumbrances are recorded as the equivalent of expenditures (budget) as opposed to a reservation of fund balance (GAAP).
2. Indirect administrative cost allocations (including in lieu property tax and franchise fees) to the enterprise funds are not recognized in the budgetary process but are accounted for as expenses, expenditure credits, or revenue (GAAP).
3. Debt sinking fund principal transactions are not recognized in the budgetary process but are accounted for as expenditures (GAAP).
4. Certain expenditures, revenues, and transfers not recognized in the budgetary year are accrued (GAAP).
5. Capital items in the Enterprise and Internal Service Funds are recognized as expenses (budget).
6. Non-budgeted activities are recognized as expenditures/expenses (GAAP).
7. Debt service principal in the Enterprise Funds are recognized as expenses for budget purposes.

NOTE 2 - BUDGETARY BASIS OF ACCOUNTING (Cont'd)

Adjustments necessary to convert the fund balances (deficits) and the excess (deficiency) of revenue and other sources over expenditures and other uses at and for the year ended June 30, 1992, on a GAAP basis to budget basis are as follows:

	Fund Balances (Deficit) at June 30, 1992		
	General	Special Revenue	Debt Service
GAAP Basis	\$42,285,367	\$ 637,869	\$11,341,344
Basis Differences			
Reserved encumbrances at June 30, 1992, recognized as expenditures for budget purposes	(1,883,903)	(144,753)	
Compensated absences at June 30, 1992, not recognized as an expenditure for budget purposes	500,680	40,403	
Capital project fund expenditures for the asset transfer program recognized as expenditures for budget purposes	(23,686,547)		
Debt service not recognized as an expenditure for budget purposes	1,788,188		
Revenue and expenditures for certain MPC excise debt accounted for in the general fund (budget) and in the debt service fund (GAAP)	(1,995,554)		
Prior period adjustment and operating transfer in not recognized as revenue for budget purposes			(1,259,480)
Timing Differences			
Fund balance from sinking fund not recognized for budget purposes			(2,158,641)
Perspective Differences			
Indirect costs allocated to proprietary funds are not recognized as a reduction of expenditures for budget purposes	(26,050,721)	(229,393)	
In lieu property tax from proprietary funds not recognized as revenue for budget purposes	(1,914,825)		
Franchise fee from proprietary funds not recognized as revenue for budget purposes	(4,765,100)		
Entity Differences			
Fund balance for non-budgeted activity, streetlights, and MPC	(619,024)		(3,160,276)
Fund balance for funds for which no annual budgets are prepared		(493,116)	
Budget Basis	(\$16,341,439)	(\$ 188,990)	\$ 4,762,947

NOTE 2 - BUDGETARY BASIS OF ACCOUNTING (Cont'd)

	Excess (Deficiency) of Revenue and Other Sources Over Expenditures and Other Uses		
	General	Special Revenue	Debt Service
GAAP Basis	(\$ 1,184,050)	\$ 431,644	(\$1,378,462)
Basis Differences			
Reserved encumbrances at June 30, 1992, recognized as expenditures for budget purposes	(1,883,903)	(144,753)	
Compensated absences not recognized as an expenditure for budget purposes	47,466	9,996	
Gain on sale of investments not recognized as revenue for budget purposes			(101,332)
Reserve funds interest recognized as revenue for budget purposes on cash basis			(13,977)
Perspective Differences			
Indirect costs allocated to proprietary funds not recognized as a reduction of expenditures for budget purposes	(4,827,292)		
In lieu property tax from proprietary funds not recognized as revenue for budget purposes	(620,148)		
Franchise fee from proprietary funds not recognized as revenue for budget purposes	(1,723,250)		
Excess of revenues and expenditures on GAAP basis due to recognition of trust revenues and expenditures not recognized on a budget basis			43,895
Entity Differences			
Excess of revenue and other sources over expenditures for non-budgeted streetlights	(58,720)		
Excess of revenue and other sources over expenditures and other uses for funds for which no annual budgets are prepared		(379,332)	
Payment to refunded bond escrow agent not recognized for budget purposes			1,931,562
Budget Basis	(\$10,249,897)	(\$ 82,445)	\$ 481,686

NOTE 2 - BUDGETARY BASIS OF ACCOUNTING (Cont'd)

Adjustments necessary to convert the results of operations for the year on a GAAP basis to the budget are as follows:

	Enterprise	Internal Service
GAAP Basis Net Income (Loss)	\$ 2,104,210	(\$1,152,226)
Basis Differences		
Encumbrances at June 30, 1992, recognized as expense for budget purposes	(724,300)	(599,604)
Net increase in compensated absences not recognized as expense for budget purposes	49,411	7,881
Net increase in claims payable not recognized as expense for budget purposes		2,468,937
Loss on bond refunding not recognized for budget purposes	780,000	
Perspective Differences		
Capital outlay recognized as expense for budget purposes	(1,069,931)	(2,299,471)
Depreciation and amortization not recognized as expense for budget purposes	7,007,965	1,424,133
Indirect costs not recognized as expense for budget purposes	4,827,292	
In lieu property tax not recognized as expense for budget purposes	620,148	
Franchise fee not recognized as expense for budget purposes	1,723,250	
Debt service principal payments and capitalized interest recognized as expense for budget purposes	(2,861,791)	
Retained earnings reservation change recognized as expense for budget purposes	(1,125,245)	
Contributions recognized as revenue for budget purposes	2,380,617	
Operating transfer not recognized as revenue for budget purposes	(302,140)	
Interest earnings on non-pooled and bond funds not recognized as income for budget purposes	(1,425,448)	
Deficiency of revenue and other sources over expenses and other uses for non-budgeted bond activity	1,060,902	
Budget Basis Excess (Deficiency) of Revenues Over Expenditures	\$13,044,940	(\$ 150,350)

NOTE 3 - CASH AND INVESTMENTS

The City maintains a cash and investment pool for use by all funds except the Municipal Properties Corporation, whose investments are held separately by a trustee, and the Agency Fund.

Deposits

At June 30, 1992, the book value of the City's deposits were (\$12,619,640) and the bank balance was \$1,214,367. The \$13,834,007 difference represents outstanding checks and other reconciling items. The positive cash balances are covered entirely through a combination of federal depository insurance funds and securities held by the pledging bank's trust department in the City's name.

Investments

City Charter, Ordinance, and Trust Agreements authorize the City to invest in obligations of the U.S. Treasury, U.S. Government Agencies, repurchase agreements, and the State of Arizona Local Government Investment Pool.

The City's investments at June 30, 1992, are summarized below. Category 1 includes investments that are registered in the name of the City and held by the City's agent in the name of the City. Category 2 includes uninsured and unregistered investments of the Municipal Properties Corporation held by the bank's trust department in the name of the Municipal Properties Corporation.

	Category		Carrying Amount	Market Value
	1	2		
U.S. Treasury Securities	\$	\$2,541,586	\$ 2,541,586	\$ 2,539,629
Government Agency Securities	1,861,797	465,352	2,327,149	2,628,718
City of Scottsdale Improvement District Bonds	55,000		55,000	55,000
	\$1,916,797	\$3,006,938	4,923,735	5,223,347
State of Arizona Local Government Investment Pool (Short-Term Investments)			143,753,273	143,753,273
Investment in ICMA Plan			4,927,656	4,927,656
Total Investments			\$ 153,604,664	\$ 153,904,276

NOTE 5 - FIXED ASSETS

A summary of changes in general fixed assets follows:

	Balance June 30, 1991	Transfers/ Additions	Transfers/ Deletions	Balance June 30, 1992
Land	\$ 43,590,570	\$	\$	\$ 43,590,570
Buildings and Improvements	127,953,334	1,852,112	(780,967)	129,024,479
Streets and Storm Drains	680,018,186	50,498,328		730,516,514
Machinery and Equipment	21,670,972	1,152,192	(219,109)	22,604,055
Construction in Progress	14,288,989	41,411,307	(18,068,549)	37,631,747
	\$ 887,522,051	\$94,913,939	(\$19,068,625)	\$ 963,367,365

General fixed asset construction in progress commitments at June 30, 1992, is composed of the following:

	Construction In Progress	Commitments	Budget
Streets	\$17,772,614	\$32,207,620	\$ 49,980,234
Traffic	269,326	3,995,903	4,265,229
Improvement Districts	2,948,581	1,261,234	4,209,815
Drainage/Flood Control	1,343,844	12,932,807	14,276,651
Parks/Recreation	992,046	2,626,533	3,618,579
Specialty Areas	10,670,588	4,666,205	15,336,793
Service Facilities	814,394	4,822,345	5,636,739
Public Safety	1,921,603	3,423,956	5,345,559
Libraries	752,283	1,767,784	2,520,067
Transit	146,468	111,361	257,829
	\$37,631,747	\$67,815,748	\$ 105,447,495

NOTE 5 - FIXED ASSETS (Cont'd)

A summary of proprietary fund types fixed assets at June 30, 1992, follows:

	<u>Enterprise</u>	<u>Internal Service</u>
Land and Land Improvements	\$ 15,418,527	\$
Water Rights	20,242,006	
Water System	145,563,397	
Sewer System	86,365,547	
Buildings and Improvements	1,609,923	1,222,868
Motor Vehicles		13,608,458
Furniture and Fixtures	425,210	49,168
Machinery and Equipment	725,063	972,483
Construction in Progress	12,552,143	164,859
	<hr/>	
Accumulated Depreciation	282,901,816 (51,530,703)	16,017,836 (8,756,305)
	<hr/>	
	\$ 231,371,113	\$ 7,261,531
	<hr/> <hr/>	

Enterprise and Internal Service Funds construction in progress commitments at June 30, 1992, is composed of the following:

	<u>Construction In Progress</u>	<u>Commitments</u>	<u>Budget</u>
Enterprise			
Water System Projects	\$ 4,364,984	\$14,341,160	\$18,706,144
Sewer System Projects	7,006,136	14,987,294	21,993,430
Airport Projects	1,181,024	486,909	1,667,933
	<hr/>		
	\$12,552,144	\$29,815,363	\$42,367,507
	<hr/> <hr/>		
Internal Service			
Motor Vehicle Projects	\$ 164,859	\$ 267,848	\$ 432,707
	<hr/> <hr/>		

NOTE 6 - LONG-TERM DEBT

The following is a summary of changes in general long-term debt:

	General Obligation Bonds	HURF Revenue	Municipal Property Corp Bonds	Special Assessments	Contracts Payable	Compensated Absences	Total
Balance June 30, 1991	\$50,615,000	\$28,960,000	\$98,785,000	\$24,210,000	\$ 5,427,688	\$ 1,877,804	\$ 209,875,492
Increase in Compensated Absences Liability						141,820	141,820
Debt Incurred	19,000,000		47,095,000	1,450,000	4,525,000		72,070,000
Debt Retired			(45,015,000)	(2,642,000)	(1,141,844)		(48,798,844)
Debt Refunded							
Debt To Be Retired July 1, 1992	(2,325,000)	(1,000,000)	(2,645,000)	(520,000)			(6,490,000)
Balance June 30, 1992	*\$ 67,290,000	\$27,960,000	\$98,220,000	\$22,498,000	\$ 8,810,844	\$ 2,019,624	\$ 226,798,468

* This does not include the 1986 General Obligation Water System Improvement Bonds in the amount of \$35,500,000 (\$690,000 is to be retired on July 1, 1992). These bonds are serviced by and recorded in the Water Enterprise Fund.

The following is a summary of debt service requirements to maturity, including contracts payable, as of June 30, 1992. The interest portion of the total is \$176,958,850.

Fiscal Year Ending	General Obligation Bonds	Utility Revenue Bonds	HURF Revenue Bonds	Municipal Property Corporation	Special Assessment Bonds	Contracts Payable	Total
1993	\$ 10,261,306	\$ 2,940,132	\$ 3,110,272	\$ 10,803,255	\$ 4,845,455	\$ 1,266,946	\$ 33,227,366
1994	10,165,896	2,236,935	3,111,280	10,691,832	4,733,264	1,124,015	32,063,222
1995	10,071,501	2,444,063	3,110,182	10,691,683	4,443,645	777,278	31,538,352
1996	9,202,891	2,445,738	3,107,892	10,459,465	3,371,189	777,278	29,364,453
1997	9,261,675	2,438,688	3,107,743	10,564,579	3,054,339	777,278	29,204,302
1998	9,272,560	2,444,543	3,103,003	10,578,749	2,348,361	672,278	28,419,494
1999	9,266,458	2,442,048	3,105,690	10,577,030	1,935,274	672,278	27,998,778
2000	10,057,628	1,618,188	3,105,170	10,584,228	1,760,236	672,278	27,797,728
2001	10,976,188	704,428	3,107,965	10,604,875	1,652,441	672,278	27,718,175
2002	11,013,113	708,103	3,106,269	9,855,358	382,350	672,278	25,737,471
2003	11,065,290	709,543	3,109,607	9,872,112	92,813	272,278	25,121,643
2004	11,125,140	708,943	3,106,682	9,876,457		272,278	25,089,500
2005-2040	47,972,380	3,569,187	9,423,480	41,327,246		5,921,379	108,213,672
	\$169,712,026	\$25,410,539	\$46,715,235	\$166,486,869	\$28,619,367	\$14,550,120	\$ 451,494,156

The summary above does not reflect General Obligation Bond principal payments from the Sinking Fund of \$3,500,000 on July 1, 1993, and interest in the aggregate amount of \$187,250.

NOTE 7 - BONDS PAYABLE - EXCLUDING REFUNDED DEBT

The following is a summary of bond transactions of the City:

	General Obligation	Utility Revenue	HURF Revenue	Municipal Property Corp	Special Assessment	Total
Bonds Payable at June 30, 1991	\$ 89,905,000	\$18,430,000	\$29,785,000	\$ 101,275,000	\$24,730,000	\$264,125,000
New Debt Issued						
Special Assessments					1,450,000	1,450,000
General Obligation	19,000,000					19,000,000
Utility Revenue Refunding		8,505,000				8,505,000
Municipal Property Corporation Refunding				47,095,000		47,095,000
Debt Refunded		(7,725,000)		(44,270,000)		(51,995,000)
Debt Retired						
Serial Bonds (Paid 07/01/91)	(3,100,000)	(1,020,000)	(825,000)	(2,490,000)	(520,000)	(7,955,000)
Serial Bonds (Paid 11/01/91)				(365,000)		(365,000)
Serial Bonds (Paid 01/01/92)					(2,642,000)	(2,642,000)
Serial Bonds (Paid 05/01/92)				(380,000)		(380,000)
Bonds Payable at June 30, 1992	105,805,000	18,190,000	28,960,000	100,865,000	23,018,000	276,838,000
Less Current Portion	(3,015,000)	(1,095,000)	(1,000,000)	(2,645,000)	(520,000)	(8,275,000)
Long-Term Bonds Payable June 30, 1992	\$102,790,000	\$17,095,000	\$27,960,000	\$ 98,220,000	\$22,498,000	\$268,563,000

On June 1, 1992, the City issued \$8,505,000 Water and Sewer Revenue Refunding and \$47,095,000 Municipal Property Corporation Bonds with average interest rates of 5.227% and 6.163%, respectively. The entire proceeds of the \$8,824,970 and \$48,560,925 (net of \$25,345 and \$53,426 to date in underwriting fees and other issuance costs), were used to purchase U.S. government securities which were deposited in individual irrevocable trusts with an escrow agent to provide for the future debt service payments on these bonds. As a result, \$7,725,000 and \$44,270,000, respectively, in bonded debt are considered to be defeased. The refunding transactions will result in a decrease in debt service payments of \$502,154 and \$2,526,582, respectively, and will result in an economic gain (present value savings) of \$475,346 and \$2,487,977, over the life of the 1992 Refunding Bonds.

NOTE 7 - BONDS PAYABLE - EXCLUDING REFUNDED DEBT (Cont'd)

Under the provisions of the Arizona Constitution, outstanding general obligation bonded debt for combined water, sewer, light, and (after January 1, 1974) parks and open space purposes may not exceed 20% of a City's net secondary assessed valuation, nor may outstanding general obligation bonded debt for all other purposes exceed 6% of a City's net secondary assessed valuation. The following is a summary of legal borrowing capacity at June 30, 1992:

Water, Sewer, Light, and Parks and Open Space Purposes Bonds		All Other General Obligation Bonds	
20% Constitutional Limit	\$285,075,723	6% Constitutional Limit	\$85,522,717
Net Such General Obligation Bonds Outstanding	(60,505,400)	Net Such General Obligation Bonds Outstanding	(38,784,600)
Available 20% Limitation Borrowing Capacity	<u>\$224,570,323</u>	Available 6% Limitation Borrowing Capacity	<u>\$46,738,117</u>

On June 30, 1992, the City had authorized but unissued bonds approved by the voters: General Obligation - \$148,529,500; Revenue - \$83,340,000.

There are a number of limitations and restrictions contained in the various bond indentures. The City is in compliance with all significant limitations and restrictions.

Water and sewer utility revenue bonds are collateralized by revenue in excess of operating and maintenance expenses of the City's utility system. The bond indenture ordinances require the maintenance of certain defined reserve funds. The aggregate amount of funds restricted for these requirements was \$8,169,225 at June 30, 1992.

NOTE 7 - BONDS PAYABLE - EXCLUDING REFUNDED DEBT (Cont'd)**General Obligation Bonds**

\$1,400,000 1968 Civic Center Improvement Serial Bonds due in annual installments of \$200,000 to \$250,000 through July 1, 1996; interest at 4.7% to 5.0%.	\$ 925,000
\$3,500,000 1973 Storm Sewer Series A Term Bonds due in one installment of \$3,500,000 on July 1, 1993; interest at 5.4%.	3,500,000*
\$20,000,000 1983 Capital Improvement Project Serial Bonds due in annual installments of \$2,000,000 through July 1, 1995; interest at 7.75% to 7.8%.	6,000,000
\$9,800,000 (partially refunded to \$690,000 on April 14, 1991) 1985 Capital Improvement Project Serial Bonds, \$375,000 due July 1, 1993; interest at 10.0%.	375,000
\$38,000,000 1986 Water System Acquisition and Improvement Serial Bonds due in annual installments of \$800,000 to \$5,070,000 through July 1, 2006; interest at 6.3% to 8.3%.	35,500,000**
\$28,785,000 1990 Capital Improvement Project Serial Bonds due in annual installments of \$615,000 to \$3,755,000 beginning July 1, 1996 through July 1, 2010; interest at 6.7% to 8.5%.	28,785,000
\$8,830,000 1991 Refunding Bonds due in annual installments of \$90,000 to \$980,000 beginning July 1, 1992, through July 1, 2005; interest at 5.7% to 6.7%.	8,705,000
\$19,000,000 1991 Capital Improvement Project Serial Bonds due in annual installments of \$685,000 to \$1,850,000 beginning July 1, 1996, through July 1, 2011; interest at 6.0% to 8.5%.	19,000,000
	<hr/>
	\$102,790,000
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* All bond retirements are paid from the Sinking Fund which is fully funded.

** These bonds are serviced by and recorded in the Water Enterprise Fund.

Revenue Bonds

\$3,910,000 1973 Utility Revenue Refunding Issue Serial Bonds due in annual installments of \$300,000 to \$310,000 through July 1, 1995; interest at 4.5% to 5.1%.	\$ 895,000
\$8,400,000 (partially refunded to \$675,000 on June 1, 1992) 1983 Utility Revenue Serial Bonds; interest at 10.5%.	625,000
\$8,505,000 1992 Utility Refunding Serial Bonds due in annual installments of \$725,000 to \$1,595,000 through July 1, 2000; interest at 4.25% to 5.7%.	8,505,000
\$7,500,000 1990 Utility Revenue Serial Bonds due in annual installments of \$235,000 to \$680,000 through July 1, 2009; interest at 6.0% to 8.5%.	7,070,000
\$11,000,000 (partially refunded to \$2,200,000 on February 14, 1990) 1983 Highway User Fund Tax Revenue Serial Bonds due in annual installments of \$475,000 and \$525,000 through July 1, 1994; interest at 8.3%.	1,000,000
\$10,000,000 (partially refunded to \$2,660,000 on February 14, 1990) 1985 Highway User Fund Tax Revenue Serial Bonds due in annual installments of \$380,000 to \$480,000 through July 1, 2005; interest at 8.3% to 10.3%.	1,710,000

NOTE 7 - BONDS PAYABLE - EXCLUDING REFUNDED DEBT (Cont'd)

\$9,800,000 1987 Highway User Fund Tax Revenue Serial Bonds due in annual installments of \$60,000 to \$2,935,000 through July 1, 2007; interest at 7.1% to 9.1%.	9,560,000
\$15,900,000 1989 Highway User Fund Tax Revenue Refunding Serial Bonds due in annual installments of \$165,000 to \$1,015,000 through July 1, 2005; interest at 6.3% to 7.0%.	15,690,000
	<hr/>
	\$45,055,000
	<hr/> <hr/>
Municipal Property Corporation Bonds	
\$7,130,000 1974 Municipal Property Corporation Bonds; due in annual installments of \$515,000 to \$1,420,000 through July 1, 1996; interest at 5.4% to 5.5%.	\$ 3,045,000
\$13,000,000 1984 Municipal Property Corporation Recreation Facilities Bonds; due in annual installments of \$490,000 to \$1,420,000 through July 1, 2004; interest at 9.4% to 9.9%.	10,480,000
\$3,100,000 1987 Municipal Property Corporation Certificates of Participation; due in annual installments of \$550,000 to \$695,000 beginning July 1, 1997 through July 1, 2001; interest at 5.9% to 6.3%.	3,100,000
\$41,205,000 1986 Refunding Series Municipal Property Corporation Certificates of Participation; due in annual installments of \$1,705,000 to \$4,080,000 through July 1, 2005; interest at 6.1% to 7.8%.	34,500,000
\$47,095,000 1992 Refunding Series Municipal Property Corporation Certificates of Participation; due in semi-annual installments of \$55,000 to \$1,865,000 through November 1, 2014; interest at 3.0% to 6.25%.	47,095,000
	<hr/>
	\$98,220,000
	<hr/> <hr/>
Special Assessment Bonds	
\$34,642,883 Special Assessment Bonds issued March 20, 1973, through April 1, 1992, maturing January 1, 1993 through January 1, 2003; due in annual installments of \$2,000 to \$1,070,000; interest at 6.25% to 10.0%.	\$22,498,000
	<hr/> <hr/>

NOTE 8 - CONTRACTS PAYABLE

Contracts payable, including capital lease agreements, at June 30, 1992 are as follows:

	General Fund	Water and Sewer Utility Fund	Total
Purchase Contracts			
Contract payable to the U.S. Army Corps of Engineers for the construction of flood control and recreation facilities; due in annual installments through 2039; interest at 5.1%.	\$3,816,503	\$	\$3,816,503
Purchase contract for acquisition of Pepperwood office building; due in monthly installments through November, 2005; interest at 10.0% to 12.0%.	304,018		304,018
Purchase contract, Plan Six Agreement, to acquire a new water supply and hydropower generation benefits; due in quarterly installments through July, 1994; non-interest bearing.		661,461	661,461
Contract payable for the construction of the West Couplet; due in annual installments through January, 2002; non-interest bearing.	4,000,000		4,000,000
Contract payable for the construction of the East Couplet; due in annual installments through November, 1997; non-interest bearing.	525,000		525,000
Subtotal Purchase Contracts	8,645,521	661,461	9,306,982
Capital Lease Agreements			
Lease-purchase agreement for acquisition of a ladder truck; due in annual installments through September 1993; interest at 7.34%.	165,323		165,323
Subtotal Capital Lease Agreements	165,323		165,323
Subtotal Contracts Payable	8,810,844	661,461	9,472,305
Less Current Portion		402,936	402,936
Long-Term Portion of Contracts Payable	\$8,810,844	\$ 258,525	\$9,069,369

NOTE 8 - CONTRACTS PAYABLE (Cont'd)

The purchase contracts for the acquisition of water system improvements are payable only from the operating revenue of the water and sewer utility system.

The following is a schedule of the future minimum lease payments under the preceding capital lease agreement:

Fiscal Year Ending June 30	
1993	\$ 87,428
1994	87,106
	<hr/>
Total Minimum Lease Payments	174,534
Less: Amount Representing Interest	(9,211)
	<hr/>
Present Value of Net Minimum Lease Payments at June 30, 1992	\$ 165,323
	<hr/> <hr/>

NOTE 9 - ADVANCE REFUNDINGS

The City has refinanced various bond issues through the issuance of refunding bond issues. The proceeds from the refunding issues have been deposited in irrevocable trusts at commercial banks and invested in U.S. Government securities which, together with interest earned thereon, will provide amounts sufficient for future payment of principal and interest of the issues refunded.

The assets, liabilities, and financial transactions of these trust accounts and the liability for defeased bonds are not reflected in the financial statements of the City. Refunded debt outstanding of the City at June 30, 1992, is as follows:

1964 Sewer Revenue	\$ 850,000
1966 Sewer Revenue	515,000
1971 Water Revenue	505,000
1984 Certificates of Participation	32,817,239
1984 Municipal Facilities	14,345,000
1985 Municipal Facilities	16,900,000
1984 HURF Revenue	7,000,000
1985 HURF Revenue	6,270,000
1985 General Obligation	7,760,000
1986 Certificates of Participation	44,270,000
1983 Utility Revenue	7,725,000
	<hr/>
	\$ 138,957,239
	<hr/> <hr/>

NOTE 10 - SPECIAL ASSESSMENTS FUNDS

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, 1992, 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 the related interest. Improvement bonds are collateralized by properties within the districts. In the event of default by the property owner, the City may enforce auction sale to satisfy the debt service requirements of the improvement bonds. The City is contingently liable on special assessment bonds to the extent that proceeds from auction sales are insufficient to retire outstanding bonds.

NOTE 11 - RETIREMENT AND PENSION PLANS

Substantially all full-time employees and elected officials are covered by one of three multiple-employer public employee retirement programs administered by the State of Arizona. The payroll for employees covered by the 3 retirement programs for the year ended June 30, 1992, was \$42,275,763; the City's total payroll was \$43,480,535.

Arizona Public Safety Personnel Retirement System (Police Employees)

City policemen are covered by the Arizona Public Safety Personnel Retirement System (APSR), an agent multiple-employer public employee retirement system. Employees who retire after completion of 20 years of credited service are entitled to a retirement benefit, payable monthly for life equal to 50% of average monthly compensation for the highest 3 of the last 10 years of credited service plus 2 or 2.5% over 25 years of average monthly compensation for each year of credited service over 20 years, to a maximum of 80%. Benefits fully vest on reaching 10 years of credited service. Vested employees may retire with less than 20 years of credited service and receive reduced retirement benefits. The system also provides death and disability benefits. Benefits are established by State statute.

City policemen are required by State statute to contribute an actuarially determined amount of their annual compensation to the system. The City is required by State statute to contribute to the system the remaining amounts necessary to pay benefits when due. The contribution requirement for the year ended June 30, 1992, was \$1,543,072, which consisted of \$864,727 from the City and \$678,345 from employees. These contributions represented 9.67% and 7.59% of covered payroll, respectively. The payroll for employees covered by the system for the year ended June 30, 1992, was \$8,942,365; the City's total payroll for the system was \$8,942,365.

Arizona State Retirement Plan (All Other Employees)

All other City employees are covered by the Arizona State Retirement Plan (ASRP), a cost-sharing multiple-employer public employee retirement system. Employees may retire at age 65, at or after age 62 with 10 years of total credited service, or at or after the date when age plus total credited service equals 82. They are entitled to a retirement benefit payable monthly for life generally equal to the employee's average monthly compensation, as defined by the State statutes, multiplied by the sum of the number of years of credited past service as defined, times 2.0%. Vested employees may retire at age 50 and receive reduced retirement benefits. The plan also provides death and disability benefits. Benefits are established by State statute.

NOTE 11 - RETIREMENT AND PENSION PLANS (Cont'd)**Arizona State Retirement Plan (Cont'd)**

City employees are required by State statute to contribute an actuarially determined amount of their annual compensation to the plan. The City is required by State statute to contribute an amount equal to employee contributions each pay period. The contribution requirement for the year ended June 30, 1992, was \$2,391,946, which consisted of \$1,195,973 from the City and \$1,195,973 from employees. The payroll for employees covered by the plan for the year ended June 30, 1992, was \$33,221,485; the City's total payroll for the plan was \$34,426,258. These contributions represent 3.60% and 3.60% of covered payroll, respectively.

Elected Officials' Retirement Plan (Mayor and City Council)

All City Council members are covered by the Elected Officials' Retirement Plan (EORP), a cost-sharing multiple-employer public employee retirement system. Members may retire at or after age 60 with 25 years of credited service, at or after age 62 with 10 or more years of credited service, or at age 65 with 5 or more years of credited service. They are entitled to a retirement benefit payable monthly for life generally equal to 4.0% of the member's final annual salary multiplied by the years of credited service with a maximum benefit of 80% of a member's final salary. Benefits fully vest on reaching 5 years of credited service. Vested members may retire at age 50 and receive reduced retirement benefits. The plan also provides death and disability benefits. Benefits are established by State statute.

Members are required by State statute to contribute 7.0% of gross salary to the plan. The City is required by State statute to also contribute to the plan the remaining amounts necessary to pay benefits when due. The contribution requirement for the year ended June 30, 1992, was \$26,668, which consisted of \$18,835 from the City and \$7,833 from members. These contributions represented 16.83% and 7.0% of covered payroll, respectively. The payroll for members covered by the plan for the year ended June 30, 1992, was \$111,913; the City's total payroll for the plan was \$111,913.

Pension Benefit Obligation

The "pension benefit obligation" is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases and step-rate benefits, estimated to be payable in the future as a result of employee service to date. The measure, which is the actuarial present value of credited projected benefits, is intended to help users assess APSRS', ASRP's, and EORP's funding status on a going-concern basis; assess progress made in accumulating sufficient assets to pay benefits when due; and make comparisons among public employees/officials retirement systems and employers.

APSRs

The system prepares separate measurements of assets and pension benefit obligation for individual employers. The pension obligation was determined as part of an actuarial valuation of the plan as of June 30, 1991, the most recent valuation date available. Significant actuarial assumptions used in determining the pension benefit obligation include: (a) a rate of return on the investment of present and future assets of 9.0% per year compounded annually; (b) projected salary increases of 6.5% per year compounded annually, attributable to inflation; and (c) additional projected salary increases ranging from 0.0% to 3.0% per year, depending on age, attributable to seniority/merit.

NOTE 11 - RETIREMENT AND PENSION PLANS (Cont'd)**Pension Benefit Obligation (Cont'd)****APSRs (Cont'd)**

At June 30, 1991, the assets in excess of the pension benefit obligation for the system were \$930,796, determined as follows:

PENSION BENEFIT OBLIGATION

Retirees and Beneficiaries Currently Receiving Benefits	\$ 7,210,537
Terminated Employees Not Yet Receiving Benefits	None
Current Employees	
Accumulated Employee Contributions Including	
Allocated Investment Income	4,188,296
Employer Financed - Vested	8,635,166
Employer Financed - Non-vested	1,980,648
Health Insurance	417,975
	<hr/>
Total Pension Benefit Obligation	22,432,622
Net Assets Available for Benefits (at Market Value)	23,363,418
	<hr/>
ASSETS IN EXCESS OF THE PENSION BENEFIT OBLIGATION	\$ 930,796
	<hr/> <hr/>

The system's funding policy provides for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are designed to accumulate sufficient assets to pay benefits when due. The normal cost and actuarial accrued liability are determined using an entry age actuarial funding method. Unfunded actuarial accrued liabilities are being amortized as a level percent of payroll over a period of 40 years (from July 1, 1978). Of the original 40 years, there are 26 years remaining from July 1, 1992.

During the year ended June 30, 1991, contributions totaling \$1,414,222 (\$759,906 employer and \$654,316 employee) were made in accordance with contribution requirements determined by an actuarial valuation of the plan as of June 30, 1989. The employer contributions consisted of \$696,103 for normal cost and \$63,803 for amortization of the unfunded actuarial accrued liability. Employer contributions represented 9.29% of covered payroll.

Significant actuarial assumptions used to compute contribution requirements were the same as those used to compute the standardized measure of the pension benefit obligation.

NOTE 11 - RETIREMENT AND PENSION PLANS (Cont'd)**Pension Benefit Obligation (Cont'd)****APSRs (Cont'd)**

Trend information is useful in assessing the pension plan's accumulation of sufficient assets to pay pension benefits as they become due. Three year historical trend information is presented below:

	Fiscal Year		
	1989	1990	1991
Net assets available for benefits as a percentage of the pension benefit obligation	104.4%	103.8%	104.1%
Overfunded pension benefit obligation as a percentage of the annual covered payroll*	11.6	9.8	11.3
City's contributions to the pension plan as a percentage of covered payroll	8.2	8.6	9.3

*Showing the overfunded pension benefit obligation as a percentage of the City's annual covered payroll approximately adjusts for the effects of inflation for analytical purposes.

Ten year historical trend information is presented in the separately issued PERS financial reports.

ASRP

The plan does not prepare separate measurements of assets and pension benefit obligation for individual employers. The pension benefit obligation for the plan as a whole was determined as part of the actuarial valuation of the plan as of June 30, 1991, the most recent valuation date available. Significant actuarial assumptions used include: (a) a rate of return on investment of present and future assets of 8% per year compounded annually; (b) a projected salary increase ranging from 5.50% to 7.75%, compounded annually attributable to cost-of-living and merit; and (c) no post-retirement benefit increase. Legislation during fiscal year 1991 resulted in an increase in the pension benefit obligation by \$74,006,927. Plan amendments that became effective June 30, 1991, accounted for a \$66,262,824 increase in the pension benefit obligation.

NOTE 11 - RETIREMENT AND PENSION PLANS (Cont'd)**Pension Benefit Obligation (Cont'd)****ASRP (Cont'd)**

At June 30, 1991, the assets in excess of pension benefit obligation were \$729,703,762, determined as follows:

PENSION BENEFIT OBLIGATION

Retirees and Beneficiaries Currently Receiving Benefits	\$ 2,767,089,096
Terminated Employees Not Yet Receiving Benefits	141,063,466
Current Employees	
Accumulated Employee Contributions Including	
Allocated Investment Income	1,649,712,301
Employer Financed - Vested	1,955,040,687
Employer Financed - Non-vested	577,239,400
	<hr/>
Total Pension Benefit Obligation	7,090,144,950
Net Assets Available for Benefits at Cost	
(Market Value of \$8,352,509,215)	7,819,848,712
	<hr/>
ASSETS IN EXCESS OF THE PENSION BENEFIT OBLIGATION	\$ 729,703,762
	<hr/> <hr/>

The 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 the statutes prescribe the basis of making the actuarial calculation, the Arizona legislature is able to change the contribution rate from that which is actuarially determined. The actuarial computation is made two years in advance based on the June 30 information (the rate for 1991 was based on June 30, 1989 information). The contribution rates were actuarially determined using the Projected Unit Credit funding method (PUC). The contribution rate consists of a factor to cover normal costs using the same actuarial assumptions used to compute the pension benefit obligation and a factor to amortize the underfunded past service liability based on the criteria of the Arizona Revised Statutes, not to exceed an amortization period of 45 years. The current amortization period is 11 years.

NOTE 11 - RETIREMENT AND PENSION PLANS (Cont'd)**Pension Benefit Obligation (Cont'd)****ASRP (Cont'd)**

The contribution rates, as actuarially determined, for the year ended June 30, 1991, were as follows:

	1991	
	Amount	Percent of Covered Payroll
Normal Cost	\$319,794,894	9.16%
Amortization of overfunded past service liability	(53,066,402)	(1.52)
Total	\$266,728,492	7.64%
Employers' share	\$133,364,246	3.82%
Employees' share	133,364,246	3.82
Total	\$266,728,492	7.64%

The actuarial determined rate for the year ended June 30, 1992, is 3.60% for both the employers' and employees' portion.

Trend information is useful in assessing the pension plan's accumulation of sufficient assets to pay pension benefits as they become due. Ten year historical trend information is presented in the separately issued PERS financial report.

EORP

The plan does not prepare separate measurements of assets and pension benefit obligation for individual employers. The pension benefit obligation for the plan as a whole was determined as part of an actuarial valuation of the plan as of June 30, 1990, the most recent valuation date available. Significant actuarial assumptions used in determining the pension benefit obligation include: (a) a rate of return on the investment of present and future assets of 9.0% per year compounded annually; (b) projected salary increases of 7.0% per year compounded annually, attributable to inflation; and (c) the assumption that benefits will not increase after retirement.

NOTE 11 - RETIREMENT AND PENSION PLANS (Cont'd)**Pension Benefit Obligation (Cont'd)****EORP (Cont'd)**

At June 30, 1990, the unfunded pension benefit obligation was \$1,487,217, determined as follows:

PENSION BENEFIT OBLIGATION

Retirees and Beneficiaries Currently Receiving Benefits	\$38,245,692
Terminated Employees Not Yet Receiving Benefits	1,020,849
Current Employees	
Accumulated Employee Contributions Including	
Allocated Investment Income	9,922,914
Employer Financed - Vested	40,742,336
Employer Financed - Non-vested	2,671,553
Health Insurance	1,304,639
	<hr/>
Total Pension Benefit Obligation	93,907,983
Net Assets Available for Benefits (at Market Value)	92,420,766
	<hr/>
UNFUNDED PENSION BENEFIT OBLIGATION	\$ 1,487,217
	<hr/> <hr/>

The plan's funding policy provides for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are designed to accumulate sufficient assets to pay benefits when due. The normal cost and actuarial accrued liability are determined using an entry age actuarial funding method. Unfunded actuarial accrued liabilities are being amortized as a level percent of payroll over a period of 32 years.

During the year ended June 30, 1990, contributions by all participating employees totalling \$5,078,673 (\$3,048,190 employers and \$2,030,483 employees) were made in accordance with contribution requirements determined by an actuarial valuation of the plan as of June 30, 1989.

Changes in actuarial assumptions and benefit provisions during the valuation year ended June 30, 1990, resulted in an increase in the computed contribution rate of 0.80% of covered payroll.

Significant actuarial assumptions used to compute contribution requirements were the same as those used to compute the standardized measure of the pension benefit obligation.

Trend information is useful in assessing the pension plan's accumulation of sufficient assets to pay benefits when due. Ten year trend information is presented in the separately issued PERS financial report.

NOTE 12 - DEFERRED COMPENSATION PLAN (AGENCY FUND)

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all City employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the City (without being restricted to the provisions of benefits under the plan), subject only to the claims of the City's general creditors. Participants' rights under the plan are equal to those of general creditors of the City in an amount equal to the fair market value of the deferred account for each participant.

It is the opinion of the City Attorney that the City has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor. The City believes that it is unlikely that it will use the assets to satisfy the claims of general creditors in the future. Investments are managed by an independent plan administrator.

NOTE 13 - CONTINGENT LIABILITIES

The City is a party to several lawsuits incident to its normal operations. Management, with concurrence of the City Attorney, is of the opinion that settlement of these lawsuits will not have a material effect on the financial position of the City.

Sick leave benefits provide for ordinary sick pay and are not vested with the employee. Unused benefits are payable only upon the death or retirement of an employee. The amount not recorded in the accounts for accrued sick pay benefits aggregated \$1,743,199 at June 30, 1992.

NOTE 14 - SEGMENTS OF ENTERPRISE ACTIVITIES

Water and sewer, airport, housing, and sanitation are four major services provided by the City which are financed by user charges and are of such significance as to warrant disclosure as segments of enterprise activities. Segment information as of and for the year ended June 30, 1992, is as follows (in thousands of dollars):

	Total	Water and Sewer	Airport	Housing	Sanitation
Operating Revenue	\$ 41,159	\$ 34,188	\$ 626	\$	\$6,345
Depreciation and Amortization	7,008	6,492	478		38
Operating Income (Loss)	3,210	4,010	(758)		(42)
Net Income (Loss)	2,104	2,548	(455)		11
Contributions					
Subdividers	8,768	8,768			
Development Fees	6,050	6,050			
Other Government Units	1,942	1,120	822		
Property, Plant, and Equipment Additions	17,883	16,932	906		45
Net Working Capital	22,415	22,118	214		83
Total Assets	289,234	275,550	12,213	9	1,462
Long-Term Debt (Less Current Portion) and Other Liabilities:					
Payable From Operating Revenues	52,854	52,854			
Payable From Other Services	122	113		9	
Total Equity	223,576	211,228	11,615		733

NOTE 15 - CONTRIBUTED CAPITAL

During the year ended June 30, 1992, contributed capital increased by the following amounts (in thousands of dollars):

Source	Total	Water and Sewer Utility	Airport	Sanitation
Development Fees	\$ 6,050	\$ 6,050	\$	\$
Subdividers	3,294	3,294		
Capital Contributions from Developers	5,474	5,474		
Municipality - General Fixed Assets	1,120	1,120		
Federal Government - Capital Construction	822		822	
Less Depreciation	(3,106)	(2,628)	(478)	
	<hr/> 13,654	<hr/> 13,310	<hr/> 344	
Contributed Capital July 1, 1991	<hr/> 139,346	<hr/> 127,651	<hr/> 11,217	<hr/> 478
Contributed Capital June 30, 1992	<hr/> <hr/> \$ 153,000	<hr/> <hr/> \$ 140,961	<hr/> <hr/> \$11,561	<hr/> <hr/> \$ 478

The General Fund has an excess of expenditures over appropriations for the Municipal Services department caused by utility expenses. The Municipal Services department has operations in several funds and has not exceeded the total appropriations for the department.

NOTE 16 - DEFICITS IN FUND/EXCESS OF EXPENDITURES OVER APPROPRIATIONS

The Highway User Fuel Tax Fund has an excess of expenditures over appropriations for the Municipal Services department of \$152,535 caused by an increase in utilities and in the number of streetlights. The Municipal Services department has operations in several funds and has not exceeded the total appropriation for this department.

The Self-Insurance Fund has an accumulated deficit of \$1,953,194 caused by higher than anticipated insurance claims. The deficit will be eliminated in future years by operating transfers to this fund from the General Fund. Total fund equity is positive in this fund.

The Self-Insurance Fund has an excess of expenditures over appropriations for the Financial Services department of \$27,126 caused by increased claim activity. The Financial Services department has operations in several funds and has not exceeded the appropriations for this department.

NOTE 17 - CAPITALIZED INTEREST

During fiscal year 1992, the Water and Sewer Fund capitalized net interest costs of \$562,823 (interest expense of \$570,051 reduced by interest income of \$7,228). Total interest income and expense in that fund before capitalization was \$2,604,313 and \$3,849,094, respectively.

NOTE 18 - INTERFUND ASSETS/LIABILITIES AND TRANSFERS

Due From/To Other Funds

Receivable Fund	Amount	Payable Fund	Amount
General	\$1,250,885	Highway User	\$ 143,454
		Sanitation	440,724
		Airport	562,983
		Community	
		Development	103,724
Water and Sewer Utility	6,158,941	Capital Projects (All Other)	6,158,941
	<u>6,158,941</u>		<u>6,158,941</u>
	<u>\$7,409,826</u>		<u>\$7,409,826</u>

Residual Equity Transfer Out**From:**

Capital Projects (G.O. Bond Construction)	\$ 158
Capital Projects (HURF Bond Construction)	1,073,721
	<u>1,073,721</u>
	<u>\$ 1,073,879</u>

Residual Equity Transfer In**To:**

Capital Projects (All Other)	\$ 158
Capital Projects (All Other)	1,073,721
	<u>1,073,721</u>
	<u>\$ 1,073,879</u>

**NOTE 18 - INTERFUND ASSETS/LIABILITIES AND TRANSFERS
(Cont'd)**

Net operating transfers are reported in the following funds:

<u>Operating Transfers Out</u>		<u>Operating Transfers In</u>	
From:		To:	
General Fund	\$ 2,850,941	Special Revenue (HURF Fund)	\$ 2,850,941
General Fund	194,000	Special Revenue (HURF Fund accounted for as HURF maintenance of effort)	194,000
Capital Projects (Special Assessments)	644,395	Debt Service (Special Assessments)	644,395
General Fund	200,000	Internal Service (Self-Insurance)	200,000
General Fund	300,000	Expendable Trust	300,000
General Fund	302,140	Enterprise Fund (Airport)	302,140
General Fund	1,311,090	Capital Projects (All Other)	1,311,090
Capital Projects (All Other)	261,200	Trust and Agency	261,200
Capital Projects (G.O. Bond Construction)	1,238,873	Capital Projects (All Other)	1,238,873
	<u>\$ 7,302,639</u>		<u>\$ 7,302,639</u>

NOTE 19 - COMMITMENTS, SUBSEQUENT EVENTS, AND OTHER MATTERS

- A. In fiscal 1983 the City entered into a ten-year agreement with Rural/Metro Corporation ("Rural/Metro") whereby Rural/Metro will provide fire protection and related services to the City. In July, 1991, the City amended this agreement and extended the new agreement to June 30, 1996. Annual amounts due in fiscal year 1992 will approximate \$5,606,000. Payments to Rural/Metro amounted to \$5,316,535 for the year ended June 30, 1992.
- B. The City established a Self-Insurance Fund during fiscal year 1979. The Self-Insurance Fund is responsible for the budgeting, investigation, and payment of claims that are incurred by the City. The Self-Insurance Fund is protected by excess insurance designed to limit the exposure of loss for any single loss occurrence. For fiscal year 1992 the Self-Insurance Fund was responsible for the first \$300,000 per occurrence for worker's compensation claims and the first \$1,000,000 for liability claims against the City. The Fund was also responsible for vehicle damage above \$1,000 and all unemployment claims.
- C. In December, 1984, the City entered into a Service Agreement and land lease with Scottsdale Water Services Company (Partnership). The Service Agreement provides that the Partnership's water treatment facility will treat Central Arizona Project water to quality standards established by the City and other regulatory agencies and furnish this water to the City for distribution to its customers. In return, the City will pay service fees based on all of the Partnership's debt service payments and operating costs subsequent to substantial completion of the facility, which was in December, 1986, and the City is obligated to maintain a \$300,000 equipment replacement and repair account. The City will retain ownership of the water and responsibility for deliveries to final users. Payments to the partnership amounted to approximately \$2,779,000 for the year ended June 30, 1992.

Interest on the bonds of the Partnership is due semi-annually on July 1 and January 1 with principal due in varying amounts through July 1, 2008, as follows:

1993	\$ 745,000
1994	805,000
1995	865,000
1996	935,000
Thereafter	19,190,000
	<hr/>
	\$22,540,000
	<hr/> <hr/>

The bonds bear interest at a variable rate (4.0% for June, 1992) based on a specified municipal bond index. There is an option under certain circumstances to establish a fixed interest rate.

NOTE 19 - COMMITMENTS, SUBSEQUENT EVENTS, AND OTHER MATTERS (Cont'd)

- D. In June, 1988, the City entered into a Service Agreement with Scottsdale Cultural Council (Council). The Service Agreement provides that the Council will manage the arts and cultural affairs within the Scottsdale community for a five year period beginning July 1, 1988. In return, the City will pay service fees to the Council based on the Service Agreement between the City and the Council. Annual amounts due in fiscal year 1993 will approximate \$1,846,000. Payments to Scottsdale Cultural Council amounted to \$1,792,324 for the year ended June 30, 1992.
- E. Since 1987 the City has levied water resource development fees for the purpose of acquiring additional long-term water supplies for new developments. The Homebuilders Association (HBA) sued the City challenging the legal authority of the City to levy a water resource development fee. The trial court ruled adversely to the City. The City has appealed the original judgment to the Court of Appeals and a stay has been granted so that the City may continue to collect the fees. The City has amended the ordinance to provide for refunds to taxpayers if funds are not used for the stated purposes.
- F. In April, 1992, the City Council adopted Resolutions of Intention Nos. 3591 and 3592 to begin two improvement districts, Adobe/Miller Improvement District No. I1001 and North Area Water Improvement District No. I6001. Proceeds from the sale of the Adobe/Miller Improvement District will be used to install and construct 1.7 miles of sanitary sewer, 0.96 miles of water distribution lines, fire hydrants, a water transmission line, street improvements, and various incidentals. Proceeds from the sale of the North Area Water Improvement District will be used to install 18.25 miles of water distribution lines, fire hydrants, and various incidentals. The improvement district bonds (not to exceed \$1,090,000 and \$1,810,000, respectively) for these projects are scheduled to be sold competitively September 14, 1992.

NOTE 20 - CAPITAL IMPROVEMENT NOTES RECEIVABLE

During the fiscal year ended June 30, 1992, City Council authorized an interfund loan from the Water Fund to a Capital Projects Fund of approximately \$6.0 million to provide interim financing of construction costs for the Scottsdale Multi-Use Sports and Cultural Facility. Interest will accrue on the unpaid receivable balance. Repayment of the principal and interest will occur from subsequent bond issuances.

GENERAL FUND

The General Fund is established to account for the revenue and expenditures necessary to carry out basic governmental activities of the City, such as police protection, fire protection, recreation, planning, legal services, administrative services, etc. Appropriations are made from the fund annually. The fund will continue to exist indefinitely.

Revenue for this and other funds is recorded by source, i.e., taxes, licenses, service charges, etc. Expenditures are recorded first by character, then by program, and then by object of the expenditure.

General Fund expenditures are made primarily for current day-to-day operating expenses and operating equipment. Capital expenditures for large-scale public improvements, such as buildings, parks, or streets, are accounted for primarily in Capital Projects, Special Revenue, or Enterprise Funds.

CITY OF SCOTTSDALE

EXHIBIT B-1

GENERAL FUND

BALANCE SHEET

JUNE 30, 1992

ASSETS

Cash and Short-Term Investments	\$41,365,282
Investments	1,916,797
Receivables	
Accrued Interest	468,689
Property Taxes	961,354
State Shared Sales Tax	682,163
Auto Lieu Tax	186,476
Miscellaneous	954,381
Due From Other Funds	1,250,885
Supplies Inventory	160,242
	<hr/>
Total Assets	<u>\$47,946,269</u>

LIABILITIES AND FUND BALANCE

Liabilities	
Accounts Payable	\$351,057
Accrued Payroll	3,594,781
Accrued Interest Payable	81,933
Deferred Revenue	
Property Taxes	901,754
Other	731,377
	<hr/>
Total Liabilities	5,660,902
Fund Balance	
Reserved for	
Encumbrances	1,883,903
Streetlight Districts	619,024
Unreserved	39,782,440
	<hr/>
Total Fund Balance	42,285,367
	<hr/>
Total Liabilities and Fund Balance	<u>\$47,946,269</u>

SEE NOTES TO FINANCIAL STATEMENTS

CITY OF SCOTTSDALE

EXHIBIT B-2

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

FOR THE FISCAL YEAR ENDED JUNE 30, 1992

Revenues	
Taxes - Local	\$31,990,295
Taxes - Intergovernmental	18,096,226
Licenses	704,935
Charges for Current Services	6,336,520
Fines and Forfeitures	2,228,091
Use of Money and Property	4,369,975
Streetlight Districts	499,529
Other	3,100,744
	<hr/>
Total Revenues	67,326,315
Expenditures	
Current Operating Departments	
General Government	4,993,905
Police	18,306,428
Financial Services	2,674,002
Community Services	14,268,515
Management Services	3,239,139
Planning & Zoning	8,263,095
Fire	6,086,072
Municipal Services	3,623,928
Streetlight Districts	440,809
Debt Service	
Principal	1,141,844
Interest	314,457
	<hr/>
Total Expenditures	63,352,194
	<hr/>
Excess of Revenues Over Expenditures	3,974,121
Other Sources (Uses)	
Operating Transfers Out	(5,158,171)
	<hr/>
Deficiency of Revenues and Other Sources Over Expenditures and Other Uses	(1,184,050)
	<hr/>
Fund Balance July 1, 1991	43,469,417
	<hr/>
Fund Balance June 30, 1992	<u>\$42,285,367</u>

SEE NOTES TO FINANCIAL STATEMENTS

CITY OF SCOTTSDALE

EXHIBIT B-3

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS

FOR THE FISCAL YEAR ENDED JUNE 30, 1992

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues			
Taxes - Local	\$31,291,324	\$31,990,295	\$698,971
Taxes - Intergovernmental	18,037,000	18,096,226	59,226
Licenses	638,000	704,935	66,935
Charges for Current Services	5,664,000	6,336,520	672,520
Fines and Forfeitures	2,291,000	2,228,091	(62,909)
Use of Money and Property	4,466,000	4,369,975	(96,025)
Other	1,275,000	757,346	(517,654)
Total Revenues	63,662,324	64,483,388	821,064
Expenditures			
Current Operating Departments			
General Government	6,564,830	6,415,542	149,288
Police	18,724,576	18,522,089	202,487
Financial Services	4,400,243	3,898,490	501,753
Community Services	14,541,390	14,483,667	57,723
Management Services	4,655,162	4,582,296	72,866
Planning & Community Development	9,309,657	8,706,849	602,808
Fire	6,251,782	6,209,823	41,959
Municipal Services	5,342,603	5,500,057	(157,454)
Contingency	(34,046)		(34,046)
Debt Service			
Principal Interest	1,701,552 305,252	1,141,844 614,457	559,708 (309,205)
Total Expenditures	71,763,001	70,075,114	1,687,887
Deficiency of Revenues Over Expenditures	(8,100,677)	(5,591,726)	2,508,951
Other Sources (Uses)			
Operating Transfers In	11,046,048		(11,046,048)
Operating Transfers Out	(2,945,371)	(4,658,171)	(1,712,800)
Deficiency of Revenues and Other Sources Over Expenditures and Other Uses		(10,249,897)	(10,249,897)
Encumbrances Cancelled		2,783,891	2,783,891
Fund Balance July 1, 1991		(8,875,433)	(8,875,433)
Fund Balance June 30, 1992	\$	(\$16,341,439)	(\$16,341,439)

SEE NOTES TO FINANCIAL STATEMENTS

CITY OF SCOTTSDALE

EXHIBIT B-4

GENERAL FUND

SCHEDULE OF REVENUES - BUDGET AND ACTUAL - BUDGET BASIS

FOR THE FISCAL YEAR ENDED JUNE 30, 1992

	BUDGET	ACTUAL	ACTUAL OVER/ (UNDER) ESTIMATED
Taxes - Local			
Property Tax	\$5,662,940	\$5,571,380	(\$91,560)
Transaction Privilege	18,797,384	19,559,738	762,354
Hotel/Motel Transient Tax	3,400,000	3,419,920	19,920
Light and Power Franchise	2,400,000	2,404,508	4,508
Cable TV Franchise	716,000	735,777	19,777
Salt River Project In Lieu	155,000	157,602	2,602
Fire Insurance Premium Tax	160,000	141,370	(18,630)
	31,291,324	31,990,295	698,971
Taxes - Intergovernmental			
State-Shared Sales Tax	7,775,000	7,874,427	99,427
Automobile in Lieu	2,200,000	2,162,135	(37,865)
State Revenue Sharing	8,062,000	8,059,664	(2,336)
	18,037,000	18,096,226	59,226
Licenses			
Business and Liquor Licenses	638,000	704,935	66,935
Charges for Current Services			
Building and Related Permits	4,174,000	4,726,282	552,282
Recreation Fees	1,490,000	1,610,238	120,238
	5,664,000	6,336,520	672,520
Fines and Forfeitures			
Court Fines	1,900,000	1,848,367	(51,633)
Parking	250,000	230,040	(19,960)
Library	141,000	149,684	8,684
	2,291,000	2,228,091	(62,909)
Use of Money and Property			
Interest Earnings	2,972,000	2,853,465	(118,535)
Property Rental	1,494,000	1,516,510	22,510
	4,466,000	4,369,975	(96,025)
Other	1,275,000	757,346	(517,654)
Total Revenues	\$63,662,324	\$64,483,388	\$821,064

SEE NOTES TO FINANCIAL STATEMENTS

CITY OF SCOTTSDALE

EXHIBIT B-5

GENERAL FUND

SCHEDULE OF EXPENDITURES BY OBJECT

FOR THE FISCAL YEAR ENDED JUNE 30, 1992

	TOTAL	PERSONAL SERVICES	OTHER SERVICES	SUPPLIES	DEBT SERVICE	CAPITAL OUTLAY
Current Operating Departments						
General Government	\$6,073,738	\$4,191,567	\$1,574,456	\$225,399	\$	\$82,316
Police	18,306,428	14,896,033	2,832,257	299,166		278,972
Financial Services	3,550,155	3,091,760	493,691	3,121		(38,417)
Community Services	14,268,515	8,590,121	4,331,842	1,261,043		85,509
Management Services	4,445,653	2,958,305	1,160,213	182,015		145,120
Planning & Zoning	8,263,095	4,295,850	3,729,500	117,475		120,270
Fire	6,193,207	202,365	5,921,440	48,177		21,225
Municipal Services	5,181,585	1,686,289	3,140,790	351,566		2,940
Streetlight Districts	440,809		440,809			
Debt Service						
Principal	1,141,844				1,141,844	
Interest	314,457				314,457	
Expenditures	68,179,486	\$39,912,290	\$23,624,998	\$2,487,962	\$1,456,301	\$697,935
Indirect Cost Allocation Out	(4,827,292)					
Total Expenditures	\$63,352,194					
Operating Transfers Out						
Highway User Fuel Tax Fund	\$3,044,941					
Expendable Trusts	300,000					
Self-Insurance Fund	200,000					
Airport Fund	302,140					
Capital Projects Fund	1,311,090					
	\$5,158,171					

SEE NOTES TO FINANCIAL STATEMENTS

SPECIAL REVENUE FUNDS

A special revenue fund is established to finance particular activities and is created out of receipts of specific taxes or other earmarked revenue. Such funds are authorized by statutory or charter provisions to pay for certain activities with some form of continuing revenue.

Highway User Fuel Tax Fund

This fund receives and expends the City's allocation of the Arizona Highway User Revenue tax. The amount available to each city is allocated on a population basis which is determined by the latest federal census. These funds must be used for street construction, reconstruction, and maintenance.

Community Development Fund

This fund receives and expends the City's Community Development Block Grant revenues. The amount of the grant is awarded annually by the Housing and Urban Development Department upon application for funding by the City. Community Development Block Grant revenues may be used only for those projects approved in the grant budget and is subject to agency expenditure guidelines.

Grants Fund

This fund receives and expends the City's grant revenues. The amount of grants received is generally based upon application to granting agencies by the City and availability of funding by the grantors. Grant revenues may be used only for the stated purpose in the approved budget and is subject to grantor expenditure guidelines.

CITY OF SCOTTSDALE

EXHIBIT C-1

SPECIAL REVENUE FUNDS

COMBINING BALANCE SHEET

JUNE 30, 1992

ASSETS	TOTAL ALL FUNDS	HIGHWAY USER FUEL TAX	COMMUNITY DEVELOPMENT	GRANTS
Cash and Short-Term Investments	\$404,277	\$	\$	\$404,277
Cash with Fiscal Agents	2,058,566	2,058,566		
Receivables				
Fuel Tax	591,152	591,152		
Grants	209,863		115,803	94,060
Miscellaneous	9,320	9,320		
Total Assets	\$3,273,178	\$2,659,038	\$115,803	\$498,337
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts Payable	\$127,039	\$120,278	\$6,761	\$
Accrued Payroll	202,526	191,987	5,318	5,221
Due to General Fund	247,178	143,454	103,724	
Bond Interest Payable	1,000,000	1,000,000		
Bonds Payable - Current Portion	1,058,566	1,058,566		
Total Liabilities	2,635,309	2,514,285	115,803	5,221
Fund Balances				
Reserved for Encumbrances	170,139	144,753	5,474	19,912
Unreserved	467,730		(5,474)	473,204
Total Fund Balances	637,869	144,753		493,116
Total Liabilities and Fund Balances	\$3,273,178	\$2,659,038	\$115,803	\$498,337

SEE NOTES TO FINANCIAL STATEMENTS

CITY OF SCOTTSDALE

EXHIBIT C-2

SPECIAL REVENUE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

FOR THE FISCAL YEAR ENDED JUNE 30, 1992

	TOTAL ALL FUNDS	HIGHWAY USER FUEL TAX	COMMUNITY DEVELOPMENT	GRANTS
Revenues				
Taxes-Intergovernmental	\$8,457,267	\$8,457,267	\$	\$
Grants	1,770,685		1,098,958	671,727
Other	28,468		28,468	
Total Revenues	10,256,420	8,457,267	1,127,426	671,727
Expenditures				
Current Operating Departments				
General Government	31,009			31,009
Police	92,719			92,719
Transportation	2,308,548	2,282,252 ^{20%}		26,296
Community Services	142,371			142,371
Planning & Community Development	1,174,559	47,133	1,127,426	
Municipal Services	6,000,379	6,000,379 ^{52%}		
Debt Service				
Principal	1,000,000	1,000,000		
Interest	2,120,132	2,120,132 ^{28%}		
Total Expenditures	12,869,717	11,449,896	1,127,426	292,395
Excess (Deficiency) of Revenues Over Expenditures	(2,613,297)	(2,992,629)		379,332
Other Sources (Uses)				
Operating Transfer In				
From General Fund	2,850,941	2,850,941		
HURF Maintenance of Effort	194,000	194,000		
Operating Transfer Out				
	3,044,941	3,044,941		
Excess(Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	431,644	52,312		379,332
Fund Balances July 1, 1991	206,225	92,441		113,784
Fund Balances June 30, 1992	\$637,869	\$144,753	\$	\$493,116

SEE NOTES TO FINANCIAL STATEMENTS

CITY OF SCOTTSDALE

EXHIBIT C-3

SPECIAL REVENUE FUNDS

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 1992

HIGHWAY USER FUEL TAX

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues			
Taxes - Intergovernmental	\$8,591,000	\$8,457,267	(133,733)
Total Revenues	8,591,000	8,457,267	(133,733)
Expenditures			
Current Operating Departments			
Transportation	2,398,718	2,308,760	89,958
Planning & Community Development	50,000	47,133	2,867
Municipal Services	5,956,093	6,108,628	(152,535)
Debt Service			
Principal	1,000,000	1,000,000	
Interest	2,120,932	2,120,132	800
Total Expenditures	11,525,743	11,584,653	(58,910)
Deficiency of Revenues Over Expenditures	(2,934,743)	(3,127,386)	(192,643)
Other Sources			
Operating Transfer In From General Fund	2,740,743	2,850,941	110,198
HURF Maintenance of Effort	194,000	194,000	
Total Other Sources	2,934,743	3,044,941	110,198
Deficiency of Revenues and Other Sources Over Expenditures		(82,445)	(82,445)
Encumbrances Cancelled		92,441	92,441
Fund Balance July 1, 1991		(198,986)	(198,986)
Fund Balance June 30, 1992	\$	(\$188,990)	(\$188,990)

SEE NOTES TO FINANCIAL STATEMENTS

CITY OF SCOTTSDALE

EXHIBIT C-4

SPECIAL REVENUE FUNDS

COMBINING SCHEDULE OF REVENUES AND OTHER SOURCES

FOR THE FISCAL YEAR ENDED JUNE 30, 1992

	TOTAL ALL FUNDS	HIGHWAY USER FUEL TAX	COMMUNITY DEVELOPMENT	GRANTS
Taxes - Intergovernmental				
Fuel Tax	\$7,404,809	\$7,404,809	\$	\$
Local Transportation Assistance Fund	1,052,458	1,052,458		
	8,457,267	8,457,267		
Grants				
Federal	1,270,201		1,098,958	171,243
State	448,531			448,531
Miscellaneous	51,953			51,953
Other	1,770,685		1,098,958	671,727
	28,468		28,468	
Total Revenues	10,256,420	8,457,267	1,127,426	671,727
Other Sources				
Operating Transfer In/(Out) From General Fund	2,850,941	2,850,941		
HURF Maintenance of Effort	194,000	194,000		
	3,044,941	3,044,941		
Total Revenues and Other Sources	\$13,301,361	\$11,502,208	\$1,127,426	\$671,727

SEE NOTES TO FINANCIAL STATEMENTS

CITY OF SCOTTSDALE

EXHIBIT C-5

SPECIAL REVENUE FUNDS

COMBINING SCHEDULE OF EXPENDITURES BY OBJECT

FOR THE FISCAL YEAR ENDED JUNE 30, 1992

	TOTAL	PERSONAL SERVICES	OTHER SERVICES	SUPPLIES	DEBT SERVICE	CAPITAL OUTLAY
HIGHWAY USER FUEL TAX						

Current Operating Departments						
Municipal Services	\$6,000,379	\$1,979,026	\$2,227,043	\$1,785,878	\$	\$8,432
Transportation	2,282,252	1,278,373	957,409	30,157		16,313
Planning & Zoning	47,133		47,133			
Debt Service						
Principal	1,000,000				1,000,000	
Interest	2,120,132				2,120,132	
	-----	-----	-----	-----	-----	-----
	11,449,896	3,257,399	3,231,585	1,816,035	3,120,132	24,745
COMMUNITY DEVELOPMENT						

Current Operating Departments						
Planning & Zoning	1,127,426	134,592	652,660	23,554		316,620
GRANTS						

Current Operating Departments						
Police	92,719	84,860				7,859
Transportation	26,296	426	4,052			21,818
Community Services	142,371	33,913	15,994	12,879		79,585
General Government	31,009		31,009			
	-----	-----	-----	-----	-----	-----
	292,395	119,199	51,055	12,879		109,262

Total Expenditures	<u>\$12,869,717</u>	<u>\$3,511,190</u>	<u>\$3,935,300</u>	<u>\$1,852,468</u>	<u>\$3,120,132</u>	<u>\$450,627</u>

SEE NOTES TO FINANCIAL STATEMENTS

DEBT SERVICE FUNDS

These funds are established to account for the accumulation of resources for, and the payment of, long-term debt principal and interest not serviced by the enterprise funds.

General Obligation Bond Debt Service Fund

This fund accounts for the principal and interest requirements of the City's general obligation bonds. Financing is provided from the levy of secondary property tax.

Municipal Property Corporation Debt Service Fund

This fund accounts for the principal and interest requirements of the City's Municipal Property Corporation bonds. Financing is provided by transaction privilege tax.

Special Assessments Debt Service Fund

This fund accounts for the principal and interest requirements of Special Assessment bonds. Financing is provided by special assessment levies against the benefitted property holders.

CITY OF SCOTTSDALE

EXHIBIT D-1

DEBT SERVICE FUNDS

COMBINING BALANCE SHEET

JUNE 30, 1992

	TOTAL ALL FUNDS	GENERAL OBLIGATION BOND	MUNICIPAL PROPERTY CORPORATION	SPECIAL ASSESSMENTS
ASSETS				
Cash and Short-Term Investments	\$8,275,373	\$1,588,147	\$5,948,500	\$738,726
Cash with Fiscal Agents	14,043,643	8,032,912	4,708,666	1,302,065
Receivables				
Accrued Interest	106,743		106,743	
Property Tax	3,522	3,522		
Special Assessments	22,048,422			22,048,422
Total Assets	\$44,477,703	\$9,624,581	\$10,763,909	\$24,089,213
LIABILITIES AND FUND BALANCES				
Liabilities				
Accrued Interest Payable	\$384,446	\$	\$384,446	\$
Payable from Cash with Fiscal Agents				
Bonds Interest Payable	5,213,491	2,367,760	2,063,666	782,065
Bonds Payable - Current Portion	5,490,000	2,325,000	2,645,000	520,000
Deferred Revenue				
Special Assessments	22,048,422			22,048,422
Total Liabilities	33,136,359	4,692,760	5,093,112	23,350,487
Fund Balances				
Reserved for				
Sinking Fund Requirements	3,340,152	3,340,152		
Debt Service	8,001,192	1,591,669	5,670,797	738,726
Total Fund Balances	11,341,344	4,931,821	5,670,797	738,726
Total Liabilities and Fund Balances	\$44,477,703	\$9,624,581	\$10,763,909	\$24,089,213

SEE NOTES TO FINANCIAL STATEMENTS

CITY OF SCOTTSDALE

EXHIBIT D-2

DEBT SERVICE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

FOR THE FISCAL YEAR ENDED JUNE 30, 1992

	TOTAL ALL FUNDS	GENERAL OBLIGATION BOND	MUNICIPAL PROPERTY CORPORATION	SPECIAL ASSESSMENTS
Revenues				
Taxes - Local				
Property	\$6,716,160	\$6,716,160	\$	\$
Transaction Privilege	10,183,764		10,183,764	
	16,899,924	6,716,160	10,183,764	
Special Assessments	4,260,961			4,260,961
Use of Money and Property				
Interest Earnings	1,041,394	388,075	653,319	
Gain on Sale of Investments	101,332		101,332	
	1,142,726	388,075	754,651	
Total Revenues	22,303,611	7,104,235	10,938,415	4,260,961
Expenditures				
Debt Service				
Principal	8,877,000	2,325,000	3,390,000	3,162,000
Interest	13,517,906	4,448,878	7,477,001	1,592,027
Total Expenditures	22,394,906	6,773,878	10,867,001	4,754,027
Excess (Deficiency) of Revenues Over Expenditures	(91,295)	330,357	71,414	(493,066)
Other Sources (Uses)				
Operating Transfer In	644,395			644,395
Proceeds of Refunding Bonds	48,560,925		48,560,925	
Payment to Refunded Bond Escrow Agent	(48,560,925)		(48,560,925)	
Reserve Fund Contribution	(1,931,562)		(1,931,562)	
Total Other Sources (Uses)	(1,287,167)		(1,931,562)	644,395
Excess (Deficiency) of Revenues and Other Sources Over Expenditures	(1,378,462)	330,357	(1,860,148)	151,329
Fund Balances July 1, 1991	12,719,806	4,601,464	7,530,945	587,397
Fund Balances June 30, 1992	\$11,341,344	\$4,931,821	\$5,670,797	\$738,726

SEE NOTES TO FINANCIAL STATEMENTS

CITY OF SCOTTSDALE

EXHIBIT D-3

DEBT SERVICE FUNDS

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICITS) - BUDGET AND ACTUAL - BUDGET BASIS

FOR THE FISCAL YEAR ENDED JUNE 30, 1992

	TOTALS			GENERAL OBLIGATION			MUNICIPAL PROPERTY CORPORATION			SPECIAL ASSESSMENTS		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues												
Taxes - Local	\$6,770,426	\$6,716,160	(\$54,266)	\$6,770,426	\$6,716,160	(\$54,266)	\$	\$	\$	\$	\$	\$
Property	10,502,616	10,183,764	(318,852)				10,502,616	10,183,764	(318,852)			
Transaction Privilege												
	17,273,042	16,899,924	(373,118)	6,770,426	6,716,160	(54,266)	10,502,616	10,183,764	(318,852)			
Special Assessments	4,678,952	4,260,961	(417,991)							4,678,952	4,260,961	(417,991)
Use of Money and Property												
Interest Earnings	900,000	1,027,417	127,417	400,000	388,075	(11,925)	500,000	639,342	139,342			
Total Revenues	22,851,994	22,188,302	(663,692)	7,170,426	7,104,235	(66,191)	11,002,616	10,823,106	(179,510)	4,678,952	4,260,961	(417,991)
Expenditures												
Debt Service												
Principal	8,877,000	8,877,000		2,325,000	2,325,000		3,390,000	3,390,000		3,162,000	3,162,000	
Interest	13,756,299	13,474,011	282,288	4,667,294	4,448,878	218,416	7,612,616	7,433,106	179,510	1,476,389	1,592,027	(115,638)
Total Expenditures	22,633,299	22,351,011	282,288	6,992,294	6,773,878	218,416	11,002,616	10,823,106	179,510	4,638,389	4,754,027	(115,638)
Excess (Deficiency) of Revenues Over Expenditures	218,695	(162,709)	(381,404)	178,132	330,357	152,225				40,563	(493,066)	(533,629)
Other Sources												
Transfers In		644,395	644,395								644,395	644,395
Excess (Deficiency) of Revenues and Other Sources Over Expenditures	218,695	481,686	262,991	178,132	330,357	152,225				40,563	151,329	110,766
Fund Balances (Deficits) July 1, 1991		1,770,740	1,770,740		2,442,823	2,442,823					(672,083)	(672,083)
Residual Equity Transfer		2,510,521	2,510,521					2,510,521	2,510,521			
Fund Balances (Deficits) June 30, 1992	\$218,695	\$4,762,947	\$4,544,252	\$178,132	\$2,773,180	\$2,595,048	\$	\$2,510,521	\$2,510,521	\$40,563	(\$520,754)	(\$561,317)

SEE NOTES TO FINANCIAL STATEMENTS

CAPITAL PROJECTS FUNDS

A capital projects fund is established to account for the resources expended to acquire assets of a relatively permanent nature. (Special revenue and enterprise fund resources are not included in this category.) These funds evolved from the need for special accounting for bond proceeds, dedicated revenues, and contributions for the acquisition of capital assets.

A capital projects fund provides a formal mechanism which enables administrators to ensure that revenue designated for certain purposes is properly used. A capital projects fund further enhances reporting to ensure that requirements regarding the use of the revenue were fully satisfied.

Capital Projects Funds utilized by the City of Scottsdale are:

General Obligation Bond Construction Fund - accounts for the proceeds of the sale of 1983 and 1989 General Obligation Bonds which are used for authorized capital improvements.

Highway User Bond Construction Fund - accounts for the proceeds of the sale of 1983 Street and Highway Revenue Bonds which are used for authorized transportation capital improvements.

Special Assessment Bond Construction Fund - accounts for the proceeds of Special Assessment Bonds issued for construction of capital improvements within individual improvement districts.

Transaction Privilege Tax Fund - accounts for an authorized .2% increase of transaction privilege tax dedicated to transportation capital improvements.

All Other Construction Fund - accounts for pay-as-you-go capital improvement revenue and expenditures.

CITY OF SCOTTSDALE
 CAPITAL PROJECTS FUNDS
 COMBINING BALANCE SHEET
 JUNE 30, 1992

EXHIBIT E-1

	TOTAL ALL FUNDS	GENERAL OBLIGATION BOND CONSTRUCTION	HIGHWAY USER BOND CONSTRUCTION	SPECIAL ASSESSMENTS BOND CONSTRUCTION	TRANSACTION PRIVILEGE TAX	ALL OTHER CONSTRUCTION
ASSETS						
Cash and Short-Term Investments	\$31,129,734	\$14,772,738	\$27,341	\$1,138,050	\$6,749,681	\$8,441,924
Receivables						
Accrued Interest	311,636	165,986		15,935		129,715
Miscellaneous	106,222					106,222
Total Assets	\$31,547,592	\$14,938,724	\$27,341	\$1,153,985	\$6,749,681	\$8,677,861
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts Payable	\$1,351,169	\$1,113,510		\$135,462	\$87,420	\$14,777
Accrued Payroll	48,215	39,119		798	4,500	3,798
Due to Water Fund	6,158,941					6,158,941
Other	542,592	395,220	27,341	120,031		
Total Liabilities	8,100,917	1,547,849	27,341	256,291	91,920	6,177,516
Fund Balances						
Reserved for Encumbrances	6,809,881	4,886,582		699,406	518,773	705,120
Unreserved	16,636,794	8,504,293		198,288	6,138,988	1,795,225
Total Fund Balances	23,446,675	13,390,875		897,694	6,657,761	2,500,345
Total Liabilities and Fund Balances	\$31,547,592	\$14,938,724	\$27,341	\$1,153,985	\$6,749,681	\$8,677,861

SEE NOTES TO FINANCIAL STATEMENTS

CAPITAL PROJECTS FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

FOR THE FISCAL YEAR ENDED JUNE 30, 1992

	TOTAL ALL FUNDS	GENERAL OBLIGATION BOND CONSTRUCTION	HIGHWAY USER BOND CONSTRUCTION	SPECIAL ASSESSMENTS BOND CONSTRUCTION	TRANSACTION PRIVILEGE TAX	ALL OTHER CONSTRUCTION
Revenues						
Transaction Privilege Tax	\$5,627,759	\$	\$	\$	\$5,627,759	\$
Use of Money and Property	1,894,463	1,009,045		96,869		788,549
Other	4,087,299			2,381,883		1,705,416
Total Revenue	11,609,521	1,009,045		2,478,752	5,627,759	2,493,965
Expenditures						
Capital Improvements	40,985,281	15,831,123	65,830	5,133,554	5,678,357	14,276,417
Excess (Deficiency) of Revenue Over Expenditures	(29,375,760)	(14,822,078)	(65,830)	(2,654,802)	(50,598)	(11,782,452)
Other Sources (Uses)						
Bond Proceeds	20,450,000	19,000,000		1,450,000		
Proceeds of Contract Payable	4,525,000					4,525,000
Operating Transfer In	2,549,963					2,549,963
Operating Transfer Out	(2,144,468)	(1,238,873)		(644,395)		(261,200)
Total Other Sources (Uses)	25,380,495	17,761,127		805,605		6,813,763
Excess (Deficiency) of Revenue and Other Sources (Uses) Over Expenditures	(3,995,265)	2,939,049	(65,830)	(1,849,197)	(50,598)	(4,968,689)
Fund Balances July 1, 1991	27,441,940	10,451,984	1,139,551	2,746,891	6,708,359	6,395,155
Residual Equity Transfer In	1,073,879					1,073,879
Residual Equity Transfer Out	(1,073,879)	(158)	(1,073,721)			
Fund Balances June 30, 1992	\$23,446,675	\$13,390,875	\$	\$897,694	\$6,657,761	\$2,500,345

SEE NOTES TO FINANCIAL STATEMENTS

CITY OF SCOTTSDALE

EXHIBIT E-3

CAPITAL PROJECTS FUNDS

COMBINING SCHEDULE OF EXPENDITURES BY OBJECT

FOR THE FISCAL YEAR ENDED JUNE 30, 1992

	TOTAL	PERSONAL SERVICES	OTHER SERVICES	SUPPLIES	CAPITAL OUTLAY
General Obligation Bond Construction Fund Capital Improvements	\$15,831,123	\$844,478	\$244,273	\$48,398	\$14,693,974
Highway User Bond Construction Fund Capital Improvements	65,830	4,105	99		61,626
Special Assessments Construction Fund Capital Improvements	5,133,554	90,065	555,550		4,487,939
Transaction Privilege Tax Capital Improvements	5,678,357	206,434	114,554	380,714	4,976,655
All Other Construction Fund Capital Improvements	14,276,417	115,858	214,110	17,932	13,928,517
Total Expenditures	\$40,985,281	\$1,260,940	\$1,128,586	\$447,044	\$38,148,711

SEE NOTES TO FINANCIAL STATEMENTS

TRUST AND AGENCY FUNDS

The Trust and Agency Funds are established to administer resources received and held by a governmental unit as the trustee or as the agent for others. Use of these funds facilitates the discharge of responsibilities placed upon the governmental unit by virtue of law or other similar authority.

Expendable Trusts Fund

Used to account for gifts that are designated for special purposes. The expendable trust fund includes gifts received for libraries, arts, parks, memorials, senior citizens, handicapped, and training services.

Nonexpendable Trust Fund

Used to account for gifts for which the original principal may not be expended. The interest or other earnings from the principal are designated for a special purpose. The nonexpendable trust fund includes gifts received for libraries.

Deferred Compensation Agency Fund

Permits employees to defer a portion of their salaries to future years.

CITY OF SCOTTSDALE

EXHIBIT F-1

TRUST AND AGENCY FUNDS

COMBINING BALANCE SHEET

JUNE 30, 1992

ASSETS	TOTAL ALL FUNDS	EXPENDABLE TRUSTS	NONEXPENDABLE TRUST	DEFERRED COMPENSATION AGENCY
Cash and Short-Term Investments	\$5,758,761	\$5,573,844	\$184,917	\$
Investments	4,927,656			4,927,656
Accrued Interest	21,658	21,658		
Miscellaneous Receivables	13,617	13,617		
Total Assets	\$10,721,692	\$5,609,119	\$184,917	\$4,927,656
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts Payable	\$6,000	\$6,000	\$	\$
Designated Deferred Compensation Benefits	4,927,656			4,927,656
Guaranty and Other Deposits	1,820,194	1,820,194		
Total Liabilities	6,753,850	1,826,194		4,927,656
Fund Balances				
Reserved for Encumbrances	24,426	21,753	2,673	
Reserved for Library Acquisitions	174,351		174,351	
Unreserved	3,769,065	3,761,172	7,893	
Total Fund Balances	3,967,842	3,782,925	184,917	
Total Liabilities and Fund Balances	\$10,721,692	\$5,609,119	\$184,917	\$4,927,656

SEE NOTES TO FINANCIAL STATEMENTS

CITY OF SCOTTSDALE

EXHIBIT F-2

TRUST AND AGENCY FUNDS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
EXPENDABLE TRUSTS FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 1992

	EXPENDABLE TRUSTS
Revenues	
Interest Earnings	\$121,019
Other	1,605,083

Total Revenues	1,726,102
Expenditures	
Expendable Trusts	569,112

Excess of Revenues Over Expenditures	1,156,990
Other Sources	
Operating Transfers In	561,200

Excess of Revenues and Other Sources Over Expenditures	1,718,190
Fund Balance July 1, 1991	2,064,735

Fund Balance June 30, 1992	<u>\$3,782,925</u>

SEE NOTES TO FINANCIAL STATEMENTS

CITY OF SCOTTSDALE

EXHIBIT F-3

TRUST AND AGENCY FUNDS

SCHEDULE OF EXPENDITURES BY OBJECT - EXPENDABLE TRUSTS FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 1992

	TOTAL	PERSONAL SERVICES	OTHER SERVICES	SUPPLIES	CAPITAL OUTLAY
Expendable Trusts	\$569,112	\$62,571	\$299,899	\$118,640	\$88,002

SEE NOTES TO FINANCIAL STATEMENTS

CITY OF SCOTTSDALE

EXHIBIT F-4

TRUST AND AGENCY FUNDS

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCE -
NONEXPENDABLE TRUST FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 1992

	NONEXPENDABLE TRUST

Operating Revenues	
Interest Earnings	\$10,641
Operating Expenses	11,189

Operating Income/(Loss)	(548)
Net Income/(Loss)	(548)
Fund Balance July 1, 1991	185,465

Fund Balance June 30, 1992	<u>\$184,917</u>

SEE NOTES TO FINANCIAL STATEMENTS

CITY OF SCOTTSDALE

EXHIBIT F-5

TRUST AND AGENCY FUNDS

STATEMENT OF CASH FLOWS - NONEXPENDABLE TRUST FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 1992

Cash Flows From Operating Activities:	
Operating Income	(\$548)
Adjustments To Reconcile Net Income To Net Cash Provided From Operating Activities:	
Decrease In Accrued Interest Receivable	1,549
	<hr/>
Net Cash Used By Operating Activities	1,001
Net Increase In Cash and Cash Equivalents	1,001
Cash and Cash Equivalents At Beginning Of Year	183,916
	<hr/>
Cash and Cash Equivalents At End Of Year	<u>\$184,917</u>
SEE NOTES TO FINANCIAL STATEMENTS	

CITY OF SCOTTSDALE

EXHIBIT F-6

TRUST AND AGENCY FUNDS

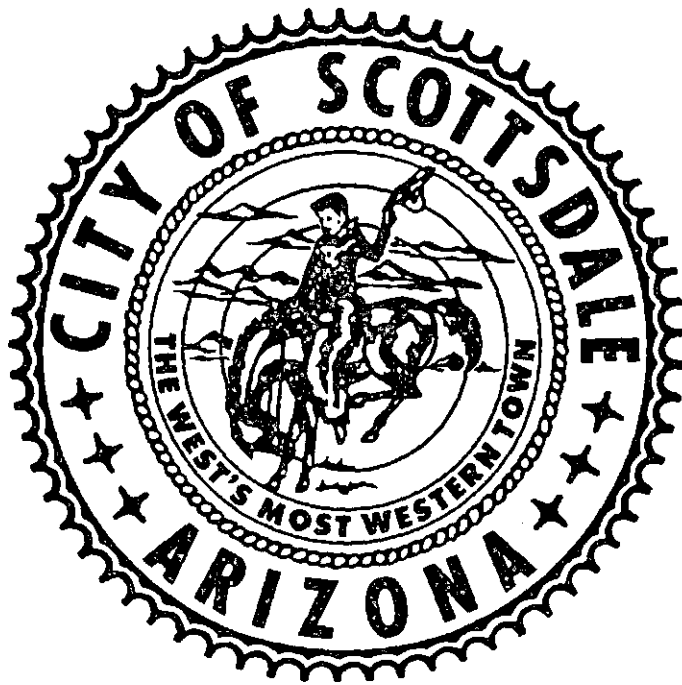
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - DEFERRED COMPENSATION AGENCY FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 1992

DEFERRED COMPENSATION AGENCY

	BALANCE JULY 1, 1991	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 1992
ASSETS				
Investments	\$3,993,216	\$1,154,330	\$219,890	\$4,927,656
Total Assets	\$3,993,216	\$1,154,330	\$219,890	\$4,927,656
LIABILITIES				
Designated Deferred Compensation Benefits	\$3,993,216	\$1,154,330	\$219,890	\$4,927,656
Total Liabilities	\$3,993,216	\$1,154,330	\$219,890	\$4,927,656

SEE NOTES TO FINANCIAL STATEMENTS



ENTERPRISE FUNDS

Enterprise funds are established to account for the financing of self-supporting activities of governmental units which render services to the general public on a user charge basis. Enterprise funds are maintained on the accrual basis of accounting. Although the Water and Sewer Utility, Airport, Sanitation, and Public Housing Funds are operated as enterprise funds, their expenditures are controlled through budgetary accounting procedures similar to other City funds.

Water and Sewer Utility Fund

The Water and Sewer Utility Fund was established for control of the operating revenue and expenses of the City's Water and Sewer Utility. Although a program of the City government, the Utility is operated as a separate enterprise, and the accounting records are maintained on an enterprise fund basis. Accordingly, the account classifications used are designed specifically for the water and sewer operations.

Airport Fund

The Airport Fund was established for control of the operating revenue and expenses of the City's Airport. Airport Fund accounts are maintained on an enterprise fund basis with account classifications designed specifically for airport operations.

Public Housing Fund

The Public Housing Fund was established to provide low cost housing for families displaced by the Neighborhood Development Project of the City and is operated as an enterprise of the City. In fiscal year 1985 all the housing units were sold.

Sanitation Fund

The Sanitation Fund was established July 1, 1989, for control of the operating revenue and expenses related to the City's sanitation services (solid waste, brush removal, container maintenance, etc.). Although a program of the City government, the fund is operated as a separate enterprise. Sanitation fund accounts are maintained on an enterprise fund basis with account classifications designed specifically for its operations.

CITY OF SCOTTSDALE
 ENTERPRISE FUNDS
 COMBINING BALANCE SHEET
 JUNE 30, 1992

EXHIBIT G-1

ASSETS	TOTAL ALL FUNDS	WATER AND SEWER UTILITY	AIRPORT	PUBLIC HOUSING	SANITATION
Current Assets					
Cash and Short-Term Investments	\$15,151,110	\$15,151,110	\$	\$	\$
Cash with Fiscal Agents	3,705,799	3,705,799			
Receivables					
Accrued Interest	419,713	410,820	179		8,714
Accounts	4,921,599	4,140,541			781,058
Miscellaneous	1,348,094	513,677	812,354		22,063
Due From Capital Improvement Funds	6,158,941	6,158,941			
Total Current Assets	31,705,256	30,080,888	812,533		811,835
Restricted Cash, Investments, and Receivables					
Revenue Bond Reserves	2,241,976	2,241,976			
Water and Sewer Replacement Reserve	5,627,249	5,627,249			
Scottsdale Water Service Company Replacement Reserve	300,000	300,000			
Acquisition and Construction Reserve					
Bond Proceeds	1,485,564	1,485,564			
Development Fees	15,866,295	15,866,295			
Notes Receivable	9,144			9,144	
	25,530,228	25,521,084		9,144	
Property, Plant, and Equipment					
Land and Land Improvements	15,418,527	2,524,950	12,893,577		
Water Rights	20,242,006	20,242,006			
Water System	145,563,397	145,563,397			
Sewer System	86,365,547	86,365,547			
Buildings and Improvements	1,609,923		1,246,367		363,556
Furniture and Fixtures	425,210	390,745	23,464		11,001
Machinery and Equipment	725,063	116,557	143,968		464,538
Construction in Progress	12,552,143	11,371,119	1,181,024		
	282,901,816	266,574,321	15,488,400		839,095
Accumulated Depreciation	(51,530,703)	(47,253,600)	(4,087,985)		(189,118)
	231,371,113	219,320,721	11,400,415		649,977
Excess Purchase Price Over Fair Market Value of Water System Assets Acquired, Net of Accumulated Amortization of \$2,293,980	627,278	627,278			
Total Assets	\$289,233,875	\$275,549,971	\$12,212,948	\$9,144	\$1,461,812

SEE NOTES TO FINANCIAL STATEMENTS

LIABILITIES AND FUND EQUITY	TOTAL ALL FUNDS	WATER AND SEWER UTILITY	AIRPORT	PUBLIC HOUSING	SANITATION
Current Liabilities (Payable from Current Assets)					
Accounts Payable	\$3,528,698	\$3,438,641	\$2,059	\$	\$87,998
Accrued Payroll	645,012	411,780	33,302		199,930
Due To General Fund	1,003,707		562,983		440,724
Contracts Payable - Current Portion	402,936	402,936			
Total	5,580,353	4,253,357	598,344		728,652
Current Liabilities (Payable from Restricted Assets)					
Bonds Interest Payable	1,924,553	1,924,553			
Bonds Payable - Current Portion	1,785,000	1,785,000			
Total	3,709,553	3,709,553			
Total Current Liabilities	9,289,906	7,962,910	598,344		728,652
Other Liabilities					
Deferred Revenue	760,725	760,725			
Customer Advances and Deposits	2,631,005	2,631,005			
Other					
Arbitrage Interest	113,297	113,297			
Unearned Grant Revenue (Payable from Restricted Notes Receivable)	9,144			9,144	
Total Other	122,441	113,297		9,144	
Total Other Liabilities	3,514,171	3,505,027		9,144	
Long-Term Debt (Less Current Portion)					
Bonds Payable	52,595,000	52,595,000			
Contracts Payable	258,525	258,525			
Total	52,853,525	52,853,525			
Total Liabilities	65,657,602	64,321,462	598,344	9,144	728,652
Fund Equity					
Contributed Capital	177,740,896	161,587,456	15,675,632		477,808
Less Depreciation	(24,741,198)	(20,626,875)	(4,114,323)		
Net Contributed Capital	152,999,698	140,960,581	11,561,309		477,808
Retained Earnings					
Reserved for					
Revenue Bond Retirement	2,241,976	2,241,976			
Water and Sewer System Replacement	5,927,249	5,927,249			
Acquisition and Construction	17,351,859	17,351,859			
Unreserved	45,055,491	44,746,844	53,295		255,352
Total Retained Earnings	70,576,575	70,267,928	53,295		255,352
Total Fund Equity	223,576,273	211,228,509	11,614,604		733,160
Total Liabilities and Fund Equity	\$289,233,875	\$275,549,971	\$12,212,948	\$9,144	\$1,461,812

SEE NOTES TO FINANCIAL STATEMENTS

CITY OF SCOTTSDALE
 ENTERPRISE FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES
 IN RETAINED EARNINGS
 FOR THE FISCAL YEAR ENDED JUNE 30, 1992

EXHIBIT G-2

	TOTAL ALL FUNDS	WATER AND SEWER UTILITY	AIRPORT	SANITATION
Operating Revenues				
Water Service Fees	\$26,180,321	\$26,180,321	\$	\$
Sewer Service Fees	7,454,093	7,454,093		
Planet Ranch	380,535	380,535		
Sanitation Fees	6,344,547			6,344,547
Airport Fees	626,447		626,447	
Other	172,693	172,693		
Total Operating Revenues	41,158,636	34,187,642	626,447	6,344,547
Operating Expenses				
Water Operations	15,770,894	15,770,894		
Sewer Operations	2,063,776	2,063,776		
Sanitation Operations	5,329,204			5,329,204
Airport Operations	606,144		606,144	
Depreciation and Amortization	7,007,965	6,492,065	478,387	37,513
Indirect Cost	4,827,292	3,534,587	273,208	1,019,497
In Lieu Property Tax	620,148	592,987	27,161	
Franchise Fee	1,723,250	1,723,250		
Total Operating Expenses	37,948,673	30,177,559	1,384,900	6,386,214
Operating Income (Loss)	3,209,963	4,010,083	(758,453)	(41,667)
Non-Operating Revenues (Expenses)				
Interest Earnings	2,651,150	2,597,085	1,090	52,975
Proceeds of Refunding Bonds	8,879,970	8,879,970		
Interest Expense	(3,279,043)	(3,279,043)		
Payment to Refunded Bond Escrow Agent	(8,879,970)	(8,879,970)		
Net Non-Operating Revenues (Expenses)	(627,893)	(681,958)	1,090	52,975
Operating Transfer In	302,140		302,140	
Net Income (Loss) Before Extraordinary Item	2,884,210	3,328,125	(455,223)	11,308
Extraordinary Item Loss on Bond Refunding	(780,000)	(780,000)		
Net Income (Loss)	2,104,210	2,548,125	(455,223)	11,308
Add Depreciation On Fixed Assets Acquired By Contributed Capital	3,106,479	2,628,092	478,387	
Increase (Decrease) in Retained Earnings	5,210,689	5,176,217	23,164	11,308
Retained Earnings July 1, 1991	65,365,886	65,091,711	30,131	244,044
Retained Earnings June 30, 1992	\$70,576,575	\$70,267,928	\$53,295	\$255,352

SEE NOTES TO FINANCIAL STATEMENTS

CITY OF SCOTTSDALE

EXHIBIT G-3

ENTERPRISE FUNDS

COMBINING STATEMENT OF CASH FLOWS

FOR THE FISCAL YEAR ENDED JUNE 30, 1992

	TOTAL ALL FUNDS	WATER AND SEWER UTILITY	AIRPORT	PUBLIC HOUSING	SANITATION
Cash Flows From Operating Activities:					
Operating Income (Loss)	\$3,209,963	\$4,010,083	(\$758,453)	\$	(\$41,667)
Adjustments To Reconcile Operating Income (Loss) To Net Cash Provided From Operating Activities:					
Depreciation	6,927,104	6,411,204	478,387		37,513
Amortization	80,861	80,861			
Changes In Assets and Liabilities (Sources (Uses) of Cash):					
Accounts Receivable	(79,850)	(119,796)			39,946
Miscellaneous Receivables	(362,015)	135,311	(485,053)		(12,273)
Accounts Payable	2,397,115	2,439,944	(60,133)		17,304
Accrued Payroll	122,883	92,649			9,076
Due To General Fund	492,963		562,983		(70,020)
Deferred Revenue	402,151	402,151			
Other Liabilities	1,173,404	1,173,404			
Due From Capital Improvement Funds	(6,158,941)	(6,158,941)			
Total Adjustments	4,995,675	4,456,787	505,260		33,628
Net Cash Provided By Operating Activities	8,205,638	8,466,870	(253,193)		(8,039)
Cash Flows from Non-Capital Financing Activities:					
Operating Transfer	302,140		302,140		
Cash Flows From Capital and Related Financing Activities:					
Net Acquisition and Construction Of Property and Equipment	(13,469,786)	(12,518,845)	(905,740)		(45,201)
Principal Payments On Long-Term Debt	(2,111,739)	(2,111,739)			
Interest Paid on Long-Term Debt	(3,359,994)	(3,359,994)			
Capital Contributions From Other Government Units	822,377		822,377		
Water and Sewer Development Fees	6,050,204	6,050,204			
Capital Contribution from Developers	5,474,112	5,474,112			
Proceeds from Bond Sales	8,505,000	8,505,000			
Principal Deletion of Refunded Debt	(7,725,000)	(7,725,000)			
Loss on Refunding	(780,000)	(780,000)			
Net Cash Used For Capital and Related Financing Activities	(6,594,826)	(6,466,262)	(83,363)		(45,201)
Cash Flows From Investing Activities					
Interest Received On Investments	2,584,571	2,526,285	5,046		53,240
Net Increase (Decrease) In Cash and Cash Equivalents	4,497,523	4,526,893	(29,370)		
Cash and Cash Equivalents At Beginning Of Year	39,880,470	39,851,100	29,370		
Cash and Cash Equivalents At End Of Year	\$44,377,993	\$44,377,993	\$	\$	\$

SEE NOTES TO FINANCIAL STATEMENTS

CITY OF SCOTTSDALE

EXHIBIT G-3
(CONT'D)

ENTERPRISE FUNDS

COMBINING STATEMENT OF CASH FLOWS

FOR THE FISCAL YEAR ENDED JUNE 30, 1992

	TOTAL ALL FUNDS	WATER AND SEWER UTILITY	AIRPORT	PUBLIC HOUSING	SANITATION
Cash and Cash Equivalents at End of Year Includes					
Cash and Short-Term Investments	\$15,151,110	\$15,151,110	\$	\$	\$
Cash with Fiscal Agents	3,705,799	3,705,799			
Restricted Cash and Investments	25,530,228	25,521,084		9,144	
Less Note Receivable	(9,144)			(9,144)	
Total Cash	\$44,377,993	\$44,377,993	\$	\$	\$
Supplemental Disclosure Of Noncash Financing Activities:					
Additions To Property, Plant, and Equipment					
Contributions From Developers	\$3,294,474	\$3,294,474	\$	\$	\$
Contributions From Municipality	1,118,758	1,118,758			
	\$4,413,232	\$4,413,232	\$	\$	\$

SEE NOTES TO FINANCIAL STATEMENTS

ENTERPRISE FUNDS

COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL - BUDGET BASIS

FOR THE FISCAL YEAR ENDED JUNE 30, 1992

	TOTALS			WATER AND SEWER UTILITY			AIRPORT			SANITATION		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues												
Water Service Fees	\$26,000,000	\$26,180,321	\$180,321	\$26,000,000	\$26,180,321	\$180,321	\$	\$	\$	\$	\$	\$
Water Resources Fees	2,017,000	2,380,617	363,617	2,017,000	2,380,617	363,617						
Sewer Service Fees	7,250,000	7,578,467	328,467	7,250,000	7,578,467	328,467						
Planet Ranch	500,000	380,535	(119,465)	500,000	380,535	(119,465)						
Sanitation Fees	6,250,000	6,344,546	94,546							6,250,000	6,344,546	94,546
Airport Fees	685,000	626,447	(58,553)				685,000	626,447	(58,553)			
Interest Earnings	1,250,000	1,225,701	(24,299)	1,200,000	1,171,636	(28,364)		1,090	1,090	50,000	52,975	2,975
Total Revenues	43,952,000	44,716,634	764,634	36,967,000	37,691,576	724,576	685,000	627,537	(57,463)	6,300,000	6,397,521	97,521
Expenditures												
Water Operations	16,694,735	15,790,955	903,780	16,694,735	15,790,955	903,780						
Sewer Operations	2,746,858	2,558,734	188,124	2,746,858	2,558,734	188,124						
Sanitation Operations	5,413,884	5,367,786	46,098							5,413,884	5,367,786	46,098
Airport Operations	693,895	684,230	9,665				693,895	684,230	9,665			
Debt Service and Reserves	7,224,397	7,269,989	(45,592)	7,224,397	7,269,989	(45,592)						
Total Expenditures	32,773,769	31,671,694	1,102,075	26,665,990	25,619,678	1,046,312	693,895	684,230	9,665	5,413,884	5,367,786	46,098
Excess of Revenues Over Expenditures	\$11,178,231	\$13,044,940	\$1,866,709	\$10,301,010	\$12,071,898	\$1,770,888	(\$8,895)	(\$56,693)	(\$47,798)	\$886,116	\$1,029,735	\$143,619

SEE NOTES TO FINANCIAL STATEMENTS



INTERNAL SERVICE FUNDS

Internal service funds are established to finance and account for services and/or commodities furnished by a designated program to other programs within the City.

Motor Pool Fund

The Motor Pool Fund is responsible for the maintenance and operations of various automobiles and other equipment of the City. Revenue to this fund is derived from charges to user programs.

Self-Insurance Fund

The Self-Insurance Fund is responsible for the administration of the protected self-insurance program initiated by the City July 1, 1978. Revenue to this fund is derived from charges to user programs. This fund provides coverage for unemployment, workmen's compensation, property, and liability claims.

CITY OF SCOTTSDALE
INTERNAL SERVICE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 1992

EXHIBIT H-1

ASSETS	TOTAL ALL FUNDS	MOTOR POOL	SELF INSURANCE
Current Assets			
Cash and Short-Term Investments	\$6,534,950	\$2,459,963	\$4,074,987
Receivables			
Accrued Interest	66,530	26,708	39,822
Miscellaneous	31,480	4,842	26,638
Supplies Inventory	259,304	259,304	
Total Current Assets	6,892,264	2,750,817	4,141,447
Property, Plant, and Equipment			
Buildings and Improvements	1,222,868	1,222,868	
Motor Vehicles	13,608,458	13,608,458	
Machinery and Equipment	972,483	972,483	
Furniture, Fixtures, and Office Equipment	49,168	16,831	32,337
Construction in Progress	164,859	164,859	
Accumulated Depreciation	16,017,836 (8,756,305)	15,985,499 (8,738,188)	32,337 (18,117)
	7,261,531	7,247,311	14,220
Total Assets	\$14,153,795	\$9,998,128	\$4,155,667
LIABILITIES AND FUND EQUITY			
Current Liabilities			
Accounts Payable	\$21,367	\$15,235	\$6,132
Accrued Payroll	208,929	180,567	28,362
Claims Payable			
Reported	3,629,025		3,629,025
Unreported	462,254		462,254
Total Claims Payable	4,091,279		4,091,279
Total Current Liabilities	4,321,575	195,802	4,125,773
Fund Equity			
Contributed Capital	10,680,884	8,697,796	1,983,088
Retained Earnings/Accumulated Deficit	(848,664)	1,104,530	(1,953,194)
Net Fund Equity	9,832,220	9,802,326	29,894
Total Liabilities and Fund Equity	\$14,153,795	\$9,998,128	\$4,155,667

SEE NOTES TO FINANCIAL STATEMENTS

CITY OF SCOTTSDALE

EXHIBIT H-2

INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS/
ACCUMULATED DEFICIT

FOR THE FISCAL YEAR ENDED JUNE 30, 1992

	TOTAL ALL FUNDS	MOTOR POOL	SELF INSURANCE
Operating Revenues			
Billings To User Programs	\$8,166,519	\$5,605,092	\$2,561,427
Other	94,951	89,120	5,831
Total Operating Revenues	8,261,470	5,694,212	2,567,258
Operating Expenses			
Motor Pool Operations	3,774,173	3,774,173	
Self-Insurance Operations	4,819,828		4,819,828
Depreciation	1,424,133	1,421,105	3,028
Total Operating Expenses	10,018,134	5,195,278	4,822,856
Operating Income/(Loss)	(1,756,664)	498,934	(2,255,598)
Non-Operating Revenues/ Operating Transfers			
Interest Earnings	404,438	162,359	242,079
Operating Transfer	200,000		200,000
Total Non-Operating Revenues/ Operating Transfers	604,438	162,359	442,079
Net Income/(Loss)	(1,152,226)	661,293	(1,813,519)
Retained Earnings/Accumulated Deficit			
July 1, 1991	303,562	443,237	(139,675)
June 30, 1992	(\$848,664)	\$1,104,530	(\$1,953,194)

SEE NOTES TO FINANCIAL STATEMENTS

CITY OF SCOTTSDALE

EXHIBIT H-3

INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF CASH FLOWS

FOR THE FISCAL YEAR ENDED JUNE 30, 1992

	TOTAL ALL FUNDS	MOTOR POOL	SELF INSURANCE
Cash Flows From Operating Activities:			
Operating Income /(Loss)	(\$1,756,664)	\$498,934	(\$2,255,598)
Adjustments to Reconcile Operating Income to Net Cash Provided from Operating Activities:			
Depreciation	1,424,133	1,421,105	3,028
Changes in Assets and Liabilities (Sources (Uses) of Cash):			
Miscellaneous Receivables	(14,682)	(4,842)	(9,840)
Supplies Inventory	(12,470)	(12,470)	
Accounts Payable	(12,577)	(16,238)	3,661
Accrued Payroll	21,376	16,649	4,727
Claims Payable - Reported	2,115,795		2,115,795
Claims Payable - Unreported	353,142		353,142
Total Adjustments	3,874,717	1,404,204	2,470,513
Net Cash Provided by Operating Activities	2,118,053	1,903,138	214,915
Cash Flows From Non-Capital Financing Activities:			
Operating Transfer	200,000		200,000
Cash Flows From Capital and Related Financing Activities:			
Acquisition and Construction of Property and Equipment	(2,291,436)	(2,291,436)	
Net Cash Used for Capital and Related Financing Activities	(2,291,436)	(2,291,436)	
Cash Flows From Investing Activities:			
Interest Received On Investments	389,431	159,314	230,117
Net Increase/(Decrease) in Cash and Cash Equivalents	416,048	(228,984)	645,032
Cash and Equivalents at Beginning of Year	6,118,902	2,688,947	3,429,955
Cash and Equivalents at End of Year	\$6,534,950	\$2,459,963	\$4,074,987

SEE NOTES TO FINANCIAL STATEMENTS

INTERNAL SERVICE FUNDS

COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL - BUDGET BASIS

FOR THE FISCAL YEAR ENDED JUNE 30, 1992

	TOTALS			MOTOR POOL			SELF INSURANCE		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues									
Billings To User Programs	\$8,141,000	\$8,166,519	\$25,519	\$5,605,000	\$5,605,092	\$92	\$2,536,000	\$2,561,427	\$25,427
Contribution from Municipality	200,000	200,000					200,000	200,000	
Interest Earnings	420,000	404,438	(15,562)	150,000	162,359	12,359	270,000	242,079	(27,921)
Other		94,951	94,951		89,120	89,120		5,831	5,831
Total Revenues	8,761,000	8,865,908	104,908	5,755,000	5,856,571	101,571	3,006,000	3,009,337	3,337
Expenditures									
Motor Pool Operations	7,025,037	6,632,516	392,521	7,025,037	6,632,516	392,521			
Self Insurance Operations	2,356,279	2,383,742	(27,463)				2,356,279	2,383,742	(27,463)
Total Expenditures	9,381,316	9,016,258	365,058	7,025,037	6,632,516	392,521	2,356,279	2,383,742	(27,463)
Excess (Deficiency) of Revenues Over Expenditures	(\$620,316)	(\$150,350)	\$469,966	(\$1,270,037)	(\$775,945)	\$494,092	\$649,721	\$625,595	(\$24,126)

SEE NOTES TO FINANCIAL STATEMENTS



GENERAL FIXED ASSETS ACCOUNT GROUP

The General Fixed Assets Account Group is established for controlling the City's sizeable investment in fixed assets which are tangible assets of significant value having a utility which extends beyond a year. This control also allows establishing custodial responsibility for the assets. No depreciation is provided on such assets.

The investment in fixed assets of proprietary fund types are accounted for in their respective funds.

CITY OF SCOTTSDALE

EXHIBIT I-1

SCHEDULE OF GENERAL FIXED ASSETS BY SOURCE

AS OF JUNE 30, 1992

Property and Equipment

Land	\$43,590,570
Buildings and Improvements	129,024,479
Streets and Storm Drains	730,516,514
Machinery and Equipment	22,604,055
Construction in Progress	37,631,747

Total General Fixed Assets	<u>\$963,367,365</u>
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Investment in General Fixed Assets From

General Fund	\$69,096,835
Special Revenue Funds	37,573,407
Capital Projects Funds	222,022,950
Contributions	607,094,986
Improvement Districts	27,579,187

Total Investment in General Fixed Assets	<u>\$963,367,365</u>
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SCHEDULE OF GENERAL FIXED ASSETS BY FUNCTION AND ACTIVITY

AS OF JUNE 30, 1992

DEPARTMENT	TOTAL	LAND	BUILDINGS AND IMPROVEMENTS	STREETS AND STORM DRAINS	MACHINERY AND EQUIPMENT
General Government	\$1,793,163	\$464,153	\$833,838	\$	\$495,172
Police	3,936,201	40,855	1,009,158	48,038	2,838,150
Financial Services	900,897		304,987		595,910
Transportation	7,287,767		7,027,680		260,087
Community Services	19,038,755	7,444,399	9,679,017	134,747	1,780,592
Management Services	12,062,752		13,733		12,049,019
Planning & Community Development	338,695		109,544		229,151
Fire	691,891		397,962		293,929
Municipal Services	58,637				58,637
Capital Projects	879,626,860	35,641,163	109,648,560	730,333,729	4,003,408
Total General Fixed Assets Allocated to Functions	925,735,618	\$43,590,570	\$129,024,479	\$730,516,514	\$22,604,055
Construction In Progress	37,631,747				
Total General Fixed Assets	\$963,367,365				

CITY OF SCOTTSDALE

EXHIBIT I-3

SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS BY FUNCTION AND ACTIVITY

FOR THE FISCAL YEAR ENDED JUNE 30, 1992

DEPARTMENT	JULY 1, 1991	ADDITIONS	DELETIONS	JUNE 30, 1992
General Government	\$1,749,839	\$73,724	(\$30,400)	\$1,793,163
Police	3,636,789	321,023	(21,611)	3,936,201
Financial Services	924,522	22,088	(45,713)	900,897
Transportation	7,272,185	20,145	(4,563)	7,287,767
Community Services	19,265,581	64,231	(291,057)	19,038,755
Management Services	12,006,084	149,283	(92,615)	12,062,752
Planning & Community Development	218,735	151,412	(31,452)	338,695
Fire	672,299	19,592		691,891
Municipal Services	57,141	2,996	(1,500)	58,637
Capital Projects	827,429,887	52,678,138	(481,165)	879,626,860
Construction in Progress	14,288,989	41,411,307	(18,068,549)	37,631,747
Total General Fixed Assets	<u>\$887,522,051</u>	<u>\$94,913,939</u>	<u>(\$19,068,625)</u>	<u>\$963,367,365</u>

DEBT REQUIREMENTS

The supplemental debt service schedules are presented to provide a comprehensive overview of the City's total debt. These schedules are presented by debt type without regard to fund classification. They include a schedule of changes in long-term debt for the current fiscal year and a schedule of debt service requirements to maturity for each debt classification.

CITY OF SCOTTSDALE

EXHIBIT J-1

SCHEDULE OF CHANGES IN LONG-TERM DEBT

FOR THE FISCAL YEAR ENDED JUNE 30, 1992

	JULY 1, 1991	ISSUED	RETIRED	ADVANCE REFUNDINGS		JUNE 30, 1992	FINAL PAYMENT DATE
				ISSUED	DEFEASED		
GENERAL OBLIGATION BONDS							
1968 Civic Center	\$1,125,000	\$	\$200,000	\$	\$	\$925,000	07/01/96
1973 Storm Sewer	3,500,000					3,500,000	07/01/93
1984 Public Buildings	5,760,000		1,440,000			4,320,000	07/01/95
1984 Parks & Recreation	2,000,000		500,000			1,500,000	07/01/95
1984 Storm Sewer	240,000		60,000			180,000	07/01/95
1985 Public Buildings	112,500					112,500	07/01/05
1985 Parks & Recreation	146,250					146,250	07/01/05
1985 Storm Sewer	116,250					116,250	07/01/05
1986 Water Acquisition	36,190,000		690,000			35,500,000	07/01/06
1990 Capital Improvements	28,785,000					28,785,000	07/01/10
1991 G.O. Refunding	8,830,000		125,000			8,705,000	07/01/05
1991 Series B		19,000,000				19,000,000	07/01/11
Total General Obligation Bonds	\$86,805,000	\$19,000,000	\$3,015,000	\$	\$	\$102,790,000	
REVENUE BONDS							
1973 Utility Refunding	\$1,170,000	\$	\$275,000	\$	\$	\$895,000	07/01/96
1977 Utility	550,000		550,000				07/01/92
1984 Utility	8,400,000		50,000		7,725,000	625,000	07/01/93
1990 Utility	7,290,000		220,000			7,070,000	07/01/09
1992 Refunding				8,505,000		8,505,000	07/01/00
1984 HURF	1,425,000		425,000			1,000,000	07/01/03
1985 HURF	2,055,000		345,000			1,710,000	07/01/05
1987 HURF	9,635,000		75,000			9,560,000	07/01/07
1989 HURF Refunding	15,845,000		155,000			15,690,000	07/01/05
Total Revenue Bonds	\$46,370,000	\$	\$2,095,000	\$8,505,000	\$7,725,000	\$45,055,000	
MUNICIPAL PROPERTY CORPORATION BONDS							
Arts Building, Parking Garage	\$3,535,000	\$	\$490,000	\$	\$	\$3,045,000	07/01/96
Golf Course	10,930,000		450,000			10,480,000	07/01/04
Asset Transfer Refunding	45,015,000		745,000		44,270,000		11/01/14
Street Improvements	3,100,000					3,100,000	07/01/01
Civic Center Underpass, Library, Police, Horseshorld Refunding	36,205,000		1,705,000			34,500,000	07/01/05
Asset Transfer 1992 Refunding				47,095,000		47,095,000	11/01/14
Total Municipal Property Corporation Bonds	\$98,785,000	\$	\$3,390,000	\$47,095,000	\$44,270,000	\$98,220,000	

CITY OF SCOTTSDALE

EXHIBIT J-1

SCHEDULE OF CHANGES IN LONG-TERM DEBT

FOR THE FISCAL YEAR ENDED JUNE 30, 1992

	JULY 1, 1991	ISSUED	RETIRED	ADVANCE REFUNDINGS		JUNE 30, 1992	FINAL PAYMENT DATE
				ISSUED	DEFEASED		
SPECIAL ASSESSMENTS							
PK-6802 5th Ave. Parking	\$15,000	\$	\$15,000	\$	\$	\$	01/01/92
RW-6805 5th Ave.	5,000		2,000			3,000	01/01/93
RW-6806 Thomas, Civic Center, Earl	70,000		18,000			52,000	01/01/95
P-8288 Indian Plaza Paving	30,000		30,000				01/01/92
P-7570 Scottsdale and Shea	24,000		24,000				01/01/92
P-8861 Gary Road Paving	12,000		6,000			6,000	01/01/93
W-7829 North Scottsdale	2,615,000		650,000			1,965,000	01/01/95
S-7830 Sewer Project	680,000		170,000			510,000	01/01/95
WSP-8871 Escondido Estates	54,000		17,000			37,000	01/01/94
WSP-8741 Hayden Road Extension	715,000		140,000			575,000	01/01/96
WSP-8978 N. Airport Industrial	3,125,000		520,000			2,605,000	07/01/97
I5502 NW Airpark	1,210,000		175,000			1,035,000	01/01/98
08739 Via Linda	820,000		120,000			700,000	01/01/98
I8501 CAP @ Hayden Road	550,000		70,000			480,000	01/01/99
I0601 Pima/CAP	10,660,000		1,070,000			9,590,000	01/01/01
08834 Pima Acres	1,315,000		135,000			1,180,000	01/01/01
I0004 Fifth Avenue/Marshall Way	1,215,000					1,215,000	01/01/02
I0003 Old Scottsdale/West Main	1,095,000					1,095,000	01/01/02
I2001 Section 31		525,000				525,000	01/01/02
I9001 Pinnacle Vista		925,000				925,000	01/01/03
Total Special Assessment Bonds	\$24,210,000	\$1,450,000	\$3,162,000	\$	\$	\$22,498,000	
Total Bonds	\$256,170,000	\$20,450,000	\$11,662,000	\$55,600,000	\$51,995,000	\$268,563,000	
CONTRACTS PAYABLE							
U.S. Corps of Engineers -							
Indian Bend Wash	\$3,850,670	\$	\$34,167	\$	\$	\$3,816,503	2043
Pepperwood	314,190		10,172			304,018	02/01/06
Plan 6	1,168,201		506,739			661,462	07/01/94
Telephone Phase III	57,897		57,897				12/23/91
Computer Phase III.V	25,714		25,714				12/23/91
Computer Phase IV	939,656		939,656				04/01/92
Ladder Truck	239,561		74,238			165,323	09/30/93
East Couplet/Galleria		525,000				525,000	06/30/97
West Couplet/Camelview		4,000,000				4,000,000	2001
Total Contracts	\$6,595,889	\$4,525,000	\$1,648,583	\$	\$	\$9,472,306	
TOTAL BONDS AND CONTRACTS	\$262,765,889	\$24,975,000	\$13,310,583	\$55,600,000	\$51,995,000	\$278,035,306	

CITY OF SCOTTSDALE

EXHIBIT J-2

DEBT SERVICE REQUIREMENTS TO MATURITY
GENERAL OBLIGATION BONDS

FOR THE FISCAL YEAR ENDED JUNE 30, 1992

FISCAL YEAR	GENERAL PURPOSE 6% LIMITATION			UTILITY PURPOSE 20% LIMITATION			TOTAL GENERAL OBLIGATION DEBT SERVICE REQUIREMENTS*		
	PRINCIPAL	INTEREST	TOTAL	PRINCIPAL	INTEREST	TOTAL	PRINCIPAL	INTEREST	TOTAL
1992-93	\$1,065,000	\$4,006,753	\$5,071,753	\$2,400,000	\$2,789,553	\$5,189,553	\$3,465,000	\$6,796,306	\$10,261,306
1993-94	730,000	3,859,743	4,589,743	2,915,000	2,661,153	5,576,153	3,645,000	6,520,896	10,165,896
1994-95	785,000	3,811,293	4,596,293	3,045,000	2,430,208	5,475,208	3,830,000	6,241,501	10,071,501
1995-96	2,125,000	3,759,418	5,884,418	1,130,000	2,188,473	3,318,473	3,255,000	5,947,891	9,202,891
1996-97	1,810,000	3,234,281	5,044,281	1,730,000	2,487,394	4,217,394	3,540,000	5,721,675	9,261,675
1997-98	1,850,000	3,016,360	4,866,360	1,960,000	2,446,200	4,406,200	3,810,000	5,462,560	9,272,560
1998-99	1,980,000	2,859,110	4,839,110	2,105,000	2,322,348	4,427,348	4,085,000	5,181,458	9,266,458
1999-00	2,115,000	2,690,810	4,805,810	3,065,000	2,186,818	5,251,818	5,180,000	4,877,628	10,057,628
2000-01	2,260,000	2,513,780	4,773,780	4,215,000	1,987,408	6,202,408	6,475,000	4,501,188	10,976,188
2001-02	2,410,000	2,355,050	4,765,050	4,540,000	1,708,063	6,248,063	6,950,000	4,063,113	11,013,113
2002-03	2,570,000	2,200,825	4,770,825	4,890,000	1,404,465	6,294,465	7,460,000	3,605,290	11,065,290
2003-04	2,750,000	2,035,600	4,785,600	5,265,000	1,074,540	6,339,540	8,015,000	3,110,140	11,125,140
2004-05	2,935,000	1,858,000	4,793,000	5,670,000	718,820	6,388,820	8,605,000	2,576,820	11,181,820
2005-06	4,185,000	1,668,420	5,853,420	5,070,000	329,550	5,399,550	9,255,000	1,997,970	11,252,970
2006-07	4,475,000	1,391,670	5,866,670	45,400	6,510	51,910	4,520,400	1,398,180	5,918,580
2007-08	4,739,600	1,089,165	5,828,765	5,125,000	779,145	5,904,145	9,864,600	1,868,310	11,732,910
2008-11				7,335,000	551,100	7,886,100	7,335,000	551,100	7,886,100
TOTALS	\$38,784,600	\$42,350,278	\$81,134,878	\$60,505,400	\$28,071,748	\$88,577,148	\$99,290,000	\$70,422,026	\$169,712,026

*EXCLUDES GENERAL OBLIGATION BOND PRINCIPAL AND INTEREST PAYMENTS TO BE MADE FROM THE FULLY FUNDED SINKING FUND;
PRINCIPAL \$3,500,000, INTEREST \$187,250.

DEBT SERVICE REQUIREMENTS TO MATURITY
REVENUE BONDS AND HIGHWAY USER BONDS

FOR THE FISCAL YEAR ENDED JUNE 30, 1992

FISCAL YEAR	WATER AND SEWER UTILITY REVENUE BONDS			HIGHWAY USER REVENUE BONDS			TOTAL WATER AND SEWER UTILITY AND HIGHWAY USER REVENUE BONDS		
	PRINCIPAL	INTEREST	TOTAL	PRINCIPAL	INTEREST	TOTAL	PRINCIPAL	INTEREST	TOTAL
1992-93	\$1,160,000	\$1,780,132	\$2,940,132	\$1,080,000	\$2,030,272	\$3,110,272	\$2,240,000	\$3,810,404	\$6,050,404
1993-94	1,285,000	951,935	2,236,935	1,175,000	1,936,280	3,111,280	2,460,000	2,888,215	5,348,215
1994-95	1,560,000	884,063	2,444,063	1,270,000	1,840,182	3,110,182	2,830,000	2,724,245	5,554,245
1995-96	1,645,000	800,738	2,445,738	1,360,000	1,747,892	3,107,892	3,005,000	2,548,630	5,553,630
1996-97	1,730,000	708,688	2,438,688	1,460,000	1,647,743	3,107,743	3,190,000	2,356,431	5,546,431
1997-98	1,835,000	609,543	2,444,543	1,555,000	1,548,003	3,103,003	3,390,000	2,157,546	5,547,546
1998-99	1,940,000	502,048	2,442,048	1,665,000	1,440,690	3,105,690	3,605,000	1,942,738	5,547,738
1999-00	1,230,000	388,188	1,618,188	1,780,000	1,325,170	3,105,170	3,010,000	1,713,358	4,723,358
2000-01	390,000	314,428	704,428	1,905,000	1,202,965	3,107,965	2,295,000	1,517,393	3,812,393
2001-02	420,000	288,103	708,103	2,035,000	1,071,269	3,106,269	2,455,000	1,359,372	3,814,372
2002-03	450,000	259,543	709,543	2,180,000	929,607	3,109,607	2,630,000	1,189,150	3,819,150
2003-04	480,000	228,943	708,943	2,330,000	776,682	3,106,682	2,810,000	1,005,625	3,815,625
2004-05	515,000	195,823	710,823	2,515,000	608,735	3,123,735	3,030,000	804,558	3,834,558
2005-06	550,000	160,288	710,288	2,715,000	426,685	3,141,685	3,265,000	586,973	3,851,973
2006-07	590,000	121,788	711,788	2,935,000	223,060	3,158,060	3,525,000	344,848	3,869,848
2007-08	635,000	80,488	715,488				635,000	80,488	715,488
2008-11	680,000	40,800	720,800				680,000	40,800	720,800
TOTALS	\$17,095,000	\$8,315,539	\$25,410,539	\$27,960,000	\$18,755,235	\$46,715,235	\$45,055,000	\$27,070,774	\$72,125,774

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CITY OF SCOTTSDALE

EXHIBIT J-2

DEBT SERVICE REQUIREMENTS TO MATURITY
MUNICIPAL PROPERTY CORPORATION, SPECIAL ASSESSMENT BONDS, AND CONTRACTS PAYABLE

FOR THE FISCAL YEAR ENDED JUNE 30, 1992

FISCAL YEAR	MUNICIPAL PROPERTY CORPORATION DEBT SERVICE REQUIREMENTS			SPECIAL ASSESSMENT BONDS DEBT SERVICE REQUIREMENTS			CONTRACTS PAYABLE		
	PRINCIPAL	INTEREST	TOTAL	PRINCIPAL	INTEREST	TOTAL	PRINCIPAL	INTEREST	TOTAL
1992-93	\$4,440,000	\$6,363,255	\$10,803,255	\$3,389,000	\$1,456,455	\$4,845,455	\$1,034,090	\$232,856	\$1,266,946
1993-94	4,220,000	6,471,832	10,691,832	3,477,000	1,256,264	4,733,264	900,346	223,669	1,124,015
1994-95	4,475,000	6,216,683	10,691,683	3,447,000	996,645	4,443,645	558,409	218,869	777,278
1995-96	4,525,000	5,934,465	10,459,465	2,595,000	776,189	3,371,189	561,878	215,400	777,278
1996-97	4,915,000	5,649,579	10,564,579	2,455,000	599,339	3,054,339	565,599	211,679	777,278
1997-98	5,265,000	5,313,749	10,578,749	1,920,000	428,361	2,348,361	464,597	207,681	672,278
1998-99	5,630,000	4,947,030	10,577,030	1,630,000	305,274	1,935,274	468,891	203,387	672,278
1999-00	6,050,000	4,534,228	10,584,228	1,565,000	195,236	1,760,236	473,511	198,767	672,278
2000-01	6,520,000	4,084,875	10,604,875	1,565,000	87,441	1,652,441	478,481	193,797	672,278
2001-02	6,260,000	3,595,358	9,855,358	365,000	17,350	382,350	483,834	188,444	672,278
2002-03	6,765,000	3,107,112	9,872,112	90,000	2,813	92,813	89,598	182,680	272,278
2003-04	7,300,000	2,576,457	9,876,457				95,813	176,465	272,278
2004-05	6,315,000	2,000,391	8,315,391				102,516	169,762	272,278
2005-06	2,385,000	1,538,000	3,923,000				87,811	163,008	250,819
2006-07	2,540,000	1,382,188	3,922,188				72,216	158,950	231,166
2007-08	2,695,000	1,218,958	3,913,958				75,910	155,256	231,166
2008-32	17,920,000	3,332,709	21,252,709				2,958,806	1,977,144	4,935,950
TOTALS	\$98,220,000	\$68,266,869	\$166,486,869	\$22,498,000	\$6,121,367	\$28,619,367	\$9,472,306	\$5,077,814	\$14,550,120

CITY OF SCOTTSDALE
GENERAL GOVERNMENT EXPENDITURES BY FUNCTION
GENERAL, SPECIAL REVENUE, AND DEBT SERVICE FUNDS
LAST TEN FISCAL YEARS

TABLE I

FISCAL YEAR	TOTAL	GENERAL GOVERNMENT	POLICE	FINANCIAL SERVICES	TRANSPORTATION	COMMUNITY SERVICES	MANAGEMENT SERVICES	PLANNING AND ZONING	FIRE	WATER RESOURCES	MUNICIPAL SERVICES	STREETLIGHT DISTRICTS (1)	CAPITAL IMPROVEMENTS	DEBT SERVICES
(2) 1992	\$98,616,817	\$5,024,914	\$18,399,147	\$2,674,002	\$2,308,548	\$14,410,886	\$3,239,139	\$9,437,654	\$6,086,072	\$	\$9,624,307	\$440,809	\$	\$26,971,339
(2) 1991	92,219,470	4,257,006	17,057,240	2,660,254	2,312,664	13,704,744	2,885,827	8,424,594	5,721,096		8,643,248	431,424		26,121,373
(2) 1990	84,881,157	3,917,752	14,510,678	2,465,924	6,782,224	12,179,223	4,992,759	5,935,822	5,020,994		2,891,348	432,177		25,752,256
1989	95,645,945	5,202,464	14,138,466	2,856,972	6,504,125	12,323,666	4,441,009	5,889,490	4,787,139	1,418,078	8,081,417	415,041	1,976,266	27,611,812
1988	91,528,855	3,532,276	13,571,954	2,665,064	13,592,848	12,455,464	4,482,015	5,758,673	4,155,740	1,283,892		408,668	1,269,248	26,551,691
1987	87,887,639	2,721,381	11,836,704	2,190,533	11,872,258	10,294,757	3,912,789	5,883,408	3,973,055			443,276	5,810,239	26,365,767
1986	79,682,450	2,589,123	9,475,467	1,942,012	11,037,959	8,730,701	7,321,889	8,195,938					7,583,511	22,805,850
1985	58,041,919	2,138,651	8,352,188	1,873,189	10,573,974	8,155,034	7,625,803	7,116,544					544,579	11,661,957
1984	50,714,853	1,927,456	7,433,027	1,792,739	9,035,611	7,198,146	5,833,286	5,678,868					9,386,874	2,428,846
1983	44,551,039	3,681,626	9,847,607	2,488,759	8,329,776	6,469,869		5,402,471					6,705,466	1,625,465

(1) Streetlight Districts were not classified as General Government expenditures until fiscal year 1987.

(2) Reorganizations occurred during these fiscal years which resulted in department title changes and a shift in divisions between departments. Only 1991 has been recast to reflect these changes.

**CITY OF SCOTTSDALE
GENERAL GOVERNMENTAL REVENUE BY SOURCE
GENERAL, SPECIAL REVENUE, AND DEBT SERVICE FUNDS
LAST TEN FISCAL YEARS**

TABLE II

FISCAL YEAR	TOTAL	TAXES	INTER-GOVERNMENT REVENUE	SPECIAL ASSESSMENTS*	LICENSES	CHARGES FOR SERVICES	FINES AND FORFEITURES	USE OF MONEY AND PROPERTY	STREETLIGHT DISTRICTS*	MISCELLANEOUS
1992	\$99,886,346	\$48,890,219	\$26,553,493	\$4,260,961	\$704,935	\$6,336,520	\$2,228,091	\$5,512,701	\$499,529	\$4,899,897
1991	92,656,392	46,358,382	25,176,007	2,774,035	630,070	5,152,757	2,215,138	6,345,610	558,163	3,446,230
1990	88,821,627	43,300,830	25,182,676	2,957,646	617,200	5,463,953	2,052,306	6,320,488	564,046	2,362,482
1989	91,683,407	40,349,302	23,956,139	2,527,537	596,233	10,594,369	1,838,594	7,708,925	509,184	3,603,124
1988	86,582,553	37,560,884	23,136,401	3,132,161	489,775	10,921,238	1,515,621	6,499,076	299,856	3,027,541
1987	77,534,835	34,165,734	22,208,618	1,317,697	474,633	9,394,683	1,091,268	6,020,676	255,020	2,606,506
1986	74,306,839	30,814,928	20,808,629		421,354	9,150,054	1,533,450	8,086,213		3,492,211
1985	63,083,250	27,324,172	19,651,559		403,829	7,953,178	1,147,666	4,545,911		2,056,935
1984	51,576,944	23,760,587	16,644,270		385,009	7,085,896	1,009,111	1,377,798		1,314,273
1983	42,899,061	18,845,162	15,419,637		402,894	5,208,927	722,696	1,381,218		918,527

* Special Assessments and Streetlight Districts were not classified as General Government revenue until fiscal 1987.

**TAX REVENUE BY SOURCE
GENERAL, SPECIAL REVENUE, AND DEBT SERVICE FUNDS
LAST TEN FISCAL YEARS**

TABLE III

FISCAL YEAR	TOTAL TAXES	PRIVILEGE TAXES	GENERAL PROPERTY TAX	FRANCHISE	IN-LIEU PROPERTY
1992	\$48,890,219	\$33,163,422	\$12,287,540	\$3,281,655	\$157,602
1991	46,358,382	31,159,495	11,924,840	3,122,093	151,954
1990	43,300,830	30,462,121	9,822,930	2,935,445	80,334
1989	40,349,302	28,401,262	9,125,216	2,720,995	101,829
1988	37,560,884	25,953,299	9,094,087	2,407,878	105,620
1987	34,165,734	24,273,366	7,707,177	2,093,052	92,139
1986	30,814,928	22,080,785	6,782,380	1,865,339	86,424
1985	27,324,172	20,051,172	5,580,004	1,628,787	64,209
1984	23,760,587	17,460,418	4,980,289	1,267,485	52,395
1983	18,845,162	14,399,311	3,371,348	1,022,588	51,915

TABLE IV

CITY OF SCOTTSDALE
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

FISCAL YEAR	TOTAL TAX LEVY	CURRENT TAX COLLECTIONS	% OF LEVY COLLECTIONS	DELINQUENT TAX COLLECTIONS	FUTURE YEAR TAX COLLECTIONS	TOTAL TAX COLLECTIONS	TOTAL COLLECTIONS % OF CURRENT LEVY	OUTSTANDING DELINQUENT TAXES	OUTSTANDING DELINQUENT AS % OF CURRENT LEVY
1992	\$12,406,428	\$11,242,860	90.62	\$833,008	\$111,672	\$12,187,540	98.23	\$850,230	6.85
1991	12,465,643	11,220,265	90.01	644,872	59,702	11,924,839	95.66	933,490	7.49
1990	9,863,616	9,179,323	93.06	601,806	41,967	9,823,096	99.59	740,805	7.51
1989	9,095,857	8,540,625	93.90	537,687	46,904	9,125,216	100.32	692,636	7.62
1988	8,943,980	8,321,524	93.89	669,796	102,767	9,094,087	101.68	602,824	6.74
1987	7,973,800	7,316,676	91.80	315,643	74,858	7,707,177	96.65	726,036	9.11
1986	6,776,237	6,498,494	95.90	183,078	100,807	6,782,379	100.00	351,720	5.19
1985	5,481,042	5,346,783	97.55	204,822	27,971	5,579,576	101.80	227,482	4.15
1984	5,008,462	4,674,445	93.33	187,583	28,399	4,890,427	97.64	227,075	4.49
1983	3,448,356	3,264,176	94.65	44,053	118,261	3,426,490	99.37	198,681	5.76

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**CITY OF SCOTTSDALE
ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS**

COMPARATIVE ASSESSED VALUATION CLASSIFICATION

		REAL ESTATE IMPROVEMENTS	SECURED PERSONAL	UNSECURED PERSONAL	UTILITIES RAILS WIRES	GROSS VALUATION	EXEMPTIONS	NET TAXABLE VALUATION	ESTIMATED ACTUAL VALUATION (\$000)
1991-92 P	Note	\$1,220,208,593	\$13,420,160	\$81,408,370	\$59,724,632	\$1,374,761,755	\$462,386	\$1,374,299,369	\$9,455,811
S	\$626,794,230	644,386,540	13,420,160	81,436,505	59,805,265	1,425,842,700	464,083	1,425,378,617	9,753,991
1990-91 P	Note	1,223,412,100	17,661,195	77,524,985	56,007,880	1,374,606,160	462,542	1,374,143,616	9,328,072
S	\$659,705,245	667,306,900	17,661,195	77,544,940	56,057,300	1,478,275,580	462,211	1,477,813,367	9,921,082
1989-90 P	Note	1,135,696,035	16,335,940	72,491,425	52,966,020	1,277,489,420	475,955	1,277,013,465	8,660,247
S	657,418,600	641,834,315	16,335,940	72,491,425	53,002,235	1,441,082,515	478,065	1,440,604,450	9,609,263
1988-89 P	Note	997,492,015	16,141,580	61,292,800	48,590,545	1,123,516,940	506,116	1,123,010,824	7,599,557
S	575,199,010	584,018,330	16,141,580	61,280,715	48,689,065	1,285,328,700	506,543	1,284,822,157	8,503,650
1987-88 P	Note	884,855,850	15,960,085	52,975,475	46,231,835	1,000,023,245	511,936	999,511,309	6,824,658
S	500,624,140	539,400,325	15,960,085	53,014,855	46,258,720	1,155,258,125	501,752	1,154,756,373	7,766,372
1986-87 P	Note	754,011,020	20,209,940	51,209,830	37,742,485	863,173,275	544,917	862,628,358	5,924,016
S	359,032,815	543,595,735	20,209,940	51,284,540	37,742,495	1,011,865,545	536,119	1,011,329,426	6,818,621
1985-86 P	Note	612,418,575	19,491,720	31,181,985	34,897,580	697,989,860	347,947	697,641,913	4,996,510
S	289,289,410	442,267,375	19,491,720	31,282,385	34,897,580	817,228,470	335,622	816,892,848	5,498,018
1984-85 P	Note	497,307,980	5,586,005	34,234,800	32,718,135	569,846,920	404,295	569,442,625	4,008,323
S	238,256,260	360,033,625	5,586,005	34,344,260	32,718,135	670,938,285	379,760	670,558,525	4,684,493
1983-84 P	Note	415,957,110	7,117,670	44,027,420	31,163,760	498,265,960	432,103	497,833,857	3,450,866
S	207,127,235	328,758,240	7,117,670	44,179,445	31,163,760	618,346,350	359,684	617,986,666	4,252,661
1982-83 P	Note	337,368,075	873,145	23,763,595	34,378,830	396,383,645	489,152	395,894,493	3,250,168
S	118,468,430	294,573,905	873,145	23,971,545	34,378,830	472,265,855	424,824	471,841,031	2,781,027

Note: Real Estate and Improvements combined in primary valuation.

ASSESSED VALUATION HISTORIES

	City of Scottsdale	Maricopa County	State of Arizona
1991-92 P	\$1,374,299,369	\$13,875,615,691	\$21,620,849,326
S	1,425,378,617	14,235,175,875	22,193,297,451
1990-91 P	1,374,143,616	14,132,765,094	21,665,493,366
S	1,477,813,367	14,772,923,118	22,538,018,640
1989-90 P	1,277,013,465	13,686,040,352	21,005,523,893
S	1,440,604,450	14,687,784,811	22,339,250,803
1988-89 P	1,123,010,824	12,373,679,006	19,288,421,282
S	1,284,822,157	13,493,208,236	20,832,030,237
1987-88 P	999,511,309	11,487,860,703	17,968,514,121
S	1,154,756,373	12,401,720,464	19,343,265,895
1986-87 P	862,628,358	9,752,363,542	15,869,884,369
S	1,011,329,426	10,963,593,442	17,651,286,504
1985-86 P	697,641,913	8,073,816,168	13,660,461,630
S	816,892,848	9,038,215,631	15,187,957,117
1984-85 P	569,442,625	7,057,697,234	12,136,753,090
S	670,558,525	7,929,606,629	13,527,994,589
1983-84 P	497,833,857	6,372,193,869	11,135,717,824
S	617,986,666	7,477,212,494	12,864,444,352
1982-83 P	395,894,493	5,257,521,736	9,943,400,152
S	471,841,031	6,034,315,165	11,199,119,863

Note: Property tax reform legislation approved by the voters on June 3, 1980, created PRIMARY (P) SECONDARY (S) valuation bases. Taxes levied on PRIMARY valuations are for maintenance and operation of counties, cities, school districts, community college districts, and the state. Taxes levied on SECONDARY valuations are for debt retirement, voter-approved budget overrides, and maintenance and operation of special-service districts.

**CITY OF SCOTTSDALE
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS**

TAX RATES PER \$100 ASSESSED VALUATIONS

FISCAL YEAR		CITY OF SCOTTSDALE	SCHOOL DISTRICTS		MARICOPA COUNTY	STATE OF ARIZONA	FLOOD DISTRICT	CENTRAL ARIZONA PROJECT	FIRE DISTRICT	LIBRARY	TOTAL
			SCOTTSDALE UNIFIED	COMMUNITY COLLEGE							
1991-92	Primary	\$.4101	\$4.1346	\$.7459	\$1.5143	\$.4700	\$	\$	\$	\$	\$7.2749
	Secondary	.4750	1.1437	.0943	.1741		.4447	.1400	.0082	.0444	2.5244
	TOTAL	.8851	\$5.2783	.8402	\$1.6884	.4700	.4447	.1400	.0082	.0444	\$9.7993
1990-91	Primary	\$.3941	\$4.1697	\$.7047	\$1.5045	\$.4700	\$	\$	\$	\$	\$7.2430
	Secondary	.4772	.9093	.0916	.1683		.4235	.1000	.0064	.0420	2.2183
	TOTAL	.8713	\$5.0790	.7963	\$1.6728	.4700	.4235	.1000	.0064	.0420	\$9.4613
1989-90	Primary	\$.3919	\$4.3220	\$.6869	\$1.4426	\$.4700	\$	\$	\$	\$	\$7.3134
	Secondary	.3373	.9637	.0639	.1637		.4303	.1000	.0064	.0420	2.1073
	TOTAL	.7292	\$5.2857	.7508	\$1.6063	.4700	.4303	.1000	.0064	.0420	\$9.4207
1988-89	Primary	\$.4031	\$4.3393	\$.6473	\$1.4370	\$.4700	\$	\$	\$	\$	\$7.2967
	Secondary	.3556	.8458	.0684	.1656		.5000	.1000	.0087	.0445	2.0886
	TOTAL	.7587	\$5.1851	.7157	\$1.6026	.4700	.5000	.1000	.0087	.0445	\$9.3853
1987-88	Primary	\$.4100	\$5.2000	\$.6100	\$1.4300	\$.3800	\$	\$	\$	\$	\$8.0300
	Secondary	.4200	.4900	.0700	.2100		.5000	.1000	.0100	.0300	1.8300
	TOTAL	.8300	\$5.6900	.6800	\$1.6400	.3800	.5000	.1000	.0100	.0300	\$9.8600
1986-87	Primary	\$.4200	\$4.9100	\$.6600	\$1.4500	\$.3800	\$	\$	\$	\$	\$7.8200
	Secondary	.4400	.6500	.0800	.2200		.5000	.0700			1.9600
	TOTAL	.8600	\$5.5600	.7400	\$1.6700	.3800	.5000	.0700			\$9.7800
1985-86	Primary	\$.4300	\$4.7600	\$.7100	\$1.4500	\$.4000	\$	\$	\$	\$	\$7.7500
	Secondary	.4600		.1100	.1600		.5000	.0700			1.3000
	TOTAL	.8900	\$4.7600	.8200	\$1.6100	.4000	.5000	.0700			\$9.0500
1984-85	Primary	\$.4800	\$4.3000	\$.7500	\$1.5000	\$.4000	\$	\$	\$	\$	\$7.4300
	Secondary	.4200		.1600	.1600		.5000	.0700			1.1500
	TOTAL	.9000	\$4.3000	.7500	\$1.6600	.4000	.5000	.0700			\$8.5800
1983-84	Primary	\$.5100	\$4.3400	\$.7700	\$1.5300	\$.7500	\$	\$	\$	\$	\$7.9000
	Secondary	.4000	.1300		.2400		.4800	.0500			1.3000
	TOTAL	.9100	\$4.4700	.7700	\$1.7700	.7500	.4800	.0500			\$9.2000
1982-83	Primary	\$.5500	\$3.9800	\$.8000	\$1.5700	\$.7500	\$	\$	\$	\$	\$7.6500
	Secondary	.2600	.2100		.1600		.5000	.0300			1.1600
	TOTAL	.8100	\$4.1900	.8000	\$1.7300	.7500	.5000	.0300			\$8.8100

Scottsdale residents residing outside Scottsdale Unified School District:

School District	1991-92 Tax Rate Total
Balsz Elementary	\$11.62
Cave Creek	9.52
Fountain Hills	10.56
Paradise Valley	12.42
Tempe	11.52

**CITY OF SCOTTSDALE
PROPERTY TAX LEVIES - DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS**

TAX LEVIES

FISCAL YEAR		SCHOOL DISTRICTS			MARICOPA COUNTY	STATE OF ARIZONA	FLOOD DISTRICT	CENTRAL ARIZONA PROJECT	FIRE DISTRICT	LIBRARY	TOTAL
		CITY OF SCOTTSDALE	SCOTTSDALE UNIFIED	COMMUNITY COLLEGE							
1991-92	Primary	\$5,636,002	\$63,651,363	\$103,498,218	\$210,113,008	\$65,215,394	\$	\$	\$	\$	\$448,113,985
	Secondary	6,770,426	18,014,779	13,421,470	25,868,883		46,536,815	19,929,247	1,167,284	6,320,418	138,029,322
	TOTAL	\$12,406,428	\$81,666,142	\$116,919,688	\$235,981,891	\$65,215,394	\$46,536,815	\$19,929,247	\$1,167,284	\$6,320,418	\$586,143,307
1990-91	Primary	\$5,413,466	\$64,113,108	\$99,559,163	\$209,542,215	\$63,689,678	\$	\$	\$	\$	\$442,317,630
	Secondary	7,052,177	14,778,034	13,524,900	26,049,981		46,551,742	14,187,398	1,192,883	5,958,707	129,295,822
	TOTAL	\$12,465,643	\$78,891,142	\$113,084,063	\$235,592,196	\$63,689,678	\$46,551,742	\$14,187,398	\$1,192,883	\$5,958,707	\$571,613,452
1989-90	Primary	\$5,004,616	\$63,682,375	\$94,016,141	\$197,430,202	\$64,324,340	\$	\$	\$	\$	\$424,457,674
	Secondary	4,859,000	15,336,527	9,382,900	24,041,307		47,234,724	14,687,785	982,630	6,618,870	123,143,743
	TOTAL	\$9,863,616	\$79,018,902	\$103,399,041	\$221,471,509	\$64,324,340	\$47,234,724	\$14,687,785	\$982,630	\$6,618,870	\$547,601,417
1988-89	Primary	\$4,526,857	\$57,697,334	\$80,098,810	\$177,809,767	\$58,121,461	\$	\$	\$	\$	\$378,254,229
	Secondary	4,569,000	12,426,366	9,218,850	12,324,183		50,832,192	13,480,787	1,179,127	6,000,000	110,030,505
	TOTAL	\$9,095,857	\$70,123,700	\$89,317,660	\$190,133,950	\$58,121,461	\$50,832,192	\$13,480,787	\$1,179,127	\$6,000,000	\$488,284,734
1987-88	Primary	\$4,131,980	\$63,154,347	\$70,272,141	\$165,318,498	\$43,656,031	\$	\$	\$	\$	\$346,532,997
	Secondary	4,812,000	6,532,030	9,057,513	27,251,761		47,860,799	12,402,456	1,184,118	4,135,868	113,236,545
	TOTAL	\$8,943,980	\$69,686,377	\$79,329,654	\$192,570,259	\$43,656,031	\$47,860,799	\$12,402,456	\$1,184,118	\$4,135,868	\$459,769,542
1986-87	Primary	\$3,609,800	\$53,017,998	\$64,252,038	\$140,945,425	\$37,058,981	\$	\$	\$	\$	\$298,884,242
	Secondary	4,364,000	7,966,614	8,936,900	26,639,165		44,850,000	7,674,515			100,431,194
	TOTAL	\$7,973,800	\$60,984,612	\$73,188,938	\$167,584,590	\$37,058,981	\$44,850,000	\$7,674,515			\$399,315,436
1985-86	Primary	\$3,042,009	\$43,000,993	\$57,198,367	\$117,171,280	\$31,718,427	\$	\$	\$	\$	\$252,131,076
	Secondary	3,734,228		9,265,991	14,500,000		35,258,000	6,326,751			69,084,970
	TOTAL	\$6,776,237	\$43,000,993	\$66,464,358	\$131,671,280	\$31,718,427	\$35,258,000	\$6,326,751			\$321,216,046
1984-85	Primary	\$2,719,021	\$32,632,320	\$52,825,981	\$105,958,455	\$28,197,257	\$	\$	\$	\$	\$222,333,034
	Secondary	2,762,021		11,919,468			29,484,792	5,544,888			49,711,169
	TOTAL	\$5,481,042	\$32,632,320	\$52,825,981	\$117,877,923	\$28,197,257	\$29,484,792	\$5,544,888			\$272,044,203
1983-84	Primary	\$2,558,626	\$29,535,753	\$49,021,392	\$97,060,969	\$47,791,454	\$	\$	\$	\$	\$225,968,194
	Secondary	2,449,836	1,044,991		17,945,309		25,750,000	3,738,606			50,928,742
	TOTAL	\$5,008,462	\$30,580,744	\$49,021,392	\$115,006,278	\$47,791,454	\$25,750,000	\$3,738,606			\$276,896,936
1982-83	Primary	\$2,188,451	\$22,663,965	\$42,157,932	\$82,722,892	\$39,432,461	\$	\$	\$	\$	\$189,165,701
	Secondary	1,259,905	1,441,572		9,655,311		22,348,935	1,810,371			36,516,094
	TOTAL	\$3,448,356	\$24,105,537	\$42,157,932	\$92,378,203	\$39,432,461	\$22,348,935	\$1,810,371			\$225,681,795

Beginning with fiscal year 1980-81, all governmental units are required to enact a primary levy for operating expenses and a secondary levy for debt service requirements.

**CITY OF SCOTTSDALE
PRINCIPAL TAXPAYERS
JUNE 30, 1992**

TABLE VII

TAXPAYER	TYPE OF BUSINESS	ASSESSED VALUATION	PERCENT OF SECONDARY ASSESSED VALUATION
Arizona Public Service	Electric Utility	\$30,073,595	2.11
Motorola, Inc.	Electronics Manufacturing	23,463,665	1.65
Westcor Company II Ltd. Partnership	Shopping Center	14,822,305	1.04
McKesson Corporation	Pharmaceutical Company	9,907,170	0.70
U.S. West Communications	Telecommunications	9,757,945	0.68
Joyce M. Corrigan	Owner of Undeveloped Property	9,519,125	0.67
Herberger Enterprises and Trust	Residential Property Owners	8,379,000	0.59
Mayo Foundation for Medicine	Medical Facility	6,529,955	0.46
Registry Resort	Resort	6,379,025	0.45
Southwest Gas	Gas Utility	6,111,095	0.43
Camelview Shopping Center	Shopping Center	5,382,715	0.38
Kemper Marley	Landowner	5,087,310	0.36
		\$135,412,905	9.52

TABLE VIII

**CITY OF SCOTTSDALE
SPECIAL ASSESSMENT COLLECTIONS AND BILLINGS
LAST TEN FISCAL YEARS**

FISCAL YEAR	SPECIAL ASSESSMENTS BILLED	CURRENT ASSESSMENTS COLLECTED	RATIO OF COLLECTIONS TO AMOUNT DUE	TOTAL OUTSTANDING* CURRENT AND DELINQUENT ASSESSMENTS
1991-92	\$4,277,490	\$4,232,313	98.9%	\$45,177
1990-91	3,154,734	3,107,553	98.5	47,181
1989-90	3,000,779	2,936,746	97.9	64,033
1988-89	3,039,493	3,000,260	98.7	39,233
1987-88	3,052,968	3,029,100	99.2	23,868
1986-87	2,145,044	2,128,060	99.2	16,984
1985-86	1,885,731	1,884,530	99.9	1,201
1984-85	469,277	468,058	99.7	1,219
1983-84	307,290	302,047	98.3	5,243
1982-83	530,838	522,765	98.5	8,073

* Under Arizona law, public auctions are held in January of each year at which disposition of then-delinquent assessments is made. By bid, special lien rights to properties against which due but unpaid assessments exist are offered in return for payment of all outstanding amounts plus penalties. In the event there are not interested bidders, the delinquency must be satisfied from budgetary funds of the sponsoring governmental unit. Thus, in January of each year, all outstanding delinquent assessments are collected. The amounts shown in this column, if any, represent unpaid balances of the June 1 semi-annual interest installment only.

TABLE IX

**CITY OF SCOTTSDALE
RATIO OF NET GENERAL OBLIGATION BONDED DEBT TO ASSESSED VALUE
AND NET BONDED DEBT PER CAPITA
LAST TEN FISCAL YEARS**

FISCAL YEAR	POPULATION (1)	ASSESSED VALUE	GROSS BONDED DEBT (2)	LESS DEBT SERVICE FUNDS	NET BONDED DEBT	RATIO OF NET BONDED DEBT TO ASSESSED VALUE	NET BONDED DEBT PER CAPITA
1991-92	139,050	\$1,425,378,617	\$67,290,000	\$4,931,821	\$62,358,179	4.4%	\$448.46
1990-91	133,949	1,477,813,367	50,615,000	5,674,407	44,940,593	3.0	335.51
1989-90	130,720	1,440,604,450	52,400,000	5,438,209	46,961,791	3.3	359.25
1988-89	127,553	1,284,822,157	29,535,000	6,256,289	23,278,711	1.8	182.50
1987-88	124,562	1,154,756,373	32,950,000	7,028,420	25,921,580	2.2	208.10
1986-87	120,541	1,011,329,426	36,335,000	7,769,234	28,565,766	2.8	236.98
1985-86	114,993	816,892,848	40,195,000	8,270,674	31,924,326	3.9	277.62
1984-85	107,900	670,558,525	30,800,000	6,525,723	24,274,277	3.6	224.97
1983-84	100,900	617,986,666	31,000,000	6,492,884	24,507,116	4.0	242.89
1982-83	98,600	417,841,031	11,365,000	6,047,735	5,317,265	1.1	53.93

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(1) Source: City Planning Staff

(2) Excludes 1986 Water System Acquisition and Improvement General Obligation Bonds which are paid for with Water Utility Revenue.

**CITY OF SCOTTSDALE
COMPUTATION OF LEGAL DEBT MARGINS
JUNE 30, 1992**

TABLE X

Assessed Value		\$1,425,378,617
Debt Limit 6% of Assessed Value		85,522,717
Amount of Debt Applicable to Debt Limit		
Total 6% General Obligation Bonded Debt		
1968 Civic Center	1,125,000	
1983 CIP Series A	2,400,000	
1985 CIP Series B	375,000	
1990 CIP Series A	21,519,000	
1991 Refunding	1,930,000	
1991 Series B	13,760,600	41,109,600
		41,109,600
Less:		
Cash in Debt Service Funds		
1968 Civic Center	200,000	
1983 CIP Series A	2,000,000	
1991 Refunding	125,000	2,325,000
		2,325,000
Total Debt Applicable to Debt Limit		38,784,600
		38,784,600
Legal Debt Margin		\$46,738,117
		\$46,738,117
Debt Limit 20% of Assessed Value		\$285,075,723
Amount of Debt Applicable to Debt Limit		
Total 20% General Obligation Bonded Debt		
1973 Storm Sewer Series A	3,500,000	
1983 CIP Series A	5,600,000	
1986 Water Improvements	36,190,000	
1990 CIP Series A	7,266,000	
1991 Refunding	6,900,000	
1991 Series B	5,239,400	64,695,400
		64,695,400
Less:		
Cash in Debt Service Funds		
1973 Storm Sewer Series A	3,500,000	
1986 Water Improvements	690,000	4,190,000
		4,190,000
Total Debt Applicable to Debt Limit		60,505,400
		60,505,400
Legal Debt Margin		\$224,570,323
		\$224,570,323

TABLE XI

**CITY OF SCOTTSDALE
RATIO OF ANNUAL DEBT SERVICE EXPENDITURES
FOR GENERAL OBLIGATION BONDED DEBT
TO TOTAL GENERAL GOVERNMENTAL OPERATING EXPENDITURES
LAST TEN FISCAL YEARS**

FISCAL YEAR	PRINCIPAL	INTEREST	DEBT SERVICE	TOTAL EXPENDITURES	RATIO OF DEBT SERVICE TO TOTAL EXPENDITURES
1992	\$2,325,000	\$4,448,878	\$6,773,878	\$98,616,817	6.87%
1991	2,515,000	3,462,318	5,977,318	92,217,407	6.48
1990	2,475,000	2,724,699	5,199,699	84,881,157	6.13
1989	3,445,000	2,178,611	5,623,611	95,645,945	5.90
1988	3,415,000	2,339,321	5,754,321	91,528,855	6.26
1987	3,385,000	2,651,968	6,036,968	84,961,071	7.11
1986	3,860,000	2,782,036	6,642,036	79,682,450	8.34
1985	975,000	2,080,725	3,055,725	58,041,919	5.26
1984	670,000	1,114,165	1,784,165	50,714,853	3.52
1983	660,000	589,860	1,249,860	44,551,039	2.81

TABLE XII

**CITY OF SCOTTSDALE
WATER AND SEWER UTILITY REVENUE BOND COVERAGE
LAST TEN FISCAL YEARS**

COVERAGE INCLUDING 1986 GENERAL OBLIGATION BOND EXPENSES

FISCAL YEAR	GROSS REVENUE	OPERATING & MAINTENANCE EXPENSES	NET REVENUE AVAILABLE FOR DEBT SERVICE	PRINCIPAL	INTEREST	TOTAL	COVERAGE	REQUIRED COVERAGE
1992	\$36,784,727	\$23,685,494	\$13,099,233	\$1,785,000	\$3,849,104	\$5,634,104	2.32	1.20
1991	34,101,914	25,034,722	9,067,192	1,605,000	3,956,008	5,561,008	1.63	1.20
1990	33,204,682	19,749,304	13,455,378	1,295,000	3,742,838	5,037,838	2.67	1.20
1989	28,081,975	15,044,722	13,037,253	1,170,000	3,562,876	4,732,876	2.75	1.20
1988	26,327,551	12,208,834	14,118,717	1,050,000	3,624,851	4,674,851	3.02	1.20
1987	19,757,728	11,333,904	8,423,824	690,000	3,001,897	3,691,897	2.28	1.20
1986	16,048,667	6,275,565	9,773,102	950,000	1,084,061	2,034,061	4.80	1.20
1985	12,936,684	5,259,787	7,676,897	1,270,000	1,151,571	2,421,571	3.17	1.20
1984	10,415,234	4,843,415	5,571,819	1,200,000	770,132	1,970,132	2.83	1.20
1983	8,122,921	4,007,847	4,115,074	685,000	490,573	1,175,573	3.50	1.20

COVERAGE NOT INCLUDING 1986 GENERAL OBLIGATION BOND EXPENSES

FISCAL YEAR	GROSS REVENUE	OPERATING & MAINTENANCE EXPENSES	NET REVENUE AVAILABLE FOR DEBT SERVICE	PRINCIPAL	INTEREST	TOTAL	COVERAGE
1992	\$36,784,727	\$23,685,494	\$13,099,233	\$1,095,000	\$1,374,281	\$2,469,281	5.30
1991	34,101,914	25,034,722	9,067,192	1,020,000	2,014,346	3,034,346	2.99
1990	33,204,682	19,749,304	13,455,378	800,000	1,178,375	1,978,375	6.80
1989	28,081,975	15,044,722	13,037,253	765,000	964,798	1,729,798	7.54
1988	26,327,551	12,208,834	14,118,717	725,000	999,798	1,724,798	8.19
1987	19,757,728	11,333,904	8,423,824	690,000	1,033,111	1,723,111	4.89

DEFINITIONS:

- REVENUES - includes all revenues, all receipts, interest income, etc., actually realized for services and interest. Development fees are not included.
- EXPENSES - includes operating and maintenance expenses that are necessary for on-going operations;
 - depreciation is a non-operating expense and is not included in expense;
 - indirect expense, in lieu property tax, and franchise fee expense are a regular business agreement with other funds, therefore are included in expenses;
 - contract principal is not reflected in expenses.

TABLE XIII

CITY OF SCOTTSDALE
TOTAL DIRECT AND OVERLAPPING GENERAL OBLIGATION DEBT

The City's proportionate share of general obligation debt of all local governmental units which provide services within the City's boundaries and which must be borne by properties in the City is summarized below:

Name of Governmental Unit	Net Bond Outstanding	% Applicable To This Municipality	City of Scottsdale Share of Debt
State of Arizona	None	6.56%	\$ 0
Maricopa County	\$182,750,000	10.01	18,298,891
Maricopa County Community College District	19,600,000	10.01	1,961,960
Tempe Elementary School District No. 3	24,125,000	0.00	97
Balsz Elementary School District No. 31	None	4.29	0
Scottsdale Unified School District No. 48	140,385,000	68.19	96,035,387
Paradise Valley Unified School District No. 69	188,860,000	18.85	35,600,110
Cave Creek Unified School District No. 93	19,010,000	42.11	8,004,192
Tempe Union High School District No. 213	69,165,000	0.00	207
Phoenix Union High School District No. 210	108,200,000	0.22	262,779
Total Overlapping Debt			160,163,623
City of Scottsdale	66,115,000	100.00	66,115,000
Total Direct and Overlapping Debt			\$226,278,623

TABLE XIV

**CITY OF SCOTTSDALE
DEMOGRAPHIC STATISTICS
LAST TEN FISCAL YEARS**

FISCAL YEAR	POPULATION (1)	PER CAPITA INCOME (2) (5)	MEDIAN AGE (2) (5)	EDUCATION LEVEL IN YEARS OF SCHOOLING (2)	SCHOOL ENROLLMENT (3)	UNEMPLOYMENT RATE (4) (5)
1992	139,050	\$23,482	39.1	N/A	20,357	4.7%
1991	133,949	20,937	37.0	N/A	19,647	3.1
1990	130,720	20,543	35.0	N/A	19,276	3.0
1989	127,553	17,926	35.0	N/A	19,350	2.7
1988	124,562	16,891	39.0	N/A	20,081	3.5
1987	120,541	14,975	39.0	N/A	19,337	4.3
1986	114,993	14,716	36.9	13.5	19,255	3.9
1985	107,900	14,071	43.5	14.2	18,830	3.6
1984	100,900	10,900	38.5	12.0	19,032	2.9
1983	98,600	12,200	39.4	13.0	19,803	5.9

Sources:

- (1) City Planning Staff
- (2) Inside Phoenix (Republic and Gazette)
- (3) Scottsdale School District
- (4) Arizona Department of Economic Security
- (5) City Planning Staff - Fiscal Years 1988, 1989, and 1990 only

CITY OF SCOTTSDALE
PROPERTY VALUE, CONSTRUCTION, AND BANK DEPOSITS
LAST TEN FISCAL YEARS

FISCAL YEAR	COMMERCIAL CONSTRUCTION (1)		RESIDENTIAL CONSTRUCTION (1)		BANK DEPOSITS MARICOPA COUNTY		PROPERTY VALUE (3)		
	NUMBER OF PERMITS	VALUE	NUMBER OF DWELLING UNITS	VALUE	(\$000)	(2)	COMMERCIAL	RESIDENTIAL	NONTAXABLE
1992	1,296	\$ 33,101,112	2,327	\$490,763,126	\$19,425,952		\$3,818,532,680	\$5,935,463,922	\$621,380,175
1991	935	53,179,292	2,028	363,705,832	18,992,331		4,131,284,706	5,789,786,355	607,232,155
1990	1,035	116,911,202	1,571	229,271,970	17,119,454		4,074,473,248	5,534,789,752	606,445,209
1989	1,287	243,007,000	1,932	360,424,000	14,491,100		3,507,955,829	5,076,358,189	457,067,285
1988	1,416	172,700,000	3,996	545,900,000	15,373,219		3,034,294,469	4,807,553,647	390,010,293
1987	2,369	241,225,414	3,907	400,622,346	16,305,623		2,419,008,011	4,399,613,412	300,069,057
1986	2,436	190,962,782	4,027	386,391,288	13,973,325		1,935,264,476	3,596,269,350	220,255,201
1985	2,691	184,975,825	3,917	363,121,381	12,287,691		1,453,886,466	3,118,169,191	253,820,222
1984	2,529	124,939,954	3,504	294,370,574	10,286,853		1,276,210,112	2,925,474,200	230,412,720
1983	1,949	67,585,662	2,404	137,180,307	8,603,186		810,425,162	2,439,742,604	194,655,713

Note (1) Source - City Building Inspection Staff
 Note (2) Source - Arizona Bankers Association
 Note (3) Source - Abstract published by the Arizona State Department of Revenue

TABLE XVI

**CITY OF SCOTTSDALE
MISCELLANEOUS STATISTICAL DATA
JUNE 30, 1992**

Date of Incorporation	- June 25, 1951	Area - Square Miles
Date Charter Adopted	- November 16, 1961	1951 - .62
Form of Government	- Council/Manager	1961 - 8.80
Population		1970 - 62.20
1950 Census	- 2,032	1975 - 85.80
1960 Census	- 10,026	1979 - 88.60
1965 Special Census	- 54,504	1982 - 113.60
1970 Census	- 67,823	1986 - 183.60
1975 Special Census	- 78,065	1987 - 184.30
1980 Census	- 88,412	1988 - 184.80
1985 Census	- 108,447	1990 - 185.20
1990 Census	- 130,069	1992 - 185.20
1992 Est. 06/30/92	- 139,050	
Miles of Sewers		
Storm		28.43
Sanitary		692.70
Fire Protection		
Number of Stations		6
The City of Scottsdale has no fire employees but contracts with Rural/Metro Corporation to provide fire service to all residents.		
Police Protection		
Number of Employees		312
Number of Traffic Citations (excluding parking)		39,324
Number of Vehicles		143
The City jail is a holding facility. All long-term prisoners are incarcerated in the County jail.		
Recreation		
Parks - Number of Acres		2,576
Number of Swimming Pools		3
Number of Other Recreation Facilities		38
These include schools and school playgrounds in cooperation with Scottsdale School District.		
Water Enterprise		
Number of Water Customers		48,320
Annual Consumption (Gallons)		13,542,763,085
System Capacity (Gallons Per Day)		86,645,120
Miles of Distribution Lines		940.20
Number of Streetlights		7,989
Employees as of June 30, 1992		
Full-Time		1,178
Part-Time		286
Grant Funded		6
Total		1,470
Elections		
Number of registered voters as of last regular election, March, 1992		87,535
Number/% voting in last municipal election		17,068/19.5%
Population		
Median Age of Residents		39.1
Mean Average Household Income		47,344
Mean Average Home Value - Single Family		148,358

TABLE XVII

**CITY OF SCOTTSDALE
SCHEDULE OF INSURANCE IN FORCE
June 30, 1992**

Carrier	Policy Description	Amount of Coverage
Arkwright Mutual Insurance Co. 12/31/90 to 12/31/95	Property Insurance Repair or Replace \$25,000 Deductible	\$137,421,000
Insurance Company of the West 07/01/91 to 07/01/92	Excess Liability Coverage \$1,000,000 Retention	\$ 1,000,000
Insurance Company of the West 07/01/91 to 07/01/92	Excess Liability Coverage	\$ 9,000,000
National Union Fire Insurance 07/01/91 to 07/01/92	Airport, Hangarkeepers and Non-owned Aviation Coverage \$5,000 Deductible	\$ 50,000,000
Employers Reinsurance 07/01/91 to 07/01/92	Excess Workers' Compensation Coverage \$300,000 Retention	Statutory

TABLE XVIII

**CITY OF SCOTTSDALE
SALARIES AND SURETY BONDS OF PRINCIPAL OFFICIALS
FOR FISCAL YEAR ENDED JUNE 30, 1992**

OFFICIAL TITLE	MAXIMUM	BOND
Mayor	\$33,600	\$ 10,000
Councilmen (6)	13,800	10,000
City Manager	111,758	1,000,000
City Clerk	56,410	1,000,000
City Attorney	91,936	1,000,000
City Treasurer	87,547	1,000,000
City Judge	79,290	1,000,000
City Auditor	68,536	1,000,000

**PUBLIC EMPLOYEES HONESTY AND FAITHFUL PERFORMANCE
BOND**

All City Employees	\$1,000,000 per employee
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