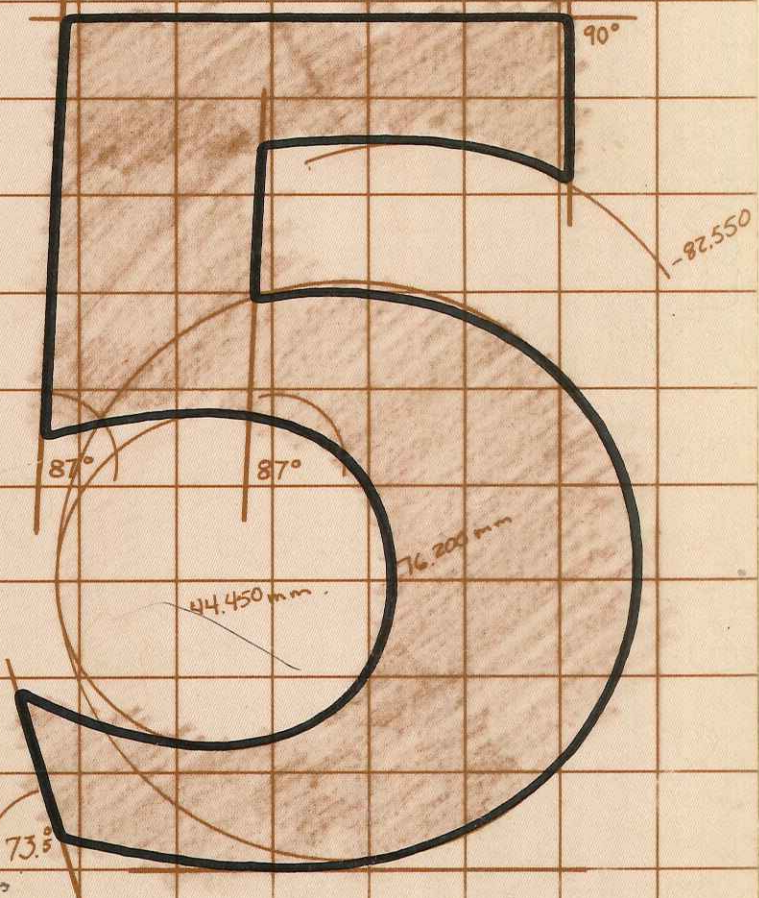
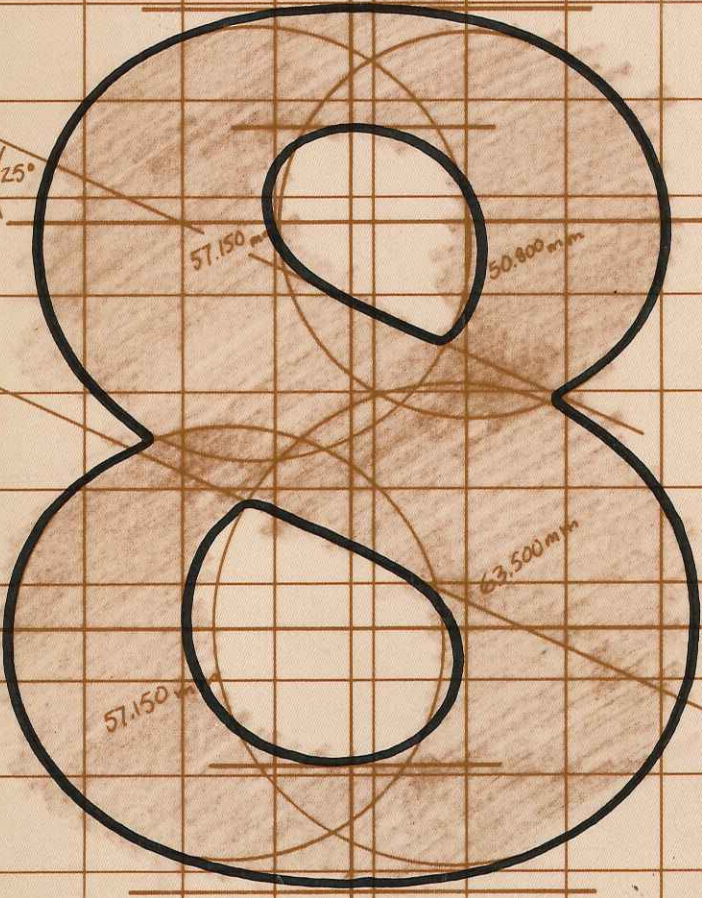
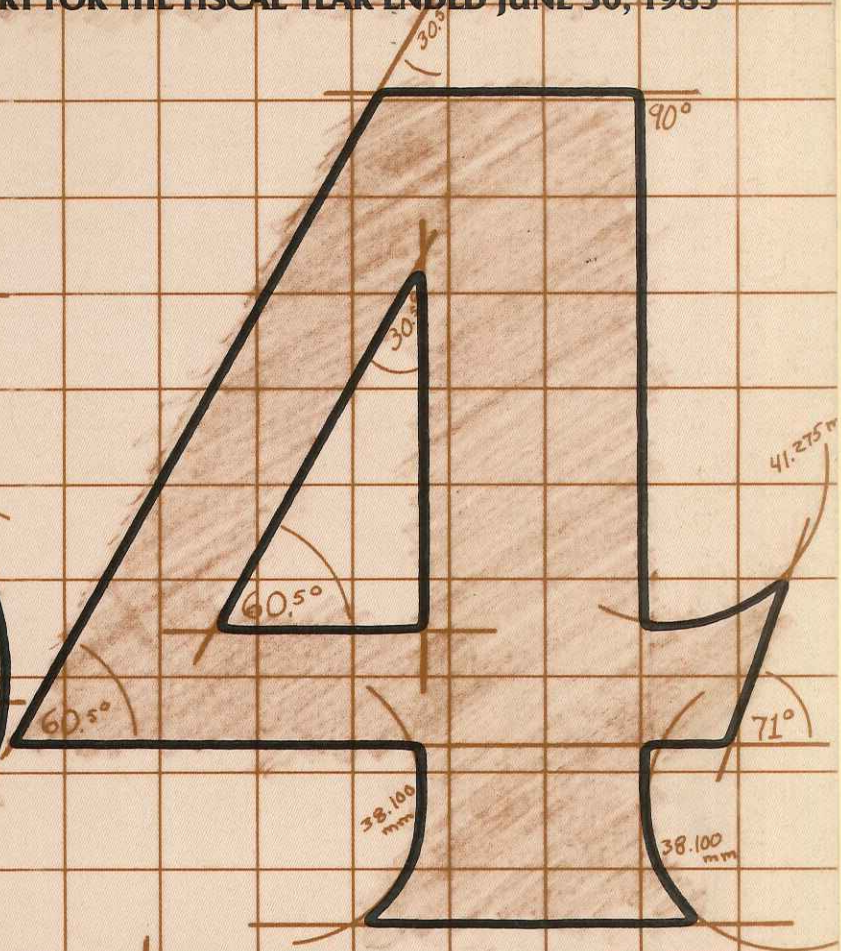
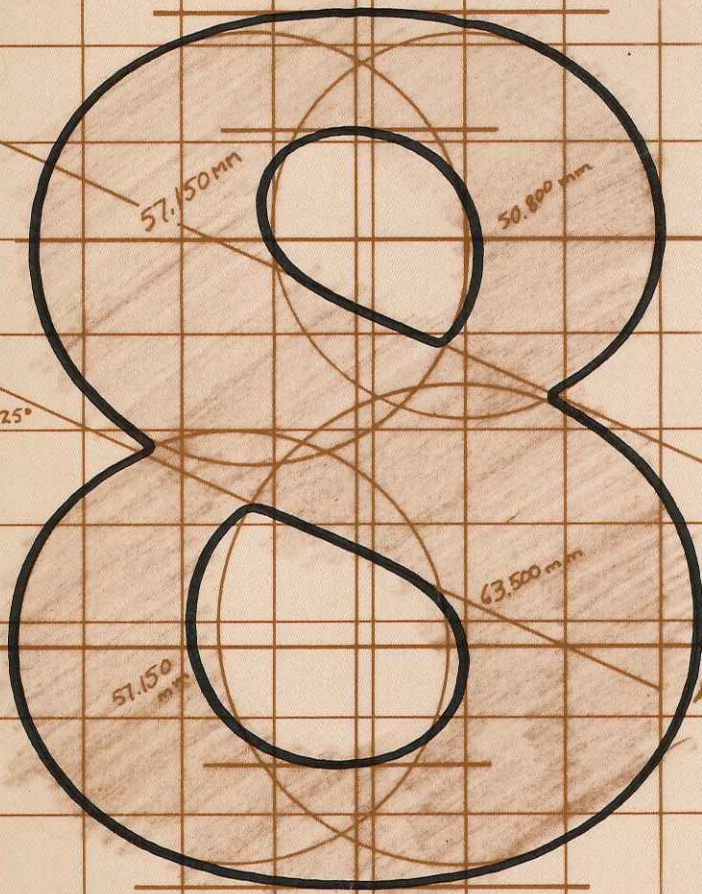
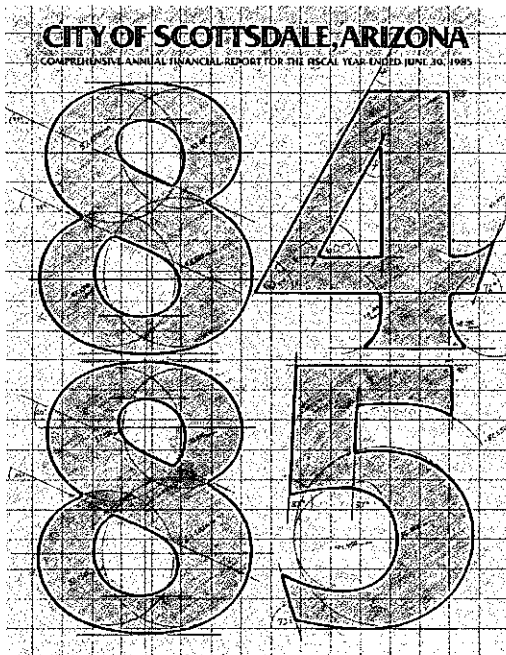


# CITY OF SCOTTSDALE, ARIZONA

COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 1985



## ABOUT THE COVER



### Building A New City . . . A World-Class City!

All across the country, Scottsdale is recognized as a city with a difference; an innovative city that knows what it wants to be and how to achieve it. Benefiting from the dedicated efforts of a very forward-thinking City Council and an involved citizenry, the city was first with solutions like the Indian Bend Wash Flood-Control Greenbelt Project, a model city sign ordinance, a successful civic center redevelopment and a hillside environmental protection ordinance.

With the onset of the 1980's, Scottsdale entered an entirely new era of growth — not simply in population, but in terms of building a new city. Downtown revitalization is under way, our transportation system is being redesigned, important water management policies are being written, master planned development is occurring in the north and city service levels and demands are increasing.

A proactive community, the Scottsdale tradition is to act boldly and innovatively — before significant problems develop. Scottsdale is building . . . planning . . . engineering a world-class city of tomorrow . . . today.

## THE CITY



### Scottsdale City Council

The City of Scottsdale, Arizona was incorporated in 1951. At that time, the land was less than one square mile and the population under 2,000. Today, Scottsdale encompasses more than 147 square miles and has a population just over 100,000.

Scottsdale is a dynamic community with a reputation for financial soundness. Because of its strong investment characteristics, Moody's Investors Service, Inc. has given Scottsdale an "Aa1" rating — the highest general obligation bond rating of any municipality in Arizona. Illustrating the city's conservative approach to responsible financial management is our proven "pay-as-you-go" policy for financing many capital improvement projects. The city, under this policy, pays cash for its major improvements rather than going into debt.

Scottsdale's revenue comes from a variety of sources. Tourism is a key factor in the revenue, as nearly 1.5 million visitors each year contribute through their spending in hotels and motels, and in restaurants and retail stores. The city's overall economy, however, is diverse, with more garden-type industries being attracted to this area each year. Although growing at an impressive rate, Scottsdale has successfully retained the friendliness of a small western community, while developing a renowned quality-of-life for residents and visitors alike.



CITY OF SCOTTSDALE, ARIZONA  
COMPREHENSIVE ANNUAL  
FINANCIAL REPORT  
FISCAL YEAR ENDED  
JUNE 30, 1985

CITY COUNCIL

HERBERT R. DRINKWATER, MAYOR

JEAN L. BLACK

JAMES D. BRUNER

DIANE D. CUSACK

BILLIE AXLINE GENTRY

BILL WALTON

RENE' WENDELL

ROY R. PEDERSON - CITY MANAGER

TOM DAVIS - ASSISTANT CITY MANAGER

Prepared by

Management Services Department

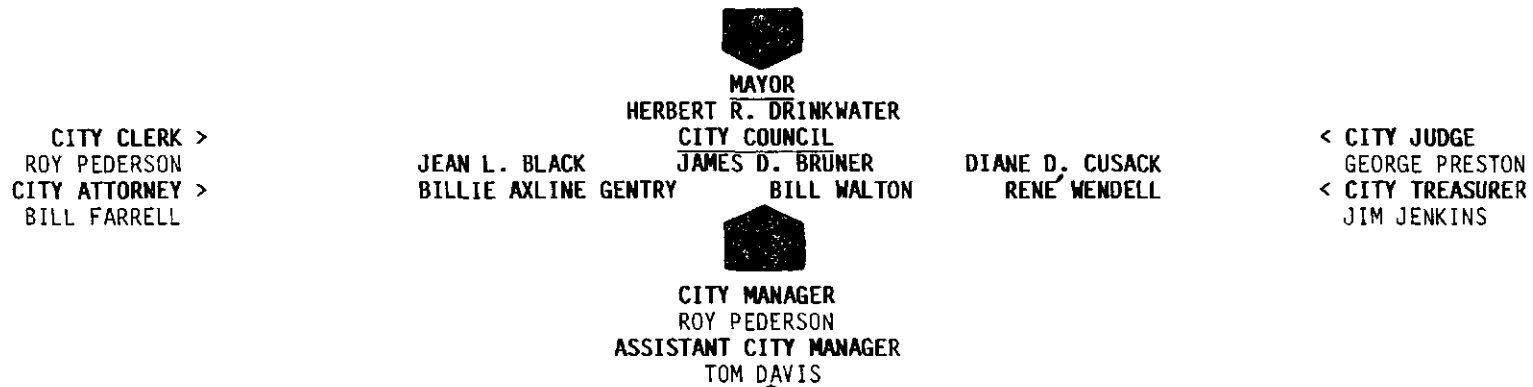
James A. Jenkins

Management Services Dept. Head/City Treasurer

**ORGANIZATIONAL STRUCTURE FOR SCOTTSDALE CITY GOVERNMENT**

PERSONNEL BOARD      FINE ARTS COMMISSION      HUMAN SERVICES ADVISORY COMMISSION      PLANNING COMMISSION  
 LIBRARY ADVISORY BOARD      BOARD OF ADJUSTMENT      PARKS & RECREATION COMMISSION      AIRPORT ADVISORY COMMISSION  
 DEVELOPMENT REVIEW BOARD      BUILDING ADVISORY BOARD OF APPEALS      CABLE TELEVISION COMMISSION

**Citizen advisory groups such as those above provide input and make recommendations to the City Council in a variety of areas**



**City Departments and Programs**

<b>GENERAL GOVERNMENT</b>	<b>COMMUNITY SERVICES</b>	<b>MANAGEMENT SERVICES</b>	<b>POLICE DEPARTMENT</b>	<b>COMMUNITY DEVELOPMENT</b>	<b>FIELD OPERATIONS</b>	<b>SPECIAL PROJECTS</b>	<b>PLANNING &amp; ECONOMIC DEVELOPMENT</b>
DICK BOWERS DEPUTY CITY MGR	BOB FROST DEPT HEAD	JIM JENKINS DEPT HEAD	MIKE GANNON CHIEF	BARBARA BURNS DEPT HEAD	CARL DARDEN DEPT HEAD	DAVE HARRIS DEPUTY CITY MGR	LARRY BUSSARD HEAD
Airport City Court Communications & Public Affairs/ Cable Comcns Human Resources Intergovernmental Relations Mgmt Systems Organizational Development	Arts Human Services Library Parks Recreation Support Svcs	Accounting/ Budget Customer Svcs Purchasing Risk Mgmt	Patrol Bureau Criminal Investigations Bureau Technical Svcs Bureau	Development Svcs Inspection Svcs Project Review Public Works: Transportation, Capital, Improvement Dis Engr Water Resources	Field Svcs Fleet Mgmt Sanitation Water & Wastewater	Special developmental & long-range projects	Community Planning Downtown Planning Community Development Block Grants Economic Development

City of Scottsdale  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT

June 30, 1985

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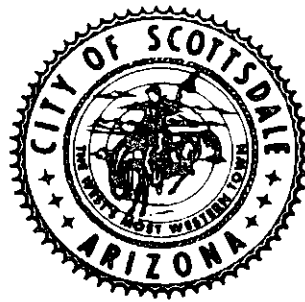
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**INTRODUCTORY  
SECTION**



September 27, 1985

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, 1985, is submitted in accordance with Article 6, Section 14, of the City Charter. This report was prepared by the City's Accounting and Budget Program. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. Staff believes the data, as presented, is accurate in all material aspects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the City as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain the maximum understanding of the City's financial affairs have been included.

This report consists of three sections. The Introductory Section contains this letter of transmittal which highlights the financial affairs of the City for the fiscal year and the supplemental Certificate of Conformance in Financial Reporting issued to the City for its June 30, 1984, annual financial report. The Financial Section includes: (1) The opinion of the independent certified public accountants based upon their audit as required by City Charter and State Law; (2) Combined financial statements; (3) Combining statements - by fund type and individual fund; and (4) Schedules presenting greater detail for information reported in the statements. The Statistical Section includes financial information for both prior and current periods of time and related non-financial data which provide insight into the financial basis of the City.

#### Financial Policies

The accounting policies of the City conform to generally accepted accounting principles as applicable to governmental units.

*- Own Source of Income (Enterprise)*

The Proprietary Funds are maintained on the accrual basis of accounting. The accrual basis of accounting recognizes revenue when it is earned and measurable and expenses when incurred, if measurable. The Governmental and Fiduciary Funds are maintained on the modified accrual basis of accounting. The modified accrual basis of accounting recognizes revenue when cash is received, except for amounts, which, if determinable, are recognized as revenue when measurable and available. Expenditures are recognized when

*Bonds  
Trusts*

## Financial Policies (Continued)

Liabilities are incurred, if measurable, except for unmatured interest on general long-term debt and on special assessment indebtedness secured by interest-bearing special assessment liens, which are recognized when due.

The City's accounting system gives due consideration to the adequacy of internal accounting controls. 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.

Budgetary control is maintained by a monthly allotment system and the encumbrance of allotment balances with purchase orders prior to their release to vendors. Purchase orders which exceed allotment balances are not released until additional appropriations are made. Open encumbrances are reported as reservations of fund balance at June 30, 1985.

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 National Council on Governmental Accounting Statement 3, Defining the Governmental Reporting Entity. The statements include the activities and functions of the City of Scottsdale Municipal Property Corporation but not those of the Industrial Development Authority for the City of Scottsdale nor the Scottsdale Public School System. Further data defining these determinations is available in the Notes to Financial Statements.

## Financial Overview

A comparison of fund balances for Governmental and Fiduciary Funds shows a large increase in total. The General Fund, Debt Service Funds, and Capital Projects Funds show substantial increases in fund balance. The General Fund increase can be attributed to continued economic expansion and the effect of the Asset Transfer Program which provides for Capital Improvements to be funded from the Capital Projects Funds. The Debt Service Fund increase is created by continued contributions to satisfy the Sinking Fund requirement associated with the 1973 General Obligation Storm Sewer Bonds and the inclusion this year of Municipal Properties Corporation debt service requirements. The Capital Projects fund increased \$31.6 million over last year. During the year \$59.2 million was added from Municipal Property Corporation bond proceeds for construction of assets for the City. The fund balance will decrease each year as the assets being constructed are completed. The Special Assessment Fund balance decreased \$3.9 million. This occurs because expenditures are recorded currently, whereas the revenue associated with the Special Assessments is recorded over the life of the special assessment receivable. The assessment receivable is greater than the deficit shown.

Financial Overview (Continued)

	<u>FY 1984-85</u>	<u>FY 1983-84</u>	<u>Increase (Decrease)</u>
General	\$15,838,841	\$ 3,834,828	\$12,004,013
Highway User	305,934	98,436	207,498
Community Development	15,208	15,762	(554)
Grants	313,161	104,985	208,176
Debt Service	18,428,792	7,362,713	11,066,079
Capital Projects	61,820,669	30,268,310	31,552,359
Special Assessments	(6,256,135)	(2,378,419)	(3,877,716)
Trust and Agency	373,420	484,736	(111,316)
Total Fund Balances	<u>\$90,839,890</u>	<u>\$39,791,351</u>	<u>\$51,048,539</u>

A comparison of total retained earnings for Proprietary Funds reveals a substantial increase over last year. Water and Sewer increased significantly over last year. This is necessary to fund the extensive capital improvement expenditures that are planned to keep pace with the City's growth.

	<u>FY 1984-85</u>	<u>FY 1983-84</u>	<u>Increase (Decrease)</u>
Water and Sewer	\$35,636,781	\$27,158,690	\$ 8,478,091
Airport	(1,281,799)	(1,029,489)	(252,310)
Public Housing	31,085	(134,414)	165,499
Motor Pool	748,361	763,723	(15,362)
Self Insurance	664,697	588,783	75,914
Total Retained Earnings	<u>\$35,799,125</u>	<u>\$27,347,293</u>	<u>\$ 8,451,832</u>

Governmental and Fiduciary Funds Revenue

Revenue for Governmental and Fiduciary Funds totaled \$69,352,889 in 1985, an increase of 26.4 percent over 1984. Taxes - Local increased \$3,563,585 over 1984, with local privilege tax providing the major portion of the increase. Taxes - Intergovernmental increased \$2,103,456 over 1984, with State Shared Sales Tax reflecting a strong statewide economic recovery and Auto Lieu Tax displaying the rebound of auto sales. Grants increased \$903,833 from last year's actual as a result of increased Federal aid. Charges for current services are over last year's actual by \$867,282 which represents continued growth in the construction industry. Use of Money and Property increased \$6,037,788 over 1984 because of interest generated by unexpended bond proceeds, and the Asset Transfer Program.

Governmental and Fiduciary Funds Revenue (Continued)

<u>Revenue Source</u>	<u>FY 1984-85</u>	<u>FY 1983-84</u>	<u>Increase (Decrease)</u>	<u>%</u>
Taxes-Local	\$27,324,172	\$23,760,587	\$ 3,563,585	15.0
Taxes-Intergovernmental	16,643,230	14,539,774	2,103,456	14.5
Grants	3,008,329	2,104,496	903,833	42.9
Licenses	403,829	385,009	18,820	4.9
Charges for Current				
Services	7,953,178	7,085,896	867,282	12.2
Fines and Forfeitures	1,147,666	1,009,111	138,555	13.7
Use of Money & Property	8,867,132	2,829,344	6,037,788	213.4
Miscellaneous	2,884,002	2,162,931	721,071	33.3
CIP Reimbursements	1,121,351	1,011,963	109,388	10.8
<b>Total</b>	<b><u>\$69,352,889</u></b>	<b><u>\$54,889,111</u></b>	<b><u>\$14,463,778</u></b>	<b><u>26.4</u></b>

Another interesting comparison is that of percentage contribution by revenue source. This comparison generally shows changes that are explained above.

<u>Revenue Source</u>	<u>FY 1984-85</u>	<u>FY 1983-84</u>	<u>Increase (Decrease)</u>
Taxes-Local	39.4%	43.2%	(3.8)%
Taxes-Intergovernmental	24.0	26.5	(2.5)
Grants	4.3	3.8	.5
Licenses	.6	.7	(.1)
Charges for Current			
Services	11.5	12.9	(1.4)
Fines and Forfeitures	1.7	1.8	(.1)
Use of Money & Property	12.7	5.2	7.5
Miscellaneous	4.2	4.0	.2
CIP Reimbursements	1.6	1.9	(.3)
<b>Total</b>	<b><u>100.0%</u></b>	<b><u>100.0%</u></b>	<b><u>-0-</u></b>

Governmental and Fiduciary Funds Expenditures

Expenditures of Governmental and Fiduciary Funds increased by 70.8 percent or \$39,776,298 over 1985. The unusual increases occurred in Debt Services and Capital Improvements which increased \$8,324,554 and \$23,054,835, respectively. Debt Service reflects the new bonds issued in 1983 plus the increases in contractual obligations such as Municipal Properties Corporation debt. Capital Improvements increased due to the expenditure of the funds created by new bonds and Municipal Properties financings.

Governmental and Fiduciary Funds Expenditures (Continued)

<u>Department</u>	<u>FY 1984-85</u>	<u>FY 1983-84</u>	<u>Increase (Decrease)</u>	<u>%</u>
General Government	\$ 2,814,361	\$ 2,930,695	\$ (116,334)	(4.0)
Police	8,352,188	7,433,027	919,161	12.4
Management Services	1,873,189	1,631,739	241,450	14.8
Field Operations	10,573,974	9,035,611	1,538,363	17.0
Community Services	8,155,034	7,198,146	956,888	13.3
Community Development	7,116,544	5,678,868	1,437,676	25.3
Debt Service	12,720,297	2,607,555	10,112,742	387.8
Non Departmental	7,625,803	5,833,286	1,792,517	30.7
Capital Improvements	36,696,713	13,641,878	23,054,835	169.0
Provision for Litigation	-0-	161,000	(161,000)	(100.0)
<b>Total</b>	<b><u>\$95,928,103</u></b>	<b><u>\$56,151,805</u></b>	<b><u>\$39,776,298</u></b>	<b><u>70.8</u></b>

Treasury Management

Temporarily, idle cash was invested during the year in Time Certificates of Deposit, U. S. Treasury Securities, Federal Agency Securities, the State of Arizona Investment Pool, and Repurchase Agreements. These investments yielded 11.23 percent on an average daily invested balance of \$71,375,000. At June 30, 1985, the investments totaled \$118,692,953 and consisted of:

U. S. Treasury Securities	\$ 5,459,124	4.6%
Federal Agency Securities	46,578,674	39.2%
State Investment Pool	33,670,000	28.4%
Improvement District Bonds	222,000	.2%
Certificates of Deposit	15,589,155	13.2%
Repurchase Agreements	17,174,000	14.4%
	<b><u>\$118,692,953</u></b>	<b><u>100.0%</u></b>

The maturities for these investments range from five days to thirty years with interest yields from 6.5% to 12.75%.

Debt Administration

The ratio of annual debt service for general bonded debt to total general expenditures provides an indication of a municipality's ability to meet debt service requirements. This percentage is 5.43 percent for 1984-85 compared to 3.52 percent for 1983-84. More detailed information about bonded debt can be found in the Statistical Section.

The City presently has the following bond ratings: General Obligation Bonds Moody's Investor Service Aa 1, Standard and Poor's AA; Water and Sewer Revenue Bonds - Moody's Investor Service A-1, Standard and Poor's A; Highway User Revenue Bonds - Moody's Investor Service A-1, Standard and Poor's AA. Additionally, the City has a legal debt margin of \$23,638,512 for 6% General Obligation Bonds and \$126,432,428 for 20% General Obligation Bonds. There is no legal limit on Revenue Bonds.

### General Fixed Assets

The general fixed assets of the City are those assets used in the performance of general governmental functions and exclude the fixed assets of utilities and other enterprise activities. As of June 30, 1985, the general fixed assets of the City amounted to \$414,546,302. This amount represents the original cost of assets or the estimated fair market value where the original cost was not calculable or where the asset was contributed by a developer or other party to the City. The values for land and for buildings and improvements for statement purposes are considerably less than their present value. Depreciation of general fixed assets is not recognized in the City's accounting system.

### Water and Sewer System

The retained earnings for the water and sewer system have increased \$8,478,091 over last year. The primary reasons for this increase are higher revenues for water service charges of \$1,334,182, water development fees, \$325,804, sewer development fees, \$160,322, and sewer service charges, \$301,068.

Expenses have increased \$753,963 over last year for a total of \$7,562,763. Water and Sewer operations have increased \$670,693 and decreased \$541,914, respectively, over last year. Depreciation expense increased \$337,591 over last year due to added system facilities.

### Airport

The net loss for the Airport increased \$40,856 from last year to \$252,310 for fiscal year 1984-85. Revenue increased \$64,340 over last year due primarily to revenue from an increased number of businesses offering services at the airport. Expenses increased \$128,324 from last year with \$107,890 occurring in airport operating expenses.

### Public Housing Fund

The Public Housing Fund is operated in conjunction with the Neighborhood Development Project providing low-cost, subsidized housing for those families that were displaced by the project. During 1984-85 all remaining rental properties were sold. Notes Receivable in the amount of \$522,333 are held by the City from the property sales. Retained earnings at June 30, 1985, total \$31,085 up from last year's deficit of \$134,414 due to gains on the sale of the properties.

### Internal Service Funds

These funds provide services or commodities to other programs within the City. The intent is to be self-sustaining by charging the users a fee that is consistent with the fund's cost of providing the service. The Motor Pool Fund achieved a net decrease in unreserved retained earnings of \$15,362 on

## Internal Service Funds (Continued)

total revenue of \$3,679,910 down from last year's total revenue of \$3,891,005. This revenue reduction was planned for this year so that user fees charged reflected the actual cost of providing the services.

### Significant Events and Accomplishments for Fiscal Year 1984-85

- o The local economy registered a significant increase over last year.

Local Privilege Tax receipts increased \$2,497,890 or 15.3 percent. Inflation as measured by the Phoenix Metro CPI increased 5.9 percent during the same period.

State Shared Sales Tax increased \$391,143 or 8.5 percent. This tax source did not grow as much as the local privilege tax.

3,917 residential building unit permits were issued, up 413 permits from last year. Single family unit permits were up 352 and multi-family unit permits were up 61.

Residential and non-residential permit valuations totaled \$548.3 million for 1984-85, up \$128.2 million (30.5 percent) from \$420.1 million total permitted valuation in 1983-84.

- o Developed and implemented a comprehensive Corporate Wellness Program for all City employees and their immediate families.
- o Implemented a joint training accreditation with Scottsdale Community College for the Scottsdale Professional Development Program.
- o Implemented the Human Resources Network with major Scottsdale employers (Scottsdale Memorial Hospital, Sentry Insurance, Rural/Metro Fire Corporation, and Scottsdale School District) to exchange information and strengthen organizational ties.
- o Developed and implemented an action plan to bring all City facilities into compliance with Federal handicapped access regulations.
- o Planned and conducted Volunteer Awareness Day including a public seminar on volunteerism.
- o Implemented project ELF (Eliminate Legal Files) and City-wide records retention program which resulted in annual savings and cost avoidance of two million dollars.
- o Implemented Phase Two of the City's Comstar Computer System by installing an additional 150 terminals and training 200 employees for a total of 300 terminals installed and 400 employees trained.
- o Received international acclaim by winning THE GOLD FIRST AWARD FOR OFFICE AUTOMATION.



Significant Events and Accomplishments for Fiscal Year 1984-85 (Continued)

- o Installed computer terminals in the homes of the Mayor and City Council in efforts to improve service to the citizens of Scottsdale.
- o Implemented a City-wide automated file drawer to speed up City staff access to frequently used information.
- o Completed, after more than 20 years of construction, the Indian Bend Wash Greenbelt Flood Control Project. It was formally dedicated with three days of ceremonies and recreational activities, and an official history of the completed project was published.
- o Fifty-five City employees received comprehensive video production training from the City's in-house video production facility in support of Citycable 7.
- o Presentations given by more than 60 staff members during FY 84-85 to local service clubs and organizations as part of the City's Speakers Bureau outreach program.
- o Introduced SCOTTSDALE CITIZEN magazine during FY 84-85. This publication/newsletter was mailed to every Scottsdale resident and business at no cost to the City.
- o A series of successful, City Council, neighborhood meetings was held throughout the community in early 1985. Input from these meetings is being used to increase our communication effort regarding areas of concern to our citizens.
- o The Scottsdale Community Cable Corporation (SC3) was established to "promote" community television programming for cablecasting. United Cable submitted the first two \$50,000 semi-annual payments in support of the SC3.
- o The Office of Cable Communications monitored the completion of construction of the service area extending as far east as 128th Street and as far north as the Airpark. The cable system currently consists of 538 miles of plant serving 20,000 subscribers.
- o The City has received the video equipment package committed by United in their license agreement to support municipal programming on Citycable 7. This programming will greatly expand the City's communication with Scottsdale citizens.
- o Consumer protection provisions in the renegotiated cable television license agreement, along with a renewed effort by United to improve its relationship with subscribers, has significantly decreased the level of complaints filed with the Office of Cable Communications. A total of 237 complaints were filed during the year compared with 633 for 1983-84.
- o Five hundred eighty-seven Scottsdale City employees pledged \$25,000 through payroll deductions for the restoration of the Statue of Liberty and Ellis Island and planned the 100th anniversary celebration of these important symbols of our heritage.

Significant Events and Accomplishments For Fiscal Year 1984-85 (Continued)

- o Public event days at the Arts Center increased 11.6% over last year for a total of 672.
- o Added three new agencies to the senior center social services: Gray Panthers Shared Housing, AARP/NRT Health Insurance Counseling, and Senior Adult Live-in-Care Program.
- o Realized a 42% increase in children served by back-to-school clothing drive.
- o The new 1,000 square foot Vista Food Bank was completed. This food bank is in full use and has increased the space available for food storage and also the sorting of donated food much more efficiently.
- o Completed the final selection of an automated library system vendor, and installed computer hardware cables and related peripherals.
- o Initiated a 24-hour automated telephone renewal service for library patrons.
- o McCormick Railroad Park had over 10,000 more train riders than the previous year, with a total of 133,945 riders.
- o One thousand four hundred thirteen violations were filed in City Court for an increase of 50% from last fiscal year. No special enforcement had been initiated to account for the increase.
- o Thirty-six thousand two hundred forty complaints were filed in City Court, an increase of 16% from last fiscal year. Additional police personnel, special enforcement (trucking violations, urban fishing license, motorcycle patrol), and City growth contributed to the increased number of citations written.
- o The court has implemented a new service counter area and an automated call answering phone to provide better service to the public.
- o Credit cards are now accepted by the City Court for paying court imposed fees.
- o Completed the airport master plan and noise compatibility program.
- o Completed a major runway and taxiway overlay project.
- o Total airport operations (takeoffs and landings) for calendar year 1984 were 156,620, an increase of five percent over calendar year 1983, reversing a four-year declining trend.
- o In maturing neighborhoods applied 796,306 square yards of asphalt treatment.
- o Pumped 6,566.23 million gallons of water up from 6,364.7 million gallons in FY 83-84.

Significant Events and Accomplishments For Fiscal Year 1984-85 (Continued)

- o Sanitation absorbed 1,564 homes into Residential Collection without adding equipment or personnel.
- o In FY 84-85 Sanitation removed 171,612,000 pounds of refuse, an average of 1,492.3 pounds per citizen.
- o Developed and implemented Asset Transfer Financing for various City properties generating additional revenue to the City of \$5.6 million.
- o Implemented a joint-auditing plan with major Arizona cities and the State for the auditing of businesses and for compliance with Local Sales Tax Ordinance.
- o Risk Management successfully completed its seventh year of self-insurance. Cost of risk for City's workers compensation and liability exposures was significantly less than the cost of available conventional insurance.
- o Adopted Ordinance 1709 requiring all structures within the City of Scottsdale be equipped with fire sprinklers.
- o Continued refinement of the One-Stop Shop development process resulting in 92 percent of private development plans and capital projects submitted being reviewed within five days since January 1, 1985.
- o Implemented fast track construction process on eight major developments including Civic Center Underpass, CAP Treatment Plant, and Horsemen's Park.
- o Instituted Zoning Blitz concept and completed the area south of Indian School Road. The purpose of the blitz was to improve the appearance of our older, established neighborhoods by going house-to-house informing residents of zoning violations on their property.
- o Completed construction of the TCE Treatment Facility. This facility was in operation in time to help beat summer peak water use and is the first plant in Arizona to clean TCE contaminated drinking water.
- o Ground was broken on the Central Arizona Water Treatment Plant. Scottsdale's negotiated agreement with the Scottsdale Water Service Company which contracts with private enterprise to design, finance, construct, and operate the plant, is the first of its kind in the country.

## Future Outlook

The 1985-86 budget provides for an operating expenditure level of \$64 million, up 21 percent from last year. In addition a contingency program of \$32 million was approved of which \$28 million is designated for capital improvements. The capital improvements projects will be awarded periodically if sufficient revenue is received to fund the projects. This insures that the operating programs can be funded before capital programs, should the actual economic situation be less favorable than anticipated at budget preparation time.

The budget for 1985-86 estimates current revenue at \$13 million more than budgeted for 1984-85. This is a 16 percent increase with the significant revenue increases being:

Privilege Tax increases \$1,887,000 over the adopted budget for FY 1984-85. Construction and Utilities are projected relatively flat, whereas Automotive, Food Stores, Rentals, Restaurant, and Other Taxable Activity are projected to be up 5% to 15%.

Interest earnings increases \$5,580,000 over adopted budget for FY 1984-85. Pooled investment income is estimated at \$53,400,000 average daily balance at 11.4%. Non-pooled interest income is estimated at \$1,095,000.

Property Tax revenue increases \$933,000. This is comprised of a decrease of \$92,000 in the primary portion of the levy and a \$1,025,000 increase in the secondary portion. We estimate that the overall tax rate will be reduced by one cent from last year to \$.89.

Highway User Tax increases \$1,360,000 which represents a 29% increase over budgeted 1984-85 revenue. Highway user estimates are provided by the Arizona Department of Transportation and represent the City's share of the State tax on gasoline and related automotive services.

Capital Improvement Project Reimbursements decreases \$2,433,000. Sale of the Corporation Yard and reimbursement from adjacent property owners for Shea Boulevard improvement from Pima Road to CAP carry over from FY 1984-85 to FY 1985-86. Additional revenue in FY 1985-86 will be realized from FAA reimbursements.

Operational expenditures are budgeted for 1985-86 at \$11 million more than 1984-85. This is a 21 percent increase with the significant increases being:

An increase of \$4,470,000 for personal services includes the projected cost changes for existing fringe benefits and a provision for wage adjustments for employees during FY 1985-86.

The Contractual Services increase is due to the addition of Planet Ranch and Horsemen's Park. Also, community promotion expenditures increased \$108,000 as a result of increased hotel/motel receipts and the addition of a payment to the Valley of the Sun Convention Bureau. Liability and property insurance premiums increased \$235,000. Arizona Water Users Association dues increased \$82,000.

### Future Outlook (Continued)

A major increase in commodities is due to agricultural items and materials for Planet Ranch.

Capital outlay increases include \$182,000 for equipment for Planet Ranch, and a \$558,000 increase in the value of fleet vehicles being replaced in FY 1985-86.

Debt Service requirements have increased \$12,543,094 as a result of contractual obligations for the telephone, computers, the downtown projects, and the golf course. The planned sale of General Obligation and HURF Bonds adds \$2.3 million to the Debt Service requirements.

Capital Improvements Rebudgets have increased \$6,691,000. This is a preliminary estimate of capital items that are budgeted in FY 1984-85 but will not be finished until FY 1985-86.

The budget includes the addition of 68 full-time positions over the current authorized position level of 874. The FY 1984-85 budget originally authorized 819 full-time positions with 55 positions being authorized during the fiscal year.

The budget does not include any new or increased user fees.

This is the fourth year that the City is subject to the State expenditure limitation law. The proposed budget is estimated to be \$14.5 million under the State calculated expenditure maximum. The voter approved exclusion for capital improvement projects is included; without it, the proposed budget would be \$13.5 million in excess of the limitation.

The self-insurance reserve fund balance is planned to increase \$97,000 to \$1,902,492 by the end of FY 1985-86. During FY 1985-86 insurance costs are anticipated to increase substantially as the insurance industry undergoes a major market adjustment. The City is considering reducing some of this increased cost by increasing the retention level for excess insurance from \$100,000 to \$250,000 per occurrence.

A new service for the youth of Scottsdale is included in the budget. Youth and Family Services will provide counseling, education, and employment opportunities for problem or potential problem youth.

The FY 1985-86 Budget anticipates continued growth in retail sales, new business expansion, and both residential and commercial construction. The level of growth is anticipated to be just slightly less than that experienced in FY 1984-85.

### Certificate of Conformance

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Conformance in Financial Reporting to the

Certificate of Conformance (Continued)

City for its comprehensive annual financial report for the fiscal year ended June 30, 1984.

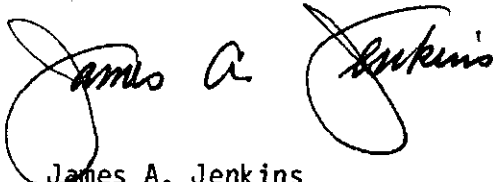
In order to be awarded a Certificate of Conformance, a governmental unit must publish an easily readable and efficiently organized, comprehensive, annual, financial report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Conformance is valid for a period of one year only. It is believed the current report continues to conform to Certificate of Conformance Program requirements, and the City will submit it to Governmental Finance Officers Association to determine its eligibility for another certificate.

Acknowledgment

The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff of the accounting program, who assisted and contributed in its preparation. I also wish to thank your office and members of the City Council for their interest and support in planning and conducting the financial affairs of the City in a responsible and progressive manner.

Respectfully submitted,

Handwritten signature of James A. Jenkins in cursive script.

James A. Jenkins  
Management Services Department Head/  
City Treasurer

JAJ:bkc

# Certificate of Conformance in Financial Reporting

Presented to  
City of  
Scottsdale, Arizona

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 1984

A Certificate of Conformance in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to governmental units and public employee retirement systems whose comprehensive annual financial reports (CAFR's) are judged to substantially conform to program standards.



*John T. Walsh*  
President

*Jeffrey L. Essler*  
Executive Director

**FINANCIAL  
SECTION**





Peat, Marwick, Mitchell & Co.  
Certified Public Accountants  
2020 North Central Avenue  
Phoenix, Arizona 85004

The Honorable Members of the City Council  
City of Scottsdale, Arizona:

We have examined the combined 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, 1985 as identified in the Financial Section Table of Contents. Our examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the combined financial statements referred to above present fairly the financial position of the City of Scottsdale, Arizona at June 30, 1985 and the results of its operations and the changes in financial position of its proprietary fund types for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year. Also, in our opinion, the combining and individual fund financial statements present fairly the financial position of the individual funds of the City of Scottsdale, Arizona at June 30, 1985 and the results of operations of such funds and the changes in financial position of individual proprietary funds for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

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

*Peat, Marwick, Mitchell & Co.*

September 27, 1985

CITY OF SCOTTSDALE  
 COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS  
 JUNE 30, 1985  
 WITH COMPARATIVE TOTALS FOR JUNE 30, 1984

EXHIBIT A-1

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	SPECIAL ASSESSMENTS	TRUST AND AGENCY	ENTERPRISE	INTERNAL SERVICE	GENERAL FIXED ASSETS	GENERAL LONG-TERM DEBT	JUNE 30, 1985	JUNE 30, 1984
Cash and Short-term Investments	\$ 1,046,208	\$ 324,286	\$ 14,405,886	\$ 48,997,864	\$ 3,682,577	\$ 3,239,791	\$ 2,961,613	\$ 2,504,042	\$	\$	\$ 77,162,257	\$ 61,745,732
Cash with Fiscal Agents		720,300	6,517,602		429,114	823,027					8,490,043	9,057,003
Investments	15,634,795		966,895	13,200,571			6,909,478				36,711,739	246,000
Receivables												
Accrued Interest	420,228		586,736	502,760	80,809		208,934	39,561			1,639,028	2,010,516
Property Taxes	257,918		32,767								290,685	435,112
State Shared Sales Tax	418,239										418,239	437,146
Auto Lieu Tax	99,598										99,598	96,566
Gas Tax		537,015									537,015	518,710
Federal Revenue Sharing		210,585									210,585	201,583
Grants		18,521					21,034				39,555	410,993
Special Assessments												
Current					521,894						521,894	441,656
Deferred					8,869,724						8,869,724	9,520,540
Accounts	547,183						2,418,434	3,091			2,968,708	2,592,750
Miscellaneous	305,846	284,754				24,728	32,685				648,013	172,874
Due from Municipal Property Corp.	704,230										704,230	
Inventory of Supplies	197,183										197,183	214,904
Prepaid Expenses	2,001										2,001	49,126
Restricted Cash, Investments, and Receivables							5,476,707				5,476,707	4,570,431
Property, Plant, and Equipment - Less Applicable Accumulated Depreciation and Amortization							107,828,150	3,340,066	414,546,302		525,714,518	430,987,721
Excess Purchase Price Over Fair Market Value of Water System Assets Acquired							871,222				871,222	944,184
Amount Available in Debt Service Fund										16,428,792	18,428,792	6,696,862
Amount to be Provided for Retirement of Long-term Debt										117,084,907	117,084,907	48,602,137
<b>Total Assets and Other Debits</b>	<b>\$ 19,633,429</b>	<b>\$ 2,095,461</b>	<b>\$ 22,309,886</b>	<b>\$ 62,701,195</b>	<b>\$ 13,584,118</b>	<b>\$ 4,087,536</b>	<b>\$126,728,257</b>	<b>\$ 5,886,760</b>	<b>\$414,546,302</b>	<b>\$135,513,699</b>	<b>\$807,086,643</b>	<b>\$579,952,546</b>

See Notes to Financial Statements.

ANNUAL FINANCIAL REPORT

CITY OF SCOTTSDALE  
 COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS  
 JUNE 30, 1985  
 WITH COMPARATIVE TOTALS FOR JUNE 30, 1984

EXHIBIT A-1

LIABILITIES AND FUND EQUITY	GOVERNMENTAL FUND TYPES				FIDUCIARY FUND TYPE	PROPRIETARY FUND TYPES		ACCOUNT GROUPS		TOTALS (MEMORANDUM ONLY)		
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	SPECIAL ASSESSMENTS	TRUST AND AGENCY	ENTERPRISE	INTERNAL SERVICE	GENERAL FIXED ASSETS	GENERAL LONG-TERM DEBT	JUNE 30, 1985	JUNE 30, 1984
<b>Liabilities</b>												
Cash Overdraft	\$	\$ 450,791	\$	\$	\$	\$	\$ 1,227,842	\$	\$	\$	\$ 1,678,633	\$ 1,300,025
Claims Payable	1,384,826	236,360		880,526	642,423	43,724	706,377	744,513			4,638,749	3,002,325
Accrued Payroll	798,309	53,707					103,764	95,593			1,051,373	871,984
Accrued Payroll Withholdings												34,191
Accrued Interest Payable	394,900	495,300					144,454				1,034,654	590,919
Guaranty and Other Deposits						3,670,392					3,670,392	3,210,410
Deferred Revenue												
Property Taxes	255,453										255,453	255,474
Special Assessments					8,869,724						8,869,724	9,520,540
Other	36,305										36,305	
Bonds Interest Payable			2,771,864		429,114		619,836				3,820,814	1,599,799
Bonds Payable - Current		225,000	405,000				1,320,000				1,950,000	1,350,000
Contracts Payable - Current	924,795						1,331,980				2,256,775	1,541,322
Other Deposits												
Long-term Debt (Less Current Portion)					9,894,000		15,832,824			135,513,699	161,240,523	84,115,735
Due To General Fund			704,230								704,230	
Other					4,992		681,893				686,885	548,189
<b>Total Liabilities</b>	<b>3,794,588</b>	<b>1,461,158</b>	<b>3,881,094</b>	<b>880,526</b>	<b>19,840,253</b>	<b>3,714,116</b>	<b>21,968,970</b>	<b>840,106</b>		<b>135,513,699</b>	<b>191,894,510</b>	<b>107,940,913</b>
<b>Fund Equity</b>												
Contributed Capital							70,373,220	3,633,596			74,006,816	59,226,387
Investment in General Fixed Assets									414,546,302		414,546,302	345,646,602
Retained Earnings												
Reserved for												
Revenue Bond Retirement							1,688,708				1,688,708	1,531,489
Water and Sewer System Replacement							1,293,761				1,293,761	980,548
Debt Service												
Unreserved							31,403,598	1,413,058			32,816,656	24,835,256
Fund Balances												
Reserved for												
Encumbrances	985,070	216,650		11,262,220	8,352	5,926					12,478,218	6,940,754
Inventory of Supplies	197,183										197,183	214,904
Debt Service											6,413,413	6,696,862
Street Light Districts			6,413,413								566,260	498,947
Unreserved												
Designated for Asset Transfer Program	12,410,663										12,410,663	
Undesignated	2,245,925	417,653	12,015,379	50,558,449	(6,830,747)	367,494					58,774,153	25,439,884
<b>Total Retained Earnings/ Fund Balance</b>	<b>15,838,841</b>	<b>634,303</b>	<b>18,428,792</b>	<b>61,820,669</b>	<b>(6,256,135)</b>	<b>373,420</b>	<b>34,386,067</b>	<b>1,413,058</b>			<b>126,639,015</b>	<b>67,138,644</b>
<b>Total Fund Equity</b>	<b>15,838,841</b>	<b>634,303</b>	<b>18,428,792</b>	<b>61,820,669</b>	<b>(6,256,135)</b>	<b>373,420</b>	<b>104,759,287</b>	<b>5,046,654</b>	<b>414,546,302</b>		<b>615,192,133</b>	<b>472,011,633</b>
<b>Total Liabilities and Fund Equity</b>	<b>\$ 19,633,429</b>	<b>\$ 2,095,461</b>	<b>\$ 22,309,886</b>	<b>\$ 62,701,195</b>	<b>\$ 13,584,118</b>	<b>\$ 4,087,536</b>	<b>\$ 126,728,257</b>	<b>\$ 5,886,760</b>	<b>\$ 414,546,302</b>	<b>\$ 135,513,699</b>	<b>\$ 807,086,643</b>	<b>\$ 579,992,546</b>

See Notes to Financial Statements.

CITY OF SCOTTSDALE  
 COMBINED STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES  
 FOR THE YEAR ENDED JUNE 30, 1985  
 WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 1984

	GOVERNMENTAL FUND TYPES					FIDUCIARY	TOTALS	
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	SPECIAL ASSESSMENTS	TRUST AND AGENCY	(MEMORANDUM ONLY)	
							JUNE 30, 1985	JUNE 30, 1984
<b>Revenue</b>								
Taxes - Local	\$ 24,308,058	\$	\$ 3,016,114	\$	\$	\$	\$ 27,324,172	\$ 23,760,587
Taxes - Intergovernmental	10,402,567	6,240,663					16,643,230	14,539,774
Grants		3,008,329					3,008,329	2,104,496
Licenses	403,829						403,829	385,009
Charges for Current Services	7,953,178						7,953,178	7,085,896
Fines and Forfeitures	1,147,666						1,147,666	1,009,111
Use of Money and Property	3,355,611		1,190,300	3,744,625	576,596		8,867,132	2,829,344
Miscellaneous	812,509	123,075			1,706,294	242,124	2,884,002	2,162,931
CIP Reimbursements	1,121,351						1,121,351	1,011,963
<b>Total Revenue</b>	<b>49,504,769</b>	<b>9,372,067</b>	<b>4,206,414</b>	<b>3,744,625</b>	<b>2,282,890</b>	<b>242,124</b>	<b>69,352,889</b>	<b>54,889,111</b>
<b>Expenditures</b>								
<b>Current</b>								
General Government	2,138,651						2,138,651	1,927,456
Police	8,344,675	7,513					8,352,188	7,433,027
Management Services	1,873,189						1,873,189	1,631,739
Field Operations	6,107,586	4,466,388					10,573,974	9,035,611
Community Services	7,690,188	464,846					8,155,034	7,198,146
Community Development	4,416,523	2,700,021					7,116,544	5,678,868
Non Departmental	7,625,803						7,625,803	5,833,286
Street Light Districts					322,270		322,270	316,465
Trust and Agency						353,440	353,440	686,774
Provision for Litigation								161,000
<b>Debt Service</b>								
Principal Retirement	3,147,573		539,725				3,687,298	524,084
Interest and Fiscal Charges	1,142,707	1,215,600	5,616,352		1,058,340		9,032,999	2,083,471
Capital Improvements		544,579		31,394,164	4,757,970		36,696,713	13,641,878
<b>Total Expenditures</b>	<b>42,486,895</b>	<b>9,398,947</b>	<b>6,156,077</b>	<b>31,394,164</b>	<b>6,138,580</b>	<b>353,440</b>	<b>95,928,103</b>	<b>56,151,805</b>
Excess (Deficiency) of Revenue Over Expenditures	7,017,874	(26,880)	(1,949,663)	(27,649,539)	(3,855,690)	(111,316)	(26,575,214)	(1,262,694)
<b>Other Sources (Uses)</b>								
Investments of Municipal Property Corporation			1,023,982				1,023,982	
Bond Proceeds			13,240,341	59,201,898			72,442,239	31,000,000
Loss on Sale of Securities			(684,107)				(684,107)	
Contracts Payable								2,870,677
Operating Transfers In	564,474	442,000					1,006,474	1,810,000
Operating Transfers (Out)	(442,000)		(564,474)				(1,006,474)	(1,810,000)
Excess (Deficiency) of Revenue and Other Sources Over Expenditures and Other Uses	7,140,348	415,120	11,066,079	31,552,359	(3,855,690)	(111,316)	46,206,900	32,607,983
Fund Balances July 1	3,834,828	219,183	7,362,713	30,268,310	(2,378,419)	484,736	39,791,351	7,166,261
Reserve for Inventory	(17,721)						(17,721)	17,107
Residual Equity Transfers In	4,881,386						4,881,386	
Residual Equity Transfers Out					(22,026)		(22,026)	
<b>Fund Balances June 30</b>	<b>\$ 15,838,841</b>	<b>\$ 634,303</b>	<b>\$ 18,428,792</b>	<b>\$ 61,820,669</b>	<b>\$ (6,256,135)</b>	<b>\$ 373,420</b>	<b>\$ 90,839,890</b>	<b>\$ 39,791,351</b>

See Notes To Financial Statements.

ANNUAL FINANCIAL REPORT

CITY OF SCOTTSDALE  
 COMBINED SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES -  
 BUDGET AND ACTUAL-BUDGET BASIS-GENERAL, SPECIAL REVENUE, AND DEBT SERVICE FUNDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 1985

EXHIBIT A-3

	TOTALS			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)
	Revenue											
Taxes - Local	\$ 28,672,000	\$ 27,324,177	\$ (1,347,828)	\$ 25,760,125	\$ 24,308,058	\$ (1,452,067)	\$	\$	\$	\$ 2,911,875	\$ 3,016,114	\$ 104,239
Taxes - Intergovernmental	15,625,000	16,643,230	1,018,230	10,010,000	10,407,567	392,567	5,615,000	6,240,663	625,663			
Grants	806,000	849,977	43,977				806,000	849,977	43,977			
Licenses	420,000	403,829	(16,171)	420,000	403,829	(16,171)						
Charges for Current Services	8,451,000	7,953,178	(477,822)	8,431,000	7,953,178	(477,822)						
Fines and Forfeitures	915,000	1,147,666	232,666	915,000	1,147,666	232,666						
Use of Money and Property	1,031,000	3,920,085	2,889,085	1,031,000	3,920,085	2,889,085						
Miscellaneous	140,268	774,584	634,316	140,268	651,509	511,241		123,075	123,075			
CIP Reimbursements	6,133,000	2,094,568	(4,038,432)	3,010,000	2,094,568	(915,432)	3,123,000		(3,123,000)			
Total Revenue	62,173,268	61,111,289	(1,061,979)	49,717,393	50,881,460	1,164,067	9,544,000	7,213,715	(2,330,285)	2,911,875	3,016,114	104,239
Expenditures												
Current												
General Government	2,178,395	2,292,816	(114,421)	2,178,395	2,292,816	(114,421)						
Police	8,578,108	8,397,682	180,426	8,578,108	8,397,682	180,426						
Management Services	2,258,616	2,155,149	83,467	2,238,616	2,155,149	83,467						
Field Operations	11,024,966	11,077,679	(52,713)	6,592,905	6,588,805	4,100	4,432,061	4,488,874	(56,813)			
Community Services	7,961,418	8,009,276	(47,858)	7,961,418	8,009,276	(47,858)						
Community Development	5,899,302	5,802,332	96,970	4,666,140	4,550,108	116,032	1,233,162	1,252,224	(19,062)			
Non-Departmental	7,790,065	8,006,473	(216,408)	7,790,065	8,006,473	(216,408)						
Contingency	2,579,128		2,579,128	3,977		3,977	2,575,151		2,575,151			
Debt Service												
Principal Retirement	1,154,708	1,887,298	(732,590)	914,983	1,647,573	(732,590)				239,725	239,725	
Interest & Fiscal Charges	4,057,436	4,213,087	(175,651)	668,615	854,519	(185,904)	1,216,690	1,215,600	1,090	2,152,131	2,142,968	9,163
Sinking Fund Deposits	520,000	520,000								520,000	520,000	
Capital Improvements	20,971,864	11,019,683	9,952,181	19,838,864	10,443,709	9,395,155	1,133,000	575,974	557,026			
Total Expenditures	74,934,006	63,381,475	11,552,531	61,432,086	52,946,110	8,485,976	10,590,064	7,532,672	3,057,392	2,911,856	2,902,693	9,163
Excess (Deficiency) of Revenue Over Expenditures	(12,760,738)	(2,270,186)	10,490,552	(11,714,693)	(2,064,650)	9,650,043	(1,046,064)	(318,957)	727,107	19	113,421	113,402
Other Sources (Uses)												
Operating Transfers In	3,520,757	442,000	(3,078,757)	2,474,693		(2,474,693)	1,046,064	442,000	(604,064)			
Operating Transfers Out	(442,000)	(442,000)		(442,000)	(442,000)							
Excess (Deficiency) of Revenue and Other Sources Over Expenditures and Other Uses	(9,681,981)	(2,270,186)	7,411,795	(9,682,000)	(2,506,650)	7,175,350		123,043	123,043	19	113,421	113,402
Encumbrances Canceled		1,295,781	1,295,781		1,201,784	1,201,784		93,997	93,997			
Fund Balances July 1, 1984	10,213,252	2,162,273	(8,050,979)	9,682,000	1,675,499	(8,006,501)		(179,077)	(179,077)	531,252	665,851	134,599
Residual Equity Transfer In		3,908,169	3,908,169		3,908,169	3,908,169						
Fund Balances June 30, 1985	\$ 531,271	\$ 5,096,037	\$ 4,564,766	\$ -0-	\$ 4,278,802	\$ 4,278,802	\$ -0-	\$ 37,963	\$ 37,963	\$ 531,271	\$ 779,272	\$ 248,001

See Notes to Financial Statements.

CITY OF SCOTTSDALE

EXHIBIT A-4

COMBINED STATEMENT OF REVENUE, EXPENSES, AND CHANGES  
IN RETAINED EARNINGS - ALL PROPRIETARY FUND TYPESFOR THE FISCAL YEAR ENDED JUNE 30, 1985  
WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 1984

	ENTERPRISE	INTERNAL SERVICE	TOTALS (MEMORANDUM ONLY)	
			JUNE 30, 1985	JUNE 30, 1984
Operating Revenue				
Water Service Charges	\$ 7,409,163	\$	\$ 7,409,163	\$ 6,086,078
Water Connection Fees	341,059		341,059	329,962
Water Development Fees	1,812,916		1,812,916	1,487,112
Sewer Service Fees	3,262,696		3,262,696	2,961,628
Sewer Development Fees	2,190,620		2,190,620	2,030,298
Tie Downs and Rentals	451,707		451,707	225,054
Commissions on Sales	22,638		22,638	184,451
Property Rentals	23,331		23,331	45,920
Billings to User Programs		4,202,880	4,202,880	4,121,604
Other	335,181	306,215	641,396	330,116
Total Operating Revenue	<u>15,849,311</u>	<u>4,509,095</u>	<u>20,358,406</u>	<u>17,802,223</u>
Operating Expenses				
Water Operations	2,526,532		2,526,532	1,855,839
Sewer Operations	1,343,243		1,343,243	1,885,157
Customer Collection	559,511		559,511	272,486
Airport Operations	405,567		405,567	297,677
Public Housing Operations	29,119		29,119	42,316
Motor Pool Operations		2,848,499	2,848,499	2,690,751
Self-Insurance Operations		752,019	752,019	774,812
Depreciation & Amortization	2,471,702	848,024	3,319,726	2,926,328
Indirect Cost	918,696		918,696	898,502
Total Operating Expenses	<u>8,254,370</u>	<u>4,448,542</u>	<u>12,702,912</u>	<u>11,643,868</u>
Operating Income	7,594,941	60,553	7,655,494	6,158,355
Non-Operating Revenue (Expenses)				
Interest Earnings	1,588,585		1,588,585	927,267
Interest Expense	(969,879)		(969,879)	(839,861)
Miscellaneous Expense				(98)
Gain on Sale of Real Estate	177,633		177,633	
Total Non-Operating Revenue (Expenses)	<u>796,339</u>	<u>-0-</u>	<u>796,339</u>	<u>87,308</u>
Net Income	8,391,280	60,553	8,451,833	6,245,663
Retained Earnings July 1	<u>25,994,787</u>	<u>1,352,505</u>	<u>27,347,292</u>	<u>21,101,630</u>
Retained Earnings June 30	<u>\$ 34,386,067</u>	<u>\$ 1,413,058</u>	<u>\$ 35,799,125</u>	<u>\$ 27,347,293</u>

See Notes to Financial Statements.

## CITY OF SCOTTSDALE

EXHIBIT A-5

COMBINED STATEMENT OF CHANGES IN FINANCIAL POSITION -  
ALL PROPRIETARY FUND TYPESFOR THE FISCAL YEAR ENDED JUNE 30, 1985  
WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 1984

	ENTERPRISE	INTERNAL SERVICE	TOTALS (MEMORANDUM ONLY)	
			JUNE 30, 1985	JUNE 30, 1984
<b>Sources of Funds</b>				
From Operations				
Net Income	\$ 8,391,280	\$ 60,553	\$ 8,451,833	\$ 6,245,663
Noncash Charge-Deprecia- tion & Amortization	2,471,702	848,024	3,319,726	2,926,328
Total From Operations	<u>10,862,982</u>	<u>908,577</u>	<u>11,771,559</u>	<u>9,171,991</u>
Contributions				
Water/Sewer Assets From Subdividers	20,178,822		20,178,822	12,167,538
From Government Units	1,289,875		1,289,875	434,850
From Municipality		172,432	172,432	
Increase In				
Current Liabilities	370,448	274,682	645,130	1,574,702
Long-Term Debt				6,861,962
Other Liabilities	298,205		298,205	20,610
Decrease In				
Receivables	438,806	51,189	489,995	31,415
Property, Plant, and Equipment	254,657		254,657	2,455
	<u>33,693,795</u>	<u>1,406,880</u>	<u>35,100,675</u>	<u>30,265,523</u>
<b>Uses of Funds</b>				
Increase in Long-Term Invest- ment	6,909,478		6,909,478	
Contributions of Water/Sewer Assets From Subdividers	20,178,822		20,178,822	12,167,538
Contributions of Water/Sewer Assets from Municipality	6,456,125		6,456,125	
Purchase of Other Property, Equipment, & Construction In Progress	7,967,251	1,182,445	9,149,696	6,396,892
Increase In Receivables	282,050	7,418	289,468	1,187,329
Increase In Restricted Cash and Investments	624,226		624,226	1,254,601
Decrease In				
Other Liabilities	1,060		1,060	31,462
Long-Term Debt	2,665,700		2,665,700	350,573
Contributions from Govern- ment Units	404,575		404,575	
Current Liabilities				30
	<u>45,489,287</u>	<u>1,189,863</u>	<u>46,679,150</u>	<u>21,388,425</u>
Increase (Decrease) in Cash and Short-Term Investments	(11,795,492)	217,017	(11,578,475)	8,877,098
Cash and Short-Term Investments July 1	14,757,105	2,287,025	17,044,130	8,167,032
June 30	<u>\$ 2,961,613</u>	<u>\$ 2,504,042</u>	<u>\$ 5,465,655</u>	<u>\$ 17,044,130</u>

See Notes to Financial Statements.

CITY OF SCOTTSDALE  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 1985

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. Basis Of Presentation - 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

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 special assessments, 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.

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.

Special Assessment - Special Assessment Funds are used to account for the financing of public improvements or services deemed to benefit the properties against which special assessments are levied.

FIDUCIARY FUND TYPES

Trust and Agency - Trust and Agency Funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds.



## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

FIDUCIARY FUND TYPES (Continued)

The City's Trust and Agency Fund is an expendable Trust and Agency Fund, which is accounted for and reported as a governmental fund.

PROPRIETARY FUND TYPES

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

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 accounted for in the proprietary funds and special assessment funds.

B. Basis of Accounting

The modified accrual basis of accounting is followed by the governmental and fiduciary fund types. 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, other than interest on long-term debt which is recorded when due, are recorded when the 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.

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting (Continued)

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 for a discussion of property taxes.)

The proprietary fund types are accounted for using the accrual basis of accounting. Revenue is recognized when earned and expenses are recognized when incurred. Unbilled utility service receivables are recorded at year end.

C. Budgetary Data

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

- o The budgetary process encompasses both the appropriated budget and the legally authorized but non-appropriated budget. The general, enterprise, internal service, special revenue, and debt service funds have appropriated budgets. The capital projects, special assessments, trust and agency funds have non-appropriated budgets. Grants have non-appropriated budgets within the applicable fund.
- o 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.
- o Two public hearings are held prior to the budget's final adoption in order to obtain taxpayer comments.
- o 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. No such action was taken during this fiscal year.
- o 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.
- o Upon the recommendation of the City Manager and with the approval of the City Council, transfers may be made from the appropriations for contingencies to departments. At the request of the City Manager and within the last three months of the fiscal year, the City Council may transfer unencumbered appropriations from one department to another.

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Budgetary Data (Continued)

- o Management control of budgets is further maintained at a line item level within department. Transfers between line items within a department may be done only upon approval of the City Manager.
- o Initial year budget information can be amended during the year in a legally permissible manner.
- o All expenditure appropriations 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. Accordingly, no annual budget is prepared and no comparison of budget to actual is presented in the financial statements.

D. 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.

Encumbrance accounting is not employed in the proprietary fund types since they are reported on the accrual basis. Commitments in the proprietary funds at June 30, 1985, aggregated approximately \$1,200,000.

E. Investments

Investments are stated at cost, or amortized cost, which approximates market. The City's policy is to invest in certificates of deposit, repurchase agreements, direct U. S. Treasury debt, and securities guaranteed by the United States Government or any of its agencies.

F. Inventories

The costs of inventory items are recorded as expenditures when purchased for financial statement purposes and are included on the balance sheet of the General Fund. Inventories aggregated \$197,183 at June 30, 1985, based on a lower of cost or market valuation with cost being determined using an average cost method.

G. General Fixed Assets

General fixed assets have been acquired for general governmental purposes. Assets purchased are recorded as expenditures in the

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. General Fixed Assets (Continued)

governmental fund types and capitalized at cost in the General Fixed Assets Account Group. Contributed fixed assets are recorded in general fixed assets at fair market value on the date of acquisition.

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.

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

H. 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 fair market value on the date of acquisition. 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
Motor Vehicles and Other Equipment	5 to 10 Years
Furniture, Fixtures, and Office Equipment	5 to 10 Years

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

Contributions of funds from Federal, State, or local grants restricted for the purpose of purchasing property, plant, or equipment are recorded as equity contributions. Depreciation of contributed assets is recorded as an expense in the statement of operations.

I. 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.

J. Property, Plant, and Equipment - Estimated Fair Value

Certain contributed fixed assets for which historical costs are not available are recorded in the accounts at estimated fair market value on the date of acquisition. Estimates used for fixed assets are as follows:

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Property, Plant, and Equipment - Estimated Fair Value (Continued)

## General Fixed Assets:

Streets and Storm Drains	\$270,578,439
Land	4,664,000
Traffic Signal Equipment	606,000

## Water and Sewer Utility Fund:

Water System and Sewer System	\$ 63,212,626
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K. 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 position and operations. Data in these columns do not present financial position, results of operations, or changes in financial position in accordance with generally accepted accounting principles (GAAP). These totals do not represent consolidated financial information. Interfund eliminations have not been made in the aggregation of this data.

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.

M. Funds Servicing Long-Term Debt

The 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.

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. Funds Servicing Long-Term Debt (Continued)

The Highway User Fuel Tax Fund accounts for and services bonds funded by Highway User Revenues.

The Special Assessments 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.

N. Reporting Entity

The financial statements of the City include 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 National Council on Governmental Accounting Statement 3, Defining the Governmental Reporting Entity. 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, airport, and public housing.

The 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 statements do not include the activities and functions of the Industrial Development Authority (Authority) for the City. 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.

O. Compensated Absences

Compensated absences are included in the funds of the City in accordance with the 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.

## 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 and expenditures - budget and actual - general, special revenue funds, and debt service funds to provide a meaningful comparison of actual results with the budget. The major difference between budget and GAAP basis is that encumbrances are recorded as the equivalent of expenditures (budget) as opposed to a reservation of fund balance (GAAP).

Adjustments necessary to convert the fund balances at the end of the year on a GAAP basis to budget basis are as follows:

	FUND BALANCES AT END OF YEAR		
	GENERAL	SPECIAL REVENUE FUND TYPES	DEBT SERVICE
GAAP Basis	\$15,838,841	\$ 634,303	\$18,428,792
Basis Differences			
Reserved encumbrances at June 30, 1985, recognized as expenditures for budget purposes	(985,070)	(92,286)	
Reserve for inventory of supplies recognized as expenditures for budget purposes	(197,183)		
Accrued payroll at June 30, 1985, not recognized as an expenditure for budget purposes	798,309	53,707	
Removal of provision for litigation not recognized as revenue for budget purposes	(161,000)		
Asset Transfer Program recognized as expenditures for budget purposes	(10,485,285)		
Debt Service not recognized as an expenditure for budget purposes	1,788,188		
Storm Sewer bond interest paid from sources other than sinking fund			(445,168)
Timing Differences			
Fund balance from sinking fund not recognized for budget purposes			(6,413,413)
Perspective Differences			
Indirect costs allocated to Proprietary Funds not recognized as a reduction of expenditures for budget purposes	(2,317,998)	(229,392)	

## NOTE 2 - BUDGETARY BASIS OF ACCOUNTING (Continued)

	FUND BALANCES AT END OF YEAR		
	GENERAL	SPECIAL REVENUE FUND TYPES	DEBT SERVICE
Entity Differences			
Fund balance for Non-Budgeted Funds		(328,369)	(10,790,939)
Budget Basis	<u>\$ 4,278,802</u>	<u>\$ 37,963</u>	<u>\$ 779,272</u>

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

	EXCESS (DEFICIENCY) OF REVENUE AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES		
	GENERAL	SPECIAL REVENUE FUND TYPES	DEBT SERVICE
GAAP Basis	\$ 7,140,348	\$ 415,120	\$11,066,079
Basis Differences			
Reserved encumbrances during year ended June 30, 1985, recognized expenditures for budget pur- poses	(985,070)	(92,286)	
Accrued payroll not recognized as an expenditure for budget pur- poses	141,651	7,831	
Removal of provision for litiga- tion not recognized as revenue for budget purposes	(161,000)		
Asset Transfer Program recog- nized as expenditures for budget purposes	(10,485,285)		
Timing Differences			
Sinking fund interest earnings not recognized as revenue for budget purposes			(625,826)
Sinking fund deposit recognized as an expenditure for budget pur- poses			(520,000)
Principal payment from sinking fund not recognized as an expen- diture for budget purposes			300,000
Loss on sale of securities not recognized for budget purposes			684,107



## NOTE 2 - BUDGETARY BASIS OF ACCOUNTING (Continued)

	EXCESS (DEFICIENCY) OF REVENUE AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES		
	GENERAL	SPECIAL REVENUE FUND TYPES	DEBT SERVICE
Perspective Differences			
Indirect costs allocated to Proprietary Funds not recognized as a reduction of expenditures for budget purposes	(918,699)		
Residual equity transfer recognized as revenue for budget purposes	973,217		
Entity Differences			
Excess (Deficiency) of Revenue and Other Sources Over Expenditures and Other Uses for Un-budgeted Funds		(207,622)	(10,790,939)
Budget Basis	<u><u>\$ (4,294,838)</u></u>	<u><u>\$ 123,043</u></u>	<u><u>\$ 113,421</u></u>

## NOTE 3 - CASH AND INVESTMENTS

Pooled cash and investments, excluding amounts held by fiscal agents and including those restricted for designated purposes, at June 30, 1985, consist of the following:

Cash in Checking Accounts	\$ (3,515,121)
Certificates of Deposit	15,589,155
Repurchase Agreements	17,174,000
U. S. Treasury Securities	5,459,124
Federal Agency Securities	46,578,674
Improvement District Bonds	222,000
State Investment Pool	33,670,000
	<u><u>\$115,177,832</u></u>

During 1984-85 the City restructured the Sinking Fund assets in the General Debt Service Fund. The existing coupon investments were liquidated and replaced with higher yield but lower cost zero coupon investments. The restructuring of these assets caused a \$684,107 loss on the sale of securities.

## NOTE 4 - PROPERTY TAX

Property taxes are recognized as revenue on the modified accrual basis, i.e., when both measurable and available. Property taxes levied in August, 1985, are not available for the current year, accordingly, such taxes will not be recognized as revenue until the subsequent fiscal year. Prior year levies were recorded using these same principles, and remaining receivables from such levies are also recognized as revenue, when available.

## NOTE 4 - PROPERTY TAX (Continued)

The City's property tax is levied each year on or before the third Monday in August based on the previous January 1 full cash value as determined by the Maricopa County Assessor. Levies are due and payable in two installments on September 1 and March 1. First half becomes delinquent on November 1; second half becomes delinquent on May 1. Interest at the rate of 12% per annum attaches following delinquent dates. Maricopa County, at no charge to the taxing entities, bills and collects all property taxes.

Property taxes levied for current operation and maintenance expenses on residential property are limited to 1% of the primary full cash value of such property. In addition, taxes levied for current operation and maintenance expenses on all types of property are limited to a maximum increase of 2% over the prior year's levy adjusted for new construction and annexations.

Property taxes levied to pay principal and interest on bonded indebtedness are unlimited.

## NOTE 5 - FIXED ASSETS

A summary of changes in General Fixed Assets follows:

	BALANCE 6/30/84	ADDITIONS	DELETIONS	BALANCE 6/30/85
Land	\$ 12,123,392	\$ 16,716,824	\$	\$ 28,840,216
Buildings and Improvements	32,884,628	9,486,361		42,370,989
Streets and Storm Drains	286,711,661	27,481,522		314,193,183
Machinery and Equipment	7,049,705	4,006,819	82,124	10,974,400
Construction in Progress	6,877,216	14,632,370	3,342,072	18,167,514
	<u>\$345,646,602</u>	<u>\$ 72,323,896</u>	<u>\$ 3,424,196</u>	<u>\$414,546,302</u>

A summary of Proprietary Fund Types Fixed Assets at June 30, 1985, follows:

	ENTERPRISE	INTERNAL SERVICE
Land	\$ 10,913,902	\$ 67,904
Water System	62,480,267	
Sewer System	43,587,283	
Buildings and Improvements	1,129,654	436,374
Motor Vehicles		6,017,292
Machinery and Equipment		1,148,757
Furniture and Fixtures	304,303	22,126
Construction in Progress	5,335,425	605,246
	<u>123,750,834</u>	<u>8,297,699</u>
Accumulated Depreciation	(15,922,684)	(4,957,633)
	<u>\$107,828,150</u>	<u>\$ 3,340,066</u>

## NOTE 6 - MUNICIPAL PROPERTY CORPORATION

In fiscal 1974, the City of Scottsdale Municipal Property Corporation ("Corporation"), an Arizona not for profit corporation organized for the purpose of financing the construction of municipal buildings on land owned by the City, issued bonds aggregating \$9,020,000 for the construction of the Scottsdale Center for the Arts for a parking facility, and for the refinancing of outstanding debt. Concurrently, the City entered into contracts with the Corporation, whereby the City will pay to the Corporation amounts sufficient to retire the Corporation's bonds and related interest.

In fiscal 1985 the Corporation issued \$13,000,000 of bonds for the purpose of constructing and acquiring two, 18 hole golf courses, a clubhouse, and other related improvements. Concurrently, the City entered into contracts with the Corporation whereby the City will pay to the Corporation amounts sufficient to retire the Corporation's bonds and related interest.

In fiscal 1985 the Corporation issued \$17,825,000 of bonds for the purpose of constructing and acquiring a Civic Center Underpass, public parking garage, and certain other public improvements upon land owned by the City. Concurrently, the City entered into contracts with the Corporation whereby the City will pay to the Corporation amounts sufficient to retire the Corporation's bonds and related interest.

In accordance with National Council on Governmental Accounting Statement 5, the bonds payable of the Corporation are recorded in the General Long-Term Debt Account Group, the construction activity is recorded in the Capital Projects Fund, and the assets are recorded in the General Fixed Assets Account Group at June 30, 1985.

The City has collateralized the bonds of the Corporation by, (1) a pledge of all net revenues from the project, and (2) a pledge of the City's excise taxes.

The Corporation retains legal title to the properties until the contracts receivable from the City are paid in full. The City has the sole right to the use of the facilities and is responsible for all operating and maintenance costs.

In fiscal 1985 the City entered into a sale and leaseback arrangement (Asset Transfer Program) with the Corporation whereby the City sold various municipal properties to the Corporation and in turn entered into a long-term lease with the Corporation for the use of these properties. The Corporation issued \$41,617,239 of Certificates of Participation evidencing the proportionate interests of the owners thereof in the lease payments to be made by the City. In accordance with National Council on Government Accounting Statement 5, the Certificates of Participation have been recorded in the General Long-Term Debt Account Group, and the properties are recorded in the General Fixed Assets of the City at their original acquisition cost. No gain or loss on the sale of these properties has been recorded in the City's financial statements. The City is using the proceeds of this sale to finance various capital improvement projects.

Due to the inclusion of the financial activity of the Municipal Property Corporation in the financial statements of the City in accordance with National Council on Governmental Accounting, Statement 7, the investments of the Municipal Property Corporation are included as an "other source" in the Debt Service Fund.

## NOTE 7 - LONG-TERM DEBT

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

	GENERAL OBLIGATION BONDS	HURF REVENUE	MUNICIPAL PROPERTY CORP. BONDS	CONTRACTS PAYABLE	CITY OWNED SPECIAL ASSESSMENTS	COMPENSATED ABSENCES	TOTAL
Balance June 30, 1984	\$30,800,000	\$11,000,000	\$ 6,320,000	\$ 6,120,768	\$ 3,786	\$ 1,054,445	\$ 55,298,999
Provision for Compensated Absences						174,091	174,091
Debt Incurred			72,442,239	16,222,270			88,664,509
Debt Retired			(340,000)	(7,653,259)	(641)		(7,993,900)
Debt To Be Retired							
July 1, 1985	<u>(405,000)</u>	<u>(225,000)</u>					<u>(630,000)</u>
Balance June 30, 1985*	<u>\$30,395,000</u>	<u>\$10,775,000</u>	<u>\$78,422,239</u>	<u>\$14,689,779</u>	<u>\$ 3,145</u>	<u>\$ 1,228,536</u>	<u>\$135,513,699</u>

\*This does not include the 1961 General Obligation Sewer Serial Bonds in the amount of \$50,000. These bonds are serviced by and recorded in the Water and Sewer Enterprise Fund.

The following is a summary of debt service requirements to maturity, including contracts payable as of June 30, 1985. The interest portion of the total is \$162,782,713.

FISCAL YEAR	ANNUAL PRINCIPAL AND INTEREST REQUIREMENTS						TOTAL
	GENERAL OBLIGATION BONDS	UTILITY REVENUE BONDS	HURF REVENUE BONDS	SPECIAL ASSESSMENT BONDS	MUNICIPAL PROPERTY CORPORATION	OTHER DEBT	
1986	\$ 4,720,865	\$ 2,034,061	\$ 1,217,537	\$ 1,860,494	\$ 8,296,884	\$ 5,285,395	\$ 23,415,236
1987	4,452,470	1,723,111	1,216,913	1,899,847	8,719,452	3,768,282	21,780,075
1988	4,234,365	1,724,798	1,213,725	1,800,094	8,726,049	3,170,125	20,869,156
1989	4,043,390	1,729,798	1,207,975	1,587,791	8,722,982	2,739,330	20,031,266
1990	3,851,230	1,727,073	1,224,662	1,430,239	8,723,240	1,632,739	18,589,183
1991	3,711,225	1,697,623	1,211,225	1,287,061	8,723,049	615,135	17,245,318
1992	3,555,225	1,722,123	1,200,625	1,201,980	8,719,273	327,487	16,726,713
1993	3,075,725	1,725,623	1,215,563	1,058,883	8,720,839	323,590	16,120,223
1994	2,569,075	1,729,998	1,226,375	974,989	8,713,899	319,693	15,534,029
1995	2,428,500	1,715,688	1,233,062	879,351	8,710,919	315,795	15,283,315
1996	261,750	1,724,062	1,234,188		9,533,459	311,898	13,065,357
1997		1,721,250	1,229,500		8,033,211	307,999	11,291,960
1998		1,732,775	1,218,750		8,035,624	304,103	11,291,252
1999-2033		2,649,775	6,177,750		97,431,963	727,440	106,986,928
	<u>\$36,903,820</u>	<u>\$25,357,758</u>	<u>\$22,027,850</u>	<u>\$13,980,729</u>	<u>\$209,810,843</u>	<u>\$20,149,011</u>	<u>\$328,230,011</u>

## NOTE 8 - 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, 1984	\$31,000,000	\$17,330,000	\$11,000,000	\$ 6,320,000	\$10,318,212	\$ 75,968,212
New Debt Issued:						
Municipal Property Corp.				72,442,239		72,442,239
Debt Retired						
Serial Bonds (Paid 07/01/84)	(150,000)	(1,200,000)				(1,350,000)
Serial Bonds (Paid 01/01/85)					(424,212)	(424,212)
Serial Bonds (Paid 06/30/85)				(340,000)		(340,000)
Total Bonds Payable at June 30, 1985	<u>\$30,850,000</u>	<u>\$16,130,000</u>	<u>\$11,000,000</u>	<u>\$78,422,239</u>	<u>\$ 9,894,000</u>	<u>\$146,296,239</u>
Current Portion	(455,000)	(1,270,000)	(225,000)			(1,950,000)
Long-Term Bonds Payable June 30, 1985	<u>\$30,395,000</u>	<u>\$14,860,000</u>	<u>\$10,775,000</u>	<u>\$78,422,239</u>	<u>\$ 9,894,000</u>	<u>\$144,346,239</u>

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:

Water, Sewer, Light, and Parks and Open Space Pur- poses Bonds		All Other General Obliga- tion Bonds	
20% Constitutional Limit	\$134,111,705	6% Constitutional Limit	\$ 40,233,512
Net such general obligation bonds outstanding	<u>7,679,277</u>	Net such general obligation bonds outstanding	<u>16,595,000</u>
Available 20% limitation borrowing capacity	<u>\$126,432,428</u>	Available 6% limitation borrowing capacity	<u>\$ 23,638,512</u>

At June 30, 1985, the City has authorized but unissued bonds approved by the voters at a special bond election on June 21, 1983.

Type of Bond	Amount Authorized	Amount Issued	Amount Unissued
General Obligation	\$29,800,000	\$20,000,000	\$ 9,800,000
Revenue	39,200,000	19,400,000	19,800,000
Total	<u>\$69,000,000</u>	<u>\$39,400,000</u>	<u>\$29,600,000</u>

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.

## NOTE 8 - BONDS PAYABLE - EXCLUDING REFUNDED DEBT (Continued)

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:

<u>NAME OF GOVERNMENTAL UNIT</u>	<u>NET BOND OUTSTANDING</u>	<u>% APPLICABLE TO THIS MUNICIPALITY</u>	<u>CITY OF SCOTTSDALE SHARE OF DEBT</u>
City of Scottsdale	\$24,274,277	100.00	\$24,274,277
Maricopa County	52,465,218	8.47	4,443,803
Maricopa County C. C. D.	29,800,000	8.47	2,524,060
S. D. No. 69 (Paradise Valley)	61,489,495	9.26	5,693,927
Cave Creek Unified S.D. No. 93	2,132,698	1.91	40,734
			<u>\$36,976,801</u>

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 \$2,982,469 at June 30, 1985.

General Obligation Bonds

\$700,000, 1966 Parks and Recreation Improvement Serial Bonds due in annual installments of \$10,000 to \$75,000 through July 1, 1986; interest at 4.50% to 5.00%.	\$	75,000
\$1,000,000, 1967 Civic Center Improvement Serial Bonds due in annual installments of \$10,000 to \$180,000 through July 1, 1990; interest at 3.70% to 5.00%.		720,000
\$1,400,000, 1968 Civic Center Improvement Serial Bonds due in annual installments of \$75,000 to \$250,000 beginning July 1, 1990, through July 1, 1996; interest at 4.70% to 5.00%.		1,400,000
\$3,500,000, 1973 Storm Sewer Series A Term Bonds due in one installment of \$3,500,000 on July 1, 1993; interest at 5.35%.		3,500,000*
\$4,000,000, 1976 Storm Sewer Series C Term Bonds due in four installments of \$1,000,000 each July 1, 1986, through July 1, 1989; interest at 5.60% to 5.90%.		4,000,000*
\$1,000,000, 1978 Storm Sewer Series D Term Bonds due in two installments of \$300,000 and \$700,000 July 1, 1985, and July 1, 1986; interest at 5.125%.	\$	700,000*
\$20,000,000, 1983 Capital Improvement Projects Bonds due in annual installments of \$2,000,000 July 1, 1986, through July 1, 1995; interest at 6.6% to 8.6%.		<u>20,000,000</u>
		<u>\$30,395,000</u>

## NOTE 8 - BONDS PAYABLE - EXCLUDING REFUNDED DEBT (Continued)

\*Annual payments are made to the Sinking Fund and all bond retirements are paid from the Sinking Fund.

Revenue Bonds

\$3,910,000, 1973 Utility Revenue Refunding Issue Serial annual installments of \$50,000 to \$310,000 through July 1, 1995; interest at 4.80% to 5.80%.	\$ 2,560,000
\$4,000,000, 1977 Utility Revenue Series C Serial Bonds due in annual installments of \$400,000 to \$550,000 beginning July 1, 1985, through July 1, 1992; interest at 4.75% to 5.50%.	3,600,000
\$1,800,000, 1980 Utility Revenue Series D Serial Bonds due in annual installments of \$50,000 to \$670,000 through July 1, 1986; interest at 5.40% to 6.25%.	300,000
\$8,400,000, 1983 Utility Revenues Serial Bonds due in annual installments of \$50,000 to \$1,525,000 beginning July 1, 1992, through July 1, 2000; interest at 8.6% to 10.5%	8,400,000
\$11,000,000, 1983 Highway User Fuel Tax Revenue Serial Bonds due in annual installments of \$225,000 to \$1,150,000 beginning July 1, 1985, through July 1, 2003; interest at 8.25% to 10.25%	10,775,000
	<u>\$25,635,000</u>

Municipal Property Corporation Bonds

\$7,130,000, 1974 Municipal Property Corporation Bonds due in annual installments of \$185,000 to \$1,420,000 through June 30, 1996; interest at 5.20% to 6.00%	\$ 5,980,000
\$41,617,239, 1984 Municipal Property Corporation Certificates of Participation due in annual installments of \$2,234,533 to \$2,239,543 through November 1, 2014; interest at 6.25% to 9.80%	41,617,239
\$17,825,000, 1984 Municipal Property Corporation Civic Center Underpass Bonds; due in annual installments of \$88,513 to \$1,913,513 through July, 2005	17,825,000
\$13,000,000, 1984 Municipal Property Corporation Recreation Facilities Bonds; due in annual installments of \$285,000 to \$1,420,000 through July, 2004	13,000,000
	<u>\$78,422,239</u>

Special Assessment Bonds

\$6,424,162 Special Assessment Bonds issued May 17, 1972, through March 5, 1984, maturity January 1, 1982, through January 1, 1995. Interest 6.00% to 10.0%. Annual installments of \$2,000 to \$655,000.	<u>\$ 9,894,000</u>
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## NOTE 9 - CONTRACTS PAYABLE

Contracts payable at June 30, 1985, include the following:

	GENERAL FUND	WATER AND SEWER UTILITY FUND	AIRPORT FUND	TOTAL
Contracts payable to the U. S. Army Corps of Engineers for the construction of flood control and recreation facilities; 5.1% due in annual installments through 2035.	\$ 3,400,000		\$	\$ 3,400,000
Purchase contracts for acquisition of water companies 5.75% to 12.0%; due in annual installments through 1987.		1,174,737		1,174,737
Purchase contract for land, water, and wastewater treatment plants; 12.0% due in annual installments through 1990.		779,492		779,492
Purchase contracts for acquisition of land for airport runway extension; 12.0% due in annual installments through 1986.			350,575	350,575
Purchase contract for City-owned telephone system; 9.095% due in monthly installments through January, 1989.	499,008			499,008
Purchase contract for acquisition of land for agricultural use and future water rights; 9.0% due in annual installments through January, 1991.	5,750,000			5,750,000
Purchase contract for acquisition of library computer equipment; 9.58% due in semi-annual installments through April, 1990.	641,000			641,000
Purchase contract for Phase I of computer equipment, 8.35% due in semi-annual installments through March, 1989.	1,824,971			1,824,971
Purchase contract for Phase II of computer equipment; 9.44% due in semi-annual installments through August, 1989.	1,383,102			1,383,102



## NOTE 9 - CONTRACTS PAYABLE (Continued)

	GENERAL FUND	WATER AND SEWER UTILITY FUND	AIRPORT FUND	TOTAL
Purchase contract for acquisition of Pepperwood office building; 10.0%-12.0% due in monthly installments through February, 2006.	\$ 745,273	\$	\$	\$ 745,273
Purchase contract for acquisition of Brooks office building and land for downtown right-of-way; 12.0% due in semi-annual installments through March, 1988.	950,000			950,000
Purchase contract for acquisition of Skipton building and land for downtown right-of-way; 12.0%-13.0% due in monthly installments through October, 1987.	421,220			421,220
	<u>15,614,574</u>	<u>1,954,229</u>	<u>350,575</u>	<u>17,919,378</u>
Less Current Portion	924,795	981,405	350,575	2,256,775
	<u>\$14,689,779</u>	<u>\$ 972,824</u>	<u>\$ -0-</u>	<u>\$15,662,603</u>

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

In fiscal 1976, the City entered into an agreement with the U. S. Army Corps of Engineers for the construction of flood control and recreation facilities throughout Indian Bend Wash. The City agreed to pay half of the total construction cost of the recreation facilities, with payment to be made in 50 annual installments plus interest at 5.1%, commencing from the date the recreation facilities were completed. In fiscal 1985, the facilities were substantially completed; but final determination of the amount to be paid has not been made. Accordingly, the City has recorded an estimate of the contracts payable amount of \$3,400,000 in the long-term debt account group, and an estimate of the fixed assets value of \$6,800,000 in the general fixed asset account group. Upon final determination of the amount to be paid, the estimates will be revised and payment will begin.

## NOTE 10 - ADVANCE REFUNDINGS

In prior years the City refinanced various bond issues through advance refunding arrangements. Under the term of the refunding bond issues, sufficient assets to pay all principal and interest on the refunded bond issues have been placed in irrevocable trust accounts at commercial banks. The assets, liabilities, and financial transactions of these trust accounts are not reflected in the financial statements of the City.

Refunded debt outstanding of the City at June 30, 1985, is as follows:

## NOTE 10 - ADVANCE REFUNDINGS (Continued)

1964 Sewer Revenue	\$ 850,000
1966 Sewer Revenue	960,000
1971 Water Revenue	<u>1,045,000</u>
Total Refunded Bonds Outstanding	<u>\$2,855,000</u>

## NOTE 11 - 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, 1985, 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 12 - RETIREMENT AND PENSION PLANS

Substantially all full-time employees are covered by one of two contributory retirement and pension plans which are administered by the State of Arizona.

City policemen are covered by the Arizona Public Safety Personnel Retirement System. Funding of the system is provided by (1) member contributions amounting to 8 percent of compensation as set by State law, and, (2) employer contributions, as described below. The total employer pension expense for 1984-85 was \$386,640, which was paid to the system. This amount is computed as a level percent of payroll (9.25 percent for 1984-85) which includes current service costs and will amortize the unfunded accrued normal costs over a period of 33 years beginning July 1, 1985. Based upon the most recent actuarial valuation of the System (June 30, 1983), the actuarially computed value of vested benefits for the City participants was less than the pension fund assets attributed to those participants, and the unfunded accrued normal costs for the City participants amounted to \$408,767.

The Arizona State Retirement Plan ("Plan") covers all City employees except policemen. Funding of the Plan is provided by (1) member contributions amounting to 6.27 percent of compensation as set by State law, and (2) employer contributions also at 6.27 percent as set by State law. The total employer pension expense for 1984-85 was \$1,030,658, which was paid to the Plan. This amount includes current service costs and will amortize the unfunded accrued normal costs over a period of 30 years beginning July 1, 1985.

Based upon the most recent actuarial valuation of the Plan (June 30, 1984), the Plan's total unfunded accrued normal costs was \$247,875,100. Separate actuarial data for the City's portion is not available. The City has 725 employee participants in the Plan, which has 150,211 participants in total.

## NOTE 13 - SICK LEAVE BENEFITS

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 \$1,577,000 at June 30, 1985.

## NOTE 14 - SEGMENTS OF ENTERPRISE ACTIVITIES

Water and sewer, airport, and housing are three 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. The key financial data for the year ended June 30, 1985, for these services are as follows (in thousands of dollars):

	<u>TOTAL</u>	<u>WATER AND SEWER</u>	<u>AIRPORT</u>	<u>HOUSING</u>
Operating Revenue	\$ 15,849	\$ 15,352	\$ 474	\$ 23
Operating Expenses				
Depreciation	2,472	2,303	163	6
Other	5,782	5,260	493	29
	<u>8,254</u>	<u>7,563</u>	<u>656</u>	<u>35</u>
Operating Income (Loss)	<u>\$ 7,595</u>	<u>\$ 7,789</u>	<u>\$ (182)</u>	<u>\$ (12)</u>
Net Income (Loss)	<u>\$ 8,391</u>	<u>\$ 8,478</u>	<u>\$ (252)</u>	<u>\$ 165</u>
Assets	<u>\$ 126,728</u>	<u>\$ 116,616</u>	<u>\$ 9,559</u>	<u>\$ 553</u>
Bonds Payable	<u>\$ 16,180</u>	<u>\$ 16,180</u>		
Fund Equity	<u>\$ 104,759</u>	<u>\$ 96,804</u>	<u>\$ 7,924</u>	<u>\$ 31</u>
Acquisition of Property, Plant, and Equipment	<u>\$ 34,602</u>	<u>\$ 33,499</u>	<u>\$ 1,103</u>	

## NOTE 15 - DEFICITS IN FUNDS/EXCESS OF EXPENDITURES OVER APPROPRIATIONS

The Special Assessments Fund shows a total fund deficit of \$6,256,135. This deficit occurs because expenditures for special assessments districts are recorded currently, whereas the revenue for special assessments districts is recorded over the life of the special assessment receivable. The total special assessment receivable will more than offset the deficit.

The Airport Fund has an accumulated deficit of \$1,281,799. This deficit is due to the small size of the operation, the significant contributed capital value, and the fact that depreciation is taken on the contributed asset value. The total fund equity for the Airport is positive.

The Federal Revenue Sharing Fund has an excess of expenditures over appropriations of \$43,977. This excess occurs because the actual revenue received exceeded the appropriation and all of the revenue was spent.

## NOTE 16 - CAPITALIZED INTEREST

During the fiscal year 1985, the Water and Sewer Fund capitalized net interest costs of \$674,216 (interest expense of \$901,462, reduced by interest income of \$227,246).

Total interest income and expense in that fund before capitalization was \$1,815,831 and \$1,800,828, respectively.

During the fiscal year 1985, the Airport Fund incurred \$73,050 of interest of which \$2,537 was capitalized.

## NOTE 17 - OTHER MATTERS

- A. In fiscal 1982-83, the City entered into a ten-year agreement with Metropolitan Fire Department, Inc. ("Metropolitan") whereby Metropolitan will provide fire protection and related services to the City. Annual amounts due in 1985-86 will approximate \$3,150,000.
- B. The City established a Self Insurance Fund during fiscal 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 to loss for any single loss occurrence. For fiscal year 1984-85 the Self Insurance Fund was responsible for the first \$150,000 per occurrence for worker's compensation claims and the first \$100,000 for liability claims against the City. The Fund was also responsible for vehicle damage. It pays all amounts above \$1,000, the amount funded by the responsible City operating department. It also pays for all unemployment claims on a reimbursement basis.
- C. On August 5, 1985, the City issued and sold Series B of the \$69,000,000 bonding authority approved by the voters on June 21, 1983. This issue consisted of \$9,800,000 in General Obligation Bonds and \$10,000,000 in Highway User Revenue Bonds. Authorized but unissued bond authority remaining after the Series B issue is \$9,800,000 of Highway Revenue Bonds.

## 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, Special Assessments, or Enterprise Funds.

## CITY OF SCOTTSDALE

EXHIBIT B-1

## GENERAL FUND

## BALANCE SHEET

JUNE 30, 1985

ASSETS

Cash and Short-Term Investments	\$ 1,046,208
Investments	15,634,795
Receivables	
Accrued Interest	420,228
Property Taxes	257,918
State-Shared Sales Tax	418,239
Auto Lieu Tax	99,598
Accounts, Including Unbilled of \$209,070	547,183
Miscellaneous	305,846
Inventory of Supplies	197,183
Due from Municipal Property Corporation	704,230
Prepaid Expenses	2,001
	<hr/>
Total Assets	<u>\$ 19,633,429</u>

LIABILITIES AND FUND BALANCE

Liabilities	
Claims Payable	\$ 1,384,826
Accrued Payroll	798,309
Installment Contracts Payable	924,795
Accrued Interest Payable	394,900
Deferred Revenue - Property Taxes	255,453
Other	36,305
	<hr/>
Total Liabilities	<u>3,794,588</u>
Commitments	
Fund Balance	
Reserved for	
Encumbrances	985,070
Inventory of Supplies	197,183
Unreserved	
Designated for Asset Transfer Program	12,410,663
Undesignated	2,245,925
	<hr/>
Total Fund Balance	<u>15,838,841</u>
Total Liabilities and Fund Balance	<u>\$ 19,633,429</u>

See Notes to Financial Statements.

## CITY OF SCOTTSDALE

EXHIBIT B-2

## GENERAL FUND

## STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE

FOR THE FISCAL YEAR ENDED JUNE 30, 1985

## Revenue

Taxes - Local	\$ 24,308,058
Taxes - Intergovernmental	10,402,567
Licenses	403,829
Charges for Current Services	7,953,178
Fines and Forfeitures	1,147,666
Use of Money and Property	3,355,611
Miscellaneous	812,509
CIP Reimbursements	1,121,351
Total Revenue	<u>49,504,769</u>

## Expenditures

## Current

General Government	2,138,651
Police	8,344,675
Management Services	1,873,189
Field Operations	6,107,586
Community Services	7,690,188
Community Development	4,416,523
Non-Departmental	7,625,803
Debt Service	
Principal Retirement	3,147,573
Interest and Fiscal Charges	1,142,707
Total Expenditures	<u>42,486,895</u>

Excess of Revenue Over Expenditures 7,017,874

## Other Sources (Uses)

Operating Transfers In	564,474
Operating Transfers (Out)	(442,000)
Excess of Revenue and Other Sources Over Expenditures and Other Uses	<u>7,140,348</u>

Fund Balance July 1, 1984	3,834,828
Change in Reserve for Inventory	(17,721)
Residual Equity Transfer In	<u>4,881,386</u>
Fund Balance June 30, 1985	<u>\$ 15,838,841</u>

See Notes to Financial Statements.

## CITY OF SCOTTSDALE

EXHIBIT B-3

## GENERAL FUND

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

FOR THE FISCAL YEAR ENDED JUNE 30, 1985

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenue			
Taxes - Local	\$ 25,760,125	\$ 24,308,058	\$ (1,452,067)
Taxes - Intergovernmental	10,010,000	10,402,567	392,567
Licenses	420,000	403,829	(16,171)
Charges for Current Services	8,431,000	7,953,178	(477,822)
Fines and Forfeitures	915,000	1,147,666	232,666
Use of Money and Property	1,031,000	3,920,085	2,889,085
Miscellaneous	140,268	651,509	511,241
CIP Reimbursements	3,010,000	2,094,568	(915,432)
Total Revenue	<u>49,717,393</u>	<u>50,881,460</u>	<u>1,164,067</u>
Expenditures			
Current			
General Government	2,178,395	2,292,816	(114,421)
Police	8,578,108	8,397,682	180,426
Management Services	2,238,616	2,155,149	83,467
Field Operations	6,592,905	6,588,805	4,100
Community Services	7,961,418	8,009,276	(47,858)
Community Development	4,666,140	4,550,108	116,032
Non-Departmental	7,790,065	8,006,473	(216,408)
Capital Improvements	19,838,864	10,443,709	9,395,155
Contingency	3,977		3,977
Debt Service			
Principal Retirement	914,983	1,647,573	(732,590)
Interest and Fiscal Charges	668,615	854,519	(185,904)
Total Expenditures	<u>61,432,086</u>	<u>52,946,110</u>	<u>8,485,976</u>
Excess (Deficiency) of Revenue Over Expenditures	(11,714,693)	(2,064,650)	9,650,043
Other Sources & (Uses)			
Operating Transfers In	2,474,693		(2,474,693)
Operating Transfers Out	(442,000)	(442,000)	
Excess (Deficiency) of Revenue Over Expenditures and Other Uses	(9,682,000)	(2,506,650)	7,175,350
Encumbrances Canceled		1,201,784	1,201,784
Fund Balance July 1, 1984	9,682,000	1,675,499	(8,006,501)
Residual Equity Transfer In		3,908,169	3,908,169
Fund Balance June 30, 1985	<u>\$ -0-</u>	<u>\$ 4,278,802</u>	<u>\$ 4,278,802</u>

See Notes to Financial Statements.



## CITY OF SCOTTSDALE

EXHIBIT B-4

## GENERAL FUND

## SCHEDULE OF REVENUE - ESTIMATED AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 1985

	<u>ESTIMATED</u>	<u>ACTUAL</u>	<u>ACTUAL OVER/(UNDER) ESTIMATED</u>
<b>Taxes - Local</b>			
Property Tax	\$ 3,136,000	\$ 2,759,726	\$ (376,274)
Transaction Privilege	19,928,125	18,823,759	(1,104,366)
Hotel/Motel Transient Tax	1,000,000	1,031,577	31,577
Light and Power Franchise	1,200,000	1,296,209	96,209
Cable TV Franchise	365,000	243,489	(121,511)
Salt River Project In Lieu	66,000	64,209	(1,791)
Fire Insurance Premium Tax	65,000	89,089	24,089
	<u>\$ 25,760,125</u>	<u>\$ 24,308,058</u>	<u>\$ (1,452,067)</u>
<b>Taxes - Intergovernmental</b>			
State-Shared Sales Tax	4,802,000	4,998,108	196,108
Automobile in Lieu	998,000	1,198,454	200,454
State Revenue Sharing	4,210,000	4,206,005	(3,995)
	<u>10,010,000</u>	<u>10,402,567</u>	<u>392,567</u>
<b>Licenses</b>			
Business Licenses	196,000	158,810	(37,190)
Liquor Licenses	224,000	245,019	21,019
	<u>420,000</u>	<u>403,829</u>	<u>(16,171)</u>
<b>Charges for Current Services</b>			
Refuse Collection Charges	3,849,000	3,599,758	(249,242)
Building and Related Permits	3,899,000	3,694,969	(204,031)
Other Fees	102,000	97,685	(4,315)
Recreation Fees	581,000	560,766	(20,234)
	<u>8,431,000</u>	<u>7,953,178</u>	<u>(477,822)</u>
<b>Fines and Forfeitures</b>			
Moving Vehicles	501,000	743,779	242,779
Parking	220,000	179,941	(40,059)
Other Court Fees	154,000	155,896	1,896
Library	40,000	68,050	28,050
	<u>915,000</u>	<u>1,147,666</u>	<u>232,666</u>
<b>Use of Money and Property</b>			
Interest Earnings	948,000	3,007,585	2,059,585
Property Rental	83,000	348,026	265,026
	<u>1,031,000</u>	<u>3,355,611</u>	<u>2,324,611</u>
<b>Miscellaneous</b>			
	<u>140,268</u>	<u>812,509</u>	<u>672,241</u>
<b>CIP Reimbursements</b>			
	<u>3,010,000</u>	<u>1,121,351</u>	<u>(1,888,649)</u>
<b>Total Revenue</b>	<u>\$ 49,717,393</u>	<u>\$ 49,504,769</u>	<u>\$ (212,624)</u>

## CITY OF SCOTTSDALE

EXHIBIT B-5

## GENERAL FUND

## SCHEDULE OF EXPENDITURES BY OBJECT

FOR THE FISCAL YEAR ENDED JUNE 30, 1985

	<u>TOTAL</u>	<u>PERSONAL SERVICES</u>	<u>OTHER SERVICES</u>	<u>SUPPLIES</u>	<u>DEBT SERVICE</u>	<u>CAPITAL OUTLAY</u>
Current						
General Government	\$ 2,291,327	\$ 1,481,040	\$ 718,396	\$ 39,733	\$	\$ 52,158
Police	8,344,675	6,881,406	1,075,612	161,991		225,666
Management Services	2,108,910	1,784,945	281,678	(19,022)		61,309
Field Operations	6,331,760	2,410,213	2,712,283	807,000		402,264
Community Services	7,740,129	4,969,152	1,705,999	497,568		567,410
Community Development	4,416,523	3,263,093	971,681	90,053		91,696
Non-Departmental	7,881,986	2,043,084	5,372,375	176,314		290,213
Debt Service						
Principal Retirement	3,147,573				3,147,573	
Interest & Fiscal Charges	1,142,707				1,142,707	
Expenditures	<u>\$ 43,405,590</u>	<u>\$ 22,832,933</u>	<u>\$ 12,838,024</u>	<u>\$ 1,753,637</u>	<u>\$ 4,290,280</u>	<u>\$ 1,690,716</u>
Indirect Cost Allocation Out	<u>918,695</u>					
Total Expenditures	<u>\$ 42,486,895</u>					
Operating Transfer to: Highway User Fund	<u>\$ 442,000</u>					

## 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 Highway User Revenue money. The amount available to each city is allocated on a population basis which is determined by the latest federal census. Money allocated to this fund must be used for street construction, reconstruction, and maintenance.

### Federal Revenue Sharing Fund

This fund receives and expends the City's allocation of Federal Revenue Sharing money. The amount available to each city is allocated on the basis of a formula established by the Congress of the United States. Federal Revenue Sharing money may be used for any purpose which is considered a permissible use of the government's own revenue under applicable state and local law.

### Community Development Fund

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

CITY OF SCOTTSDALE  
 SPECIAL REVENUE FUNDS  
 COMBINING BALANCE SHEET  
 JUNE 30, 1985

EXHIBIT C-1

<u>ASSETS</u>	<u>TOTAL ALL FUNDS</u>	<u>HIGHWAY USER FUEL TAX</u>	<u>FEDERAL REVENUE SHARING</u>	<u>COMMUNITY DEVELOPMENT</u>	<u>GRANTS</u>
Cash and Short-Term Investments	\$ 324,286	\$ 24,765	\$	\$	\$ 299,521
Cash with Fiscal Agents	720,300	720,300			
Receivables					
Gas Tax	537,015	537,015			
Federal Revenue Sharing	210,585		210,585		
Grants	18,521				18,521
Miscellaneous	284,754	2,952		281,802	
Total Assets	<u>\$ 2,095,461</u>	<u>\$ 1,285,032</u>	<u>\$ 210,585</u>	<u>\$ 281,802</u>	<u>\$ 318,042</u>
<u>LIABILITIES AND FUND BALANCES</u>					
Liabilities					
Cash Overdraft	\$ 450,791	\$	\$ 210,585	\$ 240,206	\$
Claims Payable	236,360	205,091		26,388	4,881
Accrued Payroll	53,707	53,707			
Bond Interest Payable	495,300	495,300			
Bonds Payable	225,000	225,000			
Total Liabilities	<u>1,461,158</u>	<u>979,098</u>	<u>210,585</u>	<u>266,594</u>	<u>4,881</u>
Fund Balances					
Reserved for Encumbrances	216,650	92,286		103,131	21,233
Unreserved	417,653	213,648		(87,923)	291,928
Total Fund Balances	<u>634,303</u>	<u>305,934</u>		<u>15,208</u>	<u>313,161</u>
Total Liabilities and Fund Balances	<u>\$ 2,095,461</u>	<u>\$ 1,285,032</u>	<u>\$ 210,585</u>	<u>\$ 281,802</u>	<u>\$ 318,042</u>

See Notes to Financial Statements.

CITY OF SCOTTSDALE

EXHIBIT C-2

SPECIAL REVENUE FUNDS

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

FOR THE FISCAL YEAR ENDED JUNE 30, 1985

	TOTAL ALL FUNDS	HIGHWAY USER FUEL TAX	FEDERAL REVENUE SHARING	COMMUNITY DEVELOPMENT	GRANTS
Revenue					
Taxes-Intergovernmental	\$ 6,240,663	\$ 6,240,663	\$	\$	\$
Grants	3,008,329		849,977	1,477,817	680,535
Miscellaneous	123,075	123,075			
Total Revenue	<u>9,372,067</u>	<u>6,363,738</u>	<u>849,977</u>	<u>1,477,817</u>	<u>680,535</u>
Expenditures					
Current					
Police	7,513				7,513
Field Operations	4,466,388	3,616,411	849,977		
Community Services	464,846				464,846
Community Development	2,700,021	1,221,650		1,478,371	
Capital Improvements	544,579	544,579			
Debt Service	1,215,600	1,215,600			
Total Expenditures	<u>9,398,947</u>	<u>6,598,240</u>	<u>849,977</u>	<u>1,478,371</u>	<u>472,359</u>
Excess (Deficiency) of Revenue Over Expenditures	(26,880)	(234,502)	-0-	(554)	208,176
Other Sources					
Operating Transfer In	442,000	442,000			
Excess (Deficiency) of Revenue and Other Sources Over Expenditures	415,120	207,498		(554)	208,176
Fund Balances July 1, 1984	<u>219,183</u>	<u>98,436</u>	<u>-0-</u>	<u>15,762</u>	<u>104,985</u>
Fund Balances June 30, 1985	<u>\$ 634,303</u>	<u>\$ 305,934</u>	<u>\$ -0-</u>	<u>\$ 15,208</u>	<u>\$ 313,161</u>

See Notes to Financial Statements.

CITY OF SCOTTSDALE

SPECIAL REVENUE FUNDS

EXHIBIT C-3

COMBINING SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - BUDGET BASIS

FOR THE FISCAL YEAR ENDED JUNE 30, 1985

	TOTALS			HIGHWAY USER FUEL TAX			FEDERAL REVENUE SHARING		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenue									
Taxes - Intergovernmental	\$ 5,615,000	\$ 6,240,663	\$ 625,663	\$ 5,615,000	\$ 6,240,663	\$ 625,663	\$	\$	\$
Grants	806,000	849,977	43,977				806,000	849,977	43,977
Miscellaneous		123,075	123,075		123,075	123,075			
CIP Reimbursement	3,123,000		(3,123,000)	3,123,000		(3,123,000)			
Total Revenue	<u>9,544,000</u>	<u>7,213,715</u>	<u>(2,330,285)</u>	<u>8,738,000</u>	<u>6,363,738</u>	<u>(2,374,262)</u>	<u>806,000</u>	<u>849,977</u>	<u>43,977</u>
Expenditures									
Current									
Field Operations	4,432,061	4,488,874	(56,813)	3,626,061	3,638,897	(12,836)	806,000	849,977	(43,977)
Community Development	1,233,162	1,252,224	(19,062)	1,233,162	1,252,224	(19,062)			
Debt Service	1,216,690	1,215,600	1,090	1,216,690	1,215,600	1,090			
Capital Improvements	1,133,000	575,974	557,026	1,133,000	575,974	557,026			
Contingency	2,575,151		2,575,151	2,575,151		2,575,151			
Total Expenditures	<u>10,590,064</u>	<u>7,532,672</u>	<u>3,057,392</u>	<u>9,784,064</u>	<u>6,682,695</u>	<u>3,101,369</u>	<u>806,000</u>	<u>849,977</u>	<u>(43,977)</u>
Excess (Deficiency) of Revenue Over Expenditures	(1,046,064)	(318,957)	727,107	(1,046,064)	(318,957)	727,107			
Other Sources									
Operating Transfer	<u>1,046,064</u>	<u>442,000</u>	<u>(604,064)</u>	<u>1,046,064</u>	<u>442,000</u>	<u>(604,064)</u>			
Excess (Deficiency) of Revenue and Other Sources Over Expenditures		123,043	123,043		123,043	123,043			
Encumbrances Canceled		93,997	93,997		93,997	93,997			
Fund Balances July 1, 1984		(179,077)	(179,077)		(179,077)	(179,077)			
Fund Balances June 30, 1985	<u>\$</u>	<u>\$ 37,963</u>	<u>\$ 37,963</u>	<u>\$ -0-</u>	<u>\$ 37,963</u>	<u>\$ 37,963</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

See Notes to Financial Statements.

CITY OF SCOTTSDALE  
 SPECIAL REVENUE FUNDS  
 COMBINING SCHEDULE OF REVENUE AND OTHER SOURCES  
 FOR THE FISCAL YEAR ENDED JUNE 30, 1985

EXHIBIT C-4

	<u>TOTAL ALL FUNDS</u>	<u>HIGHWAY USER FUEL TAX</u>	<u>FEDERAL REVENUE SHARING</u>	<u>COMMUNITY DEVELOPMENT</u>	<u>GRANTS</u>
Taxes - Intergovernmental					
Gas Tax	\$ 6,240,663	\$ 6,240,663	\$	\$	\$
	<u>6,240,663</u>	<u>6,240,663</u>			
Grants					
Federal	2,348,439		849,977	1,477,817	20,645
State	169,115				169,115
Miscellaneous	490,775				490,775
	<u>3,008,329</u>		<u>849,977</u>	<u>1,477,817</u>	<u>680,535</u>
Miscellaneous	<u>123,075</u>	<u>123,075</u>			
Total Revenue	9,372,067	6,363,738	849,977	1,477,817	680,535
Other Sources					
Operating Transfer In	<u>442,000</u>	<u>442,000</u>			
Total Revenue and Other Sources	<u>\$ 9,814,067</u>	<u>\$ 6,805,738</u>	<u>\$ 849,977</u>	<u>\$ 1,477,817</u>	<u>\$ 680,535</u>

## CITY OF SCOTTSDALE

EXHIBIT C-5

## SPECIAL REVENUE FUNDS

## COMBINING SCHEDULE OF EXPENDITURES BY OBJECT

FOR THE FISCAL YEAR ENDED JUNE 30, 1985

	<u>TOTAL</u>	<u>PERSONAL SERVICES</u>	<u>OTHER SERVICES</u>	<u>SUPPLIES</u>	<u>DEBT SERVICE</u>	<u>CAPITAL OUTLAY</u>
<u>HIGHWAY USER FUEL TAX</u>						
Current						
Field Operations	\$ 3,616,411	\$ 1,323,339	\$ 981,738	\$ 1,295,227	\$	\$ 16,107
Community Development	1,221,650	261,252	943,431	3,830		13,137
Debt Service	1,215,600				1,215,600	
Capital Improvements	544,579	24,948	6,218	234		513,179
	<u>6,598,240</u>	<u>1,609,539</u>	<u>1,931,387</u>	<u>1,299,291</u>	<u>1,215,600</u>	<u>542,423</u>
<u>FEDERAL REVENUE SHARING</u>						
Current						
Field Operations	<u>849,977</u>		<u>849,977</u>			
<u>COMMUNITY DEVELOPMENT</u>						
Current						
Community Development	<u>1,478,371</u>	<u>154,166</u>	<u>222,864</u>	<u>34,582</u>		<u>1,066,759</u>
<u>GRANTS</u>						
Current						
Community Services	464,846	9,083	342,613	12,506		100,644
Police	7,513		7,513			
	<u>472,359</u>	<u>9,083</u>	<u>350,126</u>	<u>12,506</u>		<u>100,644</u>
Total Expenditures	<u>\$ 9,398,947</u>	<u>\$ 1,772,788</u>	<u>\$ 3,354,354</u>	<u>\$ 1,346,379</u>	<u>\$ 1,215,600</u>	<u>\$ 1,709,826</u>

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## DEBT SERVICE FUNDS

These funds are established to account for the accumulation and disbursement of money needed to comply with the interest and principal redemption requirements of the general obligation and excise debt bond issues. Provisions are made in the City's general property tax levy for monies sufficient to meet the general obligation debt and from the transaction privilege tax for the excise debt.

General Obligation Bond Debt Service funds presently established are as follows:

- 1966 Parks and Recreation Improvement Bonds
- 1967 Civic Center Improvement Bonds
- 1968 Civic Center Improvement Bonds
- 1973 Storm Sewer Construction Bonds
- 1976 Storm Sewer Construction Bonds
- 1978 Storm Sewer Construction Bonds
- 1983 Capital Improvement Project Bonds For  
Public Buildings, Parks and Recreation,  
and Storm Sewer Improvements

Excise Debt Service Funds presently established are as follows:

- 1974 Municipal Property Corporation Bonds

Municipal Property Corporation Bond Debt Service Funds presently established are as follows:

- 1984 Asset Transfer Certificates of Participation
- 1984 Recreational Facilities Bonds
- 1985 Municipal Facilities Bonds

EXHIBIT D-1

CITY OF SCOTTSDALE

DEBT SERVICE FUND

BALANCE SHEET

JUNE 30, 1985

	<u>TOTAL ALL FUNDS</u>	<u>GENERAL DEBT SERVICE</u>	<u>MUNICIPAL PROPERTY CORPORATION</u>
<u>ASSETS</u>			
Cash with Fiscal Agents	\$ 6,517,602	\$ 6,517,602	\$
Cash and Short Term Investments	14,405,886	2,240,158	12,165,728
Investments	966,895		966,895
Property Tax Receivable	32,767	32,767	
Receivables:			
Accrued Interest	386,736	292,689	94,047
Total Assets	<u>\$22,309,886</u>	<u>\$ 9,083,216</u>	<u>\$13,226,670</u>
<u>LIABILITIES AND FUND BALANCE</u>			
Liabilities			
Bonds Interest Payable	2,771,864	1,040,363	1,731,501
Bonds Payable	405,000	405,000	
Due to General Fund	704,230		704,230
Total Liabilities	<u>3,881,094</u>	<u>1,445,363</u>	<u>2,435,731</u>
Fund Balance			
Reserved for Sinking Fund			
Requirements	6,413,413	6,413,413	
Unreserved	12,015,379	1,224,440	10,790,939
Total Fund Balance	<u>18,428,792</u>	<u>7,637,853</u>	<u>10,790,939</u>
Total Liabilities and Fund Balance	<u>\$22,309,886</u>	<u>\$ 9,083,216</u>	<u>\$13,226,670</u>

See Notes to Financial Statements.

## CITY OF SCOTTSDALE

## DEBT SERVICE FUNDS

## COMBINING STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES

FOR THE FISCAL YEAR ENDED JUNE 30, 1985

	TOTAL ALL FUNDS	GENERAL DEBT SERVICE	EXCISE DEBT SERVICE	MUNICIPAL PROPERTY CORPORATION
<b>Revenue</b>				
Taxes - Local				
Property	\$ 2,820,279	\$ 2,820,279	\$	\$
Transaction Privilege	195,835		195,835	
Interest Earnings	1,190,300	625,826		564,474
<b>Total Revenue</b>	<u>4,206,414</u>	<u>3,446,105</u>	<u>195,835</u>	<u>564,474</u>
<b>Expenditures</b>				
Payment to Fiscal Agents				
Principal	539,725	405,000	134,725	
Interest	5,615,144	2,080,725	61,035	3,473,384
Fiscal Agents' Fees	1,208	1,133	75	
<b>Total Expenditures</b>	<u>6,156,077</u>	<u>2,486,858</u>	<u>195,835</u>	<u>3,473,384</u>
<b>Other Sources &amp; (Uses)</b>				
Loss on Sale of Securities	(684,107)	(684,107)		
Bond Proceeds	13,240,341			13,240,341
Operating Transfers Out	(564,474)			(564,474)
Investments of Municipal Property Corporation	1,023,982			1,023,982
<b>Excess of Revenue Over Expenditures and Other Sources &amp; (Uses)</b>	<u>11,066,079</u>	<u>275,140</u>		<u>10,790,939</u>
<b>Reserved Fund Balances July 1, 1984</b>	<u>7,362,713</u>	<u>7,362,713</u>		
<b>Reserved Fund Balances June 30, 1985</b>	<u>\$18,428,792</u>	<u>\$ 7,637,853</u>	<u>\$ -0-</u>	<u>\$10,790,939</u>

See Notes to Financial Statements.

## CITY OF SCOTTSDALE

## DEBT SERVICE FUNDS

## COMBINING SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - BUDGET BASIS

FOR THE FISCAL YEAR ENDED JUNE 30, 1985

	TOTALS			GENERAL DEBT SERVICE			EXCISE DEBT SERVICE		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenue									
Taxes - Local									
Property	\$2,710,000	\$2,820,279	\$ 110,279	\$2,710,000	\$2,820,279	\$ 110,279	\$	\$	\$
Transaction Privilege	201,875	195,835	(6,040)				201,875	195,835	(6,040)
Total Revenue	<u>2,911,875</u>	<u>3,016,114</u>	<u>104,239</u>	<u>2,710,000</u>	<u>2,820,279</u>	<u>110,279</u>	<u>201,875</u>	<u>195,835</u>	<u>(6,040)</u>
Expenditures									
Payment to Fiscal Agents									
Principal	239,725	239,725		105,000	105,000		134,725	134,725	
Interest	2,145,821	2,141,760	4,061	2,080,725	2,080,725		65,096	61,035	4,061
Fiscal Agents' Fees	6,310	1,208	5,102	4,256	1,133	3,123	2,054	75	1,979
Sinking Fund Deposit	520,000	520,000		520,000	520,000				
Total Expenditures	<u>2,911,856</u>	<u>2,902,693</u>	<u>9,163</u>	<u>2,709,981</u>	<u>2,706,858</u>	<u>3,123</u>	<u>201,875</u>	<u>195,835</u>	<u>6,040</u>
Excess of Revenue Over Expenditures	19	113,421	113,402	19	113,421	113,402			
Fund Balances July 1, 1984	<u>531,252</u>	<u>665,851</u>	<u>134,599</u>	<u>531,252</u>	<u>665,851</u>	<u>134,599</u>			
Fund Balances June 30, 1985	<u>\$ 531,271</u>	<u>\$ 779,272</u>	<u>\$ 248,001</u>	<u>\$ 531,271</u>	<u>\$ 779,272</u>	<u>\$ 248,001</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

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, grants, 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.

A bond construction fund is utilized for receiving and expending proceeds from bond sales. Bonds are authorized by the general electorate for specific capital project construction periods, rather than on an annual basis. Each bond construction fund is terminated upon final completion of construction of the project for which it was created. Those presently in existence are as follows:

General Obligation Bond Construction Fund

Highway User Bond Construction Fund

Asset Transfer Construction Fund

Municipal Property Corporation Construction Fund

## EXHIBIT E-1

## CITY OF SCOTTSDALE

## CAPITAL PROJECTS FUNDS

## COMBINING BALANCE SHEET

JUNE 30, 1985

	TOTAL ALL FUNDS	GENERAL OBLIGATION BOND CONSTRUCTION FUND	HIGHWAY USER BOND CONSTRUCTION FUND	ASSET TRANSFER CONSTRUCTION FUND	MUNICIPAL PROPERTY CORPORATION CONSTR. FUND
Cash and Short-Term Investments	\$48,997,864	\$10,277,493	\$ 8,157,832	\$ 7,795,766	\$22,766,773
Accrued Interest Receivable	502,760	230,513	143,860		128,387
Long-Term Investments	13,200,571			13,200,571	
Total Assets	<u>\$62,701,195</u>	<u>\$10,508,006</u>	<u>\$ 8,301,692</u>	<u>\$20,996,337</u>	<u>\$22,895,160</u>
<u>LIABILITIES AND FUND BALANCES</u>					
Claims Payable	\$ 880,526	\$ 474,074	\$ 207,751	\$	\$ 198,701
Fund Balances					
Reserved for Encumbrances	11,262,220	619,289	1,197,844	3,761,821	5,683,266
Unreserved	<u>50,558,449</u>	<u>9,414,643</u>	<u>6,896,097</u>	<u>17,234,516</u>	<u>17,013,193</u>
Total Fund Balances	<u>61,820,669</u>	<u>10,033,932</u>	<u>8,093,941</u>	<u>20,996,337</u>	<u>22,696,459</u>
Total Liabilities and Fund Balances	<u>\$62,701,195</u>	<u>\$10,508,006</u>	<u>\$ 8,301,692</u>	<u>\$20,996,337</u>	<u>\$22,895,160</u>

See Notes to Financial Statements.

## EXHIBIT E-2

CITY OF SCOTTSDALE

CAPITAL PROJECTS FUNDS

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

FOR THE FISCAL YEAR ENDED JUNE 30, 1985

	<u>TOTAL ALL FUNDS</u>	<u>GENERAL OBLIGATION BOND CONSTRUCTION FUND</u>	<u>HIGHWAY USER BOND CONSTRUCTION FUND</u>	<u>ASSET TRANSFER CONSTRUCTION FUND</u>	<u>MUNICIPAL PROPERTY CORPORATION CONSTR. FUND</u>
Revenue					
Interest Earnings	<u>\$ 3,744,625</u>	<u>\$ 1,643,575</u>	<u>\$ 1,025,991</u>	\$	<u>\$ 1,075,059</u>
Total Revenue	<u>3,744,625</u>	<u>1,643,575</u>	<u>1,025,991</u>		<u>1,075,059</u>
Expenditures					
Capital Improvements	<u>31,394,164</u>	<u>12,012,924</u>	<u>2,797,079</u>	<u>12,410,663</u>	<u>4,173,498</u>
Total Expenditures	<u>31,394,164</u>	<u>12,012,924</u>	<u>2,797,079</u>	<u>12,410,663</u>	<u>4,173,498</u>
Excess (Deficiency) of Revenue Over Expendi- tures	(27,649,539)	(10,369,349)	(1,771,088)	(12,410,663)	(3,098,439)
Other Sources					
Bond Proceeds	<u>59,201,898</u>			<u>33,407,000</u>	<u>25,794,898</u>
Excess (Deficiency) of Revenue and Other Sources Over Expenditures	31,552,359	(10,369,349)	(1,771,088)	20,996,337	22,696,459
Fund Balances July 1, 1984	<u>30,268,310</u>	<u>20,403,281</u>	<u>9,865,029</u>		
Fund Balances June 30, 1985	<u>\$61,820,669</u>	<u>\$10,033,932</u>	<u>\$ 8,093,941</u>	<u>\$ 20,996,337</u>	<u>\$22,696,459</u>

See Notes to Financial Statements.

CITY OF SCOTTSDALE  
 CAPITAL PROJECTS FUNDS  
 COMBINING SCHEDULE OF EXPENDITURES BY OBJECT  
 FOR THE FISCAL YEAR ENDED JUNE 30, 1985

	<u>TOTAL</u>	<u>PERSONAL SERVICES</u>	<u>OTHER SERVICES</u>	<u>SUPPLIES</u>	<u>CAPITAL OUTLAY</u>
General Obligation Bond Construction Fund Capital Improve- ments	\$12,012,924	\$ 15,542	\$ 54,501	\$ 1,231	\$11,941,650
Highway User Bond Construction Fund Capital Improve- ments	2,797,079	144,432	31,796	751,396	1,869,455
Asset Transfer Construction Fund Capital Improve- ments	12,410,663				12,410,663
Municipal Property Corporation Construction Fund Capital Improve- ments	<u>4,173,498</u>		<u>2,803,420</u>		<u>1,370,078</u>
Total Expendi- tures	<u>\$31,394,164</u>	<u>\$ 159,974</u>	<u>\$ 2,889,717</u>	<u>\$ 752,627</u>	<u>\$27,591,846</u>



## SPECIAL ASSESSMENTS FUND

A special assessments fund is established to finance and account for the construction or purchase of improvements (or provision of services) which are to be paid for from special assessments levied against the benefited properties.

Usually the total cost of a project to be financed by special assessments is so large that the fund cannot expect to collect in a single installment the entire amount of the needed contribution from each property owner benefited. Accordingly, the option of paying the assessment in annual installments over a specified period is granted. Improvement district serial bonds are issued to pay contractors and suppliers who must be paid upon completion of the project. These bonds are repaid from the annual installments paid by the property owners.

CITY OF SCOTTSDALE  
 SPECIAL ASSESSMENTS FUND  
 BALANCE SHEET  
 JUNE 30, 1985

EXHIBIT F-1

ASSETS

Cash and Short-Term Investments	\$ 3,682,577
Cash with Fiscal Agents	429,114
Accrued Interest Receivable	80,809
Special Assessments Receivable - Current	521,894
Special Assessments Receivable - Deferred	<u>8,869,724</u>
Total Assets	<u>\$13,584,118</u>

LIABILITIES AND FUND BALANCE

Liabilities	
Bonds Interest Payable	\$ 429,114
Bonds Payable	9,894,000
Deferred Special Assessment Revenue	8,869,724
Claims Payable	642,423
Special Assessment Overpayments	4,763
Other	<u>229</u>
Total Liabilities	<u>19,840,253</u>
Fund Balance (Deficit)	
Reserved for:	
Encumbrances	8,352
Street Light Districts	566,260
Unreserved	<u>(6,830,747)</u>
Total Fund (Deficit)	<u>(6,256,135)</u>
Total Liabilities and Fund (Deficit)	<u>\$13,584,118</u>

See Notes to Financial Statements.

CITY OF SCOTTSDALE

EXHIBIT F-2

SPECIAL ASSESSMENTS FUND

STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE

FOR THE FISCAL YEAR ENDED JUNE 30, 1985

Revenue	
Penalty Income	\$ 1,295
Street Light Districts	389,582
Special Assessments	1,315,417
Interest Income	<u>576,596</u>
Total Revenue	<u>\$ 2,282,890</u>
Expenditures	
Street Light Districts	\$ 322,270
Capital Improvement Projects	4,757,970
Interest Expense	<u>1,058,340</u>
Total Expenditures	<u>6,138,580</u>
Excess of Expenditures Over Revenue	(3,855,690)
Fund (Deficit) July 1, 1984	(2,378,419)
Residual Equity Transfer Out	<u>(22,026)</u>
Fund (Deficit) June 30, 1985	<u>\$ (6,256,135)</u>

See Notes to Financial Statements.

CITY OF SCOTTSDALE  
 SPECIAL ASSESSMENTS FUND  
 SCHEDULE OF EXPENDITURES BY OBJECT  
 FOR THE FISCAL YEAR ENDED JUNE 30, 1985

EXHIBIT F-3

	<u>TOTAL</u>	<u>PERSONAL SERVICES</u>	<u>OTHER SERVICES</u>	<u>DEBT SERVICE</u>	<u>CAPITAL OUTLAY</u>
Special Assessments Fund					
Street Light Districts	\$ 322,270	\$	\$ 322,270	\$	\$
Capital Improvement Projects	4,757,970	24,922	14,733		4,718,315
Debt Service					
Interest & Fiscal Charges	<u>1,058,340</u>	_____	_____	<u>1,058,340</u>	_____
Total Expenditures	<u>\$6,138,580</u>	<u>\$ 24,922</u>	<u>\$ 337,003</u>	<u>\$1,058,340</u>	<u>\$4,718,315</u>

## TRUST AND AGENCY FUND

The Trust and Agency Fund is 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.

Included are:

- Fine Arts Trust
- Parks Enhancement Trust
- Railroad and Mechanical Society Trust
- Employee Benefits Trust
- Senior Citizens Trust
- Arizona Governmental Training Services Trust
- Library Book Sales Trust
- Kachina Open Junior Trust
- Law Enforcement Intelligence Agency Trust
- Air Fair Fire Kilometer Trust
- Special Recreation Trust

CITY OF SCOTTSDALE  
 TRUST AND AGENCY FUND  
 BALANCE SHEET  
 JUNE 30, 1985

EXHIBIT G-1

ASSETS

Cash and Short-Term Investments	\$ 3,239,781
Cash With Fiscal Agents	823,027
Miscellaneous Receivables	<u>24,728</u>
Total Assets	<u>\$ 4,087,536</u>

LIABILITIES AND FUND BALANCE

Liabilities	
Claims Payable	\$ 43,724
Guaranty and Other Deposits	<u>3,670,392</u>
Total Liabilities	<u>3,714,116</u>
Fund Balance	
Reserved for Encumbrances	5,926
Unreserved	<u>367,494</u>
Total Fund Balance	<u>373,420</u>
Total Liabilities and Fund Balance	<u>\$ 4,087,536</u>

See Notes to Financial Statements.

CITY OF SCOTTSDALE

EXHIBIT G-2

TRUST AND AGENCY FUND

STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE

FOR THE FISCAL YEAR ENDED JUNE 30, 1985

Revenue	\$ 242,124
Expenditures - Current	<u>353,440</u>
Excess of Expenditures Over Revenues	(111,316)
Fund Balance July 1, 1984	<u>484,736</u>
Fund Balance June 30, 1985	<u>\$ 373,420</u>

See Notes to Financial Statements.

CITY OF SCOTTSDALE  
 TRUST AND AGENCY FUND  
 SCHEDULE OF EXPENDITURES BY OBJECT  
 FOR THE FISCAL YEAR ENDED JUNE 30, 1985

EXHIBIT G-3

	<u>TOTAL</u>	<u>PERSONAL SERVICES</u>	<u>OTHER SERVICES</u>	<u>SUPPLIES</u>	<u>CAPITAL OUTLAY</u>
Trust and Agency Fund					
Current					
Trust and Agency	\$ <u>353,440</u>	\$ <u>59,079</u>	\$ <u>240,042</u>	\$ <u>42,823</u>	\$ <u>11,496</u>
Total Expenditures	\$ <u><u>353,440</u></u>	\$ <u><u>59,079</u></u>	<u>240,042</u>	\$ <u><u>42,823</u></u>	\$ <u><u>11,496</u></u>



## 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, 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.

## CITY OF SCOTTSDALE

## ENTERPRISE FUNDS

## COMBINING BALANCE SHEET

JUNE 30, 1985

<u>ASSETS</u>	<u>TOTAL ALL FUNDS</u>	<u>WATER AND SEWER UTILITY</u>	<u>AIRPORT</u>	<u>PUBLIC HOUSING</u>
Current Assets				
Cash and Short-Term Investments	\$ 2,961,613	\$ 2,930,528	\$	\$ 31,085
Accounts Receivable, Including Unbilled of \$924,923	2,418,434	2,418,434		
Accrued Interest Receivable	208,934	208,934		
Grant Receivables	21,034		21,034	
Miscellaneous Receivables	32,685	16,712	15,973	
Total Current Assets	<u>5,642,700</u>	<u>5,574,608</u>	<u>37,007</u>	<u>31,085</u>
Restricted Cash, Investments, & Receivables				
Cash with Fiscal Agents	1,971,905	1,971,905		
Revenue Bond Reserves	1,688,708	1,688,708		
Water and Sewer Replacement Notes Receivable	1,293,761	1,293,761		
	522,333			522,333
	<u>5,476,707</u>	<u>4,954,374</u>		<u>522,333</u>
Long Term Investments	6,909,478	6,909,478		
Property, Plant, and Equipment				
Land	10,913,902	1,420,441	9,493,461	
Water System	62,480,267	62,480,267		
Sewer System	43,587,283	43,587,283		
Buildings and Improvements	1,129,654		1,129,654	
Furniture, Fixtures, and Equipment	304,303	267,371	36,932	
Construction in Process	5,335,425	5,057,951	277,474	
	<u>123,750,834</u>	<u>112,813,313</u>	<u>10,937,521</u>	
Accumulated Depreciation and Amortization	(15,922,684)	(14,507,095)	(1,415,589)	
	<u>107,828,150</u>	<u>98,306,218</u>	<u>9,521,932</u>	
Excess Purchase Price Over Fair Market Value of Water System Assets Acquired, Net of Accumulated Amortization of \$1,765,373	871,222	871,222		
Total Assets	<u>\$126,728,257</u>	<u>\$116,615,900</u>	<u>\$ 9,558,939</u>	<u>\$ 553,418</u>

See Notes to Financial Statements.

<u>LIABILITIES AND FUND EQUITY</u>	<u>TOTAL ALL FUNDS</u>	<u>WATER AND SEWER UTILITY</u>	<u>AIRPORT</u>	<u>PUBLIC HOUSING</u>
<b>Current Liabilities</b>				
Cash Overdraft	\$ 1,227,842	\$	\$ 1,227,842	\$
Claims Payable	706,377	670,877	35,500	
Accrued Payroll	103,764	93,060	10,704	
Accrued Interest Payable	144,454	133,937	10,517	
Current Portion of Contracts Payable	1,331,980	981,405	350,575	
<b>Total Current Liabilities</b>	<u>3,514,417</u>	<u>1,879,279</u>	<u>1,635,138</u>	
<b>Current Liabilities (Payable from Restricted Assets)</b>				
Bonds Interest Payable	619,836	619,836		
Current Portion of Bonds Payable	1,320,000	1,320,000		
<b>Total Current Liabilities (Payable from Restricted Assets)</b>	<u>1,939,836</u>	<u>1,939,836</u>		
<b>Total Current Liabilities</b>	<u>5,454,253</u>	<u>3,819,115</u>	<u>1,635,138</u>	
<b>Long-Term Debt (Less Current Portion)</b>				
Bonds Payable	14,860,000	14,860,000		
Contracts Payable	972,824	972,824		
	<u>15,832,824</u>	<u>15,832,824</u>		
<b>Other Liabilities</b>				
Customer Advances & Deposits	159,560	159,560		
Unearned Grant Revenue (Payable from Restricted Notes Receivable)	522,333			522,333
	<u>681,893</u>	<u>159,560</u>		<u>522,333</u>
<b>Total Liabilities</b>	<u>21,968,970</u>	<u>19,811,499</u>	<u>1,635,138</u>	<u>522,333</u>
<b>Fund Equity</b>				
Contributed Capital	70,373,220	61,167,620	9,205,600	
Retained Earnings (Accumulated Deficit)				
Reserved for				
Revenue Bond Retirement	1,688,708	1,688,708		
Water & Sewer System Replacement	1,293,761	1,293,761		
Unreserved	31,403,598	32,654,312	(1,281,799)	31,085
<b>Total Retained Earnings (Accumulated Deficit)</b>	<u>34,386,067</u>	<u>35,636,781</u>	<u>(1,281,799)</u>	<u>31,085</u>
<b>Total Fund Equity</b>	<u>104,759,287</u>	<u>96,804,401</u>	<u>7,923,801</u>	<u>31,085</u>
<b>Total Liabilities &amp; Fund Equity</b>	<u>\$126,728,257</u>	<u>\$116,615,900</u>	<u>\$ 9,558,939</u>	<u>\$ 553,418</u>

## CITY OF SCOTTSDALE

EXHIBIT H-2

## ENTERPRISE FUNDS

## COMBINING STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN RETAINED EARNINGS

FOR THE FISCAL YEAR ENDED JUNE 30, 1985

	TOTAL ALL FUNDS	WATER AND SEWER UTILITY	AIRPORT	PUBLIC HOUSING
Operating Revenue				
Water Service Fees	\$ 7,409,163	\$ 7,409,163 ✓		\$
Water Connection Fee	341,059	341,059 ✓		
Water Development Fees	1,812,916	1,812,916		
Sewer Service Fees	3,262,696	3,262,696 ✓		
Sewer Development Fees	2,190,620	2,190,620		
Tie Downs and Rentals	451,707		451,707	
Commissions on Sales	22,638		22,638	
Property Rentals	23,331			23,331
Other	335,181	335,181 ✓		
Total Operating Revenue	<u>15,849,311</u>	<u>15,351,635</u>	<u>474,345</u>	<u>23,331</u>
Operating Expenses				
Water Operations	2,526,532	2,526,532		
Sewer Operations	1,343,243	1,343,243		
Customer Collection	559,511	559,511		
Airport Operations	405,567		405,567	
Utilities	13,013			13,013
Maintenance	16,106			16,106
Depreciation and Amortization	2,471,702	-2,302,976	162,380	6,346
Indirect Cost	918,696	830,501	88,195	
Total Operating Expenses	<u>8,254,370</u>	<u>7,562,763</u>	<u>656,142</u>	<u>35,465</u>
Operating Income (Loss)	<u>7,594,941</u>	<u>7,788,872</u>	<u>(181,797)</u>	<u>(12,134)</u>
Non-Operating Revenue (Expenses)				
Interest Earnings	1,588,585	1,588,585		
Gain on Sale of Real Estate	177,633			177,633
Interest Expense	(969,879)	(899,366)	(70,513)	
Total Non-Operating Revenue (Expenses)	<u>796,339</u>	<u>689,219</u>	<u>(70,513)</u>	<u>177,633</u>
Net Income (Loss)	<u>8,391,280</u>	<u>8,478,091</u>	<u>(252,310)</u>	<u>165,499</u>
Retained Earnings July 1, 1984	<u>25,994,787</u>	<u>27,158,690</u>	<u>(1,029,489)</u>	<u>(134,414)</u>
Retained Earnings June 30, 1985	<u>\$34,386,067</u>	<u>\$35,636,781</u>	<u>\$(1,281,799)</u>	<u>\$ 31,085</u>

See Notes to Financial Statements.

## CITY OF SCOTTSDALE

EXHIBIT H-3

## ENTERPRISE FUNDS

## COMBINING STATEMENT OF CHANGES IN FINANCIAL POSITION

FOR THE FISCAL YEAR ENDED JUNE 30, 1985

	TOTAL ALL FUNDS	WATER AND SEWER UTILITY	AIRPORT	PUBLIC HOUSING
<b>Sources of Funds</b>				
From Operations				
Net Income (Loss)	\$ 8,391,280	\$ 8,478,091	\$ (252,310)	\$ 165,499
Noncash Charge-Depreciation and Amortization	2,471,702	2,302,976	162,380	6,346
Total from Operations	<u>10,862,982</u>	<u>10,781,067</u>	<u>(89,930)</u>	<u>171,845</u>
Contributions				
Water/Sewer Assets from Subdividers	20,178,822	20,178,822		
From Government Units	1,289,875	360,592	929,283	
Increase In				
Current Liabilities	370,448	132,330	238,118	
Other Liabilities	298,205	16,155		282,050
Decrease In				
Receivables	438,806	62,925	375,881	
Property Plant & Equipment	254,657			254,657
	<u>33,693,795</u>	<u>31,531,891</u>	<u>1,453,352</u>	<u>708,552</u>
<b>Uses of Funds</b>				
Increase in Long-Term Invest- ment	6,909,478	6,909,478		
Contribution of Water/Sewer Assets from Subdividers	20,178,822	20,178,822		
Contribution of Water/Sewer Assets to Municipality	6,456,125	6,456,125		
Purchase of Other Property Equipment, and Construction In Progress	7,967,251	6,864,474	1,102,777	
Increase In Receivables	282,050			282,050
Increase In Restricted Cash and Investments	624,226	624,226		
Decrease In				
Other Liabilities	1,060			1,060
→ Long-Term Debt	2,665,700	2,315,125	350,575	
Contributions from Govern- mental Units	404,575			404,575
	<u>45,489,287</u>	<u>43,348,250</u>	<u>1,453,352</u>	<u>687,685</u>
Increase (Decrease) in Cash and Short-Term Investments	(11,795,492)	(11,816,359)	-0-	20,867
Cash and Short-Term Investments July 1, 1984	14,757,105	14,746,887	-0-	10,218
June 30, 1985	<u>\$ 2,961,613</u>	<u>\$ 2,930,528</u>	<u>\$ -0-</u>	<u>\$ 31,085</u>

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, 1985

EXHIBIT I-1

<u>ASSETS</u>	<u>TOTAL ALL FUNDS</u>	<u>MOTOR POOL</u>	<u>SELF INSURANCE</u>
<b>Current Assets</b>			
Cash and Short-Term Investments	\$ 2,504,042	\$ 573,227	\$ 1,930,815
Accrued Interest Receivable	39,561	12,250	27,311
Accounts Receivable	3,091	1,170	1,921
<b>Total Current Assets</b>	<u>2,546,694</u>	<u>586,647</u>	<u>1,960,047</u>
<b>Property, Plant, and Equipment</b>			
Land	67,904	67,904	
Buildings and Improvements	436,374	436,374	
Motor Vehicles	6,017,292	6,017,292	
Machinery and Equipment	1,148,757	1,148,257	500
Furniture, Fixtures, and Office Equipment	22,126	16,369	5,757
Construction in Progress	605,246	605,246	
	<u>8,297,699</u>	<u>8,291,442</u>	<u>6,257</u>
Accumulated Depreciation	(4,957,633)	(4,955,349)	(2,284)
	<u>3,340,066</u>	<u>3,336,093</u>	<u>3,973</u>
<b>Total Assets</b>	<u>\$ 5,886,760</u>	<u>\$ 3,922,740</u>	<u>\$ 1,964,020</u>
 <b><u>LIABILITIES AND FUND EQUITY</u></b>			
<b>Current Liabilities</b>			
Claims Payable	\$ 744,513	\$ 195,378	\$ 549,135
Accrued Payroll	95,593	89,740	5,853
	<u>840,106</u>	<u>285,118</u>	<u>554,988</u>
<b>Fund Equity</b>			
Contributed Capital	3,633,596	2,889,261	744,335
Retained Earnings-Unreserved	1,413,058	748,361	664,697
<b>Total Fund Equity</b>	<u>5,046,654</u>	<u>3,637,622</u>	<u>1,409,032</u>
<b>Total Liabilities and Fund Equity</b>	<u>\$ 5,886,760</u>	<u>\$ 3,922,740</u>	<u>\$ 1,964,020</u>

See Notes to Financial Statements.



CITY OF SCOTTSDALE

EXHIBIT I-2

INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN RETAINED EARNINGS

FOR THE FISCAL YEAR ENDED JUNE 30, 1985

	TOTAL ALL FUNDS	MOTOR POOL	SELF INSURANCE
<b>Operating Revenue</b>			
Billings To User Programs	\$ 4,202,880	\$ 3,585,804	\$ 617,076
Other	306,215	94,106	212,109
Total Operating Revenue	<u>4,509,095</u>	<u>3,679,910</u>	<u>829,185</u>
<b>Operating Expenses</b>			
Salaries and Wages	1,007,591	1,007,591	
Materials Purchased	908,457	908,457	
Gas, Oil, and Lubricants	547,678	547,678	
Depreciation	848,024	846,773	1,251
Other Shop Expenses	90,357	90,357	
General and Administrative	186,617	16,986	169,631
Outside Services	277,430	277,430	
Insurance Premiums	136,364		136,364
Claims Paid	446,024		446,024
Total Operating Expenses	<u>4,448,542</u>	<u>3,695,272</u>	<u>753,270</u>
Net Income/(Loss)	60,553	(15,362)	75,915
Retained Earnings July 1, 1984	<u>1,352,505</u>	<u>763,723</u>	<u>588,782</u>
Retained Earnings June 30, 1985	<u>\$ 1,413,058</u>	<u>\$ 748,361</u>	<u>\$ 664,697</u>

See Notes to Financial Statements.

CITY OF SCOTTSDALE  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF CHANGES IN FINANCIAL POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 1985

EXHIBIT I-3

	TOTAL ALL FUNDS	MOTOR POOL	SELF INSURANCE
<b>Sources of Funds</b>			
From Operations			
Net Income (Loss)	\$ 60,553	\$ (15,362)	\$ 75,915
Noncash Charge - Depreciation	<u>848,024</u>	<u>846,773</u>	<u>1,251</u>
Total from Operations	908,577	831,411	77,166
Contributions from Municipality	172,432	172,432	
Decrease in Accounts Receivable	51,189		51,189
Increase in Current Liabilities	<u>274,682</u>	<u>135,940</u>	<u>138,742</u>
	<u>1,406,880</u>	<u>1,139,783</u>	<u>267,097</u>
<b>Uses of Funds</b>			
Increase in Property, Plant, and Equipment	1,182,445	1,181,945	500
Increase in Accounts Receivable	<u>7,418</u>	<u>7,418</u>	
	<u>1,189,863</u>	<u>1,189,363</u>	<u>500</u>
Increase (Decrease) in Cash and Short-Term Investments	217,017	(49,580)	266,597
Cash and Short-Term Investments July 1, 1984	<u>2,287,025</u>	<u>622,807</u>	<u>1,664,218</u>
June 30, 1985	<u>\$ 2,504,042</u>	<u>\$ 573,227</u>	<u>\$ 1,930,815</u>

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

CITY OF SCOTTSDALE

EXHIBIT J-1

## SCHEDULE OF GENERAL FIXED ASSETS BY SOURCE

JUNE 30, 1985

## Property and Equipment

Land	\$ 28,840,216
Buildings and Improvements	42,370,989
Streets and Storm Drains	314,193,183
Machinery and Equipment	10,974,400
Construction in Progress	<u>18,167,514</u>

Total General Fixed Assets	<u><u>\$414,546,302</u></u>
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## Investment in General Fixed Assets From

General Fund	\$ 48,725,776
Special Revenue Funds	19,223,991
Capital Projects Funds	62,783,912
Contributions	275,848,439
Improvement Districts	<u>7,964,184</u>

Total Investment in General Fixed Assets	<u><u>\$414,546,302</u></u>
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EXHIBIT J-2

CITY OF SCOTTSDALE  
 SCHEDULE OF GENERAL FIXED ASSETS  
 BY FUNCTION AND ACTIVITY  
 YEAR ENDED JUNE 30, 1985

	<u>TOTAL</u>	<u>LAND</u>	<u>BUILDINGS AND IMPROVEMENTS</u>	<u>STREETS AND STORM DRAINS</u>	<u>MACHINERY AND EQUIPMENT</u>
General Government	\$ 24,023,275	\$ 6,560,850	\$ 16,743,043	\$	\$ 719,382
Police	2,517,247	40,855	1,423,207	48,038	1,005,147
Management Services	795,329		286,064		509,265
Field Operations	333,841,642	17,356,718	2,622,815	312,769,662	1,092,447
Community Services	20,240,310	2,366,482	16,015,849	134,747	1,723,232
Community Development	9,392,824	2,515,311	5,098,028	1,240,736	538,749
Non Departmental	<u>5,568,161</u>		<u>181,983</u>		<u>5,386,178</u>
 Total General Fixed Assets Allocated to Functions	 \$396,378,788	 <u>\$ 28,840,216</u>	 <u>\$ 42,370,989</u>	 <u>\$314,193,183</u>	 <u>\$ 10,974,400</u>
Construction in Progress	<u>18,167,514</u>				
 Total General Fixed Assets	 <u>\$414,546,302</u>				

CITY OF SCOTTSDALE  
 SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS  
 BY FUNCTION AND ACTIVITY  
 YEAR ENDED JUNE 30, 1985

	<u>07/01/84</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>06/30/85</u>
General Government	\$ 9,337,191	\$ 14,690,097	\$ 4,013	\$ 24,023,275
Police	2,361,631	182,655	27,039	2,517,247
Management Services	736,319	69,255	10,245	795,329
Field Operations	294,111,061	39,732,550	1,969	333,841,642
Community Services	19,070,585	1,195,560	25,835	20,240,310
Community Development	9,310,774	90,993	8,943	9,392,824
Non Departmental	3,841,825	1,730,416	4,080	5,568,161
Construction in Progress	<u>6,877,216</u>	<u>14,632,370</u>	<u>3,342,072</u>	<u>18,167,514</u>
	<u>\$345,646,602</u>	<u>\$ 72,323,896</u>	<u>\$ 3,424,196</u>	<u>\$414,546,302</u>

**STATISTICAL  
SECTION**

TABLE 1

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

FISCAL YEAR	TOTAL	GENERAL GOVERNMENT	PUBLIC SAFETY	MANAGEMENT SERVICES	FIELD OPERATIONS	COMMUNITY SERVICES	COMMUNITY DEVELOPMENT	MUNICIPAL UTILITIES	NON-DEPARTMENTAL	DEBT SERVICES	CAPITAL IMPROVEMENTS
*1985	\$58,041,919	\$ 2,138,651	\$ 8,352,188	\$ 1,873,189	\$10,573,974	\$ 8,155,034	\$ 7,116,544	\$	\$ 7,625,803	\$11,661,957	\$ 544,579
*1984	50,714,853	1,927,456	7,433,027	1,792,739	9,035,611	7,198,146	5,678,868		5,833,286	2,428,846	9,386,874
*1983	44,551,039	3,681,626	9,847,607	2,488,759	8,329,776	6,469,869	5,402,471			1,625,465	6,705,466
*1982	39,846,106	3,300,839	8,721,281	2,520,130	7,658,942	6,451,148	4,571,909	378,320		1,591,632	4,651,905
*1981	36,502,778	2,508,933	7,731,176	2,556,277	7,091,973	5,813,913	4,151,823	226,151		1,532,127	4,890,405
*1980	32,161,034	1,956,224	6,685,001	2,516,505	5,680,964	5,377,929	4,504,456	407,185		1,526,660	3,506,110
1979	30,210,507	1,304,630	6,161,448	2,260,310	5,660,651	6,765,247	3,929,206	285,847		2,131,927	1,711,241
1978	21,685,841	1,568,749	4,703,394	1,816,144	4,578,124	3,598,038	1,633,725	38,852		2,170,692	1,578,123
Reorganization March, 1977											
1977	18,415,674	3,648,165	4,521,225		5,185,420	2,957,806				2,103,058	
1976	15,929,841	3,186,451	4,028,832		4,331,800	2,745,985				1,636,773	

\*Data Reported Without Encumbrances; Prior Years' Data Reported With Encumbrances.



TABLE II

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

<u>FISCAL YEAR</u>	<u>TOTAL</u>	<u>TAXES</u>	<u>LICENSES AND PERMITS</u>	<u>INTER-GOVERNMENT REVENUE</u>	<u>CHARGES FOR SERVICES</u>	<u>FORFEITS</u>	<u>USES OF MONEY AND PROPERTY</u>	<u>MISCELLANEOUS</u>
1985	\$63,083,250	\$27,324,172	\$ 4,101,638	\$19,651,559	\$ 4,255,369	\$ 1,147,666	\$ 4,545,911	\$ 2,056,935
1984	51,576,944	23,760,587	3,662,366	16,644,270	3,808,539	1,009,111	1,377,798	1,314,273
1983	42,899,061	18,845,162	2,181,695	15,419,637	3,430,126	722,696	1,381,218	918,527
1982	37,454,895	17,266,878	1,404,914	13,070,978	2,928,160	459,034	1,628,091	696,840
1981	35,614,819	15,655,414	1,408,602	11,101,021	2,676,846	578,808	1,440,043	2,754,085
1980	32,970,292	14,697,250	1,301,665	11,364,598	2,153,174	564,704	1,374,275	1,514,626
1979	31,720,927	13,760,978	1,747,776	12,121,733	1,799,987	528,652	1,132,908	628,893
1978	23,769,172	11,623,061	1,318,170	7,179,902	1,812,947	485,337	731,343	618,412
1977	19,292,257	9,463,545	665,819	6,415,559	1,523,559	338,246	427,322	458,207
1976	16,995,456	8,158,411	449,435	6,122,988	1,464,550	277,274	350,680	172,118

TABLE III

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

<u>FISCAL YEAR</u>	<u>TOTAL TAXES</u>	<u>PRIVILEGE TAXES</u>	<u>GENERAL PROPERTY TAX</u>	<u>FRANCHISE</u>	<u>IN-LIEU PROPERTY</u>
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	1,022,688	51,915
1982	17,266,878	12,910,294	3,494,953	805,769	55,862
1981	15,655,414	11,636,852	3,148,907	807,330	62,325
1980	14,697,250	11,209,020	2,949,749	489,739	48,742
1979	13,760,978	10,133,373	3,171,299	399,006	57,300
1978	11,623,061	7,832,052	3,412,532	320,135	58,342
1977	9,463,545	6,242,303	2,905,835	255,922	59,485
1976	8,158,411	5,281,979	2,637,808	209,576	29,048

TABLE IV

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

<u>FISCAL YEAR</u>	<u>TOTAL TAX LEVY</u>	<u>CURRENT TAX COLLECTIONS</u>	<u>% OF LEVY COLLECTIONS</u>	<u>DELINQUENT TAX COLLECTIONS</u>	<u>FUTURE YEAR TAX COLLECTIONS</u>	<u>TOTAL TAX COLLECTIONS</u>	<u>TOTAL COLLECTIONS % OF CURRENT LEVY</u>	<u>OUTSTANDING DELINQUENT TAXES</u>	<u>OUTSTANDING DELINQUENT AS % OF CURRENT LEVY</u>
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
1982	3,306,068	3,381,094	102.27	113,858	89,076	3,584,028	108.41	96,093	2.91
1981	3,164,000	3,032,354	95.84	65,853	50,700	3,148,907	99.52	128,391	4.06
1980	2,941,981	2,843,369	96.65	61,451	44,929	2,949,749	100.26	79,553	2.70
1979	3,118,364	3,081,311	98.81	75,095	14,893	3,171,299	101.70	66,929	2.15
1978	3,395,254	3,323,293	97.88	66,122	23,117	3,412,532	100.51	10,952	.32
1977	2,812,007	2,781,386	98.91	104,974	19,475	2,905,835	103.34	77,287	2.75
1976	2,662,620	2,481,183	93.19	67,089	89,536	2,637,808	99.07	96,286	3.62

TABLE V

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)
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
1981-82 P	NOTE	293,254,155	4,816,520	22,475,660	29,581,930	350,128,265	388,617	349,739,648	2,431,972
S	78,168,180	299,115,465	4,816,520	22,481,685	29,581,930	434,163,780	222,812	433,940,968	3,129,428
1980-81 P	56,061,565	195,178,565	4,387,300	16,910,048	26,185,865	298,723,343	381,890	298,341,453	2,060,862
S	62,607,985	204,893,090	4,387,300	16,910,048	26,185,865	314,984,288	381,209	314,603,079	2,164,592
1979-80	64,707,360	214,606,835	4,905,525	18,168,440	26,686,105	329,074,265	524,208	328,550,057	1,736,654
1978-79	58,113,425	178,910,680	2,991,890	14,343,335	23,759,140	278,118,470	556,772	277,561,698	1,447,302
1977-78	53,849,005	154,935,375	2,368,435	12,172,310	21,493,915	244,819,040	556,121	244,262,919	1,251,931
1976-77	48,704,580	144,585,650	2,088,180	10,476,390	19,670,520	225,525,320	564,759	224,960,561	1,147,690
1975-76	46,731,400	135,227,745	2,362,150	9,944,190	19,309,805	213,575,290	565,660	213,009,630	1,083,709

NOTE: Real Estate and Improvements Combined in Primary Valuation.

ASSESSED VALUATION HISTORIES

YEAR	CITY OF SCOTTSDALE	MARICOPA COUNTY	STATE OF ARIZONA
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
1981-82 P	349,739,648	4,537,736,695	8,884,731,595
S	433,940,968	5,999,244,436	9,953,647,817
1980-81 P	298,341,453	3,822,449,353	8,872,496,646
S	314,603,079	3,994,223,482	9,940,994,609
1979-80	328,550,057	4,089,042,274	8,192,513,552
1978-79	277,561,698	3,488,588,940	7,226,035,626
1977-78	244,262,919	3,058,514,752	6,655,381,547
1976-77	224,960,561	2,844,314,021	6,200,230,075
1975-76	213,009,630	2,678,051,825	5,826,289,483

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 AND TAX LEVIES - ALL OVERLAPPING GOVERNMENTS  
LAST TEN FISCAL YEARS

TAX RATES		SCHOOL DISTRICTS							TOTAL
		CITY OF SCOTTSDALE	SCOTTSDALE UNIFIED	COMMUNITY COLLEGE	MARICOPA COUNTY	STATE OF ARIZONA	FLOOD DISTRICT	CENTRAL ARIZONA PROJECT	
1985-86	Primary	\$ .43	\$4.76	\$ .71	\$1.45	\$ .40	\$	\$	\$ 7.75
	Secondary	.46		.11	.16		.50	.07	1.30
	Total	\$ .89	\$4.76	\$ .82	\$1.61	\$ .40	\$ .50	\$ .07	\$ 9.05
1984-85	Primary	\$ .48	\$4.30	\$ .75	\$1.50	\$ .40	\$	\$	\$ 7.43
	Secondary	.42			.16		.50	.07	1.15
	Total	\$ .90	\$4.30	\$ .75	\$1.66	\$ .40	\$ .50	\$ .07	\$ 8.58
1983-84	Primary	\$ .51	\$4.34	\$ .77	\$1.53	\$ .75	\$	\$	\$ 7.90
	Secondary	.40	.13		.24		.48	.05	1.30
	Total	\$ .91	\$4.47	\$ .77	\$1.77	\$ .75	\$ .48	\$ .05	\$ 9.20
1982-83	Primary	\$ .55	\$3.98	\$ .80	\$1.57	\$ .75	\$	\$	\$ 7.65
	Secondary	.26	.21		.16		.50	.03	1.16
	Total	\$ .81	\$4.19	\$ .80	\$1.73	\$ .75	\$ .50	\$ .03	\$ 8.81
1981-82	Primary	\$ .59	\$4.11	\$ .78	\$1.60	\$ .95	\$	\$	\$ 8.03
	Secondary	.30	.29	.03	.18		.34	.03	1.17
	Total	\$ .89	\$4.40	\$ .81	\$1.78	\$ .95	\$ .34	\$ .03	\$ 9.20
1980-81	Primary	\$ .63	\$3.92	\$ .88	\$1.76	\$1.25	\$	\$	\$ 8.44
	Secondary	.41	.33	.04	.22		.43	.04	1.47
	Total	\$1.04	\$4.25	\$ .92	\$1.98	\$1.25	\$ .43	\$ .04	\$ 9.91
1979-80		1.03	5.64	.94	2.30	.48	.20	.03	10.62
1978-79		1.18	5.41	.84	2.30	1.10	.20	.03	11.06
1977-78		1.39	5.35	.76	2.67	1.60	.20	.03	12.00
1976-77		1.25	5.62	.71	2.70	1.60	.20	.03	12.11
TAX LEVIES									
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
1981-82	Primary	\$ 2,035,753	\$ 20,619,199	\$ 35,382,235	\$ 72,719,050	\$ 43,109,179	\$	\$	\$173,865,416
	Secondary	1,270,315	1,806,942	1,502,500	9,605,781		13,500,000	1,599,438	29,284,976
	Total	\$ 3,306,068	\$ 22,426,141	\$ 36,884,735	\$ 82,324,831	\$ 43,109,179	\$ 13,500,000	\$ 1,599,438	\$203,150,392
1980-81	Primary	\$ 1,882,000	\$ 17,123,070	\$ 33,805,756	\$ 67,153,941	\$ 47,780,616	\$	\$	\$167,745,383
	Secondary	1,282,000	1,511,100	1,560,000	8,493,229		12,292,400	1,636,096	26,774,825
	Total	\$ 3,164,000	\$ 18,634,170	\$ 35,365,756	\$ 75,647,170	\$ 47,780,616	\$ 12,292,400	\$ 1,636,096	\$194,520,208
1979-80		2,941,981	24,808,895	33,407,254	81,741,154	17,059,023	5,342,316	1,066,189	166,366,812
1978-79		3,118,364	22,305,645	27,903,341	76,402,005	75,760,851	5,026,367	996,548	211,513,121
1977-78		3,395,254	20,777,865	23,244,733	81,662,344	106,486,104	4,674,825	917,554	241,158,679
1976-77		2,812,007	19,822,661	20,194,630	76,796,479	99,203,681	4,394,979	853,294	224,077,731

For Scottsdale residents residing within the Phoenix Union High School District and the Balsz Elementary District, the 1985-86 tax rate total is \$9.71. For those residing within the Paradise Valley Unified School District, the 1985-86 tax rate total is \$10.81.

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.

TABLE VII

CITY OF SCOTTSDALE  
 PRINCIPAL TAXPAYERS  
 JUNE 30, 1985

<u>TAXPAYER</u>	<u>TYPE OF BUSINESS</u>	<u>ASSESSED VALUATION</u>	<u>PERCENT OF TOTAL ASSESSED VALUATION</u>
Mountain States Telephone	Telephone Utility	\$18,279,309	2.73
Arizona Public Service Company	Electric Utility	14,055,233	2.10
Motorola, Inc.	Electronics Manufacturing	12,453,399	1.86
Sentry Insurance	Insurance Headquarters	4,446,616	.66
Fashion Square Shopping Center	Retail Mall	3,910,026	.58
Camelview Plaza Shopping Center	Retail Mall	3,892,917	.58
Los Arcos Shopping Mall	Retail Mall	3,493,741	.52
Scottsdale Conference Center	Convention Center	2,283,750	.34
Armour & Co.	Product Research	<u>1,830,468</u>	<u>.27</u>
		<u>\$64,645,459</u>	<u>9.64</u>

TABLE VIII

CITY OF SCOTTSDALE  
SPECIAL ASSESSMENT COLLECTIONS  
LAST TEN FISCAL YEARS

FISCAL YEAR	CURRENT ASSESSMENTS DUE	CURRENT ASSESSMENTS COLLECTED	RATIO OF COLLECTIONS TO AMOUNT DUE	TOTAL OUTSTANDING* CURRENT AND DELINQUENT ASSESSMENTS
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
1981-82	738,597	731,731	99.0	6,866
1980-81	857,444	837,888	97.7	19,556
1979-80	967,385	954,370	98.7	13,015
1978-79	1,123,385	1,119,671	99.7	3,714
1977-78	838,132	834,603	99.6	3,529
1976-77	930,939	926,059	99.5	4,880
1975-76	1,064,181	N/A	N/A	N/A

\*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 no 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

<u>FISCAL YEAR</u>	<u>POPULATION*</u>	<u>ASSESSED VALUE</u>	<u>GROSS BONDED DEBT</u>	<u>LESS DEBT SERVICE FUNDS</u>	<u>NET BONDED DEBT</u>	<u>RATIO OF NET BONDED DEBT TO ASSESSED VALUE</u>	<u>NET BONDED DEBT PER CAPITAL</u>
1984-85	115,000	\$670,558,525	\$ 30,800,000	\$ 6,525,723	\$ 24,274,277	3.6%	\$211.08
1983-84	109,000	617,986,666	31,000,000	6,492,884	24,507,116	4.0	224.85
1982-83	96,200	471,841,031	11,365,000	6,047,735	5,317,265	1.1	55.27
1981-82	95,600	433,940,968	11,725,000	5,322,701	6,402,299	1.5	66.97
1980-81	90,400	314,603,079	12,080,000	4,666,093	7,413,907	2.4	82.01
1979-80	87,900	328,550,057	12,430,000	4,065,852	8,364,148	2.5	95.16
1978-79	87,400	277,561,698	12,750,000	3,502,116	9,247,884	3.3	105.81
1977-78	81,100	244,262,919	13,065,000	2,929,844	10,135,156	4.2	124.97
1976-77	78,300	224,960,561	12,510,000	2,468,356	10,041,644	4.5	128.25
1975-76	77,500	213,009,630	23,750,000	1,762,947	10,987,053	5.2	141.77

\*Source: City Planning Staff

CITY OF SCOTTSDALE  
COMPUTATION OF LEGAL DEBT MARGINS  
JUNE 30, 1985

Assessed Value			\$670,558,526
Debt Limit 6% of Assessed Value			40,233,512
Amount of Debt Applicable to Debt Limit			
Total 6% General Obligation Bonded Debt			
1961 Sewer Serial	50,000		
1966 Parks and Recreation	150,000		
1967 Civic Center	750,000		
1968 Civic Center	1,400,000		
1983 CIP Series A			
Public Buildings	<u>14,400,000</u>	<u>16,750,000</u>	
Less:			
Cash in Debt Service Funds			
1967 Civic Center	30,000		
1966 Parks and Recreation	75,000		
1961 Sewer Series	<u>50,000</u>	<u>155,000</u>	
Total Debt Applicable to Debt Limit			<u>16,595,000</u>
Legal Debt Margin			<u>\$ 23,638,512</u>
Debt Limit 20% of Assessed Value			\$134,111,705
Amount of Debt Applicable to Debt Limit			
Total 20% General Obligation Bonded Debt			
1973 Storm Sewer Series A	3,500,000		
1973 Storm Sewer Series C	4,000,000		
1973 Storm Sewer Series D	1,000,000		
1983 CIP Series A			
Parks	5,000,000		
Storm Sewer	<u>600,000</u>	<u>14,100,000</u>	
Less:			
Cash in Debt Service Funds			
1973 Storm Sewer Series	<u>6,420,723</u>	<u>6,420,723</u>	
Total Debt Applicable to Debt Limit			<u>7,679,277</u>
Legal Debt Margin			<u>\$126,432,428</u>



TABLE XI

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

<u>FISCAL YEAR</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>DEBT SERVICE</u>	<u>TOTAL EXPENDITURES</u>	<u>RATIO OF DEBT SERVICE TO TOTAL EXPENDITURES</u>
*1985	\$ 975,000	\$2,080,725	\$ 3,055,725	\$56,253,731	5.43%
*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
*1982	655,000	605,285	1,260,285	39,846,106	3.16
*1981	650,000	630,260	1,280,260	36,502,778	3.51
*1980	645,000	647,160	1,292,160	32,161,034	4.02
1979	680,000	666,805	1,346,805	30,210,507	4.46
1978	750,000	626,410	1,376,410	21,685,841	6.35
1977	815,000	652,810	1,467,810	18,415,674	7.97
1976	890,000	387,549	1,277,549	15,929,841	8.02

\*Data reported without encumbrances; prior years' data reported with encumbrances.

TABLE XII

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

<u>FISCAL YEAR</u>	<u>GROSS REVENUE</u>	<u>OPERATING &amp; MAINTENANCE EXPENSES</u>	<u>NET REVENUE AVAILABLE FOR DEBT SERVICES</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>	<u>COVERAGE</u>	<u>REQUIRED COVERAGE</u>
1985	\$16,940,220	\$ 6,732,262(1)	\$10,207,958	\$ 1,270,000	\$ 575,785	\$ 1,845,785	5.53	1.20
1984	13,932,644	5,978,867(1)	7,953,777	1,200,000	771,131	1,971,131	4.04	1.20
1983	9,907,951	5,104,171(1)	4,803,780	685,000	490,573	1,175,573	4.09	1.20
1982	8,466,963	4,205,257	4,261,706	600,000	522,323	1,122,323	3.80	1.20
1981	7,244,494	2,433,428	4,811,066	535,000	549,748	1,084,748	4.44	1.20
1980	6,231,513	1,902,516	4,328,997	500,000	481,434	981,434	4.41	1.20
1979	6,899,446	1,880,591	5,018,855	425,000	499,008	924,008	5.43	1.20
1978	5,076,901	1,187,611	3,889,290	345,000	516,483	861,483	4.51	1.20
1977	3,242,466	939,703	2,302,763	320,000	401,178	721,178	3.19	1.20
1976	2,798,475	753,920	2,044,555	260,000	349,345	609,345	3.36	1.20

(1)Excludes internal allocation for indirect costs.

The 1964 and 1966 Sewer Revenue Bonds and the 1971 Water Revenue Bonds were refunded in 1973 by a \$3,910,000 Refunding Issue. Principal and interest on the 1973 refunding bonds is payable from the now combined operation of the City of Scottsdale Water and Sewer Utility System after providing sufficient funds for the current expenses of the system.

TABLE XIII

CITY OF SCOTTSDALE  
DEMOGRAPHIC STATISTICS  
LAST TEN FISCAL YEARS

<u>FISCAL YEAR</u>	<u>POPULATION (1)</u>	<u>PER CAPITA INCOME (1)</u>	<u>MEDIAN AGE (2)</u>	<u>EDUC. LEVEL IN YEARS OF SCHOOLING (2)</u>	<u>SCHOOL ENROLLMENT (3)</u>	<u>UNEMPLOYMENT RATE (4)</u>
1985	115,000	14,000	43.5	14.2	18,830	3.6
1984	109,000	10,900	38.5	12.0	19,032	2.9
1983	96,200	12,200	39.4	13.0	19,803	5.9
1982	95,600	10,013	39.2	13.3	20,855	6.3
1981	90,400	11,116	34.6	14.7	22,060	3.9
1980	87,900	8,968	34.3	14.4	23,309	4.4
1979	87,400	8,397	33.3	14.5	24,440	3.4
1978	81,100	7,826	32.4	14.6	25,478	4.2
1977	78,300	6,786	31.4	14.1	26,264	5.8
1976	77,500	6,280	30.4	14.8	26,837	7.8

## Sources:

- (1) City Planning Staff
- (2) Inside Phoenix (Republic and Gazette)
- (3) Scottsdale School District
- (4) Arizona Department of Economic Security

TABLE XIV

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 (\$000) (2)	PROPERTY VALUE (3) (4)		
	NUMBER OF PERMITS	VALUE	NUMBER DWELLING UNITS	VALUE		COMMERCIAL	RESIDENTIAL	NONTAXABLE
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	5,212	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
1982	2,278	62,902,183	1,103	63,345,423	7,888,962	702,699,595	2,429,906,884	107,081,672
1981	2,723	52,387,384	1,906	96,450,635	7,415,347	569,123,360	1,595,467,446	101,065,967
1980	3,827	47,930,450	1,433	58,675,933	6,705,628	482,728,948	1,253,925,269	154,602,436
1979	3,933	47,245,774	4,543	130,673,316	5,736,650	420,469,277	1,026,832,307	137,822,740
1978	2,693	31,196,225	3,523	113,863,766	4,820,917	443,481,361	808,449,825	107,680,243
1977	2,163	19,096,608	1,681	34,897,790	4,180,598			
1976	1,802	23,871,250	401	12,006,224	3,956,984			

Note (1) Source - City Building Inspection program

Note (2) Source - Arizona Statistical Review

Note (3) Source - Abstract published by the Arizona State Department of Revenue. Data not available prior to 1978.

Note (4) Source - Estimated actual value Secondary Assessed Valuation

TABLE Xva

CITY OF SCOTTSDALE  
DEBT SERVICE REQUIREMENTS TO MATURITY  
GENERAL OBLIGATION AND MUNICIPAL PROPERTY CORPORATION DEBT  
AS OF JUNE 30, 1995

FISCAL YEAR	GENERAL PURPOSE 6% LIMITATION			UTILITY PURPOSE 20% LIMITATION			TOTAL GENERAL OBLIGATION DEBT SERVICE REQUIREMENTS			MUNICIPAL PROPERTY CORPORATION DEBT SERVICE REQUIREMENTS			TOTAL ALL DEBT SERVICE REQUIREMENTS			
	PRINCIPAL	INTEREST	TOTAL	PRINCIPAL	SINKING FUND (1)		PRINCIPAL	INTEREST	TOTAL	PRINCIPAL	INTEREST	TOTAL	PRINCIPAL	INTEREST	TOTAL	
					INTEREST	TOTAL										
1985-86	\$ 1,600,000	\$ 1,184,660	\$ 2,784,660	\$ 560,000	\$ 500,000	\$ 876,205	\$ 1,936,205	\$ 2,660,000	\$ 2,060,865	\$ 4,720,865	\$ 2,030,000	\$ 6,266,884	\$ 8,296,884	\$ 4,690,000	\$ 8,327,749	\$ 13,017,749
1986-87	1,605,000	1,054,300	2,659,300	560,000	500,000	733,170	1,793,170	2,665,000	1,787,470	4,452,470	2,160,000	6,559,452	8,719,452	4,825,000	8,346,922	13,171,922
1987-88	1,615,000	928,675	2,543,675	560,000	500,000	630,690	1,690,690	2,675,000	1,559,365	4,234,365	2,310,000	6,416,049	8,726,049	4,985,000	7,975,414	12,960,414
1988-89	1,620,000	827,160	2,447,160	560,000	500,000	536,230	1,596,230	2,680,000	1,363,390	4,043,390	2,470,000	6,252,982	8,722,982	5,150,000	7,616,372	12,766,372
1989-90	1,630,000	721,140	2,351,140	560,000	500,000	440,090	1,500,090	2,690,000	1,161,230	3,851,230	2,655,000	6,068,240	8,723,240	5,345,000	7,229,470	12,574,470
1990-91	1,640,000	610,895	2,250,895	560,000	500,000	400,330	1,460,330	2,700,000	1,011,225	3,711,225	2,860,000	5,863,049	8,723,049	5,560,000	6,874,274	12,434,274
1991-92	1,640,000	495,775	2,135,775	560,000	500,000	359,450	1,419,450	2,700,000	855,225	3,555,225	3,085,000	5,634,273	8,719,273	5,785,000	6,489,498	12,274,498
1992-93	1,640,000	378,275	2,018,275	560,000	180,000	317,450	1,057,450	2,380,000	695,725	3,075,725	3,340,000	5,380,839	8,720,839	5,720,000	6,076,564	11,796,564
1993-94	1,665,000	257,275	1,922,275	560,000		86,800	646,800	2,225,000	344,075	2,569,075	3,615,000	5,098,899	8,713,899	5,840,000	5,442,974	11,282,974
1994-95	1,690,000	135,100	1,825,100	560,000		43,400	603,400	2,250,000	178,500	2,428,500	3,925,000	4,785,919	8,710,919	6,175,000	4,964,419	11,139,419
1995-96	250,000	11,750	261,750					250,000	11,750	261,750	5,095,000	4,438,459	9,533,459	5,345,000	4,450,209	9,795,209
1996-97											4,025,000	4,008,211	8,033,211	4,025,000	4,008,211	8,033,211
1997-98											4,420,000	3,615,624	8,035,624	4,420,000	3,615,624	8,035,624
1999-2033											35,012,239	62,419,724	97,431,963	35,012,239	62,419,724	97,431,963
<b>TOTALS</b>	<b>\$16,595,000</b>	<b>\$ 6,605,005</b>	<b>\$23,200,005</b>	<b>\$ 5,600,000</b>	<b>\$ 3,680,000</b>	<b>\$ 4,423,815</b>	<b>\$13,703,815</b>	<b>\$25,875,000</b>	<b>\$11,028,820</b>	<b>\$36,903,820</b>	<b>\$ 77,002,239</b>	<b>\$132,808,604</b>	<b>\$209,810,843</b>	<b>\$102,677,239</b>	<b>\$145,837,424</b>	<b>\$246,714,663</b>

(1) A sinking fund has been provided to retire all issues which will mature July 1, 1993.

TABLE XVb

CITY OF SCOTTSDALE  
DEBT SERVICE REQUIREMENTS TO MATURITY  
SPECIAL ASSESSMENT BONDS  
JUNE 30, 1985

<u>FISCAL YEAR</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
1986	\$ 1,048,000	812,494	1,860,494
1987	1,178,000	721,847	1,899,847
1988	1,177,000	623,094	1,800,094
1989	1,060,000	527,791	1,587,791
1990	992,000	438,239	1,430,239
1991	934,000	353,061	1,287,061
1992	932,000	269,980	1,201,980
1993	869,000	189,883	1,058,883
1994	862,000	112,989	974,989
1995	842,000	37,351	879,351
	<u>\$ 9,894,000</u>	<u>\$ 4,086,729</u>	<u>\$13,980,729</u>

DEBT SERVICE REQUIREMENTS TO MATURITY  
HIGHWAY USER REVENUE BONDS

<u>FISCAL YEAR</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
1986	\$ 250,000	\$ 967,537	\$ 1,217,537
1987	275,000	941,913	1,216,913
1988	300,000	913,725	1,213,725
1989	325,000	882,975	1,207,975
1990	375,000	849,662	1,224,662
1991	400,000	811,225	1,211,225
1992	425,000	775,625	1,200,625
1993	475,000	740,563	1,215,563
1994	525,000	701,375	1,226,375
1995	575,000	658,062	1,233,062
1996	625,000	609,188	1,234,188
1997	675,000	554,500	1,229,500
1998	725,000	493,750	1,218,750
1999	800,000	428,500	1,228,500
2000	875,000	356,500	1,231,500
2001	950,000	277,750	1,227,750
2002	1,050,000	192,250	1,242,250
2003	1,150,000	97,750	1,247,750
	<u>\$10,775,000</u>	<u>\$11,252,850</u>	<u>\$22,027,850</u>

CITY OF SCOTTSDALE  
DEBT SERVICE REQUIREMENTS TO MATURITY  
REVENUE BONDS AND LONG-TERM CONTRACTS  
ENTERPRISE FUNDS  
JUNE 30, 1985

FISCAL YEAR	WATER AND SEWER UTILITY REVENUE BONDS		
	PRINCIPAL	INTEREST	TOTAL
1986	\$ 950,000	\$ 1,084,061	\$ 2,034,061
1987	690,000	1,033,111	1,723,111
1988	725,000	999,798	1,724,798
1989	765,000	964,798	1,729,798
1990	800,000	927,073	1,727,073
1991	810,000	887,623	1,697,623
1992	875,000	847,123	1,722,123
1993	925,000	800,623	1,725,623
1994	1,010,000	719,998	1,729,998
1995	1,085,000	630,688	1,715,688
1996	1,175,000	549,062	1,724,062
1997	1,275,000	446,250	1,721,250
1998	1,400,000	332,775	1,732,775
1999	1,525,000	206,775	1,731,775
2000	850,000	68,000	918,000
	<u>\$14,860,000</u>	<u>\$10,497,758</u>	<u>\$25,357,758</u>

FISCAL YEAR	AIRPORT LONG-TERM CONTRACTS		
	PRINCIPAL	INTEREST	TOTAL
1986	\$ 350,575	\$ 31,551	\$ 382,126

TABLE XVc

WATER AND SEWER UTILITY LONG TERM CONTRACTS			WATER AND SEWER UTILITY TOTAL REQUIREMENTS		
PRINCIPAL	INTEREST	TOTAL	PRINCIPAL	INTEREST	TOTAL
\$ 981,405	\$ 233,127	\$ 1,214,532	\$ 1,931,405	\$ 1,317,188	\$ 3,248,593
547,479	83,806	631,285	1,237,479	1,116,917	2,354,396
32,479	79,898	112,377	757,479	1,079,696	1,837,175
32,479	76,000	108,479	797,479	1,040,798	1,838,277
32,479	72,103	104,582	832,479	999,176	1,831,655
32,479	68,205	100,684	842,479	955,828	1,798,307
32,479	64,307	96,785	907,479	911,430	1,818,909
32,479	60,410	92,889	957,479	861,033	1,818,512
32,479	56,513	88,992	1,042,479	776,511	1,818,990
32,479	52,615	85,095	1,117,479	683,303	1,800,782
32,479	48,718	81,197	1,207,479	597,780	1,805,259
32,479	44,819	77,298	1,307,479	491,069	1,798,548
32,479	40,923	73,402	1,432,479	373,698	1,806,177
32,479	37,025	69,504	1,557,479	243,800	1,801,279
35,597	33,127	68,724	885,597	101,127	986,724
<u>\$ 1,954,229</u>	<u>\$ 1,051,596</u>	<u>\$ 3,005,825</u>	<u>\$16,814,229</u>	<u>\$11,549,354</u>	<u>\$28,363,583</u>



CITY OF SCOTTSDALE  
MISCELLANEOUS STATISTICAL DATA  
JUNE 30, 1985

TABLE XVI

Date of Incorporation	- June 25, 1951	
Date Charter Adopted	- November 16, 1961	
Form of Government	- Council/Manager	
Population		<u>Area - Square Miles</u>
1951 Census	- 2,032	1951 - .62
1960 Census	- 10,026	1961 - 4.90
1965 Special Census	- 54,504	1970 - 62.20
1970 Census	- 67,823	1971 - 73.60
1975 Special Census	- 78,065	1975 - 85.80
1980 Census	- 88,364	1979 - 88.60
1985 Est. 06/30/84	- 115,000	1982 - 116.00
		1984 - 147.00
		1985 - 183.00
Miles of Streets and Alleys		
Streets		543.76
Alleys		152.54
Miles of Sewers		
Storm		17.57
Sanitary		547.49
Fire Protection		
Number of Stations		5
The City of Scottsdale has no fire employees but contracts with Metropolitan Fire Department Inc. to provide fire service to all residents.		
Police Protection		
Number of Employees		228
Number of Traffic Citations (excluding parking)		37,319
Number of Vehicles		103
The City jail is a holding facility. All long-term prisoners are incarcerated in the County jail.		
Recreation		
Parks - Number of Acres		1,917
Number of Swimming Pools		2
Number of Other Recreation Facilities		35
These include schools and school playgrounds in cooperation with Scottsdale School District.		
Water Enterprise		
Number of Users (No. Units)		29,874
Annual Consumption (Gallons)		6,436,424,770
Plant Capacity (Gallons Per Day)		36,015,840
Miles of Distribution Lines		547.57
Number of Street Lights		5,514
Employees as of June 30, 1985		
Full Time		883
Part Time		271
Grant Funded		10
Total		1,164
Elections		
Number of Registered Voters as of last regular Election, February, 1984		48,766
Number/% Voting in Last Municipal Election		11,951/24.5%
Population		
Median Age of Residents		43.5
Median Household Income		32,900
Median Home Value - Single Family		97,000

TABLE XVII

CITY OF SCOTTSDALE  
SCHEDULE OF INSURANCE IN FORCE  
JUNE 30, 1985

<u>CARRIER</u>	<u>POLICY DESCRIPTION</u>	<u>AMOUNT OF COVERAGE</u>
Arkwright-Boston Insurance 07/01/85 to 06/30/86	Property Insurance - All Risk Repair or Replace \$5,000 Deductible	\$77,112,000
Planet & Insurance Co. 07/01/85 to 06/30/86	Excess Liability Coverage \$250,000 Retention	\$ 7,750,000
Granite State Insurance 07/01/85 to 06/30/86	Excess Liability Coverage	\$ 5,000,000
Affiliated International Insurance 07/01/85 to 06/30/86	Excess Liability Coverage	\$ 5,000,000
Pacific Employers Insurance 07/01/85 to 06/30/86	Excess Liability Coverage	\$ 7,000,000
Associated Aviation Under- writers 07/01/85 to 06/30/86	Airport and Hangarkeepers Coverage \$5,000 Deductible	\$50,000,000
Employers Reinsurance 07/01/85 to 06/30/86	Excess Workers' Compensation Coverage \$150,000 Retention	Unlimited
Aetna 07/01/85 to 06/30/86	Workers' Compensation Guaranty Bond (Value of Bond (\$100,000))	

TABLE XVIIa

CITY OF SCOTTSDALE  
GENERAL INSURANCE  
JUNE 30, 1985

REAL PROPERTY (BUILDINGS)

<u>FACILITY/ADDRESS</u>	<u>CONSTRUCTION</u>	<u>ACQ. DATE</u>	<u>AREA SQ. FEET</u>	<u>REPLACEMENT COST (6/30/85)</u>
<b>Parks</b>				
<u>Aqua Linda Park Bldg.</u> 8732 East McDonald	Conc./Block	04/75	1,300	\$ 82,000
<u>Chaparral Park</u> 5401 North Hayden Road	Conc./Block	10/74	4,650	250,000
Recreation Center	Conc./Block	10/81	2,000	150,000
<u>Chesnutt Park</u> 4565 North Granite Reef	Adobe	08/65	950	50,000
Senior Citizen Center	Conc./Block	07/69	693	16,800
Ramadas				
<u>Eldorado Park</u>				
Recreation Center	Conc./Block	10/68	10,000	580,000
2311 North Miller Rd.				
Pool/Bath House	Conc./Block	06/68	3,515	176,000
2301 North Miller Rd.				
Restrooms	Conc./Block	07/70	350	16,000
2301 North Miller Rd.				
South Control Bldg.	Conc./Block	07/70	1,944	115,000
1909 North Miller Rd.				
Concession Stand	Conc./Block	1970	210	5,000
2301 North Miller Rd.				
<u>Paiute Park</u>				
6535 East Osborn				
Control Building	Conc./Block	07/82	1,500	120,000
Maintenance Compound	Conc./Block	--	720	30,000
<u>Pima Park</u>				
8600 East Thomas Road	Conc./Block	--	500	43,000
<u>Baseball Stadium</u>				
7408 East Osborn	Wood Frame	--	12,000	400,000
<u>Vista Del Camino</u>				
7700 East Roosevelt	Conc./Block	08/73	8,753	748,000
<u>Horsemen's Park</u>				
16600 North Pima Road				
Control/Restrooms	Conc./Block	05/83	1,260	82,000
Park Residence	Block/Frame	06/84	2,800	168,000

TABLE XVIIa  
(Continued)CITY OF SCOTTSDALE  
GENERAL INSURANCE  
June 30, 1985REAL PROPERTY (BUILDINGS)

<u>FACILITY/ADDRESS</u>	<u>CONSTRUCTION</u>	<u>ACQ. DATE</u>	<u>AREA SQ. FEET</u>	<u>REPLACEMENT COST (6/30/85)</u>
<b>Parks (Continued)</b>				
<u>McCormick Park</u>				
7303 East Indian Bend				
Bldg./N. Branch Library	Adobe	12/67	3,108	\$ 180,000
Storage Building	Adobe	12/67	616	25,000
Railroad Train Shed	Steel	12/71	6,400	250,000
Train Depot	Wood Frame	04/75	504	25,000
Peoria Building	Wood Frame	04/75	1,008	45,000
Machine Shop Museum	Wood Frame	1974	180	5,800
North Star-Train Car	Steel	--	750	204,000
<u>Indian School Park</u>				
4289 North Hayden Road				
Sports Control Bldg.	Conc./Block	02/80	2,265	164,500
Visitor Center	Conc./Block	02/80	3,918	290,000
Shower and Lockers	Conc./Block	02/80	3,600	300,000
TOTAL PARKS				<u>\$ 4,521,100</u>
<b>Neighborhood Development</b>				
<u>Apartments</u>				
1200 North 77th St. "A"	Conc./Block	10/75	6,150	300,000
1200 North 77th St. "B"	Conc./Block	10/75	3,600	175,000
"A"-8 Units, "B"-3 Units				
TOTAL NEIGHBORHOOD DEVELOPMENT				<u>\$ 475,000</u>
<b>Maintenance Complex</b>				
<u>Street Maintenance</u>				
	Conc./Block	08/71	8,479	\$ 662,500
<u>Storage Building</u>				
	Metal	07/66	600	10,000
1327 East McKellips				
<u>Sanitation Center</u>				
	Conc./Block	07/66	3,640	230,000
1325 East McKellips				
<u>Fleet Maintenance</u>				
	Conc./Block	11/64	20,646	900,000
1323 East McKellips				
<u>P/M Building</u>				
	Conc./Block	02/69	1,600	63,000
1323 East McKellips				
<u>Auto Parts Building</u>				
	Sheet Metal	11/74	1,600	37,000
1323 East McKellips				

TABLE XVIIa  
(Continued)CITY OF SCOTTSDALE  
GENERAL INSURANCE  
June 30, 1985REAL PROPERTY (BUILDINGS)

<u>FACILITY/ADDRESS</u>	<u>CONSTRUCTION</u>	<u>ACQ. DATE</u>	<u>AREA SQ. FEET</u>	<u>REPLACEMENT COST (6/30/85)</u>
Maintenance Complex (Continued)				
<u>Facilities Maintenance</u>				
<u>Shop</u> 1601 East McKellips	Sheet Metal	11/74	1,600	\$ 37,000
<u>Facilities Maintenance</u>				
<u>Building</u> 1601 East McKellips	Conc./Block	02/75	5,400	800,000
<u>Mower Shop</u> 1323 East McKellips	Conc./Block	09/67	780	138,500
<u>Municipal Utilities</u> 1501 North Miller	Conc./Block	06/79	4,760	<u>889,000</u>
TOTAL MAINTENANCE COMPLEX				<u>\$ 3,767,000</u>
Airport				
<u>Terminal</u> 7600 East Butherus Dr.	Conc./Block	01/68	6,600	\$ 550,000
<u>Service Hangar</u> 7600 East Butherus Dr.	Conc./Block	01/68	15,714	785,000
<u>"T" Hangars</u> 7600 East Butherus Dr.	Conc./Block	11/71	14,400	437,000
<u>F. A. A. Building</u> 7600 East Butherus Dr.	Conc./Block	07/72	5,930	539,000
<u>Maintenance Shop</u> 7600 East Butherus Dr.	Conc./Block	06/82	1,400	<u>57,000</u>
TOTAL AIRPORT				<u>\$ 2,368,000</u>
Civic Center Complex				
<u>City Hall</u> 3939 Civic Center Plaza	Conc./Block	10/68	36,000	\$ 3,280,340
<u>Library</u> 3839 Civic Center Plaza	Conc./Block	10/68	39,000	7,563,940
<u>Public Service</u> 3739 Civic Center Plaza	Conc./Block	04/71	23,260	3,602,000

TABLE XVIIa  
(Continued)CITY OF SCOTTSDALE  
GENERAL INSURANCE  
June 30, 1985REAL PROPERTY (BUILDINGS)

<u>FACILITY/ADDRESS</u>	<u>CONSTRUCTION</u>	<u>ACQ. DATE</u>	<u>AREA SQ. FEET</u>	<u>REPLACEMENT COST (6/30/85)</u>
Civic Center Complex (Continued)				
<u>Pepperwood Building</u> 3639 Civic Center Plaza	Conc./Block	08/84	10,195	\$ 1,100,000
<u>Civic Center Pool</u> 3639 Civic Center Plaza	Conc./Block	06/66	1,200	54,750
<u>Mall Parking Facility</u> 7335 Civic Center Mall (446 Spaces)	Conc./Block	12/74	140,000	2,523,000
<u>Civic Center Storage Building</u> 3639 Civic Center Plaza	Conc./Block	1975	320	10,925
<u>Court Building</u> 3629 Civic Center Plaza	Conc./Block	09/75	7,500	600,000
<u>One Civic Center</u>	Conc./Block	11/84	58,000	9,120,000
<u>Center For The Arts</u> 7384 East Second Street	Conc./Block	09/75	88,000	18,384,522
<u>Senior Center I</u>	Conc./Block	09/76	5,200	400,000
<u>Senior Center II</u>	Conc./Block	11/77	5,145	420,000
<u>Senior Center III</u> 7375 East Second Street	Conc./Block	02/79	3,712	250,000
TOTAL CIVIC CENTER COMPLEX				<u>\$47,309,477</u>
Fire Department				
<u>Fire Station #10</u> 2857 North Miller Road	Conc./Block	08/68	8,424	\$ 600,000
<u>Fire Station #11</u> 7339 East McDonald	Conc./Block	12/71	4,023	300,000
<u>Fire Station #12</u> 13665 N. Scottsdale Rd.	Conc./Block	12/71	2,120	150,000
TOTAL FIRE DEPARTMENT				<u>\$ 1,050,000</u>
Miscellaneous				
<u>Warehouse</u> 7501 East Second Street	Conc./Block	1972	17,200	\$ 677,000

TABLE XVIIa  
(Continued)CITY OF SCOTTSDALE  
GENERAL INSURANCE  
June 30, 1985REAL PROPERTY (BUILDINGS)

<u>FACILITY/ADDRESS</u>	<u>CONSTRUCTION</u>	<u>ACQ. DATE</u>	<u>AREA SQ. FEET</u>	<u>REPLACEMENT COST (6/30/85)</u>
Miscellaneous (Continued)				
Police Annex 3720 North 75th Street	Block	1980	2,752	159,000
<u>Brooks Building</u>	Conc./Block	1984	9,400	1,350,000
<u>Various Structures</u>				<u>15,126,000</u>
				<u>TOTAL MISCELLANEOUS</u>
				<u>\$17,312,000</u>
				<u>TOTAL REAL PROPERTY</u>
				<u>\$76,802,577</u>

TABLE XVIII

CITY OF SCOTTSDALE  
SALARIES AND SURETY BONDS OF PRINCIPAL OFFICIALS  
FOR FISCAL YEAR ENDED JUNE 30, 1985

<u>OFFICIAL TITLE</u>	<u>MINIMUM</u>	<u>MAXIMUM</u>	<u>BOND</u>
Mayor	\$	\$21,600	\$ 10,000
Councilmen (6)	7,200	10,800	10,000
City Manager/City Clerk		86,000	1,000,000
City Attorney		69,552	1,000,000
City Treasurer		70,000	1,000,000
City Judge		59,000	1,000,000

PUBLIC EMPLOYEES HONESTY AND FAITHFUL PERFORMANCE BOND

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

CITY OF SCOTTSDALE  
EXPENDITURE LIMITATION  
FISCAL YEAR 1984-85

Expenditure Limit Base (1979-80)		\$ 30,472,056
Population Factor:	$\frac{1983 \text{ Population}}{1978 \text{ Population}} = \frac{101,500}{83,000}$	1.2229
Inflation Factor:	$\frac{1983 \text{ GNP Deflator}}{1978 \text{ GNP Deflator}} = \frac{215.63}{150.42}$	1.4335
Expenditure Limitation Fiscal Year 1984-85		\$ 53,418,341
Total Expenditures Fiscal Year 1984-85	\$110,179,713	
Exclusions	<u>63,653,698</u>	
Expenditures Subject to Limitation		<u>46,526,015</u>
Expenditures Under Limitation		<u><u>\$ 6,892,326</u></u>