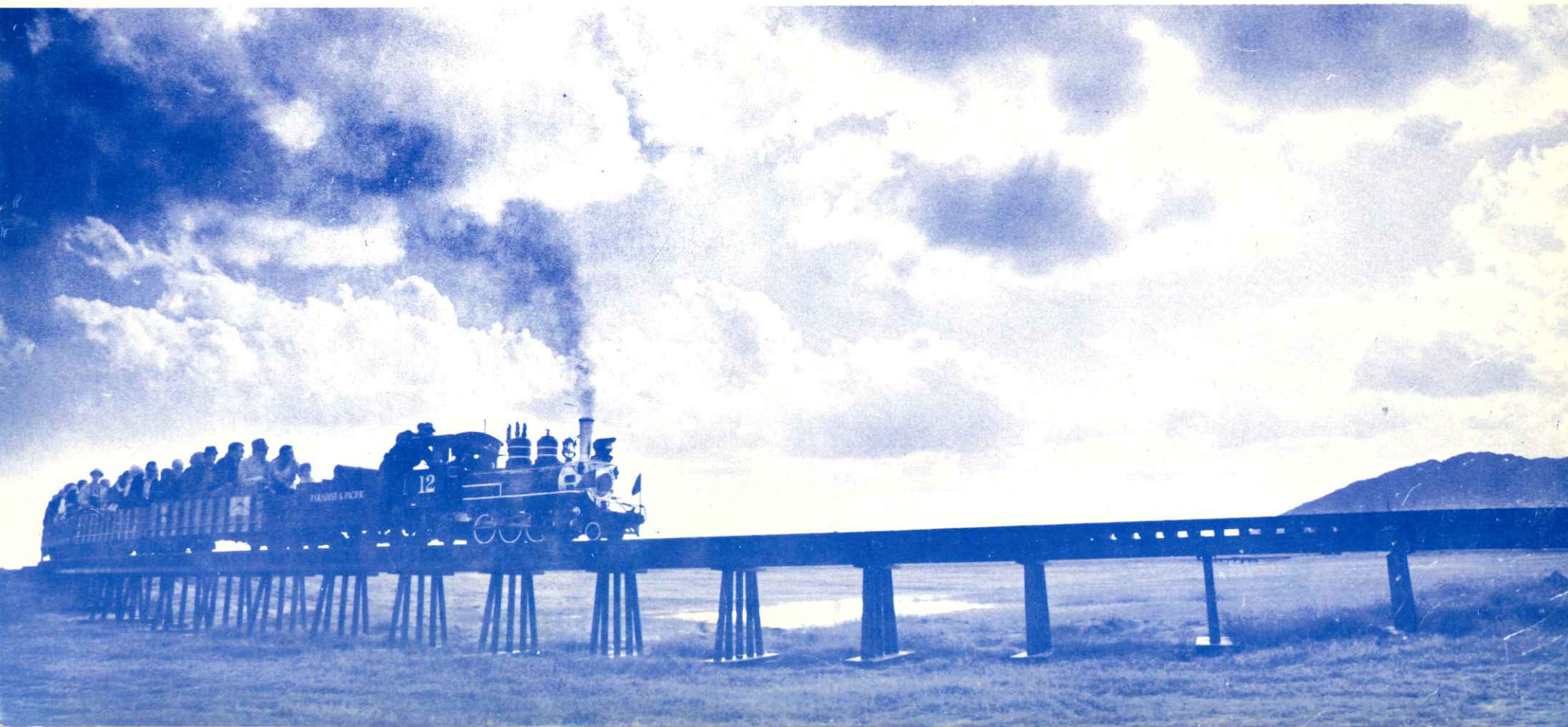


**city of
scottsdale**

**financial report
1976-77**



Cover Picture: The Paradise and Pacific Railroad, an authentic narrow gauge railroad complete with steam engine and passenger cars, is a popular feature of McCormick Railroad Park. The park, donated to the people of Scottsdale by Mr. and Mrs. Fowler McCormick, opened in October, 1975. The train operates each weekend. It can also be reserved for parties during the weekend and weekday evenings. Other railroad memorabilia is being preserved at the park with the cooperation of the Railroad and Mechanical Society. *(Photo by Yul Conway)*

ANNUAL FINANCIAL REPORT FISCAL YEAR 1976-77



CITY OF SCOTTSDALE, ARIZONA

INCORPORATED JUNE 25, 1951

CHARTER ADOPTED NOVEMBER 16, 1961

AMENDED APRIL 10, 1973

CITY OF SCOTTSDALE, ARIZONA
"THE WEST'S MOST WESTERN TOWN"
Incorporated 1951

CITY COUNCIL

WILLIAM C. JENKINS, MAYOR

RICHARD CAMPANA

HERB R. DRINKWATER

MRS. BILLIE GENTRY

DR. HEINZ HINK

JEFF SCHUBERT

CHARLES SMITH

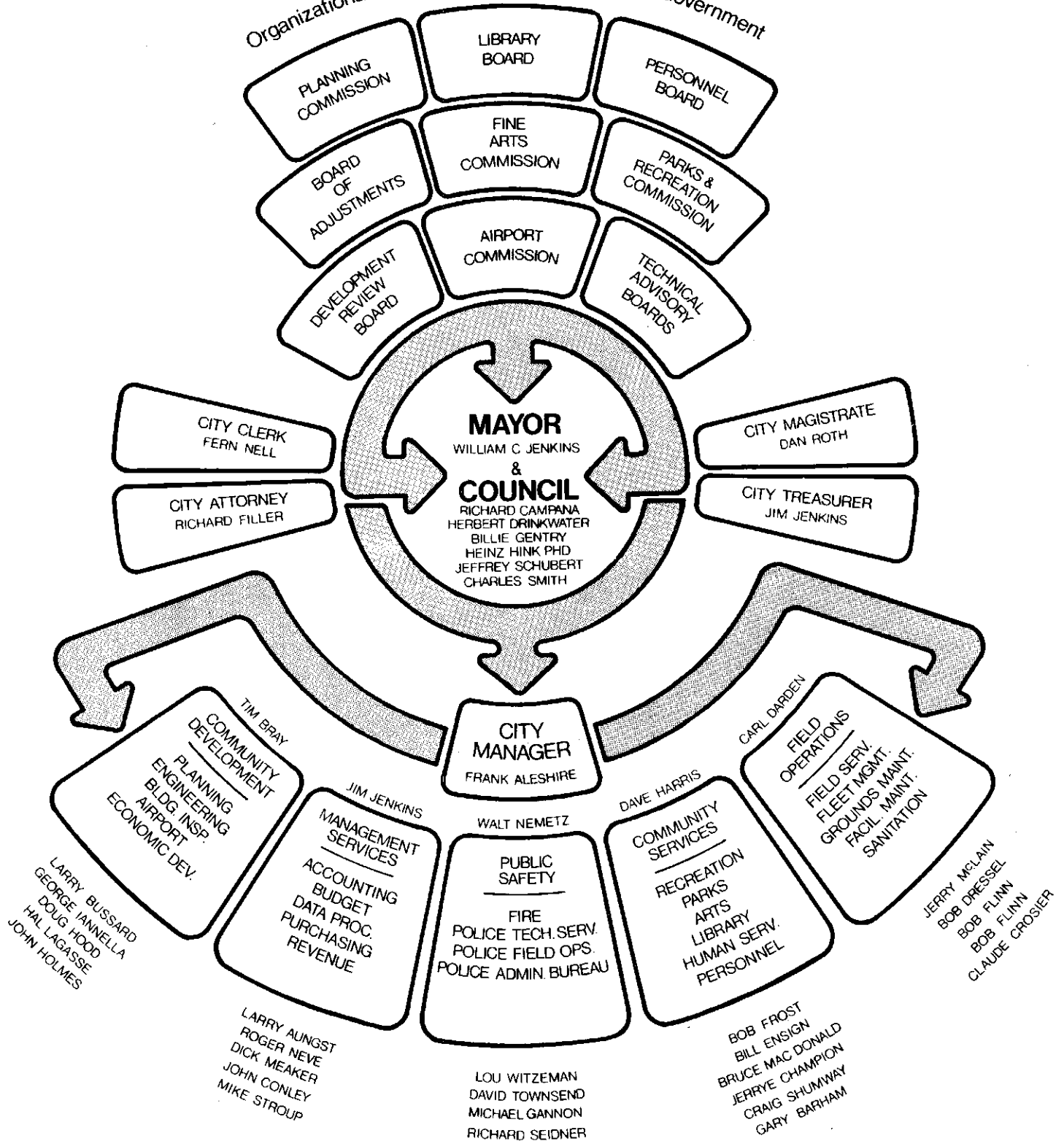
FRANK D. ALESHIRE
City Manager

JAMES A. JENKINS
Management Services Department Head
and City Treasurer

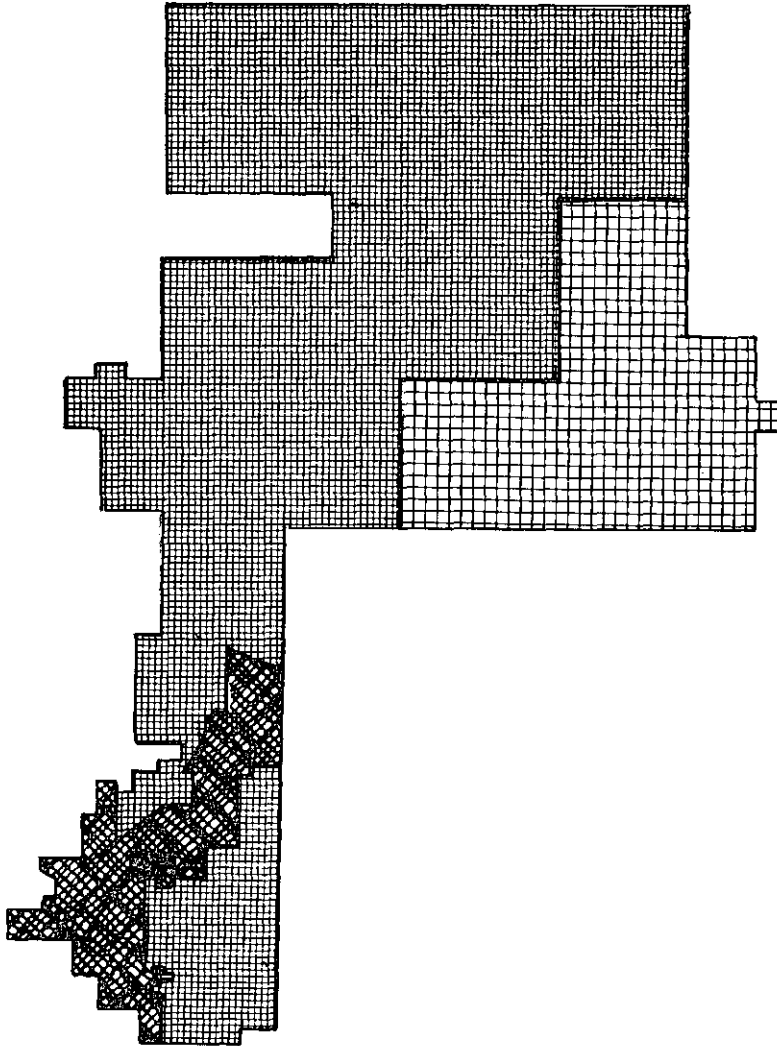
LARRY AUNGST
Accounting Director





COUNCIL MANAGER GOVERNMENT

Organizational Structure for Scottsdale City Government



SCOTTS DALE LAND AREA



	1951	.62	SQUARE MILES
	1961	4.9	SQUARE MILES
	1971	73.6	SQUARE MILES
	1975	87.	SQUARE MILES

City of Scottsdale
 ANNUAL FINANCIAL REPORT
 JUNE 30, 1977
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City of Scottsdale
ANNUAL FINANCIAL REPORT

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September 9, 1977

To the Honorable William C. Jenkins, Mayor
City of Scottsdale, Arizona

Dear Mayor Jenkins:

The annual financial report of the City of Scottsdale, Arizona for the fiscal year ended June 30, 1977, is submitted herewith.

Financial Overview

A comparison of General Governmental Fund Balances reveals a substantial improvement over last year.

	<u>FY 1976-77</u>	<u>FY 1975-76</u>	<u>Increase (Decrease)</u>
General	\$2,682,907	\$1,250,438	\$1,432,469
Highway User	3,624	61,235	(57,611)
Public Works Reserve	274,276	627,556	(353,280)
Federal Revenue Sharing	<u>66,040</u>	<u>248,039</u>	<u>(181,999)</u>
Total Fund Balances	<u>\$3,026,847</u>	<u>\$2,187,268</u>	<u>\$ 839,579</u>

This improvement is also reflected in the Total Retained Earnings of the Enterprise and Intragovernmental Service Funds.

<u>Fund</u>	<u>FY 1976-77</u>	<u>FY 1975-76</u>	<u>Increase (Decrease)</u>
Water and Sewer	\$2,015,560	\$1,473,711	\$ 541,849
Airport	(306,054)	(250,194)	(55,860)
Motor Pool	(160,231)	(70,621)	(89,610)
Public Housing	<u>(67,919)</u>	<u>(53,175)</u>	<u>(14,744)</u>
Total Retained Earnings	<u>\$1,481,356</u>	<u>\$1,099,721</u>	<u>\$ 381,635</u>

These increases can be attributed to a faster than anticipated improvement in the local economy and a conscious effort by City Management to hold spending below budgeted levels.

General Governmental Revenue

Revenue for general governmental functions totaled \$19,292,257 in 1977, an increase of 13.5% over 1976. The amount of revenue from various sources and the increase or decrease over last year are shown in the following tabulation.

<u>Revenue Source</u>	<u>FY 1976-77</u>	<u>FY 1975-76</u>	<u>Increase (Decrease)</u>
Property Taxes	\$ 2,905,835	\$ 2,637,808	\$ 268,027
Privilege Taxes	6,557,710	5,520,603	1,037,107
Licenses and Permits	665,819	449,435	216,384
Fines and Forfeitures	338,246	277,274	60,972
State-Shared Revenues	5,723,338	5,275,915	447,423
Federal-Shared Revenues	692,221	847,073	(154,852)
Charges for Services	1,523,559	1,464,550	59,009
Use of Money and Property	427,322	350,680	76,642
Miscellaneous	458,207	172,118	286,089
Total	<u>\$19,292,257</u>	<u>\$16,995,456</u>	<u>\$2,296,801</u>

Another interesting comparison is that of percentage contribution by revenue source.

<u>Revenue</u>	<u>FY 1976-77</u>	<u>FY 1975-76</u>	<u>Increase (Decrease)</u>
Property Taxes	15.1%	15.5%	(.4)%
Privilege Taxes	34.0	32.5	1.5
Licenses and Permits	3.4	2.6	.8
Fines and Forfeitures	1.7	1.6	.1
State-Shared Revenue	29.7	31.1	(1.4)
Federal-Shared Revenues	3.6	5.0	(1.4)
Charges for Services	7.9	8.7	(.8)
Use of Money and Property	2.2	2.0	.2
Miscellaneous	2.4	1.0	1.4
	<u>100.0%</u>	<u>100.0%</u>	<u>- 0 -</u>

The comparison shows little change in the contribution percentage from last year. This is consistent with expectations in that tax rates and service charges were not changed during 1976.

General Government Expenditures

Expenditures for general governmental purposes increased by \$2,485,833 or 15.6% over the 1975-76 fiscal year. A comparison in expenditure levels for major functions of the City are shown in the following schedule.

<u>Function</u>	<u>FY 1976-77</u>	<u>FY 1975-76</u>	<u>Increase (Decrease)</u>
General Government	\$ 3,648,165	\$ 3,186,451	\$ 461,714
Public Safety	4,521,225	4,028,832	492,393
Health and Sanitation	1,759,774	1,992,035	(232,261)
Transportation	1,555,828	1,254,347	301,481
Culture and Recreation	2,957,806	2,745,985	211,821
Community Development	1,869,818	1,085,418	784,400
Debt Service	<u>2,103,058</u>	<u>1,636,773</u>	<u>466,285</u>
	<u>\$18,415,674</u>	<u>\$15,929,841</u>	<u>\$2,485,833</u>

Treasury Management

Temporarily idle cash was invested during the year in time certificates of deposit, treasury bills, savings accounts, and government agency securities. Total interest earned on idle funds provided \$1,035,943 in investment income. Interest earnings on general governmental funds was \$346,053 and was equivalent to a property tax levy of 15.4¢ per hundred dollars of assessed valuation, had it been necessary to levy property tax to provide these funds.

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 has reached 8.1% for 1976-77, up from a low of 2.6% for 1970-71. More detailed information about current outstanding debt can be found on pages nine and ten.

The City of Scottsdale presently has the following bond ratings. General Obligation Bonds - Moody's Investor Service A-1, Standard and Poor's AA; Water and Sewer Revenue Bonds - Moody's Investor Service A-1, Standard and Poor's A. Additionally, the City has legal debt margin of \$6,133,422 for 4% General Obligation Bonds and \$26,567,440 for 15% 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 performance of general governmental functions and exclude the fixed assets of utilities and other enterprise activities. As of June 30, 1977, general fixed assets of the City amounted to \$128,606,852. This amount represents the original cost of assets or the appraised cost 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 net income for the water and sewer system totaled \$862,280, up from \$652,743 last year. The primary reason for the increase was increased interest earnings and is not indicative of improved operating results.

Water and sewer system revenues totaled \$2,800,642 for fiscal year 1976-77, up \$225,609 or 9% over last year. Water development fees were \$156,156 for fiscal year 1976-77, with total collections from this source at \$958,275. The money from this revenue is being held in a segregated fund until final settlement has been reached on a court suit which has been filed against the City.

Expenses have also increased. Fiscal year 1976-77 expenses totaled \$939,703 up \$185,783 or 25% over last year. The largest increases were for electricity necessary for pumping water and sewage treatment expenses.

Airport

The net loss for the Airport increased from \$41,505 last year to \$55,860 for fiscal year 1976-77. This resulted primarily from a lack of growth in airport revenue. This was caused by a change in the contract with the present fixed base operator at the City's initiative to provide for two fixed base operators starting 1977-78. This should increase future revenues.

Public Housing Fund

The Public Housing Fund is operated in conjunction with the Neighborhood Development Project. It was designed to provide low-cost, subsidized housing for those families that were displaced by the project. As these families are relocated, other low-income persons will fill the vacancies through the City's Section 8 Housing Grant. The net loss for the Public Housing Fund for fiscal year 1976-77 was \$14,744 compared to a loss of \$46,257 for last year.

Financial Policies

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

All funds of the City are maintained on the modified accrual basis of accounting, except for the Enterprise, Intragovernmental Service, Special Assessments and Neighborhood Development Project, which are maintained on the 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 earned and available. Expenditures and encumbrances are recognized when liabilities and commitments, respectively, are incurred. The accrual basis of accounting recognizes revenues when earned and expenses when incurred.

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. This is in accordance with recommendations by the National Committee on Governmental Accounting and the Committee on Governmental Accounting and Auditing of the American Institute of Certified Public Accountants.

Independent Audit

The City Charter requires an annual audit to be made of the books of account, financial records and transactions of the City by a certified public accountant selected by the City Council. This requirement has been complied with and the auditors' report has been included.

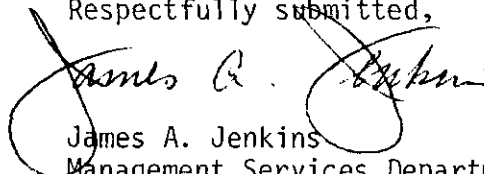
Certificate of Conformance

On March 24, 1977, the Municipal Finance Officers Association of the United States and Canada awarded its Certificate of Conformance for financial reporting for the annual financial report of the City of Scottsdale for year ended June 30, 1976. This report was judged to substantially conform to the high standards for financial reporting promulgated by that Association and the National Council on Governmental Accounting. We believe our present annual report continues to substantially conform to such standards. In order to maintain the validity of the Certificate of Conformance, this report will be submitted to MFOA for an annual review. A Certificate of Conformance was first awarded to this governmental unit for its annual financial report for the fiscal year ended June 30, 1973.

Acknowledgement

The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff of the finance department, who assisted and contributed in its preparation. I should also like 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,



James A. Jenkins
Management Services Department Head
and City Treasurer

JAJ/mmF

SUPPLEMENTAL
Certificate
of
Conformance
in Financial
Reporting

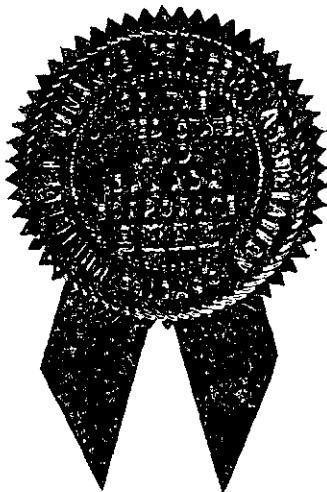
Presented to

City of Scottsdale, Arizona

For its Annual Financial Report
for the Fiscal Year Ended

June 30, 1976

A Certificate of Conformance in Financial Reporting is presented
by the Municipal Finance Officers Association of the United States and Canada
to governmental units whose annual financial reports are judged to
substantially conform to the financial reporting principles and
standards promulgated by the National Council on Governmental Accounting.



Jimmy L. Moaw

President

James W. Kelly
Executive Director

Date March 24, 1977

**FINANCIAL
SECTION**

Touche Ross & Co.

September 9, 1977

The Honorable Mayor and
Members of the City Council
City of Scottsdale, Arizona

We have examined the financial statements of the various funds and account groups, appearing on pages 2 through 60, of the City of Scottsdale, Arizona for the fiscal year ended June 30, 1977. 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 financial statements appearing on pages 2 through 60 present fairly the financial position of the various funds and account groups of the City of Scottsdale, Arizona at June 30, 1977, and the results of operations of such funds and the changes in financial position of the Enterprise Funds for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Touche Ross & Co.

EXHIBIT I

COMBINED FINANCIAL STATEMENTS

The combined statements are intended to provide a financial overview of municipal operations. These reports are at a summary level and include that data needed to control and analyze current operations to determine compliance with legal and budgetary limitations, and to assist in the financial planning process. The following combined statements are presented:

Balance Sheet - All Funds

Combined Statement of Revenue - Estimated and Actual -
General, Special Revenue and Debt Service Funds

Combined Statement of Expenditures and Encumbrances
Compared with Appropriations - General,
Special Revenue and Debt Service Funds

Combined Schedule of Bonds Payable - All Funds

Combined Statement of Cash Receipts and Disbursements - All Funds

CITY OF SCOTTSDALE

BALANCE SHEET - ALL FUNDS

JUNE 30, 1977

<u>ASSETS</u>	<u>GENERAL FUND</u>	<u>SPECIAL REVENUE FUNDS</u>	<u>DEBT SERVICE FUNDS</u>	<u>CAPITAL PROJECTS FUNDS</u>
Cash and short-term investments	\$ 359,109	\$445,252	\$ 135,793	\$3,946,758
Receivables				
Property taxes receivable	57,307			
State-shared sales tax receivable	309,292			
Accounts receivable	128,662			
Miscellaneous receivables	127,784	15,431		700
Grants receivable				
Special assessments				
From other governmental units		296,163		141,655
Accrued interest		5,805		52,290
Due from other funds	21,922	160,274		
Investments	3,002,833			
Inventories of supplies	165,485			
Land inventory				
Project cost control				
Amount to be provided for retirement of debt			162,984	
Property and equipment - less applicable accumulated depreciation				
Excess purchase price over fair market value of water system assets acquired				
Restricted cash and investments				
Cash with fiscal agents			2,792,313	
Revenue bond reserves				
Acquisition and construction				
Water and sewer replacement				
Held in trust for customer rebates				
Assets held in trust for retirement of refunded debt				
Cash				
Investments				
Total	<u>\$4,172,394</u>	<u>\$922,925</u>	<u>\$3,091,090</u>	<u>\$4,141,403</u>

See notes to financial statements.

STATEMENT 1

<u>ENTERPRISE FUNDS</u>	<u>INTRA-GOVERNMENTAL SERVICE FUND</u>	<u>TRUST AND AGENCY FUNDS</u>	<u>SPECIAL ASSESSMENTS FUNDS</u>	<u>GENERAL FIXED ASSETS</u>	<u>GENERAL LONG-TERM DEBT</u>
\$ 1,221,598	\$ 9,426	\$ 500,039	\$ 497,129	\$	\$
330,818	7,923				
94,041		267,503	3,133,012		
129,517	236				
259,558	26,440	36,739			
		230,000			
		3,250,595			20,027,317
21,974,043	1,202,036			128,606,852	
1,692,242					
588,967			105,385		
657,323					
5,222,874					
245,870					
43,461					
172,866					
3,289,372					
<u>\$35,922,550</u>	<u>\$1,246,061</u>	<u>\$4,284,876</u>	<u>\$3,735,526</u>	<u>\$128,606,852</u>	<u>\$20,027,317</u>

CITY OF SCOTTSDALE

BALANCE SHEET - ALL FUNDS

JUNE 30, 1977

LIABILITIES, RESERVES, AND FUND BALANCES/RETAINED EARNINGS	GENERAL FUND	SPECIAL REVENUE FUNDS	DEBT SERVICE FUNDS	CAPITAL PROJECTS FUNDS
Claims payable	\$ 166,596	\$ 29,494	\$	\$
Cash overdraft		311,258		
Current portion of contracts payable			162,984	
Current portion of bonds payable			445,000	
Loans payable				
Payroll withholdings	350,520			
Interest payable			323,956	
Relocation and other deposits				
Due to other funds	290,947	26,664	135,794	
Advance from municipality				
Customer advances and deposits				
Other liabilities				
Long-term bonds payable				
Long-term contracts payable				
Assessments payable on City property				
Total Liabilities	<u>808,063</u>	<u>367,416</u>	<u>1,067,734</u>	
Refunded debt to be retired by assets held in trust				
Bond interest payable				
Bonds payable current portion				
Bonds payable long-term portion				
Encumbrances and reserves				
Encumbrances outstanding	458,632	211,569		26,243
Reserve for inventories of supplies	165,485			
Reserve for uncollected property taxes	57,307			
Contributions to capital				
Investment in general fixed assets				
Fund balances	2,682,907	343,940	2,023,356	4,115,160
Retained earnings (accumulated deficits)				
Restricted for				
Revenue bond reserves				
Acquisition and construction of water system assets				
Replacement of water and sewer system assets				
Retirement of refunded debt				
Unrestricted				
Total	<u>\$4,172,394</u>	<u>\$922,925</u>	<u>\$3,091,090</u>	<u>\$4,141,403</u>

See notes to financial statements.

STATEMENT 1 (Continued)

ENTERPRISE FUNDS	INTRA-GOVERNMENTAL SERVICE FUND	TRUST AND AGENCY FUNDS	SPECIAL ASSESSMENTS FUNDS	GENERAL FIXED ASSETS	GENERAL LONG-TERM DEBT
\$ 51,741	\$ 43,736	\$ 306,442	\$ 3,408	\$	\$
214,777					
320,000		320,000			
234,420		50	105,365		
11,638		244,748			
40,165		7,328			
400,000					
96,867					
10,220,000			63,021		12,065,000
1,262,433			3,488,999		7,741,192
					221,125
<u>12,852,041</u>	<u>43,736</u>	<u>878,568</u>	<u>3,660,793</u>		<u>20,027,317</u>
82,868					
90,000					
3,885,000					
		233,609			
17,371,054	1,362,556	3,147,789			
		24,910	74,733	128,606,852	
657,323					
958,275					
245,870					
(525,032)					
305,151	(160,231)				
<u>\$35,922,550</u>	<u>\$1,246,061</u>	<u>\$4,284,876</u>	<u>\$3,735,526</u>	<u>\$128,606,852</u>	<u>\$20,027,317</u>

CITY OF SCOTTSDALE

STATEMENT 2

GENERAL, SPECIAL REVENUE AND DEBT SERVICE FUNDS

COMBINED STATEMENT OF REVENUE - ESTIMATED AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 1977

	<u>ESTIMATED</u>	<u>ACTUAL</u>	<u>ACTUAL OVER/(UNDER) ESTIMATED</u>
Taxes - Local			
General	\$ 6,927,862	\$ 7,852,959	\$ 925,097
Debt service	<u>1,691,138</u>	<u>1,610,586</u>	(80,552)
	<u>8,619,000</u>	<u>9,463,545</u>	<u>844,545</u>
Taxes - Intergovernmental			
General	4,124,000	4,466,757	342,757
Special revenue	<u>1,900,000</u>	<u>1,948,802</u>	48,802
	<u>6,024,000</u>	<u>6,415,559</u>	<u>391,559</u>
Licenses			
General	<u>203,000</u>	<u>232,928</u>	<u>29,928</u>
Charges for Current Services			
General	<u>1,551,800</u>	<u>1,956,450</u>	<u>404,650</u>
Fines and Forfeitures			
General	<u>278,000</u>	<u>338,246</u>	<u>60,246</u>
Use of Money and Property			
General	138,000	254,377	116,377
Special revenue	15,000	40,338	25,338
Debt service	<u>132,607</u>	<u>132,607</u>	<u>132,607</u>
	<u>153,000</u>	<u>427,322</u>	<u>274,322</u>
Miscellaneous Revenue			
General	280,000	435,152	155,152
Special revenue	<u>23,055</u>	<u>23,055</u>	<u>23,055</u>
	<u>280,000</u>	<u>458,207</u>	<u>178,207</u>
Total Revenue	<u>\$17,108,800</u>	<u>\$19,292,257</u>	<u>\$2,183,457</u>

See notes to financial statements.

CITY OF SCOTTSDALE
 COMBINED STATEMENT OF EXPENDITURES AND ENCUMBRANCES
 COMPARED WITH APPROPRIATIONS - GENERAL, SPECIAL REVENUE AND DEBT SERVICE FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 1977

STATEMENT 3

	ENCUMBRANCES JULY 1, 1976	EXPENDITURES 1975-76	1975-76 ENCUMBRANCES CANCELLED	BUDGET APPROPRIATIONS 1976-77	EXPENDITURES 1976-77	ENCUMBRANCES JUNE 30, 1977	UNENCUMBERED APPROPRIATIONS 1976-77
General government							
General	\$ 48,926	\$ 35,772	\$13,154	\$ 3,847,562	\$ 3,604,492	\$ 43,673	\$199,397
Public safety							
General	4,169	2,891	1,278	3,784,833	3,665,144	4,864	114,825
Special revenue				916,489	851,217		65,272
	<u>4,169</u>	<u>2,891</u>	<u>1,278</u>	<u>4,701,322</u>	<u>4,516,361</u>	<u>4,864</u>	<u>180,097</u>
Health and sanitation							
General	928	595	333	1,850,924	1,755,965	3,809	91,150
Transportation							
General				50,016	47,479	167	2,370
Special revenue	87,630	73,228	14,402	1,554,057	1,492,613	15,569	45,875
	<u>87,630</u>	<u>73,228</u>	<u>14,402</u>	<u>1,604,073</u>	<u>1,540,092</u>	<u>15,736</u>	<u>48,245</u>
Culture and recreation							
General	52,287	27,084	25,203	3,056,266	2,913,585	44,221	98,460
Community development							
General	146,613	130,014	16,599	1,434,187	1,081,805	361,898	(9,516)
Special revenue	24,857	18,830	6,027	468,974	230,115	196,000	42,859
	<u>171,470</u>	<u>148,844</u>	<u>22,626</u>	<u>1,903,161</u>	<u>1,311,920</u>	<u>557,898</u>	<u>33,343</u>
Debt service							
General				375,655	359,865		15,790
Debt service				1,691,138	1,743,193		(52,055)
				<u>2,066,793</u>	<u>2,103,058</u>		<u>(36,265)</u>
Total	<u>\$365,410</u>	<u>\$288,414</u>	<u>\$76,996</u>	<u>\$19,030,101</u>	<u>\$17,745,473</u>	<u>\$670,201</u>	<u>\$614,427</u>

See notes to financial statements.

CITY OF SCOTTSDALE

COMBINED SCHEDULE OF BONDS PAYABLE - ALL FUNDS

JUNE 30, 1977

<u>BOND DESCRIPTION</u>	<u>INTEREST RATE</u>	<u>ISSUE DATE</u>	<u>FINAL MATURITY DATE</u>
<u>General Obligation Bonds</u>			
1957 Sewer	3.50-3.75	5/9/57	7/1/77
1961 Sewer	3.90-4.30	6/27/61	7/1/85
1960 Municipal building and jail	4.00	4/20/60	7/1/77
Parks and recreation improvement	4.50-5.00	9/20/66	7/1/86
Civic center improvement	3.70-5.00	1/17/67	7/1/90
Civic center improvement	4.70-5.00	1/16/68	7/1/96
Parks and recreation improvement	3.75-4.75	9/14/71	7/1/77
Storm sewer construction (1)	5.35	7/17/73	7/1/93
Storm sewer construction (1)	5.20-6.00	11/1/75	7/1/83
Storm sewer construction (1)	5.60-5.90	6/1/76	7/1/89

Total General Obligation Bonds

Revenue Bonds

Utility revenue refunding issue	4.80-5.80	6/9/73	7/1/95
Utility revenue series A	4.90-5.80	7/17/73	7/1/83
Utility revenue series B	5.50-6.50	3/4/75	7/1/84
Utility revenue series C	4.75-5.50	3/1/77	7/1/92

Total Revenue Bonds

Total Bonds Payable

Refunded Bonds - Note F

1964 Sewer revenue	3.60-3.75	6/30/64	7/1/93
1966 Sewer revenue	3.90-4.00	5/3/66	7/1/96
1971 Water revenue	4.20-6.00	4/22/71	7/1/96

Total Bonds in Trust

Total Bonds Outstanding

- (1) Term bonds with annual payments to a sinking fund for redemption in 1983-1993.
 (2) At June 30, 1977, \$1,000,000 of general obligation bonds and \$1,800,000 of revenue bonds had been authorized but not issued.

See notes to financial statements.

STATEMENT 4

<u>RANGE OF ANNUAL PAYMENTS</u>	<u>AUTHORIZED AND ISSUED</u>	<u>RETIRED</u>	<u>OUTSTANDING</u>
\$ 2,000/ 40,000	\$ 397,000	\$ 357,000	\$ 40,000
10,000/ 50,000	700,000	255,000	445,000
10,000	160,000	150,000	10,000
10,000/ 75,000	700,000	110,000	590,000
10,000/180,000	1,000,000	110,000	890,000
75,000/250,000	1,400,000		1,400,000
68,000/135,000	738,000	603,000	135,000
} 180,000/635,000	(2) 3,500,000		3,500,000
	(2) 1,500,000		1,500,000
	(2) 4,000,000		4,000,000
	<u>14,095,000</u>	<u>1,585,000</u>	<u>12,510,000</u>
50,000/310,000	3,910,000	170,000	3,740,000
75,000/375,000 (2)	2,500,000	400,000	2,100,000
25,000/400,000 (2)	750,000	50,000	700,000
400,000/550,000 (2)	4,000,000		4,000,000
	<u>11,160,000</u>	<u>620,000</u>	<u>10,540,000</u>
	<u>25,255,000</u>	<u>2,205,000</u>	<u>23,050,000</u>
25,000/ 95,000	1,750,000	400,000	1,350,000
20,000/180,000	1,200,000		1,200,000
25,000/110,000	1,500,000	75,000	1,425,000
	<u>4,450,000</u>	<u>475,000</u>	<u>3,975,000</u>
	<u>\$29,705,000</u>	<u>\$2,680,000</u>	<u>\$27,025,000</u>

CITY OF SCOTTSDALE

STATEMENT 5

COMBINED STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS - ALL FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 1977

	BALANCE JULY 1, 1976	RECEIPTS	DISBURSEMENTS	BALANCE JUNE 30, 1977
General Fund	\$ 3,953	\$ 57,929,151	\$ 58,068,551	(\$ 135,447)
Special revenue funds				
Highway user fuel tax	(91,125)	2,649,408	2,558,283	- 0 -
Public works reserve	32,337	1,387,926	1,295,438	124,825
Federal revenue sharing	(842)	1,713,303	1,712,461	- 0 -
Debt service funds				
General debt service	(94,135)	3,166,404	3,641,677	(569,408)
Excise debt service	- 0 -	829,879	829,879	- 0 -
Capital projects funds				
Parks bond construction	56,874	391,744	418,928	29,690
Storm sewer construction	270,571	8,690,586	8,639,438	321,719
Enterprise funds				
Water and sewer utility	807,389	16,818,544	15,758,396	1,867,537
Airport	(9,778)	319,955	398,146	(87,969)
Public housing	26,709	104,212	124,098	6,823
Intragovernmental service fund	(47,926)	2,242,165	2,204,812	(10,573)
Trust and agency funds				
Neighborhood Development Project	24,178	115,983	136,370	3,791
Federal grants	89,439	3,078,981	3,028,760	139,660
Community development	28,435	2,627,932	2,628,815	27,552
Miscellaneous trust and agency	116,743	756,451	725,281	147,913
Special assessments funds	55,282	2,527,098	2,582,651	(271)
Total All Funds	<u>\$1,268,104</u>	<u>\$105,349,722+</u>	<u>\$104,751,984+</u>	<u>\$1,865,842</u>

Investments and cash balances
classified by depository and typeInvestments*Cash
Balance

Cash in banks		\$1,865,842
Arizona Bank	\$ 2,250,000	
Valley National Bank	200,000	
First National Bank of Arizona	1,325,641	
Great Western Bank	800,000	
Southwest Savings	40,000	
First Federal Savings & Loan	40,000	
Home Federal Savings & Loan	80,000	
U.S. Treasury Bills	6,056,902	
U.S. Treasury Notes	945,000	
Federal Land Bank	2,169,833	
City of Scottsdale securities	353,000	
	<u>\$ 14,260,376</u>	<u>\$1,865,842</u>

+The cash receipt and disbursement totals have not been adjusted to eliminate inter-fund cash transfers. It is estimated that these cash transfers, which are primarily for allocation to investment purchases and maturities, could aggregate \$50-\$55 million.

*In order to maintain an effective investment program, all cash, except certain trust and agency cash, is pooled. Individual fund cash is controlled through the general ledger and investments are not made by fund. As a result, it is not possible to prepare a Combined Schedule of Investments - All Funds and hence, the presentation above is an analysis of the City's cash position.

See notes to financial statements.

EXHIBIT II

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 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 elsewhere in the Capital Projects Funds, Special Revenue Funds or Enterprise Funds.

CITY OF SCOTTSDALE

STATEMENT 6

GENERAL FUND

BALANCE SHEET

JUNE 30, 1977

ASSETS

Cash and short-term investments - Note B	\$ 359,109
Inventories of supplies	165,485
Property taxes receivable	57,307
State-shared sales tax receivable	309,292
Accounts receivable, including unbilled of \$25,699	128,662
Miscellaneous receivables	127,784
Due from other funds	21,922
Investments - Note B	<u>3,002,833</u>
Total Assets	<u>\$4,172,394</u>

LIABILITIES, RESERVES AND FUND BALANCE

Claims payable	\$ 166,596
Payroll withholdings	350,520
Due to other funds	<u>290,947</u>
Total Liabilities	<u>808,063</u>
Encumbrances outstanding	<u>458,632</u>
Reserve for inventories of supplies	165,485
Reserve for uncollected property taxes	<u>57,307</u>
Total Reserves	<u>222,792</u>
Commitments - Note H	
Fund Balance	<u>2,682,907</u>
Total Liabilities, Reserves and Fund Balance	<u>\$4,172,394</u>

See notes to financial statements.

CITY OF SCOTTSDALE

STATEMENT 7

GENERAL FUND

STATEMENT OF REVENUE - ESTIMATED AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 1977

	<u>ESTIMATED</u>	<u>ACTUAL</u>	<u>ACTUAL OVER(UNDER) ESTIMATED</u>
Taxes - Local			
Property	\$ 1,772,316	\$ 1,882,151	\$ 109,835
Transaction privilege	4,855,546	5,655,401	799,855
Light and power franchise	240,000	255,922	15,922
Salt River Project in lieu	60,000	59,485	(515)
	<u>6,927,862</u>	<u>7,852,959</u>	<u>925,097</u>
Taxes - Intergovernmental			
State-shared sales tax	2,300,000	2,552,859	252,859
Automobile in lieu	400,000	479,230	79,230
State revenue sharing	1,424,000	1,434,668	10,668
	<u>4,124,000</u>	<u>4,466,757</u>	<u>342,757</u>
Licenses			
Business licenses	82,000	92,264	10,264
Liquor licenses	90,000	103,779	13,779
Application fees	12,000	14,599	2,599
Occupational registrations	19,000	22,286	3,286
	<u>203,000</u>	<u>232,928</u>	<u>29,928</u>
Charges for Current Services			
Refuse collection charges	1,190,000	1,299,868	109,868
Building and related permits	208,000	432,891	224,891
Other fees	26,800	62,520	35,720
Planning Commission fees	15,000	58,837	43,837
Recreation fees	112,000	102,334	(9,666)
	<u>1,551,800</u>	<u>1,956,450</u>	<u>404,650</u>
Fines and Forfeitures			
Moving vehicles	210,000	262,106	52,106
Parking	32,000	31,738	(262)
Other court fees	13,000	18,106	5,106
Library	23,000	26,296	3,296
	<u>278,000</u>	<u>338,246</u>	<u>60,246</u>
Use of Money and Property			
Interest earnings	85,000	173,108	88,108
Property rental	53,000	81,269	28,269
	<u>138,000</u>	<u>254,377</u>	<u>116,377</u>
Miscellaneous Revenue	280,000	435,152	155,152
	<u>280,000</u>	<u>435,152</u>	<u>155,152</u>
Total Revenue	<u>\$13,502,662</u>	<u>\$15,536,869</u>	<u>\$2,034,207</u>

See notes to financial statements.

CITY OF SCOTTSDALE
GENERAL FUND
STATEMENT OF EXPENDITURES, ENCUMBRANCES AND CONTRIBUTIONS COMPARED WITH APPROPRIATIONS
FOR THE FISCAL YEAR ENDED JUNE 30, 1977

STATEMENT 8

PROGRAM	ENCUMBRANCES JULY 1, 1976	EXPENDITURES 1975-76	1975-76 ENCUMBRANCES CANCELLED	BUDGET APPROPRIATIONS 1976-77	EXPENDITURES 1976-77	ENCUMBRANCES JUNE 30, 1977	UNENCUMBERED APPROPRIATIONS 1976-77
General government	\$ 48,926	\$ 35,772	\$13,154	\$ 3,847,562	\$ 3,604,492	\$ 43,673	\$199,397
Public safety	4,169	2,891	1,278	3,784,833	3,665,144	4,864	114,825
Transportation				50,016	47,479	167	2,370
Health and sanitation	928	595	333	1,850,924	1,755,965	3,809	91,150
Culture and recreation	52,287	27,084	25,203	3,056,266	2,913,585	44,221	98,460
Community development	146,613	130,014	16,599	1,434,187	1,081,805	361,898	(9,516)
Debt service				375,655	359,865		15,790
Total Expenditures	<u>\$252,923</u>	<u>\$196,356</u>	<u>\$56,567</u>	14,399,443	13,428,335	458,632	512,476
Contributions to Highway Users Gas Tax Fund and Airport Fund				411,434	274,000		137,434
Total				<u>\$14,810,877</u>	<u>\$13,702,335</u>	<u>\$458,632</u>	<u>\$649,910</u>

See notes to financial statements.

CITY OF SCOTTSDALE

STATEMENT 9

GENERAL FUND

ANALYSIS OF CHANGES IN FUND BALANCE

FOR THE FISCAL YEAR ENDED JUNE 30, 1977

Fund Balance, July 1, 1976		\$1,250,438
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Excess of revenue over expenditures, encumbrances
and encumbrances cancelled

Revenue	<u>\$15,536,869</u>	
Expenditures	13,702,335	
Encumbrances	458,632	
Encumbrances cancelled	(56,567)	
	<u>14,104,400</u>	<u>1,432,469</u>

Fund Balance, June 30, 1977		<u>\$2,682,907</u>
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See notes to financial statements.

SPECIAL REVENUE FUNDS

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

Highway User Fuel Tax Fund

This fund receives and expends the City's allocation of the Highway User Revenue Fund. 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.

Public Works Reserve Fund

The Public Works Reserve Fund is utilized for the accumulation and expending of general tax revenues specifically appropriated for major capital outlay projects by action of the City Council. Appropriations are made from the fund annually. The fund will continue to exist indefinitely.

Federal Revenue Sharing Fund

This fund was established to receive and expend 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 must be used for the following expenditures:

- A. Ordinary and necessary maintenance and operating expenses for:
 - 1. Public safety including law enforcement, fire protection and building code enforcement.
 - 2. Environmental protection including sewage disposal, sanitation and pollution abatement.
 - 3. Public transportation including transit systems and streets and roads.
 - 4. Health
 - 5. Recreation
 - 6. Libraries
 - 7. Social Services for the poor or aged.
 - 8. Financial administration

- B. Ordinary and necessary capital expenditures authorized by law.

CITY OF SCOTTSDALE
 SPECIAL REVENUE FUNDS
 BALANCE SHEET
 JUNE 30, 1977

STATEMENT 10

<u>ASSETS</u>	<u>TOTAL ALL FUNDS</u>	<u>HIGHWAY USER FUEL TAX</u>	<u>PUBLIC WORKS RESERVE</u>	<u>FEDERAL REVENUE SHARING</u>
Cash and short-term investments - Note B	\$445,252	\$	\$445,252	\$
Accrued interest	5,805		5,558	247
Receivables from other governmental units	296,163	113,966		182,197
Miscellaneous receivables	15,431	4,411	4,886	6,134
Due from other funds	<u>160,274</u>	<u>160,274</u>		
Total Assets	<u>\$922,925</u>	<u>\$278,651</u>	<u>\$455,696</u>	<u>\$188,578</u>
 <u>LIABILITIES AND FUND BALANCES</u>				
Cash overdraft	\$311,258	\$229,624	\$	\$ 81,634
Claims payable	29,494	10,839	14,095	4,560
Due to other funds	<u>26,664</u>	<u>18,995</u>	<u>117</u>	<u>7,552</u>
Total Liabilities	<u>367,416</u>	<u>259,458</u>	<u>14,212</u>	<u>93,746</u>
Encumbrances outstanding	<u>211,569</u>	<u>15,569</u>	<u>167,208</u>	<u>28,792</u>
Fund balances	<u>343,940</u>	<u>3,624</u>	<u>274,276</u>	<u>66,040</u>
Total Liabilities and Fund Balances	<u>\$922,925</u>	<u>\$278,651</u>	<u>\$455,696</u>	<u>\$188,578</u>

See notes to financial statements.

CITY OF SCOTTSDALE

STATEMENT 11

SPECIAL REVENUE FUNDS

STATEMENT OF REVENUE AND CONTRIBUTIONS - ESTIMATED AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 1977

SOURCE AND FUND	ESTIMATED	ACTUAL	ACTUAL OVER (UNDER) ESTIMATED
<u>Highway User Fuel Tax Fund</u>			
Gasoline tax	\$1,200,000	\$1,256,581	\$ 56,581
Interest earnings		2,848	2,848
Miscellaneous		<u>16,740</u>	<u>16,740</u>
Total Revenue	1,200,000	1,276,169	76,169
Contributions from General Fund	<u>354,057</u>	<u>160,000</u>	(194,057)
Total	<u>1,554,057</u>	<u>1,436,169</u>	(117,888)
<u>Public Works Reserve Fund</u>			
Interest earnings	5,000	31,701	26,701
Miscellaneous		<u>6,315</u>	<u>6,315</u>
Total	<u>5,000</u>	<u>38,016</u>	<u>33,016</u>
<u>Federal Revenue Sharing Fund</u>			
Federal revenue sharing	700,000	692,221	(7,779)
Interest earnings	<u>10,000</u>	<u>5,789</u>	(4,211)
Total	<u>710,000</u>	<u>698,010</u>	(11,990)
Total Revenue and Contributions	<u>\$2,269,057</u>	<u>\$2,172,195</u>	(\$ 96,862)
<u>Recapitulation by Source</u>			
Taxes - intergovernmental	\$1,900,000	\$1,948,802	\$ 48,802
Use of money and property	15,000	40,338	25,338
Miscellaneous revenue		23,055	23,055
Contributions from General Fund	<u>354,057</u>	<u>160,000</u>	(194,057)
Total Revenue and Contributions	<u>\$2,269,057</u>	<u>\$2,172,195</u>	(\$ 96,862)

See notes to financial statements.

CITY OF SCOTTSDALE
SPECIAL REVENUE FUNDS
STATEMENT OF EXPENDITURES AND ENCUMBRANCES COMPARED WITH APPROPRIATIONS
FOR THE FISCAL YEAR ENDED JUNE 30, 1977

STATEMENT 12

PROGRAM	1975-1976		BUDGET		UNENCUMBERED		
	ENCUMBRANCES JULY 1, 1976	EXPENDITURES 1975-1976	ENCUMBRANCES CANCELLED	APPROPRIATIONS 1976-1977	EXPENDITURES 1976-1977	ENCUMBRANCES JUNE 30, 1977	APPROPRIATIONS 1976-1977
<u>Highway User Fuel Tax</u>							
Transportation	\$ 87,630	\$73,228	\$14,402	\$1,554,057	\$1,492,613	\$ 15,569	\$ 45,875
Total	<u>\$ 87,630</u>	<u>\$73,228</u>	<u>\$14,402</u>	<u>\$1,554,057</u>	<u>\$1,492,613</u>	<u>\$ 15,569</u>	<u>\$ 45,875</u>
<u>Public Works Reserve</u>							
Community development	\$ 9,828	\$ 3,801	\$ 6,027	\$ 440,182	\$ 230,115	\$167,208	\$ 42,859
Total	<u>\$ 9,828</u>	<u>\$ 3,801</u>	<u>\$ 6,027</u>	<u>\$ 440,182</u>	<u>\$ 230,115</u>	<u>\$167,208</u>	<u>\$ 42,859</u>
<u>Federal Revenue Sharing</u>							
Public safety	\$	\$	\$	\$ 916,489	\$ 851,217	\$	\$ 65,272
Community development	15,029	15,029		28,792		28,792	
Total	<u>\$ 15,029</u>	<u>\$15,029</u>		<u>\$ 945,281</u>	<u>\$ 851,217</u>	<u>\$ 28,792</u>	<u>\$ 65,272</u>
<u>Recapitulation by Program</u>							
Public safety	\$	\$	\$	\$ 916,489	\$ 851,217	\$	\$ 65,272
Transportation	87,630	73,228	14,402	1,554,057	1,492,613	15,569	45,875
Community development	24,857	18,830	6,027	468,974	230,115	196,000	42,859
Total	<u>\$112,487</u>	<u>\$92,058</u>	<u>\$20,429</u>	<u>\$2,939,520</u>	<u>\$2,573,945</u>	<u>\$211,569</u>	<u>\$154,006</u>

See notes to financial statements.

CITY OF SCOTTSDALE

STATEMENT 13

SPECIAL REVENUE FUNDS

ANALYSIS OF CHANGES IN FUND BALANCES

FOR THE FISCAL YEAR ENDED JUNE 30, 1977

	<u>TOTAL ALL FUNDS</u>	<u>HIGHWAY USER FUEL TAX</u>	<u>PUBLIC WORKS RESERVE</u>	<u>FEDERAL REVENUE SHARING</u>
Fund Balances, July 1, 1976	\$ 936,830	\$ 61,235	\$627,556	\$248,039
Excess of expenditures, encumbrances and encumbrances cancelled over revenue and contributions				
Expenditures	2,573,945	1,492,613	230,115	851,217
Encumbrances	211,569	15,569	167,208	28,792
Encumbrances cancelled	(20,429)	(14,402)	(6,027)	
	<u>2,765,085</u>	<u>1,493,780</u>	<u>391,296</u>	<u>880,009</u>
Revenue and contributions	<u>2,172,195</u>	<u>1,436,169</u>	<u>38,016</u>	<u>698,010</u>
Total Deductions	<u>592,890</u>	<u>57,611</u>	<u>353,280</u>	<u>181,999</u>
Fund Balances, June 30, 1977	<u>\$ 343,940</u>	<u>\$ 3,624</u>	<u>\$274,276</u>	<u>\$ 66,040</u>

See notes to financial statements.

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 money sufficient to meet the general obligation debt and from the transaction privilege tax for the excise debt obligation.

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

- 1957 Sewer Bonds
- 1960 Municipal Building and Jail Bonds
- 1961 Sewer Bonds
- 1966 Parks and Recreation Improvement Bonds
- 1967 Civic Center Improvement Bonds
- 1968 Civic Center Improvement Bonds
- 1971 Parks and Recreation Improvement Bonds
- 1973 Storm Sewer Construction Bonds
- 1975 Storm Sewer Construction Bonds
- 1976 Storm Sewer Construction Bonds

Excise Debt Service Funds presently established are as follows:

- 1974 Municipal Properties Corporation Refunding Bonds
- 1974 Municipal Properties Corporation Bonds

CITY OF SCOTTSDALE
 DEBT SERVICE FUNDS
 BALANCE SHEET
 JUNE 30, 1977

STATEMENT 14

<u>ASSETS</u>	<u>TOTAL ALL FUNDS</u>	<u>GENERAL DEBT SERVICE</u>	<u>EXCISE DEBT SERVICE</u>
Cash and short-term investments - Note B	\$ 135,793	\$ 135,793	\$
Cash with fiscal agents	2,792,313	2,792,313	
Amount to be provided for retirement of debt	<u>162,984</u>	<u> </u>	<u>162,984</u>
Total Assets	<u>\$3,091,090</u>	<u>\$2,928,106</u>	<u>\$162,984</u>
 <u>LIABILITIES AND FUND BALANCES</u>			
Contract payable - Note D	\$ 162,984	\$	\$162,984
Bonds payable - Note C	445,000	445,000	
Interest payable	323,956	323,956	
Due to other funds	<u>135,794</u>	<u>135,794</u>	<u> </u>
Total Liabilities	<u>1,067,734</u>	<u>904,750</u>	<u>162,984</u>
Fund balances - Restricted for sinking fund requirements	<u>2,023,356</u>	<u>2,023,356</u>	
Total Liabilities and Fund Balances	<u>\$3,091,090</u>	<u>\$2,928,106</u>	<u>\$162,984</u>

See notes to financial statements.

CITY OF SCOTTSDALE

STATEMENT 15

DEBT SERVICE FUNDS

STATEMENT OF REVENUE, EXPENDITURES AND FUND BALANCES

FOR THE FISCAL YEAR ENDED JUNE 30, 1977

	<u>TOTAL ALL FUNDS</u>	<u>GENERAL DEBT SERVICE</u>	<u>EXCISE DEBT SERVICE</u>
Revenue			
Taxes			
Property	\$1,023,684	\$1,023,684	\$
Transaction privilege	586,902	343,948	242,954
Interest earnings	<u>132,607</u>	<u>128,039</u>	<u>4,568</u>
Total Revenue	<u>1,743,193</u>	<u>1,495,671</u>	<u>247,522</u>
Expenditures			
Payment to fiscal agents			
Principal	316,193	160,000	156,193
Interest	724,526	634,197	90,329
Fiscal agents' fees	2,065	1,065	1,000
Deposit to sinking fund	<u>700,409</u>	<u>700,409</u>	
Total Expenditures	<u>1,743,193</u>	<u>1,495,671</u>	<u>247,522</u>
Unrestricted Fund Balances, June 30, 1976 and 1977	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>
Restricted Fund Balance, July 1, 1976	\$1,522,947	\$1,522,947	
Deposit to Sinking Fund	700,409	700,409	
Principal Retired From Sinking Fund	(200,000)	(200,000)	
Restricted Fund Balance, June 30, 1977	<u>\$2,023,356</u>	<u>\$2,023,356</u>	

See notes to financial statements.

EXHIBIT V

CAPITAL PROJECTS FUNDS

Capital projects funds are 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.

Capital projects funds provide a formal mechanism which enables administrators to ensure that revenue designated for certain purposes are properly used. Capital projects funds further enhance reporting that requirements regarding the use of the revenue were fully satisfied.

Bond construction funds are 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:

Parks Bond Construction Fund
Storm Sewer Construction Fund

CITY OF SCOTTSDALE

STATEMENT 16

CAPITAL PROJECTS FUNDS

BALANCE SHEET

JUNE 30, 1977

<u>ASSETS</u>	<u>TOTAL ALL FUNDS</u>	<u>PARKS BOND CONSTRUCTION</u>	<u>STORM SEWER CONSTRUCTION</u>
Cash and short-term investments - Note B	\$3,946,758	\$30,090	\$3,916,668
Accrued interest	52,290	4	52,286
Miscellaneous receivable	700		700
Receivables from other governmental units	<u>141,655</u>	<u> </u>	<u>141,655</u>
Total Assets	<u>\$4,141,403</u>	<u>\$30,094</u>	<u>\$4,111,309</u>
 <u>LIABILITIES AND FUND BALANCES</u> 			
Encumbrances outstanding	<u>\$ 26,243</u>	<u>\$ 2,694</u>	<u>\$ 23,549</u>
Fund balances	<u>4,115,160</u>	<u>27,400</u>	<u>4,087,760</u>
Total Liabilities and Fund Balances	<u>\$4,141,403</u>	<u>\$30,094</u>	<u>\$4,111,309</u>

See notes to financial statements.

CITY OF SCOTTSDALE

STATEMENT 17

CAPITAL PROJECTS FUNDS

STATEMENT OF REVENUE

FOR THE FISCAL YEAR ENDED JUNE 30, 1977

	<u>TOTAL ALL FUNDS</u>	<u>PARKS BOND CONSTRUCTION</u>	<u>STORM SEWER CONSTRUCTION</u>
Aid from other governmental units	\$368,655		\$368,655
Interest earnings	246,506	\$2,559	243,947
Other	<u>6,568</u>	<u>6,563</u>	<u>5</u>
Total Revenue	<u>\$621,729</u>	<u>\$9,122</u>	<u>\$612,607</u>

See notes to financial statements.

CITY OF SCOTTSDALE

STATEMENT 18

CAPITAL PROJECTS FUNDS

ANALYSIS OF CHANGES IN FUND BALANCES

FOR THE FISCAL YEAR ENDED JUNE 30, 1977

	<u>TOTAL ALL FUNDS</u>	<u>PARKS BOND CONSTRUCTION</u>	<u>STORM SEWER CONSTRUCTION</u>
Fund Balances, July 1, 1976	\$3,579,221	\$52,739	\$3,526,482
Excess of revenue over expenditures, encumbrances and encumbrances cancelled			
Revenue	<u>621,729</u>	<u>9,122</u>	<u>612,607</u>
Expenditures	543,958	31,767	512,191
Encumbrances	26,243	2,694	23,549
Encumbrances cancelled	<u>(484,411)</u>		<u>(484,411)</u>
	<u>85,790</u>	<u>34,461</u>	<u>51,329</u>
Total Additions (Deductions)	<u>535,939</u>	<u>(25,339)</u>	<u>561,278</u>
Fund Balances, June 30, 1977	<u>\$4,115,160</u>	<u>\$27,400</u>	<u>\$4,087,760</u>

See notes to financial statements.

EXHIBIT VI

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 of Scottsdale 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 of Scottsdale 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 of Scottsdale and is operated as an enterprise of the City.

CITY OF SCOTTSDALE

ENTERPRISE FUNDS

BALANCE SHEET

JUNE 30, 1977

<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 - Note B	\$ 1,221,598	\$ 1,188,745	\$ 26,031	\$ 6,822
Accrued interest	129,517	129,517		
Accounts receivable, including unbilled of \$58,809	330,818	323,668	5,532	1,618
Miscellaneous receivables	94,041	92,622	1,419	
Due from other funds	259,558	259,558		
Total Current Assets	<u>2,035,532</u>	<u>1,994,110</u>	<u>32,982</u>	<u>8,440</u>
Property and Equipment - Note E				
Land	1,924,137	69,837	1,854,300	
Water system	8,309,789	8,309,789		
Sewer system	14,772,522	14,772,522		
Buildings and improvements	1,289,719		721,591	568,128
Furniture, fixtures and equipment	89,014	78,900	10,114	
Construction in progress	776,736	519,263	257,473	
	<u>27,161,917</u>	<u>23,750,311</u>	<u>2,843,478</u>	<u>568,128</u>
Accumulated depreciation and amortization	(5,187,874)	(4,686,782)	(439,487)	(61,605)
	<u>21,974,043</u>	<u>19,063,529</u>	<u>2,403,991</u>	<u>506,523</u>
Excess purchase price over fair market value of water system assets acquired, net of accumulated amortization of \$637,644				
	<u>1,692,242</u>	<u>1,692,242</u>		
Restricted Cash and Investments				
Cash with fiscal agents	588,967	588,967		
Revenue bond reserves - Note C	657,323	657,323		
Acquisition and construction	5,222,874	5,222,874		
Water and sewer replacement	245,870	245,870		
Held in trust for customer rebates	43,461	43,461		
	<u>6,758,495</u>	<u>6,758,495</u>		
Assets Held in Trust for Retirement of Refunded				
Debt - Note F				
Cash	172,866	172,866		
Investments	3,289,372	3,289,372		
	<u>3,462,238</u>	<u>3,462,238</u>		
Total Assets	<u>\$35,922,550</u>	<u>\$32,970,614</u>	<u>\$2,436,973</u>	<u>\$514,963</u>

<u>LIABILITIES AND RETAINED EARNINGS</u>	<u>TOTAL ALL FUNDS</u>	<u>WATER AND SEWER UTILITY</u>	<u>AIRPORT</u>	<u>PUBLIC HOUSING</u>
Current Liabilities				
Claims payable	\$ 51,741	\$ 46,688	\$ 1,937	\$ 3,116
Bonds interest payable	234,043	234,043		
Contract interest payable	377	377		
Current portion of bonds payable	320,000	320,000		
Current portion of contract payable	214,777	137,761	77,016	
Relocation and other deposits	11,638			11,638
Due to other funds	40,165	140	40,025	
Total Current Liabilities	<u>872,741</u>	<u>739,009</u>	<u>118,978</u>	<u>14,754</u>
Long-Term Debt, less current portion - Notes C and D				
Bonds payable	10,220,000	10,220,000		
Contracts payable	1,262,433	973,624	288,809	
	<u>11,482,433</u>	<u>11,193,624</u>	<u>288,809</u>	
Other Liabilities				
Customer advances and deposits	96,867	96,867		
Advance from municipality	400,000	400,000		
	<u>496,867</u>	<u>496,867</u>		
Refunded Debt to be Retired by Assets Held in Trust - Note F				
Bond interest payable	82,868	82,868		
Bonds payable				
Current portion	90,000	90,000		
Long-term portion	3,885,000	3,885,000		
	<u>4,057,868</u>	<u>4,057,868</u>		
Contributions to Capital	<u>17,371,054</u>	<u>14,467,686</u>	<u>2,335,240</u>	<u>568,128</u>
Retained earnings (accumulated deficit)				
Restricted for				
Revenue bond reserves	657,323	657,323		
Acquisition and construction	958,275	958,275		
Water and sewer system replacement	245,870	245,870		
Retirement of refunded debt	(525,032)	(525,032)		
Unrestricted	305,151	679,124	(306,054)	(67,919)
	<u>1,641,587</u>	<u>2,015,560</u>	<u>(306,054)</u>	<u>(67,919)</u>
Total Liabilities and Retained Earnings	<u>\$35,922,550</u>	<u>\$32,970,614</u>	<u>\$2,436,973</u>	<u>\$514,963</u>

See notes to financial statements.

CITY OF SCOTTSDALE

STATEMENT 20

WATER AND SEWER UTILITY FUND

STATEMENT OF REVENUE AND EXPENSES

FOR THE FISCAL YEAR ENDED JUNE 30, 1977

Operating Revenue		
Water service charges	\$1,312,789	
Water connection fees	73,755	
Water development fees	156,156	
Sewer service fees	1,121,369	
Sewer connection fees	78,164	
Other operating revenue	58,409	
Total Operating Revenue		\$2,800,642
Operating Expenses, exclusive of depreciation		
Water operations	473,220	
Sewer operations	291,536	
Customer collection	174,947	
Total Operating Expenses		<u>939,703</u>
Net Operating Income Before Depreciation and Amortization		1,860,939
Depreciation and amortization		<u>792,912</u>
Net Operating Income		<u>1,068,027</u>
Interest Earnings		441,824
Bond Interest Expense		<u>647,571</u>
Net Income		<u>\$ 862,280</u>

See notes to financial statements.

CITY OF SCOTTSDALE

STATEMENT 21

WATER AND SEWER UTILITY FUND

STATEMENT OF CHANGES IN FINANCIAL POSITION

FOR THE FISCAL YEAR ENDED JUNE 30, 1977

Sources of Funds

From operations

Net income

\$ 862,280

Non cash charge - depreciation and amortization

792,912

Total from Operations

1,655,192

Cash, property and equipment contributed by subdividers

758,032

Contributions from federal government

69,919

Change in net assets held for refunded debt

32,053

Proceeds from sale of bonds

4,000,000

Decrease in amounts due from other funds

60,1956,575,391

Uses of Funds

Increase in restricted cash and investments

4,417,090

Contribution of water/sewer system assets from subdividers

758,032

Purchase of other property and equipment

234,200

Payments on long-term debt

444,242

Decrease in amounts due to other funds

105,533

Decrease in other liabilities

138,380

Increase in current receivables

160,289

Decrease in current liabilities

7,7856,265,551

Increase in Cash and Short-term Investments

309,840

Cash and Short-term Investments

July 1, 1976

878,905

June 30, 1977

\$1,188,745

See notes to financial statements.

CITY OF SCOTTSDALE

STATEMENT 22

AIRPORT FUND

STATEMENT OF REVENUE AND EXPENSES

FOR THE FISCAL YEAR ENDED JUNE 30, 1977

Operating Revenue		
Tie downs and rentals	\$91,683	
Commissions on sales	48,310	
Permits	<u>1,429</u>	
Total Operating Revenue		\$141,422
Operating Expenses, exclusive of depreciation		<u>114,516</u>
Net Operating Income Before Depreciation		26,906
Depreciation		<u>61,893</u>
Net Operating Loss		34,987
Non-Operating Income		
Interest earnings	688	
Other	<u>(678)</u>	
Total Non-Operating Income		<u>10</u>
		34,977
Interest Expense		<u>20,883</u>
Net Loss		<u>\$ 55,860</u>

See notes to financial statements.

CITY OF SCOTTSDALE

STATEMENT 23

AIRPORT FUND

STATEMENT OF CHANGES IN FINANCIAL POSITION

FOR THE FISCAL YEAR ENDED JUNE 30, 1977

Sources of Funds

From operations

Net loss

(\$ 55,860)

Noncash charge - depreciation

61,893

Total from operations

6,033

Contributions from federal government

216,088

Decrease in receivables

9,138

Contributions from municipality

114,253345,512

Uses of Funds

Purchase of equipment and construction in progress

257,725

Payments on long-term debt

73,806

Decrease in other current liabilities

28,172359,703

Decrease in Cash and Short-term Investments

(14,191)

Cash and Short-term Investments

July 1, 1976

40,222

June 30, 1977

\$ 26,031

See notes to financial statements.

CITY OF SCOTTSDALE
 PUBLIC HOUSING FUND
 STATEMENT OF REVENUE AND EXPENSES
 FOR THE FISCAL YEAR ENDED JUNE 30, 1977

STATEMENT 24

Operating Revenue

Property rentals	\$37,993	
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Other	<u>2,792</u>	
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Total Operating Revenue		\$40,785
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Operating Expenses, exclusive of depreciation

Utilities	15,405	
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Maintenance	<u>24,564</u>	
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Total Operating Expenses		<u>39,969</u>
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Net Operating Income Before Depreciation		816
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Depreciation		<u>15,560</u>
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Net Loss		<u>\$14,744</u>
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See notes to financial statements.

CITY OF SCOTTSDALE

STATEMENT 25

PUBLIC HOUSING FUND

STATEMENT OF CHANGES IN FINANCIAL POSITION

FOR THE FISCAL YEAR ENDED JUNE 30, 1977

Sources of Funds

From operations

Net loss

(\$14,744)

Noncash charge - depreciation

15,560

Total from operations

816

Uses of Funds

Increase in receivables

1,526

Decrease in other current liabilities

35,17736,703

Decrease in Cash and Short-term Investments

(35,887)

Cash and Short-term Investments

July 1, 1976

42,709

June 30, 1977

\$ 6,822

See notes to financial statements.

CITY OF SCOTTSDALE

STATEMENT 26

ENTERPRISE FUNDS

ANALYSIS OF CHANGES IN CONTRIBUTIONS AND RETAINED EARNINGS (ACCUMULATED DEFICIT)

FOR THE FISCAL YEAR ENDED JUNE 30, 1977

	TOTAL ALL FUNDS	WATER AND SEWER UTILITY			AIRPORT	PUBLIC HOUSING
		TOTAL	RESTRICTED	UNRESTRICTED		
<u>Contributions to Capital</u>						
Balances, July 1, 1976	\$15,892,331	\$13,319,304		\$13,319,304	\$2,004,899	\$568,128
From Subdividers	758,032	758,032		758,032		
From Municipality	114,253				114,253	
From Federal and Local Government	286,007	69,919		69,919	216,088	
Transfer from Retained Earnings	320,431	320,431		320,431		
Balances, June 30, 1977	<u>\$17,371,054</u>	<u>\$14,467,686</u>		<u>\$14,467,686</u>	<u>\$2,335,240</u>	<u>\$568,128</u>
<u>Retained Earnings (Accumulated Deficit)</u>						
Balances, July 1, 1976	\$ 1,170,342	\$ 1,473,711	\$ 990,146	\$ 483,565	(\$ 250,194)	(\$ 53,175)
Net Income (Loss)	791,676	862,280		862,280	(55,860)	(14,744)
Transfer of Unrestricted Income			346,290	(346,290)		
Transfer to Contributions to Capital	(320,431)	(320,431)		(320,431)		
Balances, June 30, 1977	<u>\$ 1,641,587</u>	<u>\$ 2,015,560</u>	<u>\$1,336,436</u>	<u>\$ 679,124</u>	<u>(\$ 306,054)</u>	<u>(\$ 67,919)</u>

See notes to financial statements.

INTRAGOVERNMENTAL SERVICE FUND

Intragovernmental 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 billings to user programs of the City.

CITY OF SCOTTSDALE

STATEMENT 27

INTRAGOVERNMENTAL SERVICE - MOTOR POOL FUND

BALANCE SHEET

JUNE 30, 1977

ASSETS

Cash and short-term investments - Note B	\$ 9,426
Property and equipment	
Land	67,904
Buildings and improvements	214,277
Motor vehicles	1,763,389
Machinery and equipment	405,762
Furniture, fixtures and office equipment	7,923
Construction in process	153,254
	<u>2,612,509</u>
Accumulated depreciation	(1,410,473)
	<u>1,202,036</u>
Accrued interest	236
Accounts receivable	7,923
Due from other funds	<u>26,440</u>
Total Assets	<u>\$1,246,061</u>

LIABILITIES, CONTRIBUTIONS AND ACCUMULATED DEFICIT

Claims payable	\$ <u>43,736</u>
Contributions from municipality	<u>1,362,556</u>
Accumulated deficit	(<u>160,231</u>)
Total Liabilities, Contributions and Accumulated Deficit	<u>\$1,246,061</u>

See notes to financial statements.

CITY OF SCOTTSDALE

STATEMENT 28

INTRAGOVERNMENTAL SERVICE - MOTOR POOL FUND

STATEMENT OF REVENUE AND EXPENSES

FOR THE FISCAL YEAR ENDED JUNE 30, 1977

Operating Revenue

Billings to user programs	\$1,690,023
Other	<u>5,508</u>
Total Operating Revenue	<u>1,695,531</u>

Operating Expenses

Salaries and wages	568,350
Materials purchased	534,549
Gas, oil and lubricants	232,814
Depreciation	315,676
Other shop expenses	86,771
General and administrative	31,750
Outside services	<u>15,231</u>

Total Operating Expenses	<u>1,785,141</u>
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Net Loss From Operations	<u>\$ 89,610</u>
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See notes to financial statements.

CITY OF SCOTTSDALE

STATEMENT 29

INTRAGOVERNMENTAL SERVICE - MOTOR POOL FUND

ANALYSIS OF CHANGES IN CONTRIBUTIONS AND ACCUMULATED DEFICIT

FOR THE FISCAL YEAR ENDED JUNE 30, 1977

	<u>CONTRIBUTIONS FROM MUNICIPALITY</u>	<u>ACCUMULATED DEFICIT</u>
Balances, July 1, 1976	\$1,348,659	(\$ 70,621)
Net Loss from Operations		(89,610)
Contributions from General Fund	<u>13,897</u>	<u> </u>
Balances, June 30, 1977	<u>\$1,362,556</u>	<u>(\$160,231)</u>

See notes to financial statements.

EXHIBIT VIII

TRUST AND AGENCY FUNDS

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

CITY OF SCOTTSDALE

STATEMENT 30

TRUST AND AGENCY FUNDS

BALANCE SHEET

JUNE 30, 1977

<u>ASSETS</u>	<u>TOTAL ALL FUNDS</u>	<u>NEIGHBORHOOD DEVELOPMENT PROJECT</u>	<u>FEDERAL GRANTS</u>	<u>MISCELLANEOUS TRUST AND AGENCY</u>	<u>COMMUNITY DEVELOPMENT</u>
Cash and short-term investments - Note B	\$ 500,039	\$ 3,791	\$139,659	\$329,037	\$ 27,552
Grants receivable	267,503		267,503		
Land inventory	230,000	230,000			
Project cost control	3,250,595	3,250,595			
Due from other funds	36,739		31,733		5,006
Total Assets	<u>\$4,284,876</u>	<u>\$3,484,386</u>	<u>\$438,895</u>	<u>\$329,037</u>	<u>\$ 32,558</u>
<u>LIABILITIES, CONTRIBUTIONS AND FUND BALANCES</u>					
Claims payable	\$ 306,442	\$ 16,547	\$160,747	\$ 55,375	\$ 73,773
Loans payable	320,000	320,000			
Guaranty and other deposits	244,748			244,748	
Interest payable	50	50			
Due to other funds	7,328		5,176	1,140	1,012
Total Liabilities	<u>878,568</u>	<u>336,597</u>	<u>165,923</u>	<u>301,263</u>	<u>74,785</u>
Encumbrances outstanding	<u>233,609</u>		<u>23,134</u>	<u>294</u>	<u>210,181</u>
Contributions to capital					
Contributions from municipality	1,061,789	1,061,789			
Contributions from federal government	2,086,000	2,086,000			
	<u>3,147,789</u>	<u>3,147,789</u>			
Fund balances	<u>24,910</u>		<u>249,838</u>	<u>27,480</u>	<u>(252,408)</u>
Total Liabilities, Contributions and Fund Balances	<u>\$4,284,876</u>	<u>\$3,484,386</u>	<u>\$438,895</u>	<u>\$329,037</u>	<u>\$ 32,558</u>

See notes to financial statements.

CITY OF SCOTTSDALE

STATEMENT 31

TRUST AND AGENCY FUNDS

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 1977

	TOTAL ALL FUNDS	NEIGHBORHOOD DEVELOPMENT PROJECT	FEDERAL GRANTS	MISCELLANEOUS TRUST AND AGENCY	COMMUNITY DEVELOPMENT
Cash and Short-term Investments, July 1, 1976	\$ 515,254	\$132,237	\$ 89,439	\$265,143	\$ 28,435
Cash Receipts					
Federal and state aid	2,700,384		1,589,195		1,111,189
Interest earnings	1,560	1,560			
Security and other deposits	231,974			231,974	
Donations	44,363			44,363	
Transfers from other funds	67,042	6,345	26,000	19,714	14,983
Total Receipts	<u>3,045,323</u>	<u>7,905</u>	<u>1,615,195</u>	<u>296,051</u>	<u>1,126,172</u>
Cash Disbursements					
Payment of loans	108,078	108,078			
Deposit refunds	173,152			173,152	
Operating expenses	2,615,802	12,082	1,481,592	55,229	1,066,899
Transfers to other funds	163,506	16,191	83,383	3,776	60,156
Total Disbursements	<u>3,060,538</u>	<u>136,351</u>	<u>1,564,975</u>	<u>232,157</u>	<u>1,127,055</u>
Cash and Short-term Investments, June 30, 1977	<u>\$ 500,039</u>	<u>\$ 3,791</u>	<u>\$ 139,659</u>	<u>\$329,037</u>	<u>\$ 27,552</u>

See notes to financial statements.

CITY OF SCOTTSDALE

STATEMENT 32

TRUST AND AGENCY FUNDS

ANALYSIS OF CHANGES IN FUND BALANCES

FOR THE FISCAL YEAR ENDED JUNE 30, 1977

	TOTAL ALL FUNDS	FEDERAL GRANTS	MISCELLANEOUS TRUST AND AGENCY	COMMUNITY DEVELOPMENT
Fund Balances, July 1, 1976	(\$ 45,718)	\$ 92,462	\$35,023	(\$ 173,203)
Excess of revenue over expenditures, encumbrances and encumbrances cancelled				
Revenue	<u>3,040,622</u>	<u>1,885,192</u>	<u>44,241</u>	<u>1,111,189</u>
Expenditures	2,736,614	1,704,682	51,719	980,213
Encumbrances	233,609	23,134	294	210,181
Encumbrances cancelled	(229)		(229)	
	<u>2,969,994</u>	<u>1,727,816</u>	<u>51,784</u>	<u>1,190,394</u>
Total Additions (Deductions)	<u>70,628</u>	<u>157,376</u>	<u>(7,543)</u>	<u>(79,205)</u>
Fund Balances, June 30, 1977	<u>\$ 24,910</u>	<u>\$ 249,838</u>	<u>\$27,480</u>	<u>(\$ 252,408)</u>

See notes to financial statements.

SPECIAL ASSESSMENTS FUNDS

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. Contractors and suppliers, who must be paid upon completion of the project, are issued improvement district serial bonds which are repaid from the annual installments paid by the property owners.

CITY OF SCOTTSDALE

STATEMENT 33

SPECIAL ASSESSMENTS FUNDS

BALANCE SHEET

JUNE 30, 1977

ASSETS

Cash and short-term investments - Note B	\$ 497,129
Cash with fiscal agents	105,385
Special assessments receivable - Note G	<u>3,133,012</u>
Total Assets	<u>\$3,735,526</u>

LIABILITIES AND FUND BALANCES

Claims payable	\$ 3,408
Bonds payable - Note C	3,488,999
Bond interest payable	105,365
Other liabilities	<u>63,021</u>
Total Liabilities	3,660,793
Fund balances - restricted for bond interest and redemption	<u>74,733</u>
Total Liabilities and Fund Balances	<u>\$3,735,526</u>

See notes to financial statements.

CITY OF SCOTTSDALE

STATEMENT 34

SPECIAL ASSESSMENTS FUNDS

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 1977

Cash and Short-Term Investments, July 1, 1976	\$ 393,532
Cash Receipts	
Assessments received	943,169
Penalty income	4,776
Over payments	6,760
Street lighting tax revenue	109,865
Transfers from other funds	<u>118,775</u>
Total Receipts	<u>1,183,345</u>
Cash Disbursements	
Bond redemptions	701,789
Interest paid	229,335
Over payments refunded	6,834
Street lighting operating expenses	71,112
Transfers to other funds	<u>70,678</u>
Total Disbursements	<u>1,079,748</u>
Cash and Short-Term Investments, June 30, 1977	<u>\$ 497,129</u>

See notes to financial statements.

CITY OF SCOTTSDALE

STATEMENT 35

SPECIAL ASSESSMENTS FUNDS

ANALYSIS OF CHANGES IN FUND BALANCES

FOR THE FISCAL YEAR ENDED JUNE 30, 1977

Fund Balances, July 1, 1976		\$35,148
Penalty income		4,776
Transfer of completed district fund balances to General Fund		(3,285)
Excess of street light district revenue over expenditures		
Revenue	\$109,865	
Expenditures	<u>71,771</u>	<u>38,094</u>
Fund Balances, June 30, 1977		<u>\$74,733</u>

See notes to financial statements.

EXHIBIT X

GENERAL FIXED ASSETS GROUP OF ACCOUNTS

The General Fixed Assets Group of Accounts are 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. No depreciation is provided on such assets. This control also allows establishing custodial responsibility for the assets.

The investment in fixed assets of enterprise operations are accounted for in their respective funds.

CITY OF SCOTTSDALE

STATEMENT 36

STATEMENT OF GENERAL FIXED ASSETS

JUNE 30, 1977

General Fixed Assets - Notes D and E

Land	\$ 5,213,776
Buildings and improvements	16,779,670
Streets and storm drains	101,706,294
Machinery and equipment	1,251,303
Construction in process	<u>3,655,809</u>
Total General Fixed Assets	<u>\$128,606,852</u>
Investment in General Fixed Assets	<u>\$128,606,852</u>
Source of Current Year Additions:	
General fund	\$ 247,117
Special revenue fund	451,760
Capital projects funds	2,697,153
Contributions	<u>3,488,943</u>
Total	<u>\$ 6,884,973</u>

See notes to financial statements.

EXHIBIT XI

GENERAL LONG-TERM DEBT GROUP OF ACCOUNTS

The accounts in the General Long-Term Group of Accounts represent the long-term liabilities of the City.

The long-term debt of enterprise operations are accounted for in their respective funds.

CITY OF SCOTTSDALE

STATEMENT 37

STATEMENT OF GENERAL LONG-TERM DEBT

JUNE 30, 1977

Amount available in General Debt Service Fund	\$ 2,023,356
Amount to be provided for retirement of contracts payable	7,741,192
Amount to be provided for retirement of general long-term debt	<u>10,262,769</u>
Total Available and to be Provided	<u>\$20,027,317</u>
General long-term bonded debt payable	\$12,065,000
Special assessments payable on City-owned property	221,125
Contracts payable	<u>7,741,192</u>
Total General Long-Term Debt - Notes C and D	<u>\$20,027,317</u>

See notes to financial statements.

CITY OF SCOTTSDALE

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 1977

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING AND FINANCIAL POLICIES

The following briefly describes the significant accounting and financial policies of the City of Scottsdale, Arizona ("City") which have been followed in preparing the accompanying financial statements.

Bases of Accounting - All funds of the City, except for the Enterprise, Intragovernmental Service, Special Assessments and Neighborhood Development Project, which are maintained on the accrual basis of accounting, 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 earned and available. Expenditures and encumbrances are recognized when liabilities and commitments, respectively, are incurred. The accrual basis of accounting recognizes revenues when earned and expenses when incurred.

Investments - Investments are stated at cost, which approximates market. The City's policy is to invest in certificates of deposit and federal government agency securities.

Investments held in trust for the retirement of refunded debt are carried at amortized cost. The City is required, under irrevocable trust arrangements as described in Note F, to retain these investments until maturity.

Inventories - Inventories are recorded as expenditures when the commitment is incurred. Accordingly, the inventories on the balance sheet of the General Fund, which are stated at cost, are offset by a contra-account, "Reserve for Inventories of Supplies".

Property Taxes Receivable - Billed and uncollected property taxes included in the balance sheet of the General Fund are offset by a contra-account, "Reserve for Uncollected Property Taxes". These receivables will be recorded as revenues when received. Maricopa County is the billing and collection agency for these taxes.

General Fixed Assets - General fixed assets are recorded as expenditures at the date of purchase in all funds other than the Enterprise and Intragovernmental Service Funds. General fixed assets are stated in the General Fixed Assets group of accounts at either cost or at appraised cost, if historical cost is not available.

Gifts or contributions of fixed assets are recorded at fair market value at the date received. General fixed assets sold or otherwise disposed of are eliminated from the accounts. Depreciation is not provided on general fixed assets.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING AND FINANCIAL POLICIES (Continued)

Property and Equipment - Property and equipment of the Enterprise and Intragovernmental Service Funds are stated at cost or at appraised costs, if historical costs are not available. 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 & improvements	25 years
Motor vehicles and other equipment	5 to 10 years
Furniture, fixtures and office equipment	5 to 10 years

Excess Purchase Price Over Fair Market Value of Assets Acquired - The excess purchase price over fair market value of assets acquired is amortized on the straight-line method over 20 to 25 years.

Retirement and Pension Plans - Substantially all full time employees of the City are covered by one of three state administered pension plans.

The State of Arizona Public Safety Personnel Retirement System covers all City policemen. The employees contribute eight percent of their annual compensation to this plan. The City records as expenditures, on a cash basis, the actuarially determined current service costs and interest on the unfunded past service costs for this pension plan.

The Arizona State Retirement Plan ("Plan") covers all new City employees since July 1, 1976, except policemen, and those City employees on that date who elected to transfer to such Plan from the Arizona State Retirement System ("System"). Employees contribute seven percent of their total annual wages and the City contributes seven percent of the members' total annual wages. The City's contribution may be greater if necessary to provide for normal costs and amortization of unfunded past service costs as actuarially determined. In the event that additional contributions are needed to provide for benefits to be paid by the Plan, every employer member of the Plan, including the City, will be required to contribute a revised percentage of total annual wages, as set by the Board of Trustees of the Plan.

The System covers all employees other than the City's policemen and those employees who transferred to the Plan. The City and these employees each contribute five percent of total annual wages to this program.

NOTE B - CASH AND INVESTMENTS

Cash and investments, including those restricted for designated purposes, at June 30, 1977 consist of the following:

Cash in savings accounts	\$ 3,224,081
Cash in checking accounts	(1,358,239)
Certificates of deposit	4,735,641
Treasury bills	6,056,902
Treasury notes	945,000
Federal land bank	2,169,833
Improvement district bonds	353,000
	<u>\$16,126,218</u>

NOTE C - BONDS PAYABLE

Bonds payable, excluding the refunded debt described in Note F, mature as follows (in thousands of dollars):

	<u>General Obligation</u>	<u>Revenue</u>	<u>Special Assessments (See Note G)</u>	<u>Total</u>
Due July 1, 1977	\$ 445	\$ 320	\$	\$ 765
Fiscal year ending June 30,				
1978	315	345	620	1,280
1979	320	425	578	1,323
1980	350	500	430	1,280
1981	355	535	391	1,281
1982	360	550	383	1,293
1983-1987	2,995	3,045	857	6,897
1988-1992	2,945	3,925	175	7,045
1993-1997	<u>4,425</u>	<u>895</u>	<u>55</u>	<u>5,375</u>
	<u>\$12,510</u>	<u>\$10,540</u>	<u>\$3,489</u>	<u>\$26,539</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 \$657,323 at June 30, 1977.

NOTE D - CONTRACTS PAYABLE

Contracts payable at June 30, 1977 include the following:

	<u>Excise Debt Service</u>	<u>Airport</u>	<u>Water and Sewer Utility</u>	<u>Total</u>
Contracts payable to City of Scottsdale Municipal Property Corporation for:				
Financing construction of municipal buildings, 5.2% to 6% (average rate 5.4%), principal due from July 1, 1982 through July 1, 1996	\$7,130,000	\$	\$	\$7,130,000
Refinancing contracts, 4.75%, payable in annual installments through July 1, 1982.	774,176	365,825		1,140,001
Purchase contracts for acquisition of water companies 5.75% to 6%, due in annual installments through 1986.	<u>7,904,176</u>	<u>365,825</u>	<u>1,111,385</u> <u>1,111,385</u>	<u>1,111,385</u> <u>9,381,386</u>
Less current portion	<u>162,984</u>	<u>77,016</u>	<u>137,761</u>	<u>377,761</u>
	<u>\$7,741,192</u>	<u>\$288,809</u>	<u>\$ 973,624</u>	<u>\$9,003,625</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 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.

The City has collateralized the bonds of the Corporation by (1) a first lien pledge of all excise, transaction privilege and franchise taxes collected by the City, and (2) a pledge of all net revenues derived by the City from the property.

The Corporation retains legal title to the properties until the contracts with 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.

Land (\$88,350) and buildings and improvements (\$6,559,303) relating to the aforementioned arrangement are included in the General Fixed Assets at June 30, 1977.

NOTE D - CONTRACTS PAYABLE (Continued)

Annual installments on contracts payable are due as follows (in thousands of dollars):

<u>Fiscal Year Ending June 30,</u>	<u>Excise Debt Service</u>	<u>Airport</u>	<u>Water and Sewer Utility</u>	<u>Total</u>
1978	\$ 163	\$ 77	\$ 138	\$ 378
1979	173	82	109	364
1980	180	85	109	374
1981	187	88	109	384
1982	256	34	117	407
1983-1987	1,695		529	2,224
1988-1992	2,205			2,205
1993-1997	<u>3,045</u>			<u>3,045</u>
	<u>\$7,904</u>	<u>\$366</u>	<u>\$1,111</u>	<u>\$9,381</u>

NOTE E - PROPERTY AND EQUIPMENT

Certain fixed assets for which historical costs are not available are recorded in the accounts at appraised costs. Appraisal estimates used for fixed assets are as follows:

General Fixed Assets:

Streets and storm drains	\$88,465,000
Land	4,664,000
Traffic signal equipment	606,000

Water and Sewer Utility Fund:

Water system and sewer system	14,169,000
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NOTE F - REFUNDED DEBT TO BE RETIRED FROM ASSETS HELD IN TRUST

During fiscal 1973, the City issued revenue refunding bonds aggregating \$3,910,000 to refinance certain existing long-term debt of the Water and Sewer Utility Fund aggregating \$4,220,000. The proceeds of the refunding issue were used to purchase securities of U.S. Federal Government agencies and were placed in irrevocable trusts. The maturities of such investments, together with the related interest earnings, are restricted for and designed to meet the debt service requirements of the refunded debt.

NOTE G - SPECIAL ASSESSMENTS AND TRUST AND AGENCY FUNDS

The City acts as trustee for special assessment improvement districts as well as trustee or agent for various projects financed by grants from other governmental units. City participation in these projects, if any, is recorded as an expenditure in the respective fund authorized to appropriate the monies.

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, 1977, the special assessments receivable of \$3,128,427, together with amounts paid in advance of \$58,629 and interest of \$838,146 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 H - OTHER MATTERS

1. The City is a party in several lawsuits incident to its normal operations. In the opinion of the City Attorney, the settlement of such lawsuits will not have a material effect on the financial position of the various funds of the City.
2. The City's contributions to the pension and retirement plans for the year ended June 30, 1977, were \$717,000. The amount not recorded in the accounts for unfunded past service liability for the pension plan of the City's policemen was \$699,000 at June 30, 1976, the date of the most recent actuarial valuations.
3. The amount not recorded in the accounts for vested vacation pay for which the City's employees are entitled aggregated \$667,000 at June 30, 1977.
4. The amount not recorded in the accounts for accrued sick pay benefits was \$1,082,000 at June 30, 1977. These benefits provide for ordinary sick pay and are not vested with the employee. Unused benefits are payable upon the death or retirement of an employee.
5. In fiscal 1975, the City entered into a five-year agreement with Metropolitan Fire Department, Inc. ("Metropolitan") whereby Metropolitan will provide fire protection and related services to the City. Annual amounts due, subject to adjustment under certain circumstances, will approximate \$765,000.
6. The City has a contract for the acquisition of data processing equipment. Annual contract payments are \$632,000 for the first four years and \$180,000 for the remaining two years. The contract payments are subject to annual budget appropriations.
7. The City entered into an agreement with the U.S. Army Corps of Engineers for the construction of flood control and recreation facilities throughout the Indian Bend Wash. In connection with this agreement, the City will be required to make annual payments of approximately \$116,000 for fifty years upon completion of the project, estimated to be in 1980.

**STATISTICAL
SECTION**

SUPPLEMENTAL INFORMATION

Our examination of the financial statements of the various funds and account groups of the City of Scottsdale, Arizona for the fiscal year ended June 30, 1977, was intended primarily for the purpose of formulating an opinion on the basic financial statements taken as a whole. The supplemental information presented in the following pages has been taken primarily from accounting and other records of the City and is not, in our opinion, necessary for fair presentation of its financial position. Such information has not been subjected to tests and other auditing procedures sufficient to enable us to express an opinion as to the fairness of all the details included therein, and accordingly we do not express an opinion on the supplemental information.

Touche Ross & Co.

CITY OF SCOTTSDALE
GENERAL GOVERNMENTAL EXPENDITURES BY MAJOR PROGRAM
LAST TEN FISCAL YEARS

TABLE I

<u>Fiscal Year</u>	<u>General Government</u>	<u>Public Safety</u>	<u>Public Works</u>	<u>Health & Sanitation</u>	<u>Culture & Recreation</u>	<u>Debt Service</u>
1977	3,648,165	4,521,225	3,425,646	1,759,774	2,957,806	2,103,058
1976	3,186,451	4,028,832	2,339,765	1,992,035	2,745,985	1,636,773
1975	2,655,502	3,468,442	3,459,556	1,616,598	2,091,699	1,751,668
1974	2,526,056	2,806,951	4,361,968	1,776,177	2,050,495	1,084,762
1973	1,743,392	2,289,692	3,212,325	1,765,158	1,373,567	419,169
1972	1,036,203	1,806,833	2,328,832	1,318,726	785,430	398,189
1971	1,030,698	1,544,895	2,016,027	1,010,599	1,053,202	238,862
1970	920,490	1,306,030	2,201,330	856,446	756,228	185,472
1969	747,714	1,198,636	1,439,749	584,698	611,857	181,969
1968	579,885	1,074,288	1,351,864	627,984	623,326	263,944

GENERAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS

TABLE II

<u>Fiscal Year</u>	<u>Taxes</u>	<u>Licenses & Permits</u>	<u>Inter-Government Revenue</u>	<u>Charges For Services</u>	<u>Fines & Forfeits</u>	<u>Uses of Money & Property</u>	<u>Misc.</u>
1977	9,463,545	665,819	6,415,559	1,523,559	338,246	427,322	458,207
1976	8,158,411	449,435	6,122,988	1,464,550	277,274	350,680	172,118
1975	6,826,005	421,468	5,545,735	768,616	236,954	382,875	364,515
1974	6,228,398	544,996	4,644,425	260,485	229,396	292,438	964,980
1973	5,578,586	565,811	3,446,539	240,847	239,166	205,908	728,495
1972	4,552,900	147,086	2,373,264	613,816	197,333	130,473	218,983
1971	3,814,291	138,875	2,039,197	355,242	163,765	202,319	673,158
1970	3,413,956	378,123	1,796,624	291,416	178,143		33,830
1969	2,797,311	282,418	1,534,980	245,241	174,537		
1968	2,490,332	210,905	1,320,915	189,743	137,717		

TAX REVENUE BY SOURCE
LAST TEN FISCAL YEARS

TABLE III

<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>
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
1975	6,826,005	4,755,934	1,859,700	165,387	44,984
1974	6,228,398	4,637,393	1,439,818	125,729	25,458
1973	5,578,586	4,173,436	1,273,554	102,023	29,573
1972	4,552,900	3,380,861	1,064,754	78,930	28,355
1971	3,814,291	2,754,597	968,298	69,031	22,365
1970	3,413,956	2,462,561	868,750	59,676	22,969
1969	2,797,311	1,891,095	843,830	54,854	7,532
1968	2,490,332	1,546,490	882,018	61,824	

CITY OF SCOTTSDALE
PROPERTY TAX RATES AND TAX LEVIES - ALL OVERLAPPING GOVERNMENTS
JUNE 30, 1977

TABLE IV

<u>Overlapping Government</u>	1976/77 Assessed Valuation	Portion Applicable to the City of Scottsdale Approx. %	Amount	1976/77 Tax Rate Per \$100 Assessed
State of Arizona	\$6,200,230,075	3.63	\$225,068,351	\$1.60
Maricopa County	2,844,314,021	7.91	224,985,239	2.70
Maricopa County C.C.D.	2,844,314,021	7.91	224,985,239	0.71
S.D. No. 31 (Balsz)	59,590,046	7.27	4,332,196	3.64
Phoenix Union H.S.D. No. 210	1,096,143,518	0.40	4,384,574	2.51
Scottsdale Unified S.D. No. 48	352,716,395	61.32	216,285,693	5.62
S.D. No. 69 (Paradise Valley)	100,027,025	4.19	4,191,132	8.70
City of Scottsdale	224,960,561	100.00	224,960,561	1.25

Total Net Direct and Overlapping Tax Rate Per \$100 Assessed Valuation:

Inside School District No. 31 (Balsz)	<u>\$12.41</u>
Inside Unified School District No. 48 (Scottsdale)	<u>\$11.88</u>
Inside School District No. 69 (Paradise Valley)	<u>\$14.96</u>
Outside School Districts	<u>\$ 6.26</u>

COMPUTATION OF DIRECT AND OVERLAPPING DEBT
AS OF JUNE 30, 1977

TABLE V

<u>Name of Governmental Unit</u>	Net Debt Outstanding	% Applicable to this Municipality	City of Scottsdale Share of Debt
City of Scottsdale	\$10,094,803	100.00	\$10,094,803
State of Arizona	None	3.63	
Maricopa County	51,923,178	7.91	4,107,123
Maricopa County Community College District	5,941,862	7.91	470,001
Phoenix Union High School District	21,493,513	0.40	85,974
School District No. 31 (Balsz)	244,723	7.27	17,791
School Unified District No. 48 (Scottsdale)	11,778,564	61.32	7,222,615
School District No. 69 (Paradise Valley)	21,090,176	4.19	883,678
Total Direct and Overlapping Debt			<u>\$22,881,985</u>

CITY OF SCOTTSDALE

TABLE VI

PROPERTY TAX LEVIES AND COLLECTIONS

FISCAL YEAR	TOTAL TAX LEVY	CURRENT TAX COLLECTIONS	% OF LEVY COLLECTIONS	DELINQUENT TAX COLLECTIONS	FUTURE YEAR TAX COLLECTIONS	TOTAL TAX COLLECTIONS	TOTAL COLLECTIONS % OF CURRENT LEVY	OUTSTANDING DELINQUENT TAXES	OUTSTANDING DELINQUENT TAXES AS A % OF CURRENT LEVY
1977	2,796,000	2,781,386	99.48	104,974	19,475	2,905,835	103.93	77,287	2.76
1976	2,662,620	2,481,183	93.19	67,089	89,536	2,637,808	99.07	96,286	3.61
1975	2,014,517	1,803,406	89.52	27,997	28,297	1,859,700	92.31	122,612	6.08
1974	1,431,614	1,389,339	97.05	28,858	21,621	1,439,818	100.55	42,275	2.95
1973	1,291,567	1,223,459	94.73	26,271	23,824	1,273,554	98.61	71,905	5.57
1972	1,062,379	1,033,373	97.27	16,385	14,996	1,064,754	100.22	30,068	2.83
1971	966,172	943,559	97.66	14,376	10,363	968,298	100.22	19,340	2.00
1970	852,987	835,520	97.95	25,168	8,062	868,750	101.85	25,150	2.95
1969	848,486					843,830	99.45	30,454	3.59
1968	882,108					882,018	99.99	13,624	1.54

CITY OF SCOTTSDALE
 ASSESSED VALUATION CLASSIFICATIONS AND HISTORIES
 LAST FIVE YEARS AND LAST TEN YEARS

TABLE VII

COMPARATIVE ASSESSED VALUATION CLASSIFICATION

<u>Classifications</u>	<u>1976-77</u>	<u>1975-76</u>	<u>1974-75</u>	<u>1973-74</u>	<u>1972-73</u>
Real Estate	\$ 48,704,580	\$ 46,731,400	\$ 42,009,905	\$ 40,478,765	\$ 31,571,935
Improvements	144,585,650	135,227,745	124,498,760	113,661,935	77,515,955
Secured Personal	2,088,180	2,362,150	1,610,135	1,170,470	1,054,588
Unsecured Personal	10,476,390	9,944,190	9,499,810	7,505,240	5,733,750
Utilities, Rails, Wires	19,670,520	19,309,805	18,519,655	12,410,719	10,283,575
Gross Valuation	<u>\$225,525,320</u>	<u>\$213,575,290</u>	<u>\$196,138,265</u>	<u>\$175,227,129</u>	<u>\$126,159,803</u>
Less Exemptions	564,759	565,660	554,060	594,125	778,850
Net Taxable Valuation	<u>\$224,960,561</u>	<u>\$213,009,630</u>	<u>\$195,584,205</u>	<u>\$174,633,004</u>	<u>\$125,380,953</u>
Estimated Actual Value					
In Thousands of Dollars	\$1,147,690	\$1,083,709	\$992,701	\$902,400	\$642,847

ASSESSED VALUATION HISTORIES

<u>Year</u>	<u>City of Scottsdale</u>	<u>Maricopa County</u>	<u>State of Arizona</u>
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
1974-75	195,584,205	2,427,495,810	5,128,946,903
1973-74	174,633,004	2,119,061,748	4,476,532,548
1972-73	125,380,953	1,644,191,013	3,634,000,000
1971-72	103,143,617	1,385,223,610	3,165,849,984
1970-71	93,802,802	1,249,273,171	2,877,440,831
1969-70	82,814,703	1,146,470,649	2,656,536,168
1968-69	82,377,245	1,137,884,187	2,599,066,421
1967-68	82,440,045	1,074,313,660	2,351,583,270

RATIO OF ANNUAL DEBT SERVICE EXPENDITURES
 FOR GENERAL BONDED DEBT TO TOTAL GENERAL EXPENDITURES
 LAST TEN FISCAL YEARS

TABLE VIII

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total General Debt Service</u>	<u>Total General Expenditures</u>	<u>Ratio of General Debt Service to General Expenditures</u>
1977	\$860,409	\$634,197	\$1,494,606	\$18,415,674	8.12
1976	878,839	366,312	1,245,151	15,929,841	7.82
1975	708,108	343,433	1,051,541	15,043,465	6.99
1974	479,000	543,876	1,022,876	14,075,632	7.27
1973	174,000	158,863	332,863	10,803,303	3.08
1972	110,000	158,602	268,602	7,794,711	3.45
1971	42,000	138,027	180,027	6,894,283	2.61
1970	42,000	139,776	181,776	6,036,354	3.01
1969	36,500	141,536	178,036	4,764,623	3.74
1968	91,500	150,092	241,592	4,521,291	5.34

CITY OF SCOTTSDALE
COMPUTATION OF LEGAL DEBT MARGINS
JUNE 30, 1977

TABLE IX

Assessed Value			\$224,960,561
Debt Limit 4% of Assessed Value			<u>8,998,422</u>
Amount of Debt Applicable to Debt Limit			
Total Bonded Debt		\$23,050,000	
Other Debt			
Excise Tax Debt	\$ 8,270,001		
Water Purchase Debt	<u>1,111,385</u>	<u>9,381,386</u>	
			<u>32,431,386</u>
Less:			
Cash in Debt Service Funds	160,000		
Revenue Bonds	10,540,000		
Excise Tax Debt	8,270,001		
Water Purchase Debt	1,111,385		
15% General Obligation Bonds	<u>9,485,000</u>	<u>29,566,386</u>	
Total Debt Applicable to Debt Limit			<u>2,865,000</u>
Legal Debt Margin			<u>\$ 6,133,422</u>
Debt Limit 15% of Assessed Value			\$ 33,744,084
Amount of Debt Applicable to Debt Limit			
Total Bonded Debt		23,050,000	
Other Debt			
Excise Tax Debt	8,270,001		
Water Purchase Debt	<u>1,111,385</u>	<u>9,381,386</u>	
			<u>32,431,386</u>
Less:			
Cash in Debt Service Funds	2,308,356		
Revenue Bonds	10,540,000		
Excise Tax Debt	8,270,001		
Water Purchase Debt	1,111,385		
4% General Obligation Bonds	<u>3,025,000</u>	<u>25,254,742</u>	
Total Debt Applicable to Debt Limit			<u>7,176,644</u>
Legal Debt Margin			<u>\$ 26,567,440</u>

CITY OF SCOTTSDALE

TABLE X

SUMMARY OF GENERAL OBLIGATION BONDED DEBT SERVICE AND EXCISE TAX DEBT SERVICE REQUIREMENTS

AS OF JUNE 30, 1977

FISCAL YEAR	GENERAL PURPOSE 4% LIMITATION			UTILITY PURPOSE 15% LIMITATION SINKING			TOTAL GENERAL OBLIGATION DEBT SERVICE REQUIREMENTS			EXCISE TAX DEBT SERVICE			TOTAL ALL DEBT SERVICE REQUIREMENTS			
	PRINCIPAL	INTEREST	TOTAL	PRINCIPAL	FUND (1)	INTEREST(2)	TOTAL	PRINCIPAL	INTEREST	TOTAL	PRINCIPAL	INTEREST	TOTAL	PRINCIPAL	INTEREST	TOTAL
1976-77	160,000	132,225	292,225	85,000	570,000	534,849	1,189,850	815,000	\$ 667,074	\$ 1,482,074	230,000	452,845	682,845	1,045,000	1,119,919	2,164,919
1977-78	65,000	125,910	190,910	50,000	635,000	500,500	1,185,500	750,000	626,410	1,376,410	240,000	441,920	681,920	990,000	1,068,330	2,058,330
1978-79	70,000	123,060	193,060	50,000	560,000	488,225	1,098,225	680,000	611,285	1,291,285	255,000	430,520	685,520	935,000	1,041,805	1,976,805
1979-80	75,000	119,985	194,985	50,000	520,000	475,925	1,045,925	645,000	595,910	1,240,910	265,000	418,408	683,408	910,000	1,014,318	1,924,318
1980-81	80,000	116,685	196,685	50,000	520,000	462,325	1,032,325	650,000	579,010	1,229,010	275,000	405,820	680,820	925,000	984,830	1,909,830
1981-82	85,000	113,160	198,160	50,000	520,000	448,675	1,018,675	655,000	561,835	1,216,835	290,000	392,757	682,757	945,000	954,592	1,899,592
1982-83	90,000	109,435	199,435	50,000	520,000	435,025	1,005,025	660,000	544,460	1,204,460	305,000	376,670	681,670	965,000	921,130	1,886,130
1983-84	100,000	105,485	205,485	50,000	520,000	421,150	991,150	670,000	526,635	1,196,635	320,000	358,370	678,370	990,000	885,005	1,875,005
1984-85	105,000	101,225	206,225	50,000	520,000	419,200	989,200	675,000	520,425	1,195,425	340,000	339,170	679,170	1,015,000	859,595	1,874,595
1985-86	160,000	96,740	256,740		500,000	417,250	917,250	660,000	513,990	1,173,990	355,000	321,490	676,490	1,015,000	835,480	1,850,480
1986-87	165,000	90,220	255,220		500,000	358,250	858,250	665,000	448,470	1,113,470	375,000	303,030	678,030	1,040,000	751,500	1,791,500
1987-88	175,000	84,115	259,115		500,000	302,250	802,250	675,000	386,365	1,061,365	395,000	283,530	678,530	1,070,000	669,895	1,739,895
1988-89	180,000	77,640	257,640		500,000	244,750	744,750	680,000	322,390	1,002,390	415,000	262,990	677,990	1,095,000	585,380	1,680,380
1989-90	190,000	70,980	260,980		500,000	187,250	687,250	690,000	258,230	948,230	440,000	241,410	681,410	1,130,000	499,640	1,629,640
1990-91	200,000	62,975	262,975		500,000	187,250	687,250	700,000	250,225	950,225	465,000	218,530	683,530	1,165,000	468,755	1,633,755
1991-92	200,000	52,975	252,975		500,000	187,250	687,250	700,000	240,225	940,225	490,000	193,420	683,420	1,190,000	433,645	1,623,645
1992-93	200,000	43,475	243,475		180,000	187,250	367,250	380,000	230,725	610,725	515,000	166,960	681,960	895,000	397,685	1,292,685
1993-94	225,000	34,075	259,075					225,000	34,075	259,075	540,000	139,150	679,150	765,000	173,225	938,225
1994-95	250,000	23,500	273,500					250,000	23,500	273,500	570,000	109,450	679,450	820,000	132,950	952,950
1995-96	250,000	11,750	261,750					250,000	11,750	261,750	1,420,000	78,100	1,498,100	1,670,000	89,850	1,759,850
TOTALS	\$3,025,000	\$1,695,615	\$4,720,615	\$485,000	\$8,565,000	\$6,257,374	\$15,307,374	\$12,075,000	\$7,952,989	\$20,027,989	\$8,500,000	\$5,934,540	\$14,434,540	\$20,575,000	\$13,887,529	\$34,462,529

1) \$9,000,000 of a total \$10,000,000 authorization has been issued to date. Additional amounts will be issued as required. A sinking fund has been provided to retire all issues which will mature July 1, 1993.

2) Interest will increase as future series of the sinking fund issue are sold.

CITY OF SCOTTSDALE

TABLE XI

SCHEDULE OF WATER AND SEWER UTILITY REVENUE BOND COVERAGE

<u>Fiscal Year</u>	<u>Gross Revenue</u>	<u>Operating & 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>
1977	\$3,242,466	\$984,742	\$2,257,724	\$320,000	\$401,178	\$721,178	3.13	1.20
1976	2,798,475	753,920	2,044,555	260,000	349,345	609,345	3.35	1.20
1975	2,520,369	676,231	1,844,138	235,000	334,136	569,136	3.24	1.20
1974	2,433,062	480,848	1,952,214	125,000	244,050	369,050	5.29	1.20
1973	1,978,216	406,832	1,571,384	- 0 -	- 0 -	- 0 -	- 0 -	1.20

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.

CITY OF SCOTTSDALE
SCHEDULE OF INSURANCE IN FORCE
END OF FISCAL YEAR JUNE 30, 1977

TABLE XII

CARRIER	POLICY DESCRIPTION	AMOUNT OF COVERAGE
United States Fidelity & Guaranty	Package policy -- all City property including motor vehicles (specific property excluded -- traffic signals, refuse containers and fire hydrants). Real property covered for replacement cost, no allowance for depreciation. Specific limits are as follows:	
Policy Period 7/1/75 to 7/1/78		
	a. Real Property (Buildings)	\$15,934,508
	b. Equipment & Furniture (not auto)	4,358,832
	c. General Liability	
	(1) Per person	500,000
	(2) Per occurrence	500,000
	d. Riot and Civil Disorder	
	(1) Per person	500,000
	(2) Per occurrence	500,000
	e. Mercantile Robbery & Safe Burglary	
	(1) Outside robbery	10,000
	(2) Safe burglary	10,000
	f. Automotive	
	(1) Liability (per person)	500,000
	(2) Liability (per occurrence)	500,000
	(3) Property damage (\$250 deductible)	500,000
	(4) Comprehensive (\$500 deductible)	---
	(5) Collision (\$500 deductible)	---
United States Fidelity & Guaranty	Excess blanket catastrophe liability (excludes police and airport operations)	
7/1/75 to 7/1/78	Retained limit - underlying insurance (\$500,000)	
Federal Insurance	Airport - single limit bodily injury and property damage liability (each occurrence or accident and aggregate products)	
7/1/77 to 7/1/80	Hangarkeeper's liability (\$5,000 deductible)	
Northeast Insurance Co.	Police Professional Liability - Personal or bodily injury, includes sworn police officers and specified city officers while acting within scope of their authority.	
4/29/77 to 12/31/77		

CITY OF SCOTTSDALE
GENERAL INSURANCE
JUNE 30, 1977

TABLE XII a (Continued)

<u>Facility/Address</u>	<u>Construction</u>	<u>Acq. Date</u>	<u>Area Sq. Feet</u>	<u>Replacement Cost (7/1/77)</u>
Neighborhood Development				
<u>Apartments</u> 7548 East Osborn	Conc./Block	7/74	4,896	\$ 123,855
<u>Houses</u> 7714 E. Kimsey	Wood Frame	12/74	1,300	41,112
7716 E. McKinley	Wood Frame	12/74	1,200	37,950
7719 E. McKinley	Wood Frame	12/74	1,200	37,950
<u>Apartments</u> 1200 N. 77th Street "A"	Conc./Block	10/75	6,150	132,825
1200 N. 77th Street "B"	Conc./Block	10/75	3,600	78,488
"A" 8 units				
"B" 3 units				
TOTAL NEIGHBORHOOD DEVELOPMENT				\$ 452,180
Maintenance Complex				
<u>Street Maintenance</u> 1327 E. McKellips	Conc./Block	8/71	8,479	\$ 171,615
<u>Storage Building</u> 1327 E. McKellips	Metal	7/66	600	9,108
<u>Refuse Center</u> 1325 E. McKellips	Conc./Block	7/66	3,640	95,175
<u>Equipment Maintenance</u> 1323 E. McKellips	Conc./Block	11/64	15,716	318,090
<u>Addition</u> Fabrication Building	Conc./Block	6/77	4,930	120,000
1323 E. McKellips	Conc./Block	2/69	1,600	32,384
<u>Auto Parts Building</u> 1323 E. McKellips	Sheet Metal	11/74	1,600	19,600
<u>Parks Maintenance Shop</u> 255 North Miller	Sheet Metal	11/74	1,600	19,600
<u>Parks Maintenance Bldg.</u> 285 North Miller	Conc./Block	2/75	5,400	129,427
<u>Refuse Shelter</u>	Conc./Block	9/67	780	16,100
TOTAL MAINTENANCE COMPLEX				\$ 931,099
Airport				
<u>Terminal</u> 7600 E. Butherus Drive	Conc./Block	1/68	4,240	\$ 146,534
<u>Service Hangar</u> 7600 E. Butherus Drive	Conc./Block	1/68	15,714	362,119
<u>"T" Hangars</u> 7600 E. Butherus Drive	Conc./Block	11/71	14,400	224,289
<u>Fuel Dispensing and</u> <u>Underground Tank</u> 7600 E. Butherus Drive	Conc./Block	6/68	576	111,421
<u>F.A.A. Building</u> 7600 E. Butherus Drive	Conc./Block	7/72	5,930	320,336
TOTAL AIRPORT				\$1,164,699

CITY OF SCOTTSDALE
GENERAL INSURANCE
JUNE 30, 1977

TABLE XII a (Continued)

<u>Facility/Address</u>	<u>Construction</u>	<u>Acq. Date</u>	<u>Area Sq. Feet</u>	<u>Replacement Cost (7/1/77)</u>
Civic Center Complex				
<u>City Hall</u> 3939 Civic Center Plaza	Conc./Block	10/68	36,000	\$ 1,701,837
<u>Library</u> 3839 Civic Center Plaza	Conc./Block	10/68	39,000	1,839,702
<u>Public Service</u> 3739 Civic Center Plaza	Conc./Block	4/72	23,260	1,097,216
<u>Civic Center Pool</u> 3639 Civic Center Plaza	Conc./Block	6/66	1,200	27,764
<u>Mall Parking Facility</u> 7335 Civic Center Mall (446 Spaces)	Conc./Block	12/74	140,000	1,181,510
<u>Civic Center Storage Bldg.</u> 3639 Civic Center Plaza	Conc./Block	1975	320	7,360
<u>Court Building</u> 3629 Civic Center Plaza	Conc./Block	9/75	7,500	280,140
<u>Center for the Arts</u> 7384 East Second Street	Conc./Block	9/75	88,000	4,552,275
<u>Senior Center</u> 7375 E. 2nd Street	Conc./Block	9/76	5,200	205,000
				<u>TOTAL CIVIC CENTER COMPLEX</u>
				\$10,892,804
Fire Department				
<u>Fire Station #10</u> 2857 N. Miller Road	Conc./Block	8/68	8,424	\$ 256,924
<u>Fire Station #11</u> 7339 E. McDonald	Conc./Block	12/71	4,023	134,432
<u>Fire Station #12</u> 13665 N. Scottsdale Road	Conc./Block	12/71	2,120	64,658
<u>Fire Truck Shelter</u> 1323 E. McKellips	Conc./Block	3/67	360	6,831
				<u>TOTAL FIRE DEPARTMENT</u>
				\$ 462,845
Miscellaneous				
<u>Flood Control</u> 7801 E. Thomas	Adobe	9/75	1,524	\$ 39,330
7811 E. Thomas	Adobe	9/75	754	19,000
<u>Warehouse</u> 7501 E. Second Street	Conc./Block	1972	17,200	348,128
				<u>TOTAL MISCELLANEOUS</u>
				\$ 406,458
				<u>TOTAL REAL PROPERTY</u>
				\$15,934,508

CITY OF SCOTTSDALE
MISCELLANEOUS STATISTICAL DATA
JUNE 30, 1977

TABLE XIII

Population	
1951 Census - 2,032 Persons	
1960 Census - 10,026 Persons	
1965 Special Census - 54,504 Persons	
1970 Census - 67,823 Persons	
1975 Special Census - 78,065 Persons	
Miles of Streets and Alleys	
Streets	369.10
Alleys	150
Miles of Sewers	
Storm	9.5
Sanitary	230.29
Fire Protection	
Number of Stations	3
The City of Scottsdale has no fire employees but contracts with Rural Fire Protection Co. to provide fire service to all residents.	
Police Protection	
Number of Employees	153
Number of Law Violations (excluding parking)	14,448
The City jail is a holding facility. All long-term prisoners are incarcerated in the County jail.	
Number of Vehicles	66
Recreation	
Parks - Number of Acres	1,738
Number of Swimming Pools	3
Number of Other Recreation Facilities	17
These consist of schools and school playgrounds in cooperation with Scottsdale School District.	
Water Enterprise	
Number of Users (No. Units)	11,528
Annual Consumption	2,800,000,000
Plant Capacity	18,830,000 G.P.D.
Miles of Distribution Lines	106.27
Number of Street Lights	2,452
Employees as of June 30, 1977	
Merit System	839
Unclassified (exempt)	9
Total	848
Elections	
Number of Registered Voters as of Last Regular Election (Feb.76)	31,298
Number of Voting in Last Municipal Election	6,485
% Voting in Last Municipal Election	20%
Population	
Median Age of Residents	30 years
Median Household Income	\$17,583
Median Home Value	\$42,245

TABLE XIII
(Continued)CITY OF SCOTTSDALE
MISCELLANEOUS STATISTICAL DATA
JUNE 30, 1977

<u>Building Permits Fiscal Year</u>	<u>No. Permits</u>	<u>Valuation</u>
1977	3300	53,994,398
1976	2278	35,877,474
1975	2188	52,306,882
1974	3246	55,963,717
1973	3869	67,606,320
1972	3918	56,873,192
1971	3030	41,523,463
1970	3422	40,221,405
1969	2559	29,965,232
1968	2535	18,974,032

