

# ALLOCATING COMMUNITY RESOURCES

Comprehensive  
Annual Financial Report for the  
Fiscal Year Ended June 30, 1990

CITY OF SCOTTSDALE, AZ



**CITY OF SCOTTSDALE  
COMPREHENSIVE ANNUAL  
FINANCIAL REPORT  
FISCAL YEAR ENDED  
JUNE 30, 1990**

CITY COUNCIL  
HERBERT R. DRINKWATER, MAYOR

GREGORY BIELLI  
SAM KATHRYN CAMPANA  
ROSS DEAN

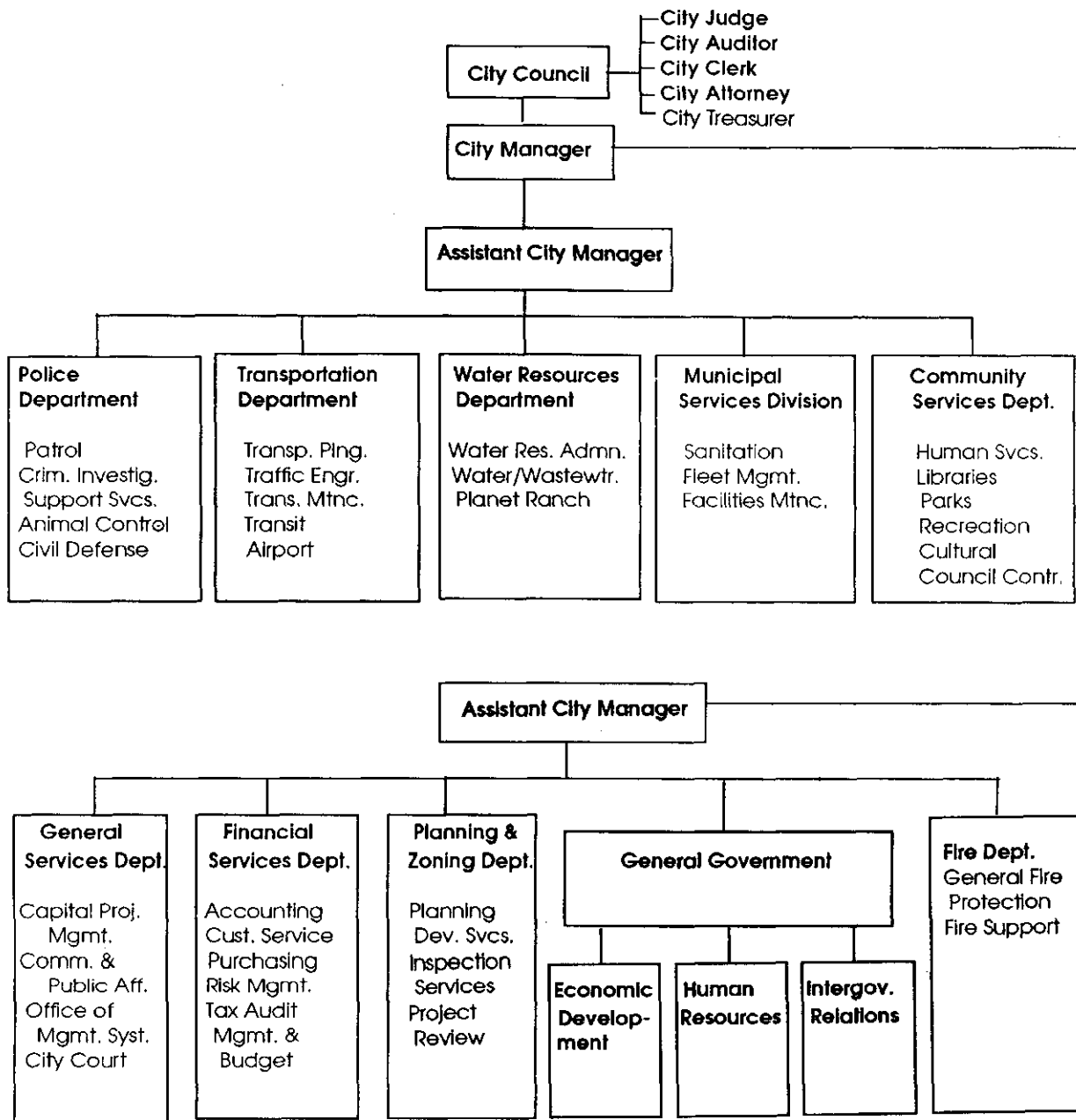
SUSAN BITTER SMITH  
BILL SODERQUIST  
BILL WALTON

JORGE CARRASCO, CITY MANAGER

RICHARD A. BOWERS, ASSISTANT CITY MANAGER  
BARBARA BURNS, ASSISTANT CITY MANAGER

Prepared by  
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Accounting Director



# Scottsdale City Organization

6/30/90

## City of Scottsdale

## COMPREHENSIVE ANNUAL FINANCIAL REPORT

June 30, 1990

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## City of Scottsdale

## COMPREHENSIVE ANNUAL FINANCIAL REPORT

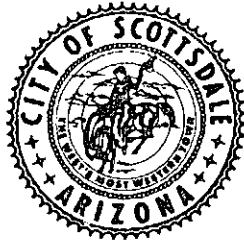
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INTRODUCTORY  
SECTION





August 17, 1990

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

Dear Mayor and City Council:

The Comprehensive Annual Financial Report of the City of Scottsdale (City), Arizona, for the fiscal year ended June 30, 1990, is submitted in accordance with Article 6, Section 14, of the City Charter. This report was prepared by the City's Accounting Division. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City. Staff believes the data, as presented, is accurate in all material aspects; that it is presented in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

The Comprehensive Annual Financial Report is presented in three sections: introductory, financial, and statistical. The introductory section includes this transmittal letter, the government's organizational chart and a list of principal officials. The financial section includes the general purpose financial statements and the combining and individual fund and account group financial statements and schedules, as well as the auditor's report on the financial statements and schedules. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis.

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

## ECONOMIC CONDITION AND OUTLOOK

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

The City has experienced significant increases in population, with the 1950 census showing 2,032 persons residing in the City as compared to the City's June 30, 1990, population of 129,956, as estimated by the City's Planning Department. The 1985 special census showed 108,447 persons residing in the City, making Scottsdale the State's sixth largest city as of that time.

The economy of the City is based on manufacturing, tourism, and commerce. Employment reports of the Arizona Department of Economic Security indicate that, on average, 69,609 persons were employed in the City during 1989. During 1988 and 1987, 67,085 and 65,066 persons were reported employed in the City, respectively. Preliminary reports of the Department indicate average employment for 1990 through March to be 69,008. The average annual unemployment rate of the City for 1989 was reported as 3.7%, which compares to the 3.8% and 3.1% rates realized in 1988 and 1987, respectively.

The City has been subject to the same economic slowdown experienced both throughout the State and nationwide. The building activity decreased in 1989-90 compared to 1988-89. Sales tax revenues have increased 5.5% over the prior year. Rates of increase for sales tax revenues have ranged from 6% - 22% during the 1980s.

The City anticipates moderate growth in the next fiscal year. The longer term outlook is for the economy to remain at this level through 1991-92 before the economy regains its vitality.

## MAJOR INITIATIVES

For The Year. The theme for the 1990-91 Financial Plan is:

### Positioning for the Future While Addressing the Present

Within the context of achieving this overall goal, specific strategies are recommended to:

- ° strengthen organizational commitment to our employees;
- ° enhance service levels for public safety and maintain current service levels for other functions;

- ° invest in the environment, including water and energy conservation;
- ° continue improving our organization's financial strength and basic management systems; and
- ° invest in the community and improve strategic development processes.

The 1990-91 expenditure budget totals \$158 million. This represents a 10% increase from the 1989-90 budget of \$143 million, and a 6% increase over the adopted FY 1988-89 budget of two years ago.

There are four primary driving forces of this year's plan accounting for the \$15 million increase: maintaining current service levels (\$8 million), meeting debt service requirements (\$3 million), emphasizing public safety (\$3 million), and implementing the Capital Improvement Program (\$1 million).

Current year revenues are projected to increase by 12% (\$16,357,400) over the previous year. Dollar increases in the major revenue sources are outlined below.

Revenue	\$ Change (In Millions)
Privilege Tax. . . . .	2.9
Building Permits and Fees. . . . .	2.6
Property Tax . . . . .	2.5
Water Fees . . . . .	2.5
Interest Earnings. . . . .	1.0
Sewer Fees . . . . .	0.7
Refuse Fees. . . . .	0.6
Transient Occupancy Tax. . . . .	0.4

Two revenue sources which reflect growth in the economy are privilege taxes and transient occupancy taxes, projected to increase by 10.6% and 14.6%, respectively. These projections assume a general inflation rate of 4.5%.

FY 1990-91's focus on public safety and capital improvements necessitates an additional 73 full-time and 18 part-time positions, bringing the total proposed staffing to 1,420 positions (1,124 full-time and 297 part-time). The 30 new positions for the Police Department represents about 41% of the total additional full-time employees.

Of the 73 full-time positions, 21 (29%) are recommended on a contingent basis. Most of the remaining additional staff are needed to implement the second year of the City's largest Capital Improvements Program. The resulting ratio of 8.2 employees per 1,000 citizens is equivalent to the level in the approved FY 1985-86 plan.

### **Strengthening the Commitment to Our Employees**

Because our employees are our most important resource and we recognize the need to maintain both a competitive and an internally equitable compensation package, the budget incorporates the results of the City's first comprehensive compensation study, completed during 1989-90. This plan proposes:

- a market adjustment for salaries;
- establishing Pay For Performance;
- implementing a special incentive pay program;
- continuing our healthcare subsidy;
- restoring the retirement benefits subsidy;
- increasing training and travel budgets; and
- establishing a Leadership Academy.

### **Enhancing Service Levels for Public Safety and Maintaining Service Levels for Other Functions**

While this plan proposes to maintain general levels of services provided to the citizens of Scottsdale, we are enhancing the essential services of police, fire, and emergency services by:

- designating an Emergency Services Officer;
- implementing recommendations made by the consultant for fire and emergency medical services;
- continuing to improve the cost efficiency of fire services;
- increasing the number of Police Officers;
- ensuring police are always at full strength;
- addressing other Police Department needs; and
- completing an independent study of the Police Department.

### **Our Commitment to Improving the Environment**

One of the single largest issues facing all local governments is the need to improve the quality of life through more aggressive environmental planning and action. It is our desire to do all we can to reduce or eliminate harmful aspects of our environment and to preserve it for future generations. Our plan provides the resources needed to continue current actions on many environmental issues in which we are already involved and includes:

- establishing a Chief Environmental Officer for the City;
- performing an environmental management assessment;
- considering a waste-to-energy facility;
- conserving energy and water;
- increasing solid waste recycling;
- reducing noise and air pollution;
- improving water quality; and
- continuing our current environmental initiatives.

### **Continuing to Improve Financial Strength and Basic Management Systems**

One primary element of last year's plan included strategies to control future costs and to live within our means. Although only one of several themes of this year's plan, the budget for FY 1990-91 continues this theme by including several enhancements, such as:

- contingent increases in staffing;
- operating contingencies;
- economic stabilization reserve fund;
- early retirement of debt;
- vehicle replacement;
- risk/vulnerability assessments;
- revisions of Administrative Regulations for improved accountability; and
- management studies conducted by City staff.

## Investing in the Community and Improving Strategic Development Processes

Our FY 1990-91 plan is designed to improve strategic development and focus on infrastructure investments directly benefiting the community. Benefits include additional employment for the community, enhanced revenues to the City, a more aesthetic overall environment, improved property maintenance, and improved public transportation. Recommendations include:

- maintaining and beautifying property;
- formalizing a strategic development program;
- rewriting zoning ordinances;
- implementing the Geographic Information System;
- improving public transportation facilities;
- continuing the downtown trolley system;
- improving film promotion efforts; and
- improving the City/Chamber of Commerce partnership.

For The Future. An effective budget is one link in an overall longer-run strategic planning process. Issues that are not explicitly addressed in this year's budget but will be issues in the near future:

**Reducing solid waste.** This plan includes a feasibility study for a waste-to-energy facility. Potential benefits are multifaceted. We will be able to burn wastes and dispose of hazardous wastes while generating no additional pollution because at least 90% of the particulates will be disintegrated. At the same time, such a plant can provide a source of power for Water Treatment Plant #2.

**A new approach to social services funding.** We will be investigating the possibilities of combining the brokerage concept with an improved system to define social services needs. We propose to annually conduct a community services needs assessment and use the results to recommend categories of services for funding. These recommendations would then serve as the framework by which the Human Services Commission can allocate funds to specific agencies.

**Affordable housing.** We will be identifying ways to improve our capacity to provide affordable housing to our citizens. Such an effort can be one element in our plans to establish new directions for our CDBG programs.

Public safety issues. We will begin negotiations with the Rural Metro Fire Department in anticipation of the June 30, 1992, expiration of our contract. Also, we will evaluate recommendations made by an outside consultant concerning our Police Department.

## **SIGNIFICANT DEPARTMENTAL EVENTS AND ACCOMPLISHMENTS**

### **Police Department**

Scottsdale Police Department joined other state agencies in a new auto theft reduction program, i.e., Combat Auto Theft. The group was formed to combat a large increase in auto thefts statewide. Citizens who participate in the program place a decal on their vehicles indicating the vehicle usually is not driven during late night/early am hours.

The Police Department implemented a ballistic vest program. The program is attributed to saving an officer from life threatening injuries which he could have received while involved in a traffic accident.

A Crime Prevention Volunteer position was created in order to meet the demand for neighborhood watch meetings and residential security survey requests. The volunteer has performed over 200 hours of work and has conducted over 50 neighborhood watch organizational meetings.

A volunteer was placed in the Criminal Investigations Bureau with the purpose of re-contacting burglary and theft victims in a timely manner. The position greatly increased the number of cases closed due to the lack of leads and enhanced the flow of useful information on workable cases.

Operation Bull's-eye is a system devised to have officers position themselves where there is a likelihood of intercepting suspects fleeing from crime scenes. It distributes officers on possible escape routes rather than having them all converge on a scene from which the suspect has departed. The program has been responsible for the apprehension of 13 suspects for crimes ranging from robbery to auto theft.

The Report by Mail pilot program was instituted to allow victims of minor crimes to file police reports by mail. The program allows victims to complete the report at their convenience while allowing police employees additional proactive and reactive patrol time. During the first six months of the program, 500 packages were mailed to citizens for completion.

Our bomb detection dog has become known as one of the top bomb detection dogs in the state. On several occasions his assistance has been requested by other agencies in order to search locations where bomb threats have been received.

### Financial Services

Prepared Policy Issue Resolutions to guide the City in making decisions concerning Debt Management, Privatization, Bond Interest Usage, and the Insurance Trust Fund.

Prepared 1990-91 Financial Plan and implemented a significantly more detailed expenditure justification process.

Prepared Capital Improvement Project budget and Five-Year Capital Improvements Plan.

Implemented numerous revenue enhancements which were approved by the City Council in FY 1989-90. Enhancements included utility late fee, bank returned check fee, utility service initiation fee, liquor issuance fee, privilege license annual license fee, business, occupational, and professional license fee, water rate increase, and sanitation rate increase.

Completed in excess of 300 tax audits and recovered approximately \$1,000,000 in unreported tax for the City.

Researched, prepared, and implemented a new Procurement Code.

Completed the automation of the Stores Inventory system and automated generation of restock orders.

### Economic Development

Retail recruitment efforts were highlighted by the commitment by Neiman Marcus to locate a store in downtown Scottsdale.

Economic impact reports were prepared for various events (e.g., the Grand Prix, the Phoenix Open), attractions (e.g., the Taliesin Exhibit Facility, the Space Sciences Center), and new developments (e.g., the Kobel rezoning at Scottsdale Road and Thomas).

Very strong growth in the hospitality industry (25% increase in bed tax receipts).

New tourist attractions announced this year include the IMAX Theater and the Undersea World Aquarium at the Galleria, and the Arizona Canal Development.

### City Auditor

Audits covering Property Tax Management Practices, City Automated Systems, Cultural Council Contract Performance, and CDBG programs were completed.



### City Court

The Collections Unit showed a 3% increase in the rate collected over the previous year. The collection rate was 84%, 3 percentage points over the previous fiscal year (\$684,551 collected by the unit).

City Court developed new diversion programs including one for juvenile alcohol offenders.

City Court expanded to using three public defenders for better service to the public and the court.

City Court experienced a case volume increase of domestic violence complaints and harassment petitions.

### Human Resources

In 1989, the City saved \$37,336 in FICA taxes due to having SCOTTSFLEX, our flexible benefits program.

Executive searches for City Attorney, Assistant City Manager, Transportation General Manager, and Management and Budget Director were conducted by City staff.

City employees averaged only 2.1% medical leave during calendar year 1989 (approximately 4 days) compared to Arizona and national averages of nearly 5% (approximately 10 days). In calendar year 1989, 21% of the City's full-time workforce used 10 hours or less of medical leave, reflecting a productivity savings of nearly \$20,000.

Thirty-three percent of the City workforce participated in cholesterol screenings in the Spring and Fall mini-health fairs. Of those, 77% who were tested had cholesterol levels in the average to ideal range, a remarkable score compared to the Arizona and national workforce. This is a significant finding in terms of the health risks normally associated with high cholesterol and the potential related medical costs.

### Transportation Department

The Transportation Department accomplished the following in FY 1989-90:

- ° construction was started on the Pima/CAP Improvement District;
- ° traffic signals were synchronized on all major streets south of Shea Boulevard;
- ° a Citizens Committee was formed to develop a comprehensive transit plan;

- the Travel Reduction Plan was completed and accepted by Maricopa County;
- transit ridership was close to 750,000 persons;
- \$1.2 million in federal and state grants for airport maintenance and safety enhancement projects was secured; and
- various products and procedures were tested for maintenance to unimproved roads to provide better air quality.

#### Community Services Department

In November, the French Merci Train Boxcar was dedicated at McCormick Railroad Park. On loan from the State of Arizona, the Boxcar was restored to its 1949 condition solely with donations from the community. One Boxcar was sent to each state from France after World War II to say thank you to the American people for assistance during the war. The 1989 Summer Reading Program at the Library had over 2,000 children participating, a 16% increase over the previous summer.

In September, the first public art project was dedicated. The Mustang Wall is a bas-relief sculpture of mustang horses in motion. This was the first project commissioned and completed through the Cultural Council.

For the first time, the Library was able, through the generosity of a citizen, to begin an endowment program which will enhance library services for years to come.

The Recreation Division was the recipient of two awards from the Arizona Parks and Recreation Association: The Best New Facility Award went to Scottsdale Ranch Park and the Award of Excellence was received by the Division for the Integrated Day Camp Program.

The Human Services Division took the lead in providing a homeless shelter at the Old Corporation Yard this past winter.

The joint use school/library agreement, a unique project in an urban setting was finalized. The Scottsdale School District's new high school facility will feature an 18,000 square foot public library. Palomino Library will cater to both the general public as well as students.

Through a grant from a private citizen, the Senior Center this year began home delivered meals to homebound individuals in the northern areas of the City. In addition this year marked the first time that the Senior Center was able to offer a Congregate Meal Program at no additional cost to the City.

Club SAR continues to be a premier training ground for young boxers. In FY 1989-90, SAR won its sixth consecutive Arizona State Golden Gloves title.

McCormick Railroad Park completed the first year of the City-operated concession, "The Snackstop". The Snackstop generated \$57,173 in revenue. In addition, train ridership was close to 250,000 people, a 15.3% increase over last year. The carousel, a newer equally popular attraction, had 180,000 riders, a 9.5% increase over last year.

#### General Services Department

Completed bid process and obtained City Council approval of a terminal, printer, and computer peripheral equipment maintenance contract that resulted in an annual savings of \$192,000.

Phased out Computer Aided Data Entry system and converted to on-line data entry of all computer production jobs via the City's mainframe computer saving an annual outlay of \$17,904 in equipment costs.

Implemented a CIP project to replace telephone lines between Civic Center and the Corporate Yard/Police Facility with a microwave communications system that is expected to result in annual savings exceeding \$124,000.

Implemented OFIS LINK document control project that eliminated over 48,000 on-line stored documents and provided a cost avoidance of more than \$25,000 for additional disk storage equipment.

Court System, Phase I - completed documentation review of the Court System which included programming of mandated changes and enhancements and application of a new citation with added fields.

Customer Information System (CIS) - completed the residential winter average to determine water rates for the new fiscal year. Implemented the new water and sewer rates for the fiscal year.

Incorporated changes to the Sales Tax System to accept voter-approved .2% sales tax rate increase.

Completed new year enhancements to the SCOTTSFLEX system. Changes provide the employee with information needed to compare benefits and provide Human Resources with information needed to process selected benefits.

Designed and initiated an on-line inventory system for tracking billings for U.S. West telephone services, cellular telephones, public pay telephones, long distance calling cards, pagers, and radio circuits. The new system provides better accountability of services and equipment and saves more than 40 hours monthly (approximately \$5,650 annually) in additional staff time to document validity of billings.

Developed a Stores Inventory Control system to provide the City's supply warehouse with automated information for issues, restocks, year-end reporting, and stock inquiries.

Completed design and began construction of Scottsdale Road/McDowell Road to Thomas Road; major street and storm drainage improvements to critical City arterial street.

Completed construction of Chaparral Road Storm Drain; provides flood protection to large residential areas between Pima Road and the Indian Bend Wash.

Begin construction of Pima Park Reservoirs; major water storage and distribution facility that will serve southern portions of the City and the last major project required to create a water system independent of the former City of Phoenix system.

Completed temporary widening of Pima Road from Bell Road to Dynamite Boulevard; the first 1989 Bond project to be completed.

Responded to 30,980 inquiries from the City Hall Information Center and 600 media inquiries citywide.

Produced 338.5 hours of new programming for TV 35, the City's municipal access cable channel.

Coordinated the following citizen outreach programs: nine Mayor/Council Breakfasts, two resident orientations, seven City Council neighborhood meetings, two Business Showcases, Youth-in-Government Day, Youth Town Hall, Board and Commission recognition dinner, Scottsdale Day, Holiday Treelighting Ceremony, and Scottsdale's State Fair entry.

Developed a comprehensive communications program for the implementation of the 1989 bond program.

Implemented a comprehensive plan to communicate the City's 1990-91 Proposed Financial Plan including a Citizen's Budget Summary in both print and video.

#### Planning & Zoning Department

City Council adopted the Native Plant Ordinance in support of protecting desert vegetation.

The City of Scottsdale received the Arizona Planning Association Award for Best Ordinance for the Downtown Cultural Improvements Ordinance.

A community visioning and strategic development process was established to help the City look at alternative futures and to provide a framework for investment and growth priorities.

Planning & Zoning staff completed 1,751 civil plan reviews, 2,045 building plan reviews, and 37 plat reviews.

Zoning Enforcement implemented the Property Maintenance Ordinance July, 1989, and conducted a pool safety campaign that included distributing approximately 13,500 flyers door-to-door during Spring, 1990.

A major staff effort over the past year was the drafting of the Environmentally Sensitive Lands Ordinance. This significant undertaking resulted in a draft ordinance which is now under community review.

City staff, working in cooperation with Taliesin West, has developed streetscape design standards and specifications for Frank Lloyd Wright Boulevard.

Work with Salt River Project has resulted in a recommended City policy concerning priority funding for the undergrounding and beautification of powerlines.

Development Services counter staff reviewed 1,780 building plans which include residential room additions and tenant improvements.

City building inspectors made 27,674 on-site building inspection stops equaling 69,185 inspections.

A privatization study conducted jointly by the Management and Budget Division and Planning & Zoning staff has validated that Planning & Zoning Building Inspections' use of contractual inspectors utilizes City resources in the best manner possible.

#### Fire Department

Under the direction of Rural Metro Fire Department, the City of Scottsdale increased and improved their hazardous materials response team over the last year. Through this process, 24 firefighters were certified at the state level Hazardous Technician certification. This certification provides the City with a state certified Level B hazardous materials response team to respond and mitigate any incidents where toxic or hazardous waste may be involved.

The Fire Department converted over to the nationally known Incident Command System. This system is used to manage major incidents and fire tactical operations within the City of Scottsdale. The ICS is quickly becoming the standard throughout the country for fire departments, police departments, and emergency organizations. Training has begun with other emergency departments within the City.

The Fire Department went under an extensive review process which included outside consultant firms. After an in-depth review, Scottsdale's Rural Metro Fire Department came out with extremely high remarks with the consultants finding that "Scottsdale's Fire Department was one of the best departments they have ever had the opportunity to review". The consultants were able to point out several issues to be implemented over the next few years to continue to improve fire services to the citizens of the City of Scottsdale.

#### Water Resources Department

During calendar year 1989, a total of 46,838 acre feet of water was delivered to serve Scottsdale customers. Water delivered includes groundwater and CAP and SRP surface treated water.

Wastewater Reclamation completed eighteen months of in-house operation of the Gainey Ranch and Troon Village Wastewater Reclamation Plants. The Gainey Ranch Plant received the "Wastewater Plant of the Year" award by the Arizona Water and Pollution Control Association (AWPCA).

A total of 1,095 acre feet of effluent was produced and used for golf course irrigation in FY 1989-90.

Water Distribution replaced 710 galvanized water services in south Scottsdale as part of an on-going program. The galvanized services were replaced with copper service lines on a pro-active basis to minimize replacement costs.

#### Municipal Services

Fleet Management applied for and received a grant of \$123,500 from ADEQ for 25 additional CNG kits to increase the CNG vehicle fleet from 92 to 117 vehicles and to build an additional CNG fast-fill station in the Civic Center area.

The City of Scottsdale received a Technology Achievement Award in the category of Criminal Justice, from Public Technology, Inc. for developing a humane system for protecting police dogs from exposure to high temperatures when left in police cars by officers. The system was developed by a mechanic in Fleet Management.

Sanitation provided residential and brush collection to 39,777 residential homes in FY 1989-90--an increase of 1,318 homes, or 3.4%. This increase in homes serviced was absorbed without adding employees.

Sanitation represented the City on the East Valley Solid Waste Recycling Committee which is working with a consultant to determine if a regional recycling program is feasible and on the Maricopa Association of Governments' Solid Waste Technical Advisory Committee which is working with a consultant on a waste stream study for the MAG region.

The Sanitation Division operated three recycling programs in FY 1989-90 diverting a total of 542,436 pounds of solid waste from the landfill. White Goods (appliances) Recycling recovered 97,040 pounds of discarded appliances; Move-In Box Recycling recovered 269,270 pounds of corrugated cardboard from the waste stream; and the Mobile Recycling Center (MRC) recovered 176,126 pounds of aluminum, newsprint, and glass.

#### **FINANCIAL INFORMATION**

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

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

Single Audit. As a recipient of federal, state, and county financial assistance, the government also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation by management and the internal audit staff of the City.

As part of the government's single audit, tests are made to determine the adequacy of the internal control structure, including that portion related to federal financial assistance programs, as well as to determine that the government has complied with applicable laws and regulations. The results of the government's single audit for the fiscal year ended June 30, 1990, disclosed instances of inconsistencies in the administration of the City's Community Development Block Grant Program (CDBG). The U.S. Department of Housing and Urban Development (HUD) has in progress a compliance review of the City's CDBG program. At June 30, 1990, the City has provided for a potential liability in this matter, pending final outcome of the HUD review.

Budgeting Controls. Budgetary control is maintained by a monthly allotment system and the encumbrance of allotment balances with purchase orders prior to their release to vendors. Purchase orders which exceed allotment balances are not released until additional appropriations are made. Open encumbrances are reported as reservations of fund balance at June 30, 1990.

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

As demonstrated by the statements and schedules included in the financial section of this report, the government continues to meet its responsibility for sound financial management. As with the financial section, all amounts presented in the remainder of this letter are expressed in thousands.

General Government Functions. The following schedule presents a summary of general fund, special revenue funds, debt service fund, and capital project funds revenues for the fiscal year ended June 30, 1990, and the amount and percentage of increases and decreases in relation to prior year revenues.

<u>Revenues</u>	<u>Amount (000's)</u>	<u>Percent of Total</u>	<u>Increase (Decrease) From 1989 (000's)</u>	<u>Percent of Increase (Decrease)</u>
Taxes	\$45,328	46.04	\$4,979	12.34
Intergovernmental	25,174	25.58	1,219	5.09
Special Assessments	2,958	3.00	430	17.01
Licenses	617	0.63	21	3.52
Charges for Services	5,464	5.55	(5,130)	(48.42)
Fines and Forfeitures	2,052	2.08	214	11.64
Uses of Money and Property	8,416	8.56	(609)	(6.75)
Streetlight Districts	564	0.57	55	10.81
Miscellaneous	<u>7,872</u>	<u>7.99</u>	<u>3,856</u>	95.99
<b>Total</b>	<b><u>\$98,445</u></b>	<b><u>100.00%</u></b>	<b><u>\$5,035</u></b>	

The largest actual revenue increase was from taxes. Taxes are comprised of four types: privilege taxes, property taxes, franchise taxes, and in-lieu property taxes. The majority of the tax increase was received from privilege tax due to a voter authorized privilege tax rate increase of .2% to be used for transportation purposes.

Miscellaneous revenue increased primarily due to the increase in Capital Improvement activity which provided for Capital Improvement reimbursements. The decrease in Charges for Services category was due to moving the sanitation activity to its own enterprise fund. Use of Money and Property also decreased slightly due to lowering of interest rates on investments.



Much of the City's general fund revenue is limited by state or city statute. Property tax is limited by state law to 2% growth each year or to growth by voter approved general obligation bonded debt. Sales tax cannot be increased without voter approval. State shared revenues are subject to allocation by the state legislature.

The following schedule presents a summary of general fund, special revenue funds, debt service fund, and capital project funds expenditures for the fiscal year ended June 30, 1990, and the percentage of increases and decreases in relation to prior year amounts.

<u>Expenditures</u>	<u>Amount (000's)</u>	<u>Percent of Total</u>	<u>Increase (Decrease) From 1989 (000's)</u>	<u>Percent of Increase (Decrease)</u>
<b>Current:</b>				
General Government	\$ 5,533	5.43	\$ 331	6.36
Police	14,526	14.26	388	2.74
Financial Services	2,466	2.42	(391)	(13.69)
Transportation	6,782	6.66	278	4.27
Community Services	12,179	11.95	(145)	(1.20)
General Services	3,363	3.30	(1,078)	(24.27)
Municipal Services	2,891	2.84	(5,191)	(64.24)
Planning and Zoning	5,936	5.83	47	0.08
Fire	5,021	4.93	234	4.89
Water Resources			(1,418)	
Streetlight Districts	432	0.42	17	4.10
Capital Improvements	17,001	16.69	1,400	8.97
<b>Debt Service</b>	<u>25,752</u>	<u>25.27</u>	<u>(1,861)</u>	<u>6.74</u>
<b>Total</b>	<u>\$101,882</u>	<u>100.00%</u>	<u>(\$ 7,389)</u>	

Expenditure levels remained relatively constant compared to last fiscal year. The major reduction in Municipal Services occurred because Sanitation Operations was moved to its own enterprise fund. Debt Service decreased because of a paydown of existing debt. The Water Resources expenditures were also moved to the Water and Sewer Utility fund.

Some departments' expenditures decreased largely as a result of a cost containment measure by the City in the last half of the fiscal year.

**FUND BALANCES**

A comparison of fund balances for governmental funds indicates an increase in total fund balance. The Special Revenue Fund decreases result from a budgeted excess of expenditures over revenue. Debt Service Fund balances decreased primarily as a result of the payment of principal and interest on existing debt. The Capital Projects Fund balance increased due to the sale of new bonds for increased Capital Projects activity.

<u>Fund Balances</u>	<u>FY 1989-90</u>	<u>FY 1988-89</u>	<u>Decrease</u>
General	\$44,407,196	\$42,517,746	\$ 1,889,450
Special Revenue			
Highway User	184,809	291,555	(106,746)
Community Development	130,000		130,000
Grants	163,268	106,634	56,634
Debt Service	11,665,894	11,802,224	(136,330)
Capital Projects	<u>43,221,973</u>	<u>8,956,801</u>	<u>34,265,172</u>
<b>TOTAL FUND BALANCES</b>	<b><u>\$99,773,140</u></b>	<b><u>\$63,674,960</u></b>	<b><u>\$36,098,180</u></b>

Proprietary Funds. The City's proprietary funds consist of Enterprise Funds and Internal Service Funds. The Enterprise Funds are comprised of the Water and Sewer Utility Fund, the Airport Fund, the Housing Fund, and the Sanitation Fund. In FY 1990, the results of operations, after adding back depreciation expense on fixed assets acquired by contributed capital, in the Proprietary Funds compared to FY 1989 were:

	<u>1989-90</u>	<u>1988-89</u>	<u>Increase (Decrease)</u>	<u>Percent of Increase (Decrease)</u>
Water and Sewer Utility	\$6,938,652	\$6,692,156	\$ 246,496	3.68
Airport	16,006	43,567	(27,561)	(63.26)
Sanitation	302,595		302,595	-
Motor Pool	424,137	324,451	99,686	30.72
Self Insurance	<u>(1,499,560)</u>	<u>98,817</u>	<u>(1,598,377)</u>	1,617.75
<b>TOTAL</b>	<b><u>\$6,181,830</u></b>	<b><u>\$7,158,991</u></b>	<b><u>(\$977,161)</u></b>	

The Water and Sewer Utility Fund results of operations increased because of increased rates to provide funding for future capital outlay to provide additional water supply.

The Airport Fund results of operations decreased because of grant match payments necessary to fund airport improvements.

The Self-Insurance Fund results of operations decreased because of unusually large reserves for insurance claims. The City has made a commitment to increase contributions to this fund to match actuarial recommended levels in future years.

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

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

Debt Administration. At June 30, 1990, the City had outstanding debt issues of \$261,909,000. These issues include \$89,175,000 of general obligation bonds, \$48,215,000 of revenue bonds, \$22,544,000 of special assessment debt with City commitment and \$101,975,000 of Municipal Properties Corporation debt with City commitment. The City maintained its Aa1 rating from Moody's Investor Service and AA rating from Standard and Poor's on the general obligation bonds. The City's general obligation bonded debt issuances are subject to a legal limitation based on 6% and 20% of the total assessed value of real and personal property. As of June 30, 1990, the City's net general obligation bonded debt was well below both limits by \$235,126,890 for 20% bonds and \$53,755,267 for 6% bonds.

During the year, the City issued \$10,660,000 in special assessment bonds for Project I0601 Pima/CAP. The City also issued \$28,785,000 of General Obligation Bonds and \$7,500,000 Water Revenue Bonds as a result of a bond election held in November, 1989.

Cash Management. Temporarily idle cash, excluding that of Municipal Properties Corporation and ICMA Plan investments, was invested in U.S. Treasury Securities, Federal Agency Securities, the State of Arizona Investment Pool, and Repurchase Agreements. These investments yielded 8.62% on an average daily invested balance of \$112,837,119.

The City's investment policy is to invest all of the City funds at the highest available interest rate assuring that all monies are fully secured with emphasis on safety of principal, liquidity, and financial return on principal. At June 30, 1990, 95% of investments held by the City were classified in the category of lowest credit risk as defined by the Governmental Accounting Standards Board. Remaining investments were held by the City's bank, in their trust department in the name of the Municipal Properties Corporation.

Risk Management. The City's Self Insurance Fund established in fiscal year 1979 is responsible for the budgeting, investigation, and payment of claims that are incurred by the City. The Self Insurance Fund is protected by excess insurance designed to limit the exposure to loss for any single loss occurrence. For fiscal year 1990 the Self-Insurance Fund was responsible for the first \$300,000 per occurrence for workers' compensation claims and the first \$1,000,000 for liability claims against the City. The Fund was also responsible for vehicle damage above \$1,000 and all unemployment claims.

The City has an aggressive prevention program which promotes employee safety on the job and focuses on risk control techniques designed to minimize accident related losses.

**OTHER INFORMATION**

Independent Audit. The City Charter requires an annual audit of the books of account, financial records, and transactions of all administrative departments of the City by independent certified public accountants selected by the City Council. This requirement has been complied with and the auditor's opinion has been included in this report.

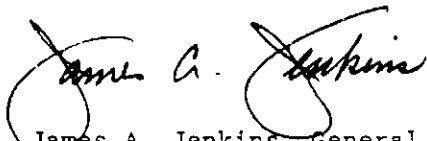
Awards. The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Scottsdale for its comprehensive annual financial report for the fiscal year ended June 30, 1989.

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

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement Program requirements and we are submitting it to GFOA.

Acknowledgment. The preparation of this report was accomplished through the efficient and dedicated services of the entire staff of the Accounting Division. I also wish to thank your office and members of the City Council for their interest and support in planning and conducting the financial affairs of the City in a responsible and progressive manner.

Respectfully submitted,



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

JAJ:id

# Certificate of Achievement for Excellence in Financial Reporting

Presented to  
City of Scottsdale,  
Arizona

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 1989

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



President

Executive Director



FINANCIAL  
SECTION

## Report of Independent Auditors

The Honorable Mayor and City Council  
City of Scottsdale, Arizona

We have audited the accompanying general purpose financial statements of the City of Scottsdale, Arizona, and the combining and individual fund financial statements as of and for the year ended June 30, 1990, listed as financial statements under the Financial Section of the table of contents. These financial statements are the responsibility of the City of Scottsdale, Arizona, management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

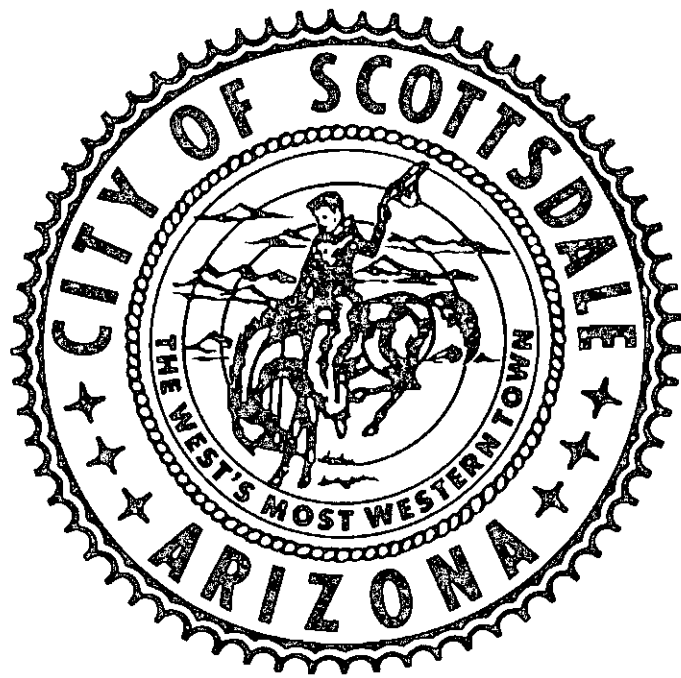
In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Scottsdale, Arizona, at June 30, 1990, and the results of its operations and cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles. Also, in our opinion, the combining and individual fund financial statements referred to above present fairly, in all material respects, the financial position of each of the individual funds of the City of Scottsdale, Arizona, at June 30, 1990, and the results of operations of such funds and cash flows of the individual proprietary funds for the year then ended, in conformity with generally accepted accounting principles.



Our audit has been made primarily for the purpose of expressing an opinion on the general purpose, combining and individual fund financial statements taken as a whole. The schedules listed as supplemental information under the Financial Section of the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements of the City of Scottsdale, Arizona. Such supplemental information has been subjected to the procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

*Ernst + Young*

August 17, 1990



CITY OF SCOTTSDALE

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS

JUNE 30, 1990

WITH COMPARATIVE TOTALS FOR JUNE 30, 1989

ASSETS AND OTHER DEBITS	GOVERNMENTAL FUND TYPES				FIDUCIARY FUND TYPE	PROPRIETARY FUND TYPES		ACCOUNT GROUPS		TOTALS (MEMORANDUM ONLY)	
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	TRUST AND AGENCY	ENTERPRISE	INTERNAL SERVICE	GENERAL FIXED ASSETS	GENERAL LONG-TERM DEBT	JUNE 30, 1990	JUNE 30, 1989
CASH AND SHORT-TERM INVESTMENTS	\$20,772,130	\$195,086	\$4,265,869	\$45,365,770	\$3,294,637	\$5,294,493	\$4,277,297	\$	\$	\$83,465,282	\$58,255,400
CASH WITH FISCAL AGENTS		1,917,625	12,913,608							14,831,233	14,814,961
CASH WITH TRUSTEE INVESTMENTS	23,908,847		4,803,831		32,819					32,819	15,306
RECEIVABLES					3,267,060					31,979,738	12,305,033
ACCRUED INTEREST	590,265		150,208	261,289	1,311	369,787	35,590			1,408,450	260,011
PROPERTY TAX	800,493		68,745							869,238	790,714
SPECIAL ASSESSMENTS			11,475,226							11,475,226	12,735,317
STATE SHARED SALES TAX	593,285									593,285	577,048
AUTO LIEU TAX	173,155									173,155	165,276
FUEL TAX		553,502								553,502	491,003
GRANTS		126,026								126,026	359,433
ACCOUNTS						4,784,132	16,824			4,800,956	4,137,175
MISCELLANEOUS	104,402	131,939		10,000	12,610	408,181				667,132	316,249
DUE FROM OTHER FUNDS	757,769									757,769	
SUPPLIES INVENTORY	143,105									398,202	367,515
RESTRICTED CASH AND INVESTMENTS						32,150,595				32,150,595	27,836,411
PROPERTY, PLANT, AND EQUIPMENT - LESS ACCUMULATED DEPRECIATION						210,478,129	6,341,051	830,947,524		1,047,766,704	961,042,291
EXCESS PURCHASE PRICE OVER FAIR MARKET VALUE OF WATER SYSTEM ASSETS ACQUIRED, NET						789,000				789,000	579,459
AMOUNT AVAILABLE IN DEBT SERVICE FUNDS									11,665,894	11,665,894	11,802,224
AMOUNT TO BE PROVIDED FOR RETIREMENT OF GENERAL LONG-TERM DEBT									204,783,240	204,783,240	175,234,576
<b>TOTAL ASSETS AND OTHER DEBITS</b>	<b>\$47,843,451</b>	<b>\$2,924,178</b>	<b>\$33,677,487</b>	<b>\$45,637,059</b>	<b>\$6,608,437</b>	<b>\$254,274,317</b>	<b>\$10,925,859</b>	<b>\$830,947,524</b>	<b>\$216,449,134</b>	<b>\$1,449,287,446</b>	<b>\$1,282,085,402</b>

SEE NOTES TO FINANCIAL STATEMENTS.

CITY OF SCOTTSDALE

EXHIBIT A-1

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS

JUNE 30, 1990

WITH COMPARATIVE TOTALS FOR JUNE 30, 1989

LIABILITIES AND FUND EQUITY	GOVERNMENTAL FUND TYPES				FIDUCIARY FUND TYPE	PROPRIETARY FUND TYPES		ACCOUNT GROUPS		TOTALS (MEMORANDUM ONLY)	
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	TRUST AND AGENCY	ENTERPRISE	INTERNAL SERVICE	GENERAL FIXED ASSETS	GENERAL LONG-TERM DEBT	JUNE 30, 1990	JUNE 30, 1989
<b>LIABILITIES</b>											
ACCOUNTS PAYABLE	\$386,928	\$165,168	\$	\$2,165,387	\$3,348	\$1,351,190	\$23,392	\$	\$	\$4,095,413	\$2,150,101
ACCRUED PAYROLL	2,167,686	147,622				456,702	161,141			2,933,151	2,267,621
CLAIMS PAYABLE							2,976,739			2,976,739	994,273
DESIGNATED DEFERRED COMPENSATION BENEFITS DUE TO GENERAL FUND		215,686			3,267,060	542,083				3,267,060	2,599,535
ACCRUED INTEREST PAYABLE	118,644		585,968			40,151				744,763	830,911
CONTRACTS PAYABLE - CURRENT PORTION						1,247,441				1,247,441	662,823
BONDS INTEREST PAYABLE		1,222,625	4,605,399			2,001,846				7,829,870	6,955,110
BONDS PAYABLE - CURRENT PORTION		695,000	5,345,000			1,295,000				7,335,000	8,000,000
DEFERRED REVENUE											
PROPERTY TAXES	762,997									762,997	717,241
SPECIAL ASSESSMENTS			11,475,226							11,475,226	12,735,317
OTHER						330,973				330,973	601,938
GUARANTY AND OTHER DEPOSITS					2,406,382	500,091				2,906,473	3,344,718
OTHER				249,699		983,389				1,233,088	1,355,584
LONG-TERM DEBT (LESS CURRENT PORTION)						56,373,201			216,449,134	272,822,335	238,452,441
<b>TOTAL LIABILITIES</b>	<b>3,436,255</b>	<b>2,446,101</b>	<b>22,011,593</b>	<b>2,415,086</b>	<b>5,676,790</b>	<b>65,122,067</b>	<b>3,161,272</b>		<b>216,449,134</b>	<b>320,718,298</b>	<b>281,667,613</b>
<b>FUND EQUITY</b>											
CONTRIBUTED CAPITAL						126,806,677	10,476,700			137,283,377	128,041,103
INVESTMENT IN GENERAL FIXED ASSETS								830,947,524		830,947,524	754,450,050
RETAINED EARNINGS (DEFICIT)											
RESERVED FOR											
REVENUE BOND RETIREMENT						1,732,780				1,732,780	1,732,780
WATER AND SEWER REPLACEMENT						4,521,150				4,521,150	3,804,551
ACQUISITION AND CONSTRUCTION						22,590,309				22,590,309	19,339,359
UNRESERVED						33,501,334	(2,712,113)			30,789,221	28,574,940
FUND BALANCES											
RESERVED FOR											
ENCUMBRANCES	1,715,467	209,165		9,012,765	17,662					10,955,059	1,449,336
SINKING FUND			2,963,209							2,963,209	2,811,289
STREETLIGHT DISTRICTS	433,565									433,565	301,697
DEBT SERVICE			8,702,685							8,702,685	8,990,935
LIBRARY ACQUISITIONS					119,546					119,546	
UNRESERVED	42,258,164	268,912		34,209,208	794,439					77,530,723	50,921,749
<b>TOTAL RETAINED EARNINGS/FUND BALANCES (DEFICIT)</b>	<b>44,407,196</b>	<b>478,077</b>	<b>11,665,894</b>	<b>43,221,973</b>	<b>931,647</b>	<b>62,345,573</b>	<b>(2,712,113)</b>			<b>160,338,247</b>	<b>117,926,636</b>
<b>TOTAL FUND EQUITY</b>	<b>44,407,196</b>	<b>478,077</b>	<b>11,665,894</b>	<b>43,221,973</b>	<b>931,647</b>	<b>189,152,250</b>	<b>7,764,587</b>	<b>830,947,524</b>		<b>1,128,569,148</b>	<b>1,000,417,789</b>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b>\$47,843,451</b>	<b>\$2,924,178</b>	<b>\$33,677,487</b>	<b>\$45,637,059</b>	<b>\$6,608,437</b>	<b>\$254,274,317</b>	<b>\$10,925,859</b>	<b>\$830,947,524</b>	<b>\$216,449,134</b>	<b>\$1,449,287,446</b>	<b>\$1,282,085,402</b>

SEE NOTES TO FINANCIAL STATEMENTS.

## CITY OF SCOTTSDALE

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUSTS FUNDFOR THE FISCAL YEAR ENDED JUNE 30, 1990  
WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 1989

	GOVERNMENTAL FUND TYPES				FIDUCIARY FUND TYPE	TOTALS (MEMORANDUM ONLY)	
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	EXPENDABLE TRUSTS	JUNE 30, 1990	JUNE 30, 1989
<b>REVENUES</b>							
TAXES - LOCAL	\$28,171,118	\$	\$15,129,712	\$2,027,667	\$	\$45,328,497	\$40,349,302
TAXES - INTERGOVERNMENTAL	15,627,182	8,574,642				24,201,824	23,364,973
GRANTS		973,247				973,247	591,166
SPECIAL ASSESSMENTS			2,957,646			2,957,646	2,527,537
LICENSES	617,200					617,200	596,233
CHARGES FOR CURRENT SERVICES	5,463,953					5,463,953	10,594,369
FINES AND FORFEITURES	2,052,306					2,052,306	1,838,594
USE OF MONEY AND PROPERTY	5,293,413		1,027,075	2,095,315		8,415,803	9,025,239
STREETLIGHT DISTRICTS	564,046					564,046	509,184
OTHER	2,362,482	7,605		5,502,583	794,960	8,667,630	5,500,881
<b>TOTAL REVENUES</b>	<b>60,151,700</b>	<b>9,555,494</b>	<b>19,114,433</b>	<b>9,625,565</b>	<b>794,960</b>	<b>99,242,152</b>	<b>94,897,478</b>
<b>EXPENDITURES</b>							
<b>CURRENT OPERATING DEPARTMENTS</b>							
GENERAL GOVERNMENT	5,532,602					5,532,602	5,202,464
POLICE	14,525,719					14,525,719	14,138,466
FINANCIAL SERVICES	2,465,924					2,465,924	2,856,972
TRANSPORTATION		6,782,224				6,782,224	6,504,125
COMMUNITY SERVICES	12,020,030	159,193				12,179,223	12,323,666
GENERAL SERVICES	3,362,868					3,362,868	4,441,009
PLANNING & ZONING	4,531,207	1,404,615				5,935,822	5,889,490
FIRE	5,020,994					5,020,994	4,787,139
WATER RESOURCES							1,418,078
MUNICIPAL SERVICES	2,891,348					2,891,348	8,081,417
STREETLIGHT DISTRICTS	432,177					432,177	415,041
<b>EXPENDABLE TRUSTS</b>							
CAPITAL IMPROVEMENTS				17,000,613	791,924	17,000,613	15,601,270
<b>DEBT SERVICE</b>							
PRINCIPAL	3,105,903	695,000	7,507,000			11,307,903	12,638,231
INTEREST	925,940	1,774,650	11,743,763			14,444,353	14,973,581
<b>TOTAL EXPENDITURES</b>	<b>54,814,712</b>	<b>10,815,682</b>	<b>19,250,763</b>	<b>17,000,613</b>	<b>791,924</b>	<b>102,673,694</b>	<b>110,933,023</b>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES</b>	<b>5,336,988</b>	<b>(1,260,188)</b>	<b>(136,330)</b>	<b>(7,375,048)</b>	<b>3,036</b>	<b>(3,431,542)</b>	<b>(16,035,545)</b>
<b>OTHER SOURCES (USES)</b>							
<b>BOND PROCEEDS</b>							
PROCEEDS FROM CONTRACTS PAYABLE				39,445,000		39,445,000	690,000
OPERATING TRANSFERS IN		1,438,787		1,994,926		3,433,713	373,055
OPERATING TRANSFERS OUT	(1,438,787)		(1,994,926)			(3,433,713)	872,825
PROCEEDS OF REFUNDING BONDS		15,683,250				15,683,250	(872,825)
PAYMENT TO REFUNDED BOND ESCROW AGENT		(15,683,250)				(15,683,250)	
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</b>	<b>3,898,201</b>	<b>178,599</b>	<b>(2,131,256)</b>	<b>34,064,878</b>	<b>3,036</b>	<b>36,013,458</b>	<b>(14,972,490)</b>
<b>FUND BALANCES JULY 1</b>	<b>42,517,746</b>	<b>398,189</b>	<b>11,802,224</b>	<b>8,956,801</b>	<b>800,046</b>	<b>64,475,006</b>	<b>79,547,496</b>
<b>RESIDUAL EQUITY TRANSFER IN</b>	<b>87,758</b>		<b>1,994,926</b>	<b>2,605,220</b>		<b>4,687,904</b>	<b>10,000</b>
<b>RESIDUAL EQUITY TRANSFER OUT</b>	<b>(2,096,509)</b>	<b>(98,711)</b>		<b>(2,404,926)</b>		<b>(4,600,146)</b>	<b>(110,000)</b>
<b>FUND BALANCES JUNE 30</b>	<b>\$44,407,196</b>	<b>\$478,077</b>	<b>\$11,665,894</b>	<b>\$43,221,973</b>	<b>\$803,082</b>	<b>\$100,576,222</b>	<b>\$64,475,006</b>

SEE NOTES TO FINANCIAL STATEMENTS.

CITY OF SCOTTSDALE

EXHIBIT A-3

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

FOR THE FISCAL YEAR ENDED JUNE 30, 1990

	TOTALS (MEMORANDUM ONLY)			GENERAL FUND			SPECIAL REVENUE FUNDS			DEBT SERVICE FUNDS		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES												
TAXES - LOCAL	\$43,620,000	\$43,300,830	(\$319,170)	\$28,199,536	\$28,171,118	(\$28,418)	\$	\$	\$	\$15,420,464	\$15,129,712	(\$290,752)
TAXES - INTERGOVERNMENTAL	24,411,000	24,201,824	(209,176)	15,753,000	15,627,182	(125,818)	8,658,000	8,574,642	(83,358)			
SPECIAL ASSESSMENTS	3,052,000	2,957,646	(94,354)							3,052,000	2,957,646	(94,354)
LICENSES	677,000	617,200	(59,800)	677,000	617,200	(59,800)						
CHARGES FOR CURRENT SERVICES	5,150,000	5,463,953	313,953	5,150,000	5,463,953	313,953						
FINES AND FORFEITURES	2,070,000	2,052,306	(17,694)	2,070,000	2,052,306	(17,694)						
USE OF MONEY AND PROPERTY	5,432,000	6,358,211	926,211	4,654,000	5,293,413	639,413				778,000	1,064,798	286,798
OTHER	742,000	500,282	(241,718)	742,000	500,282	(241,718)						
TOTAL REVENUES	85,154,000	85,452,252	298,252	57,245,536	57,725,454	479,918	8,658,000	8,574,642	(83,358)	19,250,464	19,152,156	(98,308)
EXPENDITURES												
CURRENT OPERATING DEPARTMENTS												
GENERAL GOVERNMENT	7,834,538	7,697,206	137,332	7,834,538	7,697,206	137,332						
POLICE	15,078,950	14,994,177	84,773	15,078,950	14,994,177	84,773						
FINANCIAL SERVICES	3,757,683	3,536,089	221,594	3,757,683	3,536,089	221,594						
TRANSPORTATION	7,166,229	7,063,956	102,273				7,166,229	7,063,956	102,273			
COMMUNITY SERVICES	12,630,211	12,587,554	42,657	12,630,211	12,587,554	42,657						
GENERAL SERVICES	5,176,274	4,962,833	213,441	5,176,274	4,962,833	213,441						
PLANNING & ZONING	5,308,470	5,308,206	264	4,673,731	4,667,840	5,891	634,739	640,366	(5,627)			
FIRE	5,142,131	5,134,046	8,085	5,142,131	5,134,046	8,085						
MUNICIPAL SERVICES	4,215,745	4,340,687	(124,942)	4,215,745	4,340,687	(124,942)						
CONTINGENCY	2,828,043		2,828,043	2,786,278		2,786,278	41,765		41,765			
DEBT SERVICE												
PRINCIPAL	11,313,266	11,307,903	5,363	3,111,266	3,105,903	5,363	695,000	695,000		7,507,000	7,507,000	
INTEREST	14,672,396	14,444,353	228,043	954,844	925,940	28,904	1,814,628	1,774,650	39,978	11,902,924	11,743,763	159,161
TOTAL EXPENDITURES	95,123,936	91,377,010	3,746,926	65,361,651	61,952,275	3,409,376	10,352,361	10,173,972	178,389	19,409,924	19,250,763	159,161
DEFICIENCY OF REVENUES OVER EXPENDITURES	(9,969,936)	(5,924,758)	4,045,178	(8,116,115)	(4,226,821)	3,889,294	(1,694,361)	(1,599,330)	95,031	(159,460)	(98,607)	60,853
OTHER SOURCES (USES)												
OPERATING TRANSFERS IN	11,789,520	1,319,548	(10,469,972)	10,095,159		(10,095,159)	1,694,361	1,319,548	(374,813)			
OPERATING TRANSFERS OUT	(3,479,044)	(3,467,337)	11,707	(1,979,044)	(1,472,411)	506,633				(1,500,000)	(1,994,926)	(494,926)
DEFICIENCY OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	(1,659,460)	(8,072,547)	(6,413,087)		(5,699,232)	(5,699,232)		(279,782)	(279,782)	(1,659,460)	(2,093,533)	(434,073)
ENCUMBRANCES CANCELLED		926,583	926,583		847,386	847,386		79,197	79,197			
FUND BALANCES JULY 1, 1989	(2,215)	7,791,545	7,793,760		6,840,000	6,840,000		96,381	96,381	(2,215)	855,164	857,379
RESIDUAL EQUITY TRANSFER IN	1,500,000	1,994,926	494,926							1,500,000	1,994,926	494,926
RESIDUAL EQUITY TRANSFER OUT		(2,195,220)	(2,195,220)		(2,096,509)	(2,096,509)		(98,711)	(98,711)			
FUND BALANCES (DEFICIT) JUNE 30, 1990	(\$161,675)	\$445,287	\$606,962	\$	(\$108,355)	(\$108,355)	\$	(\$202,915)	(\$202,915)	(\$161,675)	\$756,557	\$918,232

SEE NOTES TO FINANCIAL STATEMENTS.

CITY OF SCOTTSDALE

EXHIBIT A-4

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

FOR THE FISCAL YEAR ENDED JUNE 30, 1990  
 WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 1989

	ENTERPRISE	INTERNAL SERVICE	FIDUCIARY FUND TYPES	TOTALS (MEMORANDUM ONLY)	
			NONEXPENDABLE TRUST	JUNE 30, 1990	JUNE 30, 1989
OPERATING REVENUES					
WATER SERVICE FEES	\$23,669,783	\$	\$	\$23,669,783	\$21,003,418
SEWER SERVICE FEES	5,681,816			5,681,816	4,842,963
PLANET RANCH	1,041,088			1,041,088	
SANITATION FEES	5,851,258			5,851,258	
AIRPORT FEES	672,102			672,102	588,560
BILLINGS TO USER PROGRAMS		7,082,067		7,082,067	6,977,918
INTEREST EARNINGS			9,019	9,019	
OTHER	185,615	58,374		243,989	922,082
<b>TOTAL OPERATING REVENUES</b>	<b>37,101,662</b>	<b>7,140,441</b>	<b>9,019</b>	<b>44,251,122</b>	<b>34,334,941</b>
OPERATING EXPENSES					
WATER OPERATIONS	11,166,111			11,166,111	10,436,151
SEWER OPERATIONS	1,917,889			1,917,889	1,735,066
PLANET RANCH	1,360,177			1,360,177	
SANITATION OPERATIONS	4,534,574			4,534,574	
AIRPORT OPERATIONS	432,463			432,463	306,998
MOTOR POOL OPERATIONS		3,416,587		3,416,587	3,576,108
SELF-INSURANCE OPERATIONS		3,711,128		3,711,128	2,039,420
DEPRECIATION AND AMORTIZATION	5,905,677	1,348,328		7,254,005	6,895,134
INDIRECT COST	4,716,971			4,716,971	2,702,625
IN LIEU PROPERTY TAX	428,000			428,000	428,058
FRANCHISE FEE	1,434,200			1,434,200	
<b>TOTAL OPERATING EXPENSES</b>	<b>31,896,062</b>	<b>8,476,043</b>		<b>40,372,105</b>	<b>28,119,560</b>
<b>OPERATING INCOME (LOSS)</b>	<b>5,205,600</b>	<b>(1,335,602)</b>	<b>9,019</b>	<b>3,879,017</b>	<b>6,215,381</b>

CITY OF SCOTTSDALE

EXHIBIT A-4

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

FOR THE FISCAL YEAR ENDED JUNE 30, 1990  
 WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 1989

	FIDUCIARY FUND TYPES			TOTALS (MEMORANDUM ONLY)	
	ENTERPRISE	INTERNAL SERVICE	NONEXPENDABLE TRUST	JUNE 30, 1990	JUNE 30, 1989
INTEREST EARNINGS	2,691,980	260,179		2,952,159	1,667,986
INTEREST EXPENSE	(3,331,926)			(3,331,926)	(3,173,962)
DONATIONS			119,546	119,546	
TOTAL NON-OPERATING REVENUES (EXPENSES)	(639,946)	260,179	119,546	(260,221)	(1,505,976)
NET INCOME (LOSS)	4,565,654	(1,075,423)	128,565	3,618,796	4,709,405
ADD DEPRECIATION ON FIXED ASSETS ACQUIRED BY CONTRIBUTED CAPITAL	2,691,599			2,691,599	2,449,586
INCREASE (DECREASE) IN RETAINED EARNINGS (DEFICIT)/FUND BALANCE	7,257,253	(1,075,423)	128,565	6,310,395	7,158,991
RETAINED EARNINGS (DEFICIT)/FUND BALANCE JULY 1	55,088,320	(1,636,690)		53,451,630	46,292,639
RETAINED EARNINGS (DEFICIT)/FUND BALANCE JUNE 30	<u>\$62,345,573</u>	<u>(\$2,712,113)</u>	<u>\$128,565</u>	<u>\$59,762,025</u>	<u>\$53,451,630</u>

SEE NOTES TO FINANCIAL STATEMENTS.



CITY OF SCOTTSDALE

EXHIBIT A-5

COMBINED STATEMENT OF CASH FLOWS - PROPRIETARY FUND TYPES  
AND NONEXPENDABLE TRUSTSFOR THE FISCAL YEAR ENDED JUNE 30, 1990  
WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 1989

	FIDUCIARY FUND TYPES			TOTALS (MEMORANDUM ONLY)	
	ENTERPRISE	INTERNAL SERVICE	NONEXPENDABLE TRUST	JUNE 30, 1990	JUNE 30, 1989
CASH FLOWS FROM OPERATING ACTIVITIES:					
OPERATING INCOME (LOSS)	\$5,205,600	(\$1,335,602)	\$9,019	\$3,879,017	\$6,215,381
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED FROM OPERATING ACTIVITIES:					
DEPRECIATION	5,830,555	1,348,328		7,178,883	6,822,160
AMORTIZATION	75,122			75,122	72,974
CHANGES IN ASSETS AND LIABILITIES (SOURCES (USES) OF CASH):					
ACCRUED INTEREST RECEIVABLE			(1,311)	(1,311)	
ACCOUNTS RECEIVABLE	(1,308,629)			(1,308,629)	(245,704)
MISCELLANEOUS RECEIVABLES	(236,799)	(826)		(237,625)	(43,920)
SUPPLIES INVENTORY		(6,302)		(6,302)	(74,007)
ACCOUNTS PAYABLE	445,850	(30,062)		415,788	(476,698)
ACCRUED PAYROLL	227,991	(6,633)		221,358	38,237
DUE TO GENERAL FUND	542,083			542,083	
CLAIMS PAYABLE - REPORTED		1,976,154		1,976,154	114,551
CLAIMS PAYABLE - UNREPORTED		6,312		6,312	16,390
DEFERRED REVENUE	(270,965)			(270,965)	(1,242,287)
OTHER LIABILITIES	(41,883)			(41,883)	706,303
<b>TOTAL ADJUSTMENTS</b>	<b>5,263,325</b>	<b>3,286,971</b>	<b>(1,311)</b>	<b>8,548,985</b>	<b>5,687,999</b>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>10,468,925</b>	<b>1,951,369</b>	<b>7,708</b>	<b>12,428,002</b>	<b>11,903,380</b>

## CITY OF SCOTTSDALE

EXHIBIT A-5

COMBINED STATEMENT OF CASH FLOWS - PROPRIETARY FUND TYPES  
AND NONEXPENDABLE TRUSTSFOR THE FISCAL YEAR ENDED JUNE 30, 1990  
WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 1989

	ENTERPRISE	INTERNAL SERVICE	FIDUCIARY FUND TYPES	TOTALS (MEMORANDUM ONLY)	
			NONEXPENDABLE TRUST	JUNE 30, 1990	JUNE 30, 1989
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
DONATIONS			119,546	119,546	
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
PROCEEDS FROM SALE OF BONDS	7,500,000			7,500,000	
INCREASE IN EXCESS PURCHASE PRICE	(284,663)			(284,663)	
PAYMENT OF DUE TO GENERAL FUND FOR ACQUISITION OF PLANET RANCH					(15,128,091)
NET ACQUISITION AND CONSTRUCTION OF PROPERTY AND EQUIPMENT:	(10,187,175)	41,952		(10,145,223)	(4,534,266)
PRINCIPAL PAYMENTS ON LONG-TERM DEBT	(1,832,822)			(1,832,822)	(1,712,824)
INTEREST PAID ON LONG-TERM DEBT	(3,120,186)			(3,120,186)	(3,269,878)
INCREASE (DECREASE) IN PUBLIC HOUSING NOTE PAYABLE	1,227			1,227	(217,457)
CAPITAL CONTRIBUTIONS FROM OTHER GOVERNMENT UNITS	308,385	(67,904)		240,481	477,793
WATER AND SEWER DEVELOPMENT FEES	4,432,793			4,432,793	5,834,831
NET CASH USED FOR CAPITAL AND RELATED FINANCING ACTIVITIES	(3,182,441)	(25,952)		(3,208,393)	(18,549,892)
CASH FLOWS FROM INVESTING ACTIVITIES					
INTEREST RECEIVED ON INVESTMENTS	2,322,193	227,244		2,549,437	1,851,233
(INCREASE) DECREASE IN PUBLIC HOUSING RECEIVABLE	(1,227)			(1,227)	217,457
NET CASH PROVIDED BY INVESTING ACTIVITIES	2,320,966	227,244		2,548,210	2,068,690
NET INCREASE IN CASH AND CASH EQUIVALENTS	9,607,450	2,152,661	7,708	11,767,819	(4,577,822)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	27,828,128	2,124,636		29,952,764	34,530,586
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$37,435,578</u>	<u>\$4,277,297</u>	<u>\$7,708</u>	<u>\$41,720,583</u>	<u>\$29,952,764</u>
SUPPLEMENTAL DISCLOSURE OF NONCASH FINANCING ACTIVITIES:					
ADDITIONS TO PROPERTY, PLANT, AND EQUIPMENT					
CONTRIBUTIONS FROM DEVELOPERS	\$6,372,260			\$6,372,260	\$9,078,817
CONTRIBUTIONS FROM OTHER GOVERNMENT UNITS	\$477,808			\$477,808	

SEE NOTES TO FINANCIAL STATEMENTS.

CITY OF SCOTTSDALE

EXHIBIT A-6

## COMBINED STATEMENT OF REVENUES AND EXPENDITURES

BUDGET AND ACTUAL - BUDGET BASIS - ALL PROPRIETARY FUND TYPES

FOR THE FISCAL YEAR ENDED JUNE 30, 1990

	TOTALS (MEMORANDUM ONLY)			ENTERPRISE FUNDS			INTERNAL SERVICE FUNDS		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES									
WATER SERVICE FEES	\$23,702,000	\$23,669,783	(\$32,217)	\$23,702,000	\$23,669,783	(\$32,217)	\$	\$	\$
WATER DEVELOPMENT FEES	851,000	1,206,729	355,729	851,000	1,206,729	355,729			
WATER RESOURCE FEES	1,532,000	1,866,466	334,466	1,532,000	1,866,466	334,466			
SEWER SERVICE FEES	5,382,000	5,681,816	299,816	5,382,000	5,681,816	299,816			
SEWER DEVELOPMENT FEES	851,000	1,359,599	508,599	851,000	1,359,599	508,599			
PLANET RANCH	1,000,000	1,041,088	41,088	1,000,000	1,041,088	41,088			
SANITATION FEES	5,857,000	5,851,258	(5,742)	5,857,000	5,851,258	(5,742)			
AIRPORT FEES	650,000	672,102	22,102	650,000	672,102	22,102			
BILLINGS TO USER PROGRAMS	7,087,000	7,082,067	(4,933)				7,087,000	7,082,067	(4,933)
INTEREST EARNINGS	1,896,000	1,882,901	(13,099)	1,620,000	1,622,722	2,722	276,000	260,179	(15,821)
OTHER		58,374	58,374					58,374	58,374
TOTAL REVENUES	48,808,000	50,372,183	1,564,183	41,445,000	42,971,563	1,526,563	7,363,000	7,400,620	37,620
EXPENDITURES									
WATER OPERATIONS	12,772,280	11,694,355	1,077,925	12,772,280	11,694,355	1,077,925			
SEWER OPERATIONS	2,121,580	1,935,215	186,365	2,121,580	1,935,215	186,365			
PLANET RANCH	1,429,219	1,365,910	63,309	1,429,219	1,365,910	63,309			
SANITATION OPERATIONS	4,783,385	4,575,128	208,257	4,783,385	4,575,128	208,257			
AIRPORT OPERATIONS	405,516	392,446	13,070	405,516	392,446	13,070			
MOTOR POOL OPERATIONS	3,850,671	3,589,143	261,528				3,850,671	3,589,143	261,528
SELF INSURANCE OPERATIONS	1,893,916	1,765,917	127,999				1,893,916	1,765,917	127,999
CAPITAL OUTLAY									
DEBT SERVICE AND RESERVES	6,459,073	6,464,023	(4,950)	6,459,073	6,464,023	(4,950)			
TOTAL EXPENDITURES	33,715,640	31,782,137	1,933,503	27,971,053	26,427,077	1,543,976	5,744,587	5,355,060	389,527
EXCESS OF REVENUES OVER EXPENDITURES	\$15,092,360	\$18,590,046	\$3,497,686	\$13,473,947	\$16,544,486	\$3,070,539	\$1,618,413	\$2,045,560	\$427,147

SEE NOTES TO FINANCIAL STATEMENTS.

**CITY OF SCOTTSDALE  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 1990**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

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

**A. Reporting Entity**

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

- 1) Manifestation of oversight by:
  - a) financial interdependency
  - b) selection of governing authority
  - c) designation of management
  - d) ability to significantly influence operations
  - e) accountability for fiscal matters
  
- 2) Scope of public service by:
  - a) benefits of reporting entity and/or its residents
  - b) geographic boundaries

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

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

The accompanying financial statements do not include the activities and functions of the Industrial Development Authority (Authority). The City does appoint the Board of Directors for the Authority; however, the City has no financial interdependency, such as responsibility for financing

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)****A. Reporting Entity (Continued)**

deficits, entitlements to surpluses, or guarantees of or "moral responsibilities" for debt. The City does not designate management of the Authority, does not significantly influence operations and does not have accountability for fiscal matters.

The accompanying financial statements do not include the activities and functions of the Scottsdale Cultural Council. The City does not select the Chief Executive Officer or designate management of the Council, the City has no financial interdependency such as responsibility for financing deficits, or entitlements to surpluses, or guarantees of or "moral responsibilities" for debt. The City does not significantly influence operations and does not have accountability for fiscal matters (See Note 18).

**B. Fund Accounting**

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

**GOVERNMENTAL FUND TYPES**

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

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

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

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

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

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)****B. Fund Accounting (Continued)****GOVERNMENTAL FUND TYPES (Continued)**

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

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

**FIDUCIARY FUND TYPES**

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

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

**Trust Fund** - An Expendable Trust Fund is used to account for assets held by the City in a trustee capacity for individuals, private organizations, other governmental units, and/or other funds, which is accounted and reported for similar to governmental funds. A Non-Expendable Trust Fund is used to account for assets held by the City in which the principal cannot be depleted.

**PROPRIETARY FUND TYPES**

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

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

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)****B. Fund Accounting (Continued)****GOVERNMENTAL FUND TYPES (Continued)**

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

**ACCOUNT GROUPS**

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

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

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

**C. Basis of Accounting**

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

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

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

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

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

D. Budget and Budgetary Accounting

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

- All funds have legally adopted annual budgets except for the Community Development and Grants Funds (included as Special Revenue Funds), Capital Projects Funds, Trust and Agency Funds, and Public Housing Funds.
- The budgetary process encompasses both the appropriated budget and the legally authorized non-appropriated budget. The General, Enterprise, Internal Service, Special Revenue (Highway User Fuel Tax), and Debt Service Funds have appropriated budgets. The Capital Projects and Trust and Agency Funds have non-appropriated budgets. The Community Development Block Grant Fund and the Grant Fund have non-appropriated budgets within the applicable fund.
- On or before the second regular Council meeting in May, the City Manager submits to the City Council a proposed budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing them.
- Two public hearings are held prior to the budget's final adoption in order to obtain taxpayer comments.
- At the first regular Council meeting in June, the budget is legally enacted through passage of an ordinance. The ordinance sets the limit for expenditures during the fiscal year. Additional expenditures may be authorized for expenditures directly necessitated by a natural or man-made disaster as prescribed in the State Constitution, Article 9, Section 20. During 1989-90, there were no supplemental budgetary appropriations to the original budget.
- The expenditure appropriations in the adopted budget are by department. The maximum legal expenditure permitted for the fiscal year is the sum of all departmental expenditure appropriations. Departmental appropriations may be amended during the year.
- Upon the recommendation of the City Manager and with the approval of the City Council: (1) transfers may be made from the appropriations for contingencies to departments; and (2) unencumbered appropriations may be transferred from one department to another.
- Management control of budgets is further maintained at a line item level within the department. Transfers between line items within a department may be done only upon approval of the City Manager.
- Initial year budget information may be amended during the year in a legally permissible manner.
- All expenditure appropriations which have not been encumbered lapse at year-end.



**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)****D. Budget and Budgetary Accounting (Continued)**

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

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

**E. Encumbrances**

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

Encumbrance accounting is not employed in the proprietary fund types. Commitments in the proprietary funds at June 30, 1990, aggregated approximately \$4,192,000.

**F. Investments**

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

**G. Inventories**

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

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)****H. General Fixed Assets**

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

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

No depreciation has been provided on general fixed assets.

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

**I. Property, Plant, and Equipment - Proprietary Fund Types**

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

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

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

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

**J. Excess Purchase Price Over Fair Market Value of Assets Acquired**

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

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)****K. Property, Plant, and Equipment - Estimated Fair Market Value**

Fair market value of contributed fixed assets is determined by reference to historical costs of the donor if recently constructed, and if such records are not available, at estimated fair market value on the date of receipt. Estimates used for such fixed assets contributed through June 30, 1990, are as follows:

General Fixed Assets:	
Streets and Storm Drains	\$516,524,000
Land	13,686,000
Traffic Signal Equipment	606,000
Water and Sewer Utility Fund:	
Water System and Sewer System	98,290,000

**L. Transactions Between Funds**

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

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

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

**M. Funds Servicing Long-Term Debt**

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

- ° The General Fund accounts for and services contracts payable funded by general revenues.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)****M. Funds Servicing Long-Term Debt (Continued)**

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

**N. Compensated Absences**

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

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

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

**O. Incurred-But-Not-Reported (IBNR) Claims/Losses**

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

**P. Cash Equivalents**

In fiscal 1990 the City implemented Government Accounting Standards No. 9 Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities that use Proprietary Fund Accounting. Memorandum totals for the prior year have been restated to conform with the current year presentation. For purposes of the statement of cash flows, the City considers investments (including restricted assets) in the State of Arizona investment pool and certificates of deposit, overnight deposits, repurchase agreements, and U.S. Treasury bills and notes with maturities of three months or less at acquisition date to be cash equivalents.

**Q. "Memorandum Only" Comparative Total Columns**

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

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)****Q. "Memorandum Only" Comparative Total Columns (Continued)**

Data in these columns do not present financial position, results of operations, or cash flows in accordance with generally accepted accounting principles. These totals do not represent consolidated financial information. Interfund eliminations have not been made in the aggregation of this data. Certain amounts, excluding Sanitation and Planet Ranch Operations which were transferred out of the General Fund into the Enterprise Funds in fiscal 1990, have been reclassified in 1989 to conform to the 1990 presentation.

**NOTE 2 - BUDGETARY BASIS OF ACCOUNTING**

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

The major differences between the budget and GAAP bases are:

1. Encumbrances are recorded as the equivalent of expenditures (budget) as opposed to a reservation of fund balance (GAAP).
2. Indirect administrative cost allocations to the enterprise funds are not recognized in the budgetary process but are accounted for as expenses and expenditure credits (GAAP).
3. Debt sinking fund principal transactions are not recognized in the budgetary process but are accounted for as expenditures (GAAP).
4. Certain expenditures, revenues, and transfers not recognized in the budgetary year are accrued (GAAP).

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

Adjustments necessary to convert the fund balances (deficits) and the excess (deficiency) of revenue and other sources over expenditures and other uses at and for the year ended June 30, 1990, on a GAAP basis to budget basis are as follows:

	<u>FUND BALANCES (DEFICIT) AT JUNE 30, 1990</u>		
	<u>GENERAL</u>	<u>SPECIAL REVENUE</u>	<u>DEBT SERVICE</u>
<b>GAAP Basis</b>	\$ 44,407,196	\$ 478,077	\$ 11,665,894
<b>Basis Differences</b>			
Reserved encumbrances at June 30, 1990, recognized as expenditures for budget purposes	(1,715,467)	(184,809)	
Compensated absences at June 30, 1990, not recognized as an expenditure for budget purposes	407,671	26,478	
Capital Project Fund expenditures for the Asset Transfer Program recognized as expenditures for budget purposes	(23,686,547)		
Debt Service not recognized as an expenditure for budget purposes	1,788,188		
Revenue and expenditures for certain MPC Excise Debt accounted for in the General Fund (Budget) and in the Debt Service Fund (GAAP)	(1,995,554)		
Prior Period Adjustment and Operating Transfer In not recognized as revenue for budget purposes			(1,259,480)
<b>Timing Differences</b>			
Fund balance from sinking fund not recognized for budget purposes			(2,158,641)
<b>Perspective Differences</b>			
Indirect costs allocated to Proprietary Funds are not recognized as a reduction of expenditures for budget purposes	(16,590,019)	(229,393)	
In lieu property tax from proprietary funds not recognized as revenue for budget purposes	(856,058)		
Franchise fee from proprietary funds not recognized as revenue for budget purposes	(1,434,200)		
<b>Entity Differences</b>			
Fund balance for non-budgeted activity, Street Lights, and Municipal Property Corporation	(433,565)		(7,491,216)
Fund balance for funds for which no annual budgets are prepared		(293,268)	
<b>Budget Basis</b>	<u>(\$ 108,355)</u>	<u>(\$ 202,915)</u>	<u>\$ 756,557</u>

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

	EXCESS (DEFICIENCY) OF REVENUE AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES		
	<u>GENERAL</u>	<u>SPECIAL REVENUE</u>	<u>DEBT SERVICE</u>
<b>GAAP Basis</b>	\$ 3,898,201	\$ 178,599	(\$ 2,131,256)
<b>Basis Differences</b>			
Reserved encumbrances at June 30, 1990, recognized as expenditures for budget purposes	(1,715,467)	(184,809)	
Net decrease in accrued payroll recognized as an expenditure for budget purposes	(1,137,303)	(97,699)	
Operating transfer not recognized as expenditure for budget purposes		10,761	
Operating transfer recognized as expenditure for budget purposes	(33,624)		
Transfer of excess reserve funds recognized as revenue for budget purposes			37,723
<b>Perspective Differences</b>			
Indirect costs allocated to Proprietary Funds not recognized as a reduction of expenditures for budget purposes	(4,716,971)		
In lieu property tax from proprietary funds not recognized as revenue for budget purposes	(428,000)		
Franchise fee from proprietary funds not recognized as revenue for budget purposes	(1,434,200)		
<b>Entity Differences</b>			
Excess of revenue and other sources over expenditures for non-budgeted Streetlights	(131,868)		
Excess of revenue and other sources over expenditures and other uses for funds for which no annual budgets are prepared		(186,634)	
<b>Budget Basis</b>	<u>(\$ 5,699,232)</u>	<u>(\$ 279,782)</u>	<u>(\$ 2,093,533)</u>

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

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

	<u>ENTERPRISE</u>	<u>INTERNAL SERVICE</u>
<b>GAAP Basis Net Income (Loss)</b>	\$ 4,565,654	(\$1,075,423)
<b>Basis Differences</b>		
Encumbrances at June 30, 1990, recognized as expense for budget purposes	(263,653)	(74,597)
Net decrease in accrued payroll recognized as expense for budget purposes	(59,093)	(68,335)
Net increase in claims payable not recognized as expense for budget purposes	•	1,982,466
<b>Perspective Differences</b>		
Capital outlay recognized as expense for budget purposes	(284,787)	(66,879)
Depreciation and amortization not recognized as expense for budget purposes	5,905,677	1,348,328
Indirect costs not recognized as expense for budget purposes	4,716,971	
In Lieu Property Tax not recognized as expense for budget purposes	428,000	
Franchise fee not recognized as expense for budget purposes	1,434,200	
Debt service principal payments and capitalized interest recognized as expense for budget purposes	(2,415,498)	
Retained Earnings reservation change recognized as expense for budget purposes	(716,599)	
Contributions recognized as revenue for budget purposes	4,432,793	
Interest earnings on non-pooled and bond funds not recognized as income for budget purposes	(1,069,258)	
Deficiency of revenue and other sources over expenses and other uses for non-budgeted Grant activity	<u>(129,921)</u>	
<b>Budget Basis Excess of Revenues over Expenditures</b>	<u>\$16,544,486</u>	<u>\$ 2,045,560</u>



**NOTE 3 - CASH AND INVESTMENTS**

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

**Deposits**

At June 30, 1990, the City's deposits, cash, and certificates of deposit were entirely insured by federal depository insurance or secured by collateral held by the City's agent in the City's name or the Municipal Property Corporation trust name.

**Investments**

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

The City's investments at June 30, 1990, are summarized below. Category 1 includes investments that are registered in the name of the City and held by the bank's trust department in the name of the City. Category 2 includes uninsured and unregistered investments of the Municipal Properties Corporation held by the bank's trust department in the name of the Municipal Properties Corporation.

	CATEGORY		CARRYING AMOUNT	MARKET VALUE
	1	2		
U. S. Treasury Securities	\$20,361,789	\$ 1,964,826	\$ 22,326,615	\$ 22,505,141
Government Agency Securities	3,449,058	4,893,430	8,342,488	8,718,579
City of Scottsdale Improve- ment District Bonds	<u>98,000</u>		<u>98,000</u>	<u>98,000</u>
	<u>\$23,908,847</u>	<u>\$ 6,858,256</u>	<u>30,767,103</u>	<u>31,321,720</u>
State of Arizona Local Government Investment Pool (Short-Term Investments)			107,607,852	107,607,852
Investment in ICMA Plan			<u>3,267,060</u>	<u>3,267,060</u>
<b>TOTAL INVESTMENTS</b>			<u>\$141,642,015</u>	<u>\$142,196,632</u>

**NOTE 4 - PROPERTY TAX**

Property taxes are recognized as revenue on the modified accrual basis, i.e., when both measurable and available. Property taxes levied in August 1990, are not available for the current year; accordingly, such taxes will not be recognized as revenue until the subsequent fiscal year. Prior year levies were recorded using these same principles, and remaining receivables from such levies are also recognized as revenue, when available.

The City's property tax is levied each year on or before the third Monday in August based on the previous January 1 full cash value as determined by the Maricopa County Assessor. Levies are due and payable in two installments on September 1 and March 1, and become delinquent on November 1 and May 1, respectively. Delinquent amounts bear interest at the rate of 16%. Maricopa County, at no charge to the taxing entities, bills and collects all property taxes. Public auctions of properties which have delinquent real estate taxes are held in February following the May 1 date upon which the second half taxes become delinquent. The purchaser is given a Certificate of Purchase issued by the County Treasurer. Five years from the date of sale the holder of a Certificate of Purchase which has not been redeemed may demand of the County Treasurer a County Treasurer's Deed.

Property taxes levied for current operation and maintenance expenses on residential property are limited to 1.0% of the primary full cash value of such property. In addition, taxes levied for current operation and maintenance expenses on all types of property are limited to a maximum increase of 2.0% over the prior year's levy adjusted for new construction and annexations.

Property taxes levied to pay principal and interest on bonded indebtedness are not limited.

**NOTE 5 - FIXED ASSETS**

A summary of changes in general fixed assets follows:

	<u>BALANCE</u> <u>JUNE 30, 1989</u>	<u>TRANSFERS/</u> <u>ADDITIONS</u>	<u>TRANSFERS/</u> <u>DELETIONS</u>	<u>BALANCE</u> <u>JUNE 30, 1990</u>
Land	\$ 39,212,333	\$ 2,987,904		\$ 42,200,237
Buildings and Improvements	105,975,602	19,906,802	(803,987)	125,078,417
Streets and Storm Drains	554,037,017	67,057,235		621,094,252
Machinery and Equipment	20,597,015	625,627	(544,401)	20,678,241
Construction in Progress	<u>34,628,083</u>	<u>14,547,996</u>	<u>(27,279,702)</u>	<u>21,896,377</u>
	<u>\$754,450,050</u>	<u>\$105,125,564</u>	<u>(\$28,628,090)</u>	<u>\$830,947,524</u>

**NOTE 5 - FIXED ASSETS (Continued)**

General fixed asset construction in progress commitments at June 30, 1990, is composed of the following:

	<u>CONSTRUCTION IN PROGRESS</u>	<u>COMMITMENTS</u>	<u>BUDGET</u>
Streets	\$ 7,446,996	\$11,557,231	\$19,004,227
Traffic	977,495	1,900,403	2,877,898
Improvement Districts	11,031,680	3,897,157	14,928,837
Drainage/Flood Control	770,997	2,352,526	3,123,523
Parks/Recreation	122,825	372,280	495,105
Specialty Areas	533,268	1,985,575	2,518,843
Service Facilities	440,906	3,768,524	4,209,430
Public Safety	<u>572,210</u>	<u>1,699,590</u>	<u>2,271,800</u>
	<u>\$ 21,896,377</u>	<u>\$27,533,286</u>	<u>\$49,429,663</u>

A summary of proprietary fund types fixed assets at June 30, 1990, follows:

	<u>ENTERPRISE</u>	<u>INTERNAL SERVICE</u>
Land	\$ 13,955,706	\$
Water Rights	19,694,480	
Water System	118,148,228	
Sewer System	76,947,070	
Buildings and Improvements	1,609,923	1,222,868
Motor Vehicles		11,091,895
Furniture and Fixtures	543,516	51,500
Machinery and Equipment	297,547	721,961
Construction in Progress	<u>17,859,715</u>	<u>106,076</u>
	249,056,185	13,194,300
Accumulated Depreciation	<u>(38,578,056)</u>	<u>(6,853,249)</u>
	<u>\$210,478,129</u>	<u>\$ 6,341,051</u>

Enterprise and Internal Service Funds construction in progress commitments at June 30, 1990, is composed of the following:

	<u>CONSTRUCTION IN PROGRESS</u>	<u>COMMITMENTS</u>	<u>BUDGET</u>
<b>Enterprise:</b>			
Water System Projects	\$13,289,575	\$ 6,505,741	\$19,795,316
Sewer System Projects	4,060,241	1,240,703	5,300,944
Airport Projects	<u>509,899</u>	<u>740,080</u>	<u>1,249,979</u>
	<u>\$17,859,715</u>	<u>\$ 8,486,524</u>	<u>\$26,346,239</u>
<b>Internal Service:</b>			
Motor Vehicle Projects	<u>\$ 106,076</u>	<u>\$ 46,334</u>	<u>\$ 152,410</u>

## NOTE 6 - LONG-TERM DEBT

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

	GENERAL OBLIGATION BONDS	HURF REVENUE	MUNICIPAL PROPERTY CORP BONDS	SPECIAL ASSESSMENTS	CONTRACTS PAYABLE	CITY OWNED SPECIAL ASSESSMENTS	COMPENSATED ABSENCES	TOTAL
Balance June 30, 1989	\$26,090,000	\$28,620,000	\$104,990,000	\$13,901,000	\$11,586,381	\$ 1,681	\$ 1,847,738	\$187,036,800
Increase in Compensated Absences Liability							5,799	5,799
Debt Incurred	28,785,000	15,900,000		10,660,000				55,345,000
Debt Retired			(665,000)	(1,497,000)	(3,110,237)	(323)		(5,272,560)
Debt Refunded		(14,040,000)						(14,040,000)
Debt Adjustment					(585,905)			(585,905)
Debt To Be Retired July 1, 1990	<u>(2,475,000)</u>	<u>(695,000)</u>	<u>(2,350,000)</u>	<u>(520,000)</u>				<u>(6,040,000)</u>
Balance June 30, 1990	* <u>\$52,400,000</u>	<u>\$29,785,000</u>	<u>\$101,975,000</u>	<u>\$22,544,000</u>	<u>\$ 7,890,239</u>	<u>\$ 1,358</u>	<u>\$ 1,853,537</u>	<u>\$216,449,134</u>

\* This does not include the 1986 General Obligation Water System Improvement Bonds in the amount of \$36,775,000 (\$495,000 is to be retired on July 1, 1990). These bonds are serviced by and recorded in the Water Enterprise Fund.

The following is a summary of debt service requirements to maturity, including contracts payable, as of June 30, 1990. The interest portion of the total is \$214,542,616.

FISCAL YEAR ENDING	GENERAL OBLIGATION BONDS	UTILITY REVENUE BONDS	HURF REVENUE BONDS	MUNICIPAL PROPERTY CORPORATION	SPECIAL ASSESSMENT BONDS	CONTRACTS PAYABLE	TOTAL
1991	\$ 9,238,315	\$ 1,948,925	\$ 3,018,380	\$ 10,967,875	\$ 3,585,625	\$ 4,133,607	\$ 32,892,727
1992	9,132,260	2,477,131	3,117,132	10,970,621	4,458,186	1,912,736	32,068,066
1993	9,026,490	2,472,781	3,110,272	10,967,235	4,164,978	769,561	30,511,317
1994	8,928,190	2,473,456	3,111,280	10,962,280	3,931,019	659,502	30,065,727
1995	8,834,410	2,454,171	3,110,182	10,954,344	3,680,414	330,138	29,363,659
1996	7,281,125	2,456,296	3,107,892	10,726,636	2,646,466	259,372	26,477,787
1997	7,342,370	2,445,958	3,107,743	10,831,744	2,362,960	259,373	26,350,148
1998	7,354,510	2,453,683	3,103,003	10,841,198	1,695,168	259,373	25,706,935
1999	7,363,585	2,447,183	3,105,690	10,839,174	1,319,949	259,373	25,334,954
2000	8,168,335	1,631,208	3,105,170	10,851,048	1,177,624	259,373	25,192,758
2001	9,101,095	703,883	3,107,965	10,865,597	1,102,541	259,373	25,140,454
2002	9,134,516	704,428	3,106,269	10,120,871		259,373	23,325,457
2003-2040	<u>52,933,673</u>	<u>5,695,776</u>	<u>15,639,769</u>	<u>68,486,699</u>		<u>8,071,591</u>	<u>150,827,508</u>
	<u>\$153,838,874</u>	<u>\$30,364,879</u>	<u>\$52,850,747</u>	<u>\$198,385,322</u>	<u>\$30,124,930</u>	<u>\$17,692,745</u>	<u>\$483,257,497</u>

The summary above does not reflect General Obligation Bond principal payments from the Sinking Fund of \$3,500,000 on July 1, 1993, and interest in the aggregate amount of \$561,750.

## NOTE 7 - BONDS PAYABLE - EXCLUDING REFUNDED DEBT

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

	<u>GENERAL OBLIGATION</u>	<u>UTILITY REVENUE</u>	<u>HURF REVENUE</u>	<u>MUNICIPAL PROPERTY CORP</u>	<u>SPECIAL ASSESSMENT</u>	<u>TOTAL</u>
Bonds Payable at June 30, 1989	\$67,210,000	\$12,495,000	\$29,255,000	\$107,220,000	\$14,421,000	\$230,601,000
New Debt Issued:						
Special Assessments					10,660,000	10,660,000
General Obligation	28,785,000					28,785,000
Water and Sewer Revenue		7,500,000				7,500,000
HURF Revenue Refunding			15,900,000			15,900,000
Debt Refunded			(14,040,000)			(14,040,000)
Debt Retired:						
Serial Bonds (Paid 07/01/89)	(3,850,000)	(765,000)	(635,000)	(2,230,000)	(520,000)	(8,000,000)
Serial Bonds (Paid 11/01/89)				(330,000)		(330,000)
Serial Bonds (Paid 01/01/90)					(1,497,000)	(1,497,000)
Serial Bonds (Paid 05/01/90)				(335,000)		(335,000)
Bonds Payable at June 30, 1990	92,145,000	19,230,000	30,480,000	104,325,000	23,064,000	269,244,000
Less Current Portion	<u>(2,970,000)</u>	<u>(800,000)</u>	<u>(695,000)</u>	<u>(2,350,000)</u>	<u>(520,000)</u>	<u>(7,335,000)</u>
Long-Term Bonds Payable June 30, 1990	<u>\$89,175,000</u>	<u>\$18,430,000</u>	<u>\$29,785,000</u>	<u>\$101,975,000</u>	<u>\$22,544,000</u>	<u>\$261,909,000</u>

On December 14, 1989, the City issued \$15,900,000 Street and Highway User Revenue Refunding Bonds (Series 1989) with an average interest rate of 6.9% to advance refund \$7,425,000 of 1983 Highway User Fuel Tax Revenue Serial Bonds and \$6,615,000 of 1985 Highway User Fuel Tax Revenue Serial Bonds with average interest rates of 8.9% on both issues. The entire proceeds of the \$15,683,250 (net of \$216,750 in underwriting fees and other issuance costs), were used to purchase U.S. government securities which were deposited in an irrevocable trust with an escrow agent to provide for the future debt service payments on these 1984 and 1985 bonds. As a result, \$7,425,000 of the 1984 and \$6,615,000 of the 1985 bonds are considered to be defeased. The refunding transaction will result in a decrease in debt service payments of \$777,072 and will result in an economic gain (present value savings) of \$771,934 over the life of the 1989 Refunding Bonds.

**NOTE 7 - BONDS PAYABLE - EXCLUDING REFUNDED DEBT (Continued)**

Under the provisions of the Arizona Constitution, outstanding general obligation bonded debt for combined water, sewer, light, and (after January 1, 1974) parks and open space purposes may not exceed 20% of a City's net secondary assessed valuation, nor may outstanding general obligation bonded debt for all other purposes exceed 6% of a City's net secondary assessed valuation. The following is a summary of legal borrowing capacity at June 30, 1990:

<u>Water, Sewer, Light, and Parks and Open Space Purposes Bonds</u>		<u>All Other General Obligation Bonds</u>
20% Constitutional Limit	\$288,120,890	6% Constitutional Limit \$ 86,436,267
Net Such General Obligation Bonds Outstanding	<u>(52,994,000)</u>	Net Such General Obligation Bonds Outstanding <u>(32,681,000)</u>
Available 20% Limitation Borrowing Capacity	<u>\$235,126,890</u>	Available 6% Limitation Borrowing Capacity <u>\$ 53,755,267</u>

On June 30, 1990, the City had authorized but unissued bonds approved by the voters: General Obligation - \$167,529,500; Revenue - \$83,340,000.

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

Water and sewer utility revenue bonds are collateralized by revenue in excess of operating and maintenance expenses of the City's utility system. The bond indenture ordinances require the maintenance of certain defined reserve funds. The aggregate amount of funds restricted for these requirements was \$6,253,930 at June 30, 1990.

## NOTE 7 - BONDS PAYABLE - EXCLUDING REFUNDED DEBT (Continued)

General Obligation Bonds

\$1,400,000 1968 Civic Center Improvement Serial Bonds due in annual installments of \$200,000 to \$250,000 through July 1, 1996; interest at 4.7% to 5.0%.	\$ 1,325,000
\$3,500,000 1973 Storm Sewer Series A Term Bonds due in one installment of \$3,500,000 on July 1, 1993; interest at 5.4%.	3,500,000*
\$20,000,000 1983 Capital Improvement Project Serial Bonds due in annual installments of \$2,000,000 through July 1, 1995; interest at 7.3% to 7.6%.	10,000,000
\$9,800,000 1985 Capital Improvement Project Serial Bonds due in annual installments of \$315,000 to \$970,000 through July 1, 2005; interest at 8.0% to 10.0%.	8,790,000
\$38,000,000 1986 Water System Acquisition and Improvement Serial Bonds due in annual installments of \$585,000 to \$5,070,000 through July 1, 2006; interest at 6.3% to 8.3%.	36,775,000**
\$28,785,000 1990 Capital Improvement Project Serial Bonds due in annual installments of \$615,000 to \$3,755,000 beginning July 1, 1996 through July 1, 2010; interest at 6.0% to 8.5%.	<u>28,785,000</u>
	<u>\$ 89,175,000</u>

\* All bond retirements are paid from the Sinking Fund which is fully funded.

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

Revenue Bonds

\$3,910,000 1973 Utility Revenue Refunding Issue Serial Bonds due in annual installments of \$260,000 to \$310,000 through July 1, 1995; interest at 4.5% to 5.1%.	\$ 1,430,000
\$4,000,000 1977 Utility Revenue Series C Serial Bonds due in annual installments of \$550,000 through July 1, 1992; interest at 5.0%.	1,100,000
\$8,400,000 1983 Utility Revenue Serial Bonds due in annual installments of \$50,000 to \$1,525,000 beginning July 1, 1992, through July 1, 2000; interest at 8.0% to 10.5%.	8,400,000
\$7,500,000 1990 Utility Revenue Serial Bonds due in annual installments of \$210,000 to \$680,000 beginning July 1, 1991, through July 1, 2009; interest at 6.0% to 8.5%.	7,500,000

**NOTE 7 - BONDS PAYABLE - EXCLUDING REFUNDED DEBT (Continued)**

\$11,000,000 (partially refunded to \$2,200,000 on February 14, 1990) 1983 Highway User Fuel Tax Revenue Serial Bonds due in annual installments of \$400,000 to \$525,000 through July 1, 2003; interest at 8.3% to 8.9%.	\$ 1,825,000
\$10,000,000 (partially refunded to \$2,660,000 on February 14, 1990) 1985 Highway User Fund Tax Revenue Serial Bonds due in annual installments of \$315,000 to \$480,000 through July 1, 2005; interest at 8.3% to 10.3%.	2,370,000
\$9,800,000 1987 Highway User Fund Tax Revenue Serial Bonds due in annual installments of \$55,000 to \$2,935,000 through July 1, 2007; interest at 7.1% to 9.1%.	9,690,000
\$15,900,000 1989 Highway User Fund Tax Revenue Refunding Serial Bonds due in annual installments of \$55,000 to \$1,015,000 beginning July 1, 1991 through July 1, 2005; interest at 6.1% to 7.0%.	<u>15,900,000</u>
	<u>\$ 48,215,000</u>

**Municipal Property Corporation Bonds**

\$7,130,000 1974 Municipal Property Corporation Bonds; due in annual installments of \$465,000 to \$1,420,000 through July 1, 1996; interest at 5.2% to 5.5%.	\$ 4,000,000
\$13,000,000 1984 Municipal Property Corporation Recreation Facilities Bonds; due in annual installments of \$415,000 to \$1,420,000 through July 1, 2004; interest at 8.9% to 9.9%.	11,345,000
\$48,595,000 1986 Municipal Property Corporation Certificates of Participation; due in semi-annual installments of \$345,000 to \$2,025,000 through November 1, 2014; interest at 4.4% to 7.9%.	45,715,000
\$3,100,000 1987 Municipal Property Corporation Certificates of Participation; due in annual installments of \$550,000 to \$695,000 beginning July 1, 1997 through July 1, 2001; interest at 5.9% to 6.3%.	3,100,000
\$41,205,000 1987 Refunding Series Municipal Property Corporation Certificates of Participation; due in annual installments of \$1,610,000 to \$4,080,000 through July 1, 2005; interest at 5.6% to 7.8%.	<u>37,815,000</u>
	<u>\$101,975,000</u>

**Special Assessment Bonds**

\$30,446,000 Special Assessment Bonds issued May 17, 1972, through August 15, 1989, maturing January 1, 1991 through January 1, 2001; due in annual installments of \$2,000 to \$1,070,000; interest at 6.0% to 10.0%.	<u>\$ 22,544,000</u>
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**NOTE 8 - CONTRACTS PAYABLE**

Contracts payable, including capital lease agreements, at June 30, 1990 are as follows:

	<u>GENERAL FUND</u>	<u>WATER AND SEWER UTILITY FUND</u>	<u>TOTAL</u>
<b><u>Purchase Contracts</u></b>			
Contracts payable to the U.S. Army Corps of Engineers for the construction of flood control and recreation facilities; due in annual installments through 2039; interest at 5.1%.	\$ 3,896,085	\$	\$ 3,896,085
Purchase contract for land for a water treatment plant; due in annual installments through December 1990; interest at 12.0%.		425,659	425,659
Purchase contract for land for a sewer reclamation plant; due in annual installments through December 1990; interest at 12.0%.		191,438	191,438
Purchase contract for acquisition of land for agricultural use and future water rights; due in annual installments through January 1991; interest at 9.0%.	750,000		750,000
Purchase contract for acquisition of Pepperwood office building; due in monthly installments through November 2005; interest at 10.0% to 12.0%.	323,399		323,399
Purchase contract for acquisition of Scottsdale Plumbing property; due in semi-annual installments through January 1991; interest at 12.0%.	76,743		76,743
Purchase contract, Plan Six Agreement, to acquire a new water supply and hydropower generation benefits; due in quarterly installments through July 1994; non-interest bearing.		1,748,545	1,748,545
Purchase contract for acquisition of a well site and all related equipment; due in annual installments through March 1991; interest at 10%.		50,000	50,000
<b>Total Purchase Contracts</b>	<b>\$ 5,046,227</b>	<b>\$ 2,415,642</b>	<b>\$ 7,461,869</b>

## NOTE 8 - CONTRACTS PAYABLE (Continued)

	<u>GENERAL FUND</u>	<u>WATER AND SEWER UTILITY FUND</u>	<u>TOTAL</u>
<b><u>Capital Lease Agreements</u></b>			
Lease-purchase agreement for Phase II of City-owned telephone system; due in annual installments through September 1990; interest at 8.4%.	\$ 33,959	\$	\$ 33,959
Lease-purchase agreement for Phase III of the City-owned telephone system; due in semi-annual installments through December 1991; interest at 6.9%.	167,970		167,970
Lease-purchase agreement for Phase III of computer equipment; due in semi-annual installments through October 1990; interest at 7.6%.	118,426		118,426
Lease-purchase agreement for Phase III.V of computer equipment; due in semi-annual installments through December 1991; interest at 6.9%.	74,601		74,601
Lease-purchase agreement for Phase IV of computer equipment; due in semi-annual installments through April 1992; interest at 6.1%.	1,824,942		1,824,942
Lease-purchase agreement for the Police Computer Aided Dispatch System; due in semi-annual installments through April 1991; interest at 7.2%.	315,391		315,391
Lease-purchase agreement for acquisition of a ladder truck; due in annual installments through September 1993; interest at 7.34%.	<u>308,723</u>		<u>308,723</u>
<b>Total Capital Lease Agreements</b>	<u>2,844,012</u>		<u>2,844,012</u>
<b>Total Contracts Payable</b>	7,890,239	2,415,642	10,305,881
<b>Less Current Portion</b>		<u>1,247,441</u>	<u>1,247,441</u>
	<u>\$ 7,890,239</u>	<u>\$ 1,168,201</u>	<u>\$ 9,058,440</u>

**NOTE 8 - CONTRACTS PAYABLE (Continued)**

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

The following is a schedule of the future minimum lease payments under the above capital lease agreements:

<b>FISCAL YEAR ENDING</b>	
<u>JUNE 30</u>	
1991	\$1,738,102
1992	1,160,810
1993	91,814
1994	<u>91,814</u>
Total Minimum Lease Payments	3,082,540
Less: Amount Representing Interest	<u>(238,528)</u>
Present Value of Net Minimum Lease Payments at June 30, 1990	<u><u>\$2,844,012</u></u>

**NOTE 9 - ADVANCE REFUNDINGS**

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

The assets, liabilities, and financial transactions of these trust accounts and the liability for defeased bonds are not reflected in the financial statements of the city. Refunded debt outstanding of the City at June 30, 1990, is as follows:

1964 Sewer Revenue	\$ 850,000
1966 Sewer Revenue	640,000
1971 Water Revenue	695,000
1984 Certificates of Participation	35,822,239
1984 Municipal Facilities	15,630,000
1985 Municipal Facilities	18,205,000
1984 HURF Revenue	7,425,000
1985 HURF Revenue	<u>6,615,000</u>
	<u><u>\$85,882,239</u></u>

**NOTE 10 - SPECIAL ASSESSMENTS FUNDS**

As trustee for improvement districts, the City is responsible for collection of assessments levied against the owners of property within the improvement districts and for disbursement of these amounts for retirement of the respective bonds issued to finance the improvements. At June 30, 1990, the special assessments receivable, together with amounts paid in advance and interest to be received over the life of the assessment period, are adequate for the scheduled maturities of the bonds payable and the related interest. Improvement bonds are collateralized by properties within the districts. In the event of default by the property owner, the City may enforce auction sale to satisfy the debt service requirements of the improvement bonds. The City is contingently liable on special assessment bonds to the extent that proceeds from auction sales are insufficient to retire outstanding bonds.

**NOTE 11 - RETIREMENT AND PENSION PLANS**

Substantially all full-time employees and elected officials are covered by one of three multiple-employer public employee retirement programs administered by the State of Arizona. The payroll for employees covered by the three retirement programs for the year ended June 30, 1990, was \$35,353,999; the City's total payroll was \$37,147,522.

**Arizona Public Safety Personnel Retirement System**

City policemen are covered by the Arizona Public Safety Personnel Retirement System (System), an agent multiple-employer public employee retirement system. Employees who retire after completion of twenty years of credited service are entitled to a retirement benefit, payable monthly for life equal to 50% of average monthly compensation for the highest three or five consecutive years of the last ten years of credited service plus 2 or 2 1/2% of average monthly compensation for each year of credited service over twenty years, to a maximum of 80%. Benefits fully vest on reaching ten years of credited service. Vested employees may retire with less than twenty years of credited service and receive reduced retirement benefits. The System also provides death and disability benefits. Benefits are established by State statute.

City policemen are required by State statute to contribute 8% of their salary to the System. The City is required by State statute to contribute to the System the remaining amounts necessary to pay benefits when due. The contribution requirement for the year ended June 30, 1990 was \$1,213,712, which consisted of \$628,086 from the City and \$585,626 from employees; these contributions represented 8.58% and 8.0% of covered payroll, respectively. The payroll for employees covered by the System for the year ended June 30, 1990, was \$7,320,344; the City's total payroll for the System was \$7,320,344.

**NOTE 11 - RETIREMENT AND PENSION PLANS (Continued)****Arizona State Retirement Plan**

All other City employees are covered by the Arizona State Retirement Plan (Plan), a cost-sharing multiple-employer public employee retirement system. Employees may retire at or after age 60 with twenty-five years of credited service, at or after age 62 with ten years of credited service, or at age 65 with five years of credited service. They are entitled to a retirement benefit payable monthly for life generally equal to the employee's average monthly compensation, as defined by the State statutes, multiplied by the sum of (a) the number of years of credited past service prior to July 1, 1967, as defined, times 1.5%; and (b) the number of years of credited service subsequent to July 1, 1967, as defined, times 2.0%. Benefits fully vest on reaching five years of credited service. Vested employees may retire at age 50 and receive reduced retirement benefits. The Plan also provides death and disability benefits. Benefits are established by State statute.

City employees are required by State statute to contribute 2.0% of their compensation to the Plan. The City is required by State statute to also contribute a matching 2.0%. The contribution requirement for the year ended June 30, 1990, was \$1,157,114, which consisted of \$578,557 from the City and \$578,587 from employees, respectively. The payroll for employees covered by the Plan for the year ended June 30, 1990, was \$27,926,100; the City's total payroll for the Plan was \$29,719,623.

**Elected Officials' Retirement Plan**

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

Members are required by State statute to contribute 7.0% of gross salary to EORP. The City is required by State statute to also contribute to EORP the remaining amounts necessary to pay benefits when due. The contribution requirement for the year ended June 30, 1990, was \$23,060, which consisted of \$15,531 from the City and \$7,529 from members. These contributions represented 14.44% and 7.0% of covered payroll, respectively. The payroll for members covered by the EORP for the year ended June 30, 1990, was \$107,555; the City's total payroll for the EORP was \$107,555.

**NOTE 11 - RETIREMENT AND PENSION PLANS (Continued)****Pension Benefit Obligation**

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

**The System**

The System prepares separate measurements of assets and pension benefit obligation for individual employers. The pension benefit obligation was determined as part of an actuarial valuation of the plan as of June 30, 1989, the most recent valuation date available. Significant actuarial assumptions used in determining the pension benefit obligation include: (a) a rate of return on the investment of present and future assets of 9.0% per year compounded annually; (b) projected salary increases of 6.5% per year compounded annually, attributable to inflation; and (c) additional projected salary increases ranging from 0.0% to 3.0% per year, depending on age, attributable to seniority/merit.

At June 30, 1989, the assets in excess of the pension benefit obligation for the System were \$769,043, determined as follows:

**PENSION BENEFIT OBLIGATION**

Retirees and Beneficiaries Currently Receiving Benefits	\$ 6,148,484
Terminated Employees Not Yet Receiving Benefits	None
<b>Current Employees</b>	
Accumulated Employee Contributions Including	
Allocated Investment Income	3,176,365
Employer Financed - Vested	6,289,485
Employer Financed - Non-vested	<u>1,884,137</u>
<b>Total Pension Benefit Obligation</b>	<b>17,498,471</b>
Net Assets Available for Benefits (at Market Value)	<u>18,267,514</u>
<b>ASSETS IN EXCESS OF THE PENSION BENEFIT OBLIGATION</b>	<b><u>\$ 769,043</u></b>

The System's funding policy provides for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are designed to accumulate sufficient assets to pay benefits when due. The normal cost and actuarial accrued liability are determined using an entry age actuarial funding method. Unfunded actuarial accrued liabilities are being amortized as a level percent of payroll over a period of 40 years (from July 1, 1978). Of the original 40 years, there are twenty-eight years remaining from July 1, 1990.

**NOTE 11 - RETIREMENT AND PENSION PLANS (Continued)****Pension Benefit Obligation (Continued)****The System (Continued)**

During the year ended June 30, 1989, contributions totaling \$1,093,740 (\$552,954 employer and \$540,786 employee) were made in accordance with contribution requirements determined by an actuarial valuation of the plan as of June 30, 1987. The employer contributions consisted of \$540,110 for normal cost and (\$12,844) for amortization of the unfunded actuarial accrued liability. Employer contributions represented 8.18% of covered payroll.

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

Trend information gives an indication of the progress made in accumulating sufficient assets to pay benefits when due. Ten year trend information for the System may be found on page 116 of the City's comprehensive annual financial report. Trend information for the three years ended June 30, 1987, 1988, and 1989, respectively, is as follows: available assets were sufficient to fund 109.2%, 105.3%, and 104.4% of the pension benefit obligation. The over-funded pension benefit obligation represented 20.3%, 12.3%, and 11.6% of the annual payroll for employees covered by the System for 1987, 1988, and 1989, respectively. Presenting the over-funded pension benefit obligation as a percentage of annual covered payroll approximately adjusts for the effects of inflation for analysis purposes. In addition, for the three years ended June 30, 1987, 1988, and 1989, the government's contributions to the System, all made in accordance with actuarially determined requirements, were 7.94%, 6.83%, and 8.18%, respectively, of annual covered payroll.

**The Plan**

The Plan does not prepare separate measurements of assets and pension benefit obligation for individual employers. The pension benefit obligation for the Plan as a whole was determined as part of the actuarial valuation of the Plan as of June 30, 1989, the most recent valuation date available. Significant actuarial assumptions used include: (a) a rate of return on investment of present and future assets of 8% per year compounded annually; (b) a projected salary increase ranging from 5.50% to 7.75%, compounded annually, attributable to cost-of-living and merit; and (c) no post-retirement benefit increase. The actuary assumptions at June 30, 1989, reflect the effects of an early retirement window between May 15, 1989, and November 15, 1989. This assumption resulted in an increase in the pension benefit obligation by \$29,755,228. At June 30, 1989, the assets in excess of pension benefit obligation was \$635,763,625, determined as follows:

## NOTE 11 - RETIREMENT AND PENSION PLANS (Continued)

Pension Benefit Obligation (Continued)The Plan (Continued)

## PENSION BENEFIT OBLIGATION

Retirees and Beneficiaries Currently Receiving Benefits	\$2,167,397,593
Terminated Employees Not Yet Receiving Benefits	126,410,516

## Current Employees

Accumulated Employee Contributions Including	
Allocated Investment Income	1,466,953,643
Employer Financed - Vested	1,588,576,217
Employer Financed - Non-vested	667,554,359
Total Pension Benefit Obligation	<u>6,016,892,328</u>

Net Assets Available for Benefits at Cost	
(Market Value of \$7,314,715,626)	<u>6,652,655,953</u>

ASSETS IN EXCESS OF THE PENSION BENEFIT OBLIGATION	<u>\$ 635,763,625</u>
--	-----------------------

The Arizona Revised Statutes provides statutory authority for employees' and employer contributions. The employee and employer contribution rates for the year ended June 30, 1990, were actuarially computed to be 4.69% of covered payroll by an actuarial valuation performed at June 30, 1987. However, the Arizona Legislature preempted the computation by passing a law which set the rate at 2.0% for employees and employers.

An actuarial valuation performed at June 30, 1989, also determined that the normal cost rate for the year ended June 30, 1990 is 9.16% including the required amortization credit of the assets in excess of the actuarial accrued liability at (1.52%) of compensation. The result is a total employer and employee contribution rate of 7.64% (3.82% for the employers and 3.82% for the employees) for the 1991 fiscal year.

The State made two major benefit improvements during 1989, namely retiree adhoc increases to be effective July 1, 1989, and July 1, 1990, and a tax equity allowance increase effective January 1, 1989. These changes have not been separately valued by the actuary.

Trend information gives an indication of the progress made in accumulating sufficient assets to pay benefits when due. Ten year trend information for the Plan may be found on page 117 of the City's comprehensive annual financial report. Trend information for the three years ended June 30, 1987, 1988, and 1989, respectively, is as follows: available assets were sufficient to fund 111.0%, 111.1%, and 110.6% of the pension benefit obligation. The over-funded pension benefit obligation represented 22.0%, 21.2%, and 21.2% of the annual payroll for employees covered by the Plan for 1987, 1988, and 1989, respectively. Presenting the over-funded pension benefit obligation as a percentage of annual covered payroll approximately adjusts for the effects of inflation for analysis purposes. In addition, for the three years ended June 30, 1987, 1988, and 1989, the government's contributions to the Plan, all except 1988, made in accordance with actuarially determined requirements, were 5.53%, 4.00%, and 5.09%, respectively, of annual covered payroll. In 1988, the actuarial valuation of 5.16% was pre-empted by the Arizona Legislature, which set the rate at 4.00%. The City's 1989-90 contribution represented 0.9% of total contributions required of all participating entities.



**NOTE 11 - RETIREMENT AND PENSION PLANS (Continued)****Pension Benefit Obligation (Continued)****EORP**

The EORP does not prepare separate measurements of assets and pension benefit obligation for individual employers. The pension benefit obligation for the EORP as a whole was determined as part of an actuarial valuation of the plan as of June 30, 1989, the most recent valuation date available. Significant actuarial assumptions used in determining the pension benefit obligation include: (a) a rate of return on the investment of present and future assets of 9.0% per year compounded annually; (b) projected salary increases of 7.0% per year compounded annually, attributable to inflation; and (c) the assumption that benefits will not increase after retirement.

At June 30, 1988, the assets in excess of the pension benefit obligation were \$2,194,469, determined as follows:

**PENSION BENEFIT OBLIGATION**

Retirees and Beneficiaries Currently Receiving Benefits	\$25,046,232
Terminated Employees Not Yet Receiving Benefits	978,906
<b>Current Employees</b>	
Accumulated Employee Contributions Including	
Allocated Investment Income	7,914,787
Employer Financed - Vested	35,655,717
Employer Financed - Non-vested	<u>2,203,263</u>
<b>Total Pension Benefit Obligation</b>	<u>71,798,905</u>
 Net Assets Available for Benefits (at Market Value)	 <u>73,993,374</u>
 <b>ASSETS IN EXCESS OF THE PENSION BENEFIT OBLIGATION</b>	 <u><u>\$ 2,194,469</u></u>

EORP's funding policy provides for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are designed to accumulate sufficient assets to pay benefits when due. The normal cost and actuarial accrued liability are determined using an entry age actuarial funding method. Unfunded actuarial accrued liabilities are being amortized as a level percent of payroll over a period of 34 years.

During the year ended June 30, 1988, contributions by all participating employees totalling \$4,240,137 (\$2,684,443 employers and \$1,555,694 employees) were made in accordance with contribution requirements determined by an actuarial valuation of the Plan as of June 30, 1987.

Changes in actuarial assumptions and benefit provisions during the valuation year ended June 30, 1988, resulted in an increase in the computed contribution rate of 1.37% of covered payroll.

**NOTE 11 - RETIREMENT AND PENSION PLANS (Continued)****Pension Benefit Obligation (Continued)****EORP (Continued)**

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

Trend information gives an indication of the progress made in accumulating sufficient assets to pay benefits when due. Ten year trend information for the EORP may be found on page 118 of the City's comprehensive annual financial report. Trend information for the two years ended June 30, 1987 and 1988, respectively, is as follows: available assets were sufficient to fund 104.3% and 103.1% of the pension benefit obligation. The over-funded pension benefit obligation represented 13.2% and 10.2% of the annual payroll for employees covered by the EORP for 1987 and 1988, respectively. Presenting the over-funded pension benefit obligation as a percentage of annual covered payroll approximately adjusts for the effects of inflation for analysis purposes. In addition, for the two years ended June 30, 1988 and 1989, the City's contributions to the EORP, all made in accordance with actuarially determined requirements, were 13.42% and 13.58%, respectively, of annual covered payroll. The City's 1989-90 contribution represented 0.6% of total contributions required of all participating entities.

**NOTE 12 - DEFERRED COMPENSATION PLAN (AGENCY FUND)**

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

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

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

**NOTE 13 - CONTINGENT LIABILITIES**

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

Sick leave benefits provide for ordinary sick pay and are not vested with the employee. Unused benefits are payable only upon the death or retirement of an employee. The amount not recorded in the accounts for accrued sick pay benefits aggregated \$1,644,000 at June 30, 1990.

During 1989-90 management discovered inconsistencies in the administration of the City's Community Development Block Grant Program (CDBG). U.S. Department of Housing and Urban Development (HUD) has in progress a compliance review of the City's CDBG program. At June 30, 1990, the City has provided for a potential liability in this matter, pending final outcome of the HUD review.

## NOTE 14 - SEGMENTS OF ENTERPRISE ACTIVITIES

Water and sewer, airport, housing, and sanitation are four major services provided by the City which are financed by user charges and are of such significance as to warrant disclosure as segments of enterprise activities. Segment information as of and for the year ended June 30, 1990, is as follows (in thousands of dollars):

	<u>TOTAL</u>	<u>WATER AND SEWER</u>	<u>AIRPORT</u>	<u>HOUSING</u>	<u>SANITATION</u>
Operating Revenue	\$ 37,101	\$ 30,578	\$ 672	\$	\$ 5,851
Depreciation and Amortization	5,906	5,466	411		29
Operating Income (Loss)	5,206	5,363	(413)		256
Net Income (Loss)	4,566	4,658	(395)		303
Contributions					
Subdividers	6,372	6,372			
Other Government Units	308	175	133		
Development Fees	4,433	4,433			
Total Assets	254,274	241,745	11,177	10	1,342
Long-Term Debt (Less Current Portion) and Other Liabilities:					
Payable From Operating Revenues	56,373	56,373			
Payable From Other Services	983	973		10	
Total Equity	189,152	177,431	10,941		780

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

The General Fund has an excess of expenditures over appropriations of \$124,942 for Municipal Services caused by an increase in utility costs. The Municipal Services department has operations in three funds and has not exceeded the total appropriation of these funds.

The Highway User Fuel Tax Fund has an excess of expenditures over appropriations for Planning and Zoning of \$5,627 caused by an increase in utilities and in the number of streetlights. The Planning and Zoning department has operations in two funds and has not exceeded the total appropriation of these funds.

The Municipal Property Corporation has an excess of expenditures over appropriations for Debt Service interest of \$34,863 caused by an unexpected increase in fiscal agent fees which are reported as interest expenditures. The Municipal Property Corporation is part of the Debt Service department and this department has not exceeded its total appropriation.

The Special Assessment Fund has an excess of expenditures over appropriations for Debt Service of \$597 caused by higher than anticipated fiscal agent fees.

The Water and Sewer Utility Fund has an excess of expenditures over appropriations for Debt Service of \$4,950 caused by higher than anticipated fiscal agent fees. The Debt Service department has activity in four funds and has not exceeded the total appropriation of these funds.

The Motor Pool Fund has an accumulated deficit of \$206,534 caused by an insufficiency of user rates to cover expenses in prior years. User rates in the current year have reduced the deficit. User rates in future years will reduce the deficit further.

The Self-Insurance Fund has an accumulated deficit of \$2,505,579 caused by two previous years of higher than anticipated insurance claims. The deficit will be decreased in future years by increasing contributions to this fund from the General Fund.

**NOTE 16 - CAPITALIZED INTEREST**

During fiscal year 1990, the Water and Sewer Fund capitalized net interest costs of \$457,595 (interest expense of \$770,174 reduced by interest income of \$312,579). Total interest income and expense in that fund before capitalization was \$2,938,959 and \$4,102,100, respectively.

## NOTE 17 - INTERFUND ASSETS/LIABILITIES AND TRANSFERS

## Due From/To Other Funds

<u>Receivable Fund</u>	<u>Amount</u>	<u>Payable Fund</u>	<u>Amount</u>
General	\$757,769	Highway User	\$215,686
		Airport	202,659
		Sanitation	<u>339,424</u>
			<u>\$757,769</u>

Residual Equity Transfer Out

## From:

General Fund	\$2,096,509
Special Revenue (HURF Fund)	98,711
Capital Projects (MPC Fund)	1,994,926
Capital Projects (G.O. Bonds)	<u>410,000</u>
	<u>\$4,600,146</u>

Residual Equity Transfer In

## To:

Capital Projects (All Other)	\$2,096,509
Capital Projects (All Other)	98,711
Debt Service (MPC Fund)	1,994,926
Capital Projects (All Other)	<u>410,000</u>
	<u>\$4,600,146</u>

The Residual Equity Transfer In to the General Fund of \$87,758 appears as a reduction to contributed capital in the Water/Sewer and Sanitation Funds.

Net operating transfers are reported in the following funds:

Operating Transfers Out

## From:

General Fund	\$1,114,787
General Fund	194,000
General Fund	130,000
Debt Service (MPC Fund)	<u>1,994,926</u>
	<u>\$3,433,713</u>

Operating Transfers In

## To:

Special Revenue (HURF Fund)	\$1,114,787
Special Revenue (HURF Fund accounted for as HURF maintenance of effort)	194,000
Special Revenue (CDBG Fund)	130,000
Capital Projects (All Other)	<u>1,994,926</u>
	<u>\$3,433,713</u>

**NOTE 18 - OTHER MATTERS**

- A. In fiscal 1983 the City entered into a ten-year agreement with Rural/Metro Corporation ("Rural/Metro") whereby Rural/Metro will provide fire protection and related services to the City. Annual amounts due in fiscal year 1991 will approximate \$5,317,000. Payments to Rural/Metro amounted to \$4,573,446 for the year ended June 30, 1990.
  
- B. The City established a Self Insurance Fund during fiscal year 1979. The Self Insurance Fund is responsible for the budgeting, investigation, and payment of claims that are incurred by the City. The Self Insurance Fund is protected by excess insurance designed to limit the exposure to loss for any single loss occurrence. For fiscal year 1990 the Self Insurance Fund was responsible for the first \$300,000 per occurrence for worker's compensation claims and the first \$1,000,000 for liability claims against the City. The Fund was also responsible for vehicle damage above \$1,000 and all unemployment claims.
  
- C. In December, 1984, the City entered into a Service Agreement and land lease with Scottsdale Water Services Company (Partnership). The Service Agreement provides that the Partnership's water treatment facility will treat Central Arizona Project water to quality standards established by the City and other regulatory agencies and furnish this water to the City for distribution to its customers. In return, the City will pay service fees based on all of the Partnership's debt service payments and operating costs subsequent to substantial completion of the facility, which was in December, 1986, and the City is obligated to maintain a \$300,000 equipment replacement and repair account. The City will retain ownership of the water and responsibility for deliveries to final users. Payments to the partnership amounted to approximately \$2,532,000 for the year ended June 30, 1990.

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

1992	\$ 460,000
1993	745,000
1994	805,000
1995	865,000
1996	935,000
Thereafter	<u>19,190,000</u>
	<u><u>\$23,000,000</u></u>

The bonds bear interest at a variable rate (6.25% for June 1990) based on a specified municipal bond index. There is an option under certain circumstances to establish a fixed interest rate.

**NOTE 18 - OTHER MATTERS (Continued)**

- D. In June, 1988, the City entered into a Service Agreement with Scottsdale Cultural Council (Council). The Service Agreement provides that the Council will manage the arts and cultural affairs within the Scottsdale community for a five year period beginning July 1, 1988. In return, the City will pay service fees to the Council based on the Service Agreement between the City and the Council. Annual amounts due in fiscal year 1991 will approximate \$1,792,324. Payments to Scottsdale Cultural Council amounted to \$1,686,437 for the year ended June 30, 1990.
- E. In July, 1990, the City sold \$1,315,000 of Special Assessment Bonds for the Pima Acres Improvement District Project No. 08834. Proceeds from the sale of bonds, together with cash received through the payment of assessments, will be used to pay for the construction of waterlines, sewer pipes, and utility trenching located within the district. The bonds are dated August 1, 1990, with annual principal payments of \$130,000 to \$135,000, commencing January 1, 1992 through January 1, 2001, with interest at 6.875%.





**GENERAL FUND**

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

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

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

## CITY OF SCOTTSDALE

EXHIBIT B-1

## GENERAL FUND

## BALANCE SHEET

JUNE 30, 1990

## ASSETS

Cash and Short-Term Investments	\$20,772,130
Investments	23,908,847
Receivables	
Accrued Interest	590,265
Property Taxes	800,493
State Shared Sales Tax	593,285
Auto Lieu Tax	173,155
Miscellaneous	104,402
Due From Other Funds	757,769
Supplies Inventory	143,105
	<hr/>
Total Assets	<u>\$47,843,451</u>

## LIABILITIES AND FUND BALANCE

Liabilities	
Accounts Payable	\$386,928
Accrued Payroll	2,167,686
Accrued Interest Payable	118,644
Deferred Property Taxes	762,997
Total Liabilities	<hr/> 3,436,255
Fund Balance	
Reserved for	
Encumbrances	1,715,467
Streetlight Districts	433,565
Unreserved	42,258,164
Total Fund Balance	<hr/> 44,407,196
Total Liabilities and Fund Balance	<u>\$47,843,451</u>

See Notes to Financial Statements.

## CITY OF SCOTTSDALE

EXHIBIT B-2

## GENERAL FUND

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

FOR THE FISCAL YEAR ENDED JUNE 30, 1990

Revenues	
Taxes - Local	\$28,171,118
Taxes - Intergovernmental	15,627,182
Licenses	617,200
Charges for Current Services	5,463,953
Fines and Forfeitures	2,052,306
Use of Money and Property	5,293,413
Streetlight Districts	564,046
Other	2,362,482
	<hr/>
Total Revenues	60,151,700
Expenditures	
Current Operating Departments	
General Government	5,532,602
Police	14,525,719
Financial Services	2,465,924
Community Services	12,020,030
General Services	3,362,868
Planning & Zoning	4,531,207
Fire	5,020,994
Municipal Services	2,891,348
Streetlight Districts	432,177
Debt Service	
Principal	3,105,903
Interest	925,940
	<hr/>
Total Expenditures	54,814,712
	<hr/>
Excess of Revenues Over Expenditures	5,336,988
Other Uses	
Operating Transfers Out	(1,438,787)
	<hr/>
	(1,438,787)
	<hr/>
Excess of Revenues Over Expenditures and Other Uses	3,898,201
Fund Balance July 1, 1989	42,517,746
Residual Equity Transfer In	87,758
Residual Equity Transfer Out	(2,096,509)
	<hr/>
Fund Balance June 30, 1990	<u>\$44,407,196</u>

See Notes to Financial Statements.

## CITY OF SCOTTSDALE

EXHIBIT B-3

## GENERAL FUND

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

FOR THE FISCAL YEAR ENDED JUNE 30, 1990

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>Revenues</b>			
Taxes - Local	\$28,199,536	\$28,171,118	(\$28,418)
Taxes - Intergovernmental	15,753,000	15,627,182	(125,818)
Licenses	677,000	617,200	(59,800)
Charges for Current Services	5,150,000	5,463,953	313,953
Fines and Forfeitures	2,070,000	2,052,306	(17,694)
Use of Money and Property	4,654,000	5,293,413	639,413
Other	742,000	500,282	(241,718)
<b>Total Revenues</b>	<b>57,245,536</b>	<b>57,725,454</b>	<b>479,918</b>
<b>Expenditures</b>			
<b>Current Operating Departments</b>			
General Government	7,834,538	7,697,206	137,332
Police	15,078,950	14,994,177	84,773
Financial Services	3,757,683	3,536,089	221,594
Community Services	12,630,211	12,587,554	42,657
General Services	5,176,274	4,962,833	213,441
Planning & Zoning	4,673,731	4,667,840	5,891
Fire	5,142,131	5,134,046	8,085
Municipal Services	4,215,745	4,340,687	(124,942)
Contingency	2,786,278		2,786,278
Debt Service			
Principal	3,111,266	3,105,903	5,363
Interest	954,844	925,940	28,904
<b>Total Expenditures</b>	<b>65,361,651</b>	<b>61,952,275</b>	<b>3,409,376</b>
<b>Deficiency of Revenues Over Expenditures</b>	<b>(8,116,115)</b>	<b>(4,226,821)</b>	<b>3,889,294</b>
<b>Other Sources (Uses)</b>			
Operating Transfers In	10,095,159		(10,095,159)
Operating Transfers Out	(1,979,044)	(1,472,411)	506,633
<b>Deficiency of Revenues and Other Sources Over Expenditures and Other Uses</b>		<b>(5,699,232)</b>	<b>(5,699,232)</b>
Encumbrances Cancelled		847,386	847,386
Fund Balance July 1, 1989		6,840,000	6,840,000
Residual Equity Transfer Out		(2,096,509)	(2,096,509)
Residual Equity Transfer In			
<b>Fund Balance June 30, 1990</b>	<b>\$</b>	<b>(\$108,355)</b>	<b>(\$108,355)</b>

CITY OF SCOTTSDALE

EXHIBIT B-4

GENERAL FUND

SCHEDULE OF REVENUES - BUDGET AND ACTUAL - BUDGET BASIS

FOR THE FISCAL YEAR ENDED JUNE 30, 1990

	BUDGET	ACTUAL	ACTUAL OVER/ (UNDER) ESTIMATED
<b>Taxes - Local</b>			
Property Tax	\$5,012,154	\$4,966,741	(\$45,413)
Transaction Privilege	17,045,382	16,968,532	(76,850)
Hotel/Motel Transient Tax	3,113,000	3,220,066	107,066
Light and Power Franchise	2,150,000	2,163,258	13,258
Cable TV Franchise	620,000	620,686	686
Salt River Project In Lieu	104,000	80,334	(23,666)
Fire Insurance Premium Tax	155,000	151,501	(3,499)
	<u>28,199,536</u>	<u>28,171,118</u>	<u>(28,418)</u>
<b>Taxes - Intergovernmental</b>			
State-Shared Sales Tax	7,038,000	6,978,440	(59,560)
Automobile In Lieu	2,078,000	2,017,805	(60,195)
State Revenue Sharing	6,637,000	6,630,937	(6,063)
	<u>15,753,000</u>	<u>15,627,182</u>	<u>(125,818)</u>
<b>Licenses</b>			
Business and Liquor Licenses	677,000	617,200	(59,800)
<b>Charges for Current Services</b>			
Building and Related Permits	3,815,000	4,069,761	254,761
Recreation Fees	1,335,000	1,394,192	59,192
	<u>5,150,000</u>	<u>5,463,953</u>	<u>313,953</u>
<b>Fines and Forfeitures</b>			
Court Fines	1,700,000	1,694,251	(5,749)
Parking	250,000	232,106	(17,894)
Library	120,000	125,949	5,949
	<u>2,070,000</u>	<u>2,052,306</u>	<u>(17,694)</u>
<b>Use of Money and Property</b>			
Interest Earnings	3,844,000	4,416,349	572,349
Property Rental	810,000	877,064	67,064
	<u>4,654,000</u>	<u>5,293,413</u>	<u>639,413</u>
<b>Other</b>	742,000	500,282	(241,718)
<b>Total Revenues</b>	<u>\$57,245,536</u>	<u>\$57,725,454</u>	<u>\$479,918</u>

## CITY OF SCOTTSDALE

EXHIBIT B-5

## GENERAL FUND

## SCHEDULE OF EXPENDITURES BY OBJECT

FOR THE FISCAL YEAR ENDED JUNE 30, 1990

	TOTAL	PERSONAL SERVICES	OTHER SERVICES	SUPPLIES	DEBT SERVICE	CAPITAL OUTLAY
<b>Current Operating Departments</b>						
General Government	\$6,583,069	\$2,799,723	\$3,599,094	\$135,170	\$	\$49,082
Police	14,525,719	12,104,656	2,131,341	273,049		16,673
Financial Services	3,365,771	2,738,565	492,803	888		133,515
Community Services	12,020,030	7,098,514	3,710,124	1,161,708		49,684
General Services	4,699,130	3,149,419	1,324,505	127,785		97,421
Planning & Zoning	4,531,207	3,366,396	1,040,708	77,238		46,865
Fire	5,122,494	199,953	4,898,119	24,422		
Municipal Services	4,220,243	1,432,231	2,484,232	299,475		4,305
<b>Streetlight Districts</b>	432,177		432,177			
<b>Debt Service</b>						
Principal	3,105,903				3,105,903	
Interest	925,940				925,940	
<b>Expenditures</b>	<u>59,531,683</u>	<u>\$32,889,457</u>	<u>\$20,113,103</u>	<u>\$2,099,735</u>	<u>\$4,031,843</u>	<u>\$397,545</u>
<b>Indirect Cost Allocation Out</b>	(4,716,971)					
<b>Total Expenditures</b>	<u>\$54,814,712</u>					
<b>Operating Transfers Out</b>						
Highway User Fuel Tax Fund	\$1,308,787					
CDBG	130,000					
	<u>\$1,438,787</u>					

**SPECIAL REVENUE FUNDS**

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

**Highway User Fuel Tax Fund**

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

**Community Development Fund**

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

**Grants Fund**

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



CITY OF SCOTTSDALE  
 SPECIAL REVENUE FUNDS  
 COMBINING BALANCE SHEET  
 JUNE 30, 1990

EXHIBIT C-1

ASSETS	TOTAL ALL FUNDS	HIGHWAY USER FUEL TAX	COMMUNITY DEVELOPMENT	GRANTS
Cash and Short-Term Investments	\$195,086	\$118,530	\$33,030	\$43,526
Cash with Fiscal Agents	1,917,625	1,917,625		
Receivables				
Fuel Tax	553,502	553,502		
Grants	126,026			126,026
Miscellaneous	131,939	21,048	110,891	
<b>Total Assets</b>	<b>\$2,924,178</b>	<b>\$2,610,705</b>	<b>\$143,921</b>	<b>\$169,552</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities</b>				
Accounts Payable	\$165,168	\$155,327	\$9,139	\$702
Accrued Payroll	147,622	137,258	4,782	5,582
Due to General Fund	215,686	215,686		
Bond Interest Payable	1,222,625	1,222,625		
Bonds Payable - Current Portion	695,000	695,000		
<b>Total Liabilities</b>	<b>2,446,101</b>	<b>2,425,896</b>	<b>13,921</b>	<b>6,284</b>
<b>Fund Balances</b>				
Reserved for Encumbrances	209,165	184,809	240	24,116
Unreserved	268,912		129,760	139,152
<b>Total Fund Balances</b>	<b>478,077</b>	<b>184,809</b>	<b>130,000</b>	<b>163,268</b>
<b>Total Liabilities and Fund</b>	<b>\$2,924,178</b>	<b>\$2,610,705</b>	<b>\$143,921</b>	<b>\$169,552</b>

See Notes to Financial Statements.

CITY OF SCOTTSDALE

EXHIBIT C-2

SPECIAL REVENUE FUNDS

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

FOR THE FISCAL YEAR ENDED JUNE 30, 1990

	TOTAL ALL FUNDS	HIGHWAY USER FUEL TAX	COMMUNITY DEVELOPMENT	GRANTS
<b>Revenues</b>				
Taxes-Intergovernmental	\$8,574,642	\$8,574,642	\$	\$
Grants	973,247		757,420	215,827
Other	7,605		7,605	
<b>Total Revenues</b>	<b>9,555,494</b>	<b>8,574,642</b>	<b>765,025</b>	<b>215,827</b>
<b>Expenditures</b>				
Current Operating Departments				
Transportation	6,782,224	6,782,224		
Community Services	159,193			159,193
Planning & Zoning	1,404,615	639,590	765,025	
Debt Service				
Principal	695,000	695,000		
Interest	1,774,650	1,774,650		
<b>Total Expenditures</b>	<b>10,815,682</b>	<b>9,891,464</b>	<b>765,025</b>	<b>159,193</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(1,260,188)</b>	<b>(1,316,822)</b>		<b>56,634</b>
<b>Other Sources (Uses)</b>				
Operating Transfer In				
From General Fund	1,244,787	1,114,787	130,000	
HURF Maintenance of Effort	194,000	194,000		
Proceeds of Refunding Bonds	15,683,250	15,683,250		
Payment to Refunded Bond Escrow Agent	(15,683,250)	(15,683,250)		
	1,438,787	1,308,787	130,000	
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b>	<b>178,599</b>	<b>(8,035)</b>	<b>130,000</b>	<b>56,634</b>
Fund Balances July 1, 1989	398,189	291,555		106,634
Residual Equity Transfer - CIP	(98,711)	(98,711)		
<b>Fund Balances June 30, 1990</b>	<b>\$478,077</b>	<b>\$184,809</b>	<b>\$130,000</b>	<b>\$163,268</b>

See Notes to Financial Statements.

CITY OF SCOTTSDALE

EXHIBIT C-3

SPECIAL REVENUE FUNDS

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 1990

	HIGHWAY USER FUEL TAX		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>Revenues</b>			
Taxes - Intergovernmental	\$8,658,000	\$8,574,642	(\$83,358)
<b>Total Revenues</b>	<b>8,658,000</b>	<b>8,574,642</b>	<b>(83,358)</b>
<b>Expenditures</b>			
Current Operating Departments			
Transportation	7,166,229	7,063,956	102,273
Planning & Zoning	634,739	640,366	(5,627)
Contingency	41,765		41,765
Debt Service			
Principal	695,000	695,000	
Interest	1,814,628	1,774,650	39,978
<b>Total Expenditures</b>	<b>10,352,361</b>	<b>10,173,972</b>	<b>178,389</b>
<b>Deficiency of Revenues   Over Expenditures</b>	<b>(1,694,361)</b>	<b>(1,599,330)</b>	<b>95,031</b>
<b>Other Sources</b>			
Operating Transfer In			
From General Fund	1,500,361	1,125,548	(374,813)
HURF Maintenance Effort	194,000	194,000	
<b>Deficiency of Revenues and Other   Sources Over Expenditures</b>		<b>(279,782)</b>	<b>(279,782)</b>
Encumbrances Cancelled		79,197	79,197
Fund Balance July 1, 1989		96,381	96,381
Residual Equity Transfer Out		(98,711)	(98,711)
<b>Fund Balance June 30, 1990</b>	<b>\$</b>	<b>(\$202,915)</b>	<b>(\$202,915)</b>

## CITY OF SCOTTSDALE

EXHIBIT C-4

## SPECIAL REVENUE FUNDS

## COMBINING SCHEDULE OF REVENUES AND OTHER SOURCES

FOR THE FISCAL YEAR ENDED JUNE 30, 1990

	TOTAL ALL FUNDS	HIGHWAY USER FUEL TAX	COMMUNITY DEVELOPMENT	GRANTS
Taxes - Intergovernmental				
Fuel Tax	\$7,515,860	\$7,515,860	\$	\$
Local Transportation Assistance Fund	1,058,782	1,058,782		
	8,574,642	8,574,642		
Grants				
Federal	808,348		757,420	50,928
State	140,651			140,651
Miscellaneous	24,248			24,248
	973,247		757,420	215,827
Other	7,605		7,605	
	9,555,494	8,574,642	765,025	215,827
Other Sources				
Operating Transfer In From General Fund	1,244,787	1,114,787	130,000	
HURF Maintenance of Effort	194,000	194,000		
	1,438,787	1,308,787	130,000	
	\$10,994,281	\$9,883,429	\$895,025	\$215,827

CITY OF SCOTTSDALE

EXHIBIT C-5

SPECIAL REVENUE FUNDS

COMBINING SCHEDULE OF EXPENDITURES BY OBJECT

FOR THE FISCAL YEAR ENDED JUNE 30, 1990

	TOTAL	PERSONAL SERVICES	OTHER SERVICES	SUPPLIES	DEBT SERVICE	CAPITAL OUTLAY
<b>HIGHWAY USER FUEL TAX</b>						
Current Operating Department						
Transportation	\$6,782,224	\$2,703,034	\$2,299,079	\$1,724,263	\$	\$55,848
Planning & Zoning	639,590		639,590			
Debt Service						
Principal	695,000				695,000	
Interest	1,774,650				1,774,650	
	<u>9,891,464</u>	<u>2,703,034</u>	<u>2,938,669</u>	<u>1,724,263</u>	<u>2,469,650</u>	<u>55,848</u>
<b>COMMUNITY DEVELOPMENT</b>						
Current Operating Departments						
Planning & Zoning	765,025	159,041	360,347	12,119		233,518
<b>GRANTS</b>						
Current Operating Departments						
Community Services	159,193	70,296	56,351	5,190		27,356
<b>Total Expenditures</b>	<u>\$10,815,682</u>	<u>\$2,932,371</u>	<u>\$3,355,367</u>	<u>\$1,741,572</u>	<u>\$2,469,650</u>	<u>\$316,722</u>

**DEBT SERVICE FUNDS**

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

**General Obligation Bond Debt Service Fund**

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

**Municipal Property Corporation Debt Service Fund**

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

**Special Assessments Debt Service Fund**

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

CITY OF SCOTTSDALE  
 DEBT SERVICE FUNDS  
 COMBINING BALANCE SHEET  
 JUNE 30, 1990

EXHIBIT D-1

	TOTAL ALL FUNDS	GENERAL OBLIGATION BOND	MUNICIPAL PROPERTY CORPORATION	SPECIAL ASSESSMENTS
ASSETS				
Cash and Short-Term Investments	\$4,265,869	\$494,843	\$3,123,145	\$647,881
Cash with Fiscal Agents	12,913,608	7,349,413	4,558,094	1,006,101
Investments	4,803,831		4,803,831	
Receivables				
Accrued Interest	150,208		150,208	
Property Tax	68,745	68,745		
Special Assessments	11,475,226			11,475,226
<b>Total Assets</b>	<b>\$33,677,487</b>	<b>\$7,913,001</b>	<b>\$12,635,278</b>	<b>\$13,129,208</b>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accrued Interest Payable	\$585,968	\$	\$585,968	\$
Payable from Cash with Fiscal Agents				
Bonds Interest Payable	4,605,399	1,911,204	2,208,094	486,101
Bonds Payable - Current Portion	5,345,000	2,475,000	2,350,000	520,000
Deferred Revenue				
Special Assessments	11,475,226			11,475,226
<b>Total Liabilities</b>	<b>22,011,593</b>	<b>4,386,204</b>	<b>5,144,062</b>	<b>12,481,327</b>
Fund Balances				
Reserved for				
Sinking Fund Requirements	2,963,209	2,963,209		
Debt Service	8,702,685	563,588	7,491,216	647,881
<b>Total Fund Balances</b>	<b>11,665,894</b>	<b>3,526,797</b>	<b>7,491,216</b>	<b>647,881</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$33,677,487</b>	<b>\$7,913,001</b>	<b>\$12,635,278</b>	<b>\$13,129,208</b>

See Notes to Financial Statements.

CITY OF SCOTTSDALE

EXHIBIT D-2

DEBT SERVICE FUNDS

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

FOR THE FISCAL YEAR ENDED JUNE 30, 1990

	TOTAL ALL FUNDS	GENERAL OBLIGATION BOND	MUNICIPAL PROPERTY CORPORATION	SPECIAL ASSESSMENTS
<b>Revenues</b>				
Taxes - Local				
Property	\$4,856,189	\$4,856,189	\$	\$
Transaction Privilege	10,273,523		10,273,523	
	15,129,712	4,856,189	10,273,523	
Special Assessments	2,957,646			2,957,646
Use of Money and Property Interest Earnings	1,027,075	339,170	687,905	
Total Revenues	19,114,433	5,195,359	10,961,428	2,957,646
<b>Expenditures</b>				
Debt Service				
Principal	7,507,000	2,475,000	3,015,000	2,017,000
Interest	11,743,763	2,724,699	7,984,151	1,034,913
Total Expenditures	19,250,763	5,199,699	10,999,151	3,051,913
Deficiency of Revenues Over Expenditures	(136,330)	(4,340)	(37,723) <sup>2</sup>	(94,267)
Other Uses				
Operating Transfer Out	(1,994,926)		(1,994,926)	
Deficiency of Revenues Over Expenditures and Other Uses	(2,131,256)	(4,340)	(2,032,649)	(94,267)
Fund Balances July 1, 1989	11,802,224	3,531,137	7,528,939	742,148
Residual Equity Transfer In	1,994,926		1,994,926	
Fund Balances June 30, 1990	<u>\$11,665,894</u>	<u>\$3,526,797</u>	<u>\$7,491,216</u>	<u>\$647,881</u>

See Notes to Financial Statements.



## CITY OF SCOTTSDALE

## DEBT SERVICE FUNDS

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

FOR THE FISCAL YEAR ENDED JUNE 30, 1990

	TOTALS (MEMORANDUM ONLY)			GENERAL OBLIGATION BOND			MUNICIPAL PROPERTY CORPORATION			SPECIAL ASSESSMENTS		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues												
Taxes - Local	\$4,858,846	\$4,856,189	(\$2,657)	\$4,858,846	\$4,856,189	(\$2,657)	\$	\$	\$	\$	\$	\$
Property	10,561,618	10,273,523	(288,095)				10,561,618	10,273,523	(288,095)			
Transaction Privilege												
	15,420,464	15,129,712	(290,752)	4,858,846	4,856,189	(2,657)	10,561,618	10,273,523	(288,095)			
Special Assessments	3,052,000	2,957,646	(94,354)							3,052,000	2,957,646	(94,354)
Use of Money and Property												
Interest Earnings	778,000	1,064,798	286,798	340,000	339,170	(830)	438,000	725,628	287,628			
Total Revenues	19,250,464	19,152,156	(98,308)	5,198,846	5,195,359	(3,487)	10,999,618	10,999,151	(467)	3,052,000	2,957,646	(94,354)
Expenditures												
Debt Service												
Principal	7,507,000	7,507,000		2,475,000	2,475,000		3,015,000	3,015,000		2,017,000	2,017,000	
Interest	11,902,924	11,743,763	159,161	2,919,320	2,724,699	194,621	7,949,288	7,984,151	(34,863)	1,034,316	1,034,913	(597)
Total Expenditures	19,409,924	19,250,763	159,161	5,394,320	5,199,699	194,621	10,964,288	10,999,151	(34,863)	3,051,316	3,051,913	(597)
Excess (Deficiency) of Revenues Over Expenditures	(159,460)	(98,607)	60,853	(195,474)	(4,340)	191,134	35,330		(35,330)	684	(94,267)	(94,951)
Transfers Out	(1,500,000)	(1,994,926)	(494,926)				(1,500,000)	(1,994,926)	(494,926)			
Excess (Deficiency) of Revenues Over Expenditures and Other Uses	(1,659,460)	(2,093,533)	(434,073)	(195,474)	(4,340)	191,134	(1,464,670)	(1,994,926)	(530,256)	684	(94,267)	(94,951)
Fund Balances July 1, 1989	(2,215)	855,164	857,379		1,372,496	1,372,496				(2,215)	(517,332)	(515,117)
Residual Equity Transfer In	1,500,000	1,994,926	494,926				1,500,000	1,994,926	494,926			
Fund Balances (Deficits) June 30, 1990	(\$161,675)	\$756,557	\$918,232	(\$195,474)	\$1,368,156	\$1,563,630	\$35,330	\$	(\$35,330)	(\$1,531)	(\$611,599)	(\$610,068)

**CAPITAL PROJECTS FUNDS**

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

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

## CITY OF SCOTTSDALE

## CAPITAL PROJECTS FUNDS

## COMBINING BALANCE SHEET

JUNE 30, 1990

	TOTAL ALL FUNDS	GENERAL OBLIGATION BOND CONSTRUCTION	HIGHWAY USER BOND CONSTRUCTION	MUNICIPAL PROPERTY CORPORATION BOND CONSTRUCTION	SPECIAL ASSESSMENTS	TRANSACTION PRIVILEGE TAX	ALL OTHER CONSTRUCTION
<b>ASSETS</b>							
Cash and Short-Term Investments	\$45,365,770	\$30,322,198	\$923,201	\$28,283	\$6,269,009	\$2,027,003	\$5,796,076
Receivables							
Accrued Interest	261,289	142,728	22,307		96,254		
Miscellaneous	10,000	10,000					
<b>Total Assets</b>	<b>\$45,637,059</b>	<b>\$30,474,926</b>	<b>\$945,508</b>	<b>\$28,283</b>	<b>\$6,365,263</b>	<b>\$2,027,003</b>	<b>\$5,796,076</b>
<b>LIABILITIES AND FUND BALANCES</b>							
<b>Liabilities</b>							
Accounts Payable	\$2,165,387	\$269,153	\$93,399	\$3,219	\$1,626,399	\$	\$173,217
Other	249,699	141,645	23,875		84,179		
<b>Total Liabilities</b>	<b>2,415,086</b>	<b>410,798</b>	<b>117,274</b>	<b>3,219</b>	<b>1,710,578</b>		<b>173,217</b>
<b>Fund Balances</b>							
Reserved for Encumbrances	9,012,765	5,709,622	145,399	23,390	2,951,536		182,818
Unreserved	34,209,208	24,354,506	682,835	1,674	1,703,149	2,027,003	5,440,041
<b>Total Fund Balances</b>	<b>43,221,973</b>	<b>30,064,128</b>	<b>828,234</b>	<b>25,064</b>	<b>4,654,685</b>	<b>2,027,003</b>	<b>5,622,859</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$45,637,059</b>	<b>\$30,474,926</b>	<b>\$945,508</b>	<b>\$28,283</b>	<b>\$6,365,263</b>	<b>\$2,027,003</b>	<b>\$5,796,076</b>

See Notes to Financial Statements.

CITY OF SCOTTSDALE

CAPITAL PROJECTS FUNDS

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

FOR THE FISCAL YEAR ENDED JUNE 30, 1990

	TOTAL ALL FUNDS	GENERAL OBLIGATION BOND CONSTRUCTION	HIGHWAY USER BOND CONSTRUCTION	MUNICIPAL PROPERTY CORPORATION BOND CONSTRUCTION	SPECIAL ASSESSMENTS	TRANSACTION PRIVILEGE TAX	ALL OTHER CONSTRUCTION
<b>Revenues</b>							
Transaction Privilege Tax	\$2,027,667	\$	\$	\$	\$	\$2,027,667	\$
Use of Money and Property	2,095,315	1,043,406	163,531	180,682	707,696		
Other	5,502,583	10,000		117,046	3,608,653		1,766,884
<b>Total Revenue</b>	<b>9,625,565</b>	<b>1,053,406</b>	<b>163,531</b>	<b>297,728</b>	<b>4,316,349</b>	<b>2,027,667</b>	<b>1,766,884</b>
<b>Expenditures</b>							
Capital Improvements	17,000,613	2,638,456	2,640,462	575,042	10,401,818	664	744,171
<b>Excess (Deficiency) of Revenue Over Expenditures</b>	<b>(7,375,048)</b>	<b>(1,585,050)</b>	<b>(2,476,931)</b>	<b>(277,314)</b>	<b>(6,085,469)</b>	<b>2,027,003</b>	<b>1,022,713</b>
<b>Other Sources</b>							
Bond Proceeds	39,445,000	28,785,000			10,660,000		
Operating Transfer In	1,994,926						1,994,926
<b>Excess (Deficiency) of Revenue and Other Sources Over Expenditures</b>	<b>34,064,878</b>	<b>27,199,950</b>	<b>(2,476,931)</b>	<b>(277,314)</b>	<b>4,574,531</b>	<b>2,027,003</b>	<b>3,017,639</b>
<b>Fund Balances July 1, 1989</b>	<b>8,956,801</b>	<b>3,274,178</b>	<b>3,305,165</b>	<b>2,297,304</b>	<b>80,154</b>		
Residual Equity Transfer In	2,605,220						2,605,220
Residual Equity Transfer Out	(2,404,926)	(410,000)		(1,994,926)			
<b>Fund Balances June 30, 1990</b>	<b>\$43,221,973</b>	<b>\$30,064,128</b>	<b>\$828,234</b>	<b>\$25,064</b>	<b>\$4,654,685</b>	<b>\$2,027,003</b>	<b>\$5,622,859</b>

CITY OF SCOTTSDALE  
 CAPITAL PROJECTS FUNDS  
 COMBINING SCHEDULE OF EXPENDITURES BY OBJECT  
 FOR THE FISCAL YEAR ENDED JUNE 30, 1990

EXHIBIT E-3

	TOTAL	PERSONAL SERVICES	OTHER SERVICES	SUPPLIES	CAPITAL OUTLAY
General Obligation Bond Construction Fund Capital Improvements	\$2,638,456	\$112,784	\$163,802	\$324	\$2,361,546
Highway User Bond Construction Fund Capital Improvements	2,640,462	88,971	155,357	28,736	2,367,398
Municipal Property Corporation Bond Construction Fund Capital Improvements	575,042	14,435	22,020	9,540	529,047
Special Assessments Construction Fund Capital Improvements	10,401,818	81,645	155,256		10,164,917
Transaction Privilege Tax Capital Improvements	664		664		
All Other Construction Fund Capital Improvements	744,171	101,819	53,060		589,292
Total Expenditures	<u>\$17,000,613</u>	<u>\$399,654</u>	<u>\$550,159</u>	<u>\$38,600</u>	<u>\$16,012,200</u>

**TRUST AND AGENCY FUNDS**

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

**Expendable Trust Fund**

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

**Nonexpendable Trust Fund**

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

**Deferred Compensation Plan Agency Fund**

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

CITY OF SCOTTSDALE  
 TRUST AND AGENCY FUNDS  
 COMBINING BALANCE SHEET  
 JUNE 30, 1990

EXHIBIT F-1

ASSETS	TOTAL ALL FUNDS	EXPENDABLE TRUSTS	NONEXPENDABLE TRUSTS	DEFERRED COMPENSATION AGENCY
Cash and Short-Term Investments	\$3,294,637	\$3,167,383	\$127,254	\$
Cash With Trustee	32,819	32,819		
Investments	3,267,060			3,267,060
Accrued Interest	1,311		1,311	
Miscellaneous Receivables	12,610	12,610		
<b>Total Assets</b>	<b>\$6,608,437</b>	<b>\$3,212,812</b>	<b>\$128,565</b>	<b>\$3,267,060</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities</b>				
Accounts Payable	\$3,348	\$3,348	\$	\$
Designated Deferred Compensation Benefits	3,267,060			3,267,060
Guaranty and Other Deposits	2,406,382	2,406,382		
<b>Total Liabilities</b>	<b>5,676,790</b>	<b>2,409,730</b>		<b>3,267,060</b>
<b>Fund Balances</b>				
Reserved for Encumbrances	17,662	17,662		
Reserved for Library Acquisitions	119,546		119,546	
Unreserved	794,439	785,420	9,019	
<b>Total Fund Balances</b>	<b>931,647</b>	<b>803,082</b>	<b>128,565</b>	
<b>Total Liabilities and Fund Balances</b>	<b>\$6,608,437</b>	<b>\$3,212,812</b>	<b>\$128,565</b>	<b>\$3,267,060</b>

See Notes to Financial Statements.

CITY OF SCOTTSDALE

EXHIBIT F-2

TRUST AND AGENCY FUNDS

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

FOR THE FISCAL YEAR ENDED JUNE 30, 1990

	EXPENDABLE TRUSTS
	-----
Revenues	
Other	\$794,960
Expenditures	
Expendable Trusts	791,924
	-----
Excess of Revenues Over Expenditures	3,036
Fund Balance July 1, 1989	800,046
	-----
Fund Balance June 30, 1990	<u>\$803,082</u>

See Notes to Financial Statements.



CITY OF SCOTTSDALE

EXHIBIT F-3

TRUST AND AGENCY FUNDS

SCHEDULE OF EXPENDITURES BY OBJECT - EXPENDABLE TRUST FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 1990

	TOTAL	OTHER SERVICES	SUPPLIES	CAPITAL OUTLAY
Expendable Trusts	\$791,924	\$212,211	\$81,792	\$497,921

CITY OF SCOTTSDALE

EXHIBIT F-4

TRUST AND AGENCY FUNDS

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

FOR THE FISCAL YEAR ENDED JUNE 30, 1990

	NONEXPENDABLE TRUSTS
	-----
Operating Revenues	
Interest Earnings	\$9,019
Operating Expenses	
	-----
Operating Income	9,019
Non-Operating Revenue	
Donations	119,546
Fund Balance July 1, 1989	
	-----
Fund Balance June 30, 1990	<u>\$128,565</u>

See Notes to Financial Statements.

CITY OF SCOTTSDALE

EXHIBIT F-5

TRUST AND AGENCY FUNDS

STATEMENT OF CASH FLOWS - NONEXPENDABLE TRUST FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 1990

Cash Flows From Operating Activities:	
Operating Income	\$9,019
Adjustments To Reconcile Net Income To Net Cash Provided From Operating Activities:	
Increase In Accrued Interest Receivable	(1,311)
	<hr/>
Net Cash Provided By Operating Activities	7,708
Cash Flows From Noncapital and Related Financing Activities:	
Donations	119,546
	<hr/>
Net Increase In Cash and Cash Equivalents	127,254
Cash and Cash Equivalents At Beginning Of Year	<hr/>
Cash and Cash Equivalents At End Of Year	<u><u>\$127,254</u></u>

CITY OF SCOTTSDALE

EXHIBIT F-6

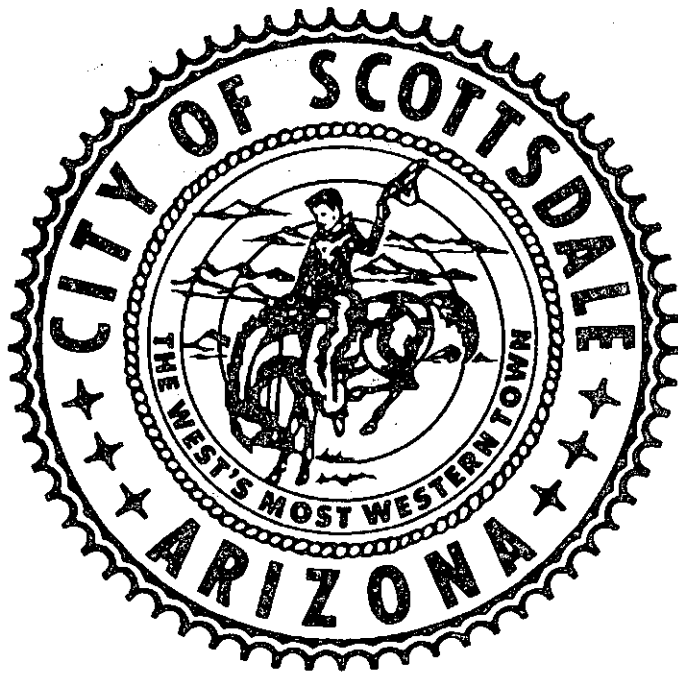
TRUST AND AGENCY FUNDS

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

FOR THE FISCAL YEAR ENDED JUNE 30, 1990

## DEFERRED COMPENSATION AGENCY

	BALANCE JULY 1, 1989	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 1990
ASSETS				
Investments	\$2,599,535	\$802,852	\$135,327	\$3,267,060
Total Assets	<u>\$2,599,535</u>	<u>\$802,852</u>	<u>\$135,327</u>	<u>\$3,267,060</u>
LIABILITIES				
Designated Deferred Compensation Benefits	\$2,599,535	\$802,852	\$135,327	\$3,267,060
Total Liabilities	<u>\$2,599,535</u>	<u>\$802,852</u>	<u>\$135,327</u>	<u>\$3,267,060</u>



## ENTERPRISE FUNDS

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

### Water and Sewer Utility Fund

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

### Airport Fund

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

### Sanitation

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

### Public Housing Fund

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

CITY OF SCOTTSDALE  
 ENTERPRISE FUNDS  
 COMBINING BALANCE SHEET  
 JUNE 30, 1990

EXHIBIT G-1

ASSETS	TOTAL ALL FUNDS	WATER AND SEWER UTILITY	AIRPORT	PUBLIC HOUSING	SANITATION
<b>Current Assets</b>					
Cash and Short-Term Investments	\$5,294,493	\$5,294,493	\$	\$	\$
Receivables					
Accrued Interest	369,787	367,242	2,545		
Accounts	4,784,132	3,994,750			789,382
Miscellaneous	408,181	36,293	365,460		6,428
<b>Total Current Assets</b>	<b>10,856,593</b>	<b>9,692,778</b>	<b>368,005</b>		<b>795,810</b>
<b>Restricted Cash, Investments, and Receivables</b>					
Cash with Fiscal Agents	3,296,846	3,296,846			
Revenue Bond Reserves	1,732,780	1,732,780			
Water and Sewer Replacement Reserve	4,221,150	4,221,150			
Scottsdale Water Service Company Replacement Reserve	300,000	300,000			
Acquisition and Construction Reserve					
Bond Proceeds	14,265,560	14,265,560			
Development Fees	8,324,749	8,324,749			
Notes Receivable	9,510			9,510	
	<b>32,150,595</b>	<b>32,141,085</b>		<b>9,510</b>	
<b>Property, Plant, and Equipment</b>					
Land and Water Rights	33,650,186	21,544,430	12,105,756		
Water System	118,148,228	118,148,228			
Sewer System	76,947,070	76,947,070			
Buildings and Improvements	1,609,923		1,246,367		363,556
Furniture and Fixtures	543,516	396,833	141,069		5,614
Machinery and Equipment	297,547				297,547
Construction In Progress	17,859,715	17,349,816	509,899		
	<b>249,056,185</b>	<b>234,386,377</b>	<b>14,003,091</b>		<b>666,717</b>
<b>Accumulated Depreciation</b>	<b>(38,578,056)</b>	<b>(35,263,893)</b>	<b>(3,193,933)</b>		<b>(120,230)</b>
	<b>210,478,129</b>	<b>199,122,484</b>	<b>10,809,158</b>		<b>546,487</b>
<b>Excess Purchase Price Over Fair Market Value of Water System Assets Acquired, Net of Accumulated Amortization of \$2,132,258</b>	<b>789,000</b>	<b>789,000</b>			
<b>Total Assets</b>	<b>\$254,274,317</b>	<b>\$241,745,347</b>	<b>\$11,177,163</b>	<b>\$9,510</b>	<b>\$1,342,297</b>

See Notes to Financial Statements.

LIABILITIES AND FUND EQUITY	TOTAL ALL FUNDS	WATER AND SEWER UTILITY	AIRPORT	PUBLIC HOUSING	SANITATION
Current Liabilities (Payable from Current Assets)					
Accounts Payable	\$1,351,190	\$1,275,865	\$14,542	\$	\$60,783
Accrued Payroll	456,702	276,258	18,757		161,687
Due To General Fund	542,083		202,659		339,424
Accrued Interest Payable	40,151	40,151			
Contracts Payable - Current Portion	1,247,441	1,247,441			
Total	3,637,567	2,839,715	235,958		561,894
Current Liabilities (Payable from Restricted Assets)					
Bonds Interest Payable	2,001,846	2,001,846			
Bonds Payable - Current Portion	1,295,000	1,295,000			
Total	3,296,846	3,296,846			
Total Current Liabilities	6,934,413	6,136,561	235,958		561,894
Other Liabilities					
Deferred Revenue	330,973	330,973			
Customer Advances and Deposits	500,091	500,091			
Other					
Arbitrage Interest	973,879	973,879			
Unearned Grant Revenue (Payable from Restricted Notes Receivable)	9,510			9,510	
Total Other	983,389	973,879		9,510	
Total Other Liabilities	1,814,453	1,804,943		9,510	
Long-Term Debt (Less Current Portion)					
Bonds Payable	55,205,000	55,205,000			
Contracts Payable	1,168,201	1,168,201			
Total	56,373,201	56,373,201			
Total Liabilities	65,122,067	64,314,705	235,958	9,510	561,894
Fund Equity					
Contributed Capital	145,596,743	130,994,047	14,124,888		477,808
Less Depreciation	(18,790,066)	(15,583,223)	(3,206,843)		
Net Contributed Capital	126,806,677	115,410,824	10,918,045		477,808
Retained Earnings					
Reserved for					
Revenue Bond Retirement	1,732,780	1,732,780			
Water and Sewer System Replacement	4,521,150	4,521,150			
Acquisition and Construction	22,590,309	22,590,309			
Unreserved	33,501,334	33,175,579	23,160		302,595
Total Retained Earnings	62,345,573	62,019,818	23,160		302,595
Total Fund Equity	189,152,250	177,430,642	10,941,205		780,403
Total Liabilities and Fund Equity	\$254,274,317	\$241,745,347	\$11,177,163	\$9,510	\$1,342,297

See Notes to Financial Statements.



CITY OF SCOTTSDALE

EXHIBIT G-2

ENTERPRISE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES

IN RETAINED EARNINGS

FOR THE FISCAL YEAR ENDED JUNE 30, 1990

	TOTAL ALL FUNDS	WATER AND SEWER UTILITY	AIRPORT	SANITATION
<b>Operating Revenues</b>				
Water Service Fees	\$23,669,783	\$23,669,783	\$	\$
Sewer Service Fees	5,681,816	5,681,816		
Planet Ranch	1,041,088	1,041,088		
Sanitation Fees	5,851,258			5,851,258
Airport Fees	672,102		672,102	
Other	185,615	185,615		
<b>Total Operating Revenues</b>	<b>37,101,662</b>	<b>30,578,302</b>	<b>672,102</b>	<b>5,851,258</b>
<b>Operating Expenses</b>				
Water Operations	11,166,111	11,166,111		
Sewer Operations	1,917,889	1,917,889		
Planet Ranch	1,360,177	1,360,177		
Sanitation Operations	4,534,574			4,534,574
Airport Operations	432,463		432,463	
Depreciation and Amortization	5,905,677	5,465,868	410,531	29,278
Indirect Cost	4,716,971	3,468,927	216,240	1,031,804
In Lieu Property Tax	428,000	402,000	26,000	
Franchise Fee	1,434,200	1,434,200		
<b>Total Operating Expenses</b>	<b>31,896,062</b>	<b>25,215,172</b>	<b>1,085,234</b>	<b>5,595,656</b>
<b>Operating Income (Loss)</b>	<b>5,205,600</b>	<b>5,363,130</b>	<b>(413,132)</b>	<b>255,602</b>
<b>Non-Operating Revenues (Expenses)</b>				
Interest Earnings	2,691,980	2,626,380	18,607	46,993
Interest Expense	(3,331,926)	(3,331,926)		
<b>Total Non-Operating Revenues (Expenses)</b>	<b>(639,946)</b>	<b>(705,546)</b>	<b>18,607</b>	<b>46,993</b>
<b>Net Income (Loss)</b>	<b>4,565,654</b>	<b>4,657,584</b>	<b>(394,525)</b>	<b>302,595</b>
<b>Add Depreciation On Fixed Assets Acquired By Contributed Capital</b>	<b>2,691,599</b>	<b>2,281,068</b>	<b>410,531</b>	
<b>Increase in Retained Earnings</b>	<b>7,257,253</b>	<b>6,938,652</b>	<b>16,006</b>	<b>302,595</b>
<b>Retained Earnings July 1, 1989</b>	<b>55,088,320</b>	<b>55,081,166</b>	<b>7,154</b>	
<b>Retained Earnings June 30, 1990</b>	<b>\$62,345,573</b>	<b>\$62,019,818</b>	<b>\$23,160</b>	<b>\$302,595</b>

See Notes to Financial Statements.

## CITY OF SCOTTSDALE

## ENTERPRISE FUNDS

## COMBINING STATEMENT OF CASH FLOWS

FOR THE FISCAL YEAR ENDED JUNE 30, 1990

	TOTAL ALL FUNDS	WATER AND SEWER UTILITY	AIRPORT	PUBLIC HOUSING	SANITATION
Cash Flows From Operating Activities:					
Operating Income (Loss)	\$5,205,600	\$5,363,130	(\$413,132)	\$	\$255,602
Adjustments To Reconcile Operating Income (Loss) To Net Cash Provided From Operating Activities:					
Depreciation	5,830,555	5,390,746	410,531		29,278
Amortization	75,122	75,122			
Changes In Assets and Liabilities (Sources (Uses) of Cash):					
Accounts Receivable	(1,308,629)	(519,247)			(789,382)
Miscellaneous Receivables	(236,799)	31,597	(261,968)		(6,428)
Accounts Payable	445,850	378,223	6,844		60,783
Accrued Payroll	227,991	59,140	7,164		161,687
Due To General Fund	542,083		202,659		339,424
Deferred Revenue	(270,965)	(270,965)			
Other Liabilities	(41,883)	(40,152)	(1,731)		
Total Adjustments	5,263,325	5,104,464	363,499		(204,638)
Net Cash Provided By Operating Activities	10,468,925	10,467,594	(49,633)		50,964
Cash Flows From Capital and Related Financing Activities:					
Proceeds From Sale of Bonds	7,500,000	7,500,000			
Increase In Excess Purchase Price	(284,663)	(284,663)			
Net Acquisition and Construction Of Property and Equipment	(10,187,175)	(9,989,903)	(99,315)		(97,957)
Principal Payments On Long-Term Debt	(1,832,822)	(1,832,822)			
Interest Paid on Long-Term Debt	(3,120,186)	(3,120,186)			
Increase In Public Housing Note Payable	1,227			1,227	
Capital Contributions From Other Government Units	308,385	175,499	132,886		
Water and Sewer Development Fees	4,432,793	4,432,793			
Net Cash Used For Capital and Related Financing Activities	(3,182,441)	(3,119,282)	33,571	1,227	(97,957)
Cash Flows From Investing Activities					
Interest Received On Investments	2,322,193	2,259,138	16,062		46,993
Increase In Public Housing Receivable	(1,227)			(1,227)	
Net Cash Provided By Investing Activities	2,320,966	2,259,138	16,062	(1,227)	46,993
Net Increase In Cash and Cash Equivalents	9,607,450	9,607,450			
Cash and Cash Equivalents At Beginning Of Year	27,828,128	27,828,128			
Cash and Cash Equivalents At End Of Year	\$37,435,578	\$37,435,578	\$	\$	\$
Supplemental Disclosure Of Noncash Financing Activities:					
Additions To Property, Plant, and Equipment					
Contributions From Developers	\$6,372,260	\$6,372,260			
Contributions From Other Government Units	\$477,808				\$477,808

CITY OF SCOTTSDALE

ENTERPRISE FUNDS

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

FOR THE FISCAL YEAR ENDED JUNE 30, 1990

	TOTALS (MEMORANDUM ONLY)			WATER AND SEWER UTILITY			AIRPORT			SANITATION		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>Revenues</b>												
Water Service Fees	\$23,702,000	\$23,669,783	(\$32,217)	\$23,702,000	\$23,669,783	(\$32,217)	\$	\$	\$	\$	\$	\$
Water Development Fees	851,000	1,206,729	355,729	851,000	1,206,729	355,729						
Water Resources Fees	1,532,000	1,866,466	334,466	1,532,000	1,866,466	334,466						
Sewer Service Fees	5,382,000	5,681,816	299,816	5,382,000	5,681,816	299,816						
Sewer Development Fees	851,000	1,359,599	508,599	851,000	1,359,599	508,599						
Planet Ranch	1,000,000	1,041,088	41,088	1,000,000	1,041,088	41,088						
Sanitation Fees	5,857,000	5,851,258	(5,742)							5,857,000	5,851,258	(5,742)
Airport Fees	650,000	672,102	22,102				650,000	672,102	22,102			
Interest Earnings	1,620,000	1,622,722	2,722	1,620,000	1,557,122	(62,878)		18,607	18,607		46,993	46,993
<b>Total Revenues</b>	<b>41,445,000</b>	<b>42,971,563</b>	<b>1,526,563</b>	<b>34,938,000</b>	<b>36,382,603</b>	<b>1,444,603</b>	<b>650,000</b>	<b>690,709</b>	<b>40,709</b>	<b>5,857,000</b>	<b>5,898,251</b>	<b>41,251</b>
<b>Expenditures</b>												
Water Operations	12,772,280	11,694,355	1,077,925	12,772,280	11,694,355	1,077,925						
Sewer Operations	2,121,580	1,935,215	186,365	2,121,580	1,935,215	186,365						
Planet Ranch	1,429,219	1,365,910	63,309	1,429,219	1,365,910	63,309						
Sanitation Operations	4,783,385	4,575,128	208,257							4,783,385	4,575,128	208,257
Airport Operations	405,516	392,446	13,070				405,516	392,446	13,070			
Debt Service and Reserves	6,459,073	6,464,023	(4,950)	6,459,073	6,464,023	(4,950)						
<b>Total Expenditures</b>	<b>27,971,053</b>	<b>26,427,077</b>	<b>1,543,976</b>	<b>22,782,152</b>	<b>21,459,503</b>	<b>1,322,649</b>	<b>405,516</b>	<b>392,446</b>	<b>13,070</b>	<b>4,783,385</b>	<b>4,575,128</b>	<b>208,257</b>
<b>Excess of Revenues Over Expenditures</b>	<b>\$13,473,947</b>	<b>\$16,544,486</b>	<b>\$3,070,539</b>	<b>\$12,155,848</b>	<b>\$14,923,100</b>	<b>\$2,767,252</b>	<b>\$244,484</b>	<b>\$298,263</b>	<b>\$53,779</b>	<b>\$1,073,615</b>	<b>\$1,323,123</b>	<b>\$249,508</b>

**INTERNAL SERVICE FUNDS**

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

**Motor Pool Fund**

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

**Self-Insurance Fund**

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

CITY OF SCOTTSDALE  
INTERNAL SERVICE FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 1990

EXHIBIT H-1

ASSETS	TOTAL ALL FUNDS	MOTOR POOL	SELF INSURANCE
<hr/>			
Current Assets			
Cash and Short-Term Investments	\$4,277,297	\$1,857,831	\$2,419,466
Receivables			
Accrued Interest	35,590	12,559	23,031
Miscellaneous	16,824		16,824
Supplies Inventory	255,097	255,097	
	<hr/>	<hr/>	<hr/>
Total Current Assets	4,584,808	2,125,487	2,459,321
Property, Plant, and Equipment			
Buildings and Improvements	1,222,868	1,222,868	
Motor Vehicles	11,091,895	11,091,895	
Machinery and Equipment	721,961	721,461	500
Furniture, Fixtures, and Office Equipment	51,500	18,525	32,975
Construction in Progress	106,076	106,076	
	<hr/>	<hr/>	<hr/>
Accumulated Depreciation	13,194,300 (6,853,249)	13,160,825 (6,838,031)	33,475 (15,218)
	<hr/>	<hr/>	<hr/>
Total Assets	6,341,051	6,322,794	18,257
	<hr/>	<hr/>	<hr/>
Total Assets	<u>\$10,925,859</u>	<u>\$8,448,281</u>	<u>\$2,477,578</u>
<hr/>			
LIABILITIES AND FUND EQUITY (DEFICIT)			
<hr/>			
Current Liabilities			
Accounts Payable	\$23,392	\$17,336	\$6,056
Accrued Payroll	161,141	143,867	17,274
Claims Payable			
Reported	2,839,037		2,839,037
Unreported	137,702		137,702
	<hr/>	<hr/>	<hr/>
Total Current Liabilities	2,976,739		2,976,739
	<hr/>	<hr/>	<hr/>
Total Current Liabilities	3,161,272	161,203	3,000,069
Fund Equity (Deficit)			
Contributed Capital	10,476,700	8,493,612	1,983,088
Accumulated Deficits	(2,712,113)	(206,534)	(2,505,579)
	<hr/>	<hr/>	<hr/>
Total Fund Equity (Deficit)	7,764,587	8,287,078	(522,491)
	<hr/>	<hr/>	<hr/>
Total Liabilities and Fund Equity (Deficit)	<u>\$10,925,859</u>	<u>\$8,448,281</u>	<u>\$2,477,578</u>

See Notes to Financial Statements.

CITY OF SCOTTSDALE

EXHIBIT H-2

INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN ACCUMULATED DEFICITS

FOR THE FISCAL YEAR ENDED JUNE 30, 1990

	TOTAL ALL FUNDS	MOTOR POOL	SELF INSURANCE
<b>Operating Revenues</b>			
Billings To User Programs	\$7,082,067	\$5,060,220	\$2,021,847
Other	58,374	33,576	24,798
<b>Total Operating Revenues</b>	<b>7,140,441</b>	<b>5,093,796</b>	<b>2,046,645</b>
<b>Operating Expenses</b>			
Motor Pool Operations	3,416,587	3,416,587	•
Self Insurance Operations	3,711,128		3,711,128
Depreciation	1,348,328	1,344,881	3,447
<b>Total Operating Expenses</b>	<b>8,476,043</b>	<b>4,761,468</b>	<b>3,714,575</b>
Operating Income (Loss)	(1,335,602)	332,328	(1,667,930)
<b>Non-Operating Revenues</b>			
Interest Earnings	260,179	91,809	168,370
Net Income (Loss)	(1,075,423)	424,137	(1,499,560)
Accumulated Deficits July 1, 1989	(1,636,690)	(630,671)	(1,006,019)
Accumulated Deficits June 30, 1990	<u>(\$2,712,113)</u>	<u>(\$206,534)</u>	<u>(\$2,505,579)</u>

See Notes to Financial Statements.

CITY OF SCOTTSDALE

EXHIBIT H-3

INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF CASH FLOWS

FOR THE FISCAL YEAR ENDED JUNE 30, 1990

	TOTAL ALL FUNDS	MOTOR POOL	SELF INSURANCE
Cash Flows From Operating Activities:			
Operating Income (Loss)	(\$1,335,602)	\$332,328	(\$1,667,930)
Adjustments to Reconcile Operating Income to Net Cash Provided from Operating Activities:			
Depreciation	1,348,328	1,344,881	3,447
Changes in Assets and Liabilities (Sources (Uses) of Cash):			
Miscellaneous Receivables	(826)		(826)
Supplies Inventory	(6,302)	(6,302)	
Accounts Payable	(30,062)	(35,008)	4,946
Accrued Payroll	(6,633)	(6,738)	105
Claims Payable - Reported	1,976,154		1,976,154
Claims Payable - Unreported	6,312		6,312
Total Adjustments	3,286,971	1,296,833	1,990,138
Net Cash Provided by Operating Activities	1,951,369	1,629,161	322,208
Cash Flows From Capital and Related Financing Activities:			
Acquisition and Construction of Property and Equipment	41,952	41,952	
Capital Contributions	(67,904)	(67,904)	
Net Cash Used for Capital and Related Financing Activities	(25,952)	(25,952)	
Cash Flows From Investing Activities:			
Interest Received On Investments	227,244	79,702	147,542
Net Increase in Cash and Cash Equivalents	2,152,661	1,682,911	469,750
Cash and Equivalents at Beginning of Year	2,124,636	174,920	1,949,716
Cash and Equivalents at End of Year	\$4,277,297	\$1,857,831	\$2,419,466

CITY OF SCOTTSDALE  
INTERNAL SERVICE FUNDS

EXHIBIT H-4

COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL - BUDGET BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 1990

	TOTALS (MEMORANDUM ONLY)			MOTOR POOL			SELF INSURANCE		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues									
Billings To User Programs	\$7,087,000	\$7,082,067	(\$4,933)	\$5,067,000	\$5,060,220	(\$6,780)	\$2,020,000	\$2,021,847	\$1,847
Interest Earnings	276,000	260,179	(15,821)	120,000	91,809	(28,191)	156,000	168,370	12,370
Other		58,374	58,374		33,576	33,576		24,798	24,798
Total Revenues	7,363,000	7,400,620	37,620	5,187,000	5,185,605	(1,395)	2,176,000	2,215,015	39,015
Expenditures									
Motor Pool Operations	3,850,671	3,589,143	261,528	3,850,671	3,589,143	261,528			
Self Insurance Operations	1,893,916	1,765,917	127,999				1,893,916	1,765,917	127,999
Total Expenditures	5,744,587	5,355,060	389,527	3,850,671	3,589,143	261,528	1,893,916	1,765,917	127,999
Excess of Revenues Over Expenditures	\$1,618,413	\$2,045,560	\$427,147	\$1,336,329	\$1,596,462	\$260,133	\$282,084	\$449,098	\$167,014





**GENERAL FIXED ASSETS ACCOUNT GROUP**

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

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

CITY OF SCOTTSDALE

EXHIBIT I-1

## SCHEDULE OF GENERAL FIXED ASSETS BY SOURCE

JUNE 30, 1990

## Property and Equipment

Land	\$42,200,237
Buildings and Improvements	125,078,417
Streets and Storm Drains	621,094,252
Machinery and Equipment	20,678,241
Construction in Progress	21,896,377

Total General Fixed Assets	<u>\$830,947,524</u>
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## Investment in General Fixed Assets From

General Fund	\$62,389,818
Special Revenue Funds	22,873,190
Capital Projects Funds	190,564,795
Contributions	530,816,020
Improvement Districts	24,303,701

Total Investment in General Fixed Assets	<u>\$830,947,524</u>
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CITY OF SCOTTSDALE

EXHIBIT 1-2

## SCHEDULE OF GENERAL FIXED ASSETS BY FUNCTION AND ACTIVITY

FOR THE FISCAL YEAR ENDED JUNE 30, 1990

DEPARTMENT	TOTAL	LAND	BUILDINGS AND IMPROVEMENTS	STREETS AND STORM DRAINS	MACHINERY AND EQUIPMENT
General Government	\$1,472,087	\$405,008	\$867,339	\$	\$199,740
Police	3,629,654	40,855	1,009,158	48,038	2,531,603
Financial Services	903,112		307,868		595,244
Transportation	7,214,565		7,027,681		186,884
Community Services	19,250,339	7,434,014	9,940,468	134,747	1,741,110
General Services	12,149,662	59,146	30,972		12,059,544
Planning & Zoning	169,586		8,143		161,443
Fire	614,151		397,962		216,189
Municipal Services	33,141				33,141
Capital Projects	763,614,850	34,261,214	105,488,826	620,911,467	2,953,343
Total General Fixed Assets Allocated to Functions	809,051,147	<u>\$42,200,237</u>	<u>\$125,078,417</u>	<u>\$621,094,252</u>	<u>\$20,678,241</u>
Construction in Progress	21,896,377				
Total General Fixed Assets	<u>\$830,947,524</u>				

CITY OF SCOTTSDALE

EXHIBIT I-3

## SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS BY FUNCTION AND ACTIVITY

FOR THE FISCAL YEAR ENDED JUNE 30, 1990

DEPARTMENT	JULY 1, 1989	ADDITIONS	DELETIONS	JUNE 30, 1990
General Government	\$1,518,985	\$94,227	(\$141,125)	\$1,472,087
Police	3,598,253	31,401		3,629,654
Financial Services	766,328	146,171	(9,387)	903,112
Transportation	8,054,431	115,192	(955,058)	7,214,565
Community Services	16,684,142	2,625,796	(59,599)	19,250,339
General Services	11,925,945	227,879	(4,162)	12,149,662
Planning & Zoning	133,346	39,303	(3,063)	169,586
Economic Development	19,126		(19,126)	
Fire	645,901		(31,750)	614,151
Municipal Services		33,141		33,141
Capital Projects	676,475,510	87,264,458	(125,118)	763,614,850
Construction in Progress	34,628,083	14,547,996	(27,279,702)	21,896,377
<b>Total General Fixed Assets</b>	<b>\$754,450,050</b>	<b>\$105,125,564</b>	<b>(\$28,628,090)</b>	<b>\$830,947,524</b>

**DEBT REQUIREMENTS**

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

CITY OF SCOTTSDALE

EXHIBIT J-1

## SCHEDULE OF CHANGES IN LONG-TERM DEBT

FOR THE FISCAL YEAR ENDED JUNE 30, 1990

	JULY 1, 1989	ISSUED	RETIRED	ADVANCE REFUNDINGS		JUNE 30, 1990	FINAL PAYMENT DATE
				ISSUED	DEFEASED		
<b>GENERAL OBLIGATION BONDS</b>							
1967 Civic Center	\$115,000	\$	\$115,000	\$	\$	\$	07/01/90
1968 Civic Center	1,400,000		75,000			1,325,000	07/01/96
1973 Storm Sewer	3,500,000					3,500,000	07/01/93
1984 Public Buildings	8,640,000		1,440,000			7,200,000	07/01/95
1984 Parks & Recreation	3,000,000		500,000			2,500,000	07/01/95
1984 Storm Sewer	360,000		60,000			300,000	07/01/95
1985 Public Buildings	2,722,500		85,500			2,637,000	07/01/05
1985 Parks & Recreation	2,792,050		111,150			2,680,900	07/01/05
1985 Storm Sewer	3,560,450		88,350			3,472,100	07/01/05
1986 Water Acquisition	37,270,000		495,000			36,775,000	07/01/06
1990 Capital Improvements		28,785,000				28,785,000	07/01/10
<b>Total General Obligation Bonds</b>	<b>\$63,360,000</b>	<b>\$28,785,000</b>	<b>\$2,970,000</b>	<b>\$</b>	<b>\$</b>	<b>\$89,175,000</b>	
<b>REVENUE BONDS</b>							
1973 Utility Refunding	\$1,680,000	\$	\$250,000	\$	\$	\$1,430,000	07/01/95
1977 Utility	1,650,000		550,000			1,100,000	07/01/92
1984 Utility	8,400,000					8,400,000	07/01/00
1990 Utility		7,500,000				7,500,000	07/01/09
1984 HURF	9,625,000		375,000		7,425,000	1,825,000	07/01/03
1985 HURF	9,275,000		290,000		6,615,000	2,370,000	07/01/05
1987 HURF	9,720,000		30,000			9,690,000	07/01/07
1989 HURF Refunding				15,900,000		15,900,000	07/01/05
<b>Total Revenue Bonds</b>	<b>\$40,350,000</b>	<b>\$7,500,000</b>	<b>\$1,495,000</b>	<b>\$15,900,000</b>	<b>\$14,040,000</b>	<b>\$48,215,000</b>	
<b>MUNICIPAL PROPERTY CORPORATION BONDS</b>							
Arts Building, Parking Garage	\$4,440,000	\$	\$440,000	\$	\$	\$4,000,000	07/01/96
Golf Course	11,725,000		380,000			11,345,000	07/01/04
Asset Transfer Refunding	46,380,000		665,000			45,715,000	11/01/14
Street Improvements	3,100,000					3,100,000	07/01/01
Civic Center Underpass, Library, Police, Horseworld Refunding	39,345,000		1,530,000			37,815,000	07/01/05
<b>Total Municipal Property Corporation Bonds</b>	<b>\$104,990,000</b>	<b>\$</b>	<b>\$3,015,000</b>	<b>\$</b>	<b>\$</b>	<b>\$101,975,000</b>	

CITY OF SCOTTSDALE

EXHIBIT J-1

## SCHEDULE OF CHANGES IN LONG-TERM DEBT

FOR THE FISCAL YEAR ENDED JUNE 30, 1990

	JULY 1, 1989	ISSUED	RETIRED	ADVANCE REFUNDINGS		JUNE 30, 1990	FINAL PAYMENT DATE
				ISSUED	DEFEASED		
<b>SPECIAL ASSESSMENTS</b>							
PK-6802 5th Ave. Parking	\$45,000	\$	\$15,000	\$	\$	\$30,000	01/01/92
RW-6805 5th Ave.	10,000		3,000			7,000	01/01/93
RW-6806 Thomas, Civic Center, Earl	105,000		18,000			87,000	01/01/95
WP-7716 Sundown Manor	58,000		58,000				01/01/90
P-7827 Scottsdale and McKellips	8,000		4,000			4,000	01/01/91
P-8288 Indian Plaza Paving	88,000		29,000			59,000	01/01/92
P-7570 Scottsdale and Shea	70,000		23,000			47,000	01/01/92
P-8861 Gary Road Paving	24,000		6,000			18,000	01/01/93
W-7829 North Scottsdale	3,915,000		650,000			3,265,000	01/01/95
S-7830 Sewer Project	1,020,000		170,000			850,000	01/01/95
WSP-8871 Escondido Estates	88,000		16,000			72,000	01/01/94
WSP-8741 Hayden Road Extension	995,000		140,000			855,000	01/01/96
WSP-8978 N. Airport Industrial	4,165,000		520,000			3,645,000	07/01/97
I5502 NW Airpark	1,560,000		175,000			1,385,000	01/01/98
08739 Via Linda	1,060,000		120,000			940,000	01/01/98
I8501 CAP @ Hayden Road	690,000		70,000			620,000	01/01/99
I0501 Pima/CAP		10,660,000				10,660,000	01/01/01
Total Special Assessment Bonds	\$13,901,000	\$10,660,000	\$2,017,000	\$	\$	\$22,544,000	
Total Bonds	\$222,601,000	\$46,945,000	\$9,497,000	\$15,900,000	\$14,040,000	\$261,909,000	
<b>CONTRACTS PAYABLE</b>							
U.S. Comps of Engineers -							
Indian Bend Wash	\$4,500,000	\$	\$603,915 *	\$	\$	\$3,896,085	2039
State Land - CAP Plant	448,139		22,480			425,659	12/20/90
State Land - Sewer							
Reclamation Plant	201,437		9,999			191,438	12/20/90
Planet Ranch	1,750,000		1,000,000			750,000	01/05/91
Pepperwood	331,735		8,336			323,399	02/01/06
Scottsdale Plumbing	194,366		117,623			76,743	01/15/91
Plan 6	2,328,888		580,343			1,748,545	07/01/94
Allison Well	100,000		50,000			50,000	03/14/91
Telephone Phase II	97,813		63,864			33,959	09/19/90
Telephone Phase III	270,834		102,864			167,970	12/23/91
Library Computer	151,000		151,000				04/01/90
Computer Phase II	183,508		183,508				08/31/89
Computer Phase III	342,467		224,041			118,426	10/28/90
Computer Phase III.V	120,286		45,685			74,601	12/23/91
Computer Phase IV	2,662,045		837,103			1,824,942	04/01/92
Computer Aided Dispatch	609,272		293,881			315,391	10/01/90
Ladder Truck	373,055		64,332			308,723	09/30/93
Total Contracts	\$14,664,845	\$	\$4,388,964	\$	\$	\$10,305,881	
TOTAL BONDS AND CONTRACTS	\$237,265,845	\$46,945,000	\$13,855,964	\$15,900,000	\$14,040,000	\$272,214,881	

\* Contract estimate revised from \$4,500,000 to \$3,914,095.



## CITY OF SCOTTSDALE

EXHIBIT J-2

DEBT SERVICE REQUIREMENTS TO MATURITY  
GENERAL OBLIGATION BONDS

FOR THE FISCAL YEAR ENDED JUNE 30, 1990

FISCAL YEAR	GENERAL PURPOSE 6% LIMITATION			UTILITY PURPOSE 20% LIMITATION			TOTAL GENERAL OBLIGATION DEBT SERVICE REQUIREMENTS*		
	PRINCIPAL	INTEREST	TOTAL	PRINCIPAL	INTEREST	TOTAL	PRINCIPAL	INTEREST	TOTAL
1990-91	\$1,734,500	\$2,363,970	\$4,098,470	\$1,365,500	\$3,774,345	\$5,139,845	\$3,100,000	\$6,138,315	\$9,238,315
1991-92	1,742,000	2,239,400	3,981,400	1,488,000	3,662,860	5,150,860	3,230,000	5,902,260	9,132,260
1992-93	1,752,500	2,111,700	3,864,200	1,622,500	3,539,790	5,162,290	3,375,000	5,651,490	9,026,490
1993-94	1,786,500	1,979,450	3,765,950	1,758,500	3,403,740	5,162,240	3,545,000	5,383,190	8,928,190
1994-95	1,820,500	1,846,097	3,666,597	1,909,500	3,258,313	5,167,813	3,730,000	5,104,410	8,834,410
1995-96	852,250	1,712,307	2,564,557	1,612,750	3,103,818	4,716,568	2,465,000	4,816,125	7,281,125
1996-97	880,500	1,649,789	2,530,289	1,819,500	2,992,581	4,812,081	2,700,000	4,642,370	7,342,370
1997-98	952,500	1,575,252	2,527,752	1,962,500	2,864,258	4,826,758	2,915,000	4,439,510	7,354,510
1998-99	1,022,250	1,494,455	2,516,705	2,122,750	2,724,130	4,846,880	3,145,000	4,218,585	7,363,585
1999-00	1,093,500	1,407,564	2,501,064	3,096,500	2,570,771	5,667,271	4,190,000	3,978,335	8,168,335
2000-01	1,173,750	1,314,422	2,488,172	4,261,250	2,351,673	6,612,923	5,435,000	3,666,095	9,101,095
2001-02	1,259,250	1,221,190	2,480,440	4,600,750	2,053,326	6,654,076	5,860,000	3,274,516	9,134,516
2002-03	1,350,000	1,132,260	2,482,260	4,970,000	1,732,572	6,702,572	6,320,000	2,864,832	9,184,832
2003-04	1,449,750	1,036,185	2,485,935	5,365,250	1,383,535	6,748,785	6,815,000	2,419,720	9,234,720
2004-05	1,554,750	934,380	2,489,130	5,790,250	1,011,180	6,801,430	7,345,000	1,945,560	9,290,560
2005-06	2,137,500	825,165	2,962,665	5,782,500	604,605	6,387,105	7,920,000	1,429,770	9,349,770
2006-07	2,291,250	677,678	2,968,928	763,750	225,893	989,643	3,055,000	903,571	3,958,571
2007-10	7,897,500	1,038,915	8,936,415	2,632,500	346,305	2,978,805	10,530,000	1,385,220	11,915,220
<b>TOTALS</b>	<b>\$32,750,750</b>	<b>\$26,560,179</b>	<b>\$59,310,929</b>	<b>\$52,924,250</b>	<b>\$41,603,695</b>	<b>\$94,527,945</b>	<b>\$85,675,000</b>	<b>\$68,163,874</b>	<b>\$153,838,874</b>

\*EXCLUDES GENERAL OBLIGATION BOND PRINCIPAL AND INTEREST PAYMENTS TO BE MADE FROM THE FULLY FUNDED SINKING FUND;  
PRINCIPAL \$3,500,000, INTEREST \$561,750.

## CITY OF SCOTTSDALE

EXHIBIT J-2

DEBT SERVICE REQUIREMENTS TO MATURITY  
REVENUE BONDS AND HIGHWAY USER BONDS

FOR THE FISCAL YEAR ENDED JUNE 30, 1990

TOTAL WATER AND SEWER UTILITY  
AND HIGHWAY USER  
REVENUE BONDS

FISCAL YEAR	WATER AND SEWER UTILITY REVENUE BONDS			HIGHWAY USER REVENUE BONDS			TOTAL WATER AND SEWER UTILITY AND HIGHWAY USER REVENUE BONDS		
	PRINCIPAL	INTEREST	TOTAL	PRINCIPAL	INTEREST	TOTAL	PRINCIPAL	INTEREST	TOTAL
1990-91	\$810,000	\$1,138,925	\$1,948,925	\$825,000	\$2,193,380	\$3,018,380	\$1,635,000	\$3,332,305	\$4,967,305
1991-92	1,085,000	1,392,131	2,477,131	1,000,000	2,117,132	3,117,132	2,085,000	3,509,263	5,594,263
1992-93	1,145,000	1,327,781	2,472,781	1,080,000	2,030,272	3,110,272	2,225,000	3,358,053	5,583,053
1993-94	1,245,000	1,228,456	2,473,456	1,175,000	1,936,280	3,111,280	2,420,000	3,164,736	5,584,736
1994-95	1,335,000	1,119,171	2,454,171	1,270,000	1,840,182	3,110,182	2,605,000	2,959,353	5,564,353
1995-96	1,440,000	1,016,296	2,456,296	1,360,000	1,747,892	3,107,892	2,800,000	2,764,188	5,564,188
1996-97	1,555,000	890,958	2,445,958	1,460,000	1,647,743	3,107,743	3,015,000	2,538,701	5,553,701
1997-98	1,700,000	753,683	2,453,683	1,555,000	1,548,003	3,103,003	3,255,000	2,301,686	5,556,686
1998-99	1,845,000	602,183	2,447,183	1,665,000	1,440,690	3,105,690	3,510,000	2,042,873	5,552,873
1999-00	1,195,000	436,208	1,631,208	1,780,000	1,325,170	3,105,170	2,975,000	1,761,378	4,736,378
2000-01	365,000	338,883	703,883	1,905,000	1,202,965	3,107,965	2,270,000	1,541,848	3,811,848
2001-02	390,000	314,428	704,428	2,035,000	1,071,269	3,106,269	2,425,000	1,385,697	3,810,697
2002-03	420,000	288,103	708,103	2,180,000	929,607	3,109,607	2,600,000	1,217,710	3,817,710
2003-04	450,000	259,543	709,543	2,330,000	776,682	3,106,682	2,780,000	1,036,225	3,816,225
2004-05	480,000	228,943	708,943	2,515,000	608,735	3,123,735	2,995,000	837,678	3,832,678
2005-06	515,000	195,823	710,823	2,715,000	426,685	3,141,685	3,230,000	622,508	3,852,508
2006-07	550,000	160,288	710,288	2,935,000	223,060	3,158,060	3,485,000	383,348	3,868,348
2006-40	1,905,000	243,076	2,148,076				1,905,000	243,076	2,148,076
<b>TOTALS</b>	<b>\$18,430,000</b>	<b>\$11,934,879</b>	<b>\$30,364,879</b>	<b>\$29,785,000</b>	<b>\$23,065,747</b>	<b>\$52,850,747</b>	<b>\$48,215,000</b>	<b>\$35,000,626</b>	<b>\$83,215,626</b>

CITY OF SCOTTSDALE

EXHIBIT J-2

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

FOR THE FISCAL YEAR ENDED JUNE 30, 1990

FISCAL YEAR	MUNICIPAL PROPERTY CORPORATION DEBT SERVICE REQUIREMENTS			SPECIAL ASSESSMENT BONDS DEBT SERVICE REQUIREMENTS			CONTRACTS PAYABLE		
	PRINCIPAL	INTEREST	TOTAL	PRINCIPAL	INTEREST	TOTAL	PRINCIPAL	INTEREST	TOTAL
1990-91	\$3,190,000	\$7,777,875	\$10,967,875	\$1,959,000	\$1,626,625	\$3,585,625	\$3,683,584	\$450,023	\$4,133,607
1991-92	3,390,000	7,580,621	10,970,621	3,027,000	1,431,186	4,458,186	1,634,401	278,335	1,912,736
1992-93	3,605,000	7,362,235	10,967,235	2,964,000	1,200,978	4,164,978	534,696	234,865	769,561
1993-94	3,840,000	7,122,280	10,962,280	2,957,000	974,019	3,931,019	433,063	226,439	659,502
1994-95	4,095,000	6,859,344	10,954,344	2,932,000	748,414	3,680,414	107,703	222,435	330,138
1995-96	4,155,000	6,571,636	10,726,636	2,085,000	561,466	2,646,466	39,566	219,806	259,372
1996-97	4,550,000	6,281,744	10,831,744	1,945,000	417,960	2,362,960	42,407	216,966	259,373
1997-98	4,900,000	5,941,198	10,841,198	1,415,000	280,168	1,695,168	45,479	213,894	259,373
1998-99	5,270,000	5,569,174	10,839,174	1,130,000	189,949	1,319,949	48,802	210,571	259,373
1999-00	5,700,000	5,151,048	10,851,048	1,065,000	112,624	1,177,624	52,399	206,974	259,373
2000-01	6,170,000	4,695,597	10,865,597	1,065,000	37,541	1,102,541	56,295	203,078	259,373
2001-02	5,920,000	4,200,871	10,120,871				60,518	198,855	259,373
2002-03	6,425,000	3,707,324	10,132,324				65,098	194,275	259,373
2003-04	6,970,000	3,171,071	10,141,071				70,067	189,306	259,373
2004-05	5,995,000	2,588,745	8,583,745				75,461	183,912	259,373
2005-06	2,070,000	2,119,226	4,189,226				56,728	178,660	235,388
2006-40	25,730,000	9,710,333	35,440,333				3,299,614	3,758,470	7,058,084
<b>TOTALS</b>	<b>\$101,975,000</b>	<b>\$96,410,322</b>	<b>\$198,385,322</b>	<b>\$22,544,000</b>	<b>\$7,580,930</b>	<b>\$30,124,930</b>	<b>\$10,305,881</b>	<b>\$7,386,864</b>	<b>\$17,692,745</b>

STATISTICAL  
SECTION

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

TABLE 1

<u>FISCAL YEAR</u>	<u>TOTAL</u>	<u>GENERAL GOVERNMENT</u>	<u>POLICE</u>	<u>FINANCIAL SERVICES</u>	<u>TRANSPORTATION</u>	<u>COMMUNITY SERVICES</u>	<u>GENERAL SERVICES</u>	<u>PLANNING AND ZONING</u>	<u>ECONOMIC DEVELOPMENT</u>	<u>FIRE</u>	<u>WATER RESOURCES</u>	<u>MUNICIPAL SERVICES</u>	<u>STREETLIGHT DISTRICTS (1)</u>	<u>CAPITAL IMPROVEMENTS</u>	<u>DEBT SERVICES</u>
(2) 1990	\$84,881,157	\$5,532,602	\$14,525,719	\$2,465,924	\$ 6,782,224	\$12,179,223	\$1,362,868	\$5,935,822	\$	\$5,020,994	\$	\$2,891,348	\$432,177	\$	\$25,752,256
(2) 1989	95,645,945	5,202,464	14,138,466	2,856,972	6,504,125	12,323,666	4,441,009	5,889,490		4,787,139	1,418,078	8,081,417	415,417	1,976,266	27,611,812
1988	91,528,855	3,532,276	13,571,954	2,665,064	11,592,848	12,455,464	4,482,015	5,758,673	1,801,322	4,155,740	1,283,892		408,668	1,269,248	26,551,691
1987	87,887,639	2,721,381	11,836,704	2,190,533	11,872,238	10,294,757	3,912,789	5,883,408	2,583,452	3,973,055			443,276	5,810,259	26,365,767
1986	79,682,450	2,589,123	9,475,467	1,942,012	11,037,959	8,730,701	7,321,889	8,195,938						7,583,511	22,805,850
1985	58,041,919	2,138,651	8,352,188	1,873,189	10,573,974	8,155,034	7,625,803	7,116,544						544,579	11,661,957
1984	50,714,853	1,927,456	7,433,027	1,792,739	9,035,611	7,198,146	5,833,286	5,678,868						9,386,874	2,428,846
1983	44,551,039	3,681,626	9,847,607	2,488,759	8,329,776	6,469,869		5,402,471						6,705,466	1,625,465
1982	39,846,106	3,300,839	8,721,281	2,520,130	7,658,942	6,451,148		4,571,909			378,320			4,651,905	1,591,632
1981	36,502,778	2,508,933	7,731,176	2,556,277	7,091,973	5,813,913		4,151,823			226,151			4,890,405	1,532,127

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

(2) A reorganization occurred during this fiscal year which resulted in department title changes and a shift in divisions and between departments. The prior years, beginning with 1988, have not been recast to reflect these changes.

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

TABLE II

<u>FISCAL YEAR</u>	<u>TOTAL</u>	<u>TAXES</u>	<u>INTER-GOVERNMENT REVENUE</u>	<u>SPECIAL ASSESSMENTS *</u>	<u>LICENSES AND PERMITS</u>	<u>CHARGES FOR SERVICES</u>	<u>FINES AND FORFEITURES</u>	<u>USE OF MONEY AND PROPERTY</u>	<u>STREETLIGHT DISTRICTS *</u>	<u>MISCELLANEOUS</u>
1990	\$88,821,627	\$43,300,830	\$25,182,676	\$ 2,957,646	\$ 4,686,961	\$ 1,394,192	\$2,052,306	\$6,320,488	\$ 564,046	\$ 2,362,482
1989	91,683,407	40,349,302	23,956,139	2,527,537	5,047,697	6,142,905	1,838,594	7,708,925	509,184	3,603,124
1988	86,582,553	37,560,884	23,136,401	3,132,161	5,609,608	5,801,405	1,515,621	6,499,076	299,856	3,027,541
1987	77,534,835	34,165,734	22,208,618	1,317,697	5,134,106	4,735,210	1,091,268	6,020,676	255,020	2,606,506
1986	74,306,839	30,814,928	20,808,629		5,018,643	4,552,765	1,533,450	8,086,213		3,492,211
1985	63,083,250	27,324,172	19,651,559		4,101,638	4,255,369	1,147,666	4,545,911		2,056,935
1984	51,576,944	23,760,587	16,644,270		3,662,366	3,808,539	1,009,111	1,377,798		1,314,273
1983	42,899,061	18,845,162	15,419,637		2,181,695	3,430,126	722,696	1,381,218		918,527
1982	37,454,895	17,266,878	13,070,978		1,404,914	2,928,160	459,034	1,628,091		696,840
1981	35,614,819	15,655,414	11,101,021		1,408,602	2,676,846	578,808	1,440,043		2,754,085

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

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

TABLE III

<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>
1990	\$43,300,830	\$30,462,121	\$ 9,822,930	\$2,935,445	\$ 80,334
1989	40,349,302	28,401,262	9,125,216	2,720,995	101,829
1988	37,560,884	25,953,299	9,094,087	2,407,878	105,620
1987	34,165,734	24,273,366	7,707,177	2,093,052	92,139
1986	30,814,928	22,080,785	6,782,380	1,865,339	86,424
1985	27,324,172	20,051,172	5,580,004	1,628,787	64,209
1984	23,760,587	17,460,418	4,980,289	1,267,485	52,395
1983	18,845,162	14,399,311	3,371,348	1,022,688	51,915
1982	17,266,878	12,910,294	3,494,953	805,769	55,862
1981	15,655,414	11,636,852	3,148,907	807,330	62,325

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

TABLE IV

<u>FISCAL YEAR</u>	<u>TOTAL TAX LEVY</u>	<u>CURRENT TAX COLLECTIONS</u>	<u>% OF LEVY COLLECTIONS</u>	<u>DELINQUENT TAX COLLECTIONS</u>	<u>FUTURE YEAR TAX COLLECTIONS</u>	<u>TOTAL TAX COLLECTIONS</u>	<u>TOTAL COLLECTIONS % OF CURRENT LEVY</u>	<u>OUTSTANDING DELINQUENT TAXES</u>	<u>OUTSTANDING DELINQUENT AS % OF CURRENT LEVY</u>
1990	\$9,863,616	\$9,179,323	93.06	\$ 601,806	\$ 41,967	\$9,822,930	99.59	\$ 740,805	7.51
1989	9,095,857	8,540,625	93.90	537,687	46,904	9,125,216	100.32	692,636	7.62
1988	8,943,980	8,321,524	93.89	669,796	102,767	9,094,087	101.68	602,824	6.74
1987	7,973,800	7,316,676	91.80	315,643	74,858	7,707,177	96.65	726,036	9.11
1986	6,776,237	6,498,494	95.90	183,078	100,807	6,782,379	100.00	351,720	5.19
1985	5,481,042	5,346,783	97.55	204,822	27,971	5,579,576	101.80	227,482	4.15
1984	5,008,462	4,674,445	93.33	187,583	28,399	4,890,427	97.64	227,075	4.49
1983	3,448,356	3,264,176	94.65	44,053	118,261	3,426,490	99.37	198,681	5.76
1982	3,306,068	3,381,094	102.27	113,858	89,076	3,584,028	108.41	96,093	2.91
1981	3,164,000	3,032,354	95.84	65,853	50,700	3,148,907	99.52	128,391	4.06

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

TABLE V

## COMPARATIVE ASSESSED VALUATION CLASSIFICATION

	Real Estate	Improvements	Secured Personal	Unsecured Personal	Utilities Ralls Wires	Gross Valuation	Exemptions	Net Taxable Valuation	Estimated Actual Valuation (\$000)
1989-90 P	Note	\$1,135,696,035	\$16,335,940	\$72,491,425	\$52,966,020	\$1,277,489,420	\$475,955	\$1,277,013,465	\$ 8,660,247
S	657,418,600	641,834,315	16,335,940	72,491,425	53,002,235	1,441,082,515	478,065	1,440,604,450	9,609,263
1988-89 P	Note	997,492,015	16,141,580	61,292,800	48,590,545	1,123,516,940	506,116	1,123,010,824	7,599,557
S	575,199,010	584,018,330	16,141,580	61,280,715	48,689,065	1,285,328,700	506,543	1,284,822,157	8,503,650
1987-88 P	Note	884,855,850	15,960,085	52,975,475	46,231,835	1,000,023,245	511,936	999,511,309	6,824,658
S	500,624,140	539,400,325	15,960,085	53,014,855	46,258,720	1,155,258,125	501,752	1,154,756,373	7,766,372
1986-87 P	Note	754,011,020	20,209,940	51,209,830	37,742,485	863,173,275	544,917	862,628,358	5,924,016
S	359,032,815	543,595,755	20,209,940	51,284,540	37,742,495	1,011,865,545	536,119	1,011,329,426	6,818,621
1985-86 P	Note	612,418,575	19,491,720	31,181,985	34,897,580	697,989,860	347,947	697,641,913	4,996,510
S	289,289,410	442,267,375	19,491,720	31,282,385	34,897,580	817,228,470	335,622	816,892,848	5,498,018
1984-85 P	Note	497,307,980	5,586,005	34,234,800	32,718,135	569,846,920	404,295	569,442,625	4,008,323
S	238,256,260	360,033,625	5,586,005	34,344,260	32,718,135	670,938,285	379,760	670,558,525	4,684,493
1983-84 P	Note	415,957,110	7,117,670	44,027,420	31,163,760	498,265,960	432,103	497,833,857	3,450,866
S	207,127,235	328,758,240	7,117,670	44,179,445	31,163,760	618,346,350	359,684	617,986,666	4,252,661
1982-83 P	Note	337,368,075	873,145	23,763,595	34,378,830	396,383,645	489,152	395,894,493	3,250,168
S	118,468,430	294,573,905	873,145	23,971,545	34,378,830	472,265,855	424,824	471,841,031	2,781,027
1981-82 P	Note	293,254,155	4,816,520	22,475,660	29,581,930	350,128,265	388,617	349,739,648	2,431,972
S	78,168,180	299,115,465	4,816,520	22,481,685	29,581,930	434,163,780	222,812	433,940,968	3,129,428
1980-81 P	56,061,565	195,178,565	4,387,300	16,910,048	26,185,865	298,723,343	381,890	298,341,453	2,060,862
S	62,607,985	204,893,090	4,387,300	16,910,048	26,185,865	314,984,288	381,209	314,603,079	2,164,592

Note: Real Estate and Improvements Combined in Primary Valuation.

## ASSESSED VALUATION HISTORIES

Year	City of Scottsdale	Maricopa County	State of Arizona
1989-90 P	\$1,277,013,465	\$13,686,040,352	\$21,005,523,893
S	1,440,604,450	14,687,784,811	22,339,250,803
1988-89 P	\$1,123,010,824	\$12,373,679,006	\$19,288,421,282
S	1,284,822,157	13,493,208,236	20,832,030,237
1987-88 P	999,511,309	11,487,860,703	17,968,514,121
S	1,154,756,373	12,401,720,464	19,343,265,895
1986-87 P	862,628,358	9,752,363,542	15,869,884,369
S	1,011,329,426	10,963,593,442	17,651,286,504
1985-86 P	697,641,913	8,073,816,168	13,660,461,630
S	816,892,848	9,038,215,631	15,187,957,117
1984-85 P	569,442,625	7,057,697,234	12,136,753,090
S	670,558,525	7,929,606,629	13,527,994,589
1983-84 P	497,833,857	6,372,193,869	11,135,717,824
S	617,986,666	7,477,212,494	12,864,444,352
1982-83 P	395,894,493	5,257,521,736	9,943,400,152
S	471,841,031	6,034,315,165	11,199,119,863
1981-82 P	349,739,648	4,537,736,695	8,884,731,595
S	433,940,968	5,999,244,436	9,953,647,817
1980-81 P	298,341,453	3,822,449,353	8,872,496,646
S	314,603,079	3,994,223,482	9,940,994,609

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



CITY OF SCOTTSDALE  
PROPERTY TAX RATES - ALL OVERLAPPING GOVERNMENTS  
LAST TEN FISCAL YEARS

TABLE VIa

## TAX RATES PER \$100 ASSESSED VALUATIONS

FISCAL YEAR	CITY OF SCOTTSDALE	SCHOOL DISTRICTS		MARI COPA COUNTY	STATE OF ARIZONA	FLOOD DISTRICT	CENTRAL ARIZONA PROJECT	FIRE DISTRICT	LIBRARY	TOTAL	
		SCOTTSDALE UNIFIED	COMMUNITY COLLEGE								
1989-90	Primary	\$ .3919	\$ 4.3220	\$ .6869	\$ 1.4426	\$ .4700	\$	\$	\$	\$ 7.3134	
	Secondary	.3373	.9637	.0639	.1637		.4303	.1000	.0064	.0420	2.1073
	TOTAL	\$ .7292	\$ 5.2857	\$ .7508	\$ 1.6063	\$ .4700	\$ .4303	\$ .1000	\$ .0064	\$ .0420	\$ 9.4207
1988-89	Primary	\$ .4031	\$ 4.3393	\$ .6473	\$ 1.4370	\$ .4700	\$	\$	\$	\$ 7.2967	
	Secondary	.3556	.8458	.0684	.1656		.5000	.1000	.0087	.0445	2.0886
	TOTAL	\$ .7587	\$ 5.1851	\$ .7157	\$ 1.6026	\$ 0.4700	\$ .5000	\$ .1000	\$ .0087	\$ .0445	\$ 9.3853
1987-88	Primary	\$ .41	\$ 5.20	\$ .61	\$ 1.43	\$ .38	\$	\$	\$	\$ 8.03	
	Secondary	.42	.49	.07	.21		.50	.10	.01	.03	1.83
	TOTAL	\$ .83	\$ 5.69	\$ .68	\$ 1.64	\$ .38	\$ .50	\$ .10	\$ .01	\$ .03	\$ 9.86
1986-87	Primary	\$ .42	\$ 4.91	\$ .66	\$ 1.45	\$ .38	\$	\$	\$	\$ 7.82	
	Secondary	.44	.65	.08	.22		.50	.07		1.96	
	TOTAL	\$ .86	\$ 5.56	\$ .74	\$ 1.67	\$ .38	\$ .50	\$ .07			\$ 9.78
1985-86	Primary	\$ .43	\$ 4.76	\$ .71	\$ 1.45	\$ .40	\$	\$	\$	\$ 7.75	
	Secondary	.46		.11	.16		.50	.07		1.30	
	TOTAL	\$ .89	\$ 4.76	\$ .82	\$ 1.61	\$ .40	\$ .50	\$ .07			\$ 9.05
1984-85	Primary	\$ .48	\$ 4.30	\$ .75	\$ 1.50	\$ .40	\$	\$	\$	\$ 7.43	
	Secondary	.42			.16		.50	.07		1.15	
	TOTAL	\$ .90	\$ 4.30	\$ .75	\$ 1.66	\$ .40	\$ .50	\$ .07			\$ 8.58
1983-84	Primary	\$ .51	\$ 4.34	\$ .77	\$ 1.53	\$ .75	\$	\$	\$	\$ 7.90	
	Secondary	.40	.13		.24		.48	.05		1.30	
	TOTAL	\$ 0.91	\$ 4.47	\$ .77	\$ 1.77	\$ .75	\$ .48	\$ .05			\$ 9.20
1982-83	Primary	\$ .55	\$ 3.98	\$ .80	\$ 1.57	\$ .75	\$	\$	\$	\$ 7.65	
	Secondary	.26	.21		.16		.50	.03		1.16	
	TOTAL	\$ .81	\$ 4.19	\$ .80	\$ 1.73	\$ .75	\$ .50	\$ .03			\$ 8.81
1981-82	Primary	\$ .59	\$ 4.11	\$ 0.78	\$ 1.60	\$ .95	\$	\$	\$	\$ 8.03	
	Secondary	.30	.29	.03	.18		.34	.03		1.17	
	TOTAL	\$ .89	\$ 4.40	\$ .81	\$ 1.78	\$ .95	\$ .34	\$ .03			\$ 9.20
1980-81	Primary	\$ .63	\$ 3.92	\$ .88	\$ 1.76	\$ 1.25	\$	\$	\$	\$ 8.44	
	Secondary	.41	.33	.04	.22		.43	.04		1.47	
	TOTAL	\$ 1.04	\$ 4.25	\$ .92	\$ 1.98	\$ 1.25	\$ .43	\$ .04			\$ 9.91

For Scottsdale residents residing within the Balsz Elementary District, the 1989-90 tax rate total is \$10.21.  
For those residing within the Paradise Valley Unified School District, the 1989-90 tax rate total is \$11.27.  
For those residing within the Cave Creek School District, the 1989-90 tax rate total is \$9.91.

CITY OF SCOTTSDALE  
PROPERTY TAX LEVIES - ALL OVERLAPPING GOVERNMENTS  
LAST TEN FISCAL YEARS

TABLE VIb

## TAX LEVIES

FISCAL YEAR	CITY OF SCOTTSDALE	SCHOOL DISTRICTS		MARICOPA COUNTY	STATE OF ARIZONA	FLOOD DISTRICT	CENTRAL ARIZONA PROJECT	FIRE DISTRICT	LIBRARY	TOTAL	
		SCOTTSDALE UNIFIED	COMMUNITY COLLEGE								
TAX LEVIES											
1989-90	Primary	\$ 5,004,616	\$ 63,682,375	\$ 94,016,141	\$ 197,430,202	\$ 64,324,340	\$	\$	\$	\$424,457,674	
	Secondary	14,859,000	15,336,527	9,382,900	24,041,307		47,234,724	14,687,785		133,143,743	
	TOTAL	\$ 19,863,616	\$ 79,018,902	\$ 103,399,041	\$ 221,471,509	\$ 64,324,340	\$ 47,234,724	\$ 14,687,785	\$ 982,630	\$ 6,618,870	\$557,601,417
1988-89	Primary	\$ 4,526,857	\$ 57,697,334	\$ 80,098,810	\$ 177,809,767	\$ 58,121,461	\$	\$	\$	\$378,254,229	
	Secondary	4,569,000	12,426,366	9,218,850	12,324,183		50,832,192	13,480,787	1,179,127	6,000,000	110,030,505
	TOTAL	\$ 9,095,857	\$ 70,123,700	\$ 89,317,660	\$ 190,133,950	\$ 58,121,461	\$ 50,832,192	\$ 13,480,787	\$ 1,179,127	\$ 6,000,000	\$488,284,734
1987-88	Primary	\$ 4,131,980	\$ 63,154,347	\$ 70,272,141	\$ 165,318,498	\$ 43,656,031	\$	\$	\$	\$346,532,997	
	Secondary	4,812,000	6,532,030	9,057,513	27,251,761		47,860,799	12,402,456	1,184,118	4,135,868	113,236,545
	TOTAL	\$ 8,943,980	\$ 69,686,377	\$ 79,329,654	\$ 192,570,259	\$ 43,656,031	\$ 47,860,799	\$ 12,402,456	\$ 1,184,118	\$ 4,135,868	\$459,769,542
1986-87	Primary	\$ 3,609,800	\$ 53,017,998	\$ 64,252,038	\$ 140,945,425	\$ 37,058,981	\$	\$	\$	\$298,884,242	
	Secondary	4,364,000	7,966,614	8,936,900	26,639,165		44,850,000	7,674,515		100,431,194	
	TOTAL	\$ 7,973,800	\$ 60,984,612	\$ 73,188,938	\$ 167,584,590	\$ 37,058,981	\$ 44,850,000	\$ 7,674,515			\$399,315,436
1985-86	Primary	\$ 3,042,009	\$ 43,000,993	\$ 57,198,367	\$ 117,171,280	\$ 31,718,427	\$	\$	\$	\$252,131,076	
	Secondary	3,734,228	9,265,991	14,500,000	14,500,000		35,258,000	6,326,751		69,084,970	
	TOTAL	\$ 6,776,237	\$ 43,000,993	\$ 66,464,358	\$ 131,671,280	\$ 31,718,427	\$ 35,258,000	\$ 6,326,751			\$321,216,046
1984-85	Primary	\$ 2,719,021	\$ 32,632,320	\$ 52,825,981	\$ 105,958,455	\$ 28,197,257	\$	\$	\$	\$222,333,034	
	Secondary	2,762,021		11,919,468	11,919,468		29,484,792	5,544,888		49,711,169	
	TOTAL	\$ 5,481,042	\$ 32,632,320	\$ 52,825,981	\$ 117,877,923	\$ 28,197,257	\$ 29,484,792	\$ 5,544,888			\$272,044,203
1983-84	Primary	\$ 2,558,626	\$ 29,535,753	\$ 49,021,392	\$ 97,060,969	\$ 47,791,454	\$	\$	\$	\$225,968,194	
	Secondary	2,449,836	1,044,991	17,945,309	17,945,309		25,750,000	3,738,606		50,928,742	
	TOTAL	\$ 5,008,462	\$ 30,580,744	\$ 49,021,392	\$ 115,006,278	\$ 47,791,454	\$ 25,750,000	\$ 3,738,606			\$276,896,936
1982-83	Primary	\$ 2,188,451	\$ 22,663,965	\$ 42,157,932	\$ 82,722,892	\$ 39,432,461	\$	\$	\$	\$189,165,701	
	Secondary	1,259,905	1,441,572	9,655,311	9,655,311		22,348,935	1,810,371		36,516,094	
	TOTAL	\$ 3,448,356	\$ 24,105,537	\$ 42,157,932	\$ 92,378,203	\$ 39,432,461	\$ 22,348,935	\$ 1,810,371			\$225,681,795
1981-82	Primary	\$ 2,035,753	\$ 20,619,199	\$ 35,382,235	\$ 72,719,050	\$ 43,109,179	\$	\$	\$	\$173,865,416	
	Secondary	1,270,315	1,806,942	1,502,500	9,605,781		13,500,000	1,599,438		29,284,976	
	TOTAL	\$ 3,306,068	\$ 22,426,141	\$ 36,884,735	\$ 82,324,831	\$ 43,109,179	\$ 13,500,000	\$ 1,599,438			\$203,150,392
1980-81	Primary	\$ 1,882,000	\$ 17,123,070	\$ 33,805,756	\$ 67,153,941	\$ 47,780,616	\$	\$	\$	\$167,745,383	
	Secondary	1,282,000	1,511,100	1,560,000	8,493,229		12,292,400	1,636,096		26,774,825	
	TOTAL	\$ 3,164,000	\$ 18,634,170	\$ 35,365,756	\$ 75,647,170	\$ 47,780,616	\$ 12,292,400	\$ 1,636,096			\$194,520,208
1979-80		\$ 2,941,981	\$ 24,808,895	\$ 33,407,254	\$ 81,741,154	\$ 17,059,023	\$ 5,342,316	\$ 1,066,189			\$166,366,812

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

CITY OF SCOTTSDALE  
PRINCIPAL TAXPAYERS  
JUNE 30, 1990

TABLE VII

<u>TAXPAYER</u>	<u>TYPE OF BUSINESS</u>	<u>ASSESSED VALUATION</u>	<u>PERCENT OF TOTAL ASSESSED VALUATION</u>
Motorola, Inc.	Electronics Manufacturing	\$ 28,631,640	1.99
Arizona Public Service	Electric Utility	25,052,980	1.74
U.S. West Communications	Telephone Utility	19,155,090	1.33
Westcor Company Ltd. Partnership	Real Estate Development	11,202,390	0.78
Foremost/McKesson, Inc.	Pharmaceutical Company	10,661,670	0.74
Mayo Foundation for Medicine	Health Services	7,710,395	0.54
Herberger Enterprises	Multi-Family Dwellings	6,872,145	0.48
The Registry Resort	Resort Hotel	6,836,065	0.47
Camelview Plaza Shopping Center	Retail Mall	6,507,230	0.45
Scottsdale Conference Center	Convention Center	4,612,265	0.32
Boulders Joint Venture	Resort Hotel	<u>4,475,970</u>	<u>0.31</u>
		<u>\$131,717,840</u>	<u>9.15</u>

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

TABLE VIII

<u>FISCAL YEAR</u>	<u>SPECIAL ASSESSMENTS BILLED</u>	<u>CURRENT ASSESSMENTS COLLECTED</u>	<u>RATIO OF COLLECTIONS TO AMOUNT DUE</u>	<u>TOTAL OUTSTANDING* CURRENT AND DELINQUENT ASSESSMENTS</u>
1989-90	\$ 3,000,779	\$ 2,936,746	97.9%	\$64,033
1988-89	3,039,493	3,000,260	98.7	39,233
1987-88	3,052,968	3,029,100	99.2	23,868
1986-87	2,145,044	2,128,060	99.2	16,984
1985-86	1,885,731	1,884,530	99.9	1,201
1984-85	469,277	468,058	99.7	1,219
1983-84	307,290	302,047	98.3	5,243
1982-83	530,838	522,765	98.5	8,073
1981-82	738,597	731,731	99.0	6,866
1980-81	857,444	837,888	97.7	19,556

\* Under Arizona law, public auctions are held in January of each year at which disposition of then-delinquent assessments is made. By bid, special lien rights to properties against which due but unpaid assessments exist are offered in return for payment of all outstanding amounts plus penalties. In the event there are no interested bidders, the delinquency must be satisfied from budgetary funds of the sponsoring governmental unit. Thus, in January of each year, all outstanding delinquent assessments are collected. The amounts shown in this column, if any, represent unpaid balances of the June 1 semi-annual interest installment only.

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

TABLE IX

<u>FISCAL YEAR</u>	<u>POPULATION (1)</u>	<u>ASSESSED VALUE</u>	<u>GROSS BONDED DEBT (2)</u>	<u>LESS DEBT SERVICE FUNDS</u>	<u>NET BONDED DEBT</u>	<u>RATIO OF NET BONDED DEBT TO ASSESSED VALUE</u>	<u>NET BONDED DEBT PER CAPITA</u>
1989-90	129,956	\$1,440,604,450	\$52,400,000	\$5,438,209	\$46,961,791	3.3%	\$361.37
1988-89	127,553	1,284,822,157	29,535,000	6,256,289	23,278,711	1.8	182.50
1987-88	124,562	1,154,756,373	32,950,000	7,028,420	25,921,580	2.2	208.10
1986-87	120,541	1,011,329,426	36,335,000	7,769,234	28,565,766	2.8	236.98
1985-86	114,993	816,892,848	40,195,000	8,270,674	31,924,326	3.9	277.62
1984-85	107,900	670,558,525	30,800,000	6,525,723	24,274,277	3.6	224.97
1983-84	100,900	617,986,666	31,000,000	6,492,884	24,507,116	4.0	242.89
1982-83	98,600	417,841,031	11,365,000	6,047,735	5,317,265	1.1	53.93
1981-82	96,100	433,940,968	11,725,000	5,322,701	6,402,299	1.5	66.22
1980-81	90,700	314,603,079	12,080,000	4,666,093	7,413,907	2.4	81.74

(1) Source: City Planning Staff

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

**CITY OF SCOTTSDALE**  
**COMPUTATION OF LEGAL DEBT MARGINS**  
**JUNE 30, 1990**

TABLE X

Assessed Value			\$1,440,604,450
Debt Limit 6% of Assessed Value			86,436,267
Amount of Debt Applicable to Debt Limit			
Total 6% General Obligation Bonded Debt			
1967 Civic Center	115,000		
1968 Civic Center	1,400,000		
1983 CIP Series A			
Public Buildings	8,640,000		
1985 CIP Series B			
Public Buildings	2,722,500		
1990 CIP Series A	<u>21,519,000</u>	<u>34,396,500</u>	
<b>Less:</b>			
Cash in Debt Service Funds			
1967 Civic Center	115,000		
1968 Civic Center	75,000		
1983 CIP Series A	1,440,000		
1985 CIP Series B	<u>85,500</u>	<u>1,715,500</u>	
Total Debt Applicable to Debt Limit			<u>32,681,000</u>
<b>Legal Debt Margin</b>			<b>\$ 53,755,267</b>
Debt Limit 20% of Assessed Value			\$ 288,120,890
Amount of Debt Applicable to Debt Limit			
Total 20% General Obligation Bonded Debt			
1973 Storm Sewer Series A	3,500,000		
1983 CIP Series A			
Parks	3,000,000		
Storm Sewer	360,000		
1985 CIP Series B			
Parks	2,792,050		
Storm Sewer	3,560,450		
1986 Water Improvements	37,270,000		
1990 CIP Series A	<u>7,266,000</u>	<u>57,748,500</u>	
<b>Less:</b>			
Cash in Debt Service Funds			
1973 Storm Sewer Series	3,500,000		
1983 CIP Series A			
Parks	500,000		
Storm Sewer	60,000		
1985 CIP Series B			
Parks	111,150		
Storm Sewer	88,350		
1986 Water Improvements	<u>495,000</u>	<u>4,754,500</u>	
Total Debt Applicable to Debt Limit			<u>52,994,000</u>
<b>Legal Debt Margin</b>			<b>\$ 235,126,890</b>

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

<u>FISCAL YEAR</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>DEBT SERVICE</u>	<u>TOTAL EXPENDITURES</u>	<u>RATIO OF DEBT SERVICE TO TOTAL EXPENDITURES</u>
1990	\$2,475,000	\$2,724,699	\$5,199,699	\$84,881,157	6.13%
1989	3,445,000	2,178,611	5,623,611	95,645,945	5.90
1988	3,415,000	2,339,321	5,754,321	91,528,855	6.26
1987	3,385,000	2,651,968	6,036,968	84,961,071	7.11
1986	3,860,000	2,782,036	6,642,036	79,682,450	8.34
1985	975,000	2,080,725	3,055,725	58,041,919	5.26
1984	670,000	1,114,165	1,784,165	50,714,853	3.52
1983	660,000	589,860	1,249,860	44,551,039	2.81
1982	655,000	605,285	1,260,285	39,846,106	3.16
1981	650,000	630,260	1,280,260	36,502,778	3.51

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

TABLE XII

<u>FISCAL YEAR</u>	<u>GROSS REVENUE</u>	<u>OPERATING &amp; MAINTENANCE EXPENSES</u>	<u>NET REVENUE AVAILABLE FOR DEBT SERVICES</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>	<u>COVERAGE</u>	<u>REQUIRED COVERAGE</u>
1990	\$33,204,682	\$19,749,304	\$13,455,378	\$1,295,000	\$3,742,838	\$5,037,838	2.67	1.20
1989	28,081,975	15,044,722	13,037,253	1,170,000	3,562,876	4,732,876	2.75	1.20
1988	26,327,551	12,208,834	14,118,717	1,050,000	3,624,851	4,674,851	3.02	1.20
1987	19,757,728	11,333,904	8,423,824	690,000	3,001,897	3,691,897	2.28	1.20
1986	16,048,667	6,275,565	9,773,102	950,000	1,084,061	2,034,061	4.80	1.20
1985	12,936,684	5,259,787	7,676,897	1,270,000	1,151,571	2,421,571	3.17	1.20
1984	10,415,234	4,843,415	5,571,819	1,200,000	770,132	1,970,132	2.83	1.20
1983	8,122,921	4,007,847	4,115,074	685,000	490,573	1,175,573	3.50	1.20
1982	7,497,502	2,818,809	4,678,693	600,000	522,323	1,122,323	4.17	1.20
1981	6,544,840	2,433,428	4,111,412	535,000	595,833	1,130,833	3.64	1.20

## DEFINITIONS:

**REVENUES** - includes all revenues, all receipts, interest income, etc., actually realized for services and interest. Development fees are not included.

**EXPENSES** - includes operating and maintenance expenses that are necessary for on-going operations

- depreciation is a non-operating expense and is not included in expense
- indirect expense, in lieu property tax, and franchise fee expense are a regular business agreement with other funds, therefore are included in expenses.
- contract principal is not reflected in expenses.



## CITY OF SCOTTSDALE

TABLE XIII

## TOTAL DIRECT AND OVERLAPPING GENERAL OBLIGATION DEBT

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

<u>Name of Governmental Unit</u>	<u>Net Bond Outstanding</u>	<u>% Applicable To This Municipality</u>	<u>City of Scottsdale Share of Debt</u>
Maricopa County	\$127,050,000	9.81%	\$ 12,463,605
Maricopa County C.C.D.	22,600,000	9.81%	2,217,060
Tempe Elementary S.D. No. 3	29,450,000	0.0004%	118
Balsz Elementary S.D. No. 31		3.82%	
Scottsdale Unified S.D. No. 48	109,325,000	68.32%	74,690,840
Paradise Valley Unified S.D. No. 69	130,305,000	18.42%	24,002,181
Cave Creek Unified S.D. No. 93	20,085,000	43.58%	8,753,043
Tempe Union H.S.D. No. 213	53,165,000	0.0003%	160
Phoenix Union H.S.D. No. 210	91,900,000	0.22%	202,180
Fountain Hills Unified S.D. No. 98	4,625,000	0.25%	<u>11,563</u>
<b>Total Overlapping Debt</b>			<b>\$122,340,750</b>
City of Scottsdale	85,675,000	100.00%	<u>85,675,000</u>
<b>Total Direct and Overlapping Debt</b>			<b><u>\$208,015,750</u></b>

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

TABLE XIV

<u>FISCAL YEAR</u>	<u>POPULATION (1)</u>	<u>PER CAPITA INCOME</u>		<u>MEDIAN AGE</u>		<u>EDUCATION LEVEL IN YEARS OF SCHOOLING</u>	<u>SCHOOL ENROLLMENT</u>	<u>UNEMPLOYMENT RATE</u>	
		<u>(2)</u>	<u>(5)</u>	<u>(2)</u>	<u>(5)</u>	<u>(2)</u>	<u>(3)</u>	<u>(4)</u>	<u>(5)</u>
1990	129,956	20,543		35.0		N/A	19,276	3.0%	
1989	127,553	17,926		35.0		N/A	19,350	2.7	
1988	124,562	16,891		39.0		N/A	20,081	3.5	
1987	120,541	14,975		39.0		N/A	19,337	4.3	
1986	114,993	14,716		36.9		13.5	19,255	3.9	
1985	107,900	14,071		43.5		14.2	18,830	3.6	
1984	100,900	10,900		38.5		12.0	19,032	2.9	
1983	98,600	12,200		39.4		13.0	19,803	5.9	
1982	96,100	10,013		39.2		13.3	20,855	6.3	
1981	90,700	11,116		34.6		14.7	22,060	3.9	

**Sources:**

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

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

TABLE XV

FISCAL YEAR	COMMERCIAL CONSTRUCTION (1)		RESIDENTIAL CONSTRUCTION (1)		BANK DEPOSITS MARICOPA COUNTY (\$000) (2)	PROPERTY VALUE (3)		
	NUMBER OF PERMITS	VALUE	NUMBER DWELLING UNITS	VALUE		COMMERCIAL	RESIDENTIAL	NONTAXABLE
1990	1,035	\$116,911,202	1,571	\$229,271,970	\$17,119,454	\$4,074,473,248	\$5,534,789,752	\$606,445,209
1989	1,287	243,007,000	1,932	360,424,000	14,491,100	3,507,955,829	5,076,358,189	457,067,285
1988	1,416	172,700,000	3,996	545,900,000	15,373,219	3,034,294,469	4,807,553,647	390,010,293
1987	2,369	241,225,414	3,907	400,622,346	16,305,623	2,419,008,011	4,399,613,412	300,069,057
1986	2,436	190,962,782	4,027	386,391,288	13,973,325	1,935,264,476	3,596,269,350	220,255,201
1985	2,691	184,975,825	3,917	363,121,381	12,287,691	1,453,886,466	3,118,169,191	253,820,222
1984	2,529	124,939,954	3,504	294,370,574	10,286,853	1,276,210,112	2,925,474,200	230,412,720
1983	1,949	67,585,662	2,404	137,180,307	8,603,186	810,425,162	2,439,742,604	194,655,713
1982	2,278	62,902,183	1,103	63,345,423	7,888,962	702,699,595	2,429,906,884	107,081,672
1981	2,723	52,387,384	1,906	96,450,635	7,415,347	569,123,360	1,595,467,446	101,065,967

Note (1) Source - City Building Inspection Staff

Note (2) Source - Arizona Bankers Association

Note (3) Source - Abstract published by the Arizona State Department of Revenue.

CITY OF SCOTTSDALE  
ARIZONA PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM  
LAST TEN FISCAL YEARS

TABLE XVIA

## Required Supplementary Information

Computed Contribution Comparative Schedule

Fiscal Year	Valuation Date June 30	Contribution Rates As Percents of Valuation Payroll	Valuation Payroll	Employer Dollar Contribution For Fiscal Year	
				Computed	Actual
1981-82	1980	11.76%	\$2,852,892	N/A	N/A
1982-83	1981(1)*	10.56%	2,927,465	N/A	N/A
1983-84	1982	10.12%	3,244,380	N/A	N/A
1984-85	1983(2)	9.25%	3,427,840	N/A	N/A
1985-86	1984(1)*	8.01%	3,556,364	N/A	N/A
1986-87	1985	7.94%	4,227,382	\$467,455	\$467,455
1987-88	1986*	6.83%	4,783,772	456,348	456,348
1988-89	1987(3)*	8.18%	5,826,254	552,954	552,954
1989-90	1988*	8.58%	6,525,283	N/A	N/A
1990-91	1989(1)*	9.29%	6,614,720	N/A	N/A

\* Cost-of-living adjustments for retired members and survivors.

(1) Change in assumptions.

(2) Change in assumptions and benefit provisions.

(3) Change in benefit provisions.

Valuation Date June 30	(1) Net Assets Available for Benefits	(2) Pension Benefit Obligation (PBO)	(3) Percent Funded (1)/(2)	(4) Assets In Excess of PBO (2)-(1)	(5) Annual Covered Payroll	(6)
						Assets In Excess of PBO as a Percentage of Covered Payroll (4)/(5)
1987*	\$14,010,739	\$12,828,183	109.2%	(\$1,182,556)	\$5,826,254	(20.3%)
1988	16,112,899	15,307,237	105.3%	(805,662)	6,525,283	(12.3%)
1989**	18,267,514	17,498,471	104.4%	(769,043)	6,614,720	(11.6%)

\* Change in benefit provisions.

\*\* Change in assumptions.

Analysis of the dollar amounts of net assets available for benefits, pension benefit obligation, and unfunded pension benefit obligation in isolation can be misleading. Expressing the net assets available for benefits as a percentage of the pension benefit obligation provides an indication of the plan's funded status on a going-concern basis. Analysis of this percentage over time indicates whether the system is becoming financially stronger or weaker. Generally, the greater this percentage, the stronger the plan. The assets in excess of pension benefit obligation and annual covered payroll are both affected by inflation. Expressing the assets in excess of pension benefit obligation as a percentage of annual covered payroll approximately adjusts for the effects of inflation and aids analysis of the progress being made in accumulating sufficient assets to pay benefits when due. Generally, the smaller this percentage, the stronger the plan.

**CITY OF SCOTTSDALE  
ARIZONA STATE RETIREMENT PLAN  
LAST TEN FISCAL YEARS**

TABLE XVIIb

Required Supplementary Information

Computed Contribution Comparative Schedule

Fiscal Year	Valuation Date June 30(1)	Contribution Rates As Percents of Valuation Payroll	Valuation Payroll	Employer Dollar Contribution For Fiscal Year	
				Computed	Actual
1981-82	1980	6.29%	N/A	N/A	N/A
1982-83	1981	5.79%	\$1,567,400,500	N/A	N/A
1983-84	1982	6.04%	1,734,146,900	N/A	N/A
1984-85	1983	6.27%	N/A	N/A	N/A
1985-86	1984	5.67%	1,905,904,900	N/A	N/A
1986-87	1985	5.53%	2,119,735,900	N/A	N/A
1987-88	1986	4.00% (2)	2,361,318,800	N/A	N/A
1988-89	1987	5.09%	2,638,795,626	N/A	N/A
1989-90	1988	2.00% (3)	3,003,707,744	N/A	N/A
1990-91	1989	3.82%	3,191,226,719	N/A	N/A

(1) Changes in benefits and assumptions have occurred but are not indicated by year.

(2) The actuarial valuation of 5.16% was pre-empted by the Arizona Legislature which set the rate at 4%.

(3) The actuarial valuation of 4.69% was pre-empted by the Arizona Legislature which set the rate at 2%.

(In Millions of Dollars)

Valuation Date June 30	(1) Net Assets Available for Benefits	(2) Pension Benefit Obligation (PBO)	(3) Percent Funded (1)/(2)	(4) Assets In Excess of PBO (2)-(1)	(5) Annual Covered Payroll	(6)
						Assets In Excess of PBO as a Percentage of Covered Payroll (4)/(5)
1987	\$5,497.3	\$4,952.5	111.0%	(\$544.8)	\$2,477.7	(22.0%)
1988	5,989.8	5,392.7	111.1%	( 597.1)	2,817.7	(21.2%)
1989	6,652.7	6,016.9	110.6%	( 635.8)	2,993.6	(21.2%)

Analysis of the dollar amounts of net assets available for benefits, pension benefit obligation, and unfunded pension benefit obligation in isolation can be misleading. Expressing the net assets available for benefits as a percentage of the pension benefit obligation provides an indication of the plan's funded status on a going-concern basis. Analysis of this percentage over time indicates whether the system is becoming financially stronger or weaker. Generally, the greater this percentage, the stronger the plan. The assets in excess of pension benefit obligation and annual covered payroll are both affected by inflation. Expressing the assets in excess of pension benefit obligation as a percentage of annual covered payroll approximately adjusts for the effects of inflation and aids analysis of the progress being made in accumulating sufficient assets to pay benefits when due. Generally, the smaller this percentage, the stronger the plan.

**CITY OF SCOTTSDALE  
ARIZONA ELECTED OFFICIALS' RETIREMENT PLAN (EORP)  
LAST TEN FISCAL YEARS**

TABLE XVIc

Required Supplementary Information

Computed Contribution Comparative Schedule

Fiscal Year(1)	Valuation Date June 30	Contribution Rates As Percents of		Valuation Payroll	Employer Dollar Contribution For Fiscal Year	
		Valuation	Payroll		Computed	Actual
1987-88	1987 (2)	13.42%		\$20,409,034	N/A	N/A
1988-89	1988	13.58%		21,444,316	N/A	N/A
1989-90	1989	14.44%		24,604,684	N/A	N/A

- (1) The City's elected officials joined EORP in 1988.  
 (2) Change in assumptions and benefit provisions.

Valuation Date June 30	(1) Net Assets Available for Benefits	(2) Pension Benefit Obligation (PBO)	(3) Percent Funded (1)/(2)	(4) Assets In Excess of PBO (2)-(1)	(5) Annual Covered Payroll	(6)
						Assets In Excess of PBO as a Percentage of Covered Payroll (4)/(5)
1987 *	\$65,818,230	\$63,116,201	104.3%	(\$2,702,029)	\$20,409,034	(13.2%)
1988	73,993,374	71,798,905	103.1%	( 2,194,469)	21,444,316	(10.2%)

\* Includes statutory amendment and assumption change.

Analysis of the dollar amounts of net assets available for benefits, pension benefit obligation, and unfunded pension benefit obligation in isolation can be misleading. Expressing the net assets available for benefits as a percentage of the pension benefit obligation provides one indication of the Plan's funded status on a going-concern basis. Analysis of this percentage over time indicates whether the System is becoming financially stronger or weaker. Generally, the greater this percentage, the stronger the Plan. The unfunded pension benefit obligation and annual covered payroll are both affected by inflation. Expressing the unfunded pension benefit obligation as a percentage of annual covered payroll approximately adjusts for the effects of inflation and aids analysis of the progress being made in accumulating sufficient assets to pay benefits when due. Generally, the smaller this percentage, the stronger the Plan.

**CITY OF SCOTTSDALE**  
**MISCELLANEOUS STATISTICAL DATA**  
**JUNE 30, 1990**

TABLE XVII

	<u>Area - Square Miles</u>
<b>Date of Incorporation - June 25, 1951</b>	1951 - .62
<b>Date Charter Adopted - November 16, 1961</b>	1961 - 8.80
<b>Form of Government - Council/Manager</b>	1970 - 62.20
<b>Population</b>	1975 - 85.80
1950 Census - 2,032	1979 - 88.60
1960 Census - 10,026	1982 - 113.60
1965 Special Census - 54,504	1986 - 183.60
1970 Census - 67,823	1987 - 184.30
1975 Special Census - 78,065	1988 - 184.80
1980 Census - 88,412	1989 - 184.80
1985 Census - 108,447	1990 - 185.20
1990 Est. 06/30/90 - 129,956	
<b>Miles of Sewers</b>	
Storm	21.95
Sanitary	649.40
<b>Fire Protection</b>	
Number of Stations	6
The City of Scottsdale has no fire employees but contracts with Metropolitan Fire Department, Inc. to provide fire service to all residents.	
<b>Police Protection</b>	
Number of Employees	303
Number of Traffic Citations (excluding parking)	42,425
Number of Vehicles	136
The City jail is a holding facility. All long-term prisoners are incarcerated in the County jail.	
<b>Recreation</b>	
Parks - Number of Acres	2,576
Number of Swimming Pools	3
Number of Other Recreation Facilities	38
These include schools and school playgrounds in cooperation with Scottsdale School District.	
<b>Water Enterprise</b>	
Number of Water Customers	45,441
Annual Consumption (Gallons)	14,794,000,000
System Capacity (Gallons Per Day)	86,645,120
Miles of Distribution Lines	880.00
Number of Street Lights	7,633
<b>Employees as of June 30, 1990</b>	
Full Time	1,033
Part Time	255
Grant Funded	5
Total	1,293
<b>Elections</b>	
Number of registered voters as of last regular election, March, 1990	74,204
Number/% voting in last municipal election	12,423/16.7%
<b>Population</b>	
Median Age of Residents	35.0
Mean Average Household Income	47,319
Mean Average Home Value - Single Family	163,847

**CITY OF SCOTTSDALE  
SCHEDULE OF INSURANCE IN FORCE  
JUNE 30, 1990**

TABLE XVIII

<u>CARRIER</u>	<u>POLICY DESCRIPTION</u>	<u>AMOUNT OF COVERAGE</u>
Arkwright Mutual Insurance Co. 12/15/87 to 12/01/90	Property Insurance - All Risk Repair or Replace \$10,000 Deductible	\$134,561,000
Planet Insurance Company 07/01/89 to 07/01/90	Excess Liability Coverage \$1,000,000 Retention	\$ 1,000,000
Planet Insurance Company 07/01/89 to 07/01/90	Excess Liability Coverage	\$ 3,000,000
Lexington Insurance Co. 07/01/89 to 07/01/90	Excess Liability Coverage	\$ 5,000,000
National Union Fire Insurance 07/01/89 to 07/01/90	Airport, Hangarkeepers, and Non-owned Aviation Coverage \$5,000 Deductible	\$ 50,000,000
Employers Reinsurance 07/01/89 to 07/01/90	Excess Worker's Compensation Coverage \$300,000 Retention	Statutory



**CITY OF SCOTTSDALE  
GENERAL INSURANCE  
JUNE 30, 1990**

TABLE XVIIIa

**REAL PROPERTY (BUILDINGS)**

<u>FACILITY/ADDRESS</u>	<u>CONSTRUCTION</u>	<u>ACQUISITION DATE</u>	<u>AREA SQUARE FEET</u>	<u>REPLACEMENT COST (6/30/90)</u>
<b>PARKS</b>				
Aqua Linda Park Building 8732 East McDonald	Conc./Block	04/75	1,300	\$ 89,138
Cactus Park 7202 East Cactus Road	Conc./Block	04/87	12,000 & 17 Acres	1,570,000
Chaparral Park 5401 North Hayden Road Recreation Center	Conc./Block	10/74	4,650	275,910
	Conc./Block	10/81	2,000	159,181
Chestnut Park 4565 North Granite Reef Senior Citizen Center Ramadas	Adobe	08/65	950	55,182
	Conc./Block	07/69	693	17,830
<b>Eldorado Park</b>				
Recreation Center 2311 North Miller Road	Conc./Block	10/68	10,000	636,725
Pool/Bath House 2301 North Miller Road	Conc./Block	06/68	3,515	186,772
Restrooms 2301 North Miller Road	Conc./Block	07/70	350	16,983
South Control Building 1909 North Miller Road	Conc./Block	07/70	1,944	132,651
Concession Stand 2301 North Miller Road	Conc./Block	1970	210	5,304
<b>Paiute Park</b>				
6535 East Osborn Control Building	Conc./Block	07/82	1,500	129,469
Maintenance Compound	Conc./Block	-	720	31,834
<b>Pima Park</b>				
8600 East Thomas Road	Conc./Block	-	500	45,635
Baseball Stadium 7408 East Osborn	Wood Frame	-	12,000	424,483
Vista Del Camino 7700 East Roosevelt	Conc./Block	08/73	12,100	851,000

**CITY OF SCOTTSDALE  
GENERAL INSURANCE  
JUNE 30, 1990**

**TABLE XVIIIa  
(Continued)**

**REAL PROPERTY (BUILDINGS)**

<u>FACILITY/ADDRESS</u>	<u>CONSTRUCTION</u>	<u>ACQUISITION DATE</u>	<u>AREA SQUARE FEET</u>	<u>REPLACEMENT COST (6/30/90)</u>
<b>PARKS (Continued)</b>				
<b>Horseworld Park</b>				
16600 North Pima Road			108,000	\$ 1,200,000
Control/Restrooms	Conc./Block	05/83		
Park Residence	Block/Frame	06/84		
<b>McCormick Park</b>				
7303 East Indian Bend				
Bldg./N. Branch Library	Adobe	12/67	3,108	321,377
Storage Building	Adobe	12/67	616	43,293
Railroad Train Shed	Steel	12/71	6,400	416,285
Train Depot	Wood Frame	04/75	504	41,628
Peoria Building	Wood Frame	04/75	1,008	91,579
Machine Shop Museum	Wood Frame	1974	180	9,652
North Star-Train Car	Steel	-	750	339,686
<b>Indian School Park</b>				
4289 North Hayden Road				
Sports Control Building	Conc./Block	02/80	2,265	184,651
Visitor Center	Conc./Block	02/80	3,918	318,362
Shower and Lockers	Conc./Block	02/80	3,600	318,362
<b>Mountain View Park</b>				
8625 East Mountain View				
Restrooms/Storage	Conc./Block	1986	12,000	880,801
	Conc./Block	1986	800	<u>29,713</u>
<b>TOTAL PARKS</b>				<b><u>\$ 8,823,486</u></b>
<b>MAINTENANCE AND POLICE COMPLEX</b>				
<b>Street Maintenance</b>				
Storage Building	Conc./Block	08/71	8,479	\$ 549,559
1327 East McKellips	Metal	07/66	600	8,826
<b>Sanitation Center</b>				
1325 East McKellips	Conc./Block	07/66	3,640	177,920
<b>Fleet Maintenance</b>				
1323 East McKellips	Conc./Block	11/64	20,646	779,303
<b>P/M Building</b>				
1323 East McKellips	Conc./Block	02/69	1,600	102,930
<b>Auto Parts Building</b>				
1323 East McKellips	Sheet Metal	11/74	1,600	132,333

**CITY OF SCOTTSDALE  
GENERAL INSURANCE  
JUNE 30, 1990**

**TABLE XVIIIa  
(Continued)**

**REAL PROPERTY (BUILDINGS)**

<u>FACILITY/ADDRESS</u>	<u>CONSTRUCTION</u>	<u>ACQUISITION DATE</u>	<u>AREA SQUARE FEET</u>	<u>REPLACEMENT COST (6/30/90)</u>
<b>MAINTENANCE COMPLEX (Continued)</b>				
Corporation Yard 9191 San Salvador	Conc./Block	01/87	93,720	\$ 6,937,000
Facilities Maintenance Shop 1601 East McKellips	Sheet Metal	11/74	1,600	34,555
Facilities Maintenance Bldg. 1601 East McKellips	Conc./Block	02/75	5,400	588,155
Mower Shop 1323 East McKellips	Conc./Block	09/67	780	23,524
Municipal Utilities 1501 North Miller	Conc./Block	06/79	4,760	827,094
Police Building 9065 East Via Linda	Conc./Block	08/88	50,000	<u>5,836,900</u>
<b>TOTAL MAINTENANCE COMPLEX</b>				<b><u>\$ 15,998,100</u></b>
<b>AIRPORT</b>				
Terminal 7600 East Butherus Drive	Conc./Block	01/68	10,250	\$ 862,945
Service Hangar 7600 East Butherus Drive	Conc./Block	01/68	15,714	709,827
*T* Hangars 7600 East Butherus Drive	Conc./Block	11/71	14,400	398,282
F.A.A. Building 7600 East Butherus Drive	Conc./Block	07/72	5,930	486,789
Maintenance Shop 7600 East Butherus Drive	Conc./Block	06/82	1,400	<u>61,957</u>
<b>TOTAL AIRPORT</b>				<b><u>\$ 2,519,800</u></b>
<b>CIVIC CENTER COMPLEX</b>				
City Hall 3939 Civic Center Plaza	Conc./Block	10/68	37,000	\$ 4,731,800
Library 3839 Civic Center Plaza	Conc./Block	10/68	40,000	6,092,100

**CITY OF SCOTTSDALE  
GENERAL INSURANCE  
JUNE 30, 1990**

**TABLE XVIIIa  
(Continued)**

**REAL PROPERTY (BUILDINGS)**

<u>FACILITY/ADDRESS</u>	<u>CONSTRUCTION</u>	<u>ACQUISITION DATE</u>	<u>AREA SQUARE FEET</u>	<u>REPLACEMENT COST (6/30/90)</u>
<b>CIVIC CENTER COMPLEX (Continued)</b>				
Police Substation 3739 Civic Center Plaza	Conc./Block	04/71	23,260	\$ 2,912,400
Pepperwood Building	Conc./Block	08/84	10,195	1,103,500
Mall Parking Facility 7335 Civic Center Mall (446 Spaces)	Conc./Block	12/74	140,000	2,584,400
Court Building 3629 Civic Center Plaza	Conc./Block	09/75	7,500	636,725
One Civic Center	Conc./Block	11/84	58,000	8,509,200
Center For The Arts 7384 East Second Street	Conc./Block	09/75	88,000	13,212,000
Civic Center Parking Structure	Conc./Block	1986		5,457,000
Pedestrian Mall Overpass Civic Center and Second Street	Conc./Block	1986		6,367,248
Senior Center I	Conc./Block	09/76	5,200	445,709
Senior Center II	Conc./Block	11/77	5,145	461,621
Senior Center III 7375 East Second Street	Conc./Block	02/79	3,712	<u>275,910</u>
<b>TOTAL CIVIC CENTER COMPLEX</b>				<b><u>\$ 52,789,613</u></b>
<b>FIRE DEPARTMENT</b>				
Fire Station #10 2857 North Miller Road	Conc./Block	08/68	8,424	\$ 533,786
Fire Station #11 7339 East McDonald	Conc./Block	12/71	4,023	287,589
Fire Station #12 13665 North Scottsdale Road	Conc./Block	12/71	2,120	150,695

**CITY OF SCOTTSDALE  
GENERAL INSURANCE  
JUNE 30, 1990**

**TABLE XVIIIa  
(Continued)**

**REAL PROPERTY (BUILDINGS)**

<u>FACILITY/ADDRESS</u>	<u>CONSTRUCTION</u>	<u>ACQUISITION DATE</u>	<u>AREA SQUARE FEET</u>	<u>REPLACEMENT COST (6/30/90)</u>
<b>FIRE DEPARTMENT (Continued)</b>				
Fire Station #13 9045 East Via Linda	Conc./Block	1988	3,800	\$ 565,000
Fire Station #19 10850 East Via Linda	Conc./Block	1986	8,800	<u>642,029</u>
<b>TOTAL FIRE DEPARTMENT</b>				<b><u>\$ 2,179,099</u></b>
<b>PLANET RANCH</b>				
Residences	Conc./Block	1985	9,000	\$ 318,362
Manager Residence	Conc./Block	1985	2,000	63,668
Guest House	Wood Frame	1985	2,000	122,043
Steel Shop	Sheet Metal	1985	2,500	562,438
Remodeled Home	Conc./Block	1985	1,500	<u>74,287</u>
<b>TOTAL PLANET RANCH</b>				<b><u>\$ 1,140,798</u></b>
<b>MISCELLANEOUS</b>				
Graphics 7501 East Second Street	Conc./Block	1972	17,200	\$ 949,783
Mustang Library 10101 North 70th Street	Conc./Block	05/87	31,420	4,028,000
Gainey Ranch Water 1283 East Mountain View Road	Conc./Block		2,000 & 2 Acres	3,600,000
Police Annex 3720 North 75th Street	Block	1980	2,752	179,347
Bishop Plaza 7120 East Fourth Street	Conc./Block	1986	6,200	357,622
Scottsdale Plumbing 3700 North 75th Street	Conc./Block	1986	6,000	424,483
Troon Water Plant 24301 North Alma School Road	Conc./Block	1988	3,600	1,850,000
Various Structures				<u>6,002,465</u>
<b>TOTAL MISCELLANEOUS</b>				<b><u>\$ 17,391,700</u></b>
<b>TOTAL REAL PROPERTY</b>				<b><u>\$100,842,596</u></b>

TABLE XIX

**CITY OF SCOTTSDALE  
SALARIES AND SURETY BONDS OF PRINCIPAL OFFICIALS  
FOR FISCAL YEAR ENDED JUNE 30, 1990**

<u>OFFICIAL TITLE</u>	<u>MAXIMUM</u>	<u>BOND</u>
Mayor	\$27,600	\$ 10,000
Councilmen (6)	13,800	10,000
City Manager	98,738	1,000,000
City Clerk	44,304	1,000,000
City Attorney	75,005	1,000,000
City Treasurer	83,803	1,000,000
City Judge	70,554	1,000,000
City Auditor	51,709	1,000,000

**PUBLIC EMPLOYEES HONESTY AND FAITHFUL PERFORMANCE BOND**

All City Employees	\$1,000,000 per employee
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**CITY OF SCOTTSDALE**  
**EXPENDITURE LIMITATION**  
**FISCAL YEAR 1989-90**

TABLE XX

Expenditure Limit Base (1979-80)		\$31,361,444
Population Factor:	$\frac{\text{1988 Population}}{\text{1978 Population}} = \frac{125,335}{83,000}$	1.5101
Inflation Factor:	$\frac{\text{1988 GNP Deflator}}{\text{1978 GNP Deflator}} = \frac{121.7}{72.2}$	1.6856
		_____
<b>Expenditure Limitation Fiscal Year 1989-90</b>		<b>\$79,826,088</b>
Total Expenditures Fiscal Year 1989-90	\$143,708,816	
Exclusions	<u>75,259,292</u>	
Expenditures Subject to Limitation		<u>\$68,449,524</u>
<b>Expenditures Under Limitation</b>		<b><u><u>\$11,376,564</u></u></b>

