

CITY OF SCOTTSDALE, ARIZONA

FINANCIAL STATEMENTS

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JUNE 30, 1966

PRICE WATERHOUSE & Co.

CITY OF SCOTTSDALE, ARIZONA

FINANCIAL STATEMENTS  
JUNE 30, 1966

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PRICE WATERHOUSE & CO.

222 NORTH CENTRAL AVENUE

PHOENIX 4

October 14, 1966

To the City Council of the  
City of Scottsdale, Arizona

We have examined the statements of assets, liabilities and fund balances of the General Governmental Funds, Sewer Funds, Special Assessments Fund and Trust and Agency Fund of the City of Scottsdale, Arizona at June 30, 1966 and the related statements of revenue, expenditures and changes in fund balances for the year then ended. Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances except as indicated in the following paragraph. It was not practicable to obtain confirmation of special assessment balances receivable from owners of the assessed properties by direct correspondence but we satisfied ourselves as to these amounts by application of other auditing procedures.

Our examination did not include tests of the historical cost of property, plant and equipment acquired before June 30, 1961 because complete accounting records thereof were not available. Accordingly, we do not express an opinion as to property, plant and equipment, stated as \$1,887,580 in the General Property Fund and \$1,434,801 in the Sewer Property Fund, which amounts enter into the determination of financial position.

In our opinion, with the exception stated in the preceding paragraph, the accompanying financial statements (Exhibits I-XXIII) examined by us present fairly the financial position of the City of Scottsdale, Arizona at June 30, 1966 and the results of its operations for the year then ended in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

*Price Waterhouse & Co.*

## CITY OF SCOTTSDALE, ARIZONA

STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES  
JUNE 30, 1966

	Combined	General governmental funds (Exhibit III)	Sewer funds (Exhibit XI)	Special assessments fund (Exhibit XXI)	Trust and agency fund (Exhibit XXIII)
<u>ASSETS</u>					
Cash	\$ 950,615	\$ 707,096	\$ 137,207	\$ 91,054	\$15,258
Cash with fiscal agents (Note 3)	154,896	72,380	56,974	25,542	
Investments - U. S. Treasury securities, at cost	63,588		63,588		
Due from governmental agency	30,977	30,977			
Advances to improvement districts (Note 4)	78,137	78,137			
Special assessments receivable (Note 5)	1,679,667			1,679,667	
Connection fees receivable	28,168	28,168			
Other receivables (Note 9)	10,000	10,000			
Due from other funds	744,315	587,601	131,448	4,179	21,087
Construction in progress	2,558,603		2,558,603		
Property, plant and equipment	3,322,381	1,887,580	1,434,801		
	<u>\$9,621,347</u>	<u>\$3,401,939</u>	<u>\$4,382,621</u>	<u>\$1,800,442</u>	<u>\$36,345</u>
<u>LIABILITIES AND FUND BALANCES</u>					
Claims payable	\$ 667,809	\$ 250,039	\$ 417,770		
Guaranty and other deposits	29,552				\$29,552
Assessments payable on city property	23,935	23,935			
Due to other funds	744,315	593,896	143,099	\$ 527	6,793
Bond interest payable	343,302	23,380	31,974	287,948	
Bonds payable (Notes 6 and 7)	4,423,820	1,197,500	1,725,000	1,501,320	
	<u>6,232,733</u>	<u>2,088,750</u>	<u>2,317,843</u>	<u>1,789,795</u>	<u>36,345</u>
Fund balances:					
Budgetary -					
Reserve for encumbrances	76,393	75,860	533		
Otherwise restricted	158,204	88,137	70,067		
Available for appropriation	490,178	405,879	84,299		
	<u>724,775</u>	<u>569,876</u>	<u>154,899</u>		
Non-budgetary -					
Reserve for uncollected revenue	28,168	28,168			
Improvement district surplus	10,647			10,647	
Invested in plant	3,298,446	1,863,645	1,434,801		
Invested in construction	2,175,078		2,175,078		
Balance of bonded debt used to finance construction	(2,848,500)	(1,148,500)	(1,700,000)		
	<u>2,663,839</u>	<u>743,313</u>	<u>1,909,879</u>	<u>10,647</u>	
	<u>3,388,614</u>	<u>1,313,189</u>	<u>2,064,778</u>	<u>10,647</u>	
	<u>\$9,621,347</u>	<u>\$3,401,939</u>	<u>\$4,382,621</u>	<u>\$1,800,442</u>	<u>\$36,345</u>

## CITY OF SCOTTSDALE, ARIZONA

STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES  
YEAR ENDED JUNE 30, 1966

	<u>Combined</u>	General governmental funds (Exhibit IV)	Sewer funds (Exhibit XII)	Special assessments fund (Exhibit XXII)
<u>Revenues</u>				
Taxes:				
City privilege license	\$ 874,006	\$ 874,006		
Property	781,323	781,323		
State sales	429,461	429,461		
Gasoline	129,743	129,743		
Automobile lieu	118,296	118,296		
Light and power franchise	46,201	46,201		
Financial institution	5,487	5,487		
	<u>2,384,517</u>	<u>2,384,517</u>		
Sewer service	283,172		\$ 283,172	
Licenses and permits	165,216	165,216		
Fines and forfeitures	115,903	115,903		
Charges for municipal services and interest	70,754	60,455	10,299	
Refuse removal	41,424	41,424		
Recreation department fees	18,751	18,751		
Library fines and fees	6,293	6,293		
Aid from other agencies	5,000	5,000		
	<u>3,091,030</u>	<u>2,797,559</u>	<u>293,471</u>	
<u>Expenditures</u>				
Personal services	1,403,576	1,374,245	29,331	
Contractual services	634,036	602,608	31,428	
Commodities	260,183	255,678	4,505	
Capital outlay	524,100	523,998	102	
Payments to fiscal agents	184,607	98,539	86,068	
	<u>3,006,502</u>	<u>2,855,068</u>	<u>151,434</u>	
Excess of revenues (expenditures)	<u>84,528</u>	<u>(57,509)</u>	<u>142,037</u>	
Interfund transfers		<u>76,376</u>	<u>(76,376)</u>	
Changes in non-budgetary fund balances:				
Reduction of bonded debt	76,500	51,500	25,000	
Capital outlay additions	524,100	523,998	102	
Net federal aid contributions	87,316		87,316	
Connection fees receivable	(11,048)	(11,048)		
Miscellaneous	6,070	4,082		\$ 1,988
	<u>682,938</u>	<u>568,532</u>	<u>112,418</u>	<u>1,988</u>
	767,466	587,399	178,079	1,988
Fund balances:				
July 1, 1965	<u>2,621,148</u>	<u>725,790</u>	<u>1,886,699</u>	<u>8,659</u>
June 30, 1966	<u>\$3,388,614</u>	<u>\$1,313,189</u>	<u>\$2,064,778</u>	<u>\$10,647</u>

CITY OF SCOTTSDALE, ARIZONA  
 GENERAL GOVERNMENTAL FUNDS  
 STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES  
JUNE 30, 1966

	<u>Combined</u>	General governmental operating funds (Exhibit V)	General governmental debt service fund (Exhibit VII)	General property and bonded debt funds (Exhibit IX)
<u>ASSETS</u>				
Cash	\$ 707,096	\$ 707,096		
Cash with fiscal agents	72,380		\$72,380	
Due from governmental agency	30,977	30,977		
Advances to improvement districts	78,137	78,137		
Connection fees receivable	28,168	28,168		
Other receivables	10,000	10,000		
Due from other funds	587,601	587,601		
Property, plant and equipment	<u>1,887,580</u>			<u>\$1,887,580</u>
	<u>\$3,401,939</u>	<u>\$1,441,979</u>	<u>\$72,380</u>	<u>\$1,887,580</u>
<u>LIABILITIES AND FUND BALANCES</u>				
Claims payable	\$ 250,039	\$ 250,039		\$ 23,935
Assessments payable on city property	23,935			
Due to other funds	593,896	593,896		
Bond interest payable	23,380		\$23,380	
Bonds payable	<u>1,197,500</u>		<u>49,000</u>	<u>1,148,500</u>
	<u>2,088,750</u>	<u>843,935</u>	<u>72,380</u>	<u>1,172,435</u>
Fund balances:				
Budgetary -				
Reserve for encumbrances	75,860	75,860		
Otherwise restricted	88,137	88,137		
Available for appropriation	405,879	405,879		
	<u>569,876</u>	<u>569,876</u>		
Non-budgetary -				
Reserve for uncollected revenue	28,168	28,168		1,863,645
Invested in plant	1,863,645			
Balance of bonded debt used to finance construction	<u>(1,148,500)</u>			<u>(1,148,500)</u>
	<u>743,313</u>	<u>28,168</u>		<u>715,145</u>
	<u>1,313,189</u>	<u>598,044</u>		<u>715,145</u>
	<u>\$3,401,939</u>	<u>\$1,441,979</u>	<u>\$72,380</u>	<u>\$1,887,580</u>

## CITY OF SCOTTSDALE, ARIZONA

GENERAL GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
YEAR ENDED JUNE 30, 1966

	<u>Combined</u>	General governmental operating funds (Exhibit VI)	General governmental debt service fund (Exhibit VIII)	General property and bonded debt funds (Exhibit X)
<u>Revenues</u>				
Taxes:				
City privilege license	\$ 874,006	\$ 874,006		
Property	781,323	686,663	\$94,660	
State sales	429,461	429,461		
Gasoline	129,743	129,743		
Automobile lieu	118,296	118,296		
Light and power franchise	46,201	46,201		
Financial institution	5,487	5,487		
	<u>2,384,517</u>	<u>2,289,857</u>	<u>94,660</u>	
Licenses and permits	165,216	165,216		
Fines and forfeitures	115,903	115,903		
Charges for municipal services and interest	60,455	60,455		
Refuse removal	41,424	41,424		
Recreation department fees	18,751	18,751		
Library fines and fees	6,293	6,293		
Aid from other agencies	5,000	5,000		
	<u>2,797,559</u>	<u>2,702,899</u>	<u>94,660</u>	
<u>Expenditures</u>				
Personal services	1,374,245	1,374,245		
Contractual services	602,608	602,608		
Commodities	255,678	255,678		
Capital outlay	523,998	523,998		
Payments to fiscal agents	98,539		98,539	
	<u>2,855,068</u>	<u>2,756,529</u>	<u>98,539</u>	
Excess of revenues (expenditures)	<u>(57,509)</u>	<u>(53,630)</u>	<u>(3,879)</u>	
Interfund transfers	<u>76,376</u>	<u>72,497</u>	<u>3,879</u>	
Changes in non-budgetary fund balances:				
Reduction of bonded debt	51,500			\$ 51,500
Capital outlay additions	523,998			523,998
Connection fees receivable	(11,048)	(11,048)		
Miscellaneous	4,082			4,082
	<u>568,532</u>	<u>(11,048)</u>		<u>579,580</u>
	587,399	7,819		579,580
Fund balances:				
July 1, 1965	<u>725,790</u>	<u>590,225</u>		<u>135,565</u>
June 30, 1966	<u>\$1,313,189</u>	<u>\$ 598,044</u>	<u>\$ -</u>	<u>\$715,145</u>

## CITY OF SCOTTSDALE, ARIZONA

GENERAL GOVERNMENTAL OPERATING FUNDS  
 STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES  
 JUNE 30, 1966

	<u>Combined</u>	<u>General fund</u>	<u>Gas tax fund</u>	<u>Major streets and highways fund</u>	<u>Public works reserve fund</u>
<u>ASSETS</u>					
Cash	\$ 707,096	\$400,623	\$17,266	\$ 73,392	\$215,815
Due from governmental agency	30,977	30,977			
Advances to improvement districts	78,137	78,137			
Connection fees receivable	28,168	28,168			
Other receivables	10,000				10,000
Due from other funds	<u>587,601</u>	<u>139,703</u>	<u>81,324</u>	<u>58,231</u>	<u>308,343</u>
	<u>\$1,441,979</u>	<u>\$677,608</u>	<u>\$98,590</u>	<u>\$131,623</u>	<u>\$534,158</u>
<u>LIABILITIES AND FUND BALANCES</u>					
Claims payable	\$ 250,039	\$192,620	\$33,846	\$ 16,269	\$ 7,304
Due to other funds	<u>593,896</u>	<u>455,222</u>	<u>36,319</u>		<u>102,355</u>
	<u>843,935</u>	<u>647,842</u>	<u>70,165</u>	<u>16,269</u>	<u>109,659</u>
Fund balances:					
Budgetary -					
Reserve for encumbrances	75,860	34,686	28,425		12,749
Otherwise restricted	88,137	78,137			10,000
Available for appropriation	<u>405,879</u>	<u>(111,225)</u>		<u>115,354</u>	<u>401,750</u>
	569,876	1,598	28,425	115,354	424,499
Non-budgetary -					
Reserve for uncollected revenue	<u>28,168</u>	<u>28,168</u>			
	<u>598,044</u>	<u>29,766</u>	<u>28,425</u>	<u>115,354</u>	<u>424,499</u>
	<u>\$1,441,979</u>	<u>\$677,608</u>	<u>\$98,590</u>	<u>\$131,623</u>	<u>\$534,158</u>



CITY OF SCOTTSDALE, ARIZONA

EXHIBIT VI

GENERAL GOVERNMENTAL OPERATING FUNDS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
YEAR ENDED JUNE 30, 1966

	<u>Combined</u>	<u>General fund</u>	<u>Gas tax fund</u>	<u>Major streets and highways fund</u>	<u>Public works reserve fund</u>
<u>Revenues</u>					
Taxes:					
City privilege license	\$ 874,006	\$ 874,006			
Property	686,663	393,926			\$292,737
State sales	429,461	429,461			
Gasoline	129,743		\$ 70,077	\$ 59,666	
Automobile lieu	118,296	118,296			
Light and power franchise	46,201	46,201			
Financial institution	5,487	5,487			
	<u>2,289,857</u>	<u>1,867,377</u>	<u>70,077</u>	<u>59,666</u>	<u>292,737</u>
Licenses and permits	165,216	165,216			
Fines and forfeitures	115,903	115,903			
Charges for municipal services and interest	60,455	59,655			800
Refuse removal	41,424	41,424			
Recreation department fees	18,751	18,751			
Library fines and fees	6,293	6,293			
Aid from other agencies	5,000	5,000			
	<u>2,702,899</u>	<u>2,279,619</u>	<u>70,077</u>	<u>59,666</u>	<u>293,537</u>
<u>Expenditures</u>					
Personal services	1,374,245	1,374,245			
Contractual services	602,608	563,851	23,008		15,749
Commodities	255,678	150,718	87,656	17,304	
Capital outlay	523,998	313,432	31,283	60,087	119,196
	<u>2,756,529</u>	<u>2,402,246</u>	<u>141,947</u>	<u>77,391</u>	<u>134,945</u>
Excess of revenues (expenditures)	<u>(53,630)</u>	<u>(122,627)</u>	<u>(71,870)</u>	<u>(17,725)</u>	<u>158,592</u>
Interfund transfers from (to):					
General governmental funds		(63,584)	88,816	(25,232)	
General governmental debt service fund	(3,879)		(3,879)		
Sewer revenue fund	76,376	76,376			
	<u>72,497</u>	<u>12,792</u>	<u>84,937</u>	<u>(25,232)</u>	
Changes in non-budgetary fund balances:					
Connection fees receivable	(11,048)	(11,048)			
	<u>7,819</u>	<u>(120,883)</u>	<u>13,067</u>	<u>(42,957)</u>	<u>158,592</u>
Fund balances:					
July 1, 1965	<u>590,225</u>	<u>150,649</u>	<u>15,358</u>	<u>158,311</u>	<u>265,907</u>
June 30, 1966	<u>\$ 598,044</u>	<u>\$ 29,766</u>	<u>\$ 28,425</u>	<u>\$115,354</u>	<u>\$424,499</u>

CITY OF SCOTTSDALE, ARIZONA  
 GENERAL GOVERNMENTAL DEBT SERVICE FUND  
 STATEMENT OF ASSETS AND LIABILITIES  
 JUNE 30, 1966

	<u>Combined</u>	<u>General obligation bonds</u>					<u>Motor vehicle fuel tax anticipation bonds</u>
		<u>1957 Sewer</u>	<u>1960 Sewer</u>	<u>1961 Sewer</u>	<u>P-1 Townhall</u>	<u>P-3 Jail</u>	
<u>ASSETS</u>							
Cash with fiscal agents	<u>\$72,380</u>	<u>\$26,282</u>	<u>\$602</u>	<u>\$28,275</u>	<u>\$4,800</u>	<u>\$12,400</u>	<u>\$21</u>
<u>LIABILITIES</u>							
Bond interest payable	\$23,380	\$ 6,282	\$602	\$13,275	\$ 800	\$ 2,400	\$21
Bonds payable	<u>49,000</u>	<u>20,000</u>	—	<u>15,000</u>	<u>4,000</u>	<u>10,000</u>	—
	<u>\$72,380</u>	<u>\$26,282</u>	<u>\$602</u>	<u>\$28,275</u>	<u>\$4,800</u>	<u>\$12,400</u>	<u>\$21</u>

## CITY OF SCOTTSDALE, ARIZONA

GENERAL GOVERNMENTAL DEBT SERVICE FUND  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 YEAR ENDED JUNE 30, 1966

	<u>Combined</u>	<u>General obligation bonds</u>				<u>Motor vehicle fuel tax anticipation bonds</u>
		<u>1957 Sewer</u>	<u>1961 Sewer</u>	<u>P-1 Townhall</u>	<u>P-3 Jail</u>	
<u>Revenues</u>						
Property taxes	<u>\$94,660</u>	<u>\$32,428</u>	<u>\$41,618</u>	<u>\$5,704</u>	<u>\$14,910</u>	
<u>Expenditures</u>						
Payments to fiscal agents for:						
Principal redemptions	51,500	20,000	15,000	4,000	10,000	\$2,500
Interest redemptions	46,599	12,375	26,550	1,600	4,800	1,274
Fiscal agents' fees	<u>440</u>	<u>53</u>	<u>68</u>	<u>104</u>	<u>110</u>	<u>105</u>
	<u>98,539</u>	<u>32,428</u>	<u>41,618</u>	<u>5,704</u>	<u>14,910</u>	<u>3,879</u>
Excess of revenues (expenditures)	(3,879)					(3,879)
Interfund transfers:						
From gas tax fund	<u>3,879</u>					<u>3,879</u>
Fund balances, July 1, 1965 and 1966	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF SCOTTSDALE, ARIZONA

GENERAL PROPERTY AND BONDED DEBT FUNDS  
 STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES  
JUNE 30, 1966

	<u>Combined</u>	<u>General property fund</u>	<u>General bonded debt fund</u>
<u>ASSETS</u>			
Property, plant and equipment	<u>\$1,887,580</u>	<u>\$1,887,580</u>	
	<u>\$1,887,580</u>	<u>\$1,887,580</u>	
<u>LIABILITIES AND FUND BALANCES</u>			
Assessments payable on city property	\$ 23,935	\$ 23,935	
General obligation bonds payable	1,121,000		\$1,121,000
Fuel tax anticipation bonds payable	<u>27,500</u>		<u>27,500</u>
	<u>1,172,435</u>	<u>23,935</u>	<u>1,148,500</u>
Fund balances:			
Non-budgetary -			
Invested in plant	1,863,645	1,863,645	
Balance of bonded debt used to finance construction	<u>(1,148,500)</u>		<u>(1,148,500)</u>
	<u>715,145</u>	<u>1,863,645</u>	<u>(1,148,500)</u>
	<u>\$1,887,580</u>	<u>\$1,887,580</u>	<u>\$ -</u>

CITY OF SCOTTSDALE, ARIZONAGENERAL PROPERTY AND BONDED DEBT FUNDS  
STATEMENT OF CHANGES IN FUND BALANCES  
YEAR ENDED JUNE 30, 1966

	<u>Combined</u>	<u>General property fund</u>	<u>General bonded debt fund</u>
Changes in non-budgetary fund balances:			
Reduction of bonded debt	\$ 51,500		\$ 51,500
Capital outlay additions	523,998	\$ 523,998	
Payment of assessments on city owned property	<u>4,082</u>	<u>4,082</u>	<u>          </u>
	579,580	528,080	51,500
Fund balances:			
July 1, 1965	<u>135,565</u>	<u>1,335,565</u>	<u>(1,200,000)</u>
June 30, 1966	<u>\$715,145</u>	<u>\$1,863,645</u>	<u>\$(1,148,500)</u>

## CITY OF SCOTTSDALE, ARIZONA

SEWER FUNDS  
STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES  
JUNE 30, 1966

	<u>Combined</u>	<u>Sewer revenue, operation and maintenance fund (Exhibit XIII)</u>	<u>Sewer system replacement and extension reserve fund (Exhibit XV)</u>	<u>Sewer debt service funds (Exhibit XVII)</u>	<u>Sewer construction, property and bonded debt funds (Exhibit XIX)</u>
<u>ASSETS</u>					
Cash	\$ 137,207	\$ 37,808	\$5,770	\$ 709	\$ 92,920
Cash with fiscal agents	56,974			56,974	
Investments - U. S. Treasury securities, at cost	63,588			63,588	
Construction in progress	2,558,603				2,558,603
Property, plant and equipment	1,434,801				1,434,801
Due from other funds	131,448	131,448			
	<u>\$4,382,621</u>	<u>\$169,256</u>	<u>\$5,770</u>	<u>\$121,271</u>	<u>\$4,086,324</u>
<u>LIABILITIES AND FUND BALANCES</u>					
Claims payable	\$ 417,770	\$ 9,391			\$ 408,379
Due to other funds	143,099	75,033			68,066
Bond interest payable	31,974			\$ 31,974	
Bonds payable	1,725,000			25,000	1,700,000
	<u>2,317,843</u>	<u>84,424</u>		<u>56,974</u>	<u>2,176,445</u>
Fund balances:					
Budgetary -					
Reserve for encumbrances	533	533			
Restricted for debt service	70,067		\$5,770	64,297	
Available for appropriation	84,299	84,299			
	<u>154,899</u>	<u>84,832</u>	<u>5,770</u>	<u>64,297</u>	
Non-budgetary -					
Invested in plant	1,434,801				1,434,801
Invested in construction	2,175,078				2,175,078
Balance of bonded debt used to finance construction	<u>(1,700,000)</u>				<u>(1,700,000)</u>
	<u>1,909,879</u>				<u>1,909,879</u>
	<u>2,064,778</u>	<u>84,832</u>	<u>5,770</u>	<u>64,297</u>	<u>1,909,879</u>
	<u>\$4,382,621</u>	<u>\$169,256</u>	<u>\$5,770</u>	<u>\$121,271</u>	<u>\$4,086,324</u>

## CITY OF SCOTTSDALE, ARIZONA

SEWER FUNDS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
YEAR ENDED JUNE 30, 1966

	<u>Combined</u>	<u>Sewer revenue, operation and maintenance fund (Exhibit XIV)</u>	<u>Sewer system replacement and extension reserve fund (Exhibit XVI)</u>	<u>Sewer debt service funds (Exhibit XVIII)</u>	<u>Sewer construction, property and bonded debt funds (Exhibit XX)</u>
<u>Revenues</u>					
Sewer service	\$ 283,172	\$283,172			
Interest on investments	<u>10,299</u>	<u>10,299</u>			
	<u>293,471</u>	<u>293,471</u>			
<u>Expenditures</u>					
Personal services	29,331	29,331			
Contractual services	31,428	31,428			
Commodities	4,505	4,505			
Capital outlay	102		\$ 102		
Payments to fiscal agents	<u>86,068</u>			<u>\$86,068</u>	
	<u>151,434</u>	<u>65,264</u>	<u>102</u>	<u>86,068</u>	
Excess of revenues (expenditures)	<u>142,037</u>	<u>228,207</u>	<u>(102)</u>	<u>(86,068)</u>	
Interfund transfers	<u>(76,376)</u>	<u>(168,122)</u>	<u>5,678</u>	<u>86,068</u>	
<u>Changes in non-budgetary fund balances:</u>					
Reduction of bonded debt	25,000				\$ 25,000
Capital outlay additions	102				102
Net federal aid contributions	<u>87,316</u>				<u>87,316</u>
	<u>112,418</u>				<u>112,418</u>
	178,079	60,085	5,576		112,418
<u>Fund balances:</u>					
July 1, 1965	<u>1,886,699</u>	<u>24,747</u>	<u>194</u>	<u>64,297</u>	<u>1,797,461</u>
June 30, 1966	<u>\$2,064,778</u>	<u>\$ 84,832</u>	<u>\$5,770</u>	<u>\$64,297</u>	<u>\$1,909,879</u>

CITY OF SCOTTSDALE, ARIZONA

SEWER REVENUE, OPERATIONS AND MAINTENANCE FUND  
STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES  
JUNE 30, 1966

ASSETS

Cash	\$ 37,808
Due from other funds	<u>131,448</u>
	<u>\$169,256</u>

LIABILITIES AND FUND BALANCES

Claims payable	\$ 9,391
Due to other funds	<u>75,033</u>
	<u>84,424</u>
Fund balances:	
Budgetary -	
Reserve for encumbrances	533
Available for appropriation	<u>84,299</u>
	<u>84,832</u>
	<u>\$169,256</u>



CITY OF SCOTTSDALE, ARIZONASEWER REVENUE, OPERATION AND MAINTENANCE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
YEAR ENDED JUNE 30, 1966Revenues

Sewer service	\$283,172
Interest on investments	<u>10,299</u>
	<u>293,471</u>

Expenditures

Personal services	29,331
Contractual services	31,428
Commodities	<u>4,505</u>
	<u>65,264</u>

Excess of revenues	<u>228,207</u>
--------------------	----------------

## Interfund transfers:

To sewer debt service funds	(86,068)
To sewer system replacement and extension reserve fund	(5,678)
To general fund	<u>(76,376)</u>
	<u>(168,122)</u>

60,085

## Fund balance:

July 1, 1965	<u>24,747</u>
June 30, 1966	<u>\$ 84,832</u>

CITY OF SCOTTSDALE, ARIZONA

SEWER SYSTEM REPLACEMENT AND EXTENSION RESERVE FUND  
STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE  
JUNE 30, 1966

ASSET

Cash

\$5,770

LIABILITIES AND FUND BALANCE

Fund balance:

Budgetary -

Restricted for debt service  
and capital outlay

\$5,770

CITY OF SCOTTSDALE, ARIZONA

SEWER SYSTEM REPLACEMENT AND EXTENSION RESERVE FUND  
STATEMENT OF EXPENDITURES AND CHANGES IN FUND BALANCE  
YEAR ENDED JUNE 30, 1966

Expenditures

Capital outlay \$ (102)

Interfund transfers:

From sewer revenue fund 5,678  
5,576

Fund balance:

July 1, 1965 194  
June 30, 1966 \$5,770

CITY OF SCOTTSDALE, ARIZONASEWER DEBT SERVICE FUNDS  
STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES  
JUNE 30, 1966

	<u>Combined</u>	1964 Sewer revenue bond interest and redemption <u>fund</u>	1964 Sewer revenue bond reserve fund
<u>ASSETS</u>			
Cash	\$ 709		\$ 709
Cash with fiscal agents	56,974	\$56,974	
Investments - U. S. Treasury securities, at cost	<u>63,588</u>	<u>          </u>	<u>63,588</u>
	<u>\$121,271</u>	<u>\$56,974</u>	<u>\$64,297</u>
<u>LIABILITIES AND FUND BALANCES</u>			
Bond interest payable	\$ 31,974	\$31,974	
Bonds payable	<u>25,000</u>	<u>25,000</u>	
	56,974	56,974	
Fund balance:			
Budgetary -			
Restricted for debt service	<u>64,297</u>	<u>          </u>	<u>\$64,297</u>
	<u>\$121,271</u>	<u>\$56,974</u>	<u>\$64,297</u>

CITY OF SCOTTSDALE, ARIZONA  
 SEWER DEBT SERVICE FUNDS  
 STATEMENT OF EXPENDITURES AND CHANGES IN FUND BALANCES  
YEAR ENDED JUNE 30, 1966

	<u>Combined</u>	1964 Sewer revenue bond interest and redemption fund	<u>1964 Sewer revenue bond reserve fund</u>
<u>Expenditures</u>			
Payments to fiscal agents for:			
Principal redemptions	(\$25,000)	(\$25,000)	
Interest redemptions	(60,904)	(60,904)	
Fiscal agent's fees	<u>(164)</u>	<u>(164)</u>	
	<u>(86,068)</u>	<u>(86,068)</u>	
Interfund transfers:			
From sewer revenue fund	<u>86,068</u>	<u>86,068</u>	
Fund balances:			
July 1, 1965	<u>64,297</u>	_____	<u>\$64,297</u>
June 30, 1966	<u>\$64,297</u>	<u>\$ -</u>	<u>\$64,297</u>

## CITY OF SCOTTSDALE, ARIZONA

SEWER CONSTRUCTION, PROPERTY AND BONDED DEBT FUNDS  
STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES  
JUNE 30, 1966

	<u>Combined</u>	<u>1964 Sewer bond construction fund</u>	<u>Other bond construction fund</u>	<u>Sewer property fund</u>	<u>Sewer bonded debt fund</u>
<u>ASSETS</u>					
Cash	\$ 92,920	\$ 92,920			
Construction in progress	2,558,603	2,024,562	\$534,041		
Property, plant and equipment	1,434,801			\$1,434,801	
	<u>\$4,086,324</u>	<u>\$2,117,482</u>	<u>\$534,041</u>	<u>\$1,434,801</u>	
<u>LIABILITIES AND FUND BALANCES</u>					
Claims payable	\$ 408,379	\$ 408,379			
Due to other funds	68,066	68,066			
Sewer revenue bonds payable	1,700,000				\$1,700,000
	<u>2,176,445</u>	<u>476,445</u>			<u>1,700,000</u>
Fund balances:					
Non-budgetary -					
Invested in plant	1,434,801			\$1,434,801	
Invested in construction	2,175,078	1,641,037	\$534,041		
Balance of bonded debt used to finance construction	(1,700,000)				(1,700,000)
	<u>1,909,879</u>	<u>1,641,037</u>	<u>534,041</u>	<u>1,434,801</u>	<u>(1,700,000)</u>
	<u>\$4,086,324</u>	<u>\$2,117,482</u>	<u>\$534,041</u>	<u>\$1,434,801</u>	<u>\$ -</u>

## CITY OF SCOTTSDALE, ARIZONA

SEWER CONSTRUCTION, PROPERTY AND BONDED DEBT FUNDS  
STATEMENT OF CHANGES IN FUND BALANCES  
YEAR ENDED JUNE 30, 1966

	<u>Combined</u>	<u>1964 Sewer bond construction fund</u>	<u>Other bond construction fund</u>	<u>Sewer property fund</u>	<u>Sewer bonded debt fund</u>
Changes in non-budgetary fund balance:					
Reduction of bonded debt	\$ 25,000				\$ 25,000
Capital outlay additions	102			\$ 102	
Federal aid contributions	157,900	\$ 157,900			
Less participant's share	(70,584)	(70,584)			
Construction projects completed (see below)	<u>          </u>	<u>(168,695)</u>		<u>168,695</u>	<u>          </u>
	112,418	(81,379)		168,797	25,000
Fund balances:					
July 1, 1965	<u>1,797,461</u>	<u>1,722,416</u>	<u>\$534,041</u>	<u>1,266,004</u>	<u>(1,725,000)</u>
June 30, 1966	<u>\$1,909,879</u>	<u>\$1,641,037</u>	<u>\$534,041</u>	<u>\$1,434,801</u>	<u>\$(1,700,000)</u>
Analysis of construction in progress:					
Balance, July 1, 1965		\$2,094,881			
Expended this year		<u>98,376</u>			
		2,193,257			
Balance, June 30, 1966		<u>(2,024,562)</u>			
Construction projects completed		<u>\$ 168,695</u>			

CITY OF SCOTTSDALE, ARIZONA

SPECIAL ASSESSMENTS FUND  
STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE  
JUNE 30, 1966

ASSETS

Cash	\$ 91,054
Cash with fiscal agents	25,542
Special assessments receivable	1,679,667
Due from other funds	<u>4,179</u>
	<u>\$1,800,442</u>

LIABILITIES AND FUND BALANCE

Bond interest payable	\$ 287,948
Bonds payable	1,501,320
Due to other funds	<u>527</u>
	1,789,795
Fund balance:	
Non-budgetary -	
Improvement district surplus	<u>10,647</u>
	<u>\$1,800,442</u>



CITY OF SCOTTSDALE, ARIZONA

SPECIAL ASSESSMENTS FUND  
STATEMENT OF CHANGES IN FUND BALANCE  
YEAR ENDED JUNE 30, 1966

Changes in non-budgetary fund balance:

Interest on invested advance collections	\$ 1,759
Penalties on delinquent collections	490
Other	<u>1,250</u>
	3,499
Fiscal agent's fee	<u>(1,511)</u>
	1,988

Fund balance:

July 1, 1965	<u>8,659</u>
June 30, 1966	<u>\$10,647</u>

CITY OF SCOTTSDALE, ARIZONA

TRUST AND AGENCY FUND  
STATEMENT OF ASSETS AND LIABILITIES  
JUNE 30, 1966

ASSETS

Cash	\$15,258
Due from other funds	<u>21,087</u>
	<u>\$36,345</u>

LIABILITIES

Guaranty and other deposits	\$29,552
Due to other funds	<u>6,793</u>
	<u>\$36,345</u>

CITY OF SCOTTSDALE, ARIZONA

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1966

NOTE 1 - Principles of accounting:

The City of Scottsdale maintains its accounts on a modified cash basis. Under this method revenues are recorded only when received and expenditures are recorded when the liability has been incurred. Budgetary appropriations are encumbered immediately on execution of purchase orders, contracts or other commitment documents. For statement presentation, encumbrances are not combined with expenditures but are accounted for through a segregation of budgetary fund balances. No depreciation is taken on the property accounts.

NOTE 2 - Description of funds:

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

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

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

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

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

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

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

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

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

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

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

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

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

NOTE 3 - Cash with fiscal agents:

Cash with fiscal agents represents amounts on hand with the city's paying agents for redemption of bond interest and principal due on July 1, 1966.

NOTE 4 - Advances to improvement districts:

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

NOTE 5 - Special assessments receivable:

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

NOTE 6 - Bonds payable:

Bonds issued by the city and outstanding at June 30, 1966 mature serially as shown below:

<u>Year</u>	<u>General Obligation Bonds</u>	<u>Sewer Revenue Bonds</u>	<u>Gas Tax Bonds</u>	<u>Total</u>
1966	\$ 49,000	\$ 25,000		\$ 74,000
1967	49,000	25,000	\$ 2,500	76,500
1968	49,000	25,000	2,500	76,500
1969	54,000	30,000	2,500	86,500
1970	54,000	30,000	3,000	87,000
1971-1975	340,000	195,000	15,000	550,000
1976-1980	325,000	260,000	2,000	587,000
1981-1985	250,000	380,000		630,000
1986-1990		475,000		475,000
1991-1995		280,000		280,000
	<u>\$1,170,000</u>	<u>\$1,725,000</u>	<u>\$27,500</u>	2,922,500
Special assessments bonds payable (see Note 5)				<u>1,501,320</u>
				<u>\$4,423,820</u>

Interest rates vary from 3.50% to 4.25%.

NOTE 7 - Authorized but unissued bonds:

As of June 30, 1966 the city had received authority through bond elections but had not yet issued the following bonds:

Sewer revenue bonds	\$ 5,750,000
Water revenue bonds	3,000,000
Park and recreational improvement bonds	<u>1,438,000</u>
	<u>\$10,188,000</u>

An additional issue of Sewer Revenue Bonds, Series 1966, in the principal amount of \$1,200,000 was delivered on July 14, 1966. Bonds of this series represent the second issue from the total \$7,500,000 authorized in 1964. The first issue, Series 1964, was made for \$1,750,000 in that year. The new bonds dated May 1, 1966 are due on July 1, in each of the years 1979 to 1996 and bear interest at the average rate of 3.97% per annum.

Water Revenue Bonds were authorized in a special election held on February 28, 1961. No bonds have yet been issued.

The Park and Recreational Bonds were authorized in an election held on September 28, 1965. The first series of bonds dated July 1, 1966 were sold on September 20, 1966 in the principal amount of \$700,000 to bear interest at an average rate of 4.54% per annum and maturing in various amounts on July 1 in each of the years 1967 to 1986.

In an election held on September 27, 1966, the voters authorized \$2,400,000 in Civic Center Improvement Bonds to be issued for the acquisition of land and construction of a new city hall and library.

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

In 1961 the city planned to construct a sewage treatment plant and sewer revenue bonds were issued for that purpose. This plan was abandoned and the proceeds of the 1961 Sewer Revenue Bonds became unexpendable for the purpose for which they had been issued. In order to remove their lien on future sewer system revenue and provide for issuance of additional sewer bonds for construction of joint sewage facilities under a five-city plan, it was necessary to retire the 1961 and the 1957 Sewer Revenue Bonds. On July 9, 1964, the city executed an irrevocable trust agreement with The Arizona Bank whereby the city deposited funds in the trust account for the purpose of servicing and redeeming the 1957 Sewer Revenue Bonds and 1961 Sewer Revenue Bonds. The interest earnings on the funds deposited in trust together with the principal amount are sufficient for the redemption of principal and the payment of interest accruing to these bonds. At June 30, 1966, the principal amounts outstanding were \$185,000 on the 1957 Sewer Revenue Bonds and \$670,000 on the 1961 Sewer Revenue Bonds.

NOTE 9 - Contingent liabilities and commitments:

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

The city is leasing certain property and equipment with the option to purchase and to apply rentals paid to the purchase price. As the purchase option had not been exercised at June 30, 1966, liability for the remaining payments of approximately \$300,000 had not been recorded in the city's accounts. In addition, the city has a one year commitment on the leasing of police vehicles amounting to approximately \$15,000 plus a mileage charge.