

**AUDITED FINANCIAL STATEMENTS**

**CITY OF SCOTTSDALE, ARIZONA**

**JUNE 30, 1968**

**ERNST & ERNST**

AUDITED FINANCIAL STATEMENTS

CITY OF SCOTTSDALE, ARIZONA

June 30, 1968

## CONTENTS

ACCOUNTANTS' REPORT.....	Page 3
COMBINED STATEMENT FOR ALL FUNDS OF REVENUES AND EXPENDITURES COMPARED TO BUDGET.....	4
GENERAL GOVERNMENTAL FUNDS	
Balance Sheets.....	5
Statements of Revenues, Expenditures, and Fund Balance.....	6
GENERAL OBLIGATION BOND CONSTRUCTION FUNDS	
Balance Sheets.....	7
Statements of Fund Balance.....	8
SEWER FUNDS	
Balance Sheets.....	9
Statements of Revenues, Expenditures, and Fund Balance.....	10
SEWER SYSTEM CONSTRUCTION FUND	
Balance Sheet.....	11
Statement of Fund Balance.....	12
SCOTTSDALE MUNICIPAL AIRPORT	
Balance Sheet.....	13
Statement of Revenues, Expenditures, and Fund Balance.....	14
SPECIAL ASSESSMENTS FUND	
Balance Sheet.....	15
Statement of Fund Balance.....	16
TRUST AND AGENCY FUND	
Balance Sheet.....	17
Statement of Fund Balance.....	18
NOTES TO FINANCIAL STATEMENTS.....	19

# ERNST & ERNST

800 SECURITY CENTER BUILDING

PHOENIX, ARIZONA 85004

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

We have examined the financial statements of the several funds of the City of Scottsdale, Arizona for the year ended June 30, 1968. 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. It was not practical to obtain confirmation of special assessments receivable by direct correspondence with the owners of the assessed properties, but we satisfied ourselves as to such accounts by means of other auditing procedures.

Property, plant, and equipment and the related investment in property, plant, and equipment accounts of the General Fixed Assets and Sewer Fixed Assets Funds were excluded from the scope of our examination. Accordingly, we express no opinion on these accounts.

In our opinion, with the exception stated in the preceding paragraph, the accompanying balance sheets and related statements of revenues, expenditures, and fund balance of the several funds, and the combined statement for all funds of revenues and expenditures compared to budget present fairly the financial position of the several funds of the City of Scottsdale, Arizona at June 30, 1968, and the results of their operations for the year then ended, in conformity with generally accepted accounting principles applicable to governmental units applied on a basis consistent with that of the preceding year.

*Ernst & Ernst*

Phoenix, Arizona  
October 31, 1968

COMBINED STATEMENT FOR ALL FUNDS OF REVENUES AND EXPENDITURES COMPARED TO BUDGET

CITY OF SCOTTSDALE, ARIZONA

Year ended June 30, 1968

	Actual	Budget		(Over) Under Budget	
		Original	Additional Appropriation		Revised
<b>Revenues:</b>					
<b>Taxes:</b>					
Privilege license	\$1,546,490	\$1,245,700		\$1,245,700	\$(300,790)
Property	882,018	997,867		997,867	115,849
State sales	785,182	700,000		700,000	( 85,182)
Gasoline	325,275	280,000		280,000	( 45,275)
Automobile lieu	204,537	195,300		195,300	( 9,237)
Light and power franchise	61,824	54,000		54,000	( 7,824)
Bank	5,921	4,000		4,000	( 1,921)
	<u>3,811,247</u>	<u>3,476,867</u>		<u>3,476,867</u>	<u>(334,380)</u>
Sewer service	513,759	325,000		325,000	(188,759)
Licenses and permits	210,905	200,000		200,000	( 10,905)
Fines and forfeitures	128,538	90,000		90,000	( 38,538)
Charges for services and interest	136,957	95,000		95,000	( 41,957)
Refuse removal	43,972	50,000		50,000	6,028
Parks and recreation fees	25,185	12,000		12,000	( 13,185)
Library fines and fees	9,179	7,200		7,200	( 1,979)
Donations and grants from state and federal agencies	162,256	87,000		87,000	( 75,256)
	<u>5,041,998</u>	<u>4,343,067</u>		<u>4,343,067</u>	<u>(698,931)</u>
July 1, 1967 fund balances available for appropriation	<u>953,627</u>	<u>783,151</u>		<u>783,151</u>	<u>(170,476)</u>
	<u>\$5,995,625</u>	<u>\$5,126,218</u>		<u>\$5,126,218</u>	<u>\$(869,407)</u>
<b>Expenditures (by fund):</b>					
General	\$3,496,032	\$3,349,449	\$376,000	\$3,725,449	\$ 229,417
Motor Vehicle Fuel Tax	143,541	110,000		110,000	( 33,541)
Major Streets and Highways	219,827	366,692		366,692	146,865
Public Works Reserve	403,300	463,400		463,400	60,100
Debt Service Funds	396,375	315,840		315,840	( 80,535)
Sewer Revenue, Operations, and Maintenance	210,407	330,939		330,939	120,532
Scottsdale Municipal Airport	113,814	10,640	150,000	160,640	46,826
	<u>\$4,983,296</u>	<u>\$4,946,960</u>	<u>\$526,000</u>	<u>\$5,472,960</u>	<u>\$ 489,664</u>

See notes to financial statements.

## BALANCE SHEETS

CITY OF SCOTTSDALE, ARIZONA

GENERAL GOVERNMENTAL FUNDS

June 30, 1968

	Operating Funds				General Debt Service	General Fixed Assets	General Bonded Debt
	General	Motor Vehicle Fuel Tax	Major Streets and Highways	Public Works Reserve			
<b>ASSETS</b>							
Cash	\$ 156,723	\$ 496	\$ 661	\$ 666	\$ 639	\$	\$
Cash with fiscal agents		85			124,920		
United States Government securities, at cost which approximates market	413,488	89,298	296,471	408,015	198,945		
Advances to improvement districts	22,459			39,431			
Due from other funds	413,381		4,010		35,498		
Property and equipment, on the basis of cost:							
Land						407,693	
Buildings and improvements						1,091,983	
Streets and storm drains						1,019,737	
Machinery and equipment						1,408,768	
Construction in progress	82,103		99,285	128,202			
Construction work to be provided				22,833			
Amount to be provided for retirement of bonds							4,115,500
	<u>\$1,088,154</u>	<u>\$89,879</u>	<u>\$400,427</u>	<u>\$599,147</u>	<u>\$360,002</u>	<u>\$3,928,181</u>	<u>\$4,115,500</u>
<b>LIABILITIES</b>							
Claims payable	\$ 313,844	\$16,390	\$ 62,972	\$146,372	\$	\$	\$
Contract payable - Note F				143,749			
Due to other funds	95	63,278	11,806	68,940	201,719		
Bonds payable - Note C					69,000		4,115,500
Bond interest payable					89,283		
Assessments payable on City property						196,427	
	<u>313,939</u>	<u>79,668</u>	<u>74,778</u>	<u>359,061</u>	<u>360,002</u>	<u>196,427</u>	<u>4,115,500</u>
Fund balance:							
Reserved for encumbrances	347,857	1,801	148,486	181,957			
Available for appropriation	<u>321,796</u>	<u>8,410</u>	<u>77,878</u>	<u>11,413</u>			
	669,653	10,211	226,364	193,370			
Invested in advances to improvement districts	22,459			39,431			
Invested in property and equipment	<u>82,103</u>		<u>99,285</u>	<u>7,285</u>		<u>3,731,754</u>	
	<u>104,562</u>		<u>99,285</u>	<u>46,716</u>		<u>3,731,754</u>	
	<u>\$1,088,154</u>	<u>\$89,879</u>	<u>\$400,427</u>	<u>\$599,147</u>	<u>\$360,002</u>	<u>\$3,928,181</u>	<u>\$4,115,500</u>

See notes to financial statements and accompanying accountants' report.

STATEMENTS OF REVENUES, EXPENDITURES, AND FUND BALANCE

CITY OF SCOTTSDALE, ARIZONA

GENERAL GOVERNMENTAL FUNDS

Year ended June 30, 1968

	Operating Funds				General Debt Service Funds	
	General	Motor Vehicle Fuel Tax	Major Streets and Highways	Public Works Reserve	General Obligation	Motor Vehicle Fuel Tax
Revenues:						
Taxes:						
Privilege license	\$1,527,406	\$	\$	\$	\$ 19,084	\$
Property	498,340			145,324	238,354	
State sales	785,182					
Gasoline		124,459	200,816			
Automobile lieu	204,537					
Light and power franchise	61,824					
Bank	5,921					
	<u>3,083,210</u>	<u>124,459</u>	<u>200,816</u>	<u>145,324</u>	<u>257,438</u>	
Licenses and permits	210,905					
Fines and forfeitures	128,538					
Charges for services and interest	62,739	4,211	36,352	14,131	3,153	
Refuse removal	43,972					
Parks and recreation fees	25,185					
Library fines and fees	9,179					
	<u>3,563,728</u>	<u>128,670</u>	<u>237,168</u>	<u>159,455</u>	<u>260,591</u>	
Expenditures:						
Personal services	2,022,382	13,901				
Contractual services	682,386	385				
Commodities	280,747	64,753				
Capital outlays	505,164	64,502	219,827	403,300		
Payments to fiscal agents for:						
Principal redemptions					89,000	2,500
Interest redemptions					149,029	1,063
Fiscal agent's fees	5,353				860	105
Other debt service					16,034	
	<u>3,496,032</u>	<u>143,541</u>	<u>219,827</u>	<u>403,300</u>	<u>254,923</u>	<u>3,668</u>
EXCESS OF REVENUES (EXPENDITURES)	67,696	(14,871)	17,341	(243,845)	5,668	(3,668)
Interfund transfers (out) in	5,668	(3,668)			(5,668)	3,668
	<u>73,364</u>	<u>(18,539)</u>	<u>17,341</u>	<u>(243,845)</u>	<u>-0-</u>	<u>-0-</u>
Fund balance at beginning of year	<u>596,289</u>	<u>28,750</u>	<u>209,023</u>	<u>437,215</u>		
FUND BALANCE AT END OF YEAR	<u>\$ 669,653</u>	<u>\$ 10,211</u>	<u>\$226,364</u>	<u>\$193,370</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

See notes to financial statements.

BALANCE SHEETS

CITY OF SCOTTSDALE, ARIZONA

GENERAL OBLIGATION BOND CONSTRUCTION FUNDS

June 30, 1968

---

	<u>Parks and Recreation</u>	<u>Civic Center</u>
ASSETS		
Cash	\$ 815	\$ 845
United States Government securities, at cost which approximates market		1,120,857
Receivable from state and federal agencies	21,255	
Land		608,799
Construction in progress	<u>372,354</u>	<u>710,328</u>
	<u>\$394,424</u>	<u>\$2,440,829</u>
LIABILITIES		
Claims payable	\$	\$ 5,308
Due to other funds	<u>22,070</u>	<u>5,308</u>
	22,070	
Fund balance restricted for construction		1,116,394
Invested in land and construction	<u>372,354</u>	<u>1,319,127</u>
	<u>\$394,424</u>	<u>\$2,440,829</u>

See notes to financial statements.



STATEMENTS OF FUND BALANCE

CITY OF SCOTTSDALE, ARIZONA

GENERAL OBLIGATION BOND CONSTRUCTION FUNDS

Year ended June 30, 1968

	<u>Parks and Recreation</u>	<u>Civic Center</u>
Fund balance at beginning of year	\$713,755	\$1,003,277
Sale of general obligation bonds		1,400,000
Grants from state and federal agencies	145,281	
Interest on investments	<u>4,789</u>	<u>32,244</u>
	863,825	2,435,521
Construction completed and transferred to General Fixed Assets	491,471	
Invested in land		608,799
Invested in construction	<u>372,354</u>	<u>710,328</u>
	863,825	1,319,127
 FUND BALANCE AT END OF YEAR, restricted for construction	 <u>\$ -0-</u>	 <u>\$1,116,394</u>

See notes to financial statements.

## BALANCE SHEETS

CITY OF SCOTTSDALE, ARIZONA

SEWER FUNDS

June 30, 1968

	Operating Funds		Sewer Debt Service Funds		Sewer Fixed Assets	Sewer Bonded Debt
	Revenue, Operations, and Maintenance	Replacement and Extension Reserve	Interest and Redemption	Reserve		
<b>ASSETS</b>						
Cash	\$ 35,925	\$	\$	\$	\$	\$
Cash with fiscal agents		24,714	78,461	112,297		
United States Government securities, at cost which approximates market	171,807					
Due from other funds	29,538		12,525			
Property, plant, and equipment, on the basis of cost:						
Land					70,967	
Sewer plant					4,067,212	
Machinery and equipment					26,876	
Amount to be provided for retirement of bonds						2,850,000
	<u>\$237,270</u>	<u>\$24,714</u>	<u>\$90,986</u>	<u>\$112,297</u>	<u>\$4,165,055</u>	<u>\$2,850,000</u>
<b>LIABILITIES</b>						
Claims payable	\$ 19,386	\$	\$	\$	\$	\$
Due to other funds	29,700	1,303	710			
Bonds payable - Note C			25,000			2,850,000
Bond interest payable			52,751			
	<u>49,086</u>	<u>1,303</u>	<u>78,461</u>			<u>2,850,000</u>
Fund balance:						
Reserved for encumbrances	1,242					
Otherwise restricted			12,525	112,297		
Available for appropriation	<u>186,942</u>	<u>23,411</u>	<u>12,525</u>	<u>112,297</u>		
	<u>188,184</u>	<u>23,411</u>				
Invested in property, plant, and equipment					4,165,055	
	<u>\$237,270</u>	<u>\$24,714</u>	<u>\$90,986</u>	<u>\$112,297</u>	<u>\$4,165,055</u>	<u>\$2,850,000</u>

See notes to financial statements and accompanying accountants' report.

STATEMENTS OF REVENUES, EXPENDITURES, AND FUND BALANCE

CITY OF SCOTTSDALE, ARIZONA

SEWER FUNDS

Year ended June 30, 1968

	<u>Operating Funds</u>		<u>Sewer Debt Service Funds</u>	
	<u>Revenue, Operations, and Maintenance</u>	<u>Replacement and Extension Reserve</u>	<u>Interest and Redemption</u>	<u>Reserve</u>
Revenues:				
Sewer service	\$513,759	\$	\$	\$
Interest on investments	<u>16,371</u>			
	<u>530,130</u>			
Expenditures:				
Personal services	81,867			
Contractual services	92,737			
Commodities	15,637			
Capital outlays	19,785			
Payments to fiscal agents for:				
Principal redemptions			25,000	
Interest redemptions			111,959	
Fiscal agent's fees	<u>381</u>		<u>825</u>	
	<u>210,407</u>		<u>137,784</u>	
EXCESS OF REVENUES (EXPENDITURES)	319,723		(137,784)	
Interfund transfers (out) in	(137,790)	9,886	127,904	
Interfund transfer from Sewer System				
Construction Fund	<u>48,000</u>			
	<u>229,933</u>	<u>9,886</u>	<u>(9,880)</u>	
Fund balance (deficit) at beginning of year	<u>(41,749)</u>	<u>13,525</u>	<u>22,405</u>	<u>112,297</u>
FUND BALANCE AT END OF YEAR	<u>\$188,184</u>	<u>\$23,411</u>	<u>\$ 12,525</u>	<u>\$112,297</u>

See notes to financial statements.

BALANCE SHEET

CITY OF SCOTTSDALE, ARIZONA

SEWER SYSTEM CONSTRUCTION FUND

June 30, 1968

---

ASSETS

Cash	\$	615
United States Government securities, at cost which approximates market		422,164
Construction in progress		<u>858,841</u>
		<u>\$1,281,620</u>

LIABILITIES

Claims payable	\$	131,900
Due to other funds		<u>82,347</u>
		214,247
Fund balance restricted for construction		208,532
Invested in construction in progress		<u>858,841</u>
		<u>\$1,281,620</u>

See notes to financial statements.

STATEMENT OF FUND BALANCE  
 CITY OF SCOTTSDALE, ARIZONA  
 SEWER SYSTEM CONSTRUCTION FUND  
 Year ended June 30, 1968

---

Fund balance at beginning of year	\$ 969,829
Grants from state and federal agencies	197,558
Interest on investments	<u>25,381</u>
	1,192,768
Construction completed and transferred to	
Sewer Fixed Assets	77,395
Invested in construction	858,841
Interfund transfer to Sewer Revenue, Operations, and Maintenance Fund	<u>48,000</u>
	<u>984,236</u>
FUND BALANCE AT END OF YEAR, restricted for construction	<u>\$ 208,532</u>

See notes to financial statements.

BALANCE SHEET

CITY OF SCOTTSDALE, ARIZONA

SCOTTSDALE MUNICIPAL AIRPORT

June 30, 1968

ASSETS

Cash	\$	447
Due from other funds		4,460
Condemnation deposit		65,154
Other assets		126
Property and equipment, on the basis of cost:		
Land and airport runway		1,355,254
Equipment		2,148
Construction in progress		286,188
Allowances for depreciation (deduction)		(19,585)
		<u>1,624,005</u>
Construction work to be provided		<u>24,740</u>
		<u>\$1,718,932</u>

LIABILITIES

Claims payable	\$	60
Contract payable - Note F		306,251
Due to other funds		<u>2,512</u>
		308,823
Fund balance:		
Reserved for encumbrances		3,324
Otherwise restricted		65,154
Available for appropriation (deficit)		<u>(20,448)</u>
		48,030
Invested in property and equipment		<u>1,362,079</u>
		<u>\$1,718,932</u>

See notes to financial statements.

STATEMENT OF REVENUES, EXPENDITURES, AND FUND BALANCE

CITY OF SCOTTSDALE, ARIZONA

SCOTTSDALE MUNICIPAL AIRPORT

Year ended June 30, 1968

---

Revenues:		
Grants from state and federal agencies		\$162,256
Expenditures:		
Land and airport runway		89,872
Operating costs		4,358
Depreciation		19,584
		<u>113,814</u>
	EXCESS OF REVENUES OVER EXPENDITURES	48,442
Fund balance at beginning of year (deficit)		<u>(412)</u>
	FUND BALANCE AT END OF YEAR	<u>\$ 48,030</u>

See notes to financial statements.

BALANCE SHEET

CITY OF SCOTTSDALE, ARIZONA

SPECIAL ASSESSMENTS FUND

June 30, 1968

---

ASSETS

Cash	\$ 1,042
Cash with fiscal agents	64,589
United States Government securities, at cost which approximates market	297,240
Special assessments receivable - Note B	<u>2,723,455</u>
	<u>\$3,086,326</u>

LIABILITIES

Bonds payable	\$2,581,974
Bond interest payable	471,738
Due to other funds	15,004
Other liabilities	<u>2,476</u>
	3,071,192
Fund balance restricted for bond interest and redemption	<u>15,134</u>
	<u>\$3,086,326</u>

See notes to financial statements.



STATEMENT OF FUND BALANCE  
CITY OF SCOTTSDALE, ARIZONA  
SPECIAL ASSESSMENTS FUND  
Year ended June 30, 1968

---

Fund balance at beginning of year	\$12,528
Penalties on delinquent collections	<u>2,606</u>
FUND BALANCE AT END OF YEAR, restricted for bond interest and redemption	<u>\$15,134</u>

See notes to financial statements.

BALANCE SHEET

CITY OF SCOTTSDALE, ARIZONA

TRUST AND AGENCY FUND

June 30, 1968

---

ASSETS

Cash	\$14,717
United States Government securities, at cost which approximates market	22,502
Due from other funds	<u>95</u>
	<u>\$37,314</u>

LIABILITIES

Guaranty and other deposits	\$34,145
Due to other funds	<u>23</u>
	34,168
Fund balance available for appropriation	<u>3,146</u>
	<u>\$37,314</u>

See notes to financial statements.

STATEMENT OF FUND BALANCE  
CITY OF SCOTTSDALE, ARIZONA  
TRUST AND AGENCY FUND  
Year ended June 30, 1968

---

Fund balance at beginning of year	\$ -0-
Donations received	<u>3,146</u>
FUND BALANCE AT END OF YEAR	<u>\$3,146</u>

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

CITY OF SCOTTSDALE, ARIZONA

June 30, 1968

NOTE A - PRINCIPLES OF ACCOUNTING

The City of Scottsdale maintains its accounts on a modified accrual 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 upon the 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 fund balances. Depreciation is not taken on the property accounts, with the exception of the airport facilities of the Scottsdale Municipal Airport.

NOTE B - 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 C - BONDS PAYABLE

Bond transactions for the year were as follows:

	<u>General Obligation</u>	<u>Motor Vehicle Fuel Tax</u>	<u>Sewer Revenue</u>
Bonds outstanding, July 1, 1967	\$2,821,000	\$25,000	\$2,900,000
New issues	1,400,000		
Redemptions	<u>(59,000)</u>	<u>(2,500)</u>	<u>(25,000)</u>
<b>BONDS OUTSTANDING, JUNE 30, 1968</b>	<u><b>\$4,162,000</b></u>	<u><b>\$22,500</b></u>	<u><b>\$2,875,000</b></u>

Bonds outstanding at June 30, 1968 bear interest at rates which vary from 3.25% to 5.00% and mature serially as shown below:

	<u>General Obligation</u>	<u>Motor Vehicle Fuel Tax</u>	<u>Sewer Revenue*</u>
Bonds matured or maturing, July 1, 1968	\$ 69,000	\$	\$ 25,000
Bonds to be redeemed during the following fiscal years:			
1969	74,000	2,500	30,000
1970	79,000	3,000	30,000
1971 - 1975	460,000	15,000	195,000
1976 - 1980	575,000	2,000	280,000
1981 - 1985	710,000		590,000
1986 - 1990	870,000		720,000
1991 - 1996	<u>1,325,000</u>		<u>1,005,000</u>
	<u><b>\$4,162,000</b></u>	<u><b>\$22,500</b></u>	<u><b>\$2,875,000</b></u>

\*Includes mandatory sinking fund payments for \$850,000 in term bonds maturing July 1, 1993.

NOTES TO FINANCIAL STATEMENTS (Cont'd)

CITY OF SCOTTSDALE, ARIZONA

June 30, 1968

NOTE D - AUTHORIZED BUT UNISSUED BONDS

June 30, 1968 balances of authorized, issued, and unissued bonds are as follows:

	<u>Total Bonds Authorized</u>	<u>Issued as of June 30, 1968</u>	<u>Authorized Bonds Unissued as of June 30, 1968</u>
General obligation:			
Park and recreational improvement	\$1,438,000	\$ 700,000	\$ 738,000
Sewer revenue	7,500,000	2,950,000	4,550,000
Water revenue	3,000,000		3,000,000

The future sales of authorized bonds are subject to limitations as described in existing bond indentures and/or bonded debt limitations as prescribed by state law.

NOTE E - 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 refund the 1957 and the 1961 Sewer Revenue Bonds. On July 9, 1964, the City executed an irrevocable trust agreement with a 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, 1968, the principal amounts outstanding were \$165,000 on the 1957 Sewer Revenue Bonds and \$645,000 on the 1961 Sewer Revenue Bonds. The January 1, 1975 call provision will be exercised on all bonds outstanding as of that date.

NOTE F - CONTRACT PAYABLE

The City of Scottsdale Municipal Property Corporation was formed on January 31, 1967, for the purpose of issuing corporate bonds of \$450,000, the proceeds to be used to finance the construction of various facilities at the Scottsdale Municipal Airport and a headquarters building for the fire department of the City of Scottsdale.

The City entered into a long-term contract agreement with the Corporation whereby the City purchased these facilities for \$450,000 plus interest and other costs related to the bond issue, payable over a 21-year period in monthly installments of approximately \$3,200 from March through June of 1968, and \$3,050 monthly thereafter, through April of 1989.