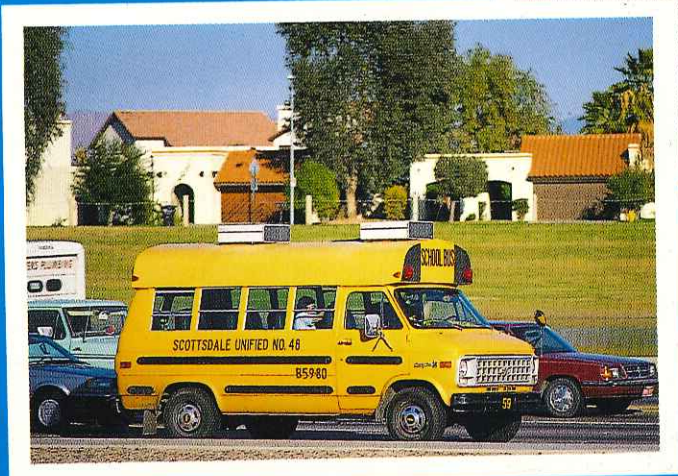
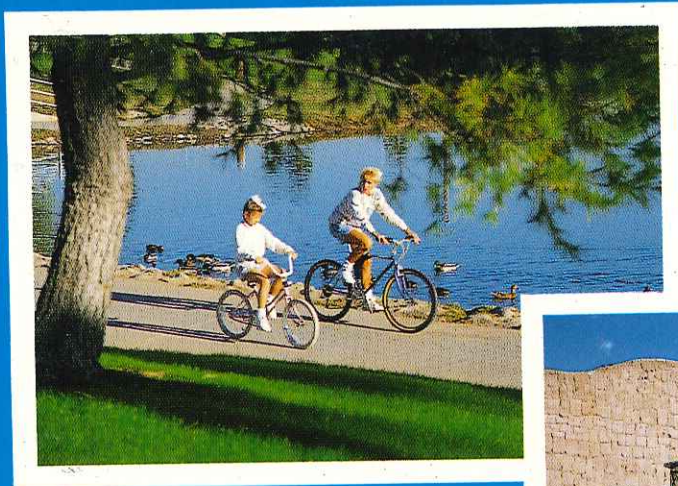


CITY OF SCOTTSDALE ARIZONA



**Comprehensive
Annual Financial Report
for the Fiscal Year
Ended June 30, 1991**

ABOUT THE COVER

On November 7, 1989, Scottsdale citizens passed the City's biggest bond issue. Twenty-eight percent of the community's registered voters overwhelmingly approved \$287.2 million in bonds to fund Scottsdale's five-year capital improvements program. They also passed a .2 percent increase in the City's sales tax to fund a comprehensive transportation plan.

As a result, Scottsdale has the financial ability to address its key priorities for the 1990's — transportation, maintaining a high quality of life and planning effectively for future growth and development.

The 1990's will be an exciting period for Scottsdale — primarily because a number of the City's transportation needs will be realized. The downtown couplet, an integral part of Scottsdale's downtown plan, will be constructed. In addition to the couplet, Scottsdale will make major street improvements to relieve traffic bottlenecks, expand its computerized signal system and construct additional traffic signals.

Some of Scottsdale's most exciting plans for the 1990's will occur in the downtown area where the City will undergo a total revitalization which includes construction of a new 7,000-seat stadium. Other improvements include the implementation of a specialty retail streetscape plan which is highlighted by new paving, landscaping, signage and seating areas. Citizens and visitors alike will have easy access to the downtown area by trolley or by the City's local bus system, the Scottsdale Connection.

The 90's will also see the completion of the remaining link in the City's primary bike and pedestrian path system which is located in the Indian Bend Wash. When completed, there will be an 11 mile continuous path for bicycling, walking, skating, etc. Further, the City's overall transportation plan calls for a comprehensive bikeways feasibility study and construction of additional bike lanes and paths.

Another integral part of Scottsdale's transportation network is the Scottsdale Airport — one of the premier reliever airports in the country. Scottsdale Airport is currently pursuing regularly scheduled service to serve the community and surrounding areas. Numerous safety enhancements and airpark improvements will take place to provide this additional service.

The cover illustrates several aspects of Scottsdale's expanding transportation network: a portion of the Indian Bend Wash bike path, the downtown trolley, the Scottsdale Connection, the Scottsdale Airport and one of Scottsdale's busy thoroughfares.



**CITY OF SCOTTSDALE
COMPREHENSIVE ANNUAL
FINANCIAL REPORT
FISCAL YEAR ENDED
JUNE 30, 1991**

CITY COUNCIL
HERBERT R. DRINKWATER, MAYOR

GREGORY BIELLI
SAM KATHRYN CAMPANA
ROSS DEAN

SUSAN BITTER SMITH
BILL SODERQUIST
BILL WALTON

RICHARD A. BOWERS, CITY MANAGER

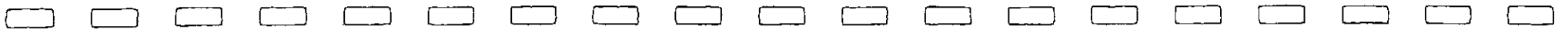
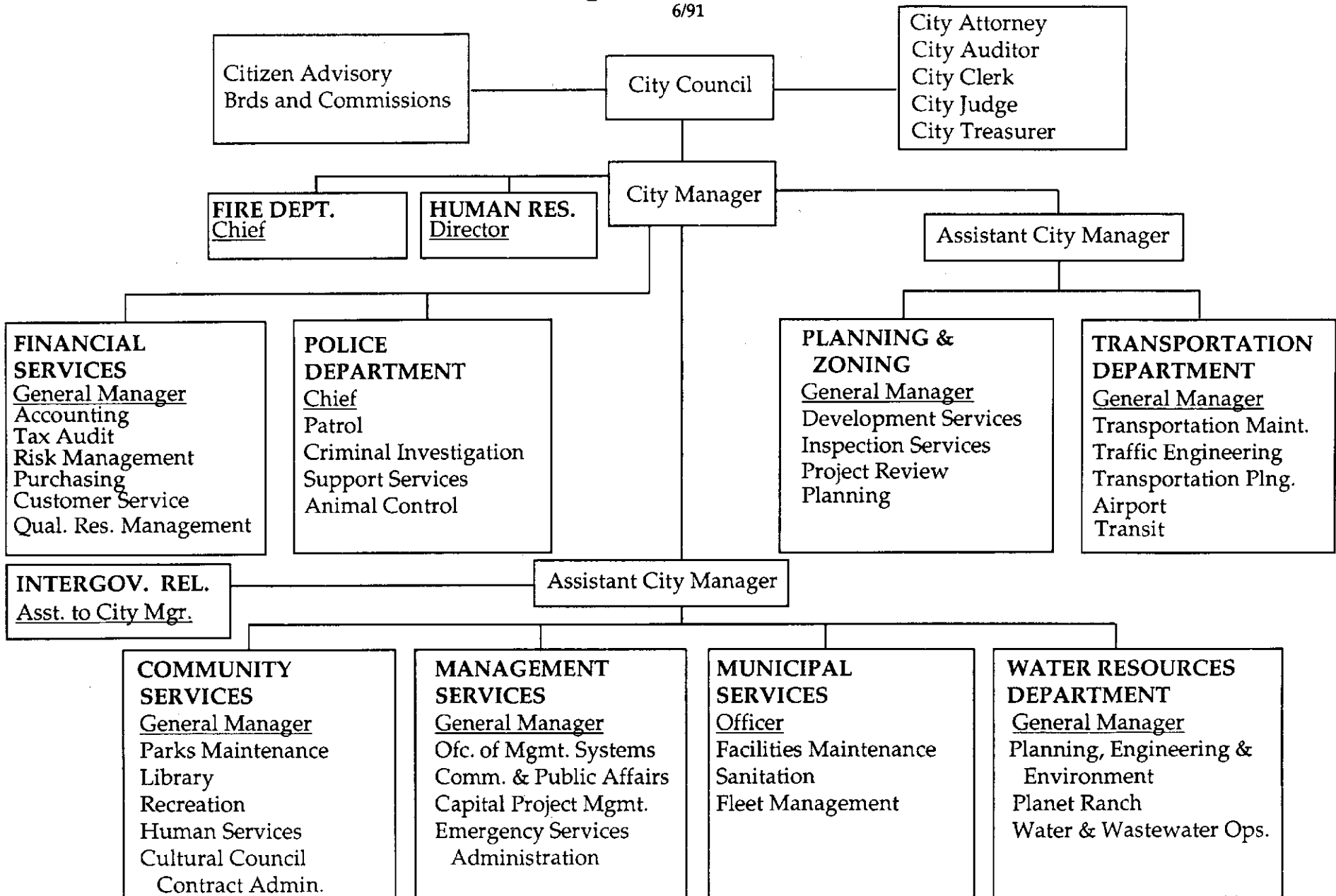
RAYMOND L. GARRISON, ASSISTANT CITY MANAGER
BARBARA A. BURNS, ASSISTANT CITY MANAGER

Prepared by
Financial Services Department
James A. Jenkins
Financial Services General Manager/City Treasurer

Larry G. Aungst
Accounting Director

City of Scottsdale Organization Chart

6/91



City of Scottsdale

COMPREHENSIVE ANNUAL FINANCIAL REPORT

June 30, 1991

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INTRODUCTORY SECTION



August 30, 1991

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, 1991, 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 or the Scottsdale Cultural Council. 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, 1991, population of 133,949, as estimated by the City's Planning Department. The 1990 census showed 130,069 persons residing in the City, making Scottsdale the state's fifth 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, 70,344 persons were employed in the City during 1990. During 1989 and 1988, 69,609 and 67,116 persons were reported employed in the City, respectively. The average annual unemployment rate of the City for 1990 was reported as 3.1%, which compares to the 3.1% and 3.7% rates realized in 1989 and 1988, respectively.

The City has been subject to the same economic slowdown experienced both throughout the state and nationwide. Building activity, measured by number of residential building units permitted, increased 3.2% from 1,571 units in 1989-90 to 1,621 units in 1990-91. That same activity, measured by total permitted value, increased 12.6% from \$343.2 million to \$386.6 million.

City sales tax revenues increased 2.1% from \$27.2 million in 1989-90 to \$27.8 million in 1990-91.

State shared tax revenues increased 4.1% from \$24.2 million in 1989-90 to \$25.2 million in 1990-91.

The change in the metropolitan Phoenix consumer price index for the same period of time was 4.3%.

Thus, of the above named four major revenue sources most affected by economic cycles only one, the value of building units permitted, exceeded the local CPI change for a positive growth after inflation.

The City anticipates for 1991-92 that the national recession will end in summer 1991 and that a very modest recovery will begin in 1991-92. In total, 1990-91 operating revenues increased 5.0% over 1989-90 and for 1991-92 they are projected to increase 6.0%.

MAJOR INITIATIVES

For the Year. Significant departmental events and accomplishments:

Police Department

To increase awareness and understanding of culturally-based differences, all Police Department employees received training on interacting effectively with individuals from diverse backgrounds.

Installed 800 MHz trunked radio communications system.

Members of the Criminal Investigations Bureau worked with the *Scottsdale Progress* to develop a weekly "Crime Watch" column. Response to the column has been positive and has generated several significant investigative leads.

Initiated a Bicycle Patrol Unit which will increase visibility and public contacts, enhance responses to calls in the parks and downtown areas, and increase patrol activity in areas which are not accessible by vehicle.

The Scottsdale Police Alcohol Team (SPAT) continued efforts to target alcohol violations within the City by assigning a minimum of two officers to the team each Friday and Saturday night.

To improve the community outreach and crime prevention capabilities of the department, several activities were incorporated into the newly designated Community Affairs Unit under the direction of a sergeant. The Unit is responsible for public information, school resource officers, crime prevention, and coordination of the volunteer program.

During fiscal year 1990-91, the department received approximately \$1,000,000 in RICO funds from four different government sources. The funds received were the direct result of successful investigative efforts by members of the department.

Financial Services Department

Initiated and completed the first phase of a quality improvement program focused on customer service.

Refunded general obligation bonds, series 1985, for a savings of \$588,186.

Initiated City participation in CCAN pilot credit card study to provide citizens another alternative to pay utility bills, development fees, taxes, licenses, and recreation fees.

Quality Resource Management initiated 32 management studies and completed 9 of the 32.

Completed 221 tax audits recovering approximately \$811,338 in unreported tax.

The Purchasing Division performed product environmental impact analysis for items and services purchased by the City.

Received the Governmental Finance Officers Association Distinguished Budget Presentation Award.

City Auditor

Recovered utility overbillings to the City of over \$300,000, as well as deterred future excess billings of \$16,000 to \$26,000 annually.

Reported on contractor performance for City bus service which resulted in action to recover \$15,000 in contractor overcharges to the City.

Reported on OMS general management controls which resulted in changes to reduce City exposure to potential computer software copyright infringement.

Participated on the City's automated systems disaster recovery project team.

Participated in an external quality review program as required by Charter and the Government Auditing Standards.

City Court

Experienced a filing increase of 8.4% for fiscal year 1990-91. Total filings amounted to 67,748 complaints. The largest increases were in DWI filings, up 61%, and non-traffic misdemeanors, up 49%.

Collections unit collected \$789,947 during fiscal year 1990-91. This represents 86% (a 2% increase over the previous year) of collectible dollars processed through the collections unit.

Total dollars collected for fiscal year 1990-91 increased \$497,657 over the previous fiscal year. Total dollars received were \$3,263,589 (before distribution to various State agencies) which represents an 18% increase over the previous fiscal year.

Human Resources

Initiated a leadership development and management development program for employees.

City employees used only 2.7% of total hours available for medical leave during calendar year 1990 and 23% of the full-time, regular workforce used 10 hours or less of medical leave.

In 1990, the City saved \$41,282 in FICA taxes due to having SCOTTSFLEX, our flexible benefits program.

SCOTTSFLEX spending account reimbursements were processed by City staff rather than through an external contract. This has resulted in savings of \$10,7000/year.

Transportation Department

The four-year program to convert all traffic signal locations to the new 170 Controllers was completed. These controllers enable efficient traffic counts, changes to timing plans at various times of the day coinciding with changing traffic patterns, and in general, increases the safety of the public.

The Reata Pass Alignment Study was begun which will develop a solution to the drainage problems north of the CAP Canal.

Construction was begun on the Downtown Streetscape Improvement Districts. Completion by November, 1991.

Application for certification under PART 139 was submitted to the Federal Aviation Administration.

A Council-appointed Citizens Committee developed a comprehensive transit plan that was adopted by City Council in July, 1991.

Construction and installation of 15 new transit shelters began in March, 1991.

Bicycle Coordinator hired; four CIP projects were started: Bicycle Lane Retrofit Study; Bicycle Path Improvement Study; Civic Center Mall Bicycle Facilities; and the Indian Bend Wash Bicycle/Pedestrian Path Study.

Community Services Department

Staff submitted and won both the national and regional National Recreation and Parks Association (NRPA) Arts and Humanities Award for "Frank Lloyd Wright: In the Realm of Ideas".

Placed 81 Youth Leaders in a variety of City summer activities (125 interviewed); over 4,000 hours were worked by these young volunteers.

Scottsdale Multi-Use Sports and Cultural facility under construction and on schedule.

Completed draft of contract agreement with school district to install lighting systems on district property and to schedule these fields during school non-use hours.

McCormick Railroad Park's restored baggage and pullman cars were toured by 55,437 people in the first year of an interpretive program.

The Equestrian Coordinator coordinated with the *Scottsdale Progress* for a monthly column called "Horsepages" which allows input from both the City and the community at large.

The Equestrian Coordinator assisted in the formation of the Scottsdale Equestrian Association. They have defined their purpose as "to support, protect, and promote the equestrian lifestyle within the City of Scottsdale". The Coordinator worked closely with Zoning to require clean-up of equestrian easements in several areas of the City.

ATLAS system software upgrades have increased the responsiveness of the system. Customers and staff can now use features like "keyword", which allows searching by title, author, or subject, or by any word in the title, author, subject, or entire listing.

June was the all-time high month for checking-out books with 121,966. This past year was the best ever with over 1.3 million items circulated.

Implemented Backlog Blitz, a plan involving staff augmentation and procedural modifications to reduce and eliminate the cataloging backlog in the library. Productivity is up 48% and approximately one-third of the backlog had been deleted by year end.

Initiated Media Task Force to implement the mainstreaming of media. Media materials can then be checked out at the circulation desk during all business hours at both Mustang and Civic Center Libraries.

Expanded senior services beyond Civic Center Senior Center to Mountain View Church.

Twenty-four hour hot line begun at Senior Center for information about senior services.

Management Services Department

Responded to 36,193 inquiries at the City Hall Information Center and 465 media inquiries City-wide.

Produced 291.5 hours of new programming for TV35, Scottsdale Municipal Television.

Implemented a comprehensive communications plan for the bond program which included closing festivities and groundbreaking ceremonies for Scottsdale Stadium, the dedication of the East Couplet, and numerous public awareness meetings for a wide variety of bond projects.

Accomplishments in support of citizen communications on City priorities including: production of the 1990 City of Scottsdale Performance Report and video; coordination of Scottsdale's first annual State-of-the-City address; and completion of the third annual Citizen's Budget Summary and video.

Completed a performance-based contract with Rural/Metro, the City's contract fire department.

Implemented a no-cost-to-the-City multi-provider ambulance contract which guarantees minimum service levels for the City.

Completed a comprehensive five-year management plan that establishes a strategic direction for technology. Defines the need and costs for people and technology for financial planning during the next five years.

Initiated a program to perform terminal and printer maintenance using City staff which will result in an estimated first year savings of \$25,000 while increasing service to our customers.

Obtained approval to acquire laser printing technology which is estimated to reduce the City's cost of processing utility billing receipts by approximately \$150,000 over the next five years.

Completed Phase II of the Disaster Recovery Plan. Includes business impact analysis and resumption.

Completed the business case and cost analysis for the Police Department Records Management System resulting in the approval to proceed with acquisition of computer hardware and software.

Implemented electronic data transfer to Valley National Bank saving personnel time previously spent transporting data to and from their processing center.

Initiated the development of eight new application systems that will have benefit to the organization during the next fiscal year.

Planning and Zoning Department

Completed the Environmentally Sensitive Lands Ordinance which received the Valley Forward's Crescordia Award for environmental excellence.

Presented the Canal Bank Master Plan to City Council and Hospitality Commission.

Coordinated with the Galleria Partnership to complete the Scottsdale Galleria project, a 1.2 million square foot shopping mall.

Coordinated with merchants and design consultants to achieve approval of the Downtown Streetscape Improvement District master plans.

CDBG funds were used to provide direct service to 3,263 citizens.

Completed 123 housing rehabilitation deferred loan projects totaling \$52,637.

Completed the Chrysalis Shelter. A \$70,329 grant from CDBG leveraged \$119,559 in private sector contributions.

Developed and received Council approval of the new Housing Rehabilitation Program which includes Equity Participation and Deferred Loan projects.

Leased the Little Red School House to the Scottsdale Historical Society for a Scottsdale Historical Museum on July 1.

Implemented new automated 30-day notification of permit expiration service.

City Building Inspectors performed 65,738 inspections.

Completed the Global Position Survey to provide ground control for City Geographic Information System.

Completed the Zoning Enforcement tracking system utilizing support staff to develop the program in Mapper.

Planning and Zoning staff participated in the Chamber's "Business Outreach" program. Staff members joined with representatives from the Chamber's Economic Development group to interview businesses in Scottsdale in order to promote a good working relationship with the Chamber, the City, and the businesses.

Conducted spectator surveys and analyses of major special events including the Phoenix Open, Wrangler Rodeo, and All-Arabian Show to determine the events' value to the City and the hospitality industry.

Completed study to determine the feasibility and funding sources for a Frank Lloyd Wright visitor center to be located at Taliesin.

Staff successfully assisted the hospitality industry offset the potential impacts of the Gulf War, national recession, and the Martin Luther King, Jr. holiday as bed tax receipts were up 4.2% over last year to a record \$3,356,000.

Planning and Zoning staff completed 1,681 civil plan reviews and 1,590 building plan reviews.

Water Resources Department

In moving toward the required goal of safe yield by 2025, the ratio of groundwater-to-surface use decreased from 40/60 in fiscal year 1989-90 to 35/65 in fiscal year 1990-91.

Planned construction of 14 miles of reclaimed water line plus 5 pump stations for non-potable irrigation of north area golf courses will save an estimated 1.1 billion gallons of potable water annually.

The Superfund consent decree for remediation of the TCE-contaminated groundwater beneath the north Indian Bend Wash Superfund site was finalized. This provides for construction and operation of a treatment plant to be located adjacent to Pima Park capable of treating 3.3 billion gallons of groundwater per year.

Replaced 300 galvanized and polyethylene water services in the south Scottsdale area as part of an on-going replacement program. The total number of services replaced for the fiscal year, which includes both scheduled and emergency, was 1,334.

During calendar year 1990, a total of 43,317 acre feet of water was delivered to serve Scottsdale customers. Water delivered includes groundwater and CAP/SRP surface treated water. This represents a decrease of 3,521 acre feet from calendar year 1989.

The Gainey Ranch and Troon Village Reclamation Plants produced a total of 889 acre feet of effluent which was used for golf course irrigation in fiscal year 1990-91.

Water Conservation Achievements:

- Water Conservation Plan was adopted;
- 1991 Commercial Water Conservation Ordinance was adopted;
- A low flow plumbing code was adopted; and
- Turf polymer test sites show a 30% water reduction.

Municipal Services

Installed, in conjunction with Ford Motor Company's Climate Control Division, 10 automotive air conditioning units (that use an environmentally safe freon) for testing.

Upgraded the fueling facilities at the City Corporation Yard to meet new EPA regulations. The south police station fuel tank has been removed and a new tank and monitoring system is in the process of being added.

Completed the compressed natural gas (CNG) site at Civic Center. CNG usage was increased by 15,519 gallons over last fiscal year.

Provided residential and brush collection to 40,952 residential homes in fiscal year 1990-91, an increase of 1,175 homes, or 2.95%.

Collected a total of 100,048 tons of refuse and brush in fiscal year 1990-91, an increase of 2,086 tons, or 2.13%. Residential tonnage increased 1,665 tons, or 3.09%; commercial tonnage decreased 886 tons, or 2.38%; and brush tonnage increased 1,307 tons, or 18.95%.

Implemented a new program in fiscal year 1990-91 offering roll-off service to the City's businesses and citizens.

Operated four recycling programs in fiscal year 1990-91 diverting a total of 1,023,319 pounds of solid waste from the landfill. White goods (appliances) recycling recovered 66,200 pounds of discarded appliances; move-in box recycling recovered 124,116 pounds of corrugated cardboard from the waste stream; the Mobile Recycling Center (MRC) recovered 597,703 pounds of aluminum, newsprint, and glass; and the Stationary Container Program recovered 235,300 pounds of newsprint. Scottsdale received the 1990 Arizona Clean and Beautiful Governor's Pride in Arizona Recycling Award for government agencies.

Organized two special collections of household hazardous waste in fiscal year 1990-91. The first was on November 3, 1990, when 248 participants brought in 3,300 gallons of material, and the second was on April 27, 1991, where 87 participants brought in 704 gallons of material.

Completed major remodeling of restrooms at Eldorado Ballfield, Mountain View Park, and Fifth Avenue Park.

Installed Energy Management Control Systems for Vista del Camino, the Senior Center, Mountain View Park recreation building, and the Mustang Library.

Roofs were replaced on the Bishop Building, the Indian School Park Visitor's Center, and the Pepperwood Building.

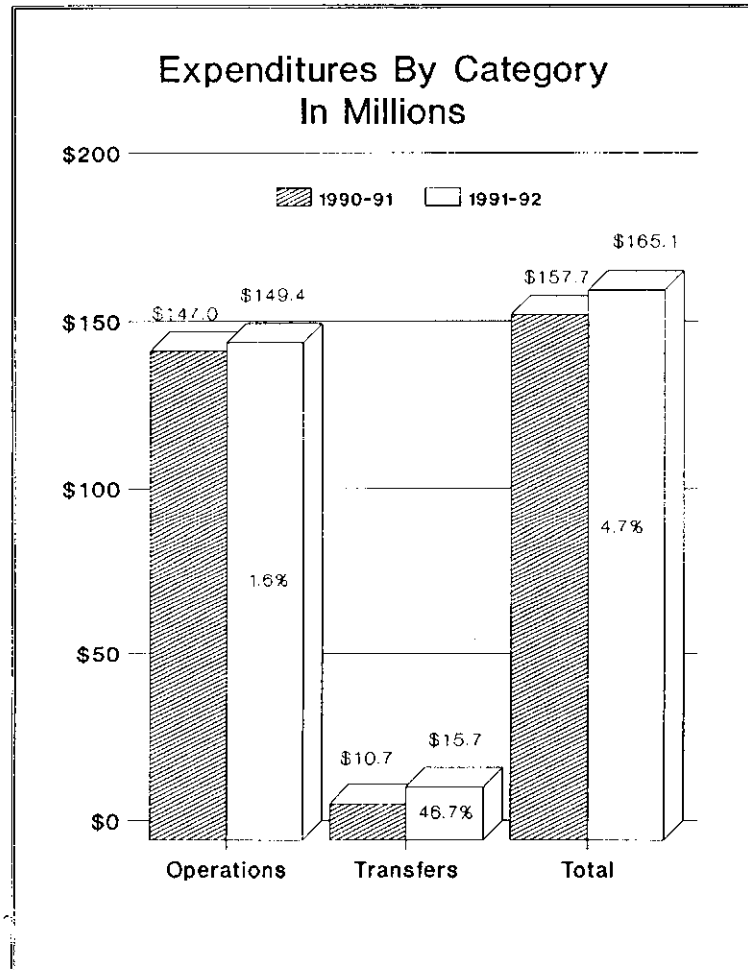
For the Future. The theme for the 1991-92 Financial Plan is:

Commitment to Excellence in Basic Citizen Services

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

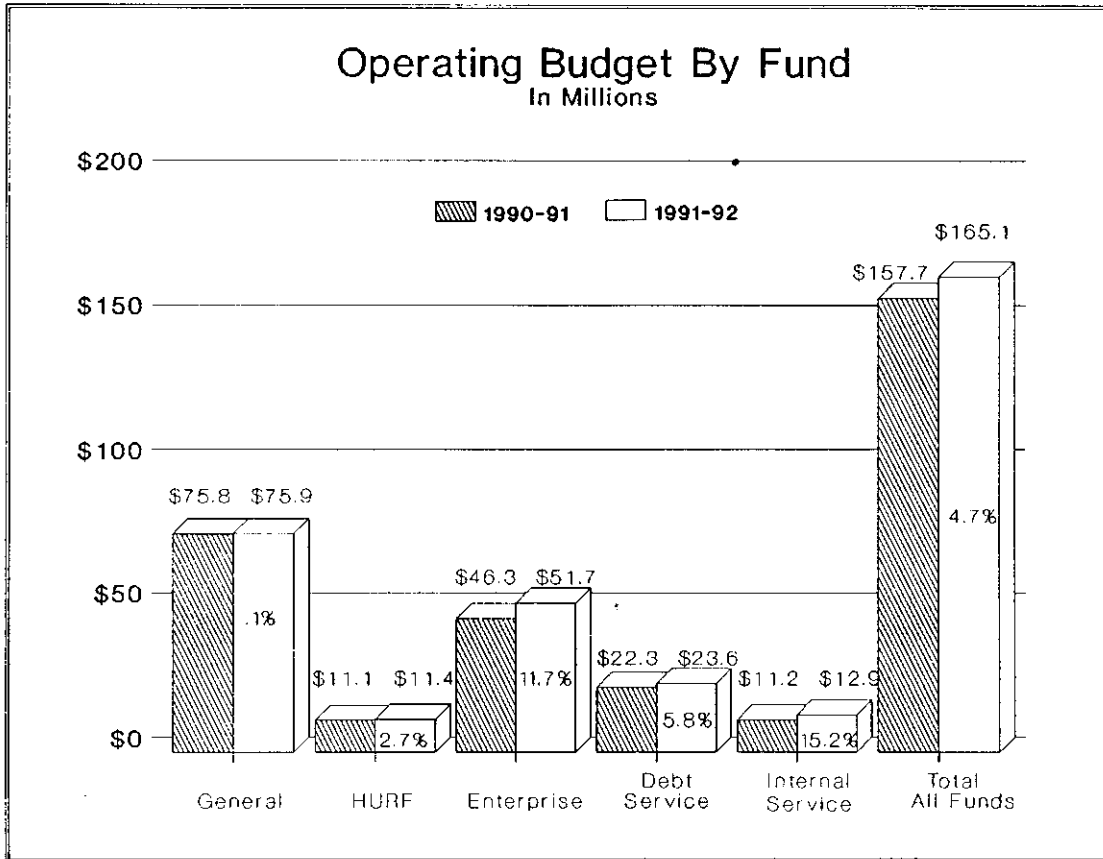
- provide exceptional maintenance of all City assets;
- maintain the Scottsdale "quality of life;"
- be a leader in our community; setting the standard for water and energy conservation, and protection of the environment;
- be responsive to the community's public safety needs; and
- strengthen our financial base through financial planning.
- maintain our strong organizational commitment to our employees;

The 1991-92 expenditure budget totals \$165.1 million. The chart below illustrates the proposed change in 1991-92 expenditures by the two major categories of expenditures, operations and transfers.



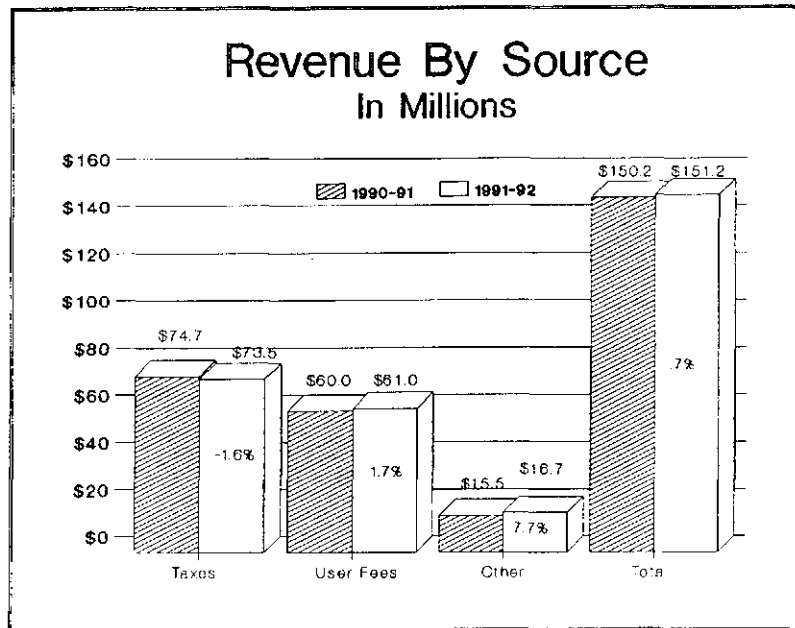
The 1991-92 expenditure budget of \$165.1 million represents a 4.7% increase from the 1990-91 budget of \$157.7 million.

The chart below illustrates the increase in the operating budget by fund.



* Total is less interfund eliminations of \$9.0 million (1991) and \$10.5 million (1992).

Budgeted revenue for 1991-92 is \$1 million more than 1990-91. Due to the impact of the national recession, revenue has remained stagnant. The economy is expected to rebound during the second half of 1991-92.



1991-92's focus on maintaining service levels necessitates an additional 43 full-time positions and a reduction of 10 part-time positions, for a net change of 33 employees. This brings our total proposed staffing to 1,453 positions (1,167 full-time and 286 part-time). Of the 43 full-time positions added, 15 are the result of changing part-time positions to full-time positions.

PROVIDING EXCEPTIONAL MAINTENANCE OF THE CITY'S ASSETS

Continued use and aging of City facilities requires our ongoing attention. Some of our facilities are over 20 years old and regular renovation and replacement are necessary. The need for safe and well-maintained streets, buildings, and park systems is our foremost priority. Our goal is to continue to achieve a high level of maintenance, supervision, and customer service to safely and adequately accommodate citizen needs.

- maintaining City streets;
- emphasizing the maintenance of medians on major streets;
- emphasizing the maintenance of parks;
- emphasizing the maintenance of buildings;
- resuming vehicle replacement program suspended last year;
- implementing a geographic information system (GIS); and
- establishing endowment trust funds as a new funding source for basic services.

MAINTAINING THE SCOTTSDALE "QUALITY OF LIFE" FOR CITIZENS, BUSINESSES, AND VISITORS

Maintaining Scottsdale's reputation as a nationally recognized destination attraction requires continuous planning and foresight. By investing in our downtown, facilitating strong public/private partnerships, and pursuing a citizen-oriented visioning process, the City is able to sustain Scottsdale's highly enviable quality lifestyle.

- continued investment in downtown Scottsdale;
- implementing community visioning;
- implementing neighborhood planning;
- continuing Paiute Park improvements;
- continued improvement of public transportation facilities;
- providing additional downtown parking;
- constructing the Multi-Use Sports and Cultural Facility;
- continuing the downtown trolley system;
- achieving FAA Part 139 certification for the airport;
- implementing an artist-designed bus shelter and benches program;
- increasing our commitment to social services funding;
- rewriting zoning ordinances;
- improving film and entertaining promotion efforts;
- improving the City/Chamber of Commerce partnership;
- maintaining our commitment to the arts; and
- continuing our commitment to quality citizen service.

BEING A LEADER IN THE COMMUNITY -- SETTING THE STANDARD FOR WATER AND ENERGY CONSERVATION AND PROTECTION OF THE ENVIRONMENT

We are positioning ourselves to assume a leadership role in dealing with emerging environmental issues. It is important for our organization and our citizens to continue this heightened awareness of environmental concerns and to develop practical strategies for dealing with these concerns.

- considering a waste-to-energy facility;
- maintaining solid waste recycling;
- reducing noise and air pollution;
- collecting household hazardous waste;
- continuing our current environmental initiatives;
- implementing a City-wide energy policy;
- ensuring compliance with storm water run-off regulations;
- initiating a construction process for the Wastewater Treatment and Advanced Water Treatment Plants;
- achieving recharge/underground storage requirements; and
- encouraging water conservation.

BEING RESPONSIVE TO THE COMMUNITY'S PUBLIC SAFETY NEEDS

Responding to the public safety needs of the community is one of our foremost priorities. We are implementing numerous programs which will promote a public safety partnership with the community, provide for improved problem solving, and encourage visionary leadership.

- implementing Police Department improvements;
- continuing our "community policing" program;
- rewriting the alarm ordinance;
- constructing an on-airport fire station; and
- implementing fire and emergency medical services improvements.

STRENGTHENING THE CITY'S FINANCIAL BASE THROUGH IMPROVED FINANCIAL PLANNING

The 1991-92 financial plan reflects a balanced budget largely due to the foresight of the City Council. Their judicious use of previous funds has provided us a means to weather recessionary times and maintain citizen service levels. We will continue to utilize long-range financial planning to ensure the health of the City's revenue base.

- preserving the general fund balance;
- utilizing the economic stabilization reserve fund;
- maintaining operating contingencies;
- restricting the use of one-time revenues;
- identifying expenditure commitments that have second-year impacts; and
- preparing a "no-growth" budget.

SUSTAINING OUR STRONG ORGANIZATIONAL COMMITMENT TO OUR EMPLOYEES

The nature and composition of our workforce is dramatically changing. Therefore, our ability to identify and meet employee needs is a foremost concern. We are faced with the challenge of developing effective programs which will promote an optimum working environment for our employees.

- establishing a Martin Luther King, Jr. Day;
- implementing a market adjustment for salaries;
- continuing a special incentive pay program;
- increasing training and professional development;
- providing in-house training;
- making provisions for benefits increases;
- changing Recreation III positions to full-time status; and
- increasing the Police Department uniform allowance.

Acquiring additional water rights. We are currently discussing the possibility of leasing water rights from the San Carlos Apache Indians. Obtaining these water rights will require congressional authorization.

Public Safety issues. We will continue to evaluate recommendations made by an outside consultant concerning our Police Department.

Station planning. Rural Metro and the City are working together to develop a new station in the area of 74th Street and Shea Boulevard as outlined in the bond election. Construction has been delayed three months and is scheduled to be staffed and operational in 1992-93. This site proposal is consistent with the overall fire master plan.

Implementation of Arizona Fingerprinting Information System (AFIS). The statewide task force developing the RFP for the State AFIS system was completed in May, 1991. Currently, the state procurement office will issue the call for bids (providing the Governor releases the funds). Once the bid is awarded, we will evaluate the bid award to determine if connectivity between the Phoenix AFIS system and the State AFIS system is possible.

Disposition of the Frank Lloyd Wright House. Because the exhibit is a temporary structure which is not suitable to become a permanent attraction, we will need to make a decision regarding the disposition of this structure in the coming year.

Funding the City's Transit Plan. The Financial Plan does not include any funding for expansion of the City's existing transit service. Reconsideration of this issue will follow the establishment of a regional plan.

NEED TO PLAN STRATEGICALLY FOR THE FUTURE

The City realizes the need to replenish one-time revenues, tail expenditures, and reestablish reserves in the future. The tendency in the past has been to underfund our basic services in order to venture forth with new services. This tendency to expand services without identifying a recurring revenue source needs to be carefully monitored. Failure to do this will seriously limit the City's ability to prepare a balanced budget without impacting service levels.

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, 1991, provided no instances of material weaknesses in the internal control structure or significant violations of applicable laws and regulations.

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, 1991.

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 City continues to meet its responsibility for sound financial management.

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, 1991, and the amount and percentage of increases and decreases in relation to prior year revenues.

Classification	Revenues			
	Amount (000s)	Percent of Total	Increase (Decrease) From 1990 (000s)	Percent of Increase (Decrease)
Taxes	\$ 51,402	50.3	\$6,074	13.4
Intergovernmental	25,176	24.6	2	-
Special Assessments	2,774	2.7	(184)	(6.2)
Licenses	630	.6	13	2.1
Charges for Services	5,153	5.1	(311)	(5.7)
Fines and Forfeitures	2,215	2.2	163	7.9
Uses of Money and Property	9,105	8.9	689	8.2
Streetlight Districts	558	.6	(6)	(1.1)
Miscellaneous	5,149	5.0	(2,723)	(34.6)
Total	\$102,162	100.00	\$3,717	3.8

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 the first full year of a voter-approved privilege tax rate increase of .2% to be used for transportation purposes.

Miscellaneous revenue decreased primarily due to a decrease in Special Assessment Capital Improvement activity. Both City participation and assessment prepayments decreased from the previous year.

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, 1991, and the percentage of increases and decreases in relation to prior year amounts.

Department	Expenditures			
	Amount (000s)	Percent of Total	Increase (Decrease) From 1990 (000s)	Percent of Increase (Decrease)
General Government	\$ 4,257	3.5	\$ 339	8.7
Police	17,057	14.0	2,546	17.5
Financial Services	2,660	2.2	194	7.9
Transportation	7,366	6.1	584	8.6
Community Services	13,705	11.3	1,526	12.5
Management Services	5,366	4.4	373	7.5
Municipal Services	3,590	3.0	699	24.2
Planning and Zoning	5,942	4.9	6	.1
Fire	5,721	4.7	700	13.9
Streetlight Districts	431	.4	(1)	(.2)
Capital Improvements	29,299	24.1	12,298	72.3
Debt Service	26,121	21.4	369	1.4
Total	\$121,515	100.00	\$19,633	19.3

The increase in expenditures is the result of goals established for the 1990-91 fiscal year. They include: maintaining current service levels, emphasizing public safety, meeting debt service requirements, and implementing the Capital Improvements Program.

Governmental Funds. A comparison of fund balances for governmental funds indicates a decrease in total fund balance. The Special Revenue Fund decreases result from a budgeted excess of expenditures over revenue. Debt Service Fund balances increase primarily as a result of accumulating revenue for principal and interest on debt. The Capital Projects Fund balance decreased due to the expenditure of bond proceeds.

Fund Balances

Fund	1990-91	1989-90	Increase (Decrease)
General	\$43,469,415	\$44,407,196	(\$937,781)
Special Revenue			
Highway User	92,441	184,809	(92,368)
Community Development Grants	113,784	130,000	(130,000)
Debt Service	12,719,806	11,665,894	1,053,912
Capital Projects	27,441,942	43,221,973	(15,780,031)
Total	\$83,837,388	\$99,773,140	(\$15,935,752)

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 Public Housing Fund, and the Sanitation Fund. In FY 1991, the results of operations, after adding back depreciation expense on fixed assets acquired by contributed capital, in the Proprietary Funds compared to FY 1990 were:

Results of Operations

Fund	1990-91	1989-90	Increase (Decrease)
Water and Sewer Utility	\$3,071,893	\$6,938,652	(\$3,866,759)
Airport	6,971	16,006	(9,035)
Sanitation	(58,551)	302,595	(361,146)
Motor Pool	649,771	424,137	225,634
Self Insurance	2,365,904	(1,499,560)	3,865,464
Total	\$6,035,988	\$6,181,830	(\$145,842)

The water and Sewer Utility Fund results of operations decreased because of increased costs to purchase and treat water.

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

The Sanitation Fund results of operations decreased because of the start-up costs associated with providing roll-off service. These costs will be offset in later years by increased revenue.

The Self-Insurance Fund results of operations improved because of reduced reserves needed for insurance claims and an increased contribution to this fund to match actuarial recommended levels.

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 Management. At June 30, 1991, the City has outstanding debt issues of \$256,170,000. These issues include \$86,805,000 of general obligation bonds, \$46,370,000 of revenue bonds, \$24,210,000 of special assessment debt with City commitment, and \$98,785,000 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 authority to issue general obligation bonds is limited by law. Up to a value of 6% of the total assessed value of real and personal property can be issued to provide general municipal services. In addition, up to 20% more may be issued to provide water, artificial light, sewer, and to develop open space preserves, parks, playgrounds, and recreational facilities. As of June 30, 1991, the City's remaining authority to issue 6% bonds is \$60,199,802 and its remaining authority to issue 20% bonds is \$240,726,674.

During the year, the City issued \$3,625,000 in special assessment bonds for three projects: Pima Acres Project O8834, \$1,315,000; Fifth Avenue/Marshall Way Project I0004, \$1,215,000; and Old Scottsdale/West Main Project I0003, \$1,095,000. The City also issued \$8,830,000 of General Obligation Refunding Bonds.

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 7.87% on an average daily invested balance of \$133,443,195.

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, 1991, 94% 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 1991 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 safety 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.

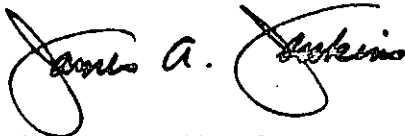
Awards. The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Scottsdale for its comprehensive annual financial report for the fiscal year ended June 30, 1990.

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,

A handwritten signature in cursive script, appearing to read "James A. Jenkins". The signature is written in dark ink and is positioned above the typed name.

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, 1990

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.



Gary R. Hoistrom

President

Jeffrey L. Esall

Executive Director

**FINANCIAL
SECTION**

KPMG Peat Marwick

Certified Public Accountants

2020 North Central Avenue
Phoenix, AZ 85004

Independent Auditors' Report

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 of the City as of and for the year ended June 30, 1991, as listed in the Financial Section 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, 1991, and the results of its operations and cash flows of its proprietary fund types and nonexpendable trusts 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, 1991, and the results of operations of such funds and cash flows of the individual proprietary funds and nonexpendable trust for the year then ended, in conformity with generally accepted accounting principles.

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

KPMG Peat Marwick

August 30, 1991

CITY OF SCOTTSDALE

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS

JUNE 30, 1991

WITH COMPARATIVE TOTALS FOR JUNE 30, 1990

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, 1991	JUNE 30, 1990
CASH AND SHORT-TERM INVESTMENTS	\$41,678,563	\$86,294	\$6,513,565	\$28,827,071	\$4,781,907	\$6,332,892	\$6,118,902	\$	\$	\$94,339,194	\$83,465,282
CASH WITH FISCAL AGENTS		1,921,750	13,144,710			3,610,504				18,676,964	14,831,233
CASH WITH TRUSTEE INVESTMENTS	2,803,209		3,499,218		3,993,216					10,295,643	31,979,738
RECEIVABLES											
ACCRUED INTEREST	496,943		120,634	332,716	4,260	353,134	51,523			1,359,210	1,408,450
PROPERTY TAX	1,022,198		25,851							1,048,049	869,238
SPECIAL ASSESSMENTS			20,238,007							20,238,007	11,475,226
STATE SHARED SALES TAX	657,832									657,832	593,285
AUTO LIEU TAX	182,715									182,715	173,155
FUEL TAX		644,796								644,796	553,502
GRANTS		117,393								117,393	126,026
ACCOUNTS						4,841,749	16,798			4,858,547	4,800,956
MISCELLANEOUS	292,411	10,670		105,000	13,617	986,079				1,407,777	667,132
DUE FROM OTHER FUNDS	855,690									855,690	757,769
SUPPLIES INVENTORY	157,843									404,677	398,202
RESTRICTED CASH AND INVESTMENTS						29,946,218				29,946,218	32,150,595
PROPERTY, PLANT, AND EQUIPMENT - LESS ACCUMULATED DEPRECIATION						220,415,199	6,394,229	887,522,051		1,114,331,479	1,047,766,704
EXCESS PURCHASE PRICE OVER FAIR MARKET VALUE OF WATER SYSTEM ASSETS ACQUIRED, NET						708,139				708,139	789,000
AMOUNT AVAILABLE IN DEBT SERVICE FUNDS									12,719,806	12,719,806	11,665,894
AMOUNT TO BE PROVIDED FOR RETIREMENT OF GENERAL LONG-TERM DEBT									197,169,649	197,169,649	204,783,240
TOTAL ASSETS AND OTHER DEBITS	\$48,147,404	\$2,780,903	\$43,541,985	\$29,264,787	\$8,793,000	\$267,193,914	\$12,828,286	\$887,522,051	\$209,889,455	\$1,509,961,785	\$1,449,287,446

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SEE NOTES TO FINANCIAL STATEMENTS.

CITY OF SCOTTSDALE

EXHIBIT A-1

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS

JUNE 30, 1991

WITH COMPARATIVE TOTALS FOR JUNE 30, 1990

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, 1991	JUNE 30, 1990
LIABILITIES											
ACCOUNTS PAYABLE	\$281,588	\$139,101	\$	\$1,242,595	\$106	\$1,131,583	\$33,945	\$	\$	\$2,828,918	\$4,095,413
ACCRUED PAYROLL	2,637,519	168,881		47,104		522,129	187,553			3,563,186	2,933,151
CLAIMS PAYABLE							1,622,342			1,622,342	2,976,739
DESIGNATED DEFERRED COMPENSATION BENEFITS DUE TO GENERAL FUND		344,946			3,993,216	510,744				3,993,216	3,267,060
ACCRUED INTEREST PAYABLE	67,432		578,790							855,690	757,769
CONTRACTS PAYABLE - CURRENT PORTION						506,739				646,222	744,763
BONDS INTEREST PAYABLE		1,096,750	4,480,382			2,005,504				506,739	1,247,441
BONDS PAYABLE - CURRENT PORTION		825,000	5,525,000			1,605,000				7,582,636	7,829,870
DEFERRED REVENUE										7,955,000	7,335,000
PROPERTY TAXES	960,071									960,071	762,997
SPECIAL ASSESSMENTS			20,238,007							20,238,007	11,475,226
OTHER	731,377					358,574				1,089,951	330,973
GUARANTY AND OTHER DEPOSITS					2,549,478	541,387				3,090,865	2,906,473
OTHER				533,148		1,038,655				1,571,803	1,233,088
LONG-TERM DEBT (LESS CURRENT PORTION)						54,261,461			209,889,455	264,150,916	272,822,335
TOTAL LIABILITIES	4,677,987	2,574,678	30,822,179	1,822,847	6,542,800	62,481,776	1,843,840		209,889,455	320,655,562	320,718,298
FUND EQUITY AND OTHER CREDITS											
CONTRIBUTED CAPITAL						139,346,252	10,680,884			150,027,136	137,283,377
INVESTMENT IN GENERAL FIXED ASSETS								887,522,051		887,522,051	830,947,524
RETAINED EARNINGS (DEFICIT)											
RESERVED FOR											
REVENUE BOND RETIREMENT						1,883,782				1,883,782	1,732,780
WATER AND SEWER REPLACEMENT						5,160,197				5,160,197	4,521,150
ACQUISITION AND CONSTRUCTION						22,893,095				22,893,095	22,590,309
UNRESERVED						35,428,812	303,562			35,732,374	30,789,221
FUND BALANCES											
RESERVED FOR											
ENCUMBRANCES	2,783,891	139,211		12,377,253	6,048					15,306,403	10,955,059
SINKING FUND			3,159,407							3,159,407	2,963,209
STREETLIGHT DISTRICTS	560,304									560,304	433,565
DEBT SERVICE			9,560,399							9,560,399	8,702,685
LIBRARY ACQUISITIONS					174,899					174,899	119,546
UNRESERVED	40,125,222	67,014		15,064,687	2,069,253					57,326,176	77,530,723
TOTAL RETAINED EARNINGS/FUND BALANCES (DEFICIT)	43,469,417	206,225	12,719,806	27,441,940	2,250,200	65,365,886	303,562			151,757,036	160,338,247
TOTAL FUND EQUITY AND OTHER CREDITS	43,469,417	206,225	12,719,806	27,441,940	2,250,200	204,712,138	10,984,446	887,522,051		1,189,306,223	1,128,569,148
TOTAL LIABILITIES AND FUND EQUITY	\$48,147,404	\$2,780,903	\$43,541,985	\$29,264,787	\$8,793,000	\$267,193,914	\$12,828,286	\$887,522,051	\$209,889,455	\$1,509,961,785	\$1,449,287,446

SEE NOTES TO FINANCIAL STATEMENTS.

CITY OF SCOTTSDALE

EXHIBIT A-2

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUSTS FUNDFOR THE FISCAL YEAR ENDED JUNE 30, 1991
WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 1990

	GOVERNMENTAL FUND TYPES				FIDUCIARY FUND TYPE	TOTALS (MEMORANDUM ONLY)	
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	EXPENDABLE TRUSTS	JUNE 30, 1991	JUNE 30, 1990
REVENUES							
TAXES - LOCAL	\$29,287,589		\$17,070,793	\$5,043,226	\$	\$51,401,608	\$45,328,497
TAXES - INTERGOVERNMENTAL	16,623,345	8,552,662				25,176,007	24,201,824
GRANTS		695,041				695,041	973,247
SPECIAL ASSESSMENTS			2,774,035			2,774,035	2,957,646
LICENSES	630,070					630,070	617,200
CHARGES FOR CURRENT SERVICES	5,152,757					5,152,757	5,463,953
FINES AND FORFEITURES	2,215,138					2,215,138	2,052,306
USE OF MONEY AND PROPERTY	5,314,476		1,031,134	2,759,441	21,114	9,126,165	8,415,803
STREETLIGHT DISTRICTS	558,163					558,163	564,046
OTHER	2,746,638	4,551		1,703,048	1,430,127	5,884,364	8,667,630
TOTAL REVENUES	62,528,176	9,252,254	20,875,962	9,505,715	1,451,241	103,613,348	99,242,152
EXPENDITURES							
CURRENT OPERATING DEPARTMENTS							
GENERAL GOVERNMENT	4,257,006					4,257,006	3,917,752
POLICE	16,990,585	66,655				17,057,240	14,510,678
FINANCIAL SERVICES	2,660,254					2,660,254	2,465,924
TRANSPORTATION		7,365,627				7,365,627	6,782,224
COMMUNITY SERVICES	13,600,618	104,126				13,704,744	12,179,223
MANAGEMENT SERVICES	5,366,113					5,366,113	4,992,759
PLANNING & ZONING	4,837,560	1,106,748				5,944,308	5,935,822
FIRE	5,721,096					5,721,096	5,020,994
WATER RESOURCES							
MUNICIPAL SERVICES	3,417,151	173,134				3,590,285	2,891,348
STREETLIGHT DISTRICTS	431,424					431,424	432,177
EXPENDABLE TRUSTS							
CAPITAL IMPROVEMENTS				29,299,122	489,588	29,299,122	17,000,613
DEBT SERVICE							
PRINCIPAL	2,475,461	825,000	7,664,000			10,964,461	11,307,903
INTEREST	439,798	2,183,299	12,533,815			15,156,912	14,444,353
TOTAL EXPENDITURES	60,197,066	11,824,589	20,197,815	29,299,122	489,588	122,008,180	102,673,694
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	2,331,110	(2,572,335)	678,147	(19,793,407)	961,653	(18,394,832)	(3,431,542)
OTHER SOURCES (USES)							
BOND PROCEEDS				3,625,000		3,625,000	39,445,000
PROCEEDS FROM CONTRACTS PAYABLE							
OPERATING TRANSFERS IN	23,936	2,324,419	375,765		300,000	3,024,120	3,433,713
OPERATING TRANSFERS OUT	(3,292,825)	(23,936)		(375,765)		(3,692,526)	(3,433,713)
PROCEEDS OF REFUNDING BONDS							15,683,250
PAYMENT TO REFUNDED BOND ESCROW AGENT							(15,683,250)
TOTAL OTHER SOURCES (USES)	(3,268,889)	2,300,483	375,765	3,249,235	300,000	2,956,594	39,445,000
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	(937,779)	(271,852)	1,053,912	(16,544,172)	1,261,653	(15,438,238)	36,013,458
FUND BALANCES JULY 1	44,407,196	478,077	11,665,894	43,221,973	803,082	100,576,222	64,475,006
RESIDUAL EQUITY TRANSFER IN				3,407,354		3,407,354	4,687,904
RESIDUAL EQUITY TRANSFER OUT				(2,643,215)		(2,643,215)	(4,600,146)
FUND BALANCES JUNE 30	\$43,469,417	\$206,225	\$12,719,806	\$27,441,940	\$2,064,735	\$85,902,123	\$100,576,222

SEE NOTES TO FINANCIAL STATEMENTS.

CITY OF SCOTTSDALE

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, 1991

	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	\$45,840,000	\$46,358,382	\$518,382	\$28,834,170	\$29,287,589	\$453,419	\$	\$	\$	\$17,005,830	\$17,070,793	\$64,963
TAXES - INTERGOVERNMENTAL	24,983,000	25,176,007	193,007	16,612,000	16,623,345	11,345	8,371,000	8,552,662	181,662			
SPECIAL ASSESSMENTS	3,210,000	2,774,035	(435,965)							3,210,000	2,774,035	(435,965)
LICENSES	621,000	630,070	9,070	621,000	630,070	9,070						
CHARGES FOR CURRENT SERVICES	4,923,000	5,152,757	229,757	4,923,000	5,152,757	229,757						
FINES AND FORFEITURES	2,191,000	2,215,138	24,138	2,191,000	2,215,138	24,138						
USE OF MONEY AND PROPERTY	6,312,000	6,305,881	(6,119)	5,312,000	5,314,476	2,476				1,000,000	991,405	(8,595)
OTHER	800,000	700,369	(99,631)	800,000	700,369	(99,631)						
TOTAL REVENUES	88,880,000	89,312,639	432,639	59,293,170	59,923,744	630,574	8,371,000	8,552,662	181,662	21,215,830	20,836,233	(379,597)
EXPENDITURES												
CURRENT OPERATING DEPARTMENTS												
GENERAL GOVERNMENT	5,606,064	5,362,172	243,892	5,606,064	5,362,172	243,892						
POLICE	17,977,142	17,238,238	738,904	17,977,142	17,238,238	738,904						
FINANCIAL SERVICES	4,427,793	4,180,636	247,157	4,427,793	4,180,636	247,157						
TRANSPORTATION	7,678,059	7,399,707	278,352				7,678,059	7,399,707	278,352			
COMMUNITY SERVICES	14,033,497	13,858,732	174,765	14,033,497	13,858,732	174,765						
MANAGEMENT SERVICES	8,215,534	8,029,819	185,715	8,215,534	8,029,819	185,715						
PLANNING & ZONING	6,376,028	6,049,024	327,004	5,744,590	5,399,069	345,521	631,438	649,955	(18,517)			
FIRE	5,899,769	5,849,172	50,597	5,899,769	5,849,172	50,597						
MUNICIPAL SERVICES	5,110,527	4,929,304	181,223	5,110,527	4,929,304	181,223						
CONTINGENCY	2,664,235		2,664,235	2,664,235		2,664,235						
DEBT SERVICE												
PRINCIPAL	11,228,045	10,964,461	263,584	2,739,045	2,475,461	263,584	825,000	825,000		7,664,000	7,664,000	
INTEREST	17,284,650	15,456,912	1,827,738	490,968	739,798	(248,830)	2,197,180	2,183,299	13,881	14,596,502	12,533,815	2,062,687
TOTAL EXPENDITURES	106,501,343	99,318,177	7,183,166	72,909,164	68,062,401	4,846,763	11,331,677	11,057,961	273,716	22,260,502	20,197,815	2,062,687
DEFICIENCY OF REVENUES OVER EXPENDITURES	(17,621,343)	(10,005,538)	7,615,805	(13,615,994)	(8,138,657)	5,477,337	(2,960,677)	(2,505,299)	455,378	(1,044,672)	638,418	1,683,090
OTHER SOURCES (USES)												
OPERATING TRANSFERS IN	20,091,146	2,700,184	(17,390,962)	15,924,122		(15,924,122)	2,960,677	2,324,419	(636,258)	1,206,347	375,765	(830,582)
OPERATING TRANSFERS OUT	(2,308,128)	(2,343,888)	(35,760)	(2,308,128)	(2,343,888)	(35,760)						
TOTAL OTHER SOURCES (USES)	17,783,018	356,296	(17,426,722)	13,615,994	(2,343,888)	(15,959,882)	2,960,677	2,324,419	(636,258)	1,206,347	375,765	(830,582)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	161,675	(9,649,242)	(9,810,917)		(10,482,545)	(10,482,545)		(180,880)	(180,880)	161,675	1,014,183	852,508
ENCUMBRANCES CANCELLED		1,900,276	1,900,276		1,715,467	1,715,467		184,809	184,809			
FUND BALANCES JULY 1, 1990	(161,675)	445,287	606,962		(108,355)	(108,355)		(202,915)	(202,915)	(161,675)	756,557	918,232
FUND BALANCES (DEFICIT) JUNE 30, 1991	\$	(\$7,303,679)	(\$7,303,679)	\$	(\$8,875,433)	(\$8,875,433)	\$	(\$198,986)	(\$198,986)	\$	\$1,770,740	\$1,770,740

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, 1991
 WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 1990

	PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPES	TOTALS (MEMORANDUM ONLY)	
	ENTERPRISE	INTERNAL SERVICE	NONEXPENDABLE TRUST	JUNE 30, 1991	JUNE 30, 1990
OPERATING REVENUES					
WATER SERVICE FEES	\$23,360,633	\$	\$	\$23,360,633	\$23,669,783
SEWER SERVICE FEES	6,444,158			6,444,158	5,681,816
PLANET RANCH	852,969			852,969	1,041,088
SANITATION FEES	5,902,876			5,902,876	5,851,258
AIRPORT FEES	712,818			712,818	672,102
BILLINGS TO USER PROGRAMS		7,906,145		7,906,145	7,082,067
INTEREST EARNINGS			12,983	12,983	9,019
OTHER	631,369	19,935		651,304	243,989
TOTAL OPERATING REVENUES	37,904,823	7,926,080	12,983	45,843,886	44,251,122
OPERATING EXPENSES					
WATER OPERATIONS	12,725,578			12,725,578	11,166,111
SEWER OPERATIONS	5,525,401			5,525,401	1,917,889
PLANET RANCH	1,398,489			1,398,489	1,360,177
SANITATION OPERATIONS	4,966,807			4,966,807	4,534,574
AIRPORT OPERATIONS	506,207			506,207	432,463
MOTOR POOL OPERATIONS		3,725,792		3,725,792	3,416,587
SELF-INSURANCE OPERATIONS		822,739		822,739	3,711,128
TRUST OPERATIONS			11,436	11,436	
DEPRECIATION AND AMORTIZATION	6,206,843	1,410,701		7,617,544	7,254,005
INDIRECT COST	4,633,404			4,633,404	4,716,971
IN LIEU PROPERTY TAX	438,619			438,619	428,000
FRANCHISE FEE	1,607,650			1,607,650	1,434,200
TOTAL OPERATING EXPENSES	38,008,998	5,959,232	11,436	43,979,666	40,372,105
OPERATING INCOME (LOSS)	(104,175)	1,966,848	1,547	1,864,220	3,879,017

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, 1991
 WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 1990

	PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPES	TOTALS (MEMORANDUM ONLY)	
	ENTERPRISE	INTERNAL SERVICE	NONEXPENDABLE TRUST	JUNE 30, 1991	JUNE 30, 1990
INTEREST EARNINGS	2,902,318	423,827		3,326,145	2,952,159
INTEREST EXPENSE	(2,665,889)			(2,665,889)	(3,331,926)
DONATIONS			55,353	55,353	119,546
TOTAL NON-OPERATING REVENUES (EXPENSES)	236,429	423,827	55,353	715,609	(260,221)
OPERATING TRANSFER IN	43,406	625,000		668,406	
NET INCOME	175,660	3,015,675	56,900	3,248,235	3,618,796
ADD DEPRECIATION ON FIXED ASSETS ACQUIRED BY CONTRIBUTED CAPITAL	2,844,653			2,844,653	2,691,599
INCREASE (DECREASE) IN RETAINED EARNINGS (DEFICIT)/FUND BALANCE	3,020,313	3,015,675	56,900	6,092,888	6,310,395
RETAINED EARNINGS (DEFICIT)/FUND BALANCE JULY 1	62,345,573	(2,712,113)	128,565	59,762,025	53,451,630
RETAINED EARNINGS FUND BALANCE JUNE 30	<u>\$65,365,886</u>	<u>\$303,562</u>	<u>\$185,465</u>	<u>\$65,854,913</u>	<u>\$59,762,025</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, 1991
WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 1990

	PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPES	TOTALS (MEMORANDUM ONLY)	
	ENTERPRISE	INTERNAL SERVICE	NONEXPENDABLE TRUST	JUNE 30, 1991	JUNE 30, 1990
CASH FLOWS FROM OPERATING ACTIVITIES:					
OPERATING INCOME (LOSS)	(\$104,175)	\$1,966,848	\$1,547	\$1,864,220	\$3,879,017
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED FROM OPERATING ACTIVITIES:					
DEPRECIATION	6,125,982	1,410,701		7,536,683	7,178,883
AMORTIZATION	80,861			80,861	75,122
OPERATING TRANSFER	43,406	625,000		668,406	
CHANGES IN ASSETS AND LIABILITIES (SOURCES (USES) OF CASH):					
ACCRUED INTEREST RECEIVABLE			(238)	(238)	(1,311)
ACCOUNTS RECEIVABLE	(57,617)			(57,617)	(1,308,629)
MISCELLANEOUS RECEIVABLES	(577,898)	26		(577,872)	(237,625)
SUPPLIES INVENTORY		8,263		8,263	(6,302)
ACCOUNTS PAYABLE	(219,607)	10,553		(209,054)	415,788
ACCRUED PAYROLL	65,427	26,412		91,839	221,358
DUE TO GENERAL FUND	(31,339)			(31,339)	542,083
CLAIMS PAYABLE - REPORTED		(1,325,807)		(1,325,807)	1,976,154
CLAIMS PAYABLE - UNREPORTED		(28,590)		(28,590)	6,312
DEFERRED REVENUE	27,601			27,601	(270,965)
OTHER LIABILITIES	96,928			96,928	(41,883)
 TOTAL ADJUSTMENTS	 5,553,744	 726,558	 (238)	 6,280,064	 8,548,985
 NET CASH PROVIDED BY OPERATING ACTIVITIES	 5,449,569	 2,693,406	 1,309	 8,144,284	 12,428,002

CITY OF SCOTTSDALE

EXHIBIT A-5

COMBINED STATEMENT OF CASH FLOWS - PROPRIETARY FUND TYPES
AND NONEXPENDABLE TRUSTSFOR THE FISCAL YEAR ENDED JUNE 30, 1991
WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 1990

	PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPES	TOTALS (MEMORANDUM ONLY)	
	ENTERPRISE	INTERNAL SERVICE	NONEXPENDABLE TRUST	JUNE 30, 1991	JUNE 30, 1990
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
DONATIONS			55,353	55,353	119,546
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
PROCEEDS FROM SALE OF BONDS					7,500,000
INCREASE IN EXCESS PURCHASE PRICE					(284,663)
NET ACQUISITION AND CONSTRUCTION OF PROPERTY AND EQUIPMENT:	(7,183,341)	(1,463,879)		(8,647,220)	(10,145,223)
PRINCIPAL PAYMENTS ON LONG-TERM DEBT	(2,542,442)			(2,542,442)	(1,832,822)
INTEREST PAID ON LONG-TERM DEBT	(2,702,382)			(2,702,382)	(3,120,186)
INCREASE (DECREASE) IN PUBLIC HOUSING NOTE PAYABLE	(366)			(366)	1,227
CAPITAL CONTRIBUTIONS FROM OTHER GOVERNMENT UNITS	1,102,906	204,184		1,307,090	240,481
WATER AND SEWER DEVELOPMENT FEES	5,401,611			5,401,611	4,432,793
NET CASH USED FOR CAPITAL AND RELATED FINANCING ACTIVITIES	(5,924,014)	(1,259,695)		(7,183,709)	(3,208,393)
CASH FLOWS FROM INVESTING ACTIVITIES					
INTEREST RECEIVED ON INVESTMENTS	2,918,971	407,894		3,326,865	2,549,437
(INCREASE) DECREASE IN PUBLIC HOUSING RECEIVABLE	366			366	(1,227)
NET CASH PROVIDED BY INVESTING ACTIVITIES	2,919,337	407,894		3,327,231	2,548,210
NET INCREASE IN CASH AND CASH EQUIVALENTS	2,444,892	1,841,605	56,662	4,287,806	11,767,819
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	37,435,578	4,277,297	127,254	41,840,129	29,952,764
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$39,880,470</u>	<u>\$6,118,902</u>	<u>\$183,916</u>	<u>\$46,183,288</u>	<u>\$41,720,583</u>
CASH AND CASH EQUIVALENT AT END OF YEAR INCLUDES:					
CASH AND SHORT-TERM INVESTMENTS	\$6,332,892			\$6,332,892	
RESTRICTED CASH AND CASH EQUIVALENTS	33,547,578			33,547,578	
	<u>\$39,880,470</u>			<u>\$39,880,470</u>	
SUPPLEMENTAL DISCLOSURE OF NONCASH FINANCING ACTIVITIES:					
ADDITIONS TO PROPERTY, PLANT, AND EQUIPMENT					
CONTRIBUTIONS FROM DEVELOPERS	\$3,476,375			\$3,476,375	\$6,372,260
CONTRIBUTIONS FROM OTHER GOVERNMENT UNITS	5,403,336			5,403,336	477,808

SEE NOTES TO FINANCIAL STATEMENTS.

CITY OF SCOTTSDALE

COMBINED STATEMENT OF REVENUES AND EXPENDITURES

BUDGET AND ACTUAL - BUDGET BASIS - ALL PROPRIETARY FUND TYPES

FOR THE FISCAL YEAR ENDED JUNE 30, 1991

	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	\$24,400,000	\$23,250,266	(\$1,149,734)	\$24,400,000	\$23,250,266	(\$1,149,734)	\$	\$	\$
WATER DEVELOPMENT FEES	1,500,000	1,454,011	(45,989)	1,500,000	1,454,011	(45,989)			
WATER RESOURCE FEES	2,500,000	2,458,641	(41,359)	2,500,000	2,458,641	(41,359)			
SEWER SERVICE FEES	6,100,000	6,673,357	573,357	6,100,000	6,673,357	573,357			
SEWER DEVELOPMENT FEES	1,500,000	1,488,959	(11,041)	1,500,000	1,488,959	(11,041)			
PLANET RANCH	1,000,000	852,968	(147,032)	1,000,000	852,968	(147,032)			
SANITATION FEES	5,965,000	5,902,876	(62,124)	5,965,000	5,902,876	(62,124)			
AIRPORT FEES	670,000	712,818	42,818	670,000	712,818	42,818			
BILLINGS TO USER PROGRAMS	7,901,000	7,906,145	5,145				7,901,000	7,906,145	5,145
CONTRIBUTIONS FROM MUNICIPALITY	625,000	625,000	0				625,000	625,000	0
INTEREST EARNINGS	1,650,000	1,746,242	96,242	1,265,000	1,322,415	57,415	385,000	423,827	38,827
OTHER		19,935	19,935					19,935	19,935
TOTAL REVENUES	53,811,000	53,091,218	(719,782)	44,900,000	44,116,311	(783,689)	8,911,000	8,974,907	63,907
EXPENDITURES									
WATER OPERATIONS	13,859,408	13,277,504	581,904	13,859,408	13,277,504	581,904			
SEWER OPERATIONS	2,952,323	2,932,734	19,589	2,952,323	2,932,734	19,589			
PLANET RANCH	1,434,178	1,403,496	30,682	1,434,178	1,403,496	30,682			
SANITATION OPERATIONS	5,223,760	5,100,027	123,733	5,223,760	5,100,027	123,733			
AIRPORT OPERATIONS	541,238	568,167	(26,929)	541,238	568,167	(26,929)			
MOTOR POOL OPERATIONS	5,892,647	5,887,421	5,226				5,892,647	5,887,421	5,226
SELF INSURANCE OPERATIONS	2,140,363	2,194,616	(54,253)				2,140,363	2,194,616	(54,253)
CAPITAL OUTLAY									
DEBT SERVICE AND RESERVES	8,192,939	7,644,336	548,603	8,192,939	7,644,336	548,603			
TOTAL EXPENDITURES	40,236,856	39,008,301	1,228,555	32,203,846	30,926,264	1,277,582	8,033,010	8,082,037	(49,027)
EXCESS OF REVENUES OVER EXPENDITURES	\$13,574,144	\$14,082,917	\$508,773	\$12,696,154	\$13,190,047	\$493,893	\$877,990	\$892,870	\$14,880

SEE NOTES TO FINANCIAL STATEMENTS.

**CITY OF SCOTTSDALE
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 1991**

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, sanitation, 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 deficits, entitlements to surpluses, or guarantees of or "moral responsibilities" for debt. The City does not designate

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**A. REPORTING ENTITY (Cont'd)**

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 19).

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.

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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**B. FUND ACCOUNTING (Cont'd)**

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 accounts 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.

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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**B. FUND ACCOUNTING (Cont'd)**

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 which is 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.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**D. BUDGET AND BUDGETARY ACCOUNTING (Cont'd)**

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 1990-91, 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.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**D. BUDGET AND BUDGETARY ACCOUNTING (Cont'd)**

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, 1991, aggregated approximately \$2,893,000.

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.

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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**H. GENERAL FIXED ASSETS (Cont'd)**

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.

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, 1991, are as follows:

General Fixed Assets:	
Streets and Storm Drains	\$ 559,012,000
Land	13,686,000
Traffic Signal Equipment	606,000
Water and Sewer Utility Fund:	
Water System and Sewer System	101,766,000

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**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 from 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.
- 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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**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

Cash equivalents for purposes of the statement of cash flows are 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.

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.

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.

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 (including in lieu property tax and franchise fees) to the enterprise funds are not recognized in the budgetary process but are accounted for as expenses, expenditure credits, or revenue (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).
5. Capital items in the Enterprise and Internal Service Funds are recognized as expenses (budget).
6. Non-budgeted activities are recognized as expenditures/expenses (GAAP).
7. Debt service principal in the Enterprise Funds are recognized as expenses for budget purposes.

NOTE 2 - BUDGETARY BASIS OF ACCOUNTING (Cont'd)

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, 1991, on a GAAP basis to budget basis are as follows:

	Fund Balances (Deficit) at June 30, 1991		
	General	Special Revenue	Debt Service
GAAP Basis	\$43,469,417	\$ 206,225	\$ 12,719,806
Basis Differences			
Reserved encumbrances at June 30, 1991, recognized as expenditures for budget purposes	(2,783,891)	(92,441)	
Compensated absences at June 30, 1991, not recognized as an expenditure for budget purposes	453,214	30,407	
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)
Timing Differences			
Fund balance from sinking fund not recognized for budget purposes			(2,158,641)
Perspective Differences			
Indirect costs allocated to Proprietary Funds are not recognized as a reduction of expenditures for budget purposes	(21,223,429)	(229,393)	
In lieu property tax from proprietary funds not recognized as revenue for budget purposes	(1,294,677)		
Franchise fee from proprietary funds not recognized as revenue for budget purposes	(3,041,850)		
Entity Differences			
Fund balance for non-budgeted activity, Streetlights, and Municipal Property Corporation	(560,304)		(7,530,945)
Fund balance for funds for which no annual budgets are prepared		(113,784)	
Budget Basis	(\$ 8,875,433)	(\$ 198,986)	\$ 1,770,740

NOTE 2 - BUDGETARY BASIS OF ACCOUNTING (Cont'd)

	Excess (Deficiency) of Revenue and Other Sources over Expenditures and Other Uses		
	General	Special Revenue	Debt Service
GAAP Basis	(\$ 937,779)	(\$ 271,852)	\$1,053,912
Basis Differences			
Reserved encumbrances at June 30, 1991, recognized as expenditures for budget purposes	(2,783,891)	(92,441)	
Compensated absences not recognized as an expenditure for budget purposes	45,543	3,929	
Reserve funds interest recognized as revenue for budget purposes on cash basis			(39,729)
Perspective Differences			
Indirect costs allocated to Proprietary Funds not recognized as a reduction of expenditures for budget purposes	(4,633,410)		
In lieu property tax from proprietary funds not recognized as revenue for budget purposes	(438,619)		
Franchise fee from proprietary funds not recognized as revenue for budget purposes	(1,607,650)		
Entity Differences			
Excess of revenue and other sources over expenditures for non-budgeted Streetlights	(126,739)		
Excess of revenue and other sources over expenditures and other uses for funds for which no annual budgets are prepared		179,484	
Budget Basis	(\$10,482,545)	(\$ 180,880)	\$ 1,014,183

NOTE 2 - BUDGETARY BASIS OF ACCOUNTING (Cont'd)

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

	<u>Enterprise</u>	<u>Internal Service</u>
GAAP Basis Net Income (Loss)	\$ 175,660	\$ 3,015,675
Basis Differences		
Encumbrances at June 30, 1991, recognized as expense for budget purposes	(688,652)	(907,162)
Net increase in accrued payroll not recognized as expense for budget purposes	28,939	17,824
Net decrease in claims payable not recognized as expense for budget purposes		(1,354,397)
Perspective Differences		
Capital outlay recognized as expense for budget purposes	(217,548)	(1,289,771)
Depreciation and amortization not recognized as expense for budget purposes	6,206,843	1,410,701
Indirect costs not recognized as expense for budget purposes	4,633,404	
In lieu property tax not recognized as expense for budget purposes	438,619	
Franchise fee not recognized as expense for budget purposes	1,607,650	
Debt service principal payments and capitalized interest recognized as expense for budget purposes	(4,188,398)	
Retained earnings reservation change recognized as expense for budget purposes	(790,049)	
Contributions recognized as revenue for budget purposes	5,401,611	
Contributions not recognized as revenue for budget purposes	(43,406)	
Interest earnings on non-pooled and bond funds not recognized as income for budget purposes	(1,579,903)	
Deficiency of revenue and other sources over expenses and other uses for non-budgeted bond activity	2,205,277	
Budget Basis Excess of Revenues Over Expenditures	<u>\$ 13,190,047</u>	<u>\$ 892,870</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, 1991, the book value of the City's deposits were (\$31,310) and the bank balance was \$2,975,010. The \$3,006,320 difference represents outstanding checks and other reconciling items. The positive cash balances are covered entirely through a combination of federal depository insurance funds and securities held by the pledging bank's trust department in the City's 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, 1991, 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	\$25,615,852	\$4,008,928	\$29,624,780	\$30,145,749
Government Agency Securities	2,728,209	3,381,160	6,109,369	7,636,561
City of Scottsdale Improvement District Bonds	75,000		75,000	75,000
	\$28,419,061	\$7,390,088	35,809,149	37,857,310
State of Arizona Local Government Investment Pool (Short-Term Investments)			94,810,000	94,810,000
Investment in ICMA Plan			3,993,216	3,993,216
Total Investments			\$134,612,365	\$136,660,526

NOTE 3 - CASH AND INVESTMENTS (Cont'd)**Reconciliation of Note 3 to Exhibit A-1**

Note 3		Exhibit A-1	
Total Cash/Deposits	(\$ 31,310)	Cash and Short-Term Investments	
Total Investments	134,612,365	General	\$ 41,678,563
		Special Revenue	86,294
		Debt Service	6,513,565
		Capital Projects	28,827,071
		Trust and Agency	4,781,907
		Enterprise	6,332,892
		Internal Service	6,118,902
		Investments	
		General	2,803,209
		Debt Service	3,499,218
		Trust and Agency	3,993,216
		Restricted Cash and Investments	
		Enterprise	29,946,218
Total	\$134,581,055		
			\$134,581,055

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, 1991, are not available for 1990-91; accordingly, such taxes will not be recognized as revenue until 1991-92. 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:

	Balance June 30, 1990	Transfers/ Additions	Transfers/ Deletions	Balance June 30, 1991
Land	\$ 42,200,237	\$ 1,390,333	\$	\$ 43,590,570
Buildings and Improvements	125,078,417	2,874,917		127,953,334
Streets and Storm Drains	621,094,252	58,923,934		680,018,186
Machinery and Equipment	20,678,241	1,486,217	(493,486)	21,670,972
Construction in Progress	21,896,377	15,248,372	(22,855,760)	14,288,989
	\$830,947,524	\$ 79,923,773	(\$23,349,246)	\$887,522,051

General fixed asset construction in progress commitments at June 30, 1991, is composed of the following:

	Construction in Progress	Commitments	Budget
Streets	\$ 7,265,904	\$26,669,989	\$33,935,893
Traffic	466,044	3,002,718	3,468,762
Improvement Districts	1,274,200	4,053,843	5,328,043
Drainage/Flood Control	439,122	9,542,398	9,981,520
Parks/Recreation	191,694	1,616,891	1,808,585
Specialty Areas	2,721,045	9,586,055	12,307,100
Service Facilities	600,650	3,697,360	4,298,010
Public Safety	861,205	3,751,595	4,612,800
Libraries	387,943	499,046	886,989
Transit	81,182	127,018	208,200
	\$14,288,989	\$62,546,913	\$76,835,902

NOTE 5 - FIXED ASSETS (Cont'd)

A summary of proprietary fund types fixed assets at June 30, 1991, follows:

	Enterprise	Internal Service
Land	\$ 14,967,881	\$
Water Rights	20,096,799	
Water System	139,856,947	
Sewer System	83,009,373	
Buildings and Improvements	1,609,923	1,222,868
Motor Vehicles		11,598,536
Furniture and Fixtures	337,403	53,778
Machinery and Equipment	658,562	957,050
Construction in Progress	4,527,363	280,221
	<hr/>	
Accumulated Depreciation	265,064,251 (44,649,052)	14,112,453 (7,718,224)
	<hr/>	
	\$220,415,199	\$ 6,394,229
	<hr/>	

Enterprise and Internal Service Funds construction in progress commitments at June 30, 1991, is composed of the following:

	Construction In Progress	Commitments	Budget
Enterprise			
Water System Projects	\$ 3,011,069	\$ 6,781,319	\$ 9,792,388
Sewer System Projects	760,882	4,190,331	4,951,213
Airport Projects	755,412	784,567	1,539,979
	<hr/>		
	\$ 4,527,363	\$11,756,217	\$16,283,580
	<hr/>		
Internal Service			
Motor Vehicle Projects	\$ 280,221	\$ 684,830	\$ 965,051
	<hr/>		

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, 1990	\$52,400,000	\$29,785,000	\$101,975,000	\$22,544,000	\$7,890,239	\$1,358	\$1,853,537	\$216,449,134
Increase in Compensated Absences Liability							153,321	153,321
Debt Incurred	8,830,000			3,625,000				12,455,000
Debt Retired			(700,000)	(1,439,000)	(2,462,551)	(306)		(4,588,946)
Debt Refunded	(8,100,000)							(8,100,000)
Debt Adjustment							(129,054)	(129,054)
Debt To Be Retired July 1, 1991	(2,515,000)	(825,000)	(2,490,000)	(520,000)				(6,350,000)
Balance June 30, 1991	\$50,615,000	\$28,960,000	\$98,785,000	\$24,210,000	\$5,427,688	\$1,052	\$1,877,804	\$209,889,455

* This does not include the 1986 General Obligation Water System Improvement Bonds in the amount of \$36,190,000 (\$585,000 is to be retired on July 1, 1991). 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, 1991. The interest portion of the total is \$193,394,749.

Fiscal Year Ending	General Obligation Bonds	Utility Revenue Bonds	HURF Revenue Bonds	Municipal Property Corporation	Special Assessment Bonds	Contracts Payable	Total
1992	\$8,895,894	\$2,469,280	\$3,117,132	\$10,970,621	\$4,713,464	\$1,901,115	\$32,067,506
1993	9,024,176	2,469,080	3,110,272	10,967,235	4,758,615	762,642	31,092,020
1994	8,928,766	2,468,480	3,111,280	10,962,280	4,500,100	842,437	30,613,343
1995	8,834,371	2,447,920	3,110,182	10,954,344	4,219,939	272,278	29,839,034
1996	7,280,761	2,448,770	3,107,892	10,726,636	3,156,940	272,278	26,993,277
1997	7,342,770	2,442,158	3,107,743	10,831,744	2,849,548	272,278	26,846,241
1998	7,356,555	2,448,183	3,103,003	10,841,198	2,157,868	272,278	26,179,085
1999	7,363,453	2,444,983	3,105,690	10,839,174	1,758,761	272,278	25,784,339
2000	8,167,298	1,621,883	3,105,170	10,851,048	1,592,549	272,278	25,610,226
2001	9,100,888	704,428	3,107,965	10,865,597	1,493,579	272,278	25,544,735
2002	9,136,313	708,103	3,106,269	10,120,871	232,313	272,278	23,576,147
2003	9,185,590	709,543	3,109,607	10,132,324		272,278	23,409,342
2004-2040	43,748,620	4,278,130	12,530,162	58,354,375		6,194,057	125,105,344
	\$144,365,455	\$27,660,941	\$49,832,367	\$187,417,447	\$31,433,676	\$11,950,753	\$452,660,639

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 \$374,500.

NOTE 7 - BONDS PAYABLE - EXCLUDING REFUNDED DEBT

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

	General Obligation	Utility Revenue	HURF Revenue	Municipal Property Corp	Special Assessment	Total
Bonds Payable at June 30, 1990	\$92,145,000	\$19,230,000	\$30,480,000	\$104,325,000	\$23,064,000	\$269,244,000
New Debt Issued						
Special Assessments					3,625,000	3,625,000
General Obligation Refunding	8,830,000					8,830,000
Debt Refunded	(8,100,000)					(8,100,000)
Debt Retired						
Serial Bonds (Paid 07/01/90)	(2,970,000)	(800,000)	(695,000)	(2,350,000)	(520,000)	(7,335,000)
Serial Bonds (Paid 11/01/90)				(345,000)		(345,000)
Serial Bonds (Paid 01/01/91)					(1,439,000)	(1,439,000)
Serial Bonds (Paid 05/01/91)				(355,000)		(355,000)
Bonds Payable at June 30, 1991	89,905,000	18,430,000	29,785,000	101,275,000	24,730,000	264,125,000
Less Current Portion	(3,100,000)	(1,020,000)	(825,000)	(2,490,000)	(520,000)	(7,955,000)
Long-Term Bonds Payable June 30, 1991	\$86,805,000	\$17,410,000	\$28,960,000	\$ 98,785,000	\$24,210,000	\$256,170,000

On May 1, 1991, the City issued \$8,830,000 General Obligation Refunding Bonds (Series 1991) with an average interest rate of 6.4% to advance refund \$8,100,000 of 1985B General Obligation Serial Bonds with an average interest rate of 8.5%. The entire proceeds of the \$8,783,886 (net of \$46,114 to date 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 bonds. As a result, \$8,100,000 bonds are considered to be defeased. The refunding transaction will result in a decrease in debt service payments of \$599,149 and will result in an economic gain (present value savings) of \$588,186 over the life of the 1991 Refunding Bonds.

NOTE 7 - BONDS PAYABLE - EXCLUDING REFUNDED DEBT (Cont'd)

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, 1991:

Water, Sewer, Light, and Parks and Open Space Purposes Bonds		All Other General Obligation Bonds	
<hr/>		<hr/>	
20% Constitutional Limit	\$295,562,674	6% Constitutional Limit	\$88,668,802
Net Such General Obligation Bonds Outstanding	(55,956,000)	Net Such General Obligation Bonds Outstanding	(27,349,000)
Available 20% Limitation Borrowing Capacity	<hr/> <u>\$239,606,674</u>	Available 6% Limitation Borrowing Capacity	<hr/> <u>\$61,319,802</u>

On June 30, 1991, 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 \$7,043,979 at June 30, 1991.

NOTE 7 - BONDS PAYABLE - EXCLUDING REFUNDED DEBT (Cont'd)**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%	\$ 1,125,000
\$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 7.5% to 7.8%.	8,000,000
\$9,800,000 (partially refunded to \$690,000 on April 14, 1991) 1985 Capital Improvement Project Serial Bonds due in annual installments of \$315,000 and \$375,000 through July 1, 1993; interest at 10.0%.	375,000
\$38,000,000 1986 Water System Acquisition and Improvement Serial Bonds due in annual installments of \$690,000 to \$5,070,000 through July 1, 2006; interest at 6.3% to 8.3%.	36,190,000**
\$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 6.7% to 8.5%.	28,785,000
\$8,830,000 1991 Refunding Bonds due in annual installments of \$90,000 to \$980,000 beginning July 1, 1992, through July 1, 2005; interest at 5.7% to 6.7%.	8,830,000
	<hr/>
	\$ 86,805,000
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* 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 \$275,000 to \$310,000 through July 1, 1995; interest at 4.5% to 5.1%.	\$ 1,170,000
\$4,000,000 1977 Utility Revenue Series C Serial Bonds due in an annual installment of \$550,000 on July 1, 1992; interest at 5.0%.	550,000
\$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 \$220,000 to \$680,000 through July 1, 2009; interest at 6.0% to 8.5%.	7,290,000
\$11,000,000 (partially refunded to \$2,200,000 on February 14, 1990) 1983 Highway User Fund Tax Revenue Serial Bonds due in annual installments of \$425,000 to \$525,000 through July 1, 1994; interest at 8.3% to 8.9%.	1,425,000
\$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 \$345,000 to \$480,000 through July 1, 2005; interest at 8.3% to 10.3%.	2,055,000
\$9,800,000 1987 Highway User Fund Tax Revenue Serial Bonds due in annual installments of \$60,000 to \$2,935,000 through July 1, 2007; interest at 7.1% to 9.1%.	9,635,000

NOTE 7 - BONDS PAYABLE - EXCLUDING REFUNDED DEBT (Cont'd)

\$15,900,000 1989 Highway User Fund Tax Revenue Refunding Serial Bonds due in annual installments of \$155,000 to \$1,015,000 2995 through July 1, 2005; interest at 6.2% to 7.0%.

15,845,000

\$ 46,370,000

Municipal Property Corporation Bonds

\$7,130,000 1974 Municipal Property Corporation Bonds; due in annual installments of \$490,000 to \$1,420,000 through July 1, 1996; interest at 5.2% to 5.5%.

\$ 3,535,000

\$13,000,000 1984 Municipal Property Corporation Recreation Facilities Bonds; due in annual installments of \$450,000 to \$1,420,000 through July 1, 2004; interest at 9.1% to 9.9%.

10,930,000

\$48,595,000 1986 Municipal Property Corporation Certificates of Participation; due in semi-annual installments of \$380,000 to \$2,025,000 through November 1, 2014; interest at 4.4% to 7.9%.

45,015,000

\$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 1986 Refunding Series Municipal Property Corporation Certificates of Participation; due in annual installments of \$1,705,000 to \$4,080,000 through July 1, 2005; interest at 5.9% to 7.8%.

36,205,000

\$ 98,785,000

Special Assessment Bonds

\$34,026,229 Special Assessment Bonds issued January 1, 1973, through May 1, 1991, maturing January 1, 1992 through January 1, 2002; due in annual installments of \$2,000 to \$1,070,000; interest at 6.5%.

\$ 24,210,000

NOTE 8 - CONTRACTS PAYABLE

Contracts payable, including capital lease agreements, at June 30, 1991 are as follows:

	General Fund	Water and Sewer Utility Fund	Total
Purchase Contracts			
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%.	\$ 3,850,670	\$	\$ 3,850,670
Purchase contract for acquisition of Pepperwood office building; due in monthly installments through November, 2005; interest at 10.0% to 12.0%.	314,190		314,190
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.		1,168,201	1,168,201
Total Purchase Contracts	\$ 4,164,860	\$ 1,168,201	\$ 5,333,061

NOTE 8 - CONTRACTS PAYABLE (Cont'd)

	General Fund	Water and Sewer Utility Fund	Total
Capital Lease Agreements			
Lease-purchase agreement for Phase III of the City-owned telephone system; due in semi-annual installments through December 1991; interest at 6.9%.	\$ 57,897	\$	\$ 57,897
Lease-purchase agreement for Phase III.V of computer equipment; due in semi-annual installments through December 1991; interest at 6.9%.	25,714		25,714
Lease-purchase agreement for Phase IV of computer equipment; due in semi-annual installments through April 1992; interest at 6.1%.	939,656		939,656
Lease-purchase agreement for acquisition of a ladder truck; due in annual installments through September 1993; interest at 7.34%.	239,561		239,561
Total Capital Lease Agreements	1,262,828		1,262,828
Total Contracts Payable	5,427,688	1,168,201	6,595,889
Less Current Portion		506,739	506,739
	\$ 5,427,688	\$ 661,462	\$ 6,089,150

NOTE 8 - CONTRACTS PAYABLE (Cont'd)

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 preceding capital lease agreements:

Fiscal Year Ending June 30	
1992	\$1,146,624
1993	87,428
1994	87,106
	<hr/>
Total Minimum Lease Payments	1,321,158
Less: Amount Representing Interest	(58,330)
	<hr/>
Present Value of Net Minimum Lease Payments at June 30, 1991	\$1,262,828
	<hr/> <hr/>

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, 1991, is as follows:

1964 Sewer Revenue	\$ 850,000
1966 Sewer Revenue	580,000
1971 Water Revenue	605,000
1984 Certificates of Participation	34,382,239
1984 Municipal Facilities	14,925,000
1985 Municipal Facilities	17,665,000
1984 HURF Revenue	7,425,000
1985 HURF Revenue	6,615,000
1985 General Obligation	8,100,000
	<hr/>
	\$91,147,239
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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, 1991, 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, 1991, was \$38,882,010; the City's total payroll was \$40,117,195.

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, 1991, was \$1,413,644, which consisted of \$759,855 from the City and \$653,789 from employees. These contributions represented 9.29% and 8.0% of covered payroll, respectively. The payroll for employees covered by the System for the year ended June 30, 1991, was \$8,179,273; the City's total payroll for the System was \$8,179,273.

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 age 65, at or after age 62 with ten years of total credited service, or at or after the date when age plus total credited service equals 82. 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 the number of years of credited past service as defined, times 2.0%. 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.

NOTE 11 - RETIREMENT AND PENSION PLANS (Cont'd)**Arizona State Retirement Plan (Cont'd)**

City employees are required by State statute to contribute the actuarially determined amount which for 1990-91 was 3.82% of their compensation to the Plan. The City is required by State statute to also contribute a matching 3.82%. The contribution requirement for the year ended June 30, 1991, was \$2,331,714, which consisted of \$1,165,857 from the City and \$1,165,857 from employees, respectively. The payroll for employees covered by the Plan for the year ended June 30, 1991, was \$30,592,342; the City's total payroll for the Plan was \$31,827,527.

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, 1991, was \$25,325, which consisted of \$17,597 from the City and \$7,728 from members. These contributions represented 15.94% and 7.0% of covered payroll, respectively. The payroll for members covered by the EORP for the year ended June 30, 1991, was \$110,396; the City's total payroll for the EORP was \$110,396.

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 obligation was determined as part of an actuarial valuation of the plan as of June 30, 1990, 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.

NOTE 11 - RETIREMENT AND PENSION PLANS (Cont'd)**Pension Benefit Obligation (Cont'd)****The System (Cont'd)**

At June 30, 1990, the assets in excess of the pension benefit obligation for the System were \$751,669, determined as follows:

PENSION BENEFIT OBLIGATION

Retirees and Beneficiaries Currently Receiving Benefits	\$ 6,472,013
Terminated Employees Not Yet Receiving Benefits	None
Current Employees	
Accumulated Employee Contributions Including	
Allocated Investment Income	3,668,138
Employer Financed - Vested	7,730,719
Employer Financed - Non-vested	1,765,935
Health Insurance	358,542
	<hr/>
Total Pension Benefit Obligation	19,995,347
Net Assets Available for Benefits (at Market Value)	20,747,016
	<hr/>
ASSETS IN EXCESS OF THE PENSION BENEFIT OBLIGATION	\$ 751,669
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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-seven years remaining from July 1, 1991.

During the year ended June 30, 1990, contributions totaling \$1,222,469 (\$628,034 employer and \$594,435 employee) were made in accordance with contribution requirements determined by an actuarial valuation of the plan as of June 30, 1988. The employer contributions consisted of \$578,260 for normal cost and \$49,774 for amortization of the unfunded actuarial accrued liability. Employer contributions represented 8.58% 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

NOTE 11 - RETIREMENT AND PENSION PLANS (Cont'd)**Pension Benefit Obligation (Cont'd)****The System (Cont'd)**

years ended June 30, 1988, 1989, and 1990, respectively, is as follows: available assets were sufficient to fund 105.3%, 104.4%, and 103.8% of the pension benefit obligation. The over-funded pension benefit obligation represented 12.3%, 11.6%, and 9.8% of the annual payroll for employees covered by the System for 1988, 1989, and 1990, 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, 1988, 1989, and 1990, the government's contributions to the System, all made in accordance with actuarially determined requirements, were 6.83%, 8.18%, and 8.58% 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, 1990, 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 actuarial assumptions at June 30, 1990 reflect a change to normal retirement eligibility from Rule of 85 to Rule of 82. Legislation of 1990 resulted in an increase in the pension benefit obligation by \$261,835,152. At June 30, 1990, the assets in excess of pension benefit obligation were \$648,185,075, determined as follows:

PENSION BENEFIT OBLIGATION

Retirees and Beneficiaries Currently Receiving Benefits	\$2,546,479,501
Terminated Employees Not Yet Receiving Benefits	128,419,027
Current Employees	
Accumulated Employee Contributions Including	
Allocated Investment Income	1,513,434,659
Employer Financed - Vested	1,801,633,439
Employer Financed - Non-vested	649,758,640
	<hr/>
Total Pension Benefit Obligation	6,639,725,266
Net Assets Available for Benefits at Cost (Market Value of \$7,834,207,177)	7,287,910,341
	<hr/>
ASSETS IN EXCESS OF THE PENSION BENEFIT OBLIGATION	\$ 648,185,075
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NOTE 11 - RETIREMENT AND PENSION PLANS (Cont'd)**Pension Benefit Obligation (Cont'd)****The Plan (Cont'd)**

The Arizona Revised Statutes provides statutory authority for employees' and employer contributions. The employee and employer contribution rates for the year ended June 30, 1991, were actuarially computed to be 3.82% of covered payroll by an actuarial valuation performed at June 30, 1989.

An actuarial valuation performed at June 30, 1990, also determined that the normal cost rate for the year ended June 30, 1991, is 9.31% including the required amortization credit of the assets in excess of the actuarial accrued liability at (2.11%) of compensation. The result is a total employer and employee contribution rate of 7.20% (3.60% for the employers and 3.60% for the employees) for the 1992 fiscal year.

The State made three major benefit improvements during 1990: changed the number of points (sum of the member's age and years of service) required to be eligible for normal retirement reduced from 85 to 82; added a 3.0% tax equity allowance for each member who retired between September 15, 1989, and September 14, 1990, retroactive to the date of retirement; and added a health insurance premium supplement for those qualifying members with between five and nine years of service of 10% of the benefit for each completed year of service. 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, 1988, 1989, and 1990, respectively, is as follows: available assets were sufficient to fund 111.1%, 110.6%, and 109.8% of the pension benefit obligation. The over-funded pension benefit obligation represented 21.2%, 21.2%, and 20.2% of the annual payroll for employees covered by the Plan for 1988, 1989, and 1990, 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, 1988, 1989, and 1990, the government's contributions to the Plan, all except 1988 and 1990, made in accordance with actuarially determined requirements, were 4.00%, 5.09%, and 2.00% respectively, of annual covered payroll. In 1988 and 1990, the actuarial valuation of 5.16% and 4.69%, respectively, were preempted by the Arizona Legislature, which set the rate at 4.00% and 2.00%, respectively. The City's 1990-91 contribution represented 1.8% of total contributions required of all participating entities.

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, 1990, 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.

NOTE 11 - RETIREMENT AND PENSION PLANS (Cont'd)**Pension Benefit Obligation (Cont'd)****EORP (Cont'd)**

At June 30, 1989, the unfunded pension benefit obligation was \$458,497, determined as follows:

PENSION BENEFIT OBLIGATION

Retirees and Beneficiaries Currently Receiving Benefits	\$34,564,836
Terminated Employees Not Yet Receiving Benefits	887,280
Current Employees	
Accumulated Employee Contributions Including	
Allocated Investment Income	8,508,492
Employer Financed - Vested	37,459,284
Employer Financed - Non-vested	3,297,067
	<hr/>
Total Pension Benefit Obligation	84,716,959
Net Assets Available for Benefits (at Market Value)	84,258,462
	<hr/>
UNFUNDED PENSION BENEFIT OBLIGATION	\$ 458,497
	<hr/> <hr/>

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 33 years.

During the year ended June 30, 1989, contributions by all participating employees totalling \$4,785,547 (\$2,654,815 employers and \$2,130,732 employees) were made in accordance with contribution requirements determined by an actuarial valuation of the plan as of June 30, 1988.

Changes in actuarial assumptions and benefit provisions during the valuation year ended June 30, 1989, resulted in an increase in the computed contribution rate of 1.22% 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 EORP may be found on page 118 of the City's comprehensive annual financial report. Trend information for the three years ended

NOTE 11 - RETIREMENT AND PENSION PLANS (Cont'd)**Pension Benefit Obligation (Cont'd)****EORP (Cont'd)**

June 30, 1987, 1988, and 1989, respectively, is as follows: available assets were sufficient to fund 104.3%, 103.1%, and 99.5% of the pension benefit obligation. The over-funded/(unfunded) pension benefit obligation represented 13.2%, 10.2%, and (1.9%) of the annual payroll for employees covered by the EORP for 1987, 1988, and 1989, respectively. Presenting the over-funded/unfunded 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, 1988, 1989, and 1990, the City's contributions to the EORP, all made in accordance with actuarially determined requirements, were 13.42%, 13.58%, and 14.44%, respectively, of annual covered payroll. The City's 1990-91 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 \$1,701,000 at June 30, 1991.

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, 1991, is as follows (in thousands of dollars):

	Total	Water and Sewer	Airport	Housing	Sanitation
Operating Revenue	\$37,905	\$31,289	\$ 713	\$	\$ 5,903
Depreciation and Amortization	6,207	5,745	429		33
Operating Income (Loss)	(104)	509	(481)		(132)
Net Income (Loss)	176	656	(422)		(58)
Contributions					
Subdividers	3,476	3,476			
Development Fees	5,402	5,402			
Other Government Units	6,506	5,778	728		
Property, Plant, and Equipment Additions	16,014	15,292	593		129
Net Working Capital	9,843	9,489	274		80
Total Assets	267,194	254,369	11,334	9	1,482
Long-Term Debt (Less Current Portion) and Other Liabilities:					
Payable From Operating Revenues	54,261	54,261			
Payable From Other Services	1,039	1,030		9	
Total Equity	204,712	192,743	11,247		722

NOTE 15 - CONTRIBUTED CAPITAL

During the year ended June 30, 1991, contributed capital increased by the following amounts (in thousands of dollars):

Source	Total	Water and Sewer Utility	Airport	Sanitation
Development Fees	\$ 5,402	\$ 5,402	\$	\$
Subdividers	3,476	3,476		
Capital Project Funds	5,403	5,403		
Municipality - General Fixed Assets	375	375		
Federal Government - Capital Construction	292		292	
Municipality - Capital Construction	436		436	
Less Depreciation	(2,845)	(2,416)	(429)	
	<hr/>	<hr/>	<hr/>	<hr/>
	12,539	12,240	299	
Contributed Capital July 1, 1990	126,807	115,411	10,918	478
	<hr/>	<hr/>	<hr/>	<hr/>
Contributed Capital June 30, 1991	\$139,346	\$127,651	\$ 11,217	\$ 478
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

NOTE 16 - DEFICITS IN FUND/EXCESS OF EXPENDITURES OVER APPROPRIATIONS

The Highway User Fuel Tax Fund has an excess of expenditures over appropriations for the Planning and Zoning department of \$18,517 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 for this department.

The Airport Fund has an excess of expenditures over appropriations of \$26,929 caused by expenses related to increased grant activity. Airport operations are a part of the Transportation department which has operations in two funds and has not exceeded the total appropriations for this department.

The Self-Insurance Fund has an accumulated deficit of \$139,675 caused by two years of higher than anticipated insurance claims. The deficit will be eliminated in future years by operating transfers to this fund from the General Fund.

NOTE 17 - CAPITALIZED INTEREST

During fiscal year 1991, the Water and Sewer Fund capitalized net interest costs of \$1,271,608 (interest expense of \$1,480,297 reduced by interest income of \$208,689). Total interest income and expense in that fund before capitalization was \$3,021,474 and \$4,146,186, respectively.

NOTE 18 - INTERFUND ASSETS/LIABILITIES AND TRANSFERS

Due From/To Other Funds

Receivable Fund	Amount	Payable Fund	Amount
General	\$855,690	Highway User Sanitation Community Development	\$ 309,818 510,744 35,128
			<u>\$ 855,690</u>

Residual Equity Transfer Out		Residual Equity Transfer In	
From:		To:	
Capital Projects (G.O. Bond Construction)	\$2,523,590	Capital Projects (All Other)	\$1,197,826
		Capital Projects (HURF Fund)	1,325,764
Capital Projects (All Other)	400	Capital Projects (MPC Fund)	400
	<u>\$2,523,990</u>		<u>\$2,523,990</u>

A Residual Equity Transfer In to the Capital Projects Fund (All Other) of \$883,364 appears as a reduction to contributed capital in the Water/Sewer Fund.

A Residual Equity Transfer Out of the Capital Projects Fund (All Other) of \$119,225 appears as an increase of contributed capital in the Airport Fund.

NOTE 18 - INTERFUND ASSETS/LIABILITIES AND TRANSFERS (Cont'd)

Net operating transfers are reported in the following funds:

<u>Operating Transfers Out</u>		<u>Operating Transfers In</u>	
From:		To:	
General Fund	\$2,130,419	Special Revenue (HURF Fund)	\$2,130,419
General Fund	194,000	Special Revenue (HURF Fund accounted for as HURF maintenance of effort)	194,000
Capital Projects (Special Assessments)	375,765	Debt Service (Special Assessments)	375,765
Special Revenue (CDBG)	23,936	General Fund	23,936
General Fund	625,000	Internal Service (Self-Insurance)	625,000
General Fund	300,000	Expendable Trust	300,000
General Fund	43,406	Enterprise Fund (Airport)	43,406
	<hr/>		<hr/>
	\$3,692,526		\$3,692,526
	<hr/> <hr/>		<hr/> <hr/>

NOTE 19 - COMMITMENTS, SUBSEQUENT EVENTS, AND 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. In July, 1991, the City amended this agreement and extended the new agreement to June 30, 1996. Annual amounts due in fiscal year 1992 will approximate \$5,606,000. Payments to Rural/Metro amounted to \$5,316,535 for the year ended June 30, 1991.
- 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 of loss for any single loss occurrence. For fiscal year 1991 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 \$2,671,000 for the year ended June 30, 1991.

Interest on the bonds of the Partnership is due semi-annually 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	19,190,000
	<hr/>
	\$23,000,000
	<hr/> <hr/>

The bonds bear interest at a variable rate (5.15% for June, 1991) based on a specified municipal bond index. There is an option under certain circumstances to establish a fixed interest rate.

**NOTE 19 - COMMITMENTS, SUBSEQUENT EVENTS, AND OTHER MATTERS
(Cont'd)**

- 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 1992 will approximate \$1,792,324. Payments to Scottsdale Cultural Council amounted to \$1,886,811 for the year ended June 30, 1991.
- E. In July, 1991, the City Council authorized staff to proceed with the issuance of \$19,000,000 of General Obligation Bonds with a projected sale date of September 30, 1991. The bond proceeds will be used to fund transportation; police, fire, and court facilities; drainage and flood protection; parks, recreation, and libraries; multi-use sports and cultural facilities; Indian Bend Wash bike and pedestrian path; streetlighting; and downtown streetscape projects.
- F. In March, 1991, the City Council adopted Resolution of Intention No. 3378 to begin Section 31 Water Improvement District No. 10001. This district will construct 4.25 miles of water distribution lines to provide municipal water service and fire protection to the property owners. The improvement district bonds (not to exceed \$525,000) for this project are scheduled to be sold competitively September 3, 1991.

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, 1991

ASSETS

Cash and Short-Term Investments	\$41,678,563
Investments	2,803,209
Receivables	
Accrued Interest	496,943
Property Taxes	1,022,198
State Shared Sales Tax	657,832
Auto Lieu Tax	182,715
Miscellaneous	292,411
Due From Other Funds	855,690
Supplies Inventory	157,843

Total Assets	<u>\$48,147,404</u>
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LIABILITIES AND FUND BALANCE

Liabilities	
Accounts Payable	\$281,588
Accrued Payroll	2,637,519
Accrued Interest Payable	67,432
Deferred Property Taxes	960,071
Deferred Revenue	731,377

Total Liabilities	<u>4,677,987</u>
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Fund Balance	
Reserved for	
Encumbrances	2,783,891
Streetlight Districts	560,304
Unreserved	40,125,222

Total Fund Balance	<u>43,469,417</u>
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Total Liabilities and Fund Balance	<u>\$48,147,404</u>
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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, 1991

Revenues	
Taxes - Local	\$29,287,589
Taxes - Intergovernmental	16,623,345
Licenses	630,070
Charges for Current Services	5,152,757
Fines and Forfeitures	2,215,138
Use of Money and Property	5,314,476
Streetlight Districts	558,163
Other	2,746,638

Total Revenues	62,528,176
Expenditures	
Current Operating Departments	
General Government	4,257,006
Police	16,990,585
Financial Services	2,660,254
Community Services	13,600,618
Management Services	5,366,113
Planning & Zoning	4,837,560
Fire	5,721,096
Municipal Services	3,417,151
Streetlight Districts	431,424
Debt Service	
Principal	2,475,461
Interest	439,798

Total Expenditures	60,197,066

Excess of Revenues Over Expenditures	2,331,110
Other Sources (Uses)	
Operating Transfers In	23,936
Operating Transfers Out	(3,292,825)

	(3,268,889)
Deficiency of Revenues and Other Sources Over Expenditures and Other Uses	

	(937,779)
Fund Balance July 1, 1990	44,407,196

Fund Balance June 30, 1991	<u>\$43,469,417</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, 1991

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues			
Taxes - Local	\$28,834,170	\$29,287,589	\$453,419
Taxes - Intergovernmental	16,612,000	16,623,345	11,345
Licenses	621,000	630,070	9,070
Charges for Current Services	4,923,000	5,152,757	229,757
Fines and Forfeitures	2,191,000	2,215,138	24,138
Use of Money and Property	5,312,000	5,314,476	2,476
Other	800,000	700,369	(99,631)
Total Revenues	59,293,170	59,923,744	630,574
Expenditures			
Current Operating Departments			
General Government	5,606,064	5,362,172	243,892
Police	17,977,142	17,238,238	738,904
Financial Services	4,427,793	4,180,636	247,157
Community Services	14,033,497	13,858,732	174,765
Management Services	8,215,534	8,029,819	185,715
Planning & Zoning	5,744,590	5,399,069	345,521
Fire	5,899,769	5,849,172	50,597
Municipal Services	5,110,527	4,929,304	181,223
Contingency	2,664,235		2,664,235
Debt Service			
Principal	2,739,045	2,475,461	263,584
Interest	490,968	739,798	(248,830)
Total Expenditures	72,909,164	68,062,401	4,846,763
Deficiency of Revenues Over Expenditures	(13,615,994)	(8,138,657)	5,477,337
Other Sources (Uses)			
Operating Transfers In	15,924,122		(15,924,122)
Operating Transfers Out	(2,308,128)	(2,343,888)	(35,760)
Deficiency of Revenues and Other Sources Over Expenditures and Other Uses		(10,482,545)	(10,482,545)
Encumbrances Cancelled		1,715,467	1,715,467
Fund Balance July 1, 1990		(108,355)	(108,355)
Fund Balance June 30, 1991	\$	(\$8,875,433)	(\$8,875,433)

CITY OF SCOTTSDALE

EXHIBIT B-4

GENERAL FUND

SCHEDULE OF REVENUES - BUDGET AND ACTUAL - BUDGET BASIS

FOR THE FISCAL YEAR ENDED JUNE 30, 1991

	BUDGET	ACTUAL	ACTUAL OVER/ (UNDER) ESTIMATED
Taxes - Local			
Property Tax	\$5,082,039	\$5,254,977	\$172,938
Transaction Privilege	17,252,131	17,402,896	150,765
Hotel/Motel Transient Tax	3,200,000	3,355,669	155,669
Light and Power Franchise	2,315,000	2,279,126	(35,874)
Cable TV Franchise	678,000	693,109	15,109
Salt River Project In Lieu	152,000	151,954	(46)
Fire Insurance Premium Tax	155,000	149,858	(5,142)
	28,834,170	29,287,589	453,419
Taxes - Intergovernmental			
State-Shared Sales Tax	7,200,000	7,199,220	(780)
Automobile in Lieu	2,100,000	2,120,776	20,776
State Revenue Sharing	7,312,000	7,303,349	(8,651)
	16,612,000	16,623,345	11,345
Licenses			
Business and Liquor Licenses	621,000	630,070	9,070
Charges for Current Services			
Building and Related Permits	3,500,000	3,623,083	123,083
Recreation Fees	1,423,000	1,529,674	106,674
	4,923,000	5,152,757	229,757
Fines and Forfeitures			
Court Fines	1,800,000	1,823,027	23,027
Parking	250,000	260,675	10,675
Library	141,000	131,436	(9,564)
	2,191,000	2,215,138	24,138
Use of Money and Property			
Interest Earnings	4,170,000	4,097,493	(72,507)
Property Rental	1,142,000	1,216,983	74,983
	5,312,000	5,314,476	2,476
Other	800,000	700,369	(99,631)
Total Revenues	\$59,293,170	\$59,923,744	\$630,574

CITY OF SCOTTSDALE

EXHIBIT B-5

GENERAL FUND

SCHEDULE OF EXPENDITURES BY OBJECT

FOR THE FISCAL YEAR ENDED JUNE 30, 1991

	TOTAL	PERSONAL SERVICES	OTHER SERVICES	SUPPLIES	DEBT SERVICE	CAPITAL OUTLAY
Current Operating Departments						
General Government	\$5,305,286	\$3,831,932	\$1,105,956	\$207,211	\$	\$160,187
Police	16,990,585	13,626,808	2,900,167	388,689		74,921
Financial Services	3,535,711	2,992,874	496,183	(13,812)		60,467
Community Services	13,600,618	7,992,561	4,172,473	1,323,756		111,828
Management Services	6,630,730	2,912,820	3,471,548	157,037		89,325
Planning & Zoning	4,837,560	3,694,230	1,007,485	87,516		48,329
Fire	5,810,722	166,783	5,619,991	21,071		2,877
Municipal Services	4,772,581	1,565,304	2,823,401	355,753		28,123
Streetlight Districts	431,424		431,424			
Debt Service						
Principal	2,475,461				2,475,461	
Interest	439,798				439,798	
Expenditures	64,830,476	\$36,783,312	\$22,028,628	\$2,527,221	\$2,915,259	\$576,057
Indirect Cost Allocation Out	(4,633,410)					
Total Expenditures	\$60,197,066					
Operating Transfers Out						
Highway User Fuel Tax Fund	\$2,324,419					
Expendable Trusts	300,000					
Self-Insurance Fund	625,000					
Airport Fund	43,406					
	\$3,292,825					

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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

EXHIBIT C-1

SPECIAL REVENUE FUNDS

COMBINING BALANCE SHEET

JUNE 30, 1991

ASSETS	TOTAL ALL FUNDS	HIGHWAY USER FUEL TAX	COMMUNITY DEVELOPMENT	GRANTS
Cash and Short-Term Investments	\$86,294	\$	\$	\$86,294
Cash with Fiscal Agents	1,921,750	1,921,750		
Receivables				
Fuel Tax	644,796	644,796		
Grants	117,393		74,156	43,237
Miscellaneous	10,670	10,670		
Total Assets	\$2,780,903	\$2,577,216	\$74,156	\$129,531
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts Payable	\$139,101	\$95,992	\$33,932	\$9,177
Accrued Payroll	168,881	157,215	5,096	6,570
Due to General Fund	344,946	309,818	35,128	
Bond Interest Payable	1,096,750	1,096,750		
Bonds Payable - Current Portion	825,000	825,000		
Total Liabilities	2,574,678	2,484,775	74,156	15,747
Fund Balances				
Reserved for Encumbrances	139,211	92,441	4,814	41,956
Unreserved	67,014		(4,814)	71,828
Total Fund Balances	206,225	92,441		113,784
Total Liabilities and Fund Balances	\$2,780,903	\$2,577,216	\$74,156	\$129,531

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, 1991

	TOTAL ALL FUNDS	HIGHWAY USER FUEL TAX	COMMUNITY DEVELOPMENT	GRANTS
Revenues				
Taxes-Intergovernmental	\$8,552,662	\$8,552,662	\$	\$
Grants	695,041		346,178	348,863
Other	4,551		4,551	
Total Revenues	9,252,254	8,552,662	350,729	348,863
Expenditures				
Current Operating Departments				
Police	66,655			66,655
Transportation	7,365,627	7,311,195		54,432
Community Services	104,126			104,126
Planning & Zoning	1,106,748	649,955	456,793	
Municipal Services	173,134			173,134
Debt Service				
Principal	825,000	825,000		
Interest	2,183,299	2,183,299		
Total Expenditures	11,824,589	10,969,449	456,793	398,347
Deficiency of Revenues Over Expenditures	(2,572,335)	(2,416,787)	(106,064)	(49,484)
Other Sources (Uses)				
Operating Transfer In				
From General Fund	2,130,419	2,130,419		
HURF Maintenance of Effort	194,000	194,000		
Operating Transfer Out	(23,936)		(23,936)	
	2,300,483	2,324,419	(23,936)	
Deficiency of Revenues and Other Sources Over Expenditures and Other Uses	(271,852)	(92,368)	(130,000)	(49,484)
Fund Balances July 1, 1990	478,077	184,809	130,000	163,268
Fund Balances June 30, 1991	<u>\$206,225</u>	<u>\$92,441</u>	<u>\$</u>	<u>\$113,784</u>

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, 1991

HIGHWAY USER FUEL TAX

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues			
Taxes - Intergovernmental	\$8,371,000	\$8,552,662	\$181,662
Total Revenues	8,371,000	8,552,662	181,662
Expenditures			
Current Operating Departments			
Transportation	7,678,059	7,399,707	278,352
Planning & Zoning	631,438	649,955	(18,517)
Debt Service			
Principal	825,000	825,000	
Interest	2,197,180	2,183,299	13,881
Total Expenditures	11,331,677	11,057,961	273,716
Deficiency of Revenues Over Expenditures	(2,960,677)	(2,505,299)	455,378
Other Sources			
Operating Transfer In			
From General Fund	2,766,677	2,130,419	(636,258)
HURF Maintenance Effort	194,000	194,000	
Total Other Sources	2,960,677	2,324,419	(636,258)
Deficiency of Revenues and Other Sources Over Expenditures		(180,880)	(180,880)
Encumbrances Cancelled		184,809	184,809
Fund Balance July 1, 1990		(202,915)	(202,915)
Fund Balance June 30, 1991	\$	(\$198,986)	(\$198,986)

CITY OF SCOTTSDALE

EXHIBIT C-4

SPECIAL REVENUE FUNDS

COMBINING SCHEDULE OF REVENUES AND OTHER SOURCES

FOR THE FISCAL YEAR ENDED JUNE 30, 1991

	TOTAL ALL FUNDS	HIGHWAY USER FUEL TAX	COMMUNITY DEVELOPMENT	GRANTS
Taxes - Intergovernmental				
Fuel Tax	\$7,481,439	\$7,481,439	\$	\$
Local Transportation Assistance Fund	1,071,223	1,071,223		
	8,552,662	8,552,662		
Grants				
Federal	429,322		346,178	83,144
State	237,921			237,921
Miscellaneous	27,798			27,798
	695,041		346,178	348,863
Other	4,551		4,551	
	9,252,254	8,552,662	350,729	348,863
Total Revenues				
Other Sources				
Operating Transfer In/(Out) From General Fund	2,106,483	2,130,419	(23,936)	
HURF Maintenance of Effort	194,000	194,000		
	2,300,483	2,324,419	(23,936)	
Total Revenues and Other Sources	\$11,552,737	\$10,877,081	\$326,793	\$348,863

CITY OF SCOTTSDALE

EXHIBIT C-5

SPECIAL REVENUE FUNDS

COMBINING SCHEDULE OF EXPENDITURES BY OBJECT

FOR THE FISCAL YEAR ENDED JUNE 30, 1991

	TOTAL	PERSONAL SERVICES	OTHER SERVICES	SUPPLIES	DEBT SERVICE	CAPITAL OUTLAY
HIGHWAY USER FUEL TAX						

Current Operating Departments						
Transportation	\$7,311,195	\$3,068,968	\$2,377,835	\$1,796,760	\$	\$67,632
Planning & Zoning	649,955		649,955			
Debt Service						
Principal	825,000				825,000	
Interest	2,183,299				2,183,299	
	-----	-----	-----	-----	-----	-----
	10,969,449	3,068,968	3,027,790	1,796,760	3,008,299	67,632
COMMUNITY DEVELOPMENT						

Current Operating Departments						
Planning & Zoning	456,793	104,243	273,337	65,651		13,562
GRANTS						

Current Operating Departments						
Police	66,655	66,655				
Transportation	54,432					54,432
Community Services	104,126	43,850	25,087	31,793		3,396
Municipal Services	173,134	20,700		32,811		119,623
	-----	-----	-----	-----	-----	-----
	398,347	131,205	25,087	64,604		177,451
	-----	-----	-----	-----	-----	-----
Total Expenditures	\$11,824,589	\$3,304,416	\$3,326,214	\$1,927,015	\$3,008,299	\$258,645
	=====	=====	=====	=====	=====	=====

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, 1991

EXHIBIT D-1

	TOTAL ALL FUNDS	GENERAL OBLIGATION BOND	MUNICIPAL PROPERTY CORPORATION	SPECIAL ASSESSMENTS
ASSETS				
Cash and Short-Term Investments	\$6,513,565	\$1,436,285	\$4,489,883	\$587,397
Cash with Fiscal Agents	13,144,710	7,211,981	4,629,769	1,302,960
Investments	3,499,218		3,499,218	
Receivables				
Accrued Interest	120,634		120,634	
Property Tax	25,851	25,851		
Special Assessments	20,238,007			20,238,007
Total Assets	\$43,541,985	\$8,674,117	\$12,739,504	\$22,128,364
LIABILITIES AND FUND BALANCES				
Liabilities				
Accrued Interest Payable	\$578,790	\$	\$578,790	\$
Payable from Cash with Fiscal Agents				
Bonds Interest Payable	4,480,382	1,557,653	2,139,769	782,960
Bonds Payable - Current Portion	5,525,000	2,515,000	2,490,000	520,000
Deferred Revenue				
Special Assessments	20,238,007			20,238,007
Total Liabilities	30,822,179	4,072,653	5,208,559	21,540,967
Fund Balances				
Reserved for				
Sinking Fund Requirements	3,159,407	3,159,407		
Debt Service	9,560,399	1,442,057	7,530,945	587,397
Total Fund Balances	12,719,806	4,601,464	7,530,945	587,397
Total Liabilities and Fund Balances	\$43,541,985	\$8,674,117	\$12,739,504	\$22,128,364

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, 1991

	TOTAL ALL FUNDS	GENERAL OBLIGATION BOND	MUNICIPAL PROPERTY CORPORATION	SPECIAL ASSESSMENTS
Revenues				
Taxes - Local				
Property	\$6,669,863	\$6,669,863	\$	\$
Transaction Privilege	10,400,930		10,400,930	
	17,070,793	6,669,863	10,400,930	
Special Assessments	2,774,035			2,774,035
Use of Money and Property				
Interest Earnings	1,031,134	382,122	649,012	
Total Revenues	20,875,962	7,051,985	11,049,942	2,774,035
Expenditures				
Debt Service				
Principal	7,664,000	2,515,000	3,190,000	1,959,000
Interest	12,533,815	3,462,318	7,820,213	1,251,284
Total Expenditures	20,197,815	5,977,318	11,010,213	3,210,284
Excess (Deficiency) of Revenues Over Expenditures	678,147	1,074,667	39,729	(436,249)
Other Sources				
Operating Transfer In	375,765			375,765
Excess (Deficiency) of Revenues and Other Sources Over Expenditures	1,053,912	1,074,667	39,729	(60,484)
Fund Balances July 1, 1990	11,665,894	3,526,797	7,491,216	647,881
Fund Balances June 30, 1991	\$12,719,806	\$4,601,464	\$7,530,945	\$587,397

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, 1991

	TOTALS			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												
Property	\$6,707,961	\$6,669,863	(\$38,098)	\$6,707,961	\$6,669,863	(\$38,098)	\$	\$	\$	\$	\$	\$
Transaction Privilege	10,297,869	10,400,930	103,061				10,297,869	10,400,930	103,061			
	17,005,830	17,070,793	64,963	6,707,961	6,669,863	(38,098)	10,297,869	10,400,930	103,061			
Special Assessments	3,210,000	2,774,035	(435,965)							3,210,000	2,774,035	(435,965)
Use of Money and Property Interest Earnings	1,000,000	991,405	(8,595)	400,000	382,122	(17,878)	600,000	609,283	9,283			
Total Revenues	21,215,830	20,836,233	(379,597)	7,107,961	7,051,985	(55,976)	10,897,869	11,010,213	112,344	3,210,000	2,774,035	(435,965)
Expenditures												
Debt Service												
Principal	7,664,000	7,664,000		2,515,000	2,515,000		3,190,000	3,190,000		1,959,000	1,959,000	
Interest	14,596,502	12,533,815	2,062,687	5,259,988	3,462,318	1,797,670	8,085,707	7,820,213	265,494	1,250,807	1,251,284	(477)
Total Expenditures	22,260,502	20,197,815	2,062,687	7,774,988	5,977,318	1,797,670	11,275,707	11,010,213	265,494	3,209,807	3,210,284	(477)
Excess (Deficiency) of Revenues Over Expenditures	(1,044,672)	638,418	1,683,090	(667,027)	1,074,667	1,741,694	(377,838)		377,838	193	(436,249)	(436,442)
Other Sources												
Transfers In	1,206,347	375,765	(830,582)	862,501		(862,501)	342,508		(342,508)	1,338	375,765	374,427
Excess (Deficiency) of Revenues and Other Sources Over Expenditures	161,675	1,014,183	852,508	195,474	1,074,667	879,193	(35,330)		35,330	1,531	(60,484)	(62,015)
Fund Balances (Deficits) July 1, 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)
Fund Balances (Deficits) June 30, 1991	\$	\$1,770,740	\$1,770,740	\$	\$2,442,823	\$2,442,823	\$	\$	\$	\$	(\$672,083)	(\$672,083)

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.

Capital Projects Funds utilized by the City of Scottsdale are:

General Obligation Bond Construction Fund - accounts for the proceeds of the sale of 1983 and 1989 General Obligation Bonds which are used for authorized capital improvements.

Highway User Bond Construction Fund - accounts for the proceeds of the sale of 1983 Street and Highway Revenue Bonds which are used for authorized transportation capital improvements.

Municipal Property Corporation Bond Construction Fund - accounts for the proceeds of Municipal Property Corporation Bonds issued for the construction of a new branch library, an addition to the main library, a new public safety building, and an equestrian facility.

Special Assessment Bond Construction Fund - accounts for the proceeds of Special Assessment Bonds issued for construction of capital improvements within individual improvement districts.

Transaction Privilege Tax Fund - accounts for an authorized .2% increase of transaction privilege tax dedicated to transportation capital improvements.

All Other Construction Fund - accounts for pay-as-you-go capital improvement revenue and expenditures.

CITY OF SCOTTSDALE
 CAPITAL PROJECTS FUNDS
 COMBINING BALANCE SHEET
 JUNE 30, 1991

EXHIBIT E-1

	TOTAL ALL FUNDS	GENERAL OBLIGATION BOND CONSTRUCTION	HIGHWAY USER BOND CONSTRUCTION	MUNICIPAL PROPERTY CORPORATION BOND CONSTRUCTION	SPECIAL ASSESSMENTS BOND CONSTRUCTION	TRANSACTION PRIVILEGE TAX	ALL OTHER CONSTRUCTION
ASSETS							
Cash and Short-Term Investments	\$28,827,071	\$11,382,173	\$1,191,666		\$3,297,291	\$6,731,273	\$6,224,668
Receivables							
Accrued Interest	332,716	208,834	3,162		39,627		81,093
Miscellaneous	105,000						105,000
Total Assets	\$29,264,787	\$11,591,007	\$1,194,828	\$	\$3,336,918	\$6,731,273	\$6,410,761
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts Payable	\$1,242,595	\$725,335	\$28,941		\$452,234	21,096	\$14,989
Accrued Payroll	47,104	41,595	576		2,498	1,818	617
Other	533,148	372,093	25,760		135,295		
Total Liabilities	1,822,847	1,139,023	55,277		590,027	22,914	15,606
Fund Balances							
Reserved for Encumbrances	12,377,253	8,990,532	68,391		3,207,104	72,058	39,168
Unreserved	15,064,687	1,461,452	1,071,160		(460,213)	6,636,301	6,355,987
Total Fund Balances	27,441,940	10,451,984	1,139,551		2,746,891	6,708,359	6,395,155
Total Liabilities and Fund Balances	\$29,264,787	\$11,591,007	\$1,194,828	\$	\$3,336,918	\$6,731,273	\$6,410,761

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, 1991

	TOTAL ALL FUNDS	GENERAL OBLIGATION BOND CONSTRUCTION	HIGHWAY USER BOND CONSTRUCTION	MUNICIPAL PROPERTY CORPORATION BOND CONSTRUCTION	SPECIAL ASSESSMENTS BOND CONSTRUCTION	TRANSACTION PRIVILEGE TAX	ALL OTHER CONSTRUCTION
Revenues							
Transaction Privilege Tax	\$5,043,226	\$	\$	\$	\$	\$5,043,226	\$
Use of Money and Property	2,759,441	1,748,162	26,024		318,182		667,073
Other	1,703,048				719,125		983,923
Total Revenue	9,505,715	1,748,162	26,024		1,037,307	5,043,226	1,650,996
Expenditures							
Capital Improvements	29,299,122	18,836,716	1,040,471	25,464	6,194,336	361,870	2,840,265
Excess (Deficiency) of Revenue Over Expenditures	(19,793,407)	(17,088,554)	(1,014,447)	(25,464)	(5,157,029)	4,681,356	(1,189,269)
Other Sources (Uses)							
Bond Proceeds	3,625,000				3,625,000		
Operating Transfer Out	(375,765)				(375,765)		
Excess (Deficiency) of Revenue and Other Sources (Uses) Over Expenditures	(16,544,172)	(17,088,554)	(1,014,447)	(25,464)	(1,907,794)	4,681,356	(1,189,269)
Fund Balances July 1, 1990	43,221,973	30,064,128	828,234	25,064	4,654,685	2,027,003	5,622,859
Residual Equity Transfer In	3,407,354		1,325,764	400			2,081,190
Residual Equity Transfer Out	(2,643,215)	(2,523,590)					(119,625)
Fund Balances June 30, 1991	\$27,441,940	\$10,451,984	\$1,139,551	\$	\$2,746,891	\$6,708,359	\$6,395,155

CITY OF SCOTTSDALE

EXHIBIT E-3

CAPITAL PROJECTS FUNDS

COMBINING SCHEDULE OF EXPENDITURES BY OBJECT

FOR THE FISCAL YEAR ENDED JUNE 30, 1991

	TOTAL	PERSONAL SERVICES	OTHER SERVICES	SUPPLIES	CAPITAL OUTLAY
General Obligation Bond Construction Fund Capital Improvements	\$18,836,716	\$693,728	\$277,910	\$41,762	\$17,823,316
Highway User Bond Construction Fund Capital Improvements	1,040,471	31,613	21,483	200	987,175
Municipal Property Corporation Bond Construction Fund Capital Improvements	25,464		2,047	3,241	20,176
Special Assessments Construction Fund Capital Improvements	6,194,336	141,703	114,125	64	5,938,444
Transaction Privilege Tax Capital Improvements	361,870	21,286	232,510		108,074
All Other Construction Fund Capital Improvements	2,840,265	41,835	153,336	365	2,644,729
Total Expenditures	<u>\$29,299,122</u>	<u>\$930,165</u>	<u>\$801,411</u>	<u>\$45,632</u>	<u>\$27,521,914</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 Trusts 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 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, 1991

EXHIBIT F-1

ASSETS	TOTAL ALL FUNDS	EXPENDABLE TRUSTS	NONEXPENDABLE TRUSTS	DEFERRED COMPENSATION AGENCY
Cash and Short-Term Investments	\$4,781,907	\$4,597,991	\$183,916	\$
Investments	3,993,216			3,993,216
Accrued Interest	4,260	2,711	1,549	
Miscellaneous Receivables	13,617	13,617		
Total Assets	\$8,793,000	\$4,614,319	\$185,465	\$3,993,216
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts Payable	\$106	\$106	\$	\$
Designated Deferred Compensation Benefits	3,993,216			3,993,216
Guaranty and Other Deposits	2,549,478	2,549,478		
Total Liabilities	6,542,800	2,549,584		3,993,216
Fund Balances				
Reserved for Encumbrances	6,048	4,701	1,347	
Reserved for Library Acquisitions	174,899		174,899	
Unreserved	2,069,253	2,060,034	9,219	
Total Fund Balances	2,250,200	2,064,735	185,465	
Total Liabilities and Fund Balances	\$8,793,000	\$4,614,319	\$185,465	\$3,993,216

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 TRUSTS FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 1991

	EXPENDABLE TRUSTS

Revenues	
Interest Earnings	\$21,114
Other	1,430,127
Expenditures	
Expendable Trusts	489,588

Excess of Revenues Over Expenditures	961,653
Other Sources	
Operating Transfer In From General Fund	300,000

Excess of Revenues and Other Sources Over Expenditures	300,000
Fund Balance July 1, 1990	803,082

Fund Balance June 30, 1991	<u>\$2,364,735</u>
See Notes to Financial Statements.	

CITY OF SCOTTSDALE

EXHIBIT F-3

TRUST AND AGENCY FUNDS

SCHEDULE OF EXPENDITURES BY OBJECT - EXPENDABLE TRUSTS FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 1991

	TOTAL	PERSONAL SERVICES	OTHER SERVICES	SUPPLIES	CAPITAL OUTLAY
Expendable Trusts	\$489,588	\$1,416	\$265,886	\$201,554	\$20,732

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, 1991

	NONEXPENDABLE TRUSTS
Operating Revenues	
Interest Earnings	\$12,983
Operating Expenses	11,436
Operating Income	1,547
Non-Operating Revenue	
Donations	55,353
Net Income	56,900
Fund Balance July 1, 1990	128,565
Fund Balance June 30, 1991	<u>\$185,465</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, 1991

Cash Flows From Operating Activities:	
Operating Income	\$1,547
Adjustments To Reconcile Net Income To	
Net Cash Provided From Operating	
Activities:	
Increase In Accrued Interest	
Receivable	(238)

Net Cash Provided By	
Operating Activities	1,309
Cash Flows From Noncapital and Related	
Financing Activities:	
Donations	55,353

Net Increase In Cash and Cash Equivalents	56,662
Cash and Cash Equivalents At Beginning Of Year	127,254

Cash and Cash Equivalents At End Of Year	<u>\$183,916</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, 1991

DEFERRED COMPENSATION AGENCY

	BALANCE JULY 1, 1990	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 1991
ASSETS				
Investments	\$3,267,060	\$910,916	\$184,760	\$3,993,216
Total Assets	<u>\$3,267,060</u>	<u>\$910,916</u>	<u>\$184,760</u>	<u>\$3,993,216</u>
LIABILITIES				
Designated Deferred Compensation Benefits	\$3,267,060	\$910,916	\$184,760	\$3,993,216
Total Liabilities	<u>\$3,267,060</u>	<u>\$910,916</u>	<u>\$184,760</u>	<u>\$3,993,216</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.

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.

Sanitation Fund

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.

CITY OF SCOTTSDALE
 ENTERPRISE FUNDS
 COMBINING BALANCE SHEET
 JUNE 30, 1991

EXHIBIT G-1

ASSETS	TOTAL ALL FUNDS	WATER AND SEWER UTILITY	AIRPORT	PUBLIC HOUSING	SANITATION
Current Assets					
Cash and Short-Term Investments	\$6,332,892	\$6,303,522	\$29,370	\$	\$
Cash with Fiscal Agents	3,610,504	3,610,504			
Receivables					
Accrued Interest	353,134	340,020	4,135		8,979
Accounts	4,841,749	4,020,745			821,004
Miscellaneous	986,079	648,988	327,301		9,790
Total Current Assets	16,124,358	14,923,779	360,806		839,773
Restricted Cash, Investments, and Receivables					
Revenue Bond Reserves	1,883,782	1,883,782			
Water and Sewer Replacement Reserve	4,860,197	4,860,197			
Scottsdale Water Service Company Replacement Reserve	300,000	300,000			
Acquisition and Construction Reserve					
Bond Proceeds	10,539,037	10,539,037			
Development Fees	12,354,058	12,354,058			
Notes Receivable	9,144			9,144	
	29,946,218	29,937,074		9,144	
Property, Plant, and Equipment					
Land and Water Rights	35,064,680	22,621,749	12,442,931		
Water System	139,856,947	139,856,947			
Sewer System	83,009,373	83,009,373			
Buildings and Improvements	1,609,923		1,246,367		363,556
Furniture and Fixtures	337,403	303,255	23,147		11,001
Machinery and Equipment	658,562	115,394	122,426		420,742
Construction in Progress	4,527,363	3,771,951	755,412		
	265,064,251	249,678,669	14,590,283		795,299
Accumulated Depreciation	(44,649,052)	(40,878,821)	(3,617,221)		(153,010)
	220,415,199	208,799,848	10,973,062		642,289
Excess Purchase Price Over Fair Market Value of Water System Assets Acquired, Net of Accumulated Amortization of \$2,213,119	708,139	708,139			
Total Assets	\$267,193,914	\$254,368,840	\$11,333,868	\$9,144	\$1,482,062

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	\$1,131,583	\$998,697	\$62,192	\$	\$70,694
Accrued Payroll	522,129	319,131	24,226		178,772
Due To General Fund	510,744				510,744
Contracts Payable - Current Portion	506,739	506,739			
Total	2,671,195	1,824,567	86,418		760,210
Current Liabilities (Payable from Restricted Assets)					
Bonds Interest Payable	2,005,504	2,005,504			
Bonds Payable - Current Portion	1,605,000	1,605,000			
Total	3,610,504	3,610,504			
Total Current Liabilities	6,281,699	5,435,071	86,418		760,210
Other Liabilities					
Deferred Revenue	358,574	358,574			
Customer Advances and Deposits	541,387	541,387			
Other					
Arbitrage Interest	1,029,511	1,029,511			
Unearned Grant Revenue (Payable from Restricted Notes Receivable)	9,144			9,144	
Total Other	1,038,655	1,029,511		9,144	
Total Other Liabilities	1,938,616	1,929,472		9,144	
Long-Term Debt (Less Current Portion)					
Bonds Payable	53,600,000	53,600,000			
Contracts Payable	661,461	661,461			
Total	54,261,461	54,261,461			
Total Liabilities	62,481,776	61,626,004	86,418	9,144	760,210
Fund Equity					
Contributed Capital	160,980,971	145,649,908	14,853,255		477,808
Less Depreciation	(21,634,719)	(17,998,783)	(3,635,936)		
Net Contributed Capital	139,346,252	127,651,125	11,217,319		477,808
Retained Earnings					
Reserved for					
Revenue Bond Retirement	1,883,782	1,883,782			
Water and Sewer System Replacement	5,160,197	5,160,197			
Acquisition and Construction	22,893,095	22,893,095			
Unreserved	35,428,812	35,154,637	30,131		244,044
Total Retained Earnings	65,365,886	65,091,711	30,131		244,044
Total Fund Equity	204,712,138	192,742,836	11,247,450		721,852
Total Liabilities and Fund Equity	\$267,193,914	\$254,368,840	\$11,333,868	\$9,144	\$1,482,062

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, 1991

	TOTAL ALL FUNDS	WATER AND SEWER UTILITY	AIRPORT	SANITATION
Operating Revenues				
Water Service Fees	\$23,360,633	\$23,360,633	\$	\$
Sewer Service Fees	6,444,158	6,444,158		
Planet Ranch	852,969	852,969		
Sanitation Fees	5,902,876			5,902,876
Airport Fees	712,818		712,818	
Other	631,369	631,369		
Total Operating Revenues	37,904,823	31,289,129	712,818	5,902,876
Operating Expenses				
Water Operations	12,725,578	12,725,578		
Sewer Operations	5,525,401	5,525,401		
Planet Ranch	1,398,489	1,398,489		
Sanitation Operations	4,966,807			4,966,807
Airport Operations	506,207		506,207	
Depreciation and Amortization	6,206,843	5,744,970	429,093	32,780
Indirect Cost	4,633,404	3,364,547	233,008	1,035,849
In Lieu Property Tax	438,619	413,057	25,562	
Franchise Fee	1,607,650	1,607,650		
Total Operating Expenses	38,008,998	30,779,692	1,193,870	6,035,436
Operating Income (Loss)	(104,175)	509,437	(481,052)	(132,560)
Non-Operating Revenues (Expenses)				
Interest Earnings	2,902,318	2,812,785	15,524	74,009
Interest Expense	(2,665,889)	(2,665,889)		
Net Non-Operating Revenues	236,429	146,896	15,524	74,009
Operating Transfer In	43,406		43,406	
Net Income (Loss)	175,660	656,333	(422,122)	(58,551)
Add Depreciation On Fixed Assets Acquired By Contributed Capital	2,844,653	2,415,560	429,093	
Increase (Decrease) in Retained Earnings	3,020,313	3,071,893	6,971	(58,551)
Retained Earnings July 1, 1990	62,345,573	62,019,818	23,160	302,595
Retained Earnings June 30, 1991	\$65,365,886	\$65,091,711	\$30,131	\$244,044

See Notes to Financial Statements.

CITY OF SCOTTSDALE

ENTERPRISE FUNDS

COMBINING STATEMENT OF CASH FLOWS

FOR THE FISCAL YEAR ENDED JUNE 30, 1991

	TOTAL ALL FUNDS	WATER AND SEWER UTILITY	AIRPORT	PUBLIC HOUSING	SANITATION
Cash Flows From Operating Activities:					
Operating Income (Loss)	(\$104,175)	\$509,437	(\$481,052)	\$	(\$132,560)
Adjustments To Reconcile Operating Income (Loss) To Net Cash Provided From Operating Activities:					
Depreciation	6,125,982	5,664,109	429,093		32,780
Amortization	80,861	80,861			
Operating Transfer	43,406		43,406		
Changes In Assets and Liabilities (Sources (Uses) of Cash):					
Accounts Receivable	(57,617)	(25,995)			(31,622)
Miscellaneous Receivables	(577,898)	(612,695)	38,159		(3,362)
Accounts Payable	(219,607)	(277,168)	47,650		9,911
Accrued Payroll	65,427	42,873	5,469		17,085
Due To General Fund	(31,339)		(202,659)		171,320
Deferred Revenue	27,601	27,601			
Other Liabilities	96,928	96,928			
Total Adjustments	5,553,744	4,996,514	361,118		196,112
Net Cash Provided By Operating Activities	5,449,569	5,505,951	(119,934)		63,552
Cash Flows From Capital and Related Financing Activities:					
Net Acquisition and Construction Of Property and Equipment	(7,183,341)	(6,461,762)	(592,997)		(128,582)
Principal Payments On Long-Term Debt	(2,542,442)	(2,542,442)			
Interest Paid on Long-Term Debt	(2,702,382)	(2,702,382)			
Decrease In Public Housing Note Payable	(366)			(366)	
Capital Contributions From Other Government Units	1,102,906	374,539	728,367		
Water and Sewer Development Fees	5,401,611	5,401,611			
Net Cash Used For Capital and Related Financing Activities	(5,924,014)	(5,930,436)	135,370	(366)	(128,582)
Cash Flows From Investing Activities					
Interest Received On Investments	2,918,971	2,840,007	13,934		65,030
Decrease In Public Housing Receivable	366			366	
Net Cash Provided By Investing Activities	2,919,337	2,840,007	13,934	366	65,030
Net Increase In Cash and Cash Equivalents	2,444,892	2,415,522	29,370		
Cash and Cash Equivalents At Beginning Of Year	37,435,578	37,435,578			
Cash and Cash Equivalents At End Of Year	\$39,880,470	\$39,851,100	\$29,370	\$	\$

CITY OF SCOTTSDALE

EXHIBIT G-3

ENTERPRISE FUNDS

COMBINING STATEMENT OF CASH FLOWS

FOR THE FISCAL YEAR ENDED JUNE 30, 1991

	TOTAL ALL FUNDS	WATER AND SEWER UTILITY	AIRPORT	PUBLIC HOUSING	SANITATION
Cash and Cash Equivalent at End of Year Includes					
Cash and Short-Term Investments	\$6,332,892	\$6,303,522	\$29,370	\$	\$
Restricted Cash and Investments	33,547,578	33,547,578			
	<u>\$39,880,470</u>	<u>\$39,851,100</u>	<u>\$29,370</u>	<u>\$</u>	<u>\$</u>
Supplemental Disclosure Of Noncash Financing Activities:					
Additions To Property, Plant, and Equipment					
Contributions From Developers	\$3,476,375	\$3,476,375	\$	\$	\$
Contributions From Municipality	5,403,336	5,403,336			
	<u>\$8,879,711</u>	<u>\$8,879,711</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

CITY OF SCOTTSDALE

EXHIBIT G-4

ENTERPRISE FUNDS

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

FOR THE FISCAL YEAR ENDED JUNE 30, 1991

	TOTALS			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)
Revenues												
Water Service Fees	\$24,400,000	\$23,250,266	(\$1,149,734)	\$24,400,000	\$23,250,266	(\$1,149,734)	\$	\$	\$	\$	\$	\$
Water Development Fees	1,500,000	1,454,011	(45,989)	1,500,000	1,454,011	(45,989)						
Water Resources Fees	2,500,000	2,458,641	(41,359)	2,500,000	2,458,641	(41,359)						
Sewer Service Fees	6,100,000	6,673,357	573,357	6,100,000	6,673,357	573,357						
Sewer Development Fees	1,500,000	1,488,959	(11,041)	1,500,000	1,488,959	(11,041)						
Planet Ranch	1,000,000	852,968	(147,032)	1,000,000	852,968	(147,032)						
Sanitation Fees	5,965,000	5,902,876	(62,124)							5,965,000	5,902,876	(62,124)
Airport Fees	670,000	712,818	42,818				670,000	712,818	42,818			
Interest Earnings	1,265,000	1,322,415	57,415	1,210,000	1,232,882	22,882		15,524	15,524	55,000	74,009	19,009
Total Revenues	44,900,000	44,116,311	(783,689)	38,210,000	37,411,084	(798,916)	670,000	728,342	58,342	6,020,000	5,976,885	(43,115)
Expenditures												
Water Operations	13,859,408	13,277,504	581,904	13,859,408	13,277,504	581,904						
Sewer Operations	2,952,323	2,932,734	19,589	2,952,323	2,932,734	19,589						
Planet Ranch	1,434,178	1,403,496	30,682	1,434,178	1,403,496	30,682						
Sanitation Operations	5,223,760	5,100,027	123,733							5,223,760	5,100,027	123,733
Airport Operations	541,238	568,167	(26,929)				541,238	568,167	(26,929)			
Debt Service and Reserves	8,192,939	7,644,336	548,603	8,192,939	7,644,336	548,603						
Total Expenditures	32,203,846	30,926,264	1,277,582	26,438,848	25,258,070	1,180,778	541,238	568,167	(26,929)	5,223,760	5,100,027	123,733
Excess of Revenues Over Expenditures	\$12,696,154	\$13,190,047	\$493,893	\$11,771,152	\$12,153,014	\$381,862	\$128,762	\$160,175	\$31,413	\$796,240	\$876,858	\$80,618



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, 1991

EXHIBIT H-1

ASSETS	TOTAL ALL FUNDS	MOTOR POOL	SELF INSURANCE
Current Assets			
Cash and Short-Term Investments	\$6,118,902	\$2,688,947	\$3,429,955
Receivables			
Accrued Interest	51,523	23,663	27,860
Miscellaneous	16,798		16,798
Supplies Inventory	246,834	246,834	
Total Current Assets	6,434,057	2,959,444	3,474,613
Property, Plant, and Equipment			
Buildings and Improvements	1,222,868	1,222,868	
Motor Vehicles	11,598,536	11,598,536	
Machinery and Equipment	957,050	957,050	
Furniture, Fixtures, and Office Equipment	53,778	18,525	35,253
Construction in Progress	280,221	280,221	
Accumulated Depreciation	14,112,453 (7,718,224)	14,077,200 (7,700,220)	35,253 (18,004)
	6,394,229	6,376,980	17,249
Total Assets	\$12,828,286	\$9,336,424	\$3,491,862
LIABILITIES AND FUND EQUITY			
Current Liabilities			
Accounts Payable	\$33,945	\$31,473	\$2,472
Accrued Payroll	187,553	163,918	23,635
Claims Payable			
Reported	1,513,230		1,513,230
Unreported	109,112		109,112
Total Claims Payable	1,622,342		1,622,342
Total Current Liabilities	1,843,840	195,391	1,648,449
Fund Equity			
Contributed Capital	10,680,884	8,697,796	1,983,088
Retained Earnings/Accumulated Deficit	303,562	443,237	(139,675)
Net Fund Equity	10,984,446	9,141,033	1,843,413
Total Liabilities and Fund Equity	\$12,828,286	\$9,336,424	\$3,491,862

See Notes to Financial Statements.

CITY OF SCOTTSDALE

EXHIBIT H-2

INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS/
ACCUMULATED DEFICIT

FOR THE FISCAL YEAR ENDED JUNE 30, 1991

	TOTAL ALL FUNDS	MOTOR POOL	SELF INSURANCE
Operating Revenues			
Billings To User Programs	\$7,906,145	\$5,573,840	\$2,332,305
Other	19,935	14,488	5,447
Total Operating Revenues	7,926,080	5,588,328	2,337,752
Operating Expenses			
Motor Pool Operations	3,725,792	3,725,792	
Self Insurance Operations	822,739		822,739
Depreciation	1,410,701	1,407,415	3,286
Total Operating Expenses	5,959,232	5,133,207	826,025
Operating Income	1,966,848	455,121	1,511,727
Non-Operating Revenues/ Operating Transfers			
Interest Earnings	423,827	194,650	229,177
Operating Transfer	625,000		625,000
Total Non-Operating Revenues/ Operating Transfers	1,048,827	194,650	854,177
Net Income	3,015,675	649,771	2,365,904
Accumulated Deficits July 1, 1990	(2,712,113)	(206,534)	(2,505,579)
Retained Earnings/Accumulated Deficit June 30, 1991	\$303,562	\$443,237	(\$139,675)

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, 1991

	TOTAL ALL FUNDS	MOTOR POOL	SELF INSURANCE
Cash Flows From Operating Activities:			
Operating Income	\$1,966,848	\$455,121	\$1,511,727
Adjustments to Reconcile Operating Income to Net Cash Provided from Operating Activities:			
Depreciation	1,410,701	1,407,415	3,286
Operating Transfer	625,000		625,000
Changes in Assets and Liabilities (Sources (Uses) of Cash):			
Miscellaneous Receivables	26		26
Supplies Inventory	8,263	8,263	
Accounts Payable	10,553	14,137	(3,584)
Accrued Payroll	26,412	20,051	6,361
Claims Payable - Reported	(1,325,807)		(1,325,807)
Claims Payable - Unreported	(28,590)		(28,590)
Total Adjustments	726,558	1,449,866	(723,308)
Net Cash Provided by Operating Activities	2,693,406	1,904,987	788,419
Cash Flows From Capital and Related Financing Activities:			
Acquisition and Construction of Property and Equipment	(1,463,879)	(1,461,601)	(2,278)
Capital Contributions	204,184	204,184	
Net Cash Used for Capital and Related Financing Activities	(1,259,695)	(1,257,417)	(2,278)
Cash Flows From Investing Activities:			
Interest Received On Investments	407,894	183,546	224,348
Net Increase in Cash and Cash Equivalents	1,841,605	831,116	1,010,489
Cash and Equivalents at Beginning of Year	4,277,297	1,857,831	2,419,466
Cash and Equivalents at End of Year	\$6,118,902	\$2,688,947	\$3,429,955

CITY OF SCOTTSDALE
 INTERNAL SERVICE FUNDS
 COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL - BUDGET BASIS
 FOR THE FISCAL YEAR ENDED JUNE 30, 1991

	TOTALS			MOTOR POOL			SELF INSURANCE		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues									
Billings To User Programs	\$7,901,000	\$7,906,145	\$5,145	\$5,576,000	\$5,573,840	(\$2,160)	\$2,325,000	\$2,332,305	\$7,305
Contribution from Municipality	625,000	625,000					625,000	625,000	
Interest Earnings	385,000	423,827	38,827	165,000	194,650	29,650	220,000	229,177	9,177
Other		19,935	19,935		14,488	14,488		5,447	5,447
Total Revenues	8,911,000	8,974,907	63,907	5,741,000	5,782,978	41,978	3,170,000	3,191,929	21,929
Expenditures									
Motor Pool Operations	5,892,647	5,887,421	5,226	5,892,647	5,887,421	5,226			
Self Insurance Operations	2,140,363	2,194,616	(54,253)				2,140,363	2,194,616	(54,253)
Total Expenditures	8,033,010	8,082,037	(49,027)	5,892,647	5,887,421	5,226	2,140,363	2,194,616	(54,253)
Excess (Deficiency) of Revenues Over Expenditures	\$877,990	\$892,870	\$14,880	(\$151,647)	(\$104,443)	\$47,204	\$1,029,637	\$997,313	(\$32,324)



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 investment 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, 1991

Property and Equipment

Land	\$43,590,570
Buildings and Improvements	127,953,334
Streets and Storm Drains	680,018,186
Machinery and Equipment	21,670,972
Construction in Progress	14,288,989

Total General Fixed Assets	<u>\$887,522,051</u>
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Investment in General Fixed Assets From

General Fund	\$66,231,106
Special Revenue Funds	28,732,757
Capital Projects Funds	208,170,990
Contributions	567,672,977
Improvement Districts	16,714,221

Total Investment in General Fixed Assets	<u>\$887,522,051</u>
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CITY OF SCOTTSDALE

EXHIBIT 1-2

SCHEDULE OF GENERAL FIXED ASSETS BY FUNCTION AND ACTIVITY

AS OF JUNE 30, 1991

DEPARTMENT	TOTAL	LAND	BUILDINGS AND IMPROVEMENTS	STREETS AND STORM DRAINS	MACHINERY AND EQUIPMENT
General Government	\$1,749,839	\$464,153	\$833,838	\$	\$451,848
Police	3,636,789	40,855	1,009,158	48,038	2,538,738
Financial Services	924,522		309,745		614,777
Transportation	7,272,185		7,027,681		244,504
Community Services	19,265,581	7,434,014	9,919,969	134,747	1,776,851
Management Services	12,006,084		93,155		11,912,929
Planning & Zoning	218,735		13,121		205,614
Fire	672,299		397,962		274,337
Municipal Services	57,141				57,141
Capital Projects	827,429,887	35,651,548	108,348,705	679,835,401	3,594,233
Total General Fixed Assets Allocated to Functions	873,233,062	<u>\$43,590,570</u>	<u>\$127,953,334</u>	<u>\$680,018,186</u>	<u>\$21,670,972</u>
Construction in Progress	14,288,989				
Total General Fixed Assets	<u>\$887,522,051</u>				

CITY OF SCOTTSDALE

EXHIBIT 1-3

SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS BY FUNCTION AND ACTIVITY
FOR THE FISCAL YEAR ENDED JUNE 30, 1991

DEPARTMENT	JULY 1, 1990	ADDITIONS	DELETIONS	JUNE 30, 1991
General Government	\$1,472,087	\$347,077	(\$69,325)	\$1,749,839
Police	3,629,654	66,179	(59,044)	3,636,789
Financial Services	903,112	44,313	(22,903)	924,522
Transportation	7,214,565	57,620		7,272,185
Community Services	19,250,339	53,634	(38,392)	19,265,581
Management Services	12,149,662	160,244	(303,822)	12,006,084
Planning & Zoning	169,586	49,149		218,735
Fire	614,151	58,148		672,299
Municipal Services	33,141	24,000		57,141
Capital Projects	763,614,850	63,815,037		827,429,887
Construction in Progress	21,896,377	15,248,372	(22,855,760)	14,288,989
Total General Fixed Assets	<u>\$830,947,524</u>	<u>\$79,923,773</u>	<u>(\$23,349,246)</u>	<u>\$887,522,051</u>

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, 1991

	JULY 1, 1990	ISSUED	RETIRED	ADVANCE REFUNDINGS		JUNE 30, 1991	FINAL PAYMENT DATE
				ISSUED	DEFEASED		
GENERAL OBLIGATION BONDS							
1968 Civic Center	\$1,325,000	\$	\$200,000	\$	\$	\$1,125,000	07/01/96
1973 Storm Sewer	3,500,000					3,500,000	07/01/93
1984 Public Buildings	7,200,000		1,440,000			5,760,000	07/01/95
1984 Parks & Recreation	2,500,000		500,000			2,000,000	07/01/95
1984 Storm Sewer	300,000		60,000			240,000	07/01/95
1985 Public Buildings	2,637,000		94,500		2,430,000	112,500	07/01/05
1985 Parks & Recreation	2,680,900		122,860		2,411,800	146,250	07/01/05
1985 Storm Sewer	3,472,100		97,650		3,258,200	116,250	07/01/05
1986 Water Acquisition	36,775,000		585,000			36,190,000	07/01/06
1990 Capital Improvements	28,785,000					28,785,000	07/01/10
1991 G.O. Refunding				8,830,000		8,830,000	07/01/05
Total General Obligation Bonds	\$89,175,000	\$	\$3,100,000	\$8,830,000	\$8,100,000	\$86,805,000	
REVENUE BONDS							
1973 Utility Refunding	\$1,430,000	\$	\$260,000	\$	\$	\$1,170,000	07/01/95
1977 Utility	1,100,000		550,000			550,000	07/01/92
1984 Utility	8,400,000					8,400,000	07/01/00
1990 Utility	7,500,000		210,000			7,290,000	07/01/09
1984 HURF	1,825,000		400,000			1,425,000	07/01/03
1985 HURF	2,370,000		315,000			2,055,000	07/01/05
1987 HURF	9,690,000		55,000			9,635,000	07/01/07
1989 HURF Refunding	15,900,000		55,000			15,845,000	07/01/05
Total Revenue Bonds	\$48,215,000	\$	\$1,845,000	\$	\$	\$46,370,000	
MUNICIPAL PROPERTY CORPORATION BONDS							
Arts Building, Parking Garage	\$4,000,000	\$	\$465,000	\$	\$	\$3,535,000	07/01/96
Golf Course	11,345,000		415,000			10,930,000	07/01/04
Asset Transfer Refunding	45,715,000		700,000			45,015,000	11/01/14
Street Improvements	3,100,000					3,100,000	07/01/01
Civic Center Underpass, Library, Police, Horseworld Refunding	37,815,000		1,610,000			36,205,000	07/01/05
Total Municipal Property Corporation Bonds	\$101,975,000	\$	\$3,190,000	\$	\$	\$98,785,000	

CITY OF SCOTTSDALE

EXHIBIT J-1

SCHEDULE OF CHANGES IN LONG-TERM DEBT

FOR THE FISCAL YEAR ENDED JUNE 30, 1991

	JULY 1, 1990	ISSUED	RETIRED	ADVANCE REFUNDINGS		JUNE 30, 1991	FINAL PAYMENT DATE
				ISSUED	DEFEASD		
SPECIAL ASSESSMENTS							
PK-6802 5th Ave. Parking	\$30,000	\$	\$15,000	\$	\$	\$15,000	01/01/92
RW-6805 5th Ave.	7,000		2,000			5,000	01/01/93
RW-6806 Thomas, Civic Center, Earl	87,000		17,000			70,000	01/01/95
P-7827 Scottsdale and McKellips	4,000		4,000				01/01/91
P-8288 Indian Plaza Paving	59,000		29,000			30,000	01/01/92
P-7570 Scottsdale and Shea	47,000		23,000			24,000	01/01/92
P-8861 Gary Road Paving	18,000		6,000			12,000	01/01/93
W-7829 North Scottsdale	3,265,000		650,000			2,615,000	01/01/95
S-7830 Sewer Project	850,000		170,000			680,000	01/01/95
WSP-8871 Escondido Estates	72,000		18,000			54,000	01/01/94
WSP-8741 Hayden Road Extension	855,000		140,000			715,000	01/01/96
WSP-8978 N. Airport Industrial	3,645,000		520,000			3,125,000	07/01/97
15502 NW Airpark	1,385,000		175,000			1,210,000	01/01/98
08739 Via Linda	940,000		120,000			820,000	01/01/98
18501 CAP @ Hayden Road	620,000		70,000			550,000	01/01/99
10601 Pima/CAP	10,660,000					10,660,000	01/01/01
08834 Pima Acres		1,315,000				1,315,000	01/01/01
10004 Fifth Avenue/Marshall Way		1,215,000				1,215,000	01/01/02
10003 Old Scottsdale/West Main		1,095,000				1,095,000	01/01/02
Total Special Assessment Bonds	\$22,544,000	\$3,625,000	\$1,959,000	\$	\$	\$24,210,000	
Total Bonds	\$261,909,000	\$3,625,000	\$10,094,000	\$8,830,000	\$8,100,000	\$256,170,000	
CONTRACTS PAYABLE							
U.S. Corps of Engineers - Indian Bend Wash	\$3,896,085	\$	\$45,415	\$	\$	\$3,850,670	2039
State Land - CAP Plant	425,659		425,659				12/20/90
State Land - Sewer Reclamation Plant	191,438		191,438				12/20/90
Planet Ranch	750,000		750,000				01/05/91
Pepperwood	323,399		9,209			314,190	02/01/06
Scottsdale Plumbing	76,743		76,743				01/15/91
Plan 6	1,748,545		580,344			1,168,201	07/01/94
Allison Well	50,000		50,000				03/14/91
Telephone Phase II	33,959		33,959				09/19/90
Telephone Phase III	167,970		110,073			57,897	12/23/91
Computer Phase III	118,426		118,426				10/28/90
Computer Phase III.V	74,601		48,887			25,714	12/23/91
Computer Phase IV	1,824,942		885,286			939,656	04/01/92
Computer Aided Dispatch	315,391		315,391				10/01/90
Ladder Truck	308,723		69,162			239,561	09/30/93
Total Contracts	\$10,305,881	\$	\$3,709,992	\$	\$	\$6,595,889	
TOTAL BONDS AND CONTRACTS	\$272,214,881	\$3,625,000	\$13,803,992	\$8,830,000	\$8,100,000	\$262,765,889	

CITY OF SCOTTSDALE

EXHIBIT J-2

DEBT SERVICE REQUIREMENTS TO MATURITY
GENERAL OBLIGATION BONDS

FOR THE FISCAL YEAR ENDED JUNE 30, 1991

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
1991-92	\$2,325,000	\$3,406,071	\$5,731,071	\$690,000	\$2,474,823	\$3,164,823	\$3,015,000	\$5,880,894	\$8,895,894
1992-93	1,065,000	2,769,623	3,834,623	2,400,000	2,789,553	5,189,553	3,465,000	5,559,176	9,024,176
1993-94	730,000	2,622,613	3,352,613	2,915,000	2,661,153	5,576,153	3,645,000	5,283,766	8,928,766
1994-95	785,000	2,574,163	3,359,163	3,045,000	2,430,208	5,475,208	3,830,000	5,004,371	8,834,371
1995-96	1,440,000	2,522,288	3,962,288	1,130,000	2,188,473	3,318,473	2,570,000	4,710,761	7,280,761
1996-97	1,070,000	2,055,376	3,125,376	1,730,000	2,487,394	4,217,394	2,800,000	4,542,770	7,342,770
1997-98	1,050,000	1,900,355	2,950,355	1,960,000	2,446,200	4,406,200	3,010,000	4,346,555	7,356,555
1998-99	1,125,000	1,811,105	2,936,105	2,105,000	2,322,348	4,427,348	3,230,000	4,133,453	7,363,453
1999-00	1,200,000	1,715,480	2,915,480	3,065,000	2,186,818	5,251,818	4,265,000	3,902,298	8,167,298
2000-01	1,285,000	1,613,480	2,898,480	4,215,000	1,987,408	6,202,408	5,500,000	3,600,888	9,100,888
2001-02	1,375,000	1,513,250	2,888,250	4,540,000	1,708,063	6,248,063	5,915,000	3,221,313	9,136,313
2002-03	1,470,000	1,421,125	2,891,125	4,890,000	1,404,465	6,294,465	6,360,000	2,825,590	9,185,590
2003-04	1,575,000	1,321,900	2,896,900	5,265,000	1,074,540	6,339,540	6,840,000	2,396,440	9,236,440
2004-05	1,685,000	1,214,800	2,899,800	5,670,000	718,820	6,388,820	7,355,000	1,933,620	9,288,620
2005-06	2,850,000	1,100,220	3,950,220	5,070,000	329,550	5,399,550	7,920,000	1,429,770	9,349,770
2006-07	3,055,000	903,570	3,958,570				3,055,000	903,570	3,958,570
2008-10	3,264,000	691,504	3,955,504	7,266,000	693,716	7,959,716	10,530,000	1,385,220	11,915,220
TOTALS	\$27,349,000	\$31,156,923	\$58,505,923	\$55,956,000	\$29,903,532	\$85,859,532	\$83,305,000	\$61,060,455	\$144,365,455

*EXCLUDES GENERAL OBLIGATION BOND PRINCIPAL AND INTEREST PAYMENTS TO BE MADE FROM THE FULLY FUNDED SINKING FUND;
PRINCIPAL \$3,500,000, INTEREST \$374,500.

CITY OF SCOTTSDALE

EXHIBIT J-2

DEBT SERVICE REQUIREMENTS TO MATURITY
REVENUE BONDS AND HIGHWAY USER BONDS

FOR THE FISCAL YEAR ENDED JUNE 30, 1991

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
1991-92	\$1,095,000	\$1,374,280	\$2,469,280	\$1,000,000	\$2,117,132	\$3,117,132	\$2,095,000	\$3,491,412	\$5,586,412
1992-93	1,160,000	1,309,080	2,469,080	1,080,000	2,030,272	3,110,272	2,240,000	3,339,352	5,579,352
1993-94	1,260,000	1,208,480	2,468,480	1,175,000	1,936,280	3,111,280	2,435,000	3,144,760	5,579,760
1994-95	1,350,000	1,097,920	2,447,920	1,270,000	1,840,182	3,110,182	2,620,000	2,938,102	5,558,102
1995-96	1,455,000	993,770	2,448,770	1,360,000	1,747,892	3,107,892	2,815,000	2,741,662	5,556,662
1996-97	1,575,000	867,158	2,442,158	1,460,000	1,647,743	3,107,743	3,035,000	2,514,901	5,549,901
1997-98	1,720,000	728,183	2,448,183	1,555,000	1,548,003	3,103,003	3,275,000	2,276,186	5,551,186
1998-99	1,870,000	574,983	2,444,983	1,665,000	1,440,690	3,105,690	3,535,000	2,015,673	5,550,673
1999-00	1,215,000	406,883	1,621,883	1,780,000	1,325,170	3,105,170	2,995,000	1,732,053	4,727,053
2000-01	390,000	314,428	704,428	1,905,000	1,202,965	3,107,965	2,295,000	1,517,393	3,812,393
2001-02	420,000	288,103	708,103	2,035,000	1,071,269	3,106,269	2,455,000	1,359,372	3,814,372
2002-03	450,000	259,543	709,543	2,180,000	929,607	3,109,607	2,630,000	1,189,150	3,819,150
2003-04	480,000	228,943	708,943	2,330,000	776,682	3,106,682	2,810,000	1,005,625	3,815,625
2004-05	515,000	195,823	710,823	2,515,000	608,735	3,123,735	3,030,000	804,558	3,834,558
2005-06	550,000	160,288	710,288	2,715,000	426,685	3,141,685	3,265,000	586,973	3,851,973
2006-07	590,000	121,788	711,788	2,935,000	223,060	3,158,060	3,525,000	344,848	3,869,848
2007-08	635,000	80,488	715,488				635,000	80,488	715,488
2008-09	680,000	40,800	720,800				680,000	40,800	720,800
TOTALS	\$17,410,000	\$10,250,941	\$27,660,941	\$28,960,000	\$20,872,367	\$49,832,367	\$46,370,000	\$31,123,308	\$77,493,308

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, 1991

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
1991-92	\$3,390,000	\$7,580,621	\$10,970,621	\$3,162,000	\$1,551,464	\$4,713,464	\$1,624,066	\$277,049	\$1,901,115
1992-93	3,605,000	7,362,235	10,967,235	3,334,000	1,424,615	4,758,615	529,786	232,856	762,642
1993-94	3,840,000	7,122,280	10,962,280	3,327,000	1,173,100	4,500,100	418,768	223,669	642,437
1994-95	4,095,000	6,859,344	10,954,344	3,297,000	922,939	4,219,939	53,409	218,869	272,278
1995-96	4,155,000	6,571,636	10,726,636	2,445,000	711,940	3,156,940	56,878	215,400	272,278
1996-97	4,550,000	6,281,744	10,831,744	2,305,000	544,548	2,849,548	60,599	211,679	272,278
1997-98	4,900,000	5,941,198	10,841,198	1,775,000	382,868	2,157,868	64,597	207,681	272,278
1998-99	5,270,000	5,569,174	10,839,174	1,490,000	268,761	1,758,761	68,891	203,387	272,278
1999-00	5,700,000	5,151,048	10,851,048	1,425,000	167,549	1,592,549	73,511	198,767	272,278
2000-01	6,170,000	4,695,597	10,865,597	1,425,000	68,579	1,493,579	78,481	193,797	272,278
2001-02	5,920,000	4,200,871	10,120,871	225,000	7,313	232,313	83,834	188,444	272,278
2002-03	6,425,000	3,707,324	10,132,324				89,598	182,680	272,278
2003-04	6,970,000	3,171,071	10,141,071				95,813	176,465	272,278
2004-05	5,995,000	2,588,745	8,583,745				102,516	169,762	272,278
2005-06	2,070,000	2,119,226	4,189,226				87,811	163,008	250,819
2006-07	2,230,000	1,953,398	4,183,398				72,216	158,950	231,166
2007-40	23,500,000	7,756,935	31,256,935				3,035,115	2,132,401	5,167,516
TOTALS	<u>\$98,785,000</u>	<u>\$88,632,447</u>	<u>\$187,417,447</u>	<u>\$24,210,000</u>	<u>\$7,223,676</u>	<u>\$31,433,676</u>	<u>\$6,595,889</u>	<u>\$5,354,864</u>	<u>\$11,950,753</u>

**STATISTICAL
SECTION**

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

TABLE I

FISCAL YEAR	TOTAL	GENERAL GOVERNMENT	POLICE	FINANCIAL SERVICES	TRANSPORTATION	COMMUNITY SERVICES	MANAGEMENT SERVICES	PLANNING AND ZONING	ECONOMIC DEVELOPMENT	Fire	Water Resources	Municipal Services	Streetlight Districts(1)	Capital Improvements	Debt Services
(2) 1991	\$92,219,470	\$4,257,006	\$17,057,240	\$2,660,254	\$7,385,627	\$13,704,744	\$5,366,113	\$5,944,308	\$	\$5,721,096	\$	\$3,590,285	\$ 431,424	\$	\$26,121,373
(2) 1990	84,861,157	3,917,752	14,510,678	2,465,924	6,782,224	12,179,223	4,992,759	5,935,822		5,020,994		2,891,348	432,177		25,752,256
1989	95,645,945	5,202,464	14,138,466	2,856,972	6,504,125	12,323,686	4,441,009	5,889,490		4,787,139	1,418,078	6,081,417	415,041	1,976,266	27,611,812
1988	91,528,855	3,532,276	13,571,954	2,665,064	13,592,848	12,455,464	4,482,015	5,750,673	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	11,872,250	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	59,041,919	2,138,651	6,352,188	1,873,189	10,573,974	8,155,034	7,625,803	7,118,544						544,579	11,661,957
1984	50,714,853	1,927,456	7,433,027	1,792,739	9,035,611	7,198,146	5,833,288	5,678,868						9,366,874	2,428,846
1983	44,551,039	3,681,628	9,847,607	2,488,759	6,329,776	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	7,659,942	6,451,148		4,571,909			378,320			4,651,905	1,591,632

(1) Streetlight Districts were not classified as General Government expenditures until fiscal year 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 1989, have not been recast to reflect these changes.

TABLE II

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

FISCAL YEAR	TOTAL	TAXES	INTER-GOVERNMENT REVENUE	SPECIAL ASSESSMENTS*	LICENSES AND PERMITS	CHARGES FOR SERVICES	FINES AND FORFEITURES	USE OF MONEY AND PROPERTY	STREETLIGHT DISTRICTS*	MISCELLANEOUS
1991	\$92,656,392	\$46,358,382	\$25,176,007	\$2,774,035	\$4,253,153	\$1,529,674	\$2,215,138	\$6,345,610	\$558,163	\$3,446,230
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

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

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TABLE III

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

FISCAL YEAR	TOTAL TAXES	PRIVILEGE TAXES	GENERAL PROPERTY TAX	FRANCHISE	IN-LIEU PROPERTY
1991	\$46,358,382	\$31,159,495	\$11,924,840	\$3,122,093	\$151,954
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	1,022,588	51,915
1982	17,266,878	12,910,294	3,494,953	805,769	55,862

TABLE IV

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

FISCAL YEAR	TOTAL TAX LEVY	CURRENT TAX COLLECTIONS	% OF LEVY COLLECTIONS	DELINQUENT TAX COLLECTIONS	FUTURE YEAR TAX COLLECTIONS	TOTAL TAX COLLECTIONS	TOTAL COLLECTIONS % OF CURRENT LEVY	OUTSTANDING DELINQUENT TAXES	OUTSTANDING DELINQUENT AS % OF CURRENT LEVY
1991	\$12,465,643	\$11,220,265	90.01	\$644,872	\$59,702	\$11,924,839	95.66	\$933,490	7.49
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

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

COMPARATIVE ASSESSED VALUATION CLASSIFICATION

	REAL ESTATE	IMPROVEMENTS	SECURED PERSONAL	UNSECURED PERSONAL	UTILITIES RAILS WIRES	GROSS VALUATION	EXEMPTIONS	NET TAXABLE VALUATION	ESTIMATED ACTUAL VALUATION (\$000)
1990-91 P	Note	\$1,223,412,100	\$17,661,195	\$77,524,985	\$56,007,880	\$1,374,606,160	\$462,542	\$1,374,143,616	\$9,328,072
S	\$659,705,245	667,306,900	17,661,195	77,544,940	56,057,300	1,478,275,580	462,211	1,477,813,367	9,921,082
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

Note: Real Estate and Improvements combined in primary valuation.

ASSESSED VALUATION HISTORIES

	City of Scottsdale	Maricopa County	State of Arizona
1990-91 P	\$1,374,143,616	\$14,132,765,094	\$21,665,493,366
S	1,477,813,367	14,772,923,118	22,538,018,640
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

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 - DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS

TAX RATES PER \$100 ASSESSED VALUATIONS

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							
1990-91	Primary	\$.3941	\$4.1697	\$.7047	\$1.5045	\$.4700	\$	\$	\$	\$	\$7.2430
	Secondary	.4772	.9093	.0916	.1683		.4235	.1000	.0064	.0420	2.2183
	TOTAL	\$.8713	\$5.0790	\$.7963	\$1.6728	\$.4700	\$.4235	\$.1000	\$.0064	\$.0420	\$9.4613
1989-90	Primary	\$.3919	\$4.3220	\$.8889	\$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	\$.8473	\$1.4370	\$.4700	\$	\$	\$	\$	\$7.2967
	Secondary	.3556	.8458	.0684	.1656		.5000	.1000	.0087	.0445	2.0886
	TOTAL	\$.7587	\$5.1851	\$.7157	\$1.6026	\$.4700	\$.5000	\$.1000	\$.0087	\$.0445	\$9.3853
1987-88	Primary	\$.4100	\$5.2000	\$.8100	\$1.4300	\$.3800	\$	\$	\$	\$	\$8.0300
	Secondary	.4200	.4900	.0700	.2100		.5000	.1000	.0100	.0300	1.8300
	TOTAL	\$.8300	\$5.6900	\$.8800	\$1.6400	\$.3800	\$.5000	\$.1000	\$.0100	\$.0300	\$9.8600
1986-87	Primary	\$.4200	\$4.9100	\$.6600	\$1.4500	\$.3800	\$	\$	\$	\$	\$7.8200
	Secondary	.4400	.6500	.0800	.2200		.5000	.0700			1.9600
	TOTAL	\$.8600	\$5.5600	\$.7400	\$1.6700	\$.3800	\$.5000	\$.0700			\$9.7800
1985-86	Primary	\$.4300	\$4.7600	\$.7100	\$1.4500	\$.4000	\$	\$	\$	\$	\$7.7500
	Secondary	.4600		.1100	.1600		.5000	.0700			1.3000
	TOTAL	\$.8900	\$4.7600	\$.8200	\$1.6100	\$.4000	\$.5000	\$.0700			\$9.0500
1984-85	Primary	\$.4800	\$4.3000	\$.7500	\$1.5000	\$.4000	\$	\$	\$	\$	\$7.4300
	Secondary	.4200			.1600		.5000	.0700			1.1500
	TOTAL	\$.9000	\$4.3000	\$.7500	\$1.6600	\$.4000	\$.5000	\$.0700			\$8.5800
1983-84	Primary	\$.5100	\$4.3400	\$.7700	\$1.5300	\$.7500	\$	\$	\$	\$	\$7.9000
	Secondary	.4000	.1300		.2400		.4800	.0500			1.3000
	TOTAL	\$.9100	\$4.4700	\$.7700	\$1.7700	\$.7500	\$.4800	\$.0500			\$9.2000
1982-83	Primary	\$.5500	\$3.9800	\$.8000	\$1.5700	\$.7500	\$	\$	\$	\$	\$7.6500
	Secondary	.2600	.2100		.1600		.5000	.0300			1.1600
	TOTAL	\$.8100	\$4.1900	\$.8000	\$1.7300	\$.7500	\$.5000	\$.0300			\$8.8100
1981-82	Primary	\$.5900	\$4.1100	\$.7800	\$1.8000	\$.9500	\$	\$	\$	\$	\$8.0300
	Secondary	.3000	.2900	.0300	.1800		.3400	.0300			1.1700
	TOTAL	\$.8900	\$4.4000	\$.8100	\$1.7800	\$.9500	\$.3400	\$.0300			\$9.2000

Scottsdale residents residing outside Scottsdale Unified School District:

School District	1990-91 Tax Rate Total
Balsz Elementary	\$11.45
Cave Creek	9.99
Fountain Hills	10.73
Paradise Valley	12.34
Tempe	11.32

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

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							
1990-91	Primary	\$5,413,466	\$64,113,108	\$99,559,163	\$209,542,215	\$63,689,678	\$	\$	\$	\$	\$442,317,630
	Secondary	7,052,177	14,778,034	13,524,900	26,049,981		46,551,742	14,187,398	1,192,883	5,958,707	129,295,822
	TOTAL	\$12,465,643	\$78,891,142	\$113,084,063	\$235,592,196	\$63,689,678	\$46,551,742	\$14,187,398	\$1,192,883	\$5,958,707	\$571,613,452
1989-90	Primary	\$5,004,616	\$63,682,375	\$94,016,141	\$197,430,202	\$64,324,340	\$	\$	\$	\$	\$424,457,674
	Secondary	4,859,000	15,336,527	9,382,900	24,041,307		47,234,724	14,687,785	982,630	6,618,870	123,143,743
	TOTAL	\$9,863,616	\$79,018,902	\$103,399,041	\$221,471,509	\$64,324,340	\$47,234,724	\$14,687,785	\$982,630	\$6,618,870	\$547,601,417
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	\$3,154,347	\$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		35,258,000	6,326,751			69,084,970
	TOTAL	\$6,776,237	\$43,000,993	\$66,464,358	\$131,671,280	\$31,718,427	\$35,258,000	\$6,326,751			\$321,216,046
1984-85	Primary	\$2,719,021	\$32,632,320	\$52,825,981	\$105,958,455	\$28,197,257	\$	\$			\$222,333,034
	Secondary	2,762,021		11,919,468			29,484,792	5,544,888			49,711,169
	TOTAL	\$5,481,042	\$32,632,320	\$52,825,981	\$117,877,923	\$28,197,257	\$29,484,792	\$5,544,888			\$272,044,203
1983-84	Primary	\$2,558,626	\$29,535,753	\$49,021,392	\$97,060,969	\$47,791,454	\$	\$			\$225,968,194
	Secondary	2,449,836	1,044,991		17,945,309		25,750,000	3,738,606			50,928,742
	TOTAL	\$5,008,462	\$30,580,744	\$49,021,392	\$115,006,278	\$47,791,454	\$25,750,000	\$3,738,606			\$276,896,936
1982-83	Primary	\$2,188,451	\$22,663,965	\$42,157,932	\$82,722,892	\$39,432,461	\$	\$			\$189,165,701
	Secondary	1,259,905	1,441,572		9,655,311		22,348,935	1,810,371			36,516,094
	TOTAL	\$3,448,356	\$24,105,537	\$42,157,932	\$92,378,203	\$39,432,461	\$22,348,935	\$1,810,371			\$225,681,795
1981-82	Primary	\$2,035,753	\$20,619,199	\$35,382,235	\$72,719,050	\$43,109,179	\$	\$			\$173,865,416
	Secondary	1,270,315	1,806,942	1,502,500	9,605,781		13,500,000	1,599,438			29,284,976
	TOTAL	\$3,306,068	\$22,426,141	\$36,884,735	\$82,324,831	\$43,109,179	\$13,500,000	\$1,599,438			\$203,150,392

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

TABLE VII

**CITY OF SCOTTSDALE
PRINCIPAL TAXPAYERS
JUNE 30, 1991**

TAXPAYER	TYPE OF BUSINESS	ASSESSED VALUATION	PERCENT OF SECONDARY ASSESSED VALUATION
Motorola, Inc.	Electronics Manufacturing	\$28,078,100	1.9
Arizona Public Service	Electric Utility	28,033,245	1.9
Kemper Marley	Landowner	17,269,360	1.17
Westcor Company II Ltd. Partnership	Shopping Center	13,353,875	0.90
Joyce M. Corrigan	Property Owner of Undeveloped Land	11,986,760	0.81
McKesson Corporation	Pharmaceutical Company	10,851,515	0.73
Gary Herberger Trust	Owner of Vacant Land	10,103,950	0.68
U.S. West Communications	Telecommunications	9,416,380	0.64
Herberger Enterprises	Residential Property Owners	7,271,875	0.49
Robert L. Blackwell, et. al.	Hotel/Residential Property Owners	7,094,580	0.48
Mayo Foundation for Medicine	Medical Facility	6,621,040	0.45
MeraBank	Finance	5,137,960	0.36
Scottsdale Conference Center	Conference Center	4,486,515	0.30
		\$159,705,155	10.81

TABLE VIII

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

FISCAL YEAR	SPECIAL ASSESSMENTS BILLED	CURRENT ASSESSMENTS COLLECTED	RATIO OF COLLECTIONS TO AMOUNT DUE	TOTAL OUTSTANDING* CURRENT AND DELINQUENT ASSESSMENTS
1990-91	\$3,154,734	\$3,107,553	98.5%	\$47,181
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

* 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 not interested bidders, the delinquency must be satisfied from budgetary funds of the sponsoring governmental unit. Thus, in January of each year, all outstanding delinquent assessments are collected. The amounts shown in this column, if any, represent unpaid balances of the June 1 semi-annual interest installment only.

TABLE IX

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

FISCAL YEAR	POPULATION (1)	ASSESSED VALUE	GROSS BONDED DEBT (2)	LESS DEBT SERVICE FUNDS	NET BONDED DEBT	RATIO OF NET BONDED DEBT TO ASSESSED VALUE	NET BONDED DEBT PER CAPITA
1990-91	133,949	\$1,477,813,367	\$50,615,000	\$5,674,407	\$44,940,593	3.0%	\$335.51
1989-90	130,720	1,440,604,450	52,400,000	5,438,209	46,961,791	3.3	359.25
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

(1) Source: City Planning Staff

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

TABLE X

**CITY OF SCOTTSDALE
COMPUTATION OF LEGAL DEBT MARGINS
JUNE 30, 1991**

Assessed Value			\$1,477,813,367
Debt Limit 6% of Assessed Value			88,668,802
Amount of Debt Applicable to Debt Limit			
Total 6% General Obligation Bonded Debt			
1968 Civic Center	1,325,000		
1983 CIP Series A	4,400,000		
1985 CIP Series B	690,000		
1990 CIP Series A	21,519,000		
G.O. Refunding	1,930,000	29,864,000	
Less:			
Cash in Debt Service Funds			
1968 Civic Center	200,000		
1983 CIP Series A	2,000,000		
1985 CIP Series B	315,000	2,515,000	
Total Debt Applicable to Debt Limit			27,349,000
Legal Debt Margin			<u>\$61,319,802</u>
Debt Limit 20% of Assessed Value			\$295,562,674
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	5,600,000		
1986 Water Improvements	36,775,000		
1990 CIP Series A	7,266,000		
G.O. Refunding	6,900,000	60,041,000	
Less:			
Cash in Debt Service Funds			
1973 Storm Sewer Series A	3,500,000		
1986 Water Improvements	585,000	4,085,000	
Total Debt Applicable to Debt Limit			55,956,000
Legal Debt Margin			<u>\$239,606,674</u>

TABLE XI

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

FISCAL YEAR	PRINCIPAL	INTEREST	DEBT SERVICE	TOTAL EXPENDITURES	RATIO OF DEBT SERVICE TO TOTAL EXPENDITURES
1991	\$2,515,000	\$3,462,318	\$5,977,318	\$92,217,407	6.48%
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

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

COVERAGE INCLUDING 1986 GENERAL OBLIGATION BOND EXPENSES

FISCAL YEAR	GROSS REVENUE	OPERATING & MAINTENANCE EXPENSES	NET REVENUE AVAILABLE FOR DEBT SERVICE	PRINCIPAL	INTEREST	TOTAL	COVERAGE	REQUIRED COVERAGE
1991	\$34,101,914	\$25,034,722	\$9,067,192	\$1,020,000	\$3,956,008	\$4,976,008	1.83	1.20
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

COVERAGE NOT INCLUDING 1986 GENERAL OBLIGATION BOND EXPENSES

FISCAL YEAR	GROSS REVENUE	OPERATING & MAINTENANCE EXPENSES	NET REVENUE AVAILABLE FOR DEBT SERVICE	PRINCIPAL	INTEREST	TOTAL	COVERAGE
1991	\$34,101,914	\$25,034,722	\$9,067,192	\$1,020,000	\$2,014,346	\$3,034,346	2.99
1990	33,204,682	19,749,304	13,455,378	800,000	1,178,375	1,978,375	6.80
1989	28,081,975	15,044,722	13,037,253	765,000	964,798	1,729,798	7.54
1988	26,327,551	12,208,834	14,118,717	725,000	999,798	1,724,798	8.19
1987	19,757,728	11,333,904	8,423,824	690,000	1,033,111	1,723,111	4.89

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.

TABLE XIII

CITY OF SCOTTSDALE

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:

Name of Governmental Unit	Net Bond Outstanding	% Applicable To This Municipality	City of Scottsdale Share of Debt
State of Arizona	None	6.56%	\$ 0
Maricopa County	\$182,750,000	10.00	18,275,000
Maricopa County Community College District	19,600,000	10.00	1,960,000
Tempe Elementary School District No. 3	19,125,000	0.0004	80
Balsz Elementary School District No. 31	None	3.78	0
Scottsdale Unified School District No. 48	157,925,000	68.15	107,625,888
Paradise Valley Unified School District No. 69	163,905,000	19.62	32,158,161
Cave Creek Unified School District No. 93	19,010,000	44.38	8,436,638
Tempe Union High School District No. 213	48,165,000	0.0003	130
Phoenix Union High School District No. 210	108,200,000	0.22	203,040
Total Overlapping Debt			168,658,937
City of Scottsdale	47,115,000	100.00	47,115,000
Total Direct and Overlapping Debt			\$215,773,937

TABLE XIV

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

FISCAL YEAR	POPULATION (1)	PER CAPITA INCOME		MEDIAN AGE		EDUCATION LEVEL IN YEARS OF SCHOOLING	SCHOOL ENROLLMENT (3)	UNEMPLOYMENT RATE	
		(2)	(5)	(2)	(5)	(2)		(4)	(5)
1991	133,949	20,937		37.0		N/A	19,647	3.1%	
1990	130,720	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	

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 Years 1988, 1989, and 1990 only

TABLE XV

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

FISCAL YEAR	COMMERCIAL CONSTRUCTION (1)		RESIDENTIAL CONSTRUCTION (1)		BANK DEPOSITS MARICOPA COUNTY (\$000) (2)	PROPERTY VALUE (3)		
	NUMBER OF PERMITS	VALUE	NUMBER OF DWELLING UNITS	VALUE		COMMERCIAL	RESIDENTIAL	NONTAXABLE
1991	935	\$ 53,179,292	2,028	\$363,705,832	\$18,992,331	\$4,131,284,706	\$5,789,786,355	\$607,232,155
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

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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

TABLE XVIa

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

**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	628,034	628,034
1990-91	1989 (1)*	9.29%	6,614,720	N/A	N/A
1991-92	1990 (3)*	9.67%	7,639,666	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%)
1990	20,747,016	19,995,347	103.8%	(751,669)	7,639,666	(9.8%)

* 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.

TABLE XVib

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

**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
1991-92	1990	3.60%	3,423,840,186	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	\$5,459.2	\$4,952.5	110.2%	(\$506.7)	\$2,477.7	(20.4%)
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%)
1990	7,287.9	6,639.7	109.8%	(648.2)	3,211.7	(20.2%)

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**

**Required Supplementary Information
Computed Contribution Comparative Schedule**

Fiscal Year(1)	Valuation Date June 30	Contribution Rates As Percents of Valuation Payroll	Valuation Payroll	Employer Dollar Contribution For Fiscal Year	
				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) Unfunded PBO (2)-(1)	(5) Annual Covered Payroll	(6) Unfunded 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%)
1989	84,258,462	84,716,959	99.5%	458,497	24,604,684	(1.9%)

* 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 the percentage, the stronger the plan.

TABLE XVII

**CITY OF SCOTTSDALE
MISCELLANEOUS STATISTICAL DATA
JUNE 30, 1991**

Date of Incorporation	- June 25, 1951	Area - Square Miles
Date Charter Adopted	- November 16, 1961	1951 - .62
Form of Government	- Council/Manager	1961 - 8.80
Population		1970 - 62.20
1950 Census	- 2,032	1975 - 85.80
1960 Census	- 10,026	1979 - 88.60
1965 Special Census	- 54,504	1982 - 113.60
1970 Census	- 67,823	1986 - 183.60
1975 Special Census	- 78,065	1987 - 184.30
1980 Census	- 88,412	1988 - 184.80
1985 Census	- 108,447	1989 - 184.80
1990 Census	- 130,069	1990 - 185.20
1991 Est. 06/30/91	- 133,949	1991 - 185.20
Miles of Sewers		
Storm		23.00
Sanitary		680.70
Fire Protection		
Number of Stations		6
The City of Scottsdale has no fire employees but contracts with Rural/Metro Corporation to provide fire service to all residents.		
Police Protection		
Number of Employees		303
Number of Traffic Citations (excluding parking)		41,353
Number of Vehicles		136
The City jail is a holding facility. All long-term prisoners are incarcerated in the County jail.		
Recreation		
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.		
Water Enterprise		
Number of Water Customers		46,517
Annual Consumption (Gallons)		13,183,006,305
System Capacity (Gallons Per Day)		86,645,120
Miles of Distribution Lines		923.50
Number of Streetlights		7,644
Employees as of June 30, 1991		
Full-Time		1,128
Part-Time		297
Grant Funded		5
Total		1,430
Elections		
Number of registered voters as of last regular election, March, 1990		74,204
Number/% voting in last municipal election		12,423/16.7%
Population		
Median Age of Residents		37.4
Mean Average Household Income		48,508
Mean Average Home Value - Single Family		148,358

TABLE XVIIIa

**CITY OF SCOTTSDALE
SCHEDULE OF INSURANCE IN FORCE
June 30, 1991**

Carrier	Policy Description	Amount of Coverage
Arkwright Mutual Insurance Co. 12/31/90 to 12/31/95	Property Insurance Repair or Replace \$10,000 Deductible	\$137,421,000
Insurance Company of the West 07/01/90 to 07/01/91	Excess Liability Coverage \$1,000,000 Retention	\$ 1,000,000
Insurance Company of the West 07/01/90 to 07/01/91	Excess Liability Coverage	\$ 9,000,000
National Union Fire Insurance 07/01/90 to 07/01/91	Airport, Hangarkeepers and Non-owned Aviation Coverage \$5,000 Deductible	\$ 50,000,000
Employers Reinsurance 07/01/90 to 07/01/91	Excess Workers' Compensation Coverage \$300,000 Retention	Statutory

TABLE XVIIIb

**CITY OF SCOTTSDALE
GENERAL INSURANCE
JUNE 30, 1991**

REAL PROPERTY (BUILDINGS)

FACILITY/ADDRESS	CONSTRUCTION	ACQUISITION DATE	AREA SQUARE FEET	REPLACEMENT COST (6/30/91)
PARKS				
Aqua Linda Park Building 8732 East McDonald	Conc./Block	04/75	1,300	\$ 90,029
Cactus Park 7202 East Cactus Road	Conc./Block	04/87	12,000 & 17 Acres	1,585,700
Chaparral Park 5401 North Hayden Road	Conc./Block	10/74	4,650	278,669
Recreation Center	Conc./Block	10/81	2,000	160,773
Chestnut Park 4565 North Granite Reef				
Senior Citizen Center	Adobe	08/65	950	55,734
Ramadas	Conc./Block	07/69	693	18,008
Eldorado Park Recreation Center	Conc./Block	10/68	10,000	643,092
2311 North Miller Road				
Pool/Bath House	Conc./Block	06/68	3,515	188,640
2301 North Miller Road				
Restrooms	Conc./Block	07/70	350	17,153
2301 North Miller Road				
South Control Building	Conc./Block	07/70	1,944	133,978
1909 North Miller Road				
Concession Stand	Conc./Block	1970	210	5,357
2301 North Miller Road				
Paiute Park 6535 East Osborn				
Control Building	Conc./Block	07/82	1,500	130,764
Maintenance Compound	Conc./Block	--	720	32,152
Pima Park 8600 East Thomas Road	Conc./Block	--	500	46,091
Vista Del Camino 7700 East Roosevelt	Conc./Block	08/73	12,100	859,510

TABLE XVIIIb
(Continued)CITY OF SCOTTSDALE
GENERAL INSURANCE
JUNE 30, 1991

REAL PROPERTY (BUILDINGS)

FACILITY/ADDRESS	CONSTRUCTION	ACQUISITION DATE	AREA SQUARE FEET	REPLACEMENT COST (6/30/91)
PARKS (Continued)				
WestWorld Park				
16600 North Pima Road			108,000	1,212,000
Control/Restrooms	Conc./Block	05/83		
Park Residence	Block/Frame	06/84		
McCormick Park				
7303 East Indian Bend				
Bldg./N. Branch Library	Adobe	12/67	3,108	324,591
Storage Building	Adobe	12/67	616	43,726
Railroad Train Shed	Steel	12/71	6,400	420,448
Train Depot	Wood Frame	04/75	504	42,044
Peoria Building	Wood Frame	04/75	1,008	92,495
Machine Shop Museum	Wood Frame	1974	180	9,748
North Star-Train Car	Steel	- -	750	343,083
Indian School Park				
4289 North Hayden Road				
Sports Control Building	Conc./Block	02/80	2,265	186,498
Visitor Center	Conc./Block	02/80	3,918	321,546
Shower and Lockers	Conc./Block	02/80	3,600	321,546
Mountain View Park				
8625 East Mountain View	Conc./Block	1986	12,000	889,609
Restrooms/Storage	Conc./Block	1986	800	30,010
TOTAL PARKS				8,482,994
MAINTENANCE AND POLICE COMPLEX				
Street Maintenance				
Storage Building	Conc./Block	08/71	8,479	555,055
1327 East McKellips	Metal	07/66	600	8,914
Sanitation Center				
1325 East McKellips	Conc./Block	07/66	3,640	179,699

TABLE XVIIIb
(Continued)CITY OF SCOTTSDALE
GENERAL INSURANCE
JUNE 30, 1991

REAL PROPERTY (BUILDINGS)

FACILITY/ADDRESS	CONSTRUCTION	ACQUISITION DATE	AREA SQUARE FEET	REPLACEMENT COST (6/30/91)
MAINTENANCE COMPLEX (Continued)				
Fleet Maintenance 1323 East McKellips	Conc./Block	11/64	20,646	787,096
P/M Building 1323 East McKellips	Conc./Block	02/69	1,600	103,959
Auto Parts Building 1323 East McKellips	Sheet Metal	11/74	1,600	133,656
Corporation Yard 9191 E. San Salvador	Conc./Block	01/87	93,720	7,006,370
Facilities Maint. Shop 1601 East McKellips	Sheet Metal	11/74	1,600	34,901
Facilities Maint. Bldg. 1601 East McKellips	Conc./Block	02/75	5,400	594,037
Mower Shop 1323 East McKellips	Conc./Block	09/67	780	23,759
Municipal Utilities 1501 North Miller	Conc./Block	06/79	4,760	835,365
Police Building 9065 East Via Linda	Conc./Block	08/88	50,000	5,895,269
Water Resources Von Dix Building 9388 E. San Salvador	Conc./Block	04/91	9,575	1,065,584
TOTAL MAINTENANCE COMPLEX				17,223,664

TABLE XVIIIb
(Continued)CITY OF SCOTTSDALE
GENERAL INSURANCE
JUNE 30, 1991

REAL PROPERTY (BUILDINGS)

FACILITY/ADDRESS	CONSTRUCTION	ACQUISITION DATE	AREA SQUARE FEET	REPLACEMENT COST (6/30/91)
AIRPORT				
Terminal 7600 East Butherus Drive	Conc./Block	01/68	10,250	871,574
Service Hangar 7600 East Butherus Drive	Conc./Block	01/68	15,714	716,925
"T" Hangars 7600 East Butherus Drive	Conc./Block	11/71	14,400	402,265
F.A.A. Building 7600 East Butherus Drive	Conc./Block	07/72	5,930	491,657
Maintenance Shop 7600 East Butherus Drive	Conc./Block	06/82	1,400	62,577
TOTAL AIRPORT				2,544,998
CIVIC CENTER COMPLEX				
City Hall 3939 Civic Center Plaza	Conc./Block	10/68	37,000	4,779,118
Library 3839 Civic Center Plaza	Conc./Block	10/68	40,000	6,153,021
Police Substation 3739 Civic Center Plaza	Conc./Block	04/71	23,260	2,941,524
Pepperwood Building	Conc./Block	08/84	10,195	1,114,535
Mall Parking Facility 7335 Civic Center Mall (446 Spaces)	Conc./Block	12/74	140,000	2,610,244
Court Building 3629 Civic Center Plaza	Conc./Block	09/75	7,500	643,092

TABLE XVIIIb
(Continued)CITY OF SCOTTSDALE
GENERAL INSURANCE
JUNE 30, 1991

REAL PROPERTY (BUILDINGS)

FACILITY/ADDRESS	CONSTRUCTION	ACQUISITION DATE	AREA SQUARE FEET	REPLACEMENT COST (6/30/91)
CIVIC CENTER COMPLEX (Continued)				
One Civic Center	Conc./Block	11/84	58,000	8,594,292
Center for the Arts 7384 East Second Street	Conc./Block	09/75	88,000	13,344,120
Civic Center Parking Structure	Conc./Block	1986		5,511,570
Pedestrian Mall Overpass Civic Center & Second St.	Conc./Block	1986		6,430,920
Senior Center I	Conc./Block	09/76	5,200	450,166
Senior Center II	Conc./Block	11/77	5,145	466,237
Senior Center III 7375 East Second Street	Conc./Block	02/79	3,712	278,669
7440 E. 1st Avenue	Conc./Block	08/90	3,813	451,322
TOTAL CIVIC CENTER COMPLEX				53,768,830
FIRE DEPARTMENT				
Fire Station #10 2857 North Miller Road	Conc./Block	08/68	8,424	539,123
Fire Station #11 7339 East McDonald	Conc./Block	12/71	4,023	290,465
Fire Station #12 13665 N. Scottsdale Rd.	Conc./Block	12/71	2,120	152,202
Fire Station #13 9045 East Via Linda	Conc./Block	1988	3,800	570,650

TABLE XVIIIb
(Continued)CITY OF SCOTTSDALE
GENERAL INSURANCE
JUNE 30, 1991

REAL PROPERTY (BUILDINGS)

FACILITY/ADDRESS	CONSTRUCTION	ACQUISITION DATE	AREA SQUARE FEET	REPLACEMENT COST (6/30/91)
FIRE DEPARTMENT (Continued)				
Fire Station #19 10850 East Via Linda	Conc./Block	1986	8,800	648,449
TOTAL FIRE DEPARTMENT				2,200,889
PLANET RANCH				
Residences	Conc./Block	1985	9,000	321,546
Manager Residence	Conc./Block	1985	2,000	64,305
Guest House	Wood Frame	1985	2,000	123,263
Steel Shop	Sheet Metal	1985	2,500	568,062
Remodeled Home	Conc./Block	1985	1,500	75,030
TOTAL PLANET RANCH				1,152,206
MISCELLANEOUS				
Graphics 7501 East Second St.	Conc./Block	1972	17,200	959,281
Mustang Library 10101 N. 70th Street	Conc./Block	05/87	31,420	4,068,280
Gainey Ranch Water 1283 E. Mountain View Rd.	Conc./Block		2,000 & 2 Acres	3,636,000
Police Annex 3720 North 75th Street	Block	1980	2,752	181,140
Bishop Plaza 7120 East Fourth Street	Conc./Block	1986	6,200	361,198

TABLE XVIIIb
(Continued)CITY OF SCOTTSDALE
GENERAL INSURANCE
JUNE 30, 1991

REAL PROPERTY (BUILDINGS)

FACILITY/ADDRESS	CONSTRUCTION	ACQUISITION DATE	AREA SQUARE FEET	REPLACEMENT COST (6/30/91)
MISCELLANEOUS (Continued)				
Scottsdale Plumbing 3700 North 75th Street	Conc./Block	1986	6,000	428,728
Troon Water Plant 24301 N. Alma School Rd.	Conc./Block	1988	3,600	1,868,500
Various Structures				6,062,490
TOTAL MISCELLANEOUS				17,565,617
TOTAL REAL PROPERTY				\$102,939,198

TABLE XIX

**CITY OF SCOTTSDALE
SALARIES AND SURETY BONDS OF PRINCIPAL OFFICIALS
FOR FISCAL YEAR ENDED JUNE 30, 1991**

OFFICIAL TITLE	MAXIMUM	BOND
Mayor	\$27,600	\$ 10,000
Councilmen (6)	13,800	10,000
City Manager	109,574	1,000,000
City Clerk	55,307	1,000,000
City Attorney	90,126	1,000,000
City Treasurer	85,821	1,000,000
City Judge	77,730	1,000,000
City Auditor	67,184	1,000,000

PUBLIC EMPLOYEES HONESTY AND FAITHFUL PERFORMANCE BOND

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

**CITY OF SCOTTSDALE
EXPENDITURE LIMITATION
FISCAL YEAR 1990-91**

Expenditure Limit Base (1979-80)		\$31,361,444
Population Factor:	$\frac{\text{1990 Population}}{\text{1978 Population}} = \frac{132,605}{83,000}$	1.5977
Inflation Factor:	$\frac{\text{1990 GNP Deflator}}{\text{1978 GNP Deflator}} = \frac{126.3}{72.2}$	1.7493
Expenditure Limitation Fiscal Year 1990-91		\$87,648,029
Total Expenditures Fiscal Year 1990-91	\$166,092,479	
Exclusions	89,475,269	
Expenditures Subject to Limitation		\$76,617,210
Expenditures Under Limitation		\$11,030,819

