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TOWN OF SCOTTSDALE, ARIZONA
REPORT ON EXAMINATION OF FINANCIAL STATEMENTS
AND ADDITIONAL INFORMATION
THREE MONTHS ENDED SEPTEMBER 30, 1961

TOUCHE, ROSS, BAILEY & SMART
CERTIFIED PUBLIC ACCOUNTANTS
PHOENIX, ARIZONA

TOUCHE, ROSS, BAILEY & SMART

MEMBERS THE FIRM OF
DALE & EIKNER
CERTIFIED PUBLIC ACCOUNTANTS

501 UNION TITLE BUILDING
222 NORTH CENTRAL AVENUE
PHOENIX 4, ARIZONA

October 13, 1961

Common Council
Town of Scottsdale, Arizona

We have examined the financial records of the Town of Scottsdale for the three months ended September 30, 1961. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances, except that the examination of property and equipment was excluded from the scope of our examination.

In our opinion, with the exception of the property and equipment, the accompanying balance sheet and related statements of revenues, expenditures and surplus, present fairly the financial position of the Town of Scottsdale at September 30, 1961, and the financial results of its operations for the three months then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Touche, Ross, Bailey & Smart
Touche, Ross, Bailey & Smart

TOWN OF SCOTTSDALE, ARIZONA

BALANCE SHEET

SEPTEMBER 30, 1961

ASSETS	Total	General Fund	Library Fund	Gas Tax Fund	Public Works Reserve Fund	Sewer Revenue Fund	Replacement and Extension Reserve Fund	Debt Service	Special Assessment Fund	Dorothy I. Ketchum Trust Fund
Cash	\$ 146,847.64	\$ 29,057.87		\$ 9,960.84	\$ 5,831.69	\$ 19,405.27	\$29,577.45	\$27,582.35	\$ 20,723.70	\$4,708.47
Investments	35,800.00							5,800.00	30,000.00	
Accounts receivable:										
Sewer and garbage service	44,820.73					44,820.73				
Electrical permits (contra)	1,426.06	1,426.06								
Property tax assessments (contra)	66,077.01							240.68		
Other	12,934.26	7.00		1,898.00	10,000.00			200.00	502.13	327.13
Inter-fund receivables	117,822.26	58,228.27	\$579.34		24,238.49	339.55	1,173.95	31,084.66	2,178.00	
Advances to construction funds	3,015.32	3,015.32								
Unsecured sewer assessments receivable (contra)	26,474.20					26,474.20				
Improvement district assessments receivable	352,604.39								352,604.39	
Deferred paving costs	9,170.00	9,170.00								
Property and equipment	2,709,561.80	265,493.23		64,532.21		2,379,536.36				
	<u>\$3,526,553.67</u>	<u>\$366,397.75</u>	<u>\$579.34</u>	<u>\$76,391.05</u>	<u>\$105,906.51</u>	<u>\$2,470,576.11</u>	<u>\$30,751.40</u>	<u>\$64,907.69</u>	<u>\$406,008.22</u>	<u>\$5,035.60</u>
LIABILITIES AND SURPLUS										
LIABILITIES:										
Accounts payable	\$ 78,390.62	\$ 78,390.62								
Matured bond interest coupons payable	419.96							\$ 419.96		
Matured bonds payable	9,000.00							9,000.00		
Inter-fund payables	117,822.26	32,019.45		\$ 2,801.75	\$ 38,124.99	\$ 39,005.47		3,644.28	\$ 1,132.48	\$1,093.84
Due to construction funds	1,288.00	1,288.00								
Guarantee deposits	25,940.54	8,000.00					17,940.54			
Construction advances refundable	10,939.56						10,939.56			
Other refundable deposits	240.00						240.00			
U. S. preliminary planning advance payable	9,170.00	9,170.00								
Improvement district assessments payable	8,083.61	8,083.61								
Trust liabilities	3,941.76									3,941.76
Improvement district bonds and interest payable	403,264.73								403,264.73	
Bonded debt	2,318,000.00	226,000.00		38,000.00		2,054,000.00				
TOTAL LIABILITIES	\$2,986,501.04	\$362,951.68		\$40,801.75	\$ 38,124.99	\$2,122,125.57		\$13,064.24	\$404,397.21	\$5,035.60
UNCOLLECTED REVENUES (Contra)	93,977.27	1,426.06						240.68		
SURPLUS:										
Invested in property and equipment	\$ 190,313.28	\$ 31,409.62		\$26,532.21		\$ 132,371.45				
Grants in and of construction	182,225.35					182,225.35				
Reserve for future assessments from sewer connections	9,064.66					9,064.66				
Restricted to Debt Service	51,602.77							\$51,602.77		
Available for appropriation-Deficit*	12,869.30	29,389.61*	\$579.34	9,057.09	\$ 1,945.19	1,685.12*	\$30,751.40		\$ 1,611.01	
TOTAL SURPLUS	\$ 446,075.36	\$ 2,020.01	\$579.34	\$35,589.30	\$ 1,945.19	\$ 321,976.34	\$30,751.40	\$51,602.77	\$ 1,611.01	
	<u>\$3,526,553.67</u>	<u>\$366,397.75</u>	<u>\$579.34</u>	<u>\$76,391.05</u>	<u>\$105,906.51</u>	<u>\$2,470,576.11</u>	<u>\$30,751.40</u>	<u>\$64,907.69</u>	<u>\$406,008.22</u>	<u>\$5,035.60</u>

TOWN OF SCOTTSDALE, ARIZONA
STATEMENT OF REVENUES, EXPENDITURES AND SURPLUS
THREE MONTHS ENDED SEPTEMBER 30, 1961

	<u>Revenues</u>	<u>Expenditures</u>	<u>Excess-Deficit*</u> <u>Revenues over</u> <u>Expenditures</u>	<u>Inter-Fund</u> <u>Revenue Transfers</u>		<u>Increase</u> <u>Decrease*</u> <u>in Surplus</u>	<u>Surplus</u> <u>July 1, 1961</u>	<u>Surplus, September 30, 1961</u>		
				<u>Received</u>	<u>Made</u>			<u>Total</u>	<u>Restricted to</u> <u>Debt Service</u>	<u>Available for</u> <u>Appropriations</u>
General Fund	\$159,877.70	\$216,208.00	\$56,330.30*		\$13,439.81	\$69,770.11*	\$ 40,380.50	\$29,389.61*		\$29,389.61*
Special General Fund		4,201.14	4,201.14*	\$ 4,201.14						
Library Fund	579.34	2,228.67	1,649.33*	2,228.67		579.34		579.34		579.34
Water Tax Fund	5,336.74		5,336.74		903.75	4,432.99	4,624.10	9,057.09		9,057.09
Public Works Reserve Fund	6,254.13	34,719.09	28,464.96*			28,464.96*	30,410.15	1,945.19		1,945.19
Water Revenue Fund	36,268.12	16,617.08	19,651.04		21,336.16	1,685.12*		1,685.12*		1,685.12*
Water Replacement and Extension Reserve Fund							30,751.40	30,751.40		30,751.40
Debt Service Fund	9,694.26		9,694.26	29,249.91		38,944.17	12,658.60	51,602.77	51,602.77	
Special Assessment Funds	7.65		7.65			7.65	1,603.36	1,611.01		1,611.01
	<u>\$218,017.94</u>	<u>\$273,973.98</u>	<u>\$55,956.04*</u>	<u>\$35,679.72</u>	<u>\$35,679.72</u>	<u>\$55,956.04*</u>	<u>\$120,428.11</u>	<u>\$64,472.07</u>	<u>\$51,602.77</u>	<u>\$12,869.30</u>

* Deficit

TOWN OF SCOTTSDALE, ARIZONA

STATEMENT OF REVENUES COLLECTED

THREE MONTHS ENDED SEPTEMBER 30, 1961

	Approved 1961-62 Budget	Three Months Ended September 30, 1961	Revenues Under or Over * Budget
GENERAL FUND:			
Privilege license tax	\$ 200,000.00	\$ 51,535.28	\$ 148,464.72
Business license tax		2,261.75	2,261.75*
Auto lieu tax	25,000.00	1,345.65	23,654.35
State sales tax	400,000.00	24,238.48	375,761.52
State bank income tax	1,500.00	5,192.29	3,692.29*
Contractors licenses	10,000.00	1,604.00	8,396.00
Fines and forfeitures	35,000.00	16,715.00	18,285.00
Parking tickets	7,000.00	908.00	6,092.00
Bicycle licenses	175.00	9.75	165.25
Plumbing permits	18,000.00	1,774.00	16,226.00
Electrical permits	20,000.00	1,937.47	18,062.53
Mechanical permits	5,000.00	225.50	4,774.50
Sign permits	300.00	103.00	197.00
Building permits	35,000.00	8,279.50	26,720.50
Recreation program	15,000.00	8,368.11	6,631.89
Refuse removal	200,000.00	29,420.25	170,579.75
Utility franchise	29,000.00	4,668.00	24,332.00
Other revenues	2,500.00	1,291.67	1,208.33
TOTAL GENERAL FUND	\$1,003,475.00	\$159,877.70	\$ 843,597.30
LIBRARY FUND:			
Fines and gifts	\$ 2,000.00	\$ 579.34	1,420.66
GAS TAX FUND:			
State motor vehicle fuel tax	\$ 50,000.00	\$ 5,336.74	\$ 44,663.26
PUBLIC WORKS RESERVE FUND:			
Property tax collection	\$ 68,400.00	\$ 5,096.64	\$ 63,303.36
Other revenues		1,157.49	1,157.49*
TOTAL PUBLIC WORKS RESERVE FUND	\$ 68,400.00	\$ 6,254.13	\$ 62,145.87
SEWER REVENUE FUND:			
Sewer rentals	\$ 200,000.00	\$ 36,111.05	\$ 163,888.95
Sewer connections	1,000.00	152.87	847.13
Other revenues	500.00	4.20	495.80
TOTAL SEWER REVENUE FUND	\$ 201,500.00	\$ 36,268.12	\$ 165,231.88
DEBT SERVICE FUND:			
Property tax		\$ 170.37	\$ 170.37*
Interest from sale of bonds		9,523.89	9,523.89*
TOTAL DEBT SERVICE FUND		\$ 9,694.26	\$ 9,694.26*
SPECIAL ASSESSMENT FUNDS:			
Penalties		\$ 7.65	\$ 7.65*
TOTAL ALL FUNDS	<u>\$1,325,375.00</u>	<u>\$218,017.94</u>	<u>\$1,107,357.06</u>

TOWN OF SCOTTSDALE, ARIZONA

STATEMENT OF EXPENDITURES

THREE MONTHS ENDED SEPTEMBER 30, 1961

	Expenditures					Total	Approved 1961-62 Budget	Unencumbered Appropriation
	Personal Services	Contractual Services	Commodities	Other Expense	Capital Outlay			
GENERAL FUND:								
Buildings and grounds maintenance	\$ 1,035.00	\$ 1,327.50	\$ 1,078.28		\$ 413.53	\$ 3,854.31	\$ 7,445.00	\$ 3,590.69
Town clerk's office	3,578.19	93.50	359.89	\$ 10.00	212.18	4,253.76	16,496.00	12,242.24
Town magistrate's court	1,961.90		298.48		2,229.50	4,489.88	8,817.00	4,327.12
Town attorney		4,129.00	8.00	14.83		4,151.83	14,000.00	9,848.17
Town manager's office	7,099.46		1,731.84	242.37	1,202.12	10,275.79	30,960.00	20,684.21
Accounting division	2,180.00		1,136.57	68.82		3,385.39	13,757.00	10,371.61
Planning and zoning division			136.00	20.00		156.00	9,979.00	9,823.00
Miscellaneous operations		3,548.05		9,871.92		13,419.97	16,026.00	2,606.03
Mayor and council			23.50	1,044.00		1,067.50	4,360.00	3,292.50
Community promotion	1,260.00		74.18	2,000.00		3,334.18	10,060.00	6,725.82
Police department	34,525.38	2,361.54	6,857.03	6,580.01	4,919.99	55,243.95	106,260.00	51,016.05
Fire department			3,925.00			3,925.00	19,000.00	15,075.00
Building inspection	5,910.00		203.42	609.57		6,722.99	28,490.00	21,767.01
Civil defense	5.80			30.00		35.80	2,500.00	2,464.20
Engineering	5,227.86		606.46	454.76	953.76	7,242.84	23,313.00	16,070.16
Street maintenance	7,419.23	920.03	9,415.97	1,042.00	268.48	19,065.71	36,123.00	17,057.29
Street lighting		280.19	153.05			433.24	17,865.00	17,431.76
Parks and recreation	20,252.84	1,860.62	2,578.31	183.21	383.20	25,258.18	65,993.00	40,734.82
Refuse disposal	793.36	48,518.79	438.74		140.79	49,891.68	160,724.00	110,832.32
Contingencies							12,680.00	12,680.00
TOTAL GENERAL FUND	\$91,249.02	\$63,039.22	\$29,024.72	\$22,171.49	\$10,723.55	\$216,208.00	\$ 604,848.00	\$388,640.00
SPECIAL GENERAL FUND:								
Elections			\$ 108.88			\$ 108.88	\$ 1,000.00	\$ 891.12
Social security				\$ 2,573.27		2,573.27	14,900.00	12,326.73
State retirement				1,518.99		1,518.99	15,000.00	13,481.01
TOTAL SPECIAL GENERAL FUND			\$ 108.88	\$ 4,092.26		\$ 4,201.14	\$ 30,900.00	\$ 26,698.86
LIBRARY FUND	\$ 1,035.00	\$ 186.23	\$ 571.80		\$ 435.64	\$ 2,228.67	\$ 20,655.00	\$ 18,426.33
GAS TAX FUND							50,000.00	50,000.00
PUBLIC WORKS RESERVE FUND					34,719.09	34,719.09	180,000.00	145,280.91
SEWER REVENUE FUND	7,646.52	1,118.65	1,896.12	635.63	5,320.16	16,617.08	55,276.00	38,658.92
SEWER REPLACEMENT AND EXTENSION RESERVE FUND								
DEBT SERVICE FUND							97,916.00	97,916.00
TOTAL ALL FUNDS	\$99,930.54	\$64,344.10	\$31,601.52	\$26,899.38	\$51,198.44	\$273,973.98	\$1,039,595.00	\$765,621.02

TOWN OF SCOTTSDALE, ARIZONA

STATEMENT OF EXPENDITURES

THREE MONTHS ENDED SEPTEMBER 30, 1961

	Expenditures					Total	Approved 1961-62 Budget	Unencumbered Appropriation
	Personal Services	Contractual Services	Commodities	Other Expense	Capital Outlay			
GENERAL FUND:								
Buildings and grounds maintenance	\$ 1,035.00	\$ 1,327.50	\$ 1,078.28		\$ 413.53	\$ 3,854.31	\$ 7,445.00	\$ 3,590.69
Town clerk's office	3,578.19	93.50	359.89	\$ 10.00	212.18	4,253.76	16,496.00	12,242.24
Town magistrate's court	1,961.90		298.48		2,229.50	4,489.88	8,817.00	4,327.12
Town attorney		4,129.00	8.00	14.83		4,151.83	14,000.00	9,848.17
Town manager's office	7,099.46		1,731.84	242.37	1,202.12	10,275.79	30,960.00	20,684.21
Accounting division	2,180.00		1,136.57	68.82		3,385.39	13,757.00	10,371.61
Planning and zoning division			136.00	20.00		156.00	9,979.00	9,823.00
Miscellaneous operations		3,548.05		9,871.92		13,419.97	16,026.00	2,606.03
Mayor and council			23.50	1,044.00		1,067.50	4,360.00	3,292.50
Community promotion	1,260.00		74.18	2,000.00		3,334.18	10,060.00	6,725.82
Police department	34,525.38	2,361.54	6,857.03	6,580.01	4,919.99	55,243.95	106,260.00	51,016.05
Fire department			3,925.00			3,925.00	19,000.00	15,075.00
Building inspection	5,910.00		203.42	609.57		6,722.99	28,490.00	21,767.01
Civil defense	5.80			30.00		35.80	2,500.00	2,464.20
Engineering	5,227.86		606.46	454.76	953.76	7,242.84	23,313.00	16,070.16
Street maintenance	7,419.23	920.03	9,415.97	1,042.00	268.48	19,065.71	36,123.00	17,057.29
Street lighting		280.19	153.05			433.24	17,865.00	17,431.76
Parks and recreation	20,252.84	1,860.62	2,578.31	183.21	383.20	25,258.18	65,993.00	40,734.82
Refuse disposal	793.36	48,518.79	438.74		140.79	49,891.68	160,724.00	110,832.32
Contingencies							12,680.00	12,680.00
TOTAL GENERAL FUND	\$91,249.02	\$63,039.22	\$29,024.72	\$22,171.49	\$10,723.55	\$216,208.00	\$ 604,848.00	\$388,640.00
SPECIAL GENERAL FUND:								
Elections			\$ 108.88			\$ 108.88	\$ 1,000.00	\$ 891.12
Social security				\$ 2,573.27		2,573.27	14,900.00	12,326.73
State retirement				1,518.99		1,518.99	15,000.00	13,481.01
TOTAL SPECIAL GENERAL FUND			\$ 108.88	\$ 4,092.26		\$ 4,201.14	\$ 30,900.00	\$ 26,698.86
LIBRARY FUND	\$ 1,035.00	\$ 186.23	\$ 571.80		\$ 435.64	\$ 2,228.67	\$ 20,655.00	\$ 18,426.33
GAS TAX FUND							50,000.00	50,000.00
PUBLIC WORKS RESERVE FUND					34,719.09	34,719.09	180,000.00	145,280.91
SEWER REVENUE FUND	7,646.52	1,118.65	1,896.12	635.63	5,320.16	16,617.08	55,276.00	38,658.92
SEWER REPLACEMENT AND EXTENSION RESERVE FUND								
DEBT SERVICE FUND							97,916.00	97,916.00
TOTAL ALL FUNDS	\$99,930.54	\$64,344.10	\$31,601.52	\$26,899.38	\$51,198.44	\$273,973.98	\$1,039,595.00	\$765,621.02

TOWN OF SCOTTSDALE, ARIZONA

COMMENTS

AUDIT PROCEDURES

Cash Receipts:

Verified by tests of transactions for the period and traced to accounting records and bank statements.

Cash Disbursements:

Checks which cleared the banks prior to October 9, 1961 were examined for signature and endorsement. All checks were signed by the City Treasurer and the Mayor, except for the period August 21 to August 25 when the Mayor was out of town. During this period the checks were signed by the City Treasurer only. The banks were authorized to accept checks with only the Treasurer's signature by letters signed by the Town Manager. We found no record of council approval of this procedure.

Claims:

Claims for the period were examined for propriety and council approval.

General:

Cash balances were confirmed directly to us by the depository banks and reconciled to ledger balances.

Accounts receivable were not confirmed with utility customers; however, ledger balances were supported by tabulating equipment lists.

Transactions in the guarantee deposit accounts were checked for the period July 1 to September 30, 1961.

No irregularities, other than the single signature on some checks were discovered.