



# City of Scottsdale ARIZONA

Annual Financial Report  
Fiscal Year Ended June 30, 1983



**CITY OF SCOTTSDALE, ARIZONA  
COMPREHENSIVE ANNUAL  
FINANCIAL REPORT  
FISCAL YEAR ENDED  
JUNE 30, 1983**

CITY COUNCIL

HERBERT R. DRINKWATER, MAYOR

JEAN L. BLACK

JAMES D. BRUNER

DIANE D. CUSACK

BILLIE AXLINE GENTRY

JEFF SCHUBERT

CHARLIE SMITH

ROY R. PEDERSON - CITY MANAGER

TOM DAVIS - ASSISTANT CITY MANAGER

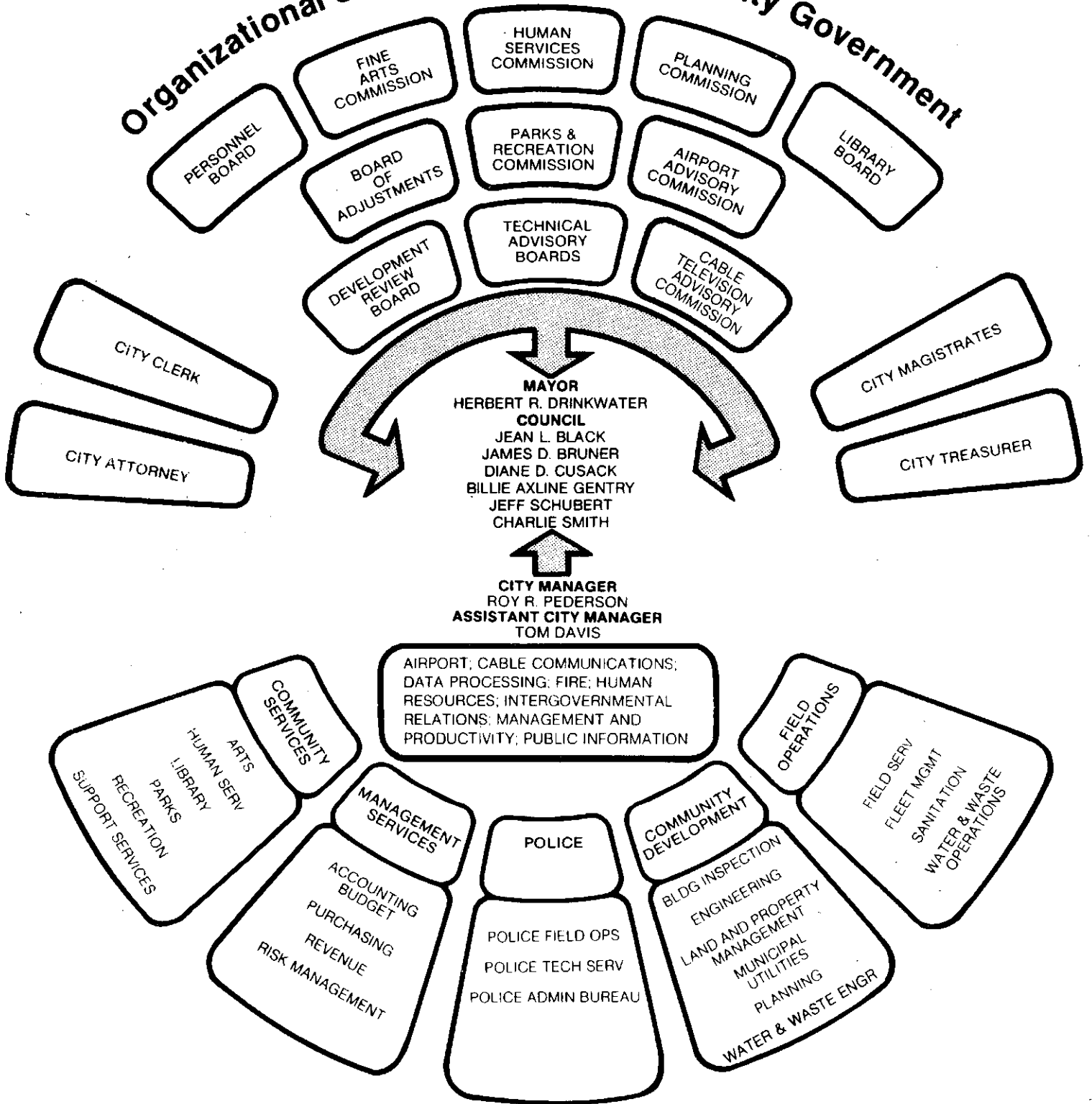
Prepared by

Management Services Department

James A. Jenkins

Management Services Dept. Head/City Treasurer

# Organizational Structure for Scottsdale City Government



\*Chart reflects Fiscal Year 82-83 organizational structure



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**INTRODUCTORY  
SECTION**





August 31, 1983

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

Dear Mayor and City Council

The annual financial report of the City of Scottsdale, Arizona, for the fiscal year ended June 30, 1983, is submitted in accordance with Article 6, Section 14 of the City Charter.

This report consists of three sections. The Introductory Section contains this letter of transmittal which highlights the financial affairs of the City for the fiscal year and the supplemental Certificate of Conformance in Financial Reporting issued to the City for its June 30, 1982, annual financial report. The Financial Section includes: (1) the opinion of the independent certified public accountants based upon their audit as required by City Charter and State Law; (2) combined financial statements; (3) combining statements - by fund type, and individual fund; and (4) schedules presenting greater detail for information reported in the statements. The Statistical Section includes financial information for both prior and current periods of time and related non-financial data which provide insight into the financial basis of the City.

#### Financial Policies

The accounting policies of the City of Scottsdale, Arizona conform to generally accepted accounting principles as applicable to governmental units.

The Proprietary Funds are maintained on the accrual basis of accounting. The accrual basis of accounting recognizes revenue when it is earned and measurable and expenses when incurred, if measurable. The Governmental and Fiduciary Funds are maintained on the modified accrual basis of accounting. The modified accrual basis of accounting recognizes revenue when cash is received, except for amounts, which, if determinable, are recognized as revenue when measurable and available. Expenditures are recognized when liabilities are incurred, if measurable, except for unmatured interest on general long-term debt and on special assessment indebtedness secured by interest-bearing special assessment liens, which should be recognized when due.

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, 1983.

## Financial Overview

A comparison of total fund balances for Governmental and Fiduciary Funds indicates a modest decrease in total for all funds. The General Fund and Debt Service Funds show substantial increases in fund balance. The General Fund increase can be attributed to the upturn in the economy during the last half of the fiscal year. The Debt Service Fund increase is due to the sinking fund requirement associated with the 1973 General Obligation Storm Sewer Bonds. The Special Assessments Fund Balance decreased by \$1.3 million primarily as a result of a change in accounting principle which is explained in the Notes to Financial Statement, Number 16. The effect is to create a fund balance deficit for all the unpaid bond principal because revenue is now recognized only when the principal is paid. Previously, revenue was recognized for the principal value of the bonds when issued.

<u>Fund</u>	<u>FY 1982-83</u>	<u>FY 1981-82</u>	<u>Increase (Decrease)</u>
General	\$ 1,688,531	\$ 1,257,709	\$ 430,822
Highway User	146,036	25,287	120,749
Federal Revenue Sharing		207,200	(207,200)
Community Development	339	13,370	(13,031)
Grants	148,656	247,053	(98,397)
Debt Service	5,683,287	4,962,701	720,586
Special Assessments	(1,130,207)	174,987	(1,305,194)
Trust and Agency	629,619	385,345	244,274
Total Fund Balances	<u>\$ 7,166,261</u>	<u>\$ 7,273,652</u>	<u>\$ (107,391)</u>

A comparison of total retained earnings for Proprietary Funds reveals a substantial improvement over last year. Water and Sewer increased significantly over last year. This is necessary to fund the extensive capital improvement expenditures that are planned to keep pace with the City's growth.

<u>Fund</u>	<u>FY 1982-83</u>	<u>FY 1981-82</u>	<u>Increase (Decrease)</u>
Water and Sewer	\$20,426,754	\$17,192,316	\$ 3,234,438
Airport	(818,035)	(487,151)	(330,884)
Public Housing	(118,866)	(138,100)	19,234
Motor Pool	342,655	161,288	181,367
Self Insurance	916,555	1,076,644	(160,089)
Total Retained Earnings	<u>\$20,749,063</u>	<u>\$17,804,997</u>	<u>\$ 2,944,066</u>

### Governmental and Fiduciary Funds Revenue

Revenue for Governmental and Fiduciary Funds totaled \$44,611,110 in 1983, an increase of 15.2 percent over 1982. Taxes - Local increased \$351,162 over estimate, with local privilege tax providing the major portion of the increase both to estimate and last year's actual. Taxes - Intergovernmental increases were just slightly under estimate, but up substantially from last year's actual due to the recent tax increase applicable to Highway User Tax revenue. Charges for Current Services are over estimate \$673,927. This represents the unanticipated growth in the construction industry during the second half of the year. Fines and Forfeitures are over estimate by \$326,696. This is due to increased rates and collections for parking fines. Use of Money and Property decreased as anticipated due to lower interest rates and reduced funds available to be invested. CIP Reimbursements are under estimate by \$2,011,250 as several major projects were not started and/or completed during this fiscal year. This revenue source did total \$517,750 from project cost reimbursements compared to no revenue for 1982. The amount of revenue by source and the increase or decrease over last year is shown in the following tabulation.

<u>Revenue Source</u>	<u>FY 1982-83</u>	<u>FY 1981-82</u>	<u>Increase (Decrease)</u>	<u>%</u>
Taxes - Local	\$18,845,162	\$17,266,878	\$1,578,284	9.1
Taxes - Intergovernmental	13,622,461	11,331,856	2,290,605	20.2
Grants	1,797,176	1,739,122	58,054	3.3
Licenses	402,894	363,398	39,496	10.9
Charges for Current Services	5,208,927	3,969,676	1,239,251	31.2
Fines and Forfeitures	722,696	459,034	263,662	57.4
Use of Money and Property	1,582,514	1,727,885	(145,371)	(8.4)
Miscellaneous	1,911,530	1,876,048	35,482	1.9
CIP Reimbursements	517,750		517,750	--
<b>Total</b>	<b><u>\$44,611,110</u></b>	<b><u>\$38,733,897</u></b>	<b><u>\$5,877,213</u></b>	<b><u>15.2</u></b>

Another interesting comparison is that of percentage contribution by revenue source. This comparison generally shows changes that are explained above.

<u>Revenue Source</u>	<u>FY 1982-83</u>	<u>FY 1981-82</u>	<u>Increase (Decrease)</u>
Taxes - Local	42.2%	44.6%	(2.4)%
Taxes - Intergovernmental	30.5	29.3	1.2
Grants	4.0	4.5	(.5)
Licenses	.9	.9	-0-
Charges for Current Services	11.7	10.2	1.5
Fines and Forfeitures	1.6	1.2	.4
Use of Money and Property	3.6	4.5	(.9)
Miscellaneous	4.3	4.8	(.5)
CIP Reimbursements	1.2		1.2
<b>Total</b>	<b><u>100.0%</u></b>	<b><u>100.0%</u></b>	<b><u>-0-</u></b>

## Governmental and Fiduciary Funds Expenditures

Expenditures of Governmental and Fiduciary Funds increased by 8.0 percent or \$3,371,317 over 1982. A comparison by municipal department is shown in the following schedule.

<u>Department</u>	<u>FY 1982-83</u>	<u>FY 1981-82</u>	<u>Increase (Decrease)</u>	<u>%</u>
General Government	\$ 4,278,079	\$ 3,787,152	\$ 490,927	13.0
Public Safety	9,847,607	8,721,281	1,126,326	12.9
Management Services	2,488,759	2,520,130	(31,371)	(1.2)
Field Operations	8,329,776	7,658,942	670,834	8.8
Community Services	6,469,869	6,451,148	18,721	.3
Community Development	5,402,471	4,571,909	830,562	18.2
Debt Service	1,836,486	1,591,632	244,854	15.4
Municipal Utilities		378,320	(378,320)	--
Capital Improvements	6,705,466	6,306,682	398,784	6.3
<b>Total</b>	<b><u>\$45,358,513</u></b>	<b><u>\$41,987,196</u></b>	<b><u>\$ 3,371,317</u></b>	<b><u>8.0</u></b>

### Treasury Management

Temporarily idle cash was invested during the year in time certificates of deposit, treasury bills, savings accounts, and government agency securities. These investments yielded 11.0 percent on an average daily invested balance of \$13,700,000. At June 30, 1983, the investments totaled \$17,782,223 and consisted of:

Federal Agencies	\$ 6,182,883	35%
Treasury Notes	5,154,340	29%
State Investment Pool	5,120,000	29%
Certificates of Deposit	555,000	3%
Repurchase Agreements	500,000	3%
Improvement District Bonds	270,000	1%
	<u>\$17,782,223</u>	<u>100%</u>

The maturities for these investments range from one day to eleven years with interest yields from 6.50% to 10.36%.

### Debt Administration

The ratio of annual debt service for general bonded debt to total general expenditures provides an indication of a municipality's ability to meet debt service requirements. This percentage is 3.07 percent for 1982-83. More detailed information about bonded debt can be found in the Statistical Section.

The City of Scottsdale presently has the following bond ratings. General Obligation Bonds - Moody's Investor Service Aa 1, Standard and Poor's AA; Water and Sewer Revenue Bonds - Moody's Investor Service A-1, Standard and Poor's A. Additionally, the City has legal debt margin of \$25,910,462 for 6% General Obligation Bonds and \$91,450,941 for 20% General Obligation Bonds. There is no legal limit on Revenue Bonds.

### General Fixed Assets

The general fixed assets of the City are those assets used in the performance of general governmental functions and exclude the fixed assets of utilities and other enterprise activities. As of June 30, 1983, the general fixed assets of the City amounted to \$312,452,224. This amount represents the original cost of assets or the estimated fair market value where the original cost was not calculable or where the asset was contributed by a developer or other party to the City. The values for land and for buildings and improvements for statement purposes are considerably less than their present value. Depreciation of general fixed assets is not recognized in the City's accounting system.

### Water and Sewer System

The net income for the water and sewer system totaled \$3,275,739, down from \$3,601,873 last year. The primary reason for this decrease is the indirect cost allocation of \$660,972 which was made to all enterprise funds for the first time this year. Water and sewer system revenue totaled \$9,907,951 this fiscal year, up \$1,440,988 from last year. The two most significant reasons for this increase are the user rate increases effective this year for both water and sewer, and the increase in development fees resulting from the upswing in the building industry in the final six months of the fiscal year.

Expenses have increased \$1,767,122 over last year for a total of \$6,632,212. The indirect cost allocation accounts for \$660,972 of the total; \$370,848 is increased depreciation expense due largely to the acquisition of two small water companies and the remainder being attributable to increased operating expenses.

### Airport

The net loss for the airport increased from \$4,165 last year to \$324,413 for fiscal year 1982-83. Revenue increased \$19,613 over last year primarily from an increase in the number of businesses offering services at the airport. Expenses increased \$339,861 over last year. The primary increase was \$156,846 interest expense paid on the installment contract for land purchased to extend the existing runway. \$61,278 was the indirect cost allocation assessed to the fund, and \$74,074 was increased depreciation expense applicable to new facilities put into service at the airport.

## Public Housing Fund

The Public Housing Fund is operated in conjunction with the Neighborhood Development Project. It was designed to provide low-cost, subsidized housing for those families that were displaced by the project. The net income for the Public Housing Fund for fiscal year 1982-83 was \$19,234 up from a net loss of \$4,165 last year. This change is due to the sale of three rental properties with a combined net gain of \$46,694. The proceeds of the sale must be returned to the Department of Housing and Urban Development because the properties were originally purchased with Neighborhood Development Program Grant funds. A Note Receivable, 12% for five years, was established for each property. The net loss for the Public Housing Fund without the effect of the property sale was \$28,158 as compared to a loss of \$6,484 for last year. The major reasons for this change are a reduction in interest income and the inclusion of an indirect cost allocation in the 1982-83 year.

## Internal Service Funds

These funds provide services or commodities to other programs within the City. The intent is to be self-sustaining by charging the users a fee that is consistent with the fund's cost of providing the service. The Motor Pool Fund achieved a net increase in unreserved retained earnings of \$181,367 on total revenue of \$3,712,493, thus meeting the objective to be self-sustaining. The Self Insurance Fund incurred a decrease in unreserved retained earnings of \$160,089 primarily as a result of greater than anticipated claim expenses. The decrease this year is not a material change from plan; the total fund equity at year end is \$1,660,890. This year is simply a cyclical swing of expenses above the annual average amount used to establish annual user fees.

## Significant Events and Accomplishments for Fiscal Year 1982-83

- o The local economy registered a significant increase over last year during the last six months of the fiscal year.

Local Privilege Tax receipts increased \$1,479,747 or 12.2 percent. Inflation as measured by the Phoenix Metro CPI increased 1.7 percent during the same period.

State Shared Sales Tax increased \$76,720 or 1.9 percent. This tax source did not show the same increase as the local privilege tax. This was due primarily to the lack of a statewide recovery, in particular the mining and timber sectors of the economy.

2,404 residential building unit permits were issued, up 1,301 permits from last year. Single family unit permits were up 530 and multi-family unit permits were up 771.

Residential and non-residential permit valuations totaled \$204.8 million for 1982-83, up \$78.5 million (62 percent) from last year's \$126.3 million total permitted valuation.

3,999 new dwelling units were approved by the Development Review Board, an increase of 1,353 units from last year's total of 2,646 units.

Significant Events and Accomplishments for Fiscal Year 1982-83 (Continued)

- o The combined property tax rate for 1983-84 is \$.91. The primary rate is \$.51 as compared to \$.55 last year. The secondary rate is \$.40 as compared to \$.26 last year. The secondary rate increase was necessary to fund the additional debt service expense applicable to the new bonding authority. The tax levy for 1983-84 will be \$5,008,462, up \$1,560,106 from last year's levy of \$3,448,356.
- o \$12,475,627 was expended on capital improvements during the year. The major capital improvement projects completed during 1982-83 were:

Traffic Systems

Traffic Signals  
Eleven New Signals  
Improvements to Five Existing Signals

Public Buildings

City Hall Recarpeting  
Library Shelving  
New Warehouse Study  
Pinnacle Peak Fire Station Improvements

Recreation

Stadium Fence Replacement  
Chaparral Parking Lot  
Eldorado and Chaparral Parks Lighting  
Papago Park Improvements  
Chaparral Recreation Building

Flood Control

Indian Bend Wash Right-of-Way  
McKellips Bike Trail  
Utility Relocation  
Cactus Basin Outlet

Airport

Runway Extension

Major Streets

Street Overlay Program  
Chaparral Traffic Bottleneck  
Guardrail, Miller and Jackrabbit  
Pima, Bell to Shea Right-of-Way  
Hayden, Camelback to Chaparral  
70th Street Improvements  
Earll Improvements  
Osborn Road Improvements  
Angus Drive Improvements

Significant Events and Accomplishments for Fiscal Year 1982-83 (Continued)

o Major Capital Improvements Projects (Continued)

Water and Sewer

91st Avenue System Improvement  
Trunk Sewer Participation  
Ironwood Water Company Acquisition  
Raintree Transmission Line  
Pima and Cactus Water Transmission Line  
Lincoln Drive Sewer Line Loop

- o Water production for the year totaled 5,510,150,097 gallons, an increase of 6.9 percent over last year.
- o Sewage treated during FY 1982-83 at the Multi-City Wastewater Facility totaled 3.06 billion gallons. This is an average of over 8.3 million gallons per day, an increase of 3.3 percent over the previous year.
- o The Sanitation program added service to 1,030 new residential homes and collected 150,124,000 pounds of refuse from commercial and residential services for an average of 1,561 pounds per resident.
- o 37 miles of water lines and 25 miles of sewer lines were added to serve our expanding population.
- o 1,469,963 square yards of City streets were resurfaced in FY 1982-83.
- o The fifth year of the Self-Insurance program has been completed successfully; the program objectives have been achieved.

City employee industrial injuries declined 18 percent.

City employee vehicle accident rate increased 4 percent.

The Fund assets now total \$1,869,246.

- o City of Scottsdale and United Cable Television of Scottsdale signed a 15-year, non-exclusive cable television license agreement for United to provide cable television service to the residents of Scottsdale. By June 30, 1983, United had installed 357 miles of cable plant with a total of 3,000+ subscribers. United is currently adding subscribers at a rate of 125 per day. Construction of the cable system is expected to be fully complete by the end of calendar year 1983. The City is looking forward to the challenge of its "cabled future".
- o The Office of Management Systems study of the existing phone system led to the purchase of a new system to be installed this fall. It is estimated to save the City approximately \$1 million over the next ten years.
- o The Office of Management Systems has undergone organizational changes by consolidating the City Clerk, Systems and Programming, Computer Operations and the Office of Management and Productivity.



Significant Events and Accomplishments for Fiscal Year 1982-83 (Continued)

- o The Office of Management Systems has initiated the development of specifications for new computer equipment and office automation equipment, with a 50 percent increase in office production being projected.
- o Organizational studies are continuing in the Police Department and Community Development in an attempt to improve the total effectiveness and efficiency of the departments.
- o Annual savings approached \$1 million as a result of Work Management Systems in the Art Center, Water and Wastewater, Parks, Airport, and Police Department. Fifty-one percent of the savings are hard dollar.
- o Intake interviews by the staff at Vista Del Camino Center increased from 817 to 1,097 in FY 1982-83 which is a 34 percent increase, or an increase of 93 hours of direct interview work.
- o The Christmas and Thanksgiving Adopt-a-Family program increased from 534 families the previous year to 1,025 served in 1982-83.
- o The Mobility Program increased its ridership by 5 percent for a total of 14,271 trips. The cost per trip to the City dropped from \$2.76 in FY 1981-82 to \$2.26 per trip in FY 1982-83.
- o Installed electronic library book security system to reduce theft of library material. The \$22,000 cost is projected to be saved in one year since missing material will not have to be replaced.
- o 910,694 items were checked out of the Library for an increase of 6.22 percent in material circulated.
- o The Library's Computer Literacy Program has served 1,250 citizens. Two microcomputers are available for citizens to use in learning the potential of computers.
- o The attendance at Recreation programs totaled 2,230,545, an increase of 161,915 from the previous year: Eldorado Park attendance 473,977; McCormick Railroad Park 297,938; Indian School Park 568,547.
- o The Scottsdale City Court processed approximately 26,500 citations and misdemeanor complaints this fiscal year, a 9 percent increase over last fiscal year. These actions resulted in 1,037 court trials and 42 jury trials held, in comparison to 961 court trials and 1 jury trial held in 1981-82.
- o In April of 1983 the City Council endorsed a comprehensive plan for the downtown area. Prepared in coordination with both economic and traffic consultants, this plan is already receiving national recognition as an innovative approach to a suburban downtown.
- o Wastewater reclamation continues with ground breaking on the City's first plant and contracting with a developer for design and construction of a second plant.

Significant Events and Accomplishments for Fiscal Year 1982-83 (Continued)

- o Police officer training programs were revised wherein training remains effective although training hours are reduced. The end result is an increase of 168 hours a week that is devoted to Patrol Bureau field work.
- o A five-man motorcycle unit was commissioned in an effort to improve field work having to do with traffic enforcement. Improved traffic enforcement is pointed towards reduction of traffic accidents. The motorcycle unit is scheduled to be operational during the first week in September 1983, after completion of certain testing and training of the unit.
- o The Crime Index decreased 12.3 percent during the first six months of 1983.
- o All City employees are now on a pay for performance evaluation system, tailored to the needs of the individual department. As far as we know we are unique in the United States.
- o Over 40 managers have completed the Professional Development Management Training course which was developed specifically for the needs of the Scottsdale management group.
- o The transition from "Personnel" to "Human Resources" emphasizes an important philosophical change from the traditional personnel function to one that includes a wider range of employee-related functions while enhancing the authority and responsibility of operating departments.
- o Due to a change in State law, we began participating in the State Investment Pool. This enabled us to collect interest revenue of \$29,600 in excess of what would have been collected through the use of previous investment sources.
- o The following fees have been approved for increases during the 1983-84 year:

Refuse Service Fees  
Sewer Service Fees  
Water Service Fees  
Water and Sewer Development Fees  
Court Fines

- o Approximate user fee increases during 1982-83 were:

Commercial Refuse Service - 10 percent  
Residential Refuse Service - 22 percent  
Residential Sewer Service - 10 percent  
Commercial Sewer Service - Restructuring of rates  
Water Service - Bi-monthly service charge increased 12 percent. Base water use was established and rate increased 42 percent for use of water in excess of base amount.  
Art Center Fees - 54 percent (first increase since 1978)  
Parking Fines - Overtime increased 150 percent. Other increased 100 percent. Penalty for late payment time frame changed.

## Significant Events and Accomplishments for Fiscal Year 1982-83 (Continued)

- o Private health care coverage was changed from a conventional insurance program to a self funded insurance program with administrative services provided by a contract with Northwestern National Life Insurance Company.
- o A bond election was held on June 21, 1983 with voters approving all issues. The voter approval establishes authority to issue a total of \$69 million in bonds: \$29.8 million General Obligation Bonds, \$30.8 million Highway Revenue Bonds, and \$8.4 million Water/Sewer Revenue Bonds.

### Future Outlook

The 1983-84 budget provides for an operating expenditure level of \$55 million, up 11 percent from last year. In addition, a contingency program of \$21 million was approved of which \$16 million is designated for capital improvements. The capital improvements projects will be authorized periodically if sufficient revenue is received to fund the projects. This insures that the operating programs can be funded before capital programs should the actual economic situation be less favorable than anticipated at budget preparation time.

The budget for 1983-84 estimates current revenue at \$13 million more than budgeted for 1982-83. This is a 24 percent increase with the significant revenue increases being:

Privilege tax increases \$1,515,000 over the adopted budget for 1982-83. Projections are based on 5% inflation and 6% growth. Hotels and Motels, Food Stores, Major Department Stores, and Other Taxable Activity are projected essentially flat, with Rentals, Utilities, Construction, and Automotive projected to be up 16% to 30%.

Water services increase \$1,059,000 with \$541,000 reflecting a proposed 20% rate increase 1/1/84. The balance of the increase is due to increased usage and number of customers being served.

Highway User Tax increases \$402,000 of which \$271,000 is from the State's 2¢ per gallon gas tax increase and \$131,000 the expected increase in the City's share of lottery proceeds via the Local Transportation Assistance Fund.

The City's portion of State Shared Sales Tax is up \$398,000 reflecting an expected upturn in the State's economy.

New revenue sources related to the Downtown Plan are projected to provide \$4,000,000 of additional revenue. The new revenue sources will be developed and implemented at a later date.

Property Tax increases by \$1,344,000. This is comprised of an increase of \$154,000 in the primary portion of the levy and an increase of \$1,190,000 in the secondary portion. The primary tax is permitted a maximum increase of 2% plus the addition of new property added to the 1983 tax roll. The secondary taxes increase due to the anticipated increase in general obligation debt for the five year CIP program.

## Future Outlook (Continued)

State Revenue Sharing is up \$412,000 and reflects the City's share of the State income tax collections for the calendar year 1981.

Refuse collection increases \$693,000. A proposed \$1.00 increase in the monthly charge for residential collection provides \$350,000 and a proposed 10% increase in commercial rates results in \$100,000 of additional revenue with the remainder due to more customers being served. The proposed rate increases are planned to be implemented July 1, 1983 and will conclude the City's effort to make this service self supporting.

Capital Improvement Project Reimbursements (CIP) increases \$1,501,000. All of this increase comes from the sale of City-owned land or receipt of developer deposits. Should these events not occur, the revenue would not be received and planned CIP projects would have to be adjusted accordingly.

Sewer revenue increases \$418,000. A proposed 5% rate increase effective 8/1/83 amounts to \$118,000 of the increase with the balance coming from increased number of customers being served plus a higher than anticipated revenue in 1982-83.

Operational expenditures are budgeted for 1983-84 at \$5 million more than 1982-83. This is an 11 percent increase with the significant increases being:

An increase of \$1,184,000 for personal services. This includes the projected cost increase for existing fringe benefits and an amount for wage adjustments for employees during 1983-84.

An increase of \$1,771,000 for contractual services. Significant contractual increases are: Rural Metro Fire Protection Contract \$113,000; Utilities \$476,000; Motor Pool Rental Fees \$195,000; Community Promotion \$74,000; Sanitary Landfill Contract \$19,000; increased security at the yards and parks \$40,000; and sewer cleaning and dusting \$98,000.

An increase of \$2,430,000 for debt service. Of the total increase, \$552,000 is for the purchase agreement entered into during fiscal 1982-83 to acquire Ironwood Water Company and \$1,485,000 is the additional debt service for the five year CIP program.

The fiscal year 1982-83 was the first year for the State constitutional expenditure limitation. In February, 1982, the voters of Scottsdale approved a capital improvement exclusion to the original expenditure limitation. The budget as adopted for 1983-84 is within the maximum expenditure limitations set forth in the new law.

The budget anticipates a modest but sustainable economic recovery for the fiscal year 1983-84.

Certificate of Conformance

The Municipal Finance Officers Association of the United States and Canada (MFOA) awarded a Certificate of Conformance in Financial Reporting to the City of Scottsdale, Arizona for its comprehensive annual financial report for the fiscal year ended June 30, 1982.

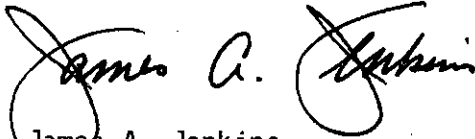
In order to be awarded a Certificate of Conformance, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable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

A Certificate of Conformance is valid for a period of one year only. We believe our current report continues to conform to Certificate of Conformance Program requirements, and we are submitting it to MFOA to determine its eligibility for another certificate.

Acknowledgement

The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff of the accounting program, who assisted and contributed in its preparation. I also wish to thank your office and members of the City Council for their interest and support in planning and conducting the financial affairs of the City in a responsible and progressive manner.

Respectfully submitted



James A. Jenkins  
Management Services Department Head  
and City Treasurer

JAJ:mg

# Certificate of Conformance in Financial Reporting

Presented to  
City of  
Scottsdale, Arizona

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 1982

A Certificate of Conformance in Financial Reporting is presented by the Municipal Finance Officers Association of the United States and Canada to governmental units and public employee retirement systems whose comprehensive annual financial reports (CAFR's) are judged to substantially conform to program standards.



*Carl T. White*  
President

*Jeffrey L. Esall*  
Executive Director

**FINANCIAL  
SECTION**



Peat, Marwick, Mitchell & Co.  
Certified Public Accountants  
100 West Clarendon  
Phoenix, Arizona 85013

The Honorable Members of the City Council  
City of Scottsdale, Arizona:

We have examined the combined financial statements of the City of Scottsdale, Arizona and the combining, individual fund, and account group financial statements of the City as of and for the year ended June 30, 1983 as identified in the Financial Section Table of Contents. 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.

In our opinion, the combined financial statements referred to above present fairly the financial position of the City of Scottsdale, Arizona at June 30, 1983 and the results of its operations and the changes in financial position of its proprietary fund types for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year, after giving retroactive effect to the changes, with which we concur, in the method of accounting for special assessments revenue and compensated absences as described in Note 16 to the financial statements. Also, in our opinion, the combining, individual fund, and account group financial statements present fairly the financial position of the individual funds and account groups of the City of Scottsdale, Arizona at June 30, 1983 and the results of operations of such funds and the changes in financial position of individual proprietary funds for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year, after giving retroactive effect to the changes, with which we concur, in the method of accounting for special assessments revenue and compensated absences as described in Note 16 to the financial statements.

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

*Peat, Marwick, Mitchell & Co.*

August 31, 1983



CITY OF SCOTTSDALE  
 COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS  
 JUNE 30, 1983  
 WITH COMPARATIVE TOTALS FOR JUNE 30, 1982

EXHIBIT A-1

	GOVERNMENTAL FUND TYPES				FIDUCIARY	PROPRIETARY FUND TYPES		ACCOUNT GROUPS		TOTALS	
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	SPECIAL ASSESSMENTS	TRUST AND AGENCY	ENTERPRISE	INTERNAL SERVICE	GENERAL FIXED ASSETS	GENERAL LONG-TERM DEBT	(MEMORANDUM ONLY)	
ASSETS AND OTHER DEBITS										JUNE 30, 1983	JUNE 30, 1982
Cash and short-term investments	\$1,355,276	\$242,690	\$	\$ 944,923	\$2,164,695	\$ 5,847,093	\$2,319,939	\$	\$	\$ 12,874,616	\$ 11,792,729
Cash with fiscal agents			6,293,218	94,286	513,335					6,900,839	6,014,870
Investments	436,920									436,920	754,436
Receivables											
Accrued interest	352,954									352,954	559,439
Property taxes	275,295									275,295	181,367
State shared sales tax	375,995									375,995	405,974
Auto lieu tax	71,191									71,191	67,619
Gas tax		286,877								286,877	265,498
Federal revenue sharing		227,041								227,041	309,669
Grants		7,795								7,795	37,152
Special assessments											
Current				551,830						551,830	628,459
Deferred				1,626,941						1,626,941	2,111,327
Accounts	427,916					1,718,992	1,105			2,148,013	1,633,403
Miscellaneous	133,225	77,954			15,422	298,890				525,491	485,284
Inventory of supplies	197,797									197,797	208,771
Prepaid expense	2,000									2,000	2,000
Restricted cash, investments and receivables						3,347,245				3,347,245	3,545,865
Assets held in trust for retirement of refunded debt						2,930,505				2,930,505	3,081,169
Property, plant and equipment - less applicable accumulated depreciation and amortization						66,859,724	2,742,800	312,452,224		382,054,748	352,684,668
Excess purchase price over fair market value of water system assets acquired						1,047,130				1,047,130	1,014,659
Amount available in Debt Service Fund									5,683,287	5,683,287	4,962,701
Amount to be provided for retirement of long-term debt									16,265,102	16,265,102	14,109,897
<b>Total Assets and Other Debits</b>	<b>\$3,628,569</b>	<b>\$842,357</b>	<b>\$6,293,218</b>	<b>\$3,217,980</b>	<b>\$2,693,452</b>	<b>\$82,049,579</b>	<b>\$5,063,844</b>	<b>\$312,452,224</b>	<b>\$21,948,389</b>	<b>\$438,189,612</b>	<b>\$404,856,956</b>

See notes to financial statements.

## ANNUAL FINANCIAL REPORT

CITY OF SCOTTSDALE  
 COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS  
 JUNE 30, 1983  
 WITH COMPARATIVE TOTALS FOR JUNE 30, 1982

EXHIBIT A-1

LIABILITIES AND FUND EQUITY	GOVERNMENTAL FUND TYPES				FIDUCIARY FUND TYPE	PROPRIETARY FUND TYPES		ACCOUNT GROUPS		TOTALS (MEMORANDUM ONLY)	
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	SPECIAL ASSESSMENTS	TRUST AND AGENCY	ENTERPRISE	INTERNAL SERVICE	GENERAL FIXED ASSETS	GENERAL LONG-TERM DEBT	JUNE 30, 1983	JUNE 30, 1982
<b>Liabilities</b>											
Cash overdraft	\$	\$252,870	\$	\$	\$	\$	\$	\$	\$	\$ 252,870	\$ 459,928
Claims payable	456,789	256,909		8,950	11,165	1,092,090	258,779			2,084,680	1,818,052
Accrued payroll	511,057	37,547				65,057	84,691			698,352	586,259
Accrued payroll withholdings	655,250									655,250	1,173,725
Accrued interest payable						146,247				146,247	42,072
Guaranty and other deposits					2,052,670					2,052,670	1,735,259
Deferred revenue											
Property taxes	316,942									316,942	185,169
Special assessments				1,626,941						1,626,941	2,111,327
Bonds interest payable			294,931	94,286		248,207				637,424	687,963
Bonds payable - current			315,000			735,000				1,050,000	960,000
Contracts payable - current						1,444,491				1,444,491	997,641
Other deposits						123,896				123,896	110,740
Long-term debt (less current portion)				2,618,000		11,987,134			21,948,389	36,553,523	35,645,412
Other				10		271,698				271,708	205,500
Refunded debt to be retired by assets held in trust						3,283,072				3,283,072	3,451,252
<b>Total Liabilities</b>	<u>1,940,038</u>	<u>547,326</u>	<u>609,931</u>	<u>4,348,187</u>	<u>2,063,833</u>	<u>19,396,892</u>	<u>343,470</u>		<u>21,948,389</u>	<u>51,198,066</u>	<u>50,170,299</u>
<b>Fund Equity</b>											
Contributed capital						43,162,834	3,461,164			46,623,998	40,433,428
Investment in general fixed assets								312,452,224		312,452,224	291,553,503
Retained earnings											
Reserved for											
Revenue bond retirement						1,374,272				1,374,272	1,231,743
Water and sewer system replacement						720,404				720,404	532,336
Debt Service											16,582
Unreserved						17,395,177	1,259,210			18,654,387	15,911,531
<b>Fund Balances</b>											
Reserved for											
Encumbrances	667,308	169,485			7,403					844,196	1,578,187
Inventory of supplies	197,797									197,797	208,771
Debt service			5,683,287	29,413						5,712,700	4,998,113
Street light districts				390,847						390,847	139,575
Unreserved	823,426	125,546		(1,550,467)	622,216					20,721	(1,917,112)
<b>Total Retained Earnings/ Fund Balance</b>	<u>1,688,531</u>	<u>295,031</u>	<u>5,683,287</u>	<u>(1,130,207)</u>	<u>629,619</u>	<u>19,489,853</u>	<u>1,259,210</u>			<u>27,915,324</u>	<u>22,699,726</u>
<b>Total Fund Equity</b>	<u>1,688,531</u>	<u>295,031</u>	<u>5,683,287</u>	<u>(1,130,207)</u>	<u>629,619</u>	<u>62,652,687</u>	<u>4,720,374</u>	<u>312,452,224</u>		<u>386,991,546</u>	<u>354,686,657</u>
<b>Total Liabilities and Fund Equity</b>	<u>\$3,628,569</u>	<u>\$842,357</u>	<u>\$6,293,218</u>	<u>\$ 3,217,980</u>	<u>\$2,693,452</u>	<u>\$82,049,579</u>	<u>\$5,063,844</u>	<u>\$312,452,224</u>	<u>\$21,948,389</u>	<u>\$438,189,612</u>	<u>\$404,856,956</u>

See notes to financial statements.

CITY OF SCOTTSDALE  
 COMBINED STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES  
 ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 1983  
 WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 1982

EXHIBIT A-2

	GOVERNMENTAL FUND TYPES				FIDUCIARY	TOTALS	
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	SPECIAL ASSESSMENTS	TRUST AND AGENCY	(MEMORANDUM ONLY) JUNE 30, 1983	JUNE 30, 1982
<b>Revenue</b>							
Taxes - Local	\$17,443,196	\$	\$1,401,966	\$	\$	\$18,845,162	\$17,266,878
Taxes - Intergovernmental	8,118,164	5,504,297				13,622,461	11,331,856
Grants		1,797,176				1,797,176	1,739,122
Licenses	402,894					402,894	363,598
Charges for Current Services	5,208,927					5,208,927	3,969,676
Fines and Forfeitures	722,696					722,696	459,034
Use of Money and Property	935,458	20,253	425,507	201,296		1,582,514	1,942,907
Miscellaneous	371,143	29,634		1,103,485	407,268	1,911,530	1,981,617
CIP Reimbursements	411,727	106,023				517,750	
Total Revenue	<u>33,614,205</u>	<u>7,457,383</u>	<u>1,827,473</u>	<u>1,304,781</u>	<u>407,268</u>	<u>44,611,110</u>	<u>39,054,488</u>
<b>Expenditures</b>							
Current							
General Government	3,681,626					3,681,626	3,251,271
Public Safety	8,610,452	1,237,155				9,847,607	8,731,170
Management Services	2,488,759					2,488,759	2,522,772
Field Operations	4,376,124	3,953,652				8,329,776	7,663,604
Community Services	6,311,413	158,456				6,469,869	6,455,930
Community Development	3,246,027	2,156,444				5,402,471	4,574,873
Municipal Utilities							378,320
Street Light Districts				296,600		296,600	315,080
Trust and Agency					299,853	299,853	171,233
Provision for Litigation							55,500
Debt Service							
Principal Retirement	197,487		435,856			633,343	579,796
Interest and Fiscal Charges	321,091		671,031	211,021		1,203,143	1,243,247
Capital Improvements	4,891,004	1,814,462				6,705,466	6,306,682
Total Expenditures	<u>34,123,983</u>	<u>9,320,169</u>	<u>1,106,887</u>	<u>507,621</u>	<u>299,853</u>	<u>45,358,515</u>	<u>42,249,478</u>
Excess (Deficiency) of Revenue over Expenditures	(509,778)	(1,862,786)	720,586	797,160	107,415	(747,403)	(3,194,990)
<b>Other Sources (Uses)</b>							
Contracts Payable	3,400,000					3,400,000	
Operating Transfers In		1,900,000				1,900,000	1,335,000
Operating Transfers (Out)	(1,900,000)					(1,900,000)	(1,335,000)
Excess (Deficiency) of Revenue and Other Sources over Expenditures and Other Uses	990,222	37,214	720,586	797,160	107,415	2,652,597	(3,194,990)
Fund Balances July 1	1,257,709	492,910	4,962,701	174,987	385,345	7,273,652	10,675,544
Prior Period Adjustments	(222,109)	(15,832)		(2,092,568)		(2,330,509)	(2,324,427)
Fund Balances July 1 as Restated	1,035,600	477,078	4,962,701	(1,917,581)	385,345	4,943,143	8,351,117
Reserve for Inventory	(10,974)					(10,974)	208,771
Residual Equity Transfers In	23,683				136,859	160,542	1,814,030
Residual Equity Transfers (Out)	(350,000)	(219,261)		(9,786)		(579,047)	(2,171,394)
Fund Balances June 30	<u>\$ 1,688,531</u>	<u>\$ 295,031</u>	<u>\$5,683,287</u>	<u>\$(1,130,207)</u>	<u>\$629,619</u>	<u>\$ 7,166,261</u>	<u>\$ 5,007,534</u>

See notes to financial statements.

ANNUAL FINANCIAL REPORT

CITY OF SCOTTSDALE  
 COMBINED STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES -  
 BUDGET AND ACTUAL - BUDGET BASIS - GENERAL, SPECIAL REVENUE AND DEBT SERVICE FUNDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 1983

EXHIBIT A-3

	TOTALS			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)
<b>Revenue</b>												
Taxes - Local	\$18,494,000	\$18,845,162	\$ 351,162	\$17,090,220	\$17,443,196	\$ 352,976	\$	\$	\$	\$1,403,780	\$1,401,966	\$(1,814)
Taxes - Intergovernmental	13,918,000	13,622,461	(295,539)	7,999,000	8,118,164	119,164	5,919,000	5,504,297	(414,703)			
Licenses	379,000	402,894	23,894	379,000	402,894	23,894						
Charges for Current Services	4,535,000	5,208,927	673,927	4,535,000	5,208,927	673,927						
Fines and Forfeitures	396,000	722,696	326,696	396,000	722,696	326,696						
Use of Money and Property	975,000	955,711	(19,289)	961,000	935,458	(25,542)	14,000	20,253	6,253			
Miscellaneous	347,822	263,219	(84,603)	347,822	235,585	(114,237)		29,634	29,634			
CIP Reimbursements	2,529,000	517,750	(2,011,250)	875,000	411,727	(463,273)	1,654,000	106,023	(1,547,977)			
<b>Total Revenue</b>	<b>41,573,822</b>	<b>40,538,820</b>	<b>(1,035,002)</b>	<b>32,563,042</b>	<b>33,476,647</b>	<b>893,605</b>	<b>7,587,000</b>	<b>5,660,207</b>	<b>(1,926,793)</b>	<b>1,403,780</b>	<b>1,401,966</b>	<b>(1,814)</b>
<b>Expenditures</b>												
<b>Current</b>												
General Government	4,086,775	3,951,721	135,054	4,086,775	3,951,721	135,054						
Public Safety	10,074,833	9,840,720	234,113	8,737,374	8,630,406	106,968	1,337,459	1,210,314	127,145			
Management Services	3,029,572	2,929,187	100,385	3,029,572	2,929,187	100,385						
Field Operations	8,594,798	8,600,113	(5,315)	4,557,828	4,520,248	37,580	4,036,970	4,079,865	(42,895)			
Community Services	6,587,430	6,451,344	136,086	6,587,430	6,451,344	136,086						
Community Development	4,119,881	4,040,091	79,790	3,471,954	3,384,036	87,918	647,927	656,055	(8,128)			
Contingency	2,572,271		2,572,271	2,572,271		2,572,271						
<b>Debt Service</b>												
Principal Retirement	478,797	408,343	70,454	267,941	197,487	70,454				210,856	210,856	
Interest & Fiscal Charges	1,134,034	992,122	141,912	461,110	321,091	140,019				672,924	671,031	1,893
Sinking Fund Deposits	520,000	520,079	(79)							520,000	520,079	(79)
<b>Capital Improvements</b>	<b>5,467,306</b>	<b>3,626,562</b>	<b>1,840,744</b>	<b>2,070,003</b>	<b>1,704,908</b>	<b>365,095</b>	<b>3,397,303</b>	<b>1,921,654</b>	<b>1,475,649</b>			
<b>Total Expenditures</b>	<b>46,665,697</b>	<b>41,360,282</b>	<b>5,305,415</b>	<b>35,842,258</b>	<b>32,090,428</b>	<b>3,751,830</b>	<b>9,419,659</b>	<b>7,867,888</b>	<b>1,551,771</b>	<b>1,403,780</b>	<b>1,401,966</b>	<b>1,814</b>
<b>Excess (Deficiency) of Revenue over Expenditures</b>	<b>(5,091,875)</b>	<b>(821,462)</b>	<b>4,270,413</b>	<b>(3,259,216)</b>	<b>1,386,219</b>	<b>4,645,435</b>	<b>(1,832,659)</b>	<b>(2,207,681)</b>	<b>(375,022)</b>			
<b>Other Sources (Uses)</b>												
Operating Transfers In	4,656,707	1,900,000	(2,756,707)	3,014,507		(3,014,507)	1,642,200	1,900,000	257,800			
Operating Transfers (Out)		(1,900,000)	(1,900,000)		(1,900,000)	(1,900,000)						
<b>Deficiency of Revenue and Other Sources over Expenditures and Other Uses</b>	<b>435,168</b>	<b>821,462</b>	<b>386,294</b>	<b>244,709</b>	<b>513,781</b>	<b>(269,072)</b>	<b>190,459</b>	<b>307,681</b>	<b>117,222</b>			
Encumbrances Cancelled		1,071,318	1,071,318		1,038,163	1,038,163		33,155	33,155			
Fund Balances July 1, 1982	435,168	723,945	288,777	244,709	511,346	266,637	190,459	212,599	22,140			
Residual Equity Transfers In		23,683	23,683		23,683	23,683						
Residual Equity Transfers (Out)		(350,000)	(350,000)		(350,000)	(350,000)						
<b>Fund Balances June 30, 1983</b>	<b>\$ -0-</b>	<b>\$ 647,484</b>	<b>\$ 647,484</b>	<b>\$ -0-</b>	<b>\$ 709,411</b>	<b>\$ 709,411</b>	<b>\$ -0-</b>	<b>\$ (61,927)</b>	<b>\$ (61,927)</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ -0-</b>

See notes to financial statements.

## CITY OF SCOTTSDALE

EXHIBIT A-4

COMBINED STATEMENT OF REVENUE, EXPENSES AND CHANGES  
IN RETAINED EARNINGS - ALL PROPRIETARY FUND TYPES

FOR THE FISCAL YEAR ENDED JUNE 30, 1983

WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 1982

	ENTERPRISE	INTERNAL SERVICE	TOTALS (MEMORANDUM ONLY)	
			JUNE 30, 1983	JUNE 30, 1982
Operating Revenue				
Water service charges	\$ 4,505,615	\$	\$ 4,505,615	\$ 3,865,294
Water connection fees	189,346		189,346	127,154
Water development fees	987,295		987,295	580,242
Sewer service fees	2,634,751		2,634,751	2,165,344
Sewer development fees	797,735		797,735	389,219
Tie downs and rentals	240,599		240,599	207,797
Commissions on sales	142,127		142,127	153,355
Property rentals	44,725		44,725	67,467
Billings to user programs		3,970,687	3,970,687	3,709,277
Other	74,533	165,885	240,418	303,735
Total Operating Revenue	<u>9,616,726</u>	<u>4,136,572</u>	<u>13,753,298</u>	<u>11,568,884</u>
Operating Expenses				
Water operations	2,061,784		2,061,784	1,778,133
Sewer operations	1,039,297		1,039,297	812,476
Customer collection	245,794		245,794	222,272
Airport operations	311,910		311,910	265,749
Public housing operations	50,294		50,294	66,636
Motor pool operations		2,670,639	2,670,639	2,686,661
Self-insurance operations		581,316	581,316	472,656
Depreciation and amortization	1,951,032	798,306	2,749,338	2,167,662
Indirect cost	730,190		730,190	
Total Operating Expenses	<u>6,390,301</u>	<u>4,050,261</u>	<u>10,440,562</u>	<u>8,472,245</u>
Operating Income	3,226,425	86,311	3,312,736	3,096,639
Non-Operating Revenue (Expenses)				
Interest earnings	721,356		721,356	1,285,953
Interest expense	(1,023,915)		(1,023,915)	(659,833)
Gain on sale of real estate	46,694		46,694	
Total Non-Operating Revenue (Expenses)	<u>(255,865)</u>		<u>(255,865)</u>	<u>626,120</u>
Net Income	2,970,560	86,311	3,056,871	3,722,759
Retained Earnings July 1	16,567,065	1,237,932	17,804,997	14,095,500
Prior Period Adjustments	<u>(47,772)</u>	<u>(65,033)</u>	<u>(112,805)</u>	<u>(126,067)</u>
Retained Earnings July 1 as Restated	16,519,293	1,172,899	17,692,192	13,969,433
Retained Earnings June 30	<u>\$19,489,853</u>	<u>\$1,259,210</u>	<u>\$20,749,063</u>	<u>\$17,692,192</u>

See notes to financial statements.

## CITY OF SCOTTSDALE

EXHIBIT A-5

COMBINED STATEMENT OF CHANGES IN FINANCIAL POSITION -  
ALL PROPRIETARY FUND TYPES

FOR THE FISCAL YEAR ENDED JUNE 30, 1983

WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 1982

	ENTERPRISE	INTERNAL SERVICE	TOTALS (MEMORANDUM ONLY)	
			JUNE 30, 1983	JUNE 30, 1982
Sources of Funds				
From operations				
Net income	\$ 2,970,560	\$ 86,311	\$ 3,056,871	\$ 3,709,497
Noncash charge - depreci- ation and amortization	1,951,032	798,306	2,749,338	2,167,662
Total from operations	4,921,592	884,617	5,806,209	5,877,159
Contributions				
Water/sewer assets from subdividers	4,845,708		4,845,708	1,456,719
From government units	1,032,143		1,032,143	1,406,188
From municipality	453,730	1,836	455,566	838,183
Increase in				
Current liabilities	752,661	54,549	807,210	1,884,723
Long-term debt				3,230,799
Other liabilities	285,669		285,669	
Decrease in				
Receivables	19,539	1,147	20,686	363,615
Net assets held for refunded debt	150,664		150,664	118,669
Restricted cash and investments	470,318		470,318	943,326
Property, plant and equipment	96,154	457,845	553,999	
	<u>13,028,178</u>	<u>1,399,994</u>	<u>14,428,172</u>	<u>16,119,381</u>
Uses of Funds				
Contribution of water/sewer assets from subdividers	4,845,708		4,845,708	1,456,719
Purchase of other property, equipment and construction in progress	5,770,161	1,191,298	6,961,459	13,095,553
Increase in receivables	758,257		758,257	274,114
Decrease in				
Refunded debt	168,180		168,180	157,973
Contributions from municipality				502,617
Other liabilities	879		879	191,283
Long-term debt	1,285,790		1,285,790	701,146
Contributions from government units	142,847		142,847	
Current liabilities	17,584	51,593	69,177	401
Prior period adjustment	47,772	65,033	112,805	126,067
	<u>13,037,178</u>	<u>1,307,924</u>	<u>14,345,102</u>	<u>16,505,873</u>
Increase (Decrease) in Cash and Short-term Investments	(9,000)	92,070	83,070	(386,492)
Cash and Short-term Investments July 1	5,856,093	2,227,869	8,083,962	8,470,454
June 30	<u>\$ 5,847,093</u>	<u>\$ 2,319,939</u>	<u>\$ 8,167,032</u>	<u>\$ 8,083,962</u>

See notes to financial statements.

CITY OF SCOTTSDALE  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 1983

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Basis of Presentation - 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 FUNDS

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

Debt Service Funds - 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.

Special Assessment Funds - Special Assessment Funds are used to account for the financing of public improvements or services deemed to benefit the properties against which special assessments are levied.

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

PROPRIETARY FUNDS

Enterprise Funds - 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 Funds - 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.

FIDUCIARY FUNDS

Trust and Agency Funds - Trust and Agency Funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. The City's Trust and Agency Fund is an expendable Trust and Agency Fund, which is accounted for and reported as a governmental fund.

ACCOUNT GROUPS

General Fixed Assets Account Group - 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 Account Group - This account group is established to account for all long-term debt of the City except that accounted for in the proprietary funds and special assessment funds.

B. Basis of Accounting

The modified accrual basis of accounting is followed by the governmental funds and expendable trust and agency funds. 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, other than interest on long-term debt which is recorded when due, are recorded when the 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.



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

B. Basis of Accounting (Continued)

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 for a discussion of property taxes.)

The proprietary funds are accounted for using the accrual basis of accounting. Revenue is recognized when earned and expenses are recognized when incurred. Unbilled utility service receivables are recorded at year end.

C. Budgetary Data

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

- o On or before the second regular Council meeting in May, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
- o Two public hearings are held prior to the budget's final adoption in order to obtain taxpayer comments.
- o 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. No such action was taken during this fiscal year.
- o 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.
- o Upon the recommendation of the City Manager and with the approval of the City Council, transfers may be made from the appropriations for contingencies to departments. At the request of the City Manager and within the last three months of the fiscal year, the City Council may transfer unencumbered appropriations from one department to another.
- o Management control of budgets is further maintained at a line item level within department. Transfers between line items within a department may be done only upon approval of the City Manager.
- o Initial year budget information was amended during the year in a legally permissible manner.
- o All expenditure appropriations lapse at year-end.

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

C. Budgetary Data (Continued)

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

Budgets for the Community Development and Grants Funds, included as Special Revenue Funds, are established pursuant to the terms of the related grant awards. Accordingly, no annual budget is prepared and no comparison of budget to actual is presented in the financial statements.

D. 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 funds. Encumbrances are reported as reservations of fund balances since they do not constitute expenditures or liabilities.

Encumbrance accounting is not employed in the proprietary funds since they are reported on the accrual basis. Funds aggregating \$552,085 have been committed by the proprietary funds.

E. Investments

Investments are stated at cost, or amortized cost, which approximates market. The City's policy is to invest in certificates of deposit, federal government securities, and federal agency securities.

Investments held in trust for the retirement of refunded debt are carried at amortized cost. The City is required, under irrevocable trust arrangements as described in Note 9, to retain these investments until maturity.

F. Inventories

The costs of inventory items are recorded as expenditures when purchased for financial statement purposes and are included on the balance sheet of the General Fund. Inventories aggregated \$197,797 at June 30, 1983 based on a lower of cost or market valuation with cost being determined using an average cost method.

G. General Fixed Assets

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

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

No depreciation has been provided on general fixed assets.

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

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

H. Property, Plant and Equipment - Proprietary Funds

Property, plant and equipment of the Enterprise and Internal Service Funds are stated at cost or, if donated, at fair market value on the date of acquisition. 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
Motor vehicles and other equipment	5 to 10 years
Furniture, fixtures and office equipment	5 to 10 years

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

Contributions of funds from Federal, State or Local grants restricted for the purpose of purchasing property, plant or equipment are recorded as equity contributions. Depreciation of contributed assets is recorded as an expense in the statement of operations.

I. 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.

J. Property, Plant and Equipment - Estimated Fair Value

Certain contributed fixed assets for which historical costs are not available are recorded in the accounts at estimated fair market value on the date of acquisition. Estimates used for fixed assets are as follows:

General Fixed Assets:	
Streets and storm drains	\$229,543,230
Land	4,664,000
Traffic signal equipment	606,000
Water and Sewer Utility Fund:	
Water system and sewer system	\$ 31,048,256

K. 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 position and operations. Data in these columns do not present financial position, results of operations, or changes in financial position in accordance with generally accepted accounting principles (GAAP). These totals do not represent consolidated financial information. Interfund eliminations have not been made in the aggregation of this data.

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

L. Transactions Between Funds

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

Non-recurring or non-routine transfers of equity between funds are treated as residual equity transfers and are reported as additions to or deductions from the beginning fund balance of governmental funds. Residual equity transfers to proprietary funds are treated as contributed capital and such transfers from proprietary funds 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 funds.

M. Funds Servicing Long-Term Debt

The Debt Service Fund is specifically established to account for and service the general long-term debt of the Governmental Funds.

The Special Assessments 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 2 - BUDGETARY BASIS OF ACCOUNTING

The City of Scottsdale 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 and expenditures - budget and actual - general, special revenue funds and debt service funds to provide a meaningful comparison of actual results with the budget. The major difference between budget and GAAP basis is that encumbrances are recorded as the equivalent of expenditures (budget) as opposed to a reservation of fund balance (GAAP).

Adjustments necessary to convert the fund balances at the end of the year on a GAAP basis to budget basis are as follows:

	FUND BALANCES (DEFICITS) AT END OF YEAR		
	GENERAL	SPECIAL REVENUE FUND TYPES*	DEBT SERVICE
GAAP Basis	\$1,688,531	\$ 146,036	\$ 5,683,287
Reserved encumbrances at June 30, 1983 recognized as expenditures for budget purposes	(667,308)	(140,392)	
Indirect costs allocated to Proprietary Funds not recognized as a reduction of expenditures for budget purposes	(625,072)	(105,118)	
Reserve for inventory of supplies recognized as expenditures for budget purposes	(197,797)		
Accrued payroll at June 30, 1983 not recognized as an expenditure for budget purposes	511,057	37,547	
Fund balance from sinking fund not recognized for budget purposes			(5,683,287)
Budget Basis	<u>\$ 709,411</u>	<u>\$ (61,927)</u>	<u>\$ -0-</u>

\*Community Development and Grants Funds, not a part of budget basis reporting, are excluded.

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

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

	EXCESS (DEFICIENCY) OF REVENUE AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES		
	GENERAL	SPECIAL REVENUE FUND TYPES*	DEBT SERVICE
GAAP Basis	\$ 990,222	\$ (70,619)	\$ 720,586
Reserved encumbrances during year ended June 30, 1983 recognized as expenditures for budget purposes	(667,308)	(140,392)	
Accrued payroll not recognized as an expenditure for budget purposes	90,556	8,448	
Removal of provision for litigation not recognized as revenue for budget purposes	(205,500)		
Indirect cost allocated to Proprietary Funds not recognized as a reduction of expenditures for budget purposes	(625,072)	(105,118)	
Capital improvement transfers not recog- nized as revenue for GAAP purposes	68,506		
Capital improvement transfer not recog- nized as expense for GAAP purposes	(165,185)		
Sinking fund interest earnings not recog- nized as revenue for budget purposes			(425,507)
Principal payment from sinking fund not recognized as an expenditure for budget purposes			225,000
Sinking fund deposit recognized as an expenditure for budget purposes			(520,079)
Budget Basis	<u>\$ (513,781)</u>	<u>\$(307,681)</u>	<u>\$ -0-</u>

\*Community Development and Grants Funds, not a part of budget basis reporting, are excluded.

## NOTE 3 - CASH AND INVESTMENTS

Pooled cash and investments, excluding amounts held by fiscal agents and including those restricted for designated purposes, at June 30, 1983 consist of the following:

Cash in checking accounts	\$ (2,628,881)
Certificate of deposit	555,000
Treasury notes	5,154,340
Federal agencies	6,182,883
Improvement district bonds	270,000
Repurchase agreements	500,000
State investment pool	5,120,000
	<u>\$15,153,342</u>

## NOTE 4 - PROPERTY TAX

Property taxes are recognized as revenue on the modified accrual basis, i.e. when both measurable and available. Because property taxes levied in August, 1983 are not available for the current year, such taxes will not be recognized as revenue until the subsequent fiscal year. Prior year levies were recorded using these same principles and remaining receivables from such levies are also recognized as revenue when available.

## NOTE 5 - DUE FROM OTHER GOVERNMENTS

Grants and miscellaneous receivables include:

- \$210,761 Due from the Federal Aviation Administration for reimbursement of expenses for taxiway construction at the Scottsdale Airport. This receivable is accounted for in the Airport Enterprise Fund.
- \$ 50,000 Reimbursement from the Federal Aviation Administration for expenses incurred in land acquisition. This receivable is accounted for in the Airport Enterprise Fund.
- \$ 15,422 Due from various local government agencies for tuition for courses offered by the Arizona Governmental Training Service. This receivable is accounted for in the Trust and Agency Fund.
- \$ 5,896 Reimbursement from Arizona Department of Transportation for expenses incurred in the installation of the signal intertie system. This receivable is accounted for in the Special Revenue Funds.

## NOTE 6 - FIXED ASSETS

A summary of changes in General Fixed Assets follows:

	<u>BALANCE</u> 6/30/82	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE</u> 6/30/83
Land	\$ 6,702,939	\$ 3,191,458	\$	\$ 9,894,397
Buildings and Improvements	25,549,259	7,075,505		32,624,764
Streets and Storm Drains	249,747,359	14,552,233		264,299,592
Machinery and Equipment	2,743,155	613,761	13,698	3,343,218
Construction in Progress	6,810,791	4,534,506	9,055,044	2,290,253
	<u>\$291,553,503</u>	<u>\$29,967,463</u>	<u>\$9,068,742</u>	<u>\$312,452,224</u>

## NOTE 6 - FIXED ASSETS (Continued)

A summary of Proprietary Fund Types Fixed Assets at June 30, 1983 follows:

	<u>ENTERPRISE</u>	<u>INTERNAL SERVICE</u>
Land	\$ 8,087,722	\$ 67,904
Water System	35,603,772	
Sewer System	30,961,991	
Buildings and Improvements	1,462,578	436,374
Motor Vehicles		4,512,257
Machinery and Equipment		995,123
Furniture and Fixtures	221,099	16,300
Construction in Progress	2,154,007	420,966
	<u>78,491,169</u>	<u>6,448,924</u>
Accumulated Depreciation	(11,631,445)	(3,706,124)
	<u>\$ 66,859,724</u>	<u>\$ 2,742,800</u>

## NOTE 7 - LONG-TERM DEBT - EXCLUDING REFUNDED DEBT

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:

<u>Water, Sewer, Light and Parks and Open Space Purposes Bonds</u>		<u>All Other General Obligation Bonds</u>	
20% constitutional limit	\$94,368,206	6% constitutional limit	\$28,310,462
Net such general obligation bonds outstanding	<u>2,917,265</u>	Net such general obligation bonds outstanding	<u>2,400,000</u>
Available 20% limitation borrowing capacity	<u>\$91,450,941</u>	Available 6% limitation borrowing capacity	<u>\$25,910,462</u>

At June 30, 1983 the City has authorized but unissued bonds approved by the voters at a special bond election on June 21, 1983.

<u>Type of Bond</u>	<u>Amount Authorized</u>	<u>Amount Unissued</u>
General Obligation	\$29,800,000	\$29,800,000
Revenue	39,200,000	39,200,000
Total	<u>\$69,000,000</u>	<u>\$69,000,000</u>

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.



## NOTE 7 - LONG-TERM DEBT - EXCLUDING REFUNDED DEBT (Continued)

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

<u>NAME OF GOVERNMENTAL UNIT</u>	<u>NET BOND OUTSTANDING</u>	<u>% APPLICABLE TO THIS MUNICIPALITY</u>	<u>CITY OF SCOTTSDALE SHARE OF DEBT</u>
City of Scottsdale	\$ 5,317,265	100.00	\$ 5,317,265
State of Arizona	-0-	-0-	-0-
Maricopa County	49,152,419	7.82	3,843,719
Maricopa County C.C.D.	-0-	-0-	-0-
Phoenix Union H.S.D. No. 210	-0-	-0-	-0-
S.D. No. 31 (Balsz)	-0-	-0-	-0-
Scottsdale Unified S. D. No. 48	988,005	64.31	635,386
S.D. No. 69 (Paradise Valley)	65,349,975	8.12	5,306,418
Total Direct and Overlapping Debt			<u>\$15,102,788</u>

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

	<u>GENERAL OBLIGATION BONDS</u>	<u>CONTRACTS PAYABLE</u>	<u>CITY-OWNED SPECIAL ASSESSMENTS</u>	<u>COMPENSATED ABSENCES</u>	<u>TOTAL</u>
Balance June 30, 1982	\$11,215,000	\$ 6,945,000	\$33,447	\$	\$18,193,447
Prior Period Adjustment				879,151	879,151
Balance July 1, 1982 as restated	11,215,000	6,945,000	33,447	879,151	19,072,598
Provision for Com- pensated Absences				111,037	111,037
Debt Incurred		3,400,000			3,400,000
Debt Retired		305,000	15,246		320,246
Debt to be Retired July 1, 1983	315,000				315,000
Balance June 30, 1983*	<u>\$10,900,000</u>	<u>\$10,040,000</u>	<u>\$18,201</u>	<u>\$990,188</u>	<u>\$21,948,389</u>

\*This does not include the 1961 General Obligation Sewer Serial Bonds in the amount of \$100,000. These bonds are serviced by and recorded in the Water and Sewer Enterprise Fund.

## NOTE 7 - LONG-TERM DEBT - EXCLUDING REFUNDED DEBT (Continued)

The following is a summary of bond transactions of the City for the fiscal year ended June 30, 1983:

	GENERAL OBLIGATION	REVENUE	SPECIAL ASSESSMENT	TOTAL
Bonds payable at June 30, 1982	\$11,725,000	\$10,215,000	\$3,299,890	\$25,239,890
Debt Retired				
Serial Bonds (Paid 7/1/82)	(135,000)	(600,000)		(735,000)
Term Bonds (Paid 7/1/82)	(225,000)			(225,000)
Serial Bonds (Paid 1/1/83)			(681,890)	(681,890)
Total Bonds Payable at June 30, 1983	<u>11,365,000</u>	<u>9,615,000</u>	<u>2,618,000</u>	<u>23,598,000</u>
Current Portion	<u>(365,000)</u>	<u>(685,000)</u>		<u>(1,050,000)</u>
Long-Term Bonds Payable June 30, 1983	<u>\$11,000,000</u>	<u>\$ 8,930,000</u>	<u>\$2,618,000</u>	<u>\$22,548,000</u>

The following is a summary of debt service requirements to maturity, including contracts payable as of June 30, 1983. The interest portion of the total is \$16,826,164.

## ANNUAL PRINCIPAL AND INTEREST REQUIREMENTS

FISCAL YEAR	GENERAL OBLIGATION BONDS	REVENUE BONDS	SPECIAL ASSESSMENT BONDS	OTHER DEBT	TOTAL
1984	\$ 1,247,885	\$ 1,653,537	\$ 752,111	\$ 2,735,981	\$ 6,389,514
1985	1,246,675	1,659,333	538,591	2,562,432	6,007,031
1986	1,209,865	1,271,822	463,001	1,995,896	4,940,584
1987	1,113,470	960,623	424,415	1,413,519	3,912,027
1988	1,061,365	962,560	397,432	868,119	3,289,476
1989	1,002,390	967,560	257,178	867,579	3,094,707
1990	948,230	964,835	175,813	870,999	2,959,877
1991	950,225	935,385	105,831	873,119	2,864,560
1992	940,225	909,885	96,993	873,009	2,820,112
1993	610,725	343,635	23,360	871,549	1,849,269
1994	259,075	338,635	19,950	868,739	1,486,399
1995	273,500	297,825	17,637	869,039	1,458,001
1996	261,750			1,687,689	1,949,439
1997-2033				7,014,793	7,014,793
	<u>\$11,125,380</u>	<u>\$11,265,635</u>	<u>\$3,272,312</u>	<u>\$24,372,462</u>	<u>\$50,035,789</u>

## NOTE 7 - LONG-TERM DEBT - EXCLUDING REFUNDED DEBT (Continued)

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 \$2,094,676 at June 30, 1983.

General Obligation Bonds

\$700,000 1961 Sewer Serial Bonds due in annual installments of \$10,000 to \$50,000 through July 1, 1985; interest at 3.90% to 4.30%. (Recorded in Water and Sewer Enterprise Fund.)	\$ 100,000
\$700,000 1966 Parks and Recreation Improvement Serial Bonds due in annual installments of \$10,000 to \$75,000 through July 1, 1986; interest at 4.50% to 5.00%.	220,000
\$1,000,000 1967 Civic Center Improvement Serial Bonds due in annual installments of \$10,000 to \$180,000 through July 1, 1990; interest at 3.70% to 5.00%.	780,000
\$1,400,000 1968 Civic Center Improvement Serial Bonds due in annual installments of \$75,000 to \$250,000 beginning July 1, 1990 through July 1, 1996; interest at 4.70% to 5.00%.	1,400,000
\$3,500,000 1973 Storm Sewer Series A Term Bonds due in one installment of \$3,500,000 on July 1, 1993; interest at 5.35%.	3,500,000*
\$4,000,000 1973 Storm Sewer Series C Term Bonds due in four installments of \$1,000,000 each July 1, 1986 through July 1, 1989; interest at 5.60% to 5.90%.	4,000,000*
\$1,000,000 1973 Storm Sewer Series D Term Bonds due in two installments of \$300,000 and \$700,000 July 1, 1985 and July 1, 1986; interest at 5.125%	1,000,000*
	<u>\$11,000,000</u>

\*Annual payments are made to the Sinking Fund and all bond retirements are paid from the Sinking Fund.

Revenue Bonds

\$3,910,000 1973 Utility Revenue Refunding Issue Serial annual installments of \$50,000 to \$310,000 through July 1, 1995; interest at 4.80% to 5.80%.	\$ 2,930,000
\$750,000 1975 Utility Revenue Series B Serial Bonds due in annual installments of \$25,000 to \$400,000 through July 1, 1984; interest at 5.50% to 6.50%.	400,000

## NOTE 7 - LONG-TERM DEBT - EXCLUDING REFUNDED DEBT (Continued)

Revenue Bonds (Continued)

\$4,000,000 1977 Utility Revenue Series C Serial Bonds due in annual installments of \$400,000 to \$550,000 beginning July 1, 1985 through July 1, 1992; interest at 4.75% to 5.50%.	\$ 4,000,000
\$1,800,000 1980 Utility Revenue Series D Serial Bonds due in annual installments of \$50,000 to \$670,000 through July 1, 1986; interest at 5.40% to 6.25%.	<u>1,600,000</u>
	<u>\$ 8,930,000</u>

Special Assessment Bonds

\$7,183,676 Special Assessment Bonds issued 5/17/72 through 1/25/82, maturity 1/1/82 through 1/1/95. Interest 6.00% to 10.0%. Annual installments of \$2,000 to \$174,000.	<u>\$ 2,618,000</u>
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## NOTE 8 - CONTRACTS PAYABLE

Contracts payable at June 30, 1983 include the following:

	<u>GENERAL</u>	<u>EXCISE DEBT SERVICE</u>	<u>AIRPORT</u>	<u>WATER AND SEWER UTILITY</u>	<u>TOTAL</u>
Contracts payable to the U. S. Army Corps of Engineers for the construction of flood control and recreation facilities, 5.1% principal due in annual installments through 2033.	\$3,400,000	\$	\$	\$	\$ 3,400,000
Contracts payable to City of Scottsdale Municipal Property Corporation for financing construction of municipal buildings, 5.2% to 6% (average rate 5.4%) principal due from July 1, 1982 through July 1, 1996.		6,640,000			6,640,000
Purchase contracts for acquisition of water companies 5.75% to 12.0%, due in annual installments through 1987.				3,349,904	3,349,904
Purchase contracts for acquisition of land for airport runway extension, 12.0% due in annual installments through 1986.			1,051,721		1,051,721
	<u>3,400,000</u>	<u>6,640,000</u>	<u>1,051,721</u>	<u>3,349,904</u>	<u>14,441,625</u>
Less current portion			350,573	1,093,918	1,444,491
	<u>\$3,400,000</u>	<u>\$6,640,000</u>	<u>\$ 701,148</u>	<u>\$2,255,986</u>	<u>\$12,997,134</u>

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

## NOTE 8 - CONTRACTS PAYABLE (Continued)

In fiscal 1974, the City of Scottsdale Municipal Property Corporation ("Corporation"), an Arizona not-for-profit corporation organized for the purpose of financing the construction of municipal buildings on land owned by the City, issued bonds aggregating \$9,020,000 for the construction of the Scottsdale Center for the Arts, for a parking facility and for the refinancing of outstanding debt. Concurrently, the City entered into contracts with the Corporation, whereby the City will pay to the Corporation amounts sufficient to retire the Corporation's bonds and related interest.

The City has collateralized the bonds of the Corporation by (1) a first lien pledge of all excise, transaction privilege and franchise taxes collected by the City, and (2) a pledge of all net revenue derived by the City from the property.

The Corporation retains legal title to the properties until the contracts with the City are paid in full. The City has the sole right to the use of the facilities and is responsible for all operating and maintenance costs.

Land (\$88,350) and buildings and improvements (\$6,559,303) relating to the aforementioned arrangement are included in the General Fixed Assets at June 30, 1983.

In fiscal 1976, the City entered into an agreement with the U. S. Army Corps of Engineers for the construction of flood control and recreation facilities throughout Indian Bend Wash. The City agreed to pay half of the total construction cost of the recreation facilities, with payment to be made in 50 annual installments plus interest at 5.1%, commencing from the date the recreation facilities are completed. In fiscal 1983, the facilities were substantially completed; but final determination of the amount to be paid has not been made. Accordingly, the City has recorded an estimate of the contracts payable amount of \$3,400,000 in the long-term debt account group. Additionally, an estimate of the fixed assets value of \$6,800,000 has been recorded in the general fixed asset account group. Upon final determination of the amount to be paid, the estimates will be revised and payment will begin.

Annual principal installments on contracts payable are due as follows (in thousands of dollars):

<u>FISCAL YEAR ENDING JUNE 30,</u>	<u>GENERAL</u>	<u>DEBT SERVICE</u>	<u>WATER AND SEWER UTILITY</u>	<u>AIRPORT</u>	<u>TOTAL</u>
1984	\$ 16	\$ 320	\$1,094	\$ 351	\$ 1,781
1985	16	340	1,094	350	1,800
1986	17	355	647	351	1,370
1987	18	375	515		908
1988	19	395			414
1989	20	415			435
1990	21	440			461
1991	22	465			487
1992	23	490			513
1993	25	515			540
1994	26	540			566
1995	27	570			597
1996	28	1,420			1,448
1997-2033	3,122				3,122
	<u>\$3,400</u>	<u>\$6,640</u>	<u>\$3,350</u>	<u>\$1,052</u>	<u>\$14,442</u>

**NOTE 9 - REFUNDED DEBT TO BE RETIRED FROM ASSETS HELD IN TRUST**

During fiscal 1973, the City issued revenue refunding bonds aggregating \$3,910,000 to refinance certain existing long-term debt of the Water and Sewer Utility Fund aggregating \$4,220,000. The proceeds of the refunding issue were used to purchase securities of U.S. Federal Government agencies and were placed in irrevocable trusts. The maturities of such investments, together with the related interest earnings, are restricted for and designed to meet the debt service requirements of the refunded debt.

**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, 1983, 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 City employees are covered by one of two contributory retirement and pension plans which are administered by the State of Arizona.

City policemen are covered by the Arizona Public Safety Personnel Retirement System. Funding of the system is provided by (1) member contributions, amounting to 8 percent of compensation as set by State law, and, (2) employer contributions, as described below. The total employer pension expense for 1982-83 was \$381,934, which was paid to the system. This amount is computed as a level percent of payroll (10.56 percent for 1982-83) which includes current service costs and will amortize the unfunded accrued normal costs over a period of 36 years beginning July 1, 1982. Based upon the most recent actuarial valuation of the System (June 30, 1982), the actuarially computed value of vested benefits for the City of Scottsdale participants was less than the pension fund assets attributed to those participants, and the unfunded accrued normal costs for the City participants amounted to \$405,581.

The Arizona State Retirement Plan ("Plan") covers all new City employees hired since July 1, 1976, except policemen, and those City employees on that date who elected to transfer to such Plan from the Arizona State Retirement System ("System"). The System covers all employees other than the City's policemen and those employees who transferred to the Plan. House Bill 2453 of the Arizona Legislature provided that effective July 1, 1981, all remaining non-retired members of the old retirement System were transferred to the Plan.

Funding of the Plan is provided by (1) member contributions, amounting to 7 percent of compensation as set by State law, and (2) employer contributions also at 7 percent as set by State law. The total employer pension expense for 1982-83 was \$975,715, which was paid to the System. This amount includes current service costs and will amortize the unfunded accrued normal costs over a period of 33 years beginning July 1, 1982.

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

Based upon the most recent actuarial valuation of the Plan (June 30, 1982), the Plan's total unfunded accrued normal costs was \$472,023,700. Separate actuarial data for the City of Scottsdale's portion is not available. The City has 669 employee participants in the Plan, which has 146,440 participants in total.

**NOTE 12 - CONTINGENT LIABILITIES**

The City participates in a number of Federal and State assisted grant programs, principal of which are the Federal Revenue Sharing, Community Development Block Grants and Local Public Works programs, which are subject to financial and compliance audits. The audits of these programs for or including the year ended June 30, 1983 have not been conducted. Accordingly, the City's compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

The City is a party to several lawsuits incident to its normal operations. In the opinion of the City Attorney settlement of these lawsuits will not have a material effect on the financial position of the various funds 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 \$1,060,133 at June 30, 1983.

## NOTE 13 - SEGMENTS OF ENTERPRISE ACTIVITIES

Water and sewer, airport and housing are three major services provided by the City of Scottsdale which are financed by user charges and are of such significance as to warrant disclosure as segments of Enterprise Activities. The key financial data for the year ended June 30, 1983 for these services are as follows (in thousands of dollars):

	<u>TOTAL</u>	<u>WATER AND SEWER</u>	<u>AIRPORT</u>	<u>HOUSING</u>
Operating Revenue	\$ 9,617	\$ 9,188	\$ 384	\$ 45
Operating Expenses				
Depreciation	1,951	1,757	180	14
Other	4,439	4,008	373	58
	<u>6,390</u>	<u>5,765</u>	<u>553</u>	<u>72</u>
Operating Income (Loss)	<u>\$ 3,227</u>	<u>\$ 3,423</u>	<u>\$ (169)</u>	<u>\$ (27)</u>
Net Income (Loss)	<u>\$ 2,970</u>	<u>\$ 3,275</u>	<u>\$ (324)</u>	<u>\$ 19</u>
Assets	<u>\$82,050</u>	<u>\$73,181</u>	<u>\$8,310</u>	<u>\$ 559</u>
Bonds Payable	<u>\$ 9,765</u>	<u>\$ 9,765</u>		
Fund Equity	<u>\$62,653</u>	<u>\$55,344</u>	<u>\$7,023</u>	<u>\$ 286</u>
Acquisition of Property, Plant and Equipment	<u>\$10,616</u>	<u>\$10,228</u>	<u>\$ 388</u>	

## NOTE 14 - DEFICITS IN FUNDS

The Special Assessment Fund shows a total fund deficit of \$1,130,207. This deficit occurs because expenditures for special assessment districts are recorded currently, whereas the revenue for special assessment districts is recorded over the life of the special assessment receivable. The total special assessment receivable will more than offset the deficit.

The Airport Fund and Public Housing Fund have accumulated deficits of \$818,035 and \$118,866 respectively. These deficits are due in large part to the small size of the operation, the significant contributed capital value and the fact that depreciation is taken on the contributed asset values. The total fund equity for both of these funds is positive, the Airport Fund being \$7,023,431 and the Public Housing Fund \$285,709.

The Highway User Fuel Tax Fund shows a budget basis fund deficit of \$61,927.

## NOTE 15 - GENERAL DEBT SERVICE FUND EXCESS OF EXPENDITURES OVER APPROPRIATIONS

The General Debt Service Fund shows a \$135 excess of expenditures over appropriations. This resulted from higher than anticipated sinking fund deposit requirements. Revenue sufficient to provide for the excess expenditures was made available in the fund.



## NOTE 16 - CHANGES IN ACCOUNTING PRINCIPLE

In order to conform with recent accounting and reporting pronouncements set forth by the National Council on Governmental Accounting (NCGA), certain changes were made in the accompanying financial statements.

Special Assessments Revenue

Considerable uncertainty has existed in the governmental industry regarding the proper financial reporting for special assessments. The NCGA placed upon its agenda a project to address this problem, and issued an exposure draft entitled Financial Reporting for Special Assessments dated May 27, 1982. This exposure draft was not accepted by the industry, and accordingly the City has adopted a literal interpretation of NCGA Statement 1, Governmental Accounting and Financial Reporting Principles, which specifies that revenue for the Special Assessments Fund be accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenue is recorded when susceptible to accrual, i.e., both measurable and available. Because the special assessments receivable generally have payment terms that run over several years, they do not meet the available test in that they are not collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Accordingly, a change in accounting principle for recognition of special assessments revenue was made in the June 30, 1983 financial statement for the Special Assessment Fund. The cumulative effect of applying this principle was to reduce the beginning fund balance by \$2,092,568 and has been accounted for as a prior period adjustment. The current year effect of the change was to increase the net excess of revenue over expenditures by \$542,105.

Compensated Absences

NCGA Statement 4, Governmental Accounting and Financial Reporting Principles for Claims, Judgements and Compensated Absences, specifies that a liability should be accrued for leave benefits that meet the following conditions:

- (a) The employer's obligation relating to employees' rights to receive compensation for future absences is attributable to employees' services already rendered.
- (b) The obligation relates to rights that vest or accumulate.
- (c) Payment of the compensation is probable.
- (d) The amount can be reasonably estimated.

For the City, vacation leave meets the above criteria. Accordingly, a change in accounting principle for accrued liabilities was made in the June 30, 1983 financial statements.

The cumulative effect of the change in accounting principle for vacation leave on the June 30, 1983 beginning fund balances/retained earnings has been accounted for as a prior period adjustment as follows:

General Fund	\$ 222,109
Special Revenue	15,832
Internal Service	65,033
Enterprise	47,772
General Long-Term Debt	879,151
Total	<u>\$1,229,897</u>

## NOTE 16 - CHANGE IN ACCOUNTING PRINCIPLE (Continued)

The effect of the change in accounting principle for vacation leave on the net increase (decrease) in fund balances/retained earnings is as follows:

General Fund	\$ 9,075
Special Revenue	531
Internal Service	4,659
Enterprise	2,256
General Long-Term Debt	111,037
Total	<u>\$ 127,558</u>

## NOTE 17 - CAPITALIZED INTEREST

During the fiscal year 1983, the Water and Sewer Fund incurred \$1,057,054 of interest of which \$189,985 was capitalized.

During the fiscal year 1983, the Airport Fund incurred \$157,779 of interest of which \$933 was capitalized.

## NOTE 18 - OTHER MATTERS

- A. In fiscal 1982-83, the City entered into a ten-year agreement with Metropolitan Fire Department, Inc. ("Metropolitan") whereby Metropolitan will provide fire protection and related services to the City. Annual amounts due in 1983-84 will approximate \$2,440,284.
- B. The City has a contract for the acquisition of data processing equipment that has been accounted for as an operating lease. Annual contract payments are as follows: 1983-84 \$99,664; 1984-85 \$54,354; 1985-86 \$52,956; 1986-87 \$29,682 and 1987-88 \$21,924.
- C. The City established a Self Insurance Fund during fiscal 1979. The Self Insurance Fund is responsible for the budgeting, investigation and payment of claims that are incurred by the City of Scottsdale. The Self Insurance Fund is protected by excess insurance designed to limit the exposure to loss for any single loss occurrence. For fiscal year 1982-83 the Self Insurance Fund was responsible for the first \$150,000 per occurrence for workmen's compensation claims and the first \$100,000 for liability claims against the City. The Fund was also responsible for the first \$25,000 per occurrence for claims relating to vehicle and property damage and the first \$25,000 for claims relating to fidelity bonds.
- The Self Insurance Fund establishes a liability for claims filed but not yet settled based upon the City's estimate of probable loss.
- D. On April 18, 1983 the City entered into an agreement with Communication Consultants Incorporated (CCI) for the acquisition of a telephone system for City facilities. When the equipment has been ordered and delivered the City will pay CCI \$674,009.



## 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 the Capital Projects Funds, Special Revenue Funds or Enterprise Funds.

## CITY OF SCOTTSDALE

EXHIBIT B-1

## GENERAL FUND

## BALANCE SHEET

JUNE 30, 1983

ASSETS

Cash and short-term investments	\$1,355,276
Investments	436,920
Receivables	
Accrued interest	352,954
Property taxes	275,295
State-shared sales tax	375,995
Auto lieu tax	71,191
Accounts, including unbilled of \$222,855	427,916
Miscellaneous	133,225
Inventory of supplies	197,797
Prepaid expense	2,000
	<hr/>
Total Assets	<u>\$3,628,569</u>

LIABILITIES AND FUND BALANCE

Liabilities	
Claims payable	\$ 456,789
Accrued payroll	511,057
Accrued payroll withholdings	655,250
Deferred revenue - property taxes	316,942
	<hr/>
Total Liabilities	<u>1,940,038</u>
Commitments	
Fund Balance	
Reserved for	
Encumbrances	667,308
Inventory of supplies	197,797
Unreserved	823,426
	<hr/>
Total Fund Balance	<u>1,688,531</u>
Total Liabilities and Fund Balance	<u>\$3,628,569</u>

See notes to financial statements.

## CITY OF SCOTTSDALE

EXHIBIT B-2

## GENERAL FUND

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

FOR THE FISCAL YEAR ENDED JUNE 30, 1983

	<u>ACTUAL</u>
Revenue	
Taxes - Local	\$17,443,196
Taxes - Intergovernmental	8,118,164
Licenses	402,894
Charges for Current Services	5,208,927
Fines and Forfeitures	722,696
Use of Money and Property	935,458
Miscellaneous	371,143
CIP Reimbursements	411,727
Total Revenue	<u>33,614,205</u>
Expenditures	
Current	
General Government	3,681,626
Public Safety	8,610,452
Management Services	2,488,759
Field Operations	4,376,124
Community Services	6,311,413
Community Development	3,246,027
Capital Improvements	4,891,004
Debt Service	
Principal Retirement	197,487
Interest and Fiscal Charges	321,091
Total Expenditures	<u>34,123,983</u>
Deficiency of Revenue over Expenditures	509,778
Other Sources (Uses)	
Contracts Payable	3,400,000
Operating Transfers (Out)	<u>(1,900,000)</u>
Excess of Revenue and Other Sources over Expenditures and Other Uses	990,222
Fund Balance July 1, 1982	1,257,709
Prior Period Adjustment	(222,109)
Fund Balance, July 1, 1982 as restated	<u>1,035,600</u>
Reserve for Inventory	(10,974)
Residual Equity Transfers In	23,683
Residual Equity Transfers Out	<u>350,000</u>
Fund Balance June 30, 1983	<u>\$ 1,688,531</u>

See notes to financial statements.

## CITY OF SCOTTSDALE

EXHIBIT B-3

## GENERAL FUND

STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS

FOR THE FISCAL YEAR ENDED JUNE 30, 1983

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>Revenue</b>			
Taxes - Local	\$17,090,220	\$17,443,196	\$ 352,976
Taxes - Intergovernmental	7,999,000	8,118,164	119,164
Licenses	379,000	402,894	23,894
Charges for Current Services	4,535,000	5,208,927	673,927
Fines and Forfeitures	396,000	722,696	326,696
Use of Money and Property	961,000	935,458	(25,542)
Miscellaneous	347,822	233,585	(114,237)
CIP Reimbursements	875,000	411,727	(463,273)
Total Revenue	<u>32,583,042</u>	<u>33,476,647</u>	<u>893,605</u>
<b>Expenditures</b>			
<b>Current</b>			
General Government	4,086,775	3,951,721	135,054
Public Safety	8,737,374	8,630,406	106,968
Management Services	3,029,572	2,929,187	100,385
Field Operations	4,557,828	4,520,248	37,580
Community Services	6,587,430	6,451,344	136,086
Community Development	3,471,954	3,384,036	87,918
Capital Improvements	2,070,003	1,704,908	365,095
Contingency	2,572,271		2,572,271
<b>Debt Service</b>			
Principal Retirement	267,941	197,487	70,454
Interest and Fiscal Charges	461,110	321,091	140,019
Total Expenditures	<u>35,842,258</u>	<u>32,090,428</u>	<u>3,751,830</u>
Excess (Deficiency) of Revenue over Expenditures	(3,259,216)	1,386,219	4,645,435
<b>Other Uses</b>			
Operating Transfers In (Out)	3,014,507	(1,900,000)	(4,914,507)
Deficiency of Revenue over Expenditures and Other Uses	244,709	513,781	(269,072)
Encumbrances Cancelled		1,038,163	1,038,163
Fund Balance July 1, 1982	244,709	511,346	266,637
Residual Equity Transfers In		23,683	23,683
Residual Equity Transfers Out		350,000	(350,000)
Fund Balance June 30, 1983	<u>\$ -0-</u>	<u>\$ 709,411</u>	<u>\$ 709,411</u>

See notes to financial statements.

## CITY OF SCOTTSDALE

EXHIBIT B-4

## GENERAL FUND

## SCHEDULE OF REVENUE - ESTIMATED AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 1983

	<u>ESTIMATED</u>	<u>ACTUAL</u>	<u>ACTUAL OVER/(UNDER) ESTIMATED</u>
Taxes - Local			
Property tax	\$ 2,357,095	\$ 2,169,308	\$ (187,787)
Transaction privilege	12,783,125	13,382,390	599,265
Hotel/motel transient tax	860,000	816,895	(43,105)
Light and power franchise	1,004,000	954,093	(49,907)
Cable TV Franchise	30,000	3,987	(26,013)
Salt River Project in lieu	56,000	51,915	(4,085)
Fire insurance premium tax		64,608	64,608
	<u>17,090,220</u>	<u>17,443,196</u>	<u>352,976</u>
Taxes - Intergovernmental			
State-shared sales tax	3,980,000	4,105,131	125,131
Automobile in lieu	789,000	785,828	(3,172)
State revenue sharing	3,230,000	3,227,205	(2,795)
	<u>7,999,000</u>	<u>8,118,164</u>	<u>119,164</u>
Licenses			
Business licenses	159,000	150,304	(8,696)
Liquor licenses	200,000	227,485	27,485
Application fees	20,000	24,205	4,205
Occupational registrations		900	900
	<u>379,000</u>	<u>402,894</u>	<u>23,894</u>
Charges for Current Services			
Refuse collection charges	2,783,000	2,857,063	74,063
Building and related permits	1,240,000	1,778,801	538,801
Other fees	162,000	150,326	(11,674)
Recreation fees	350,000	422,737	72,737
	<u>4,535,000</u>	<u>5,208,927</u>	<u>673,927</u>
Fines and Forfeitures			
Moving vehicles	252,000	412,696	160,696
Parking	50,000	138,805	88,805
Other court fees	50,000	113,864	63,864
Library	44,000	57,331	13,331
	<u>396,000</u>	<u>722,696</u>	<u>326,696</u>
Use of Money and Property			
Interest earnings	878,000	850,260	(27,740)
Property rental	83,000	85,198	2,198
	<u>961,000</u>	<u>935,458</u>	<u>(25,542)</u>
Miscellaneous	<u>347,822</u>	<u>233,585</u>	<u>(114,237)</u>
CIP Reimbursements	<u>875,000</u>	<u>411,727</u>	<u>(463,273)</u>
Total Revenue	<u>\$32,583,042</u>	<u>\$33,476,647</u>	<u>\$ 893,605</u>



## CITY OF SCOTTSDALE

EXHIBIT B-5

## GENERAL FUND

## SCHEDULE OF EXPENDITURES BY OBJECT

FOR THE FISCAL YEAR ENDED JUNE 30, 1983

	<u>TOTAL</u>	<u>PERSONAL SERVICES</u>	<u>OTHER SERVICES</u>	<u>SUPPLIES</u>	<u>DEBT SERVICE</u>	<u>CAPITAL OUTLAY</u>
Current						
General Government	\$ 3,890,178	\$ 2,103,664	\$1,685,807	\$ 44,993	\$	\$ 55,714
Public Safety	8,610,452	5,982,293	2,275,439	89,446		263,274
Management Services	2,790,356	2,083,463	655,824	20,096		30,973
Field Operations	4,454,183	1,815,222	2,150,373	476,956		11,632
Community Services	6,348,277	4,251,853	1,370,100	397,475		328,849
Community Development	3,246,027	2,450,421	681,610	57,083		56,913
Capital Improvements	4,891,004	85,053	47,444	12,037		4,746,470
Debt Service						
Principal Retirement	197,487				197,487	
Interest & Fiscal Charges	321,091				321,091	
Expenditures	<u>\$34,749,055</u>	<u>\$18,771,969</u>	<u>\$8,866,597</u>	<u>\$1,098,086</u>	<u>\$518,578</u>	<u>\$5,493,825</u>
Indirect Cost Allocation Out	<u>625,072</u>					
Total Expenditures	<u>\$34,123,983</u>					
Operating Transfer to: Highway User Fund	<u>\$ 1,900,000</u>					
Residual Equity Transfer to: Airport Fund	<u>\$ 350,000</u>					

## SPECIAL REVENUE FUNDS

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

### Highway User Fuel Tax Fund

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

### Federal Revenue Sharing Fund

This fund receives and expends the City's allocation of Federal Revenue Sharing money. The amount available to each city is allocated on the basis of a formula established by the Congress of the United States. Federal Revenue Sharing money may be used for any purpose which is considered a permissible use of the government's own revenue under applicable state and local law.

### Community Development Fund

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

CITY OF SCOTTSDALE  
 SPECIAL REVENUE FUNDS  
 COMBINING BALANCE SHEET  
 JUNE 30, 1983

<u>ASSETS</u>	<u>TOTAL ALL FUNDS</u>	<u>HIGHWAY USERS FUEL TAX</u>	<u>FEDERAL REVENUE SHARING</u>	<u>COMMUNITY DEVELOPMENT</u>	<u>GRANTS</u>
Cash and short-term investments	\$242,690	\$ 94,260	\$	\$	\$148,430
Receivables					
Gas tax	286,877	286,877			
Federal revenue sharing	227,041		227,041		
Grants	7,795				7,795
Miscellaneous	<u>77,954</u>	<u>8,394</u>	<u>1,560</u>	<u>68,000</u>	
Total Assets	<u>\$842,357</u>	<u>\$389,531</u>	<u>\$ 228,601</u>	<u>\$ 68,000</u>	<u>\$156,225</u>
<u>LIABILITIES AND FUND BALANCES</u>					
Liabilities					
Cash overdraft	\$ 252,870	\$	\$ 226,405	\$ 26,465	\$
Claims payable	256,909	205,948	2,196	41,196	7,569
Accrued payroll	<u>37,547</u>	<u>37,547</u>			
Total Liabilities	<u>547,326</u>	<u>243,495</u>	<u>228,601</u>	<u>67,661</u>	<u>7,569</u>
Fund Balances (Deficit)					
Reserved for encumbrances	169,485	140,392		22,532	6,561
Unreserved	<u>125,546</u>	<u>5,644</u>		<u>(22,193)</u>	<u>142,095</u>
Total Fund Balances	<u>295,031</u>	<u>146,036</u>		<u>339</u>	<u>148,656</u>
Total Liabilities and Fund Balances	<u>\$ 842,357</u>	<u>\$ 389,531</u>	<u>\$ 228,601</u>	<u>\$ 68,000</u>	<u>\$156,225</u>

See notes to financial statements.

## CITY OF SCOTTSDALE

EXHIBIT C-2

## SPECIAL REVENUE FUNDS

COMBINING STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES  
FOR THE FISCAL YEAR ENDED JUNE 30, 1983

	<u>TOTAL ALL FUNDS</u>	<u>HIGHWAY USERS FUEL TAX</u>	<u>FEDERAL REVENUE SHARING</u>	<u>COMMUNITY DEVELOPMENT</u>	<u>GRANTS</u>
Revenue					
Taxes - Intergovernmental	\$ 5,504,297	\$ 4,511,495	\$ 992,802	\$	\$
Grants	1,797,176			1,457,114	340,062
Use of Money and Property	20,253	9,941	10,312		
Miscellaneous	29,634	29,634			
CIP Reimbursements	106,023	106,023			
Total Revenue	<u>7,457,383</u>	<u>4,657,093</u>	<u>1,003,114</u>	<u>1,457,114</u>	<u>340,062</u>
Expenditures					
Current					
Public Safety	1,237,155		1,210,314		26,841
Field Operations	3,953,652	3,953,652			
Community Services	158,456				158,456
Community Development	2,156,444	652,398		1,470,145	33,901
Capital Improvements	1,814,462	1,814,462			
Total Expenditures	<u>9,320,169</u>	<u>6,420,512</u>	<u>1,210,314</u>	<u>1,470,145</u>	<u>219,198</u>
Excess (Deficiency) of Revenue over Expenditures	(1,862,786)	(1,763,419)	(207,200)	(13,031)	120,864
Other Sources					
Operating Transfers In	<u>1,900,000</u>	<u>1,900,000</u>			
Excess (Deficiency) of Revenue and Other Sources over Expenditures	37,214	136,581	(207,200)	(13,031)	120,864
Fund Balances July 1, 1982	492,910	25,287	207,200	13,370	247,053
Prior Period Adjustment	(15,832)	(15,832)			
Fund Balances July 1, 1982, as Restated	477,078	9,455	207,200	13,370	247,053
Residual Equity Transfers Out	<u>219,261</u>				<u>219,261</u>
Fund Balances June 30, 1983	<u>\$ 295,031</u>	<u>\$ 146,036</u>	<u>\$ -0-</u>	<u>\$ 339</u>	<u>\$148,656</u>

See notes to financial statements.

CITY OF SCOTTSDALE

SPECIAL REVENUE FUNDS

COMBINING STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - BUDGET BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 1983

EXHIBIT C-3

	TOTALS			HIGHWAY USERS FUEL TAX			FEDERAL REVENUE SHARING		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenue									
Taxes - Intergovernmental	\$ 5,919,000	\$ 5,504,297	\$ (414,703)	\$ 4,782,000	\$ 4,511,495	\$ (270,505)	\$1,137,000	\$ 992,802	\$ (144,198)
Use of Money and Property	14,000	20,233	6,233	4,000	9,941	5,941	10,000	10,312	312
Miscellaneous		29,634	29,634		29,634	29,634			
CIP Reimbursement	<u>1,654,000</u>	<u>106,023</u>	<u>(1,547,977)</u>	<u>1,654,000</u>	<u>106,023</u>	<u>(1,547,977)</u>			
Total Revenue	<u>7,587,000</u>	<u>5,660,207</u>	<u>(1,926,793)</u>	<u>6,440,000</u>	<u>4,657,093</u>	<u>(1,782,907)</u>	<u>1,147,000</u>	<u>1,003,114</u>	<u>(143,886)</u>
Expenditures									
Current									
Public Safety	1,337,459	1,210,314	127,145				1,337,459	1,210,314	127,145
Field Operations	4,036,970	4,079,865	(42,895)	4,036,970	4,079,865	(42,895)			
Community Development	647,927	656,055	(8,128)	647,927	656,055	(8,128)			
Capital Improvements	<u>3,397,303</u>	<u>1,921,654</u>	<u>1,475,649</u>	<u>3,397,303</u>	<u>1,921,654</u>	<u>1,475,649</u>			
Total Expenditures	<u>9,419,659</u>	<u>7,867,888</u>	<u>1,551,771</u>	<u>8,082,200</u>	<u>6,657,574</u>	<u>1,424,626</u>	<u>1,337,459</u>	<u>1,210,314</u>	<u>127,145</u>
Deficiency of Revenue over Expenditures	1,832,659	2,207,681	375,022	1,642,200	2,000,481	358,281	190,459	207,200	16,741
Other Sources									
Operating Transfers In	<u>1,642,200</u>	<u>1,900,000</u>	<u>257,800</u>	<u>1,642,200</u>	<u>1,900,000</u>	<u>257,800</u>			
Deficiency of Revenue and Other Sources over Expenditures	190,459	307,681	117,222		100,481	100,481	190,459	207,200	16,741
Encumbrances Cancelled		33,155	33,155		25,121	25,121		8,034	8,034
Fund Balances July 1, 1982	<u>190,459</u>	<u>212,599</u>	<u>22,140</u>		<u>13,433</u>	<u>13,433</u>	<u>190,459</u>	<u>199,166</u>	<u>8,707</u>
Fund Balances June 30, 1983	<u>\$ -0-</u>	<u>\$ (61,927)</u>	<u>\$ (61,927)</u>	<u>\$ -0-</u>	<u>\$ (61,927)</u>	<u>\$ (61,927)</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

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See notes to financial statements.

## CITY OF SCOTTSDALE

EXHIBIT C-4

## SPECIAL REVENUE FUNDS

COMBINING SCHEDULE OF REVENUE AND OTHER SOURCES  
FOR THE FISCAL YEAR ENDED JUNE 30, 1983

	<u>TOTAL ALL FUNDS</u>	<u>HIGHWAY USERS FUEL TAX</u>	<u>FEDERAL REVENUE SHARING</u>	<u>COMMUNITY DEVELOPMENT</u>	<u>GRANTS</u>
Taxes - Intergovernmental					
Gas tax	\$4,511,495	\$4,511,495	\$	\$	\$
Federal revenue sharing	992,802		992,802		
	<u>5,504,297</u>	<u>4,511,495</u>	<u>992,802</u>		
Use of Money and Property					
Interest earnings	<u>20,253</u>	<u>9,941</u>	<u>10,312</u>		
Grants					
Federal	1,492,313			1,457,114	35,199
State	2,475				2,475
Miscellaneous	302,388				302,388
	<u>1,797,176</u>			<u>1,457,114</u>	<u>340,062</u>
Miscellaneous	<u>29,634</u>	<u>29,634</u>			
CIP Reimbursement	<u>106,023</u>	<u>106,023</u>			
Other Sources					
Operating transfers in	<u>1,900,000</u>	<u>1,900,000</u>			
Total	<u>\$9,357,383</u>	<u>\$6,557,093</u>	<u>\$1,003,114</u>	<u>\$1,457,114</u>	<u>\$340,062</u>

CITY OF SCOTTSDALE

SPECIAL REVENUE FUNDS

COMBINING SCHEDULE OF REVENUE AND OTHER SOURCES - ESTIMATED AND ACTUAL - BUDGET BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 1983

EXHIBIT C-5

	TOTALS			HIGHWAY USERS FUEL TAX			FEDERAL REVENUE SHARING		
	ESTIMATED	ACTUAL	ACTUAL OVER/(UNDER) ESTIMATED	ESTIMATED	ACTUAL	ACTUAL OVER/(UNDER) ESTIMATED	ESTIMATED	ACTUAL	ACTUAL OVER/(UNDER) ESTIMATED
Taxes - Intergovernmental									
Gas tax	\$4,782,000	\$4,511,495	\$ (270,505)	\$4,782,000	\$4,511,495	\$ (270,505)	\$	\$	\$
Federal revenue sharing	<u>1,137,000</u>	<u>992,802</u>	<u>(144,198)</u>	<u>1,137,000</u>	<u>992,802</u>	<u>(144,198)</u>	<u>1,137,000</u>	<u>992,802</u>	<u>(144,198)</u>
	<u>5,919,000</u>	<u>5,504,297</u>	<u>(414,703)</u>	<u>4,782,000</u>	<u>4,511,495</u>	<u>(270,505)</u>	<u>1,137,000</u>	<u>992,802</u>	<u>(144,198)</u>
Use of Money and Property									
Interest earnings	<u>14,000</u>	<u>20,253</u>	<u>6,253</u>	<u>4,000</u>	<u>9,941</u>	<u>5,941</u>	<u>10,000</u>	<u>10,312</u>	<u>312</u>
Miscellaneous		29,634	29,634		29,634	29,634			
CIP Reimbursement	<u>1,654,000</u>	<u>106,023</u>	<u>(1,547,977)</u>	<u>1,654,000</u>	<u>106,023</u>	<u>(1,547,977)</u>			
	<u>1,654,000</u>	<u>135,657</u>	<u>(1,518,343)</u>	<u>1,654,000</u>	<u>135,657</u>	<u>(1,518,343)</u>			
Total Revenue	<u>7,587,000</u>	<u>5,660,207</u>	<u>(1,926,793)</u>	<u>6,440,000</u>	<u>4,657,093</u>	<u>(1,782,907)</u>	<u>1,147,000</u>	<u>1,003,114</u>	<u>(143,886)</u>
Other Sources									
Operating transfers in	<u>1,468,767</u>	<u>1,900,000</u>	<u>431,233</u>	<u>1,468,767</u>	<u>1,900,000</u>	<u>431,233</u>			
Total Revenue and Other Sources	<u>\$9,055,767</u>	<u>\$7,560,207</u>	<u>\$(1,495,560)</u>	<u>\$7,908,767</u>	<u>\$6,557,093</u>	<u>\$(1,351,674)</u>	<u>\$1,147,000</u>	<u>\$1,003,114</u>	<u>\$(143,886)</u>

## CITY OF SCOTTSDALE

EXHIBIT C-6

## SPECIAL REVENUE FUNDS

## COMBINING SCHEDULE OF EXPENDITURES BY OBJECT

FOR THE FISCAL YEAR ENDED JUNE 30, 1983

	<u>TOTAL</u>	<u>PERSONAL SERVICES</u>	<u>OTHER SERVICES</u>	<u>SUPPLIES</u>	<u>CAPITAL OUTLAY</u>
<u>HIGHWAY USER FUEL TAX</u>					
Current					
Field Operations	\$ 4,058,770	\$1,148,332	\$1,610,514	\$1,269,503	\$ 30,421
Community Development	652,398	269,007	359,078	3,124	21,189
Capital Improvements	1,814,462	309,965	244,755	611,591	648,151
	<u>6,525,630</u>	<u>1,727,304</u>	<u>2,214,347</u>	<u>1,884,218</u>	<u>699,761</u>
<u>FEDERAL REVENUE SHARING</u>					
Current					
Public Safety	<u>1,210,314</u>		<u>1,202,297</u>	<u>8,017</u>	
<u>COMMUNITY DEVELOPMENT</u>					
Current					
Community Development	<u>1,470,145</u>	<u>172,182</u>	<u>202,269</u>	<u>1,858</u>	<u>1,093,836</u>
<u>GRANTS</u>					
Current					
Community Services	158,456		152,153	6,303	
Public Safety	26,841		25,490	1,351	
Community Development	33,901		20,440	1,566	11,895
	<u>219,198</u>		<u>198,083</u>	<u>9,220</u>	<u>11,895</u>
Expenditures	\$ 9,425,287	<u>\$1,899,486</u>	<u>\$3,816,996</u>	<u>\$1,903,313</u>	<u>\$1,805,492</u>
Indirect Cost Allocation Out	<u>105,118</u>				
Total Expenditures	<u>\$ 9,320,169</u>				





## DEBT SERVICE FUNDS

These funds are established to account for the accumulation and disbursement of money needed to comply with the interest and principal redemption requirements of the general obligation and excise debt bond issues. Provisions are made in the City's general property tax levy for monies sufficient to meet the general obligation debt and from the transaction privilege tax for the excise debt.

General Obligation Bond Debt Service funds presently established are as follows:

- 1966 Parks and Recreation Improvement Bonds
- 1967 Civic Center Improvement Bonds
- 1968 Civic Center Improvement Bonds
- 1973 Storm Sewer Construction Bonds
- 1975 Storm Sewer Construction Bonds
- 1976 Storm Sewer Construction Bonds
- 1978 Storm Sewer Construction Bonds

Excise Debt Service Funds presently established are as follows:

- 1974 Municipal Properties Corporation Bonds

CITY OF SCOTTSDALE  
 DEBT SERVICE FUND  
 BALANCE SHEET  
 JUNE 30, 1983

EXHIBIT D-1

	<u>GENERAL DEBT SERVICE</u>
<u>ASSETS</u>	
Cash with fiscal agents	<u>\$6,293,218</u>
Total Assets	<u>\$6,293,218</u>
<u>LIABILITIES AND FUND BALANCE</u>	
Liabilities	
Bonds interest payable	\$ 294,931
Bonds payable	<u>315,000</u>
Total Liabilities	<u>609,931</u>
Fund balance	
Reserved for sinking fund requirements	<u>5,683,287</u>
Total Liabilities and Fund Balance	<u>\$6,293,218</u>

See notes to financial statements.

CITY OF SCOTTSDALE

EXHIBIT D-2

DEBT SERVICE FUNDS

COMBINING STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES

FOR THE FISCAL YEAR ENDED JUNE 30, 1983

	<u>TOTAL ALL FUNDS</u>	<u>GENERAL DEBT SERVICE</u>	<u>EXCISE DEBT SERVICE</u>
Revenue			
Taxes - local			
Property	\$1,202,040	\$1,202,040	\$
Transaction privilege	199,926		199,926
Interest earnings	<u>425,507</u>	<u>425,507</u>	
Total Revenue	<u>1,827,473</u>	<u>1,627,547</u>	<u>199,926</u>
Expenditures			
Payment to fiscal agents			
Principal	210,856	90,000	120,856
Interest	666,857	589,860	76,997
Fiscal agents' fees	4,174	2,101	2,073
Principal retired from sinking fund	<u>225,000</u>	<u>225,000</u>	
Total Expenditures	<u>1,106,887</u>	<u>906,961</u>	<u>199,926</u>
Excess of Revenue over Expenditures	720,586	720,586	
Reserved Fund Balances July 1, 1982	<u>4,962,701</u>	<u>4,962,701</u>	
Reserved Fund Balances June 30, 1983	<u>\$5,683,287</u>	<u>\$5,683,287</u>	<u>\$ -0-</u>

See notes to financial statements.

CITY OF SCOTTSDALE  
 DEBT SERVICE FUNDS  
 COMBINING STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - BUDGET BASIS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 1983

	TOTALS			GENERAL DEBT SERVICE			EXCISE DEBT SERVICE		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenue									
Taxes - Local									
Property	\$1,201,905	\$1,202,040	\$ 135	\$1,201,905	\$1,202,040	\$ 135	\$	\$	\$
Transaction privilege	201,875	199,926	(1,949)				201,875	199,926	(1,949)
Total Revenue	<u>1,403,780</u>	<u>1,401,966</u>	<u>(1,814)</u>	<u>1,201,905</u>	<u>1,202,040</u>	<u>135</u>	<u>201,875</u>	<u>199,926</u>	<u>(1,949)</u>
Expenditures									
Payment to fiscal agents									
Principal	210,856	210,856		90,000	90,000		120,856	120,856	
Interest	669,816	666,857	2,959	589,860	589,860		79,956	76,997	2,959
Fiscal agents' fees	3,108	4,174	(1,066)	2,045	2,101	(56)	1,063	2,073	(1,010)
Sinking fund deposit	520,000	520,079	(79)	520,000	520,079	(79)			
Total Expenditures	<u>1,403,780</u>	<u>1,401,966</u>	<u>1,814</u>	<u>1,201,905</u>	<u>1,202,040</u>	<u>(135)</u>	<u>201,875</u>	<u>199,926</u>	<u>1,949</u>
Excess of Revenue over Expenditures									
Reserved Fund Balances July 1, 1982									
Reserved Fund Balances June 30, 1983	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

See notes to financial statements.

## SPECIAL ASSESSMENTS FUND

A special assessments fund is established to finance and account for the construction or purchase of improvements (or provision of services) which are to be paid for from special assessments levied against the benefited properties.

Usually the total cost of a project to be financed by special assessments is so large that the fund cannot expect to collect in a single installment the entire amount of the needed contribution from each property owner benefited. Accordingly, the option of paying the assessment in annual installments over a specified period is granted. Contractors and suppliers, who must be paid upon completion of the project, are issued improvement district serial bonds which are repaid from the annual installments paid by the property owners.

CITY OF SCOTTSDALE  
 SPECIAL ASSESSMENTS FUND  
 BALANCE SHEET  
 JUNE 30, 1983

EXHIBIT E-1

ASSETS

Cash and short-term investments	\$ 944,923
Cash with fiscal agents	94,286
Special assessments receivable - current	551,830
Special assessments receivable - deferred	<u>1,626,941</u>
Total Assets	<u>\$ 3,217,980</u>

LIABILITIES AND FUND BALANCE

Liabilities	
Bonds interest payable	\$ 94,286
Bonds payable	2,618,000
Deferred special assessment revenue	1,626,941
Claims payable	8,950
Special assessment overpayments	<u>10</u>
Total Liabilities	<u>4,348,187</u>
Fund Balance (Deficit)	
Reserved for	
Bond interest and redemption	29,413
Street light districts	390,847
Unreserved	<u>(1,550,467)</u>
Total Fund Balance (Deficit)	<u>(1,130,207)</u>
Total Liabilities and Fund Balance	<u>\$ 3,217,980</u>

See notes to financial statements.

CITY OF SCOTTSDALE

EXHIBIT E-2

SPECIAL ASSESSMENTS FUND

STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE

FOR THE FISCAL YEAR ENDED JUNE 30, 1983

Revenue	
Penalty income	\$ 3,785
Street light districts	547,870
Special assessments	551,830
Interest income	<u>201,296</u>
Total Revenue	<u>\$ 1,304,781</u>
Expenditures	
Current	
Street light districts	\$ 296,600
Interest expense	<u>211,021</u>
Total Expenditures	<u>507,621</u>
Excess of Revenue over Expenditures	797,160
Fund Balance July 1, 1982	174,987
Prior Period Adjustment	(2,092,568)
Fund Balance (Deficit) July 1, 1982 as restated	<u>(1,917,581)</u>
Residual Equity Transfers Out	<u>(9,786)</u>
Fund Balance June 30, 1983	<u><u>\$(1,130,207)</u></u>

See notes to financial statements.



CITY OF SCOTTSDALE

SPECIAL ASSESSMENTS FUND

SCHEDULE OF EXPENDITURES BY OBJECT

FOR THE FISCAL YEAR ENDED JUNE 30, 1983

	<u>TOTAL</u>	<u>PERSONAL SERVICES</u>	<u>OTHER SERVICES</u>	<u>SUPPLIES</u>	<u>DEBT SERVICE</u>	<u>CAPITAL OUTLAY</u>
Special Assessments Fund						
Current						
Street light districts	\$296,600		\$296,600			
Debt Service						
Interest & Fiscal Charges	<u>211,021</u>				<u>211,021</u>	
Total Expenditures	<u>\$507,621</u>		<u>\$296,600</u>		<u>\$211,021</u>	

## TRUST AND AGENCY FUND

The Trust and Agency Fund is 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.

CITY OF SCOTTSDALE  
 TRUST AND AGENCY FUND  
 BALANCE SHEET  
 JUNE 30, 1983

EXHIBIT F-1

ASSETS

Cash and short-term investments	\$2,164,695
Cash with fiscal agents	513,335
Miscellaneous receivables	<u>15,422</u>
Total Assets	<u>\$2,693,452</u>

LIABILITIES AND FUND BALANCE

Liabilities	
Claims payable	\$ 11,163
Guaranty and other deposits	<u>2,052,670</u>
Total Liabilities	<u>2,063,833</u>
Fund Balance	
Reserved for encumbrances	7,403
Unreserved	<u>622,216</u>
Total Fund Balance	<u>629,619</u>
Total Liabilities and Fund Balance	<u>\$2,693,452</u>

See notes to financial statements.

## CITY OF SCOTTSDALE

EXHIBIT F-2

## TRUST AND AGENCY FUND

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

FOR THE FISCAL YEAR ENDED JUNE 30, 1983

Revenue	\$407,268
Expenditures - Current	<u>299,853</u>
Excess of Revenue over Expenditures	107,415
Fund Balance July 1, 1982	385,345
Residual Equity Transfer In	<u>136,859</u>
Fund Balance June 30, 1983	<u><u>\$629,619</u></u>

See notes to financial statements.

CITY OF SCOTTSDALE  
 TRUST AND AGENCY FUND  
 SCHEDULE OF EXPENDITURES BY OBJECT  
 FOR THE FISCAL YEAR ENDED JUNE 30, 1983

EXHIBIT F-3

	<u>TOTAL</u>	<u>PERSONAL SERVICES</u>	<u>OTHER SERVICES</u>	<u>SUPPLIES</u>	<u>CAPITAL OUTLAY</u>
Trust and Agency Fund					
Current					
Trust and Agency	<u>\$299,853</u>	<u>\$53,226</u>	<u>\$191,245</u>	<u>\$38,931</u>	<u>\$16,451</u>
Total Expenditures	<u>\$299,853</u>	<u>\$53,226</u>	<u>\$191,245</u>	<u>\$38,931</u>	<u>\$16,451</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 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 of Scottsdale 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 of Scottsdale 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 of Scottsdale and is operated as an enterprise of the City.

## CITY OF SCOTTSDALE

## ENTERPRISE FUNDS

## COMBINING BALANCE SHEET

JUNE 30, 1983

	<u>TOTAL ALL FUNDS</u>	<u>WATER AND SEWER UTILITY</u>	<u>AIRPORT</u>	<u>PUBLIC HOUSING</u>
<u>ASSETS</u>				
Current Assets				
Cash and short-term investments	\$ 5,847,093	\$ 5,807,398	\$ 26,546	\$ 13,149
Accounts receivable, including unbilled of \$1,009,204.	1,718,992	1,704,437	14,555	
Miscellaneous receivables	298,890	38,129	260,761	
Total Current Assets	<u>7,864,975</u>	<u>7,549,964</u>	<u>301,862</u>	<u>13,149</u>
Restricted Cash, Investments & Receivables				
Cash with fiscal agents	980,871	980,871		
Revenue bond reserves	1,374,272	1,374,272		
Water and sewer replacement	720,404	720,404		
Notes receivable	271,698			271,698
	<u>3,347,245</u>	<u>3,075,547</u>		<u>271,698</u>
Assets Held in Trust for Retirement of Refunded Debt				
Cash	242,974	242,974		
Investments	2,687,531	2,687,531		
	<u>2,930,505</u>	<u>2,930,505</u>		
Property, Plant and Equipment				
Land	8,087,722	333,059	7,754,663	
Water system	35,603,772	35,603,772		
Sewer system	30,961,991	30,961,991		
Buildings and improvements	1,462,578		1,058,135	404,443
Furniture, fixtures and equipment	221,099	196,917	24,182	
Construction in process	2,154,007	1,897,137	256,870	
	<u>78,491,169</u>	<u>68,992,876</u>	<u>9,093,850</u>	<u>404,443</u>
Accumulated depreciation and amortization				
	(11,631,445)	(10,415,519)	(1,085,180)	(130,746)
	<u>66,859,724</u>	<u>58,577,357</u>	<u>8,008,670</u>	<u>273,697</u>
Excess purchase price over fair market value of water system assets acquired, net of accumulated amortization of \$1,589,465.				
	<u>1,047,130</u>	<u>1,047,130</u>		
Total Assets	<u>\$82,049,579</u>	<u>\$73,180,503</u>	<u>\$8,310,532</u>	<u>\$558,544</u>

See notes to financial statements.

	TOTAL ALL FUNDS	WATER AND SEWER UTILITY	AIRPORT	PUBLIC HOUSING
<u>LIABILITIES AND FUND EQUITY</u>				
Current Liabilities				
Claims payable	\$ 1,092,090	\$ 896,936	\$ 195,154	\$
Accrued payroll	65,057	56,350	8,671	36
Accrued interest payable	146,247	114,692	31,555	
Current portion of contracts payable	<u>1,444,491</u>	<u>1,093,918</u>	<u>350,573</u>	
Total Current Liabilities	<u>2,747,885</u>	<u>2,161,896</u>	<u>585,953</u>	<u>36</u>
Current Liabilities (payable from restricted assets)				
Bonds interest payable	248,207	248,207		
Current portion of bonds payable	<u>735,000</u>	<u>735,000</u>		
Total Current Liabilities (payable from restricted assets)	<u>983,207</u>	<u>983,207</u>		
Total Current Liabilities	<u>3,731,092</u>	<u>3,145,103</u>	585,953	36
Long-Term Debt (less current portion)				
Bonds payable	9,030,000	9,030,000		
Contracts payable	<u>2,957,134</u>	<u>2,255,986</u>	<u>701,148</u>	
	<u>11,987,134</u>	<u>11,285,986</u>	<u>701,148</u>	
Other Liabilities				
Customer advances and deposits	123,896	122,795		1,101
Unearned grant revenue (payable from restricted notes receiv- able)	<u>271,698</u>			<u>271,698</u>
	<u>395,594</u>	<u>122,795</u>		<u>272,799</u>
Refunded Debt to be Retired by Assets Held in Trust				
Bonds interest payable	68,072	68,072		
Bonds payable				
Current portion	175,000	175,000		
Long-term portion	<u>3,040,000</u>	<u>3,040,000</u>		
	<u>3,283,072</u>	<u>3,283,072</u>		
Fund Equity				
Contributed capital	43,162,834	34,916,793	7,841,466	404,575
Retained earnings (accumulated deficit)				
Reserved for				
Revenue bond retirement	1,374,272	1,374,272		
Water & sewer system replacement	720,404	720,404		
Unreserved	<u>17,395,177</u>	<u>18,332,078</u>	<u>(818,035)</u>	<u>(118,866)</u>
Total Retained Earnings (Accumulated Deficit)	<u>19,489,853</u>	<u>20,426,754</u>	<u>(818,035)</u>	<u>(118,866)</u>
Total Fund Equity	<u>62,652,687</u>	<u>55,343,547</u>	<u>7,023,431</u>	<u>285,709</u>
Total Liabilities & Fund Equity	<u>\$82,049,579</u>	<u>\$73,180,503</u>	<u>\$8,310,532</u>	<u>\$558,544</u>



## CITY OF SCOTTSDALE

EXHIBIT G-2

## ENTERPRISE FUNDS

COMBINING STATEMENT OF REVENUE, EXPENSES AND  
CHANGES IN RETAINED EARNINGS

FOR THE FISCAL YEAR ENDED JUNE 30, 1983

	TOTAL ALL FUNDS	WATER AND SEWER UTILITY	AIRPORT	PUBLIC HOUSING
Operating Revenue				
Water service charges	\$ 4,505,615	\$ 4,505,615	\$	\$
Water connection fees	189,346	189,346		
Water development fees	987,295	987,295		
Sewer service fees	2,634,751	2,634,751		
Sewer development fees	797,735	797,735		
Tie downs and rentals	240,599		240,599	
Commissions on sales	142,127		142,127	
Property rentals	44,725			44,725
Other	74,533	73,702	831	
Total Operating Revenue	<u>9,616,726</u>	<u>9,188,444</u>	<u>383,557</u>	<u>44,725</u>
Operating Expenses				
Water operations	2,061,784	2,061,784		
Sewer operations	1,039,297	1,039,297		
Customer collection	245,794	245,794		
Airport operations	311,910		311,910	
Utilities	18,848			18,848
Maintenance	31,446			31,446
Depreciation and amortization	1,951,032	1,757,296	179,436	14,300
Indirect cost	730,190	660,972	61,278	7,940
Total Operating Expenses	<u>6,390,301</u>	<u>5,765,143</u>	<u>552,624</u>	<u>72,534</u>
Operating Income (Loss)	<u>3,226,425</u>	<u>3,423,301</u>	<u>(169,067)</u>	<u>(27,809)</u>
Non-Operating Revenue (Expenses)				
Interest earnings	721,356	719,507	1,500	349
Interest expense	(1,023,915)	(867,069)	(156,846)	
Gain on sale of real estate	46,694			46,694
Total Non-Operating Revenue (Expenses)	<u>(255,865)</u>	<u>(147,562)</u>	<u>(155,346)</u>	<u>47,043</u>
Net Income (Loss)	<u>2,970,560</u>	<u>3,275,739</u>	<u>(324,413)</u>	<u>19,234</u>
Retained Earnings July 1, 1982	16,567,065	17,192,316	(487,151)	(138,100)
Prior Period Adjustment	(47,772)	(41,301)	(6,471)	
Retained Earnings July 1, 1982 as restated	<u>16,519,293</u>	<u>17,151,015</u>	<u>\$(493,622)</u>	<u>\$(138,100)</u>
Retained Earnings June 30, 1983	<u>\$19,489,853</u>	<u>\$20,426,754</u>	<u>\$(818,035)</u>	<u>\$(118,866)</u>

See notes to financial statements.

CITY OF SCOTTSDALE

EXHIBIT G-3

ENTERPRISE FUNDS

COMBINING STATEMENT OF CHANGES IN FINANCIAL POSITION

FOR THE FISCAL YEAR ENDED JUNE 30, 1983

	TOTAL ALL FUNDS	WATER AND SEWER UTILITY	AIRPORT	PUBLIC HOUSING
<b>Sources of Funds</b>				
From operations				
Net income (loss)	\$ 2,970,560	\$ 3,275,739	\$ (324,413)	\$ 19,234
Noncash charge - depreciation and amortization	1,951,032	1,757,296	179,436	14,300
Total from operations	<u>4,921,592</u>	<u>5,033,035</u>	<u>(144,977)</u>	<u>33,534</u>
<b>Contributions</b>				
Water/sewer assets from subdividers	4,845,708	4,845,708		
From government units	1,032,143	563,710	468,433	
From municipality	453,730	6,846	446,884	
<b>Increase in</b>				
Current liabilities	752,661	752,625		36
Other liabilities	285,669	13,971		271,698
<b>Decrease in</b>				
Receivables	19,539		19,155	384
Net assets held for refunded debt	150,664	150,664		
Restricted cash and investments	470,318	470,318		
Property, Plant and Equipment	96,154			96,154
	<u>13,028,178</u>	<u>11,836,877</u>	<u>789,495</u>	<u>401,806</u>
<b>Uses of Funds</b>				
Contribution of water/sewer assets from subdividers	4,845,708	4,845,708		
Purchase of other property equipment, and construction in progress	5,770,161	5,381,840	388,321	
Increase in receivables	758,257	486,559		271,698
<b>Decrease in</b>				
Current liabilities	17,584		17,584	
Refunded debt	168,180	168,180		
Other liabilities	879			879
Long-term debt	1,285,790	935,217	350,573	
Contributions from government units	142,847			142,847
Prior period adjustment	47,772	41,301	6,471	
	<u>13,037,178</u>	<u>11,858,805</u>	<u>762,949</u>	<u>415,424</u>
<b>Increase (Decrease) in Cash and Short-term Investments</b>	<b>(9,000)</b>	<b>(21,928)</b>	<b>26,546</b>	<b>(13,618)</b>
<b>Cash and Short-term Investments</b>				
July 1, 1982	5,856,093	5,829,326		26,767
June 30, 1983	<u>\$ 5,847,093</u>	<u>\$ 5,807,398</u>	<u>\$ 26,546</u>	<u>\$ 13,149</u>

See notes to financial statements.



## 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, 1983

EXHIBIT H-1

	TOTAL ALL FUNDS	MOTOR POOL	SELF INSURANCE
Current Assets			
Cash and short-term investments	\$2,319,939	\$ 451,314	\$1,868,625
Accounts receivable	1,105	1,105	
Total Current Assets	<u>2,321,044</u>	<u>452,419</u>	<u>1,868,625</u>
Property, plant and equipment			
Land	67,904	67,904	
Buildings and improvements	436,374	436,374	
Motor vehicles	4,512,257	4,512,257	
Machinery and equipment	995,123	994,502	621
Furniture, fixtures and office equipment	16,300	16,300	
Construction in progress	420,966	420,966	
	<u>6,448,924</u>	<u>6,448,303</u>	<u>621</u>
Accumulated depreciation	<u>(3,706,124)</u>	<u>(3,706,124)</u>	
	<u>2,742,800</u>	<u>2,742,179</u>	<u>621</u>
Total Assets	<u>\$5,063,844</u>	<u>\$3,194,598</u>	<u>\$1,869,246</u>
<u>LIABILITIES AND FUND EQUITY</u>			
Current Liabilities			
Claims payable	\$ 258,779	\$ 57,151	\$ 201,628
Accrued payroll	84,691	77,963	6,728
	<u>343,470</u>	<u>135,114</u>	<u>208,356</u>
Fund Equity			
Contributed capital	3,461,164	2,716,829	744,335
Retained earnings - unreserved	1,259,210	342,655	916,555
Total Fund Equity	<u>4,720,374</u>	<u>3,059,484</u>	<u>1,660,890</u>
Total Liabilities and Fund Equity	<u>\$5,063,844</u>	<u>\$3,194,598</u>	<u>\$1,869,246</u>

See notes to financial statements.

## CITY OF SCOTTSDALE

EXHIBIT H-2

## INTERNAL SERVICE FUNDS

## COMBINING STATEMENT OF REVENUE, EXPENSES AND CHANGES IN RETAINED EARNINGS

FOR THE FISCAL YEAR ENDED JUNE 30, 1983

	TOTAL ALL FUNDS	MOTOR POOL	SELF INSURANCE
Operating Revenue			
Billings to user programs	\$3,970,687	\$3,666,828	\$ 303,859
Other	<u>165,885</u>	<u>45,665</u>	<u>120,220</u>
Total Operating Revenue	<u>4,136,572</u>	<u>3,712,493</u>	<u>424,079</u>
Operating Expenses			
Salaries and wages	1,023,154	1,023,154	
Materials purchased	780,627	780,627	
Gas, oil and lubricants	537,650	537,650	
Depreciation	798,306	798,306	
Other shop expenses	105,122	105,122	
General and administrative	139,295	17,350	121,945
Outside services	206,736	206,736	
Insurance premiums	99,115		99,115
Claims paid	<u>360,256</u>		<u>360,256</u>
Total Operating Expenses	<u>4,050,261</u>	<u>3,468,945</u>	<u>581,316</u>
Net Gain/(Loss) From Operations	<u>86,311</u>	<u>243,548</u>	<u>(157,237)</u>
Retained Earnings July 1, 1982	1,237,932	161,288	1,076,644
Prior Period Adjustment	<u>(65,033)</u>	<u>(62,181)</u>	<u>(2,852)</u>
Retained Earnings July 1, 1982, as restated	<u>1,172,899</u>	<u>99,107</u>	<u>1,073,792</u>
Retained Earnings June 30, 1983	<u>\$1,259,210</u>	<u>\$ 342,655</u>	<u>\$ 916,555</u>

See notes to financial statements.

## CITY OF SCOTTSDALE

EXHIBIT H-3

## INTERNAL SERVICE FUNDS

## COMBINING STATEMENT OF CHANGES IN FINANCIAL POSITION

FOR THE FISCAL YEAR ENDED JUNE 30, 1983

	<u>TOTAL ALL FUNDS</u>	<u>MOTOR POOL</u>	<u>SELF INSURANCE</u>
<b>Sources of Funds</b>			
From operations			
Net gain (loss)	\$ 86,311	\$ 243,548	\$(157,237)
Noncash charge - depreciation	<u>798,306</u>	<u>798,306</u>	
Total from operations	884,617	1,041,854	(157,237)
Decrease in accounts receivable	1,147	1,066	81
Contributions from municipality	1,836	1,836	
Increase in current liabilities	54,549	54,549	
Decrease in property, plant and equipment	<u>457,845</u>	<u>457,845</u>	
	<u>1,399,994</u>	<u>1,557,150</u>	<u>(157,156)</u>
<b>Uses of Funds</b>			
Purchase of motor vehicles	873,250	873,250	
Increase in buildings and equipment	318,048	317,427	621
Decrease in current liabilities	51,593		51,593
Prior period adjustment	<u>65,033</u>	<u>62,181</u>	<u>2,852</u>
	1,307,924	1,252,858	55,066
Increase in cash and short-term investments	92,070	304,292	(212,222)
Cash and short-term investments			
July 1, 1982	<u>2,227,869</u>	<u>147,022</u>	<u>2,080,847</u>
June 30, 1983	<u>\$2,319,939</u>	<u>\$ 451,314</u>	<u>\$1,868,625</u>

See notes to financial statements.

## GENERAL FIXED ASSETS ACCOUNT GROUP

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

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



CITY OF SCOTTSDALE

EXHIBIT I-1

## STATEMENT OF GENERAL FIXED ASSETS BY SOURCE

JUNE 30, 1983

## Property and Equipment

Land	\$ 9,894,397
Buildings and improvements	32,624,764
Streets and storm drains	264,299,592
Machinery and equipment	3,343,218
Construction in progress	<u>2,290,253</u>
Total General Fixed Assets	<u>\$312,452,224</u>

## Investment in General Fixed Assets from

General fund	\$ 24,769,534
Special revenue funds	17,446,168
Capital projects funds	29,213,485
Contributions	233,279,008
Improvement districts	<u>7,744,029</u>
Total Investment in General Fixed Assets	<u>\$312,452,224</u>

See notes to financial statements.

EXHIBIT I-2

CITY OF SCOTTSDALE  
 SCHEDULE OF GENERAL FIXED ASSETS  
 BY FUNCTION AND ACTIVITY  
 YEAR ENDED JUNE 30, 1983

	<u>TOTAL</u>	<u>LAND</u>	<u>BUILDINGS AND IMPROVEMENTS</u>	<u>STREETS AND STORM DRAINS</u>	<u>MACHINERY AND EQUIPMENT</u>
General Government	\$ 9,559,983	\$1,200,209	\$ 7,740,169	\$	\$ 619,605
Public Safety	2,281,975	40,855	1,402,632	48,038	790,450
Management Services	669,360		276,542		392,818
Field Operations	271,658,197	6,000,535	2,446,370	262,980,143	231,149
Community Services	18,989,660	2,366,482	15,701,679	30,675	890,824
Community Development	<u>7,002,796</u>	<u>286,316</u>	<u>5,057,372</u>	<u>1,240,736</u>	<u>418,372</u>
Total General Fixed Assets Allocated to Functions	\$310,161,971	<u>\$9,894,397</u>	<u>\$32,624,764</u>	<u>\$264,299,592</u>	<u>\$3,343,218</u>
Construction in Progress	<u>2,290,253</u>				
Total General Fixed Assets	<u>\$312,452,224</u>				

EXHIBIT I-3

CITY OF SCOTTSDALE  
 SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS  
 BY FUNCTION AND ACTIVITY  
 YEAR ENDED JUNE 30, 1983

	<u>7/1/82</u>	<u>Additions</u>	<u>Deletions</u>	<u>6/30/83</u>
General Government	\$ 9,517,470	\$ 56,211	\$ 13,698	\$ 9,559,983
Public Safety	2,054,190	227,785		2,281,975
Management Services	598,275	71,085		669,360
Field Operations	253,989,928	17,668,269		271,658,197
Community Services	11,829,097	7,160,563		18,989,660
Community Development	6,753,752	249,044		7,002,796
Construction in Process	<u>6,810,791</u>	<u>4,534,506</u>	<u>9,055,044</u>	<u>2,290,253</u>
	<u>\$291,553,503</u>	<u>\$29,967,463</u>	<u>\$9,068,742</u>	<u>\$312,452,224</u>

**STATISTICAL  
SECTION**

TABLE I

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

FISCAL YEAR	TOTAL	GENERAL GOVERNMENT	PUBLIC SAFETY	MANAGEMENT SERVICES	FIELD OPERATIONS	COMMUNITY SERVICES	COMMUNITY DEVELOPMENT	MUNICIPAL UTILITIES	DEBT SERVICES	CAPITAL IMPROVEMENTS
*1983	\$44,551,039	\$3,681,626	\$9,847,607	\$2,488,759	\$8,329,776	\$6,469,869	\$5,402,471	\$	\$1,625,465	\$6,705,466
*1982	39,846,106	3,300,839	8,721,281	2,520,130	7,658,942	6,451,148	4,571,909	378,320	1,591,632	4,651,905
*1981	36,502,778	2,508,933	7,731,176	2,556,277	7,091,973	5,813,913	4,151,823	226,151	1,532,127	4,890,405
*1980	32,161,034	1,956,224	6,685,001	2,516,505	5,680,964	5,377,929	4,504,456	407,185	1,526,660	3,506,110
1979	30,210,507	1,304,630	6,161,448	2,260,310	5,660,651	6,765,247	3,929,206	285,847	2,131,927	1,711,241
1978	21,685,841	1,568,749	4,703,394	1,816,144	4,578,124	3,598,038	1,633,725	38,852	2,170,692	1,578,123
Reorganization March 1977										
1977	18,415,674	3,648,165	4,521,225		5,185,420	2,957,806			2,103,058	
1976	15,929,841	3,186,451	4,028,832		4,331,800	2,745,985			1,636,773	
1975	15,043,465	2,655,502	3,468,442		5,076,154	2,091,699			1,751,668	
1974	14,606,409	2,526,056	2,806,951		6,138,145	2,050,495			1,084,762	

\*Data reported without encumbrances; prior years data reported with encumbrances.

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	LICENSES & PERMITS	INTER-GOVERNMENT REVENUE	CHARGES FOR SERVICES	FORFEITS	USES OF MONEY & PROPERTY	MISCELLANEOUS
1983	\$42,899,061	\$18,845,162	\$2,181,695	\$15,419,637	\$3,430,126	\$722,696	\$1,381,218	\$ 918,527
1982	37,454,895	17,266,878	1,404,914	13,070,978	2,928,160	459,034	1,628,091	696,840
1981	35,614,819	15,655,414	1,408,602	11,101,021	2,676,846	578,808	1,440,043	2,754,085
1980	32,970,292	14,697,250	1,301,665	11,364,598	2,153,174	564,704	1,374,275	1,514,626
1979	31,720,927	13,760,978	1,747,776	12,121,733	1,799,987	528,652	1,132,908	628,893
1978	23,769,172	11,623,061	1,318,170	7,179,902	1,812,947	485,337	731,343	618,412
1977	19,292,257	9,463,545	665,819	6,415,559	1,523,559	338,246	427,322	458,207
1976	16,995,456	8,158,411	449,435	6,122,988	1,464,550	277,274	350,680	172,118
1975	14,546,168	6,826,005	421,468	5,545,735	768,616	236,954	382,875	364,515
1974	13,165,118	6,228,398	544,996	4,644,425	260,485	229,396	292,438	964,980

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

TABLE III

FISCAL YEAR	TOTAL TAXES	PRIVILEGE TAXES	GENERAL PROPERTY TAX	FRANCHISE	IN-LIEU PROPERTY
1983	\$18,845,162	\$14,399,211	\$3,371,348	\$1,022,688	\$51,915
1982	17,266,878	12,910,294	3,494,953	805,769	55,862
1981	15,655,414	11,636,852	3,148,907	807,330	62,325
1980	14,697,250	11,209,020	2,949,749	489,739	48,742
1979	13,760,978	10,133,373	3,171,299	399,006	57,300
1978	11,623,061	7,832,052	3,412,532	320,135	58,342
1977	9,463,545	6,242,303	2,905,835	255,922	59,485
1976	8,158,411	5,281,979	2,637,808	209,576	29,048
1975	6,826,005	4,755,934	1,859,700	165,387	44,984
1974	6,228,398	4,637,393	1,439,818	125,729	25,458

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 COLLEC- TIONS % OF CURRENT LEVY	OUTSTANDING DELINQUENT TAXES	OUTSTANDING DELINQUENT AS % OF CURRENT LEVY
1983	\$3,448,356	\$3,264,176	94.65	\$ 44,053	\$118,261	\$3,426,490	99.37	\$198,681	5.76
1982	3,306,068	3,381,094	102.27	113,858	89,076	3,584,028	108.41	96,093	2.91
1981	3,164,000	3,032,354	95.84	65,853	50,700	3,148,907	99.52	128,391	4.06
1980	2,941,981	2,843,369	96.65	61,451	44,929	2,949,749	100.26	79,553	2.70
1979	3,118,364	3,081,311	98.81	75,095	14,893	3,171,299	101.70	66,929	2.15
1978	3,395,254	3,323,293	97.88	66,122	23,117	3,412,532	100.51	10,952	.32
1977	2,812,007	2,781,386	98.91	104,974	19,475	2,905,835	103.34	77,287	2.75
1976	2,662,620	2,481,183	93.19	67,089	89,536	2,637,808	99.07	96,286	3.62
1975	2,014,517	1,803,406	89.52	27,997	28,297	1,859,700	92.31	122,612	6.09
1974	1,431,614	1,389,339	97.05	28,858	21,621	1,439,818	100.57	42,275	2.95

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)
1982-83 P	\$ NOTE	\$337,368,075	\$ 873,145*	\$23,763,595	\$34,378,830	\$596,383,645	\$489,152	\$395,894,493	\$3,250,168
S	118,468,430	294,573,905	873,145	23,971,545	34,378,830	472,265,855	424,824	471,841,031	2,781,027
1981-82 P	NOTE	293,254,155	4,816,520	22,475,660	29,581,930	350,128,265	388,617	349,739,648	2,431,972
S	78,168,180	299,115,465	4,816,520	22,481,685	29,581,930	434,163,780	222,812	433,940,968	3,129,428
1980-81 P	56,061,565	195,178,565	4,387,300	16,910,048	26,185,865	298,723,343	381,890	298,341,453	2,060,862
S	62,607,985	204,893,090	4,387,300	16,910,048	26,185,865	314,984,288	381,209	314,603,079	2,164,592
1979-80	64,707,360	214,606,835	4,905,525	18,168,440	26,686,105	329,074,265	524,208	328,550,057	1,736,654
1978-79	58,113,425	178,910,680	2,991,890	14,343,335	23,759,140	278,118,470	556,772	277,561,698	1,447,302
1977-78	53,849,005	154,935,375	2,368,435	12,172,310	21,493,915	244,819,040	556,121	244,262,919	1,251,931
1976-77	48,704,580	144,585,650	2,088,180	10,476,390	19,670,520	225,525,320	564,759	224,960,561	1,147,690
1975-76	46,731,400	135,227,745	2,362,150	9,944,190	19,309,805	213,575,290	565,660	213,009,630	1,083,709
1974-75	42,009,905	124,498,760	1,610,135	9,499,810	18,519,655	196,138,265	554,060	195,584,205	992,701
1973-74	40,478,765	113,661,935	1,170,470	7,505,240	12,410,719	175,227,129	594,125	174,633,004	902,400

NOTE: Real estate and improvements combined in primary valuation.

\*\$6,007,720 omitted in error from Secured Personal by County Assessor. Will be included in 1983-84 valuation.

## ASSESSED VALUATION HISTORIES

YEAR	CITY OF SCOTTSDALE	MARICOPA COUNTY	STATE OF ARIZONA
1982-83 P	\$395,894,493	\$5,257,521,736	\$ 9,943,400,152
S	471,841,031	6,034,315,165	11,199,119,863
1981-82 P	349,739,648	4,537,736,695	8,884,731,595
S	433,940,968	5,999,244,436	9,953,647,817
1980-81 P	298,341,453	3,822,449,353	8,872,496,646
S	314,603,079	3,994,223,482	9,940,994,609
1979-80	328,550,057	4,089,042,274	8,192,513,552
1978-79	277,561,698	3,488,588,940	7,226,035,626
1977-78	244,262,919	3,058,514,752	6,655,381,547
1976-77	224,960,561	2,844,314,021	6,200,230,075
1975-76	213,009,630	2,678,051,825	5,826,289,483
1974-75	195,584,205	2,427,495,810	5,128,946,903
1973-74	174,633,004	2,119,061,748	4,476,532,548

NOTE: Property tax reform legislation approved by the voters on June 3, 1980 created PRIMARY (P) and 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.



TABLE VI

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

FISCAL YEAR	CITY OF SCOTTSDALE	SCHOOL DISTRICTS					FLOOD DISTRICT	CENTRAL ARIZONA PROJECT	TOTAL
		SCOTTSDALE UNIFIED	COMMUNITY COLLEGE	MARICOPA COUNTY	STATE OF ARIZONA				
1983-84 Primary	\$ .51	\$4.34	\$ .77	\$1.53	\$ .75	\$	\$	\$ 7.90	
Secondary	.40	.13		.24		.48	.05	1.30	
Total	\$ .91	\$4.47	\$ .77	\$1.77	\$ .75	\$ .48	\$ .05	\$ 9.20	
1982-83 Primary	\$ .55	\$3.98	\$ .80	\$1.57	\$ .75	\$	\$	\$ 7.65	
Secondary	.26	.21		.16		.50	.03	1.16	
Total	\$ .81	\$4.19	\$ .80	\$1.73	\$ .75	\$ .50	\$ .03	\$ 8.81	
1981-82 Primary	\$ .59	\$4.11	\$ .78	\$1.60	\$ .95	\$	\$	\$ 8.03	
Secondary	.30	.29	.03	.18		.34	.03	1.17	
Total	\$ .89	\$4.40	\$ .81	\$1.78	\$ .95	\$ .34	\$ .03	\$ 9.20	
1980-81 Primary	\$ .63	\$3.92	\$ .88	\$1.76	\$1.25	\$	\$	\$ 8.44	
Secondary	.41	.33	.04	.22		.43	.04	1.47	
Total	\$1.04	\$4.25	\$ .92	\$1.98	\$1.25	\$ .43	\$ .04	\$ 9.91	
1979-80	1.03	5.64	.94	2.30	.48	.20	.03	10.62	
1978-79	1.18	5.41	.84	2.30	1.10	.20	.03	11.06	
1977-78	1.39	5.35	.76	2.67	1.60	.20	.03	12.00	
1976-77	1.25	5.62	.71	2.70	1.60	.20	.03	12.11	
1975-76	1.25	5.00	.59	2.77	1.60	.20	.03	11.44	
1974-75	1.03	5.05	.57	2.34	1.50	.20	.03	10.72	
<b>TAX LEVIES</b>									
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	
1980-81 Primary	\$1,882,000	\$17,123,070	\$33,805,756	\$67,153,941	\$47,780,616	\$	\$	\$167,745,383	
Secondary	1,282,000	1,511,100	1,560,000	8,493,229		12,292,400	1,636,096	26,774,825	
Total	\$3,164,000	\$18,634,170	\$35,365,756	\$75,647,170	\$47,780,616	\$12,292,400	\$1,636,096	\$194,520,208	
1979-80	2,941,981	24,808,895	33,407,254	81,741,154	17,059,023	5,342,316	1,066,189	166,366,812	
1978-79	3,118,364	22,305,645	27,903,341	76,402,005	75,760,851	5,026,367	996,548	211,513,121	
1977-78	3,395,254	20,777,865	23,244,733	81,662,344	106,486,104	4,674,825	917,554	241,158,679	
1976-77	2,812,007	19,822,661	20,194,630	76,796,479	99,203,681	4,394,979	853,294	224,077,731	
1975-76	2,662,620	16,722,860	15,800,506	74,182,036	93,175,007	4,153,705	803,416	207,500,150	
1974-75	2,014,517	15,497,448	13,836,726	56,803,402	77,077,598	4,854,992	728,249	170,812,932	

\*For Scottsdale residents residing within the Phoenix Union High School District and the Balsz Elementary District the 1983-84 tax rate total is \$9.31. For those residing within the Paradise Valley Unified School District the 1983-84 tax rate total is \$11.84.

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, 1983

<u>TAXPAYER</u>	<u>TYPE OF BUSINESS</u>	<u>ASSESSED VALUATION</u>	<u>PERCENT OF TOTAL ASSESSED VALUATION</u>
Mountain States Telephone	Telephone Utility	\$17,655,987	3.74
Arizona Public Service Company	Electric and Gas Utility	12,763,935	2.71
Motorola, Inc.	Electronics Manufacturing	6,781,212	1.44
The Inn at McCormick Ranch	Resort Hotel	5,104,802	1.08
Sentry Insurance	Insurance Headquarters	4,476,139	.95
Fashion Square Shopping Center	Retail Mall	4,207,637	.89
Camelview Plaza Shopping Center	Retail Mall	4,008,400	.84
Los Arcos Shopping Mall	Retail Mall	3,746,124	.79
Scottsdale Conference Center	Convention Center	2,873,627	.61
Armour & Co.	Product Research	1,795,535	.38
		<u>\$63,413,398</u>	<u>13.43</u>

TABLE VIII

CITY OF SCOTTSDALE  
SPECIAL ASSESSMENT COLLECTIONS  
LAST TEN FISCAL YEARS

FISCAL YEAR	CURRENT ASSESSMENTS DUE	CURRENT ASSESSMENTS COLLECTED	RATIO OF COLLECTIONS TO AMOUNT DUE	TOTAL OUTSTANDING* CURRENT AND DELINQUENT ASSESSMENTS
1982-83	\$ 530,838	\$ 522,765	98.5%	\$ 8,073
1981-82	738,597	731,731	99.0	6,866
1980-81	857,444	837,888	97.7	19,556
1979-80	967,385	954,370	98.7	13,015
1978-79	1,123,385	1,119,671	99.7	3,714
1977-78	838,132	834,603	99.6	3,529
1976-77	930,939	926,059	99.5	4,880
1975-76	1,064,181	N/A	N/A	N/A
1974-75	1,017,921	N/A	N/A	N/A
1973-74	663,806	N/A	N/A	N/A

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

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

<u>FISCAL YEAR</u>	<u>POPULATION*</u>	<u>ASSESSED VALUE</u>	<u>GROSS BONDED DEBT</u>	<u>LESS DEBT SERVICE FUNDS</u>	<u>NET BONDED DEBT</u>	<u>RATIO OF NET BONDED DEBT TO ASSESSED VALUE</u>	<u>NET BONDED DEBT PER CAPITA</u>
1982-83	96,200	\$471,841,031	\$11,365,000	\$6,047,735	\$5,317,265	1.1%	\$ 55.27
1981-82	95,600	433,940,968	11,725,000	5,322,701	6,402,299	1.5	66.97
1980-81	90,400	314,603,079	12,080,000	4,666,093	7,413,907	2.4	82.01
1979-80	87,900	328,550,057	12,430,000	4,065,852	8,364,148	2.5	95.16
1978-79	87,400	277,561,698	12,750,000	3,502,116	9,247,884	3.3	105.81
1977-78	81,100	244,262,919	13,065,000	2,929,844	10,135,156	4.2	124.97
1976-77	78,300	224,960,561	12,510,000	2,468,356	10,041,644	4.5	128.25
1975-76	77,500	213,009,630	12,750,000	1,762,947	10,987,053	5.2	141.77
1974-75	77,400	195,584,205	7,494,000	1,058,108	6,435,892	3.3	83.15
1973-74	79,400	174,633,004	7,713,000	494,000	7,219,000	4.1	90.92

\*Source: City Planning Staff.

TABLE X

CITY OF SCOTTSDALE  
COMPUTATION OF LEGAL DEBT MARGINS  
JUNE 30, 1983

Assessed Value			\$471,841,031
Debt Limit 6% of Assessed Value			<u>28,310,462</u>
Amount of Debt Applicable to Debt Limit			
Total Bonded Debt		\$20,980,000	
Other Debt			
Excise Tax Debt	\$ 6,640,000		
Water Purchase Debt	3,349,904		
Airport Land Purchase Debt	<u>1,051,721</u>	<u>11,041,625</u>	
			<u>32,021,625</u>
Less:			
Cash in Debt Service Funds	90,000		
Revenue Bonds	9,615,000		
Excise Tax Debt	6,640,000		
Water Purchase Debt	3,349,904		
Airport Land Purchase Debt	1,051,721		
20% General Obligation Bonds	<u>8,875,000</u>	<u>29,621,625</u>	
Total Debt Applicable to Debt Limit			<u>2,400,000</u>
Legal Debt Margin			<u>\$25,910,462</u>
Debt Limit 20% of Assessed Value			\$94,368,206
Amount of Debt Applicable to Debt Limit			
Total Bonded Debt		\$20,980,000	
Other Debt			
Excise Tax Debt	\$ 6,640,000		
Water Purchase Debt	3,349,904		
Airport Land Purchase Debt	<u>1,051,721</u>	<u>11,041,625</u>	
			<u>32,021,625</u>
Less:			
Cash in Debt Service Funds	5,957,735		
Revenue Bonds	9,615,000		
Excise Tax Debt	6,640,000		
Water Purchase Debt	3,349,904		
Airport Land Purchase Debt	1,051,721		
6% General Obligation Bonds	<u>2,490,000</u>	<u>29,104,360</u>	
Total Debt Applicable to Debt Limit			<u>2,917,265</u>
Legal Debt Margin			<u>\$91,450,941</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

<u>FISCAL YEAR</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>DEBT SERVICE</u>	<u>TOTAL EXPENDITURES</u>	<u>RATIO OF DEBT SERVICE TO TOTAL EXPENDITURES</u>
*1983	\$660,000	\$589,860	\$1,249,860	\$44,551,039	2.81%
*1982	655,000	605,285	1,260,285	39,846,106	3.16
*1981	650,000	630,260	1,280,260	36,502,778	3.51
*1980	645,000	647,160	1,292,160	32,161,034	4.02
1979	680,000	666,805	1,346,805	30,210,507	4.46
1978	750,000	626,410	1,376,410	21,685,841	6.35
1977	815,000	652,810	1,467,810	18,415,674	7.97
1976	890,000	387,549	1,277,549	15,929,841	8.02
1975	744,000	367,178	1,111,178	15,043,465	7.39
1974	504,000	348,884	852,884	14,606,409	5.84

\*Data reported without encumbrances; prior years data reported with encumbrances.

TABLE XII

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

<u>FISCAL YEAR</u>	<u>GROSS REVENUE</u>	<u>OPERATING &amp; MAINTENANCE EXPENSES</u>	<u>NET REVENUE AVAILABLE FOR DEBT SERVICES</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>	<u>COVERAGE</u>	<u>REQUIRED COVERAGE</u>
1983	\$9,907,951	\$5,104,171(1)	\$4,803,780	\$685,000	\$490,573	\$1,175,573	4.09	1.20
1982	8,466,963	4,205,257	4,261,706	600,000	522,323	1,122,323	3.80	1.20
1981	7,244,494	2,433,428	4,811,066	535,000	549,748	1,084,748	4.44	1.20
1980	6,231,513	1,902,516	4,328,997	500,000	481,434	981,434	4.41	1.20
1979	6,899,446	1,880,591	5,018,855	425,000	499,008	924,008	5.43	1.20
1978	5,076,901	1,187,611	3,889,290	345,000	516,483	861,483	4.51	1.20
1977	3,242,466	939,703	2,302,763	320,000	401,178	721,178	3.19	1.20
1976	2,798,475	753,920	2,044,555	260,000	349,345	609,345	3.36	1.20
1975	2,520,369	676,231	1,844,138	235,000	334,136	569,136	3.24	1.20
1974	2,433,062	480,848	1,952,214	125,000	244,050	369,050	5.29	1.20

(1) Excludes internal allocation for indirect costs.

The 1964 and 1966 Sewer Revenue Bonds and the 1971 Water Revenue Bonds were refunded in 1973 by a \$3,910,000 Refunding Issue. Principal and interest on the 1973 refunding bonds is payable from the now combined operation of the City of Scottsdale Water and Sewer Utility System after providing sufficient funds for the current expenses of the system.

TABLE XIII

CITY OF SCOTTSDALE  
DEMOGRAPHIC STATISTICS  
LAST TEN FISCAL YEARS

FISCAL YEAR	POPULATION (1)	PER CAPITA INCOME (2)	MEDIAN AGE (2)	EDUC. LEVEL IN YEARS OF SCHOOLING (2)	SCHOOL ENROLLMENT (3)	UNEMPLOYMENT RATE (4)
1983	96,200	12,200	39.4	13.0	19,803	5.9
1982	95,600	10,013	39.2	13.3	20,855	6.3
1981	90,400	11,116	34.6	14.7	22,060	3.9
1980	87,900	8,968	34.3	14.4	23,309	4.4
1979	87,400	8,397	33.3	14.5	24,440	3.4
1978	81,100	7,826	32.4	14.6	25,478	4.2
1977	78,300	6,786	31.4	14.1	26,264	5.8
1976	77,500	6,280	30.4	14.8	26,837	7.8
1975	77,400	6,250	29.4	14.8	27,653	10.5
1974	79,400	5,259	29.3	14.2	28,247	5.5

## Sources:

- (1) City Planning Staff.
- (2) Inside Phoenix (Republic and Gazette).
- (3) Scottsdale School District.
- (4) Arizona Department of Economic Security.



TABLE XIV

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) (4)		
	NUMBER OF PERMITS	VALUE	NUMBER OF DWELLING UNITS	VALUE		COMMERCIAL	RESIDENTIAL	NONTAXABLE
1983	1,949	\$67,585,662	2,404	\$137,180,307	\$8,603,186	\$810,425,162	\$2,439,742,604	\$194,655,713
1982	2,278	62,902,183	1,103	63,345,423	7,888,962	702,699,595	2,429,906,884	107,081,672
1981	2,723	52,387,384	1,906	96,450,635	7,415,347	569,123,360	1,595,467,446	101,065,967
1980	3,827	47,930,450	1,433	58,675,933	6,705,628	482,728,948	1,253,925,269	154,602,436
1979	3,933	47,245,774	4,543	130,673,316	5,736,650	420,469,277	1,026,832,307	137,822,740
1978	2,693	31,196,225	3,523	113,863,766	4,820,917	443,481,361	808,449,825	107,680,243
1977	2,163	19,096,608	1,681	34,897,790	4,180,598			
1976	1,802	23,871,250	401	12,006,224	3,956,984			
1975	1,652	41,908,840	518	9,943,042	3,591,891			
1974					3,734,111			

Note (1) Source - City Building Inspection program; data not available prior to 1975.

Note (2) Source - Arizona Statistical Review.

Note (3) Source - Abstract Published by the Arizona State Department of Revenue. Data not available prior to 1978.

Note (4) Source - Estimated actual value Secondary Assessed Valuation

CITY OF SCOTTSDALE  
DEBT SERVICE REQUIREMENTS TO MATURITY  
GENERAL OBLIGATION BONDS AND EXCISE DEBT  
AS OF JUNE 30, 1983

FISCAL YEAR	GENERAL PURPOSE 6% LIMITATION			UTILITY PURPOSE 20% LIMITATION			TOTAL GENERAL OBLIGATION DEBT SERVICE REQUIREMENTS			EXCISE TAX DEBT SERVICE			TOTAL ALL DEBT SERVICE REQUIREMENTS			
	PRINCIPAL	INTEREST	TOTAL	PRINCIPAL	FUND (1)	INTEREST	TOTAL	PRINCIPAL	INTEREST	TOTAL	PRINCIPAL	INTEREST	TOTAL	PRINCIPAL	INTEREST	TOTAL (2)
1983-84	\$ 100,000	\$105,485	\$ 205,485	\$ 50,000	\$ 520,000	\$ 472,400	\$1,042,400	\$ 670,000	\$ 577,885	\$ 1,247,885	\$ 320,000	\$ 358,370	\$ 678,370	\$ 990,000	\$ 936,255	\$ 1,926,255
1984-85	105,000	101,225	206,225	50,000	520,000	470,450	1,040,450	675,000	571,675	1,246,675	340,000	339,170	679,170	1,015,000	910,845	1,925,845
1985-86	160,000	96,740	256,740		500,000	453,125	953,125	660,000	549,865	1,209,865	355,000	321,490	676,490	1,015,000	871,355	1,886,355
1986-87	165,000	90,220	255,220		500,000	358,250	858,250	665,000	448,470	1,113,470	375,000	303,030	678,030	1,040,000	751,500	1,791,500
1987-88	175,000	84,115	259,115		500,000	302,250	802,250	675,000	386,365	1,061,365	395,000	283,530	678,530	1,070,000	669,895	1,739,895
1988-89	180,000	77,640	257,640		500,000	244,750	744,750	680,000	322,390	1,002,390	415,000	262,990	677,990	1,095,000	585,380	1,680,380
1989-90	190,000	70,980	260,980		500,000	187,250	687,250	690,000	258,230	948,230	440,000	241,410	681,410	1,130,000	499,640	1,629,640
1990-91	200,000	62,975	262,975		500,000	187,250	687,250	700,000	250,225	950,225	465,000	218,530	683,530	1,165,000	468,755	1,633,755
1991-92	200,000	52,975	252,975		500,000	187,250	687,250	700,000	240,225	940,225	490,000	193,420	683,420	1,190,000	433,645	1,623,645
1992-93	200,000	43,475	243,475		180,000	187,250	367,250	380,000	230,725	610,725	515,000	166,960	681,960	895,000	397,685	1,292,685
1993-94	225,000	34,075	259,075				225,000	225,000	34,075	259,075	540,000	139,150	679,150	765,000	173,225	938,225
1994-95	250,000	23,500	273,500				250,000	250,000	23,500	273,500	570,000	109,450	679,450	820,000	132,950	952,950
1995-96	250,000	11,750	261,750				250,000	250,000	11,750	261,750	1,420,000	78,100	1,498,100	1,670,000	89,850	1,759,850
TOTALS	<u>\$2,400,000</u>	<u>\$855,155</u>	<u>\$3,255,155</u>	<u>\$100,000</u>	<u>\$4,720,000</u>	<u>\$3,050,225</u>	<u>\$7,870,225</u>	<u>\$7,220,000</u>	<u>\$3,905,380</u>	<u>\$11,125,380</u>	<u>\$6,640,000</u>	<u>\$3,015,600</u>	<u>\$ 9,655,600</u>	<u>\$13,860,000</u>	<u>\$6,920,980</u>	<u>\$20,780,980</u>

(1) A sinking fund has been provided to retire all issues which will mature July 1, 1993.

(2) Does not include \$3,400,000 estimated contract payable to U. S. Army Corps of Engineers pending final determination of amount.

TABLE XVb

CITY OF SCOTTSDALE  
DEBT SERVICE REQUIREMENTS TO MATURITY  
SPECIAL ASSESSMENT BONDS  
JUNE 30, 1983

<u>FISCAL YEAR</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
1984	\$ 583,000	\$169,111	\$ 752,111
1985	403,000	135,591	538,591
1986	354,000	109,001	463,001
1987	340,000	84,415	424,415
1988	337,000	60,432	397,432
1989	217,000	40,178	257,178
1990	150,000	25,813	175,813
1991	90,000	15,831	105,831
1992	89,000	7,993	96,993
1993	20,000	3,360	23,360
1994	18,000	1,950	19,950
1995	17,000	637	17,637
	<u>\$2,618,000</u>	<u>\$654,312</u>	<u>\$3,272,312</u>

CITY OF SCOTTSDALE  
DEBT SERVICE REQUIREMENTS TO MATURITY  
REVENUE BONDS AND LONG-TERM CONTRACTS  
ENTERPRISE FUNDS  
JUNE 30, 1983

FISCAL YEAR	WATER AND SEWER UTILITY REVENUE BONDS		
	PRINCIPAL	INTEREST	TOTAL
1984	\$1,200,000	\$ 453,537	\$ 1,653,537
1985	1,270,000	389,333	1,659,333
1986	950,000	321,822	1,271,822
1987	690,000	270,623	960,623
1988	725,000	237,560	962,560
1989	765,000	202,560	967,560
1990	800,000	164,835	964,835
1991	810,000	125,385	935,385
1992	825,000	84,885	909,885
1993	300,000	43,635	343,635
1994	310,000	28,635	338,635
1995	285,000	12,825	297,825
	<u>\$8,930,000</u>	<u>\$2,335,635</u>	<u>\$11,265,635</u>

FISCAL YEAR	AIRPORT LONG-TERM CONTRACTS		
	PRINCIPAL	INTEREST	TOTAL
1984	\$ 350,573	\$ 115,688	\$ 466,261
1985	350,573	73,620	424,193
1986	350,575	31,551	382,126
	<u>\$1,051,721</u>	<u>\$ 220,859</u>	<u>\$ 1,272,580</u>

TABLE XVc

WATER AND SEWER UTILITY LONG-TERM CONTRACTS			WATER AND SEWER UTILITY TOTAL REQUIREMENTS		
PRINCIPAL	INTEREST	TOTAL	PRINCIPAL	INTEREST	TOTAL
\$1,093,918	\$ 307,843	\$1,401,761	\$ 2,293,918	\$ 761,380	\$ 3,055,298
1,093,919	175,561	1,269,480	2,363,919	564,894	2,928,813
647,067	100,624	747,691	1,597,067	422,446	2,019,513
515,000	30,900	545,900	1,205,000	301,523	1,506,523
			725,000	237,560	962,560
			765,000	202,560	967,560
			800,000	164,835	964,835
			810,000	125,385	935,385
			825,000	84,885	909,885
			300,000	43,635	343,635
			310,000	28,635	338,635
			285,000	12,825	297,825
<u>\$3,349,904</u>	<u>\$ 614,928</u>	<u>\$3,964,832</u>	<u>\$12,279,904</u>	<u>\$2,950,563</u>	<u>\$15,230,467</u>

CITY OF SCOTTSDALE  
MISCELLANEOUS STATISTICAL DATA  
JUNE 30, 1983

TABLE XVI

Date of Incorporation - June 25, 1951	
Date Charter Adopted - November 16, 1961	
Form of Government - Council/Manager	
Population	Area - Square Miles
1951 Census - 2,032	1951 - .62
1960 Census - 10,026	1961 - 4.90
1965 Special Census - 54,504	1970 - 62.20
1970 Census - 67,823	1971 - 73.60
1975 Special Census - 78,065	1975 - 85.80
1980 Census - 88,364	1979 - 88.60
1983 est. 6/30/83 - 96,200	1982 - 116.00
Miles of Streets and Alleys	
Streets	505.72
Alleys	152.54
Miles of Sewers	
Storm	15.50
Sanitary	403.97
Fire Protection	
Number of Stations	5
The City of Scottsdale has no fire employees but contracts with Metropolitan Fire Department Inc. to provide fire service to all residents.	
Police Protection	
Number of Employees	187
Number of Traffic Citations (excluding parking)	25,812
Number of Vehicles	86
The City jail is a holding facility. All long-term prisoners are incarcerated in the County jail.	
Recreation	
Parks - Number of Acres	1,917
Number of Swimming Pools	3
Number of Other Recreation Facilities	35
These include schools and school playgrounds in cooperation with Scottsdale School District.	
Water Enterprise	
Number of Users (No. Units)	23,849
Annual Consumption (Gallons)	5,340,160,001
Plant Capacity (Gallons per Day)	25,468,000
Miles of Distribution Lines	335.5
Number of Street Lights	5,032
Employees as of June 30, 1983	
Full Time	776
Part Time	207
Grant Funded	4
Total	987
Elections	
Number of Registered Voters as of Last Regular Election February 1982	43,822
Number/% Voting in Last municipal Election	8,182/18.6%
Population	
Median Age of Residents	39.4
Median Household Income	\$30,400
Median Home Value - Single Family	\$95,000

TABLE XVII

CITY OF SCOTTSDALE  
SCHEDULE OF INSURANCE IN FORCE  
JUNE 30, 1983

<u>CARRIER</u>	<u>POLICY DESCRIPTION</u>	<u>AMOUNT OF COVERAGE</u>
Mission National 7/1/83 to 6/30/84	Property Insurance - Repair or replace, fire, extended coverage, vandalism and malicious mischief. \$25,000 deductible	\$43,500,000 \$100,000 - Stop Loss
Integrity/Planet/ Twin Cities 7/1/83 to 6/30/84	Excess Liability Coverage \$100,000 retention	\$ 9,900,000
Integrity/Planet/ Twin Cities 7/1/83 to 6/30/84	Excess Liability Coverage Second Excess Layer	\$50,000,000
Associated Aviation Underwriters 7/1/83 to 6/30/84	Airport and Hangarkeepers Coverage \$5,000 retention	\$50,000,000
Mission 7/1/83 to 6/30/84	Excess Workers Compensation Coverage \$150,000 retention	Unlimited
Aetna 7/1/83 to 6/30/84	Workers Compensation Guaranty Bond (Value of bond \$100,000)	

TABLE XVIIa

CITY OF SCOTTSDALE  
GENERAL INSURANCE  
JUNE 30, 1983

REAL PROPERTY (BUILDINGS)

<u>FACILITY/ADDRESS</u>	<u>CONSTRUCTION</u>	<u>ACQ. DATE</u>	<u>AREA SQ. FEET</u>	<u>REPLACEMENT COST (6/30/83)</u>
<b>Parks</b>				
<u>Agua Linda Park Bldg.</u> 8732 E. McDonald	Conc./Block	4/75	1,300	\$ 82,000
<u>Chaparral Park</u> 5401 N. Hayden Road	Conc./Block	10/74	4,650	218,000
Recreation Center	Conc./Block	10/81	2,000	150,000
<u>Chesnutt Park</u> 4565 N. Granite Reef	Adobe	8/65	950	50,000
Senior Citizen Center	Conc./Block	7/69	693	16,800
Ramadas				
<u>Cholla Park</u> 14501 N. Hayden Road	Conc./Block	12/71	1,904	96,500
Control Building				
<u>Eldorado Park</u> Recreation Center	Conc./Block	10/68	10,000	458,000
2311 N. Miller Road				
Pool/Bath House	Conc./Block	6/68	3,515	163,000
2301 N. Miller Road				
Restrooms	Conc./Block	7/70	350	16,000
2301 N. Miller Road				
South Control Bldg.	Conc./Block	7/70	1,944	100,000
1909 N. Miller Road				
Concession Stand	Conc./Block	1970	210	5,000
2301 N. Miller Road				
<u>Paiute Park</u> 6535 E. Osborn	Conc./Block	--	500	42,500
Control Building	Conc./Block	--	720	30,000
Maintenance Compound				
<u>Pima Park</u> 8600 E. Thomas Road	Conc./Block	--	500	43,000
<u>Baseball Stadium</u> 7408 E. Osborn	Wood Frame	--	12,000	365,000
<u>Vista Del Camino</u> 7700 E. Roosevelt	Conc./Block	8/73	8,753	748,000



TABLE XVIIa  
(Continued)CITY OF SCOTTSDALE  
GENERAL INSURANCE  
JUNE 30, 1983REAL PROPERTY (BUILDINGS)

<u>FACILITY/ADDRESS</u>	<u>CONSTRUCTION</u>	<u>ACQ. DATE</u>	<u>AREA SQ. FEET</u>	<u>REPLACEMENT COST (6/30/83)</u>
<b>Parks (Continued)</b>				
<u>McCormick Park</u>				
7303 E. Indian Bend				
Bldg./N. Branch Library	Adobe	12/67	3,108	\$ 180,000
Storage Building	Adobe	12/67	616	25,000
Railroad Train Shed	Steel	12/71	6,400	207,000
Train Depot	Wood Frame	4/75	504	20,000
Peoria Building	Wood Frame	4/75	1,008	37,000
Machine Shop Museum	Wood Frame	1974	180	5,800
North Star - Train Car	Steel	--	750	204,000
<u>Indian School Park</u>				
4289 N. Hayden Road				
Sports Control Bldg.	Conc./Block	2/80	2,265	164,500
Visitor Center	Conc./Block	2/80	3,918	290,000
Shower and Lockers	Conc./Block	2/80	3,600	300,000
<b>TOTAL PARKS</b>				<b>\$ 4,017,100</b>
<b>Neighborhood Development</b>				
<u>Apartments</u>				
1200 N. 77th St. "A"	Conc./Block	10/75	6,150	256,000
1200 N. 77th St. "B"	Conc./Block	10/75	3,600	154,000
"A" 8 units, "B" 3 units				
<b>TOTAL NEIGHBORHOOD DEVELOPMENT</b>				<b>\$ 410,000</b>
<b>Maintenance Complex</b>				
<u>Street Maintenance</u>				
Storage Building	Conc./Block	8/71	8,479	\$ 462,500
1327 E. McKellips	Metal	7/66	600	10,000
<u>Sanitation Center</u>				
1325 E. McKellips	Conc./Block	7/66	3,640	230,000
<u>Fleet Maintenance</u>				
1323 E. McKellips	Conc./Block	11/64	20,646	632,500
<u>P/M Building</u>				
1323 E. McKellips	Conc./Block	2/69	1,600	63,000

TABLE XVIIa  
(Continued)CITY OF SCOTTSDALE  
GENERAL INSURANCE  
JUNE 30, 1983REAL PROPERTY (BUILDINGS)

<u>FACILITY/ADDRESS</u>	<u>CONSTRUCTION</u>	<u>ACQ. DATE</u>	<u>AREA SQ. FEET</u>	<u>REPLACEMENT COST (6/30/83)</u>
Maintenance Complex (Continued)				
<u>Auto Parts Building</u> 1323 E. McKellips	Sheet Metal	11/74	1,600	\$ 37,000
<u>Facilities Maintenance Shop</u> 1601 E. McKellips	Sheet Metal	11/74	1,600	37,000
<u>Facilities Maintenance Bldg.</u> 1601 E. McKellips	Conc./Block	2/75	5,400	250,000
<u>Mower Shop</u> 1323 E. McKellips	Conc./Block	9/67	780	32,200
<u>Municipal Utilities</u> 1501 N. Miller	Conc./Block	6/79	4,760	<u>389,000</u>
				<u>TOTAL MAINTENANCE COMPLEX</u>
				<u>\$ 2,143,200</u>
Airport				
<u>Terminal</u> 7600 E. Butherus Drive	Conc./Block	1/68	4,240	\$ 518,000
<u>Service Hangar</u> 7600 E. Butherus Drive	Conc./Block	1/68	15,714	706,000
<u>"T" Hangars</u> 7600 E. Butherus Drive	Conc./Block	11/71	14,400	437,000
<u>F.A.A. Building</u> 7600 E. Butherus Drive	Conc./Block	7/72	5,930	539,000
<u>Maintenance Shop</u> 7600 E. Butherus Drive	Conc./Block	6/82	1,400	<u>57,000</u>
				<u>TOTAL AIRPORT</u>
				<u>\$ 2,257,000</u>
Civic Center Complex				
<u>City Hall</u> 3939 Civic Center Plaza	Conc./Block	10/68	36,000	\$ 2,888,340
<u>Library</u> 3839 Civic Center Plaza	Conc./Block	10/68	39,000	3,122,940

TABLE XVIIa  
(Continued)CITY OF SCOTTSDALE  
GENERAL INSURANCE  
JUNE 30, 1983REAL PROPERTY (BUILDINGS)

<u>FACILITY/ADDRESS</u>	<u>CONSTRUCTION</u>	<u>ACQ. DATE</u>	<u>AREA SQ. FEET</u>	<u>REPLACEMENT COST (6/30/83)</u>
Civic Center Complex (Continued)				
<u>Public Service</u> 3739 Civic Center Plaza	Conc./Block	4/71	23,260	\$ 2,142,000
<u>Civic Center Pool</u> 3639 Civic Center Plaza	Conc./Block	6/66	1,200	54,750
<u>Mall Parking Facility</u> 7335 Civic Center Mall (446 spaces)	Conc./Block	12/74	140,000	2,005,000
<u>Civic Center Storage Bldg.</u> 3639 Civic Center Plaza	Conc./Block	1975	320	10,925
<u>Court Building</u> 3629 Civic Center Plaza	Conc./Block	9/75	7,500	548,000
<u>Center for the Arts</u> 7384 East Second Street	Conc./Block	9/75	88,000	8,888,522
<u>Senior Center I</u>	Conc./Block	9/76	5,200	438,000
<u>Senior Center II</u>	Conc./Block	11/77	5,145	420,000
<u>Senior Center III</u> 7375 East Second Street	Conc./Block	2/79	3,712	375,000
TOTAL CIVIC CENTER COMPLEX				<u>\$20,893,477</u>
Fire Department				
<u>Fire Station #10</u> 2857 N. Miller Road	Conc./Block	8/68	8,424	\$ 502,000
<u>Fire Station #11</u> 7339 E. McDonald	Conc./Block	12/71	4,023	262,000
<u>Fire Station #12</u> 13665 N. Scottsdale Road	Conc./Block	12/71	2,120	126,000
TOTAL FIRE DEPARTMENT				<u>\$ 890,000</u>
Miscellaneous				
<u>Warehouse</u> 7501 E. Second Street	Conc./Block	1972	17,200	\$ 677,000
<u>Police Annex</u> 3720 N. 75th Street	Block	1980	2,752	159,000
TOTAL MISCELLANEOUS				<u>\$ 836,000</u>
TOTAL REAL PROPERTY				<u>\$31,446,777</u>

TABLE XVIII

CITY OF SCOTTSDALE  
SALARIES AND SURETY BONDS OF PRINCIPAL OFFICIALS  
FOR FISCAL YEAR ENDED JUNE 30, 1983

<u>OFFICIAL TITLE</u>	<u>MINIMUM</u>	<u>MAXIMUM</u>	<u>BOND</u>
Mayor		\$14,400	\$ 10,000
Councilmen (6)		7,200	10,000
City Manager/City Clerk		72,405	1,000,000
City Attorney		56,451	1,000,000
City Treasurer	\$40,000	60,000	1,000,000
City Judge		48,900	1,000,000

PUBLIC EMPLOYEES HONESTY AND FAITHFUL PERFORMANCE BOND

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