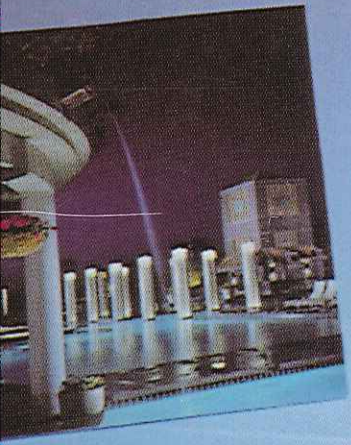
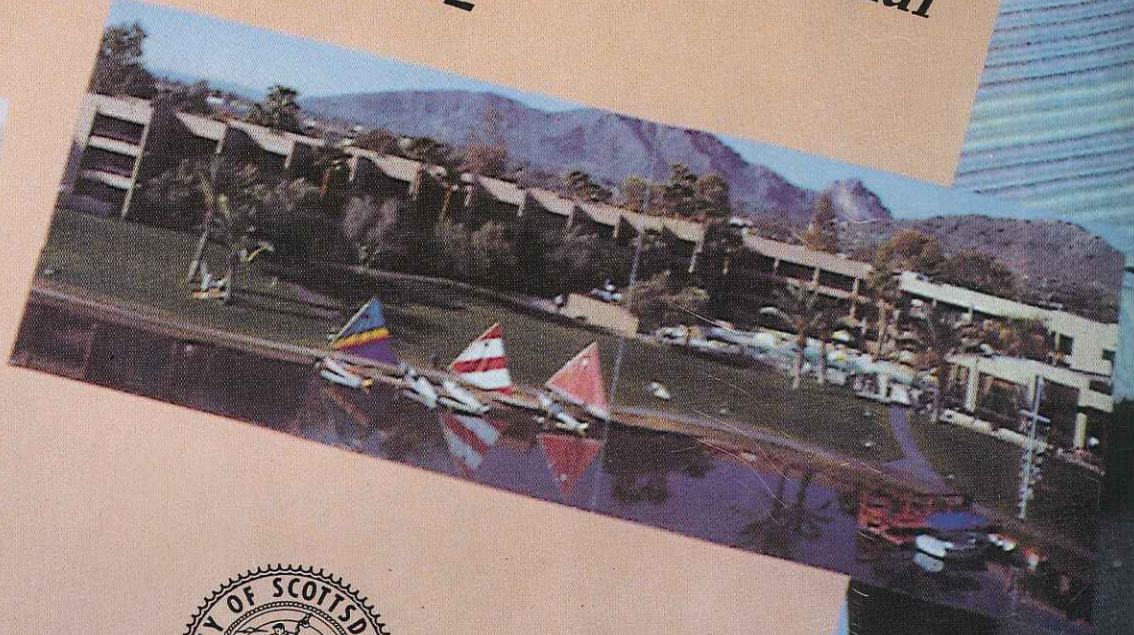
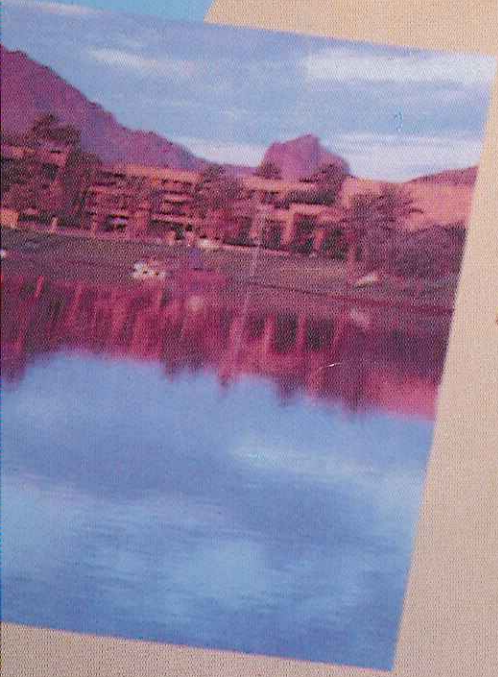


Scottsdale, Arizona Destination Attraction USA



*City of Scottsdale, Arizona
Comprehensive Annual Financial
Report for the Fiscal Year
Ended June 30, 1992*



About The Cover

SCOTTSDALE DESTINATION ATTRACTION, USA

The City of Scottsdale is readily recognized as a favorite destination of the cosmopolitan traveler. Few cities can compete with Scottsdale when it comes to fine dining, luxury resorts, haute couture shopping, cultural amenities, and sporting and recreational activities.

While tourism has always been one of the City's foremost hallmarks, Scottsdale has wisely put extra effort into diversifying its economic base. The revitalization of the City's downtown area is an ongoing joint effort involving downtown property owners and the City. Through this partnership, improvement districts have been formed to upgrade the downtown area and to give distinctive character and appearance to the various shopping areas.

This same strong private-public partnership has promoted construction of several major retail developments in the downtown area — the recently opened \$125 million Scottsdale Galleria and the combined renovations to Scottsdale Fashion Square and Camelview Plaza which make it Arizona's largest regional shopping center.

Other exciting plans for the downtown area include two significant projects — development of a Canal Bank Master Plan and construction of a 7,000-seat, multi-use sports and cultural facility. The canal bank project will provide planned development along the banks of the Arizona Canal to beautify the banks with pedestrian amenities, shops and restaurants. The multi-use sports and cultural facility, will replace the City's existing stadium and provide a year-round facility to house a wide variety of events and activities.

These and other community enhancements, will make FY 1991/92 a year of vision and accomplishment. Visitors and residents alike will see Scottsdale continue to build on its strong foundation and effectively plan for a bright future.

The cover highlights several aspects of Scottsdale that promote it as a dynamic destination attraction.



**CITY OF SCOTTSDALE
COMPREHENSIVE ANNUAL
FINANCIAL REPORT
FISCAL YEAR ENDED
JUNE 30, 1992**

**CITY COUNCIL
HERBERT R. DRINKWATER, MAYOR**

**GREGORY S. BIELLI
JAMES BURKE
SAM KATHRYN CAMPANA**

**MARY MANROSS
BILL SODERQUIST
RICHARD THOMAS**

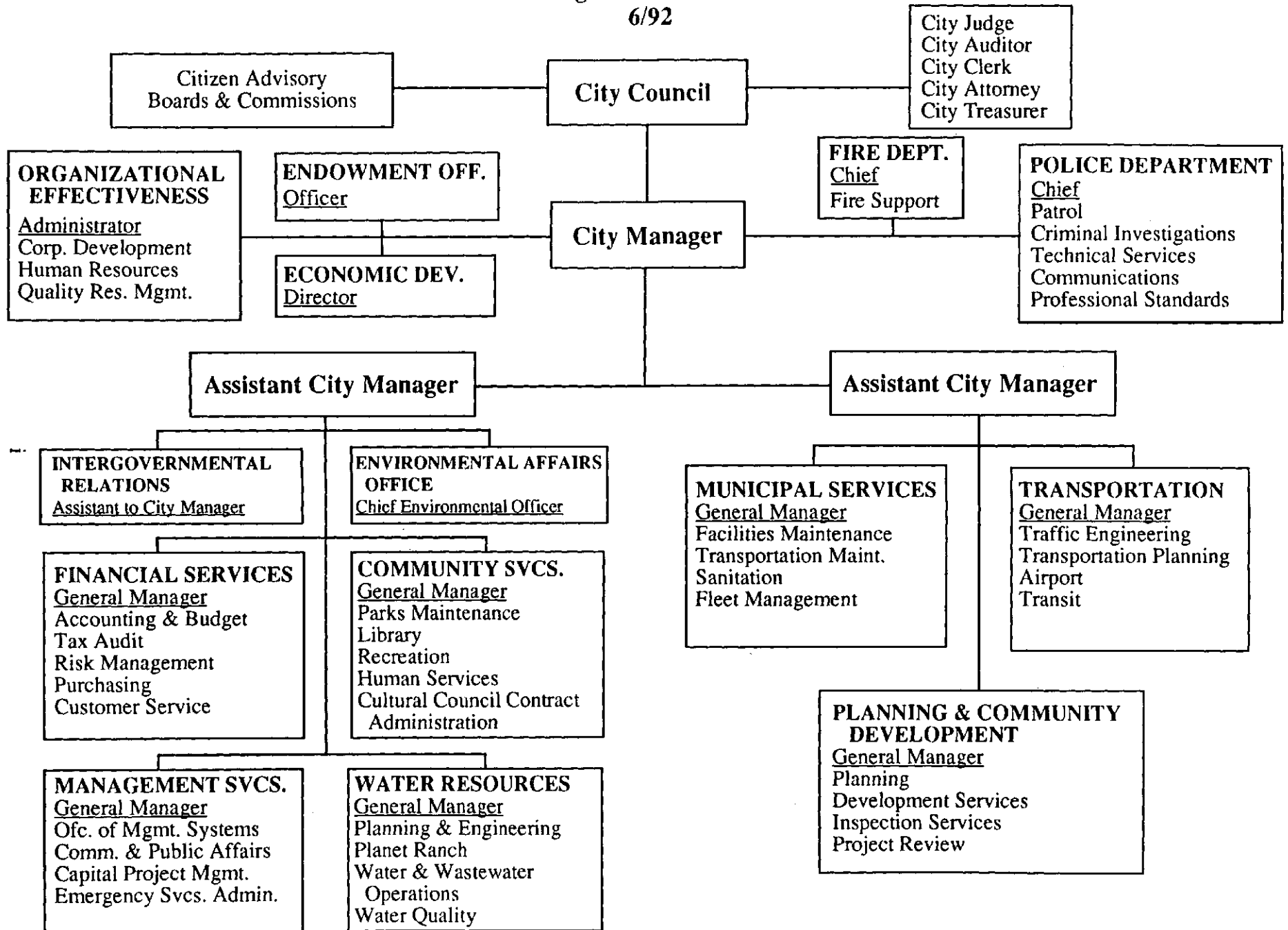
RICHARD A. BOWERS, CITY MANAGER

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

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

**Craig Clifford, CPA
Accounting & Budget Director**

**City of Scottsdale
Organization Chart
6/92**



City of Scottsdale
COMPREHENSIVE ANNUAL FINANCIAL REPORT

June 30, 1992

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August 31, 1992

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

Dear Mayor and City Council:

The Comprehensive Annual Financial Report of the City of Scottsdale (City), Arizona, for the fiscal year ended June 30, 1992, is submitted in accordance with Article 6, Section 14, of the City Charter. This report was prepared by the City's Accounting Division. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City. We believe the data, as presented, is accurate in all material aspects; that it is presented in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the City. All disclosures that we believe are necessary to enable the reader to gain an understanding of the City's financial activities have been included.

The Comprehensive Annual Financial Report contains three sections: 1) the **Introductory Section**, which includes this transmittal letter, the City's organizational chart, and the Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting; 2) the **Financial Section**, which includes the independent auditors' report, the general purpose financial statements, and the combining and individual funds and account group financial statements and schedules; and 3) the **Statistical Section**, which includes selected financial and demographic information, generally presented on a multi-year basis.

This report represents management's report to its governing body, constituents, legislative and oversight bodies, and investors and creditors. Copies of this report will be sent to elected officials, City management personnel, bond rating agencies, and other agencies which have expressed an interest in Scottsdale's financial matters. Copies of this financial report will also be placed in the City library for use by the general public.

The City provides a full range of services including police and fire protection, sanitation service, water and sewer services, construction and maintenance of streets, recreational activities, and cultural events. This report includes the funds and account groups of all organizational entities for which the City has oversight responsibility and are consequently determined to be includable in the City's financial reporting entity, in accordance with Governmental Accounting Standards Board Statement No. 1. The statements include the activities and functions of the City of Scottsdale Municipal Property Corporation but not those of the Industrial Development Authority of the Scottsdale Cultural Council. Further data defining these determinations is available in the Notes to Financial Statements.

ECONOMIC CONDITION AND OUTLOOK

The City of Scottsdale is centrally located in Maricopa County, with its boundaries encompassing an area of approximately 185.2 square miles. The City is bordered by Phoenix, the state capital, to the west and the city of Tempe to the south. Scottsdale, together with its neighboring cities, forms the greater metropolitan Phoenix area, which is the economic, political, and population center of the state.

Currently, the Phoenix metro area (the Valley) is beginning to pull out of the economic downturn that has plagued it over the past several years. While Scottsdale has definitely been impacted by this downturn, it appears as though we have weathered this better than many other communities in the Valley. There are a number of reasons for this, including:

- Scottsdale has traditionally had a slower population growth rate than the rest of the metro area. Over the past 20 years Scottsdale has grown by an average of about 4.5% per year versus 6% for the entire country. This slower growth means that there is less dependence on the construction industry and so the slowdown in that industry did not impact Scottsdale as much. Similarly, construction employment does not account for a significant portion of the local work force.
- Median household income in Scottsdale is currently about 40% higher than the average for the metro area (\$47,344 vs. \$33,875). Traditionally, higher income families tend to be less impacted by a recessionary economy.
- Scottsdale's rate of job creation is faster than almost all of the other cities in the Valley. Scottsdale has been creating jobs faster than its population or labor force has grown by a ratio of nearly 2 to 1. Even in the current environment of slower than normal job creation there will probably be greater job creation than population growth in Scottsdale over the next year or two.
- Despite a minor dip in 1991-92, the total assessed value of Scottsdale property (from which property taxes are calculated) has risen by 353% since 1980. On a per capita basis, Scottsdale has by far the highest assessed value per resident as well as a growth rate that is higher than that for the metro area.
- Scottsdale's overall property tax rates are the lowest in the metro area. On average, property taxes in other communities are 36% higher than they are in Scottsdale.
- Sales tax collections continue to rise, increasing 8% for fiscal year 1991-92. Collections for the coming year are expected to increase. On a per capita basis, Scottsdale's sales tax collections are much greater than the rest of the metro area and continue to rise at a rapid rate.
- The general consensus of local economists is that the Phoenix metro economy now has bottomed out and is beginning to pick up again. The climb will remain slow this year and in 1993 but will hopefully pick up in years beyond. Obviously, a continuing national recession or other unforeseen events could result in a delay in this recovery. Barring any of these factors, however, it appears that we may have pulled through the worst of it already. But it will be several years until the Valley experiences the type of growth it traditionally has seen.

It is important for us to recognize the significance of the Valley-wide economic downturn and its impact on Scottsdale. However, statistics would suggest that Scottsdale has not been nearly as impacted as many of the other Valley communities. Hopefully, these factors will enable Scottsdale to continue to grow and prosper over the coming years.

MAJOR INITIATIVES

Current Year

- With many businesses today touting "quality," the City of Scottsdale has maintained the exceptional service standards its customers--our citizens--have come to expect over the past 40 years. A 1991 citizen survey indicated that this commitment has paid off--97% of Scottsdale residents rated our services as good or very good. Since Scottsdale's goal is not only to maintain but to improve service levels, we implemented a "Simply Better Service" campaign in October 1991. The campaign emphasized the concept of *KAIZEN*, a Japanese term symbolizing small, gradual improvements over time involving every member of a work force.
- The 1991-92 fiscal year also marked the beginning of a Community Visioning Process that invited citizens to address several long-range community priorities including urban development, economics, transportation, community and leisure activities, health and human services, and arts and culture. Similar programs in our past have led to such innovations as the Indian Bend Wash and the Civic Center Mall.
- 1991 marked the completion of our downtown streetscape renovation projects which were funded as an improvement district--a joint venture between the City and members of our downtown business community. The shopping and art districts of Fifth Avenue, Marshall Way, Old Scottsdale, and West Main all received a "face-lift" that promises to give new energy to these historic areas.
- The new Scottsdale Stadium and renovated Indian School Park Training Facilities were completed resulting in a new five-year contract between the San Francisco Giants and the City. The San Francisco Giants played their ninth Cactus League season in Scottsdale last spring, contributing \$8 million to our economy. The Phoenix Firebirds, the Triple A franchise of the San Francisco Giants, moved their team to the new Scottsdale Stadium in 1992. This is expected to funnel \$4.1 million into our local economy next year.
- Downtown Scottsdale underwent a dramatic transformation in 1991 with the opening of the Scottsdale Galleria; the completion of the Scottsdale Fashion Square/Camelview Plaza renovation and expansion (including the new Neiman Marcus); and the revitalization of the Fifth Avenue/Marshall Way and Old Scottsdale/West Main shopping districts. Citywide, retail sales tax receipts in 1991 were up 6.2% over the previous year.

Operational Accomplishments

- The Scottsdale Airport's Air Traffic Control Tower was named "Air Traffic Communications Facility of the Year for Arizona" by the Arizona Aviation Safety Advisory Council.

- Scottsdale was among a select group of U.S. cities to participate in a pilot internal office wastepaper recycling program. By sorting their own trash, City employees diverted nearly 66,000 pounds of potential solid waste from the landfill--the equivalent of 561 trees!
- Our "EYES" (Employees Yielding Effective Savings) program has significantly reduced the number of potholes, buckles sidewalks, and damaged street signs in Scottsdale. In 1991 over 5,500 EYES reports were recorded.
- Strict standards for medians, turn lanes, and other road features have resulted in a 40% drop in accident rates along main arterials. Accident rates at major intersections have dropped 15%.
- \$7,725,000 in revenue bonds and \$44,270,000 in Municipal Property Corporation bonds were refunded for a total savings, or a decrease in debt service payments, of \$3,028,736.
- An automated surplus property system was implemented to track all City surplus and interface with asset accounting and Police department. Also will be used for auction accounting.
- Customer utility bill statements were redesigned to include environmental charges, consumption history, and water conservation goal information with bar graphs.
- Our communications efforts were enhanced with several citizen publications. In addition, 135 live meetings were broadcast on TV35, Scottsdale Municipal Television.
- The Scottsdale City Court began a pilot program, "Trial by Declaration," which gives citizens the option to plead "not responsible" in writing for civil traffic violations not resulting in an accident. This program won the 1991 Arizona State Supreme Court Challenge Award.
- The Scottsdale Police Department became one of only 6% of all police agencies nationwide to install an 800 MHz trunked radio communications system--the most advanced radio technology available.
- Our library system reported a record circulation of over 1.3 million materials, with 60% of our residents having library cards.
- The exciting new EDITH house program that teaches fire safety to City school children was initiated. The house was obtained from the Kiwanis in September, 1991. In Scottsdale we have conducted 20 events for 4,517 children. We expect a large increase in the numbers of events and children for the upcoming year.

For the Future

The City's future financial plans emphasize three key elements:

Financial Stability - The City must continue to improve its financial planning process to ensure community stability, service quality, and responsible fiscal management. Use of economic stabilization funds during 1991-92 provided the City a means to weather recessionary times and maintain citizen service levels. In 1992-93 the City will initiate the process of rebuilding its reserves and continue to utilize long-range financial planning to support and stabilize the City's elastic revenue base.

As part of the 1992-93 financial strategy, the City is reviewing and responding to a wide variety of infrastructure and basic service issues. These issues are addressed in a manner which keeps community needs and quality of life in balance. In addition, the City continues to invest in the maintenance of its existing infrastructure to avoid more expensive reconstruction programs in the future.

Promote Quality Service - The success of the City organization is largely dependent on the commitment of every member of the work force to quality service and continuous improvement. This focus assists us in establishing and maintaining an organization valued by the citizenry and ready to meet the challenges of the 90s. Performance measurement, work force empowerment, and fiscal responsibility are integral components of our effort.

Among the challenges of the 90s is the need to have a work force representative of the community it services. The City continues to develop effective programs to promote an optimum working environment which places value on diversity, ensures open access, and provides equal opportunities.

Strengthen Partnerships - The eagerness of citizens to be involved in their government and in the support of their community has long been a Scottsdale trademark. Maintaining Scottsdale's quality lifestyle requires continuous planning, foresight, hard work, and cooperation. By pursuing a citizen-oriented visioning process, soliciting ways to forge public/private partnerships, and investing energy and finances in vital areas of the community, we can collectively ensure that the Scottsdale of tomorrow will present the same special quality of life as we enjoy today.

The decade of the 90s will bring about tremendous change to the traditional ways of doing business. Technological advances, compliance with a variety of federal and state environmental requirements, the strengthening of trade agreements with our Mexican neighbors, expanding demand for regional cooperation, and the emergence of a global economy require that Scottsdale be poised to meet the many and varied challenges of the future. These challenges can only be effectively met through carefully forged partnerships among parties of common interest--citizens, businesses, and other governmental entities.

FINANCIAL INFORMATION

Internal Control. Management of the City of Scottsdale is responsible for establishing and maintaining a system of internal control. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: 1) the safeguarding of assets against loss from unauthorized use or disposition; and 2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that: 1) the cost of a control should not exceed the benefits likely to be derived; and 2) the evaluation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. The City's internal accounting controls are considered to be adequate to safeguard the assets and provide reasonable assurance of proper recording of financial transactions.

Single Audit. As a recipient of federal, state, and county (the Government) financial assistance, the Government also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations

related to those programs. This internal control structure is subject to periodic evaluation by management and the internal audit staff of the City.

As part of the Government's single audit, tests are made to determine the adequacy of the internal control structure, including that portion related to federal financial assistance programs, as well as to determine that the Government has complied with applicable laws and regulations. The results of the Government's single audit for the fiscal year ended June 30, 1992, provided no instances of material weaknesses in the internal control structure or significant violations of applicable laws and regulations.

Budgetary Controls. The City also maintains budgetary controls. The objective of these controls is to ensure compliance with budgetary and legal provisions embodied in the annual appropriated budget approved by the City Council. The level of budgetary control (i.e., the level at which expenditures cannot legally exceed the appropriated amount) is the total budget, as adopted. In addition to maintaining budgetary control via a formal appropriation, the City maintains an encumbrance accounting system. Encumbrances are made against appropriations upon the release of a purchase order. Encumbered appropriations are carried forward at the end of each fiscal year.

Expenditure budgets are presented on a non-GAAP basis. This basis includes items that are not included on a GAAP basis such as encumbrances and excludes such items as accruals and depreciation.

As demonstrated by the statements and schedules included in the financial section of this report, the City continues to meet its responsibility for sound financial management.

General Government Functions. The following schedule presents a summary of the general fund, special revenue funds, debt service funds, and capital project funds revenues for the fiscal year ended June 30, 1992, and the amount and percentage of increases and decreases in relation to prior year revenues.

| Classification | Revenues | | | |
|-------------------------------|-------------------|---------------------|---|--------------------------------------|
| | Amount (000s) | Percent of Total | Increase (Decrease) From 1991 (000s) | Percent of Increase (Decrease) |
| Taxes | \$ 54,518 | 48.9 | \$ 3,116 | 6.1 |
| Intergovernmental | 26,553 | 23.8 | 1,377 | 5.5 |
| Special Assessments | 4,261 | 3.8 | 1,487 | 53.6 |
| Licenses | 705 | 0.6 | 75 | 11.9 |
| Charges for Services | 6,337 | 5.7 | 1,184 | 23.0 |
| Fines and Forfeitures | 2,228 | 2.0 | 13 | 0.6 |
| Uses of Money and Property | 7,407 | 6.6 | (1,698) | (18.6) |
| Streetlight Districts | 500 | 0.5 | (58) | (10.4) |
| Miscellaneous | 8,987 | 8.1 | 3,838 | 74.5 |
| Total | \$ 111,496 | 100.00 | \$ 9,334 | 9.1 |

Revenue has rebounded well in 1991-92. Tax revenue increased primarily due to the resurgence of retail sales and associated sales tax. Special assessment revenue has increased considerably over the past year with the addition of several new assessment districts.

Building activity also increased considerably which increased fees collected as charges for services. The one major decrease occurred in uses of money and property brought about by continued lower interest rates which reduced interest income by 36%. Miscellaneous revenue increased due to reimbursements to the capital projects funds.

The following schedule presents a summary of general fund, special revenue funds, debt service fund, and capital project funds expenditures for the fiscal year ended June 30, 1992, and the percentage of increases and decreases in relation to prior year amounts.

| Expenditures | | | | |
|---------------------------------------|--------------------------|-----------------------------|---|---|
| Department | Amount (000s) | Percent of Total | Increase (Decrease) From 1990 (000s) | Percent of Increase (Decrease) |
| General Government | \$ 5,025 | 3.6 | \$ 768 | 18.0 |
| Police | 18,399 | 13.2 | 1,342 | 7.9 |
| Financial Services | 2,674 | 1.9 | 14 | 0.5 |
| Transportation | 2,309 | 1.7 | (4) | 0.0 |
| Community Services | 14,411 | 10.3 | 706 | 5.2 |
| Management Services | 3,239 | 2.3 | 354 | 12.2 |
| Municipal Services | 9,624 | 6.9 | 982 | 11.4 |
| Planning and Community Development | 9,438 | 6.8 | 1,014 | 12.0 |
| Fire | 6,086 | 4.4 | 365 | 6.4 |
| Streetlight Districts | 441 | 0.3 | 10 | 2.3 |
| Capital Improvements | 40,985 | 29.3 | 11,686 | 39.9 |
| Debt Service | 26,971 | 19.3 | 850 | 3.3 |
| Total | \$ 139,602 | 100.00 | \$18,087 | 14.9 |

The increase in expenditures is due primarily to the increase in activity in the capital projects fund. The City sold an additional \$19 million in general obligation bonds to continue to fund the expenditures related to the Five-Year Capital Improvement Program. In addition, General Government added a new Environmental Affairs division, Management Services took over the civil defense contract, and Planning and Community Development increased expenditure for Economic Development.

General Government Fund Balances. Fund Balances reflect the accumulated excess of revenues and other financing sources over expenditures and other financing uses for general government functions. Unencumbered appropriations lapse at the close of the fiscal year and revert to unreserved fund balance. Encumbered amounts are reported as reservations of fund balance.

Fund Balances

| Fund | June 30, 1991 | June 30, 1992 | Increase (Decrease) |
|------------------|---------------------|---------------------|------------------------|
| General | \$43,469,417 | \$42,285,367 | (\$ 1,184,050) |
| Special Revenue | | | |
| Highway User | 92,441 | 144,753 | 52,312 |
| Grants | 113,784 | 493,116 | 379,332 |
| Debt Service | 12,719,806 | 11,341,344 | (1,378,462) |
| Capital Projects | 27,441,940 | 23,446,675 | (3,995,265) |
| Total | \$83,837,388 | \$77,711,255 | (\$ 6,126,133) |

The decrease in fund balances is primarily due to the increased expenditures in the capital projects funds. The general fund also made operating transfers of \$1,311,090 to the capital projects funds which decreased its fund balance.

Proprietary Funds. The City's proprietary funds consist of Enterprise Funds and Internal Service Funds. The Enterprise Funds are comprised of the Water and Sewer Utility Fund, the Airport Fund, the Public Housing Fund, and the Sanitation Fund. Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to proprietary (private business) enterprises where the intent is that the cost (expenses, including depreciation) of providing goods or services to the general public on a continuing basis is to be financed or recovered primarily through user charges, or (b) it has been 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.

The following schedule presents current year increases (decreases) in retained earnings for the proprietary funds:

Increases (Decreases) in Retained Earnings

| Fund | June 30, 1991 | June 30, 1992 | Increase (Decrease) |
|-------------------------|---------------------|---------------------|------------------------|
| Water and Sewer Utility | \$ 3,071,893 | \$ 5,176,217 | \$ 2,104,324 |
| Airport | 6,971 | 23,164 | 16,193 |
| Sanitation | (58,551) | 11,308 | 69,859 |
| Motor Pool | 649,771 | 661,293 | 11,522 |
| Self Insurance | 2,365,904 | (1,813,519) | (4,179,423) |
| Total | \$ 6,035,988 | \$ 4,058,463 | (\$ 1,977,525) |

The Water and Sewer Utility Fund increased due to an increase in revenue based on rate increases and usage. The Self-Insurance Fund decreased due to an increase in the reserves for claims against the City.

The City Council is committed to a policy of maintaining the enterprise operations of the Water and Sewer Utility, the Airport, and Sanitation funds on a self-supporting basis, adjusting user rates as necessary.

Fiduciary Fund. The Trust and Agency Fund consists of miscellaneous expendable trust funds and the Deferred Compensation Agency Fund. All amounts of compensation deferred under the plan are the property of the City subject to the claims of general creditors. The City has the duty of due care. Investments are managed by an independent plan administrator. The balance in this agency fund increased by \$934,440 due to continued contributions to the deferred compensation fund.

Debt Administration. At June 30, 1992, the City had outstanding debt issues of \$278,035,306. The breakdown was:

| Debt | Balance June 30, 1992 |
|---|--------------------------|
| General Obligation Bonds | \$ 102,790,000 |
| Revenue Bonds | 45,055,000 |
| Scottsdale Municipal Property Corporation Bonds | 98,220,000 |
| Special Assessment Bonds | 22,498,000 |
| Contracts | 9,472,306 |
| Total | \$ 278,035,306 |

During the 1991-92 fiscal year \$19,000,000 of general obligation bonds were issued. The City maintained its Aa1 bond rating from Moody's Investor Service and AA rating from Standard and Poor's on our general obligation bonds.

General obligation debt is serviced by secondary property taxes. Revenue-supported debt is serviced with the user fees associated with the particular fund activity.

Under Arizona law, cities can issue general obligation bonds for purposes of water, sewer, artificial light, open space, parks, playground, and recreational facilities up to an amount not exceeding 20% of the secondary assessed valuation and general obligation bonds for all purposes other than those listed up to an amount not exceeding 6% of the secondary assessed valuation.

At June 30, 1992, the 20% debt limitation was \$285,075,723, providing a debt margin of \$224,570,323, and the 6% debt limitation was \$85,522,717, providing a debt margin of \$46,738,117.

Cash Management. Cash temporarily idle during the year, excluding that of Municipal Properties Corporation and ICMA Plan investments, was invested primarily in the State Treasurer's Local Government Investment Pool. In addition, amounts were invested in obligations of the U.S. Treasury and its agencies, demand deposits, repurchase agreements, bankers' acceptances, and money market funds. The City utilizes a pooled cash concept in order to invest greater amounts of cash at one time and therefore receives more favorable interest rates. The average yield on pooled investments for the 1991-92 fiscal year was 6.1% and the average daily investment balance was \$132,756,472.

The City's investment policy is to invest all of the City funds at the highest available interest rate assuring that all monies are fully secured with emphasis on safety of principal, liquidity, and financial return on principal. At June 30, 1992, 98% of investments held by the City were classified in the category of lowest credit risk as defined by the Governmental Accounting Standards Board. Remaining investments were held by the City's bank, in their trust department in the name of the Municipal Properties Corporation.

Risk Management. The City's Self-Insurance Fund, established in fiscal year 1979, is responsible for the budgeting, investigation, and payment of claims that are incurred by the City. The Self-Insurance Fund is protected by excess insurance designed to limit the exposure to loss for any single loss occurrence. For fiscal year 1992 the Self-Insurance Fund was responsible for the first \$300,000 per occurrence for workers' compensation claims and the first \$1,000,000 for liability claims against the City. The Fund was also responsible for vehicle damage over \$1,000 and all unemployment claims.

The City has an aggressive safety program which promotes employee safety on the job and focuses on risk control techniques designed to minimize accident related losses. In addition to the safety programs preventative measure, the Risk Management division reviews every claim and arbitrates each loss in order to minimize the City's liability exposure.

OTHER INFORMATION

Independent Audit. City Charter requires an annual audit by independent certified public accountants. The accounting firm of KPMG Peat Marwick has been selected by the City Council. The auditors' report is included in the financial section of this report.

In addition to this report, the auditors were also contracted to perform the Single Audit of the City's federal grant programs. This audit was designed to meet the requirements of the Federal Single Audit Act of 1984 and the related OMB Circular A-128. Due to the size and complexity of the City's financial system, the single audit report is issued separately from this financial report. Copies are available upon request.

Awards. The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report for the fiscal year ended June 30, 1991, marking the eighteenth consecutive year Scottsdale has received this prestigious award.

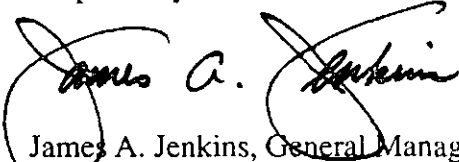
In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized comprehensive annual financial report whose contents conform to program standards. This report satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The current report is believed to conform to Certificate of Achievement program requirements and will be submitted to the GFOA in order to determine its eligibility for a certificate.

In addition, the City also received the GFOA's award for Distinguished Budget Presentation for our 1991-92 annual budget. In order to qualify for the Distinguished Budget Presentation Award, the City's budget document was judged to be especially notable as a policy document and proficient in financial planning and organization.

Acknowledgement. The preparation of this report could not have been accomplished without the dedicated service of the entire staff of the Accounting division, the assistance of administrative personnel in the various departments, and through the competent service of our independent auditors. I also wish to express my sincere appreciation to the City Council, the City Manager, and the Assistant City Managers for their interest and support in planning and conducting the financial affairs of the City in a responsible and progressive manner.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "James A. Jenkins". The signature is written in a cursive style with a large initial "J" and "A".

James A. Jenkins, General Manager
Financial Services/City Treasurer

JAJ:id

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Scottsdale,
Arizona

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

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director



Peat Marwick

Certified Public Accountants

2020 North Central Avenue
Phoenix, AZ 85004

Independent Auditors' Report

The Honorable Mayor and City Council
City of Scottsdale, Arizona:

We have audited the accompanying general purpose financial statements of the City of Scottsdale, Arizona, and the combining and individual fund financial statements of the City as of and for the year ended June 30, 1992, as listed in the Financial Section Table of Contents. These financial statements are the responsibility of the City of Scottsdale, Arizona, management. Our responsibility is to express an opinion on these financial statements based on our audit.

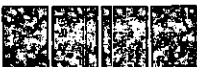
We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Scottsdale, Arizona, as of June 30, 1992, and the results of its operations and cash flows of its proprietary fund types and nonexpendable trust for the year then ended in conformity with generally accepted accounting principles. Also, in our opinion, the combining and individual fund financial statements referred to above present fairly, in all material respects, the financial position of each of the individual funds of the City of Scottsdale, Arizona, as of June 30, 1992, and the results of operations of such funds and cash flows of the individual proprietary funds and nonexpendable trust for the year then ended, in conformity with generally accepted accounting principles.

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

KPMG Peat Marwick

August 31, 1992



CITY OF SCOTTSDALE

EXHIBIT A-1

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS

JUNE 30, 1992

WITH COMPARATIVE TOTALS FOR JUNE 30, 1991

| ASSETS AND OTHER DEBITS | GOVERNMENTAL FUND TYPES | | | | FIDUCIARY FUND TYPE | PROPRIETARY FUND TYPES | | ACCOUNT GROUPS | | TOTALS (MEMORANDUM ONLY) | |
|---|-------------------------|--------------------|---------------------|---------------------|------------------------|------------------------|---------------------|----------------------------|------------------------------|-----------------------------|------------------------|
| | GENERAL | SPECIAL REVENUE | DEBT SERVICE | CAPITAL PROJECTS | TRUST AND AGENCY | ENTERPRISE | INTERNAL SERVICE | GENERAL FIXED ASSETS | GENERAL LONG-TERM DEBT | JUNE 30, 1992 | JUNE 30, 1991 |
| CASH AND SHORT-TERM INVESTMENTS | \$41,365,282 | \$404,277 | \$8,275,373 | \$31,129,734 | \$5,758,761 | \$15,151,110 | \$6,534,950 | \$ | \$ | \$108,619,487 | \$94,339,194 |
| CASH WITH FISCAL AGENTS | | 2,058,566 | 14,043,643 | | | 3,705,799 | | | | 19,808,008 | 18,676,964 |
| INVESTMENTS | 1,916,797 | | | | 4,927,656 | | | | | 6,844,453 | 10,295,643 |
| RECEIVABLES | | | | | | | | | | | |
| ACCRUED INTEREST | 468,689 | | 106,743 | 311,636 | 21,658 | 419,713 | 66,530 | | | 1,394,969 | 1,359,210 |
| PROPERTY TAX | 961,354 | | 3,522 | | | | | | | 964,876 | 1,048,049 |
| SPECIAL ASSESSMENTS | | | 22,048,422 | | | | | | | 22,048,422 | 20,238,007 |
| STATE SHARED SALES TAX | 682,163 | | | | | | | | | 682,163 | 657,832 |
| AUTO LIEU TAX | 186,476 | | | | | | | | | 186,476 | 182,715 |
| FUEL TAX | | 591,152 | | | | | | | | 591,152 | 644,796 |
| GRANTS | | 209,863 | | | | | | | | 209,863 | 117,393 |
| ACCOUNTS | | | | | | 4,921,599 | | | | 4,921,599 | 4,858,547 |
| MISCELLANEOUS | 954,381 | 9,320 | | 106,222 | 13,617 | 1,348,094 | 31,480 | | | 2,463,114 | 1,407,777 |
| DUE FROM OTHER FUNDS | 1,250,885 | | | | | 6,158,941 | | | | 7,409,826 | 855,690 |
| SUPPLIES INVENTORY | 160,242 | | | | | | 259,304 | | | 419,546 | 404,677 |
| RESTRICTED CASH AND INVESTMENTS | | | | | | 25,530,228 | | | | 25,530,228 | 29,946,218 |
| PROPERTY, PLANT, AND EQUIPMENT - LESS ACCUMULATED DEPRECIATION | | | | | | 231,371,113 | 7,261,531 | 963,367,365 | | 1,202,000,009 | 1,114,331,479 |
| EXCESS PURCHASE PRICE OVER FAIR MARKET VALUE OF WATER SYSTEM ASSETS ACQUIRED, NET | | | | | | 627,278 | | | | 627,278 | 708,139 |
| AMOUNT AVAILABLE IN DEBT SERVICE FUNDS | | | | | | | | | 11,341,344 | 11,341,344 | 12,719,806 |
| AMOUNT TO BE PROVIDED FOR RETIREMENT OF GENERAL LONG-TERM DEBT | | | | | | | | | 198,548,111 | 198,548,111 | 197,169,649 |
| TOTAL ASSETS AND OTHER DEBITS | \$47,946,269 | \$3,273,178 | \$44,477,703 | \$31,547,592 | \$10,721,692 | \$289,233,875 | \$14,153,795 | \$963,367,365 | \$209,889,455 | \$1,614,610,924 | \$1,509,961,785 |

SEE NOTES TO FINANCIAL STATEMENTS

CITY OF SCOTTSDALE

EXHIBIT A-1

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS

JUNE 30, 1992

WITH COMPARATIVE TOTALS FOR JUNE 30, 1991

| LIABILITIES AND FUND EQUITY | GOVERNMENTAL FUND TYPES | | | | FIUCIARY FUND TYPE | PROPRIETARY FUND TYPES | | ACCOUNT GROUPS | | TOTALS (MEMORANDUM ONLY) | |
|--|-------------------------|--------------------|---------------------|---------------------|-----------------------|------------------------|---------------------|----------------------------|------------------------------|-----------------------------|------------------------|
| | GENERAL | SPECIAL REVENUE | DEBT SERVICE | CAPITAL PROJECTS | TRUST AND AGENCY | ENTERPRISE | INTERNAL SERVICE | GENERAL FIXED ASSETS | GENERAL LONG-TERM DEBT | JUNE 30, 1992 | JUNE 30, 1991 |
| LIABILITIES | | | | | | | | | | | |
| ACCOUNTS PAYABLE | \$351,057 | \$127,039 | \$ | \$1,351,169 | \$6,000 | \$3,528,698 | \$21,367 | \$ | \$ | \$5,385,330 | \$2,828,918 |
| ACCRUED PAYROLL | 3,594,781 | 202,526 | | 48,215 | | 645,012 | 208,929 | | | 4,699,463 | 3,563,186 |
| CLAIMS PAYABLE | | | | | | | 4,091,279 | | | 4,091,279 | 1,622,342 |
| DESIGNATED DEFERRED COMPENSATION BENEFITS DUE TO GENERAL FUND | | 247,178 | | | 4,927,656 | | | | | 4,927,656 | 3,993,216 |
| DUE TO WATER FUND | | | | 6,158,941 | | 1,003,707 | | | | 1,250,885 | 855,690 |
| ACCRUED INTEREST PAYABLE | 81,933 | | 384,446 | | | | | | | 6,158,941 | |
| CONTRACTS PAYABLE - CURRENT PORTION | | | | | | 402,936 | | | | 466,379 | 646,222 |
| BONDS INTEREST PAYABLE | | 1,000,000 | 5,213,491 | | | 1,924,553 | | | | 402,936 | 506,739 |
| BONDS PAYABLE - CURRENT PORTION | | 1,058,566 | 5,490,000 | | | 1,785,000 | | | | 8,138,044 | 7,582,636 |
| DEFERRED REVENUE | | | | | | | | | | 8,333,566 | 7,955,000 |
| PROPERTY TAXES | 901,754 | | | | | | | | | 901,754 | 960,071 |
| SPECIAL ASSESSMENTS | | | 22,048,422 | | | | | | | 22,048,422 | 20,238,007 |
| OTHER | 731,377 | | | | | 760,725 | | | | 1,492,102 | 1,089,951 |
| GUARANTY AND OTHER DEPOSITS | | | | | 1,820,194 | 2,631,005 | | | | 4,451,199 | 3,090,865 |
| OTHER | | | | 542,592 | | 122,441 | | | | 665,033 | 1,571,803 |
| LONG-TERM DEBT (LESS CURRENT PORTION) | | | | | | 52,853,525 | | | 209,889,455 | 262,742,980 | 264,150,916 |
| TOTAL LIABILITIES | 5,660,902 | 2,635,309 | 33,136,359 | 8,100,917 | 6,753,850 | 65,657,602 | 4,321,575 | | 209,889,455 | 336,155,969 | 320,655,562 |
| FUND EQUITY AND OTHER CREDITS | | | | | | | | | | | |
| CONTRIBUTED CAPITAL | | | | | | 152,999,698 | 10,680,884 | | | 163,680,582 | 150,027,136 |
| INVESTMENT IN GENERAL FIXED ASSETS | | | | | | | | 963,367,365 | | 963,367,365 | 887,522,051 |
| RETAINED EARNINGS (DEFICIT) | | | | | | | | | | | |
| RESERVED FOR | | | | | | | | | | | |
| REVENUE BOND RETIREMENT | | | | | | 2,241,976 | | | | 2,241,976 | 1,883,782 |
| WATER AND SEWER REPLACEMENT | | | | | | 5,927,249 | | | | 5,927,249 | 5,160,197 |
| ACQUISITION AND CONSTRUCTION | | | | | | 17,351,859 | | | | 17,351,859 | 22,893,095 |
| UNRESERVED | | | | | | 45,055,491 | (848,664) | | | 44,206,827 | 35,732,374 |
| FUND BALANCES | | | | | | | | | | | |
| RESERVED FOR | | | | | | | | | | | |
| ENCUMBRANCES | 1,883,903 | 170,139 | | 6,809,881 | 24,426 | | | | | 8,888,349 | 15,306,403 |
| SINKING FUND | | | 3,340,152 | | | | | | | 3,340,152 | 3,159,407 |
| STREETLIGHT DISTRICTS | 619,024 | | | | | | | | | 619,024 | 560,304 |
| DEBT SERVICE | | | 8,001,192 | | | | | | | 8,001,192 | 9,560,399 |
| LIBRARY ACQUISITIONS | | | | | 174,351 | | | | | 174,351 | 174,899 |
| UNRESERVED | 39,782,440 | 467,730 | | 16,636,794 | 3,769,065 | | | | | 60,656,029 | 57,326,176 |
| TOTAL RETAINED EARNINGS/FUND BALANCES (DEFICIT) | 42,285,367 | 637,869 | 11,341,344 | 23,446,675 | 3,967,842 | 70,576,575 | (848,664) | | | 151,407,008 | 151,757,036 |
| TOTAL FUND EQUITY AND OTHER CREDITS | 42,285,367 | 637,869 | 11,341,344 | 23,446,675 | 3,967,842 | 223,576,273 | 9,832,220 | 963,367,365 | | 1,278,454,955 | 1,189,306,223 |
| TOTAL LIABILITIES AND FUND EQUITY | \$47,946,269 | \$3,273,178 | \$44,477,703 | \$31,547,592 | \$10,721,692 | \$289,233,875 | \$14,153,795 | \$963,367,365 | \$209,889,455 | \$1,614,610,924 | \$1,509,961,785 |

SEE NOTES TO FINANCIAL STATEMENTS

CITY OF SCOTTSDALE

EXHIBIT A-2

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUSTS FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 1992
WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 1991

| | GOVERNMENTAL FUND TYPES | | | | FIDUCIARY FUND TYPE | TOTALS (MEMORANDUM ONLY) | |
|---|-------------------------|--------------------|---------------------|---------------------|---------------------|--------------------------|---------------------|
| | GENERAL | SPECIAL REVENUE | DEBT SERVICE | CAPITAL PROJECTS | EXPENDABLE TRUSTS | JUNE 30, 1992 | JUNE 30, 1991 |
| REVENUES | | | | | | | |
| TAXES - LOCAL | \$31,990,295 | \$ | \$16,899,924 | \$5,627,759 | \$ | \$54,517,978 | \$51,401,608 |
| TAXES - INTERGOVERNMENTAL | 18,096,226 | 8,457,267 | | | | 26,553,493 | 25,176,007 |
| GRANTS | | 1,770,685 | | | | 1,770,685 | 695,041 |
| SPECIAL ASSESSMENTS | | | 4,260,961 | | | 4,260,961 | 2,774,035 |
| LICENSES | 704,935 | | | | | 704,935 | 630,070 |
| CHARGES FOR CURRENT SERVICES | 6,336,520 | | | | | 6,336,520 | 5,152,757 |
| FINES AND FORFEITURES | 2,228,091 | | | | | 2,228,091 | 2,215,138 |
| USE OF MONEY AND PROPERTY | 4,369,975 | | 1,142,726 | 1,894,463 | 121,019 | 7,528,183 | 9,126,165 |
| STREETLIGHT DISTRICTS | 499,529 | | | | | 499,529 | 558,163 |
| OTHER | 3,100,744 | 28,468 | | 4,087,299 | 1,605,083 | 8,821,594 | 5,884,364 |
| TOTAL REVENUES | 67,326,315 | 10,256,420 | 22,303,611 | 11,609,521 | 1,726,102 | 113,221,969 | 103,613,348 |
| EXPENDITURES | | | | | | | |
| CURRENT OPERATING DEPARTMENTS | | | | | | | |
| GENERAL GOVERNMENT | 4,993,905 | 31,009 | | | | 5,024,914 | 4,257,006 |
| POLICE | 18,306,428 | 92,719 | | | | 18,399,147 | 17,057,240 |
| FINANCIAL SERVICES | 2,674,002 | | | | | 2,674,002 | 2,660,254 |
| TRANSPORTATION | | 2,308,548 | | | | 2,308,548 | 2,312,664 |
| COMMUNITY SERVICES | 14,268,515 | 142,371 | | | | 14,410,886 | 13,704,744 |
| MANAGEMENT SERVICES | 3,239,139 | | | | | 3,239,139 | 2,885,827 |
| PLANNING & COMMUNITY DEVELOPMENT | 8,263,095 | 1,174,559 | | | | 9,437,654 | 8,424,594 |
| FIRE | 6,086,072 | | | | | 6,086,072 | 5,721,096 |
| MUNICIPAL SERVICES | 3,623,928 | 6,000,379 | | | | 9,624,307 | 8,643,248 |
| STREETLIGHT DISTRICTS | 440,809 | | | | | 440,809 | 431,424 |
| EXPENDABLE TRUSTS | | | | | 569,112 | 569,112 | 489,588 |
| CAPITAL IMPROVEMENTS | | | | 40,985,281 | | 40,985,281 | 29,299,122 |
| DEBT SERVICE | | | | | | | |
| PRINCIPAL | 1,141,844 | 1,000,000 | 8,877,000 | | | 11,018,844 | 10,964,461 |
| INTEREST | 314,457 | 2,120,132 | 13,517,906 | | | 15,952,495 | 15,156,912 |
| TOTAL EXPENDITURES | 63,352,194 | 12,869,717 | 22,394,906 | 40,985,281 | 569,112 | 140,171,210 | 122,008,180 |
| EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES | 3,974,121 | (2,613,297) | (91,295) | (29,375,760) | 1,156,990 | (26,949,241) | (18,394,832) |
| OTHER SOURCES (USES) | | | | | | | |
| BOND PROCEEDS | | | | 20,450,000 | | 20,450,000 | 3,625,000 |
| PROCEEDS FROM CONTRACTS PAYABLE | | | | 4,525,000 | | 4,525,000 | |
| OPERATING TRANSFERS IN | | 3,044,941 | 644,395 | 2,549,963 | 561,200 | 6,800,499 | 3,024,120 |
| OPERATING TRANSFERS OUT | (5,158,171) | | | (2,144,468) | | (7,302,639) | (3,692,526) |
| PROCEEDS OF REFUNDING BONDS | | | 48,560,925 | | | 48,560,925 | 15,683,250 |
| PAYMENT TO REFUNDED BOND ESCROW AGENT | | | (48,560,925) | | | (48,560,925) | (15,683,250) |
| RESERVE FUND CONTRIBUTION | | | (1,931,562) | | | (1,931,562) | |
| TOTAL OTHER SOURCES (USES) | (5,158,171) | 3,044,941 | (1,287,167) | 25,380,495 | 561,200 | 22,541,298 | 2,956,594 |
| EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES | (1,184,050) | 431,644 | (1,378,462) | (3,995,265) | 1,718,190 | (4,407,943) | (15,438,238) |
| FUND BALANCES JULY 1 | 43,469,417 | 206,225 | 12,719,806 | 27,441,940 | 2,064,735 | 85,902,123 | 100,576,222 |
| RESIDUAL EQUITY TRANSFER IN | | | | 1,073,879 | | 1,073,879 | 3,407,354 |
| RESIDUAL EQUITY TRANSFER OUT | | | | (1,073,879) | | (1,073,879) | (2,643,215) |
| FUND BALANCES JUNE 30 | \$42,285,367 | \$637,869 | \$11,341,344 | \$23,446,675 | \$3,782,925 | \$81,494,180 | \$85,902,123 |

SEE NOTES TO FINANCIAL STATEMENTS

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICIT)-
BUDGET AND ACTUAL - BUDGET BASIS - GENERAL, SPECIAL REVENUE, AND DEBT SERVICE FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 1992

| | TOTALS (MEMORANDUM ONLY) | | | GENERAL FUND | | | SPECIAL REVENUE FUNDS | | | DEBT SERVICE FUNDS | | |
|---|-----------------------------|--------------------|--|-------------------|--------------------|--|-----------------------|-------------------|--|--------------------|-------------------|--|
| | BUDGET | ACTUAL | VARIANCE FAVORABLE (UNFAVORABLE) | BUDGET | ACTUAL | VARIANCE FAVORABLE (UNFAVORABLE) | BUDGET | ACTUAL | VARIANCE FAVORABLE (UNFAVORABLE) | BUDGET | ACTUAL | VARIANCE FAVORABLE (UNFAVORABLE) |
| REVENUES | | | | | | | | | | | | |
| TAXES - LOCAL | \$48,564,366 | \$48,890,219 | \$325,853 | \$31,291,324 | \$31,990,295 | \$698,971 | \$ | \$ | \$ | \$17,273,042 | \$16,899,924 | (\$373,118) |
| TAXES - INTERGOVERNMENTAL | 26,628,000 | 26,553,493 | (74,507) | 18,037,000 | 18,096,226 | 59,226 | 8,591,000 | 8,457,267 | (133,733) | | | |
| SPECIAL ASSESSMENTS | 4,678,952 | 4,260,961 | (417,991) | | | | | | | 4,678,952 | 4,260,961 | (417,991) |
| LICENSES | 638,000 | 704,935 | 66,935 | 638,000 | 704,935 | 66,935 | | | | | | |
| CHARGES FOR CURRENT SERVICES | 5,664,000 | 6,336,520 | 672,520 | 5,664,000 | 6,336,520 | 672,520 | | | | | | |
| FINES AND FORFEITURES | 2,291,000 | 2,228,091 | (62,909) | 2,291,000 | 2,228,091 | (62,909) | | | | | | |
| USE OF MONEY AND PROPERTY | 5,366,000 | 5,397,392 | 31,392 | 4,466,000 | 4,369,975 | (96,025) | | | | 900,000 | 1,027,417 | 127,417 |
| OTHER | 1,275,000 | 757,346 | (517,654) | 1,275,000 | 757,346 | (517,654) | | | | | | |
| TOTAL REVENUES | 95,105,318 | 95,128,957 | 23,639 | 63,662,324 | 64,483,388 | 821,064 | 8,591,000 | 8,457,267 | (133,733) | 22,851,994 | 22,188,302 | (663,692) |
| EXPENDITURES | | | | | | | | | | | | |
| CURRENT OPERATING DEPARTMENTS | | | | | | | | | | | | |
| GENERAL GOVERNMENT | 6,564,830 | 6,415,542 | 149,288 | 6,564,830 | 6,415,542 | 149,288 | | | | | | |
| POLICE | 18,724,576 | 18,522,089 | 202,487 | 18,724,576 | 18,522,089 | 202,487 | | | | | | |
| FINANCIAL SERVICES | 4,400,243 | 3,898,490 | 501,753 | 4,400,243 | 3,898,490 | 501,753 | | | | | | |
| TRANSPORTATION | 2,398,718 | 2,308,760 | 89,958 | | | | 2,398,718 | 2,308,760 | 89,958 | | | |
| COMMUNITY SERVICES | 14,541,390 | 14,483,667 | 57,723 | 14,541,390 | 14,483,667 | 57,723 | | | | | | |
| MANAGEMENT SERVICES | 4,655,162 | 4,582,296 | 72,866 | 4,655,162 | 4,582,296 | 72,866 | | | | | | |
| PLANNING & COMMUNITY DEVELOPMENT | 9,359,657 | 8,753,982 | 605,675 | 9,309,657 | 8,706,849 | 602,808 | 50,000 | 47,133 | 2,867 | | | |
| FIRE | 6,251,782 | 6,209,823 | 41,959 | 6,251,782 | 6,209,823 | 41,959 | | | | | | |
| MUNICIPAL SERVICES | 11,298,696 | 11,608,685 | (309,989) | 5,342,603 | 5,500,057 | (157,454) | 5,956,093 | 6,108,628 | (152,535) | | | |
| CONTINGENCY | (34,046) | | (34,046) | (34,046) | | (34,046) | | | | | | |
| DEBT SERVICE | | | | | | | | | | | | |
| PRINCIPAL | 11,578,552 | 11,018,844 | 559,708 | 1,701,552 | 1,141,844 | 559,708 | 1,000,000 | 1,000,000 | | 8,877,000 | 8,877,000 | |
| INTEREST | 16,182,483 | 16,208,600 | (26,117) | 305,252 | 614,457 | (309,205) | 2,120,932 | 2,120,132 | 800 | 13,756,299 | 13,474,011 | 282,288 |
| TOTAL EXPENDITURES | 105,922,043 | 104,010,778 | 1,911,265 | 71,763,001 | 70,075,114 | 1,687,887 | 11,525,743 | 11,584,653 | (58,910) | 22,633,299 | 22,351,011 | 282,288 |
| DEFICIENCY OF REVENUES OVER EXPENDITURES | (10,816,725) | (8,881,821) | 1,934,904 | (8,100,677) | (5,591,726) | 2,508,951 | (2,934,743) | (3,127,386) | (192,643) | 218,695 | (162,709) | (381,404) |
| OTHER SOURCES (USES) | | | | | | | | | | | | |
| OPERATING TRANSFERS IN | 13,980,791 | 3,689,336 | (10,291,455) | 11,046,048 | | (11,046,048) | 2,934,743 | 3,044,941 | 110,198 | | 644,395 | 644,395 |
| OPERATING TRANSFERS OUT | (2,945,371) | (4,658,171) | (1,712,800) | (2,945,371) | (4,658,171) | (1,712,800) | | | | | | |
| TOTAL OTHER SOURCES (USES) | 11,035,420 | (968,835) | (12,004,255) | 8,100,677 | (4,658,171) | (12,758,848) | 2,934,743 | 3,044,941 | 110,198 | | 644,395 | 644,395 |
| EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES | 218,695 | (9,850,656) | (10,069,351) | | (10,249,897) | (10,249,897) | | (82,445) | (82,445) | 218,695 | 481,686 | 262,991 |
| ENCUMBRANCES CANCELLED | | 2,876,332 | 2,876,332 | | 2,783,891 | 2,783,891 | | 92,441 | 92,441 | | | |
| FUND BALANCES JULY 1, 1991 | | (7,303,679) | (7,303,679) | | (8,875,433) | (8,875,433) | | (198,986) | (198,986) | | 1,770,740 | 1,770,740 |
| RESIDUAL EQUITY TRANSFER | | 2,510,521 | 2,510,521 | | | | | | | | 2,510,521 | 2,510,521 |
| FUND BALANCES (DEFICIT) JUNE 30, 1992 | \$218,695 | (\$11,767,482) | (\$11,986,177) | \$ | (\$16,341,439) | (\$16,341,439) | \$ | (\$188,990) | (\$188,990) | \$218,695 | \$4,762,947 | \$4,544,252 |

SEE NOTES TO FINANCIAL STATEMENTS

CITY OF SCOTTSDALE

EXHIBIT A-4

COMBINED STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN RETAINED EARNINGS (ACCUMULATED DEFICIT)/FUND BALANCE - ALL PROPRIETARY FUND TYPES
AND NONEXPENDABLE TRUST FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 1992
WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 1991

| | PROPRIETARY FUND TYPES | | FIDUCIARY FUND TYPE | TOTALS (MEMORANDUM ONLY) | |
|---------------------------------|---------------------------|---------------------|------------------------|-----------------------------|-------------------|
| | ENTERPRISE | INTERNAL SERVICE | NONEXPENDABLE TRUST | JUNE 30, 1992 | JUNE 30, 1991 |
| OPERATING REVENUES | | | | | |
| WATER SERVICE FEES | \$26,180,321 | \$ | \$ | \$26,180,321 | \$23,360,633 |
| SEWER SERVICE FEES | 7,454,093 | | | 7,454,093 | 6,444,158 |
| PLANET RANCH | 380,535 | | | 380,535 | 852,969 |
| SANITATION FEES | 6,344,547 | | | 6,344,547 | 5,902,876 |
| AIRPORT FEES | 626,447 | | | 626,447 | 712,818 |
| BILLINGS TO USER PROGRAMS | | 8,166,519 | | 8,166,519 | 7,906,145 |
| INTEREST EARNINGS | | | 10,641 | 10,641 | 12,983 |
| OTHER | 172,693 | 94,951 | | 267,644 | 651,304 |
| TOTAL OPERATING REVENUES | 41,158,636 | 8,261,470 | 10,641 | 49,430,747 | 45,843,886 |
| OPERATING EXPENSES | | | | | |
| WATER OPERATIONS | 15,770,894 | | | 15,770,894 | 14,124,067 |
| SEWER OPERATIONS | 2,063,776 | | | 2,063,776 | 5,525,401 |
| SANITATION OPERATIONS | 5,329,204 | | | 5,329,204 | 4,966,807 |
| AIRPORT OPERATIONS | 606,144 | | | 606,144 | 506,207 |
| MOTOR POOL OPERATIONS | | 3,774,173 | | 3,774,173 | 3,725,792 |
| SELF-INSURANCE OPERATIONS | | 4,819,828 | | 4,819,828 | 822,739 |
| TRUST OPERATIONS | | | 11,189 | 11,189 | 11,436 |
| DEPRECIATION AND AMORTIZATION | 7,007,965 | 1,424,133 | | 8,432,098 | 7,617,544 |
| INDIRECT COST | 4,827,292 | | | 4,827,292 | 4,633,404 |
| IN LIEU PROPERTY TAX | 620,148 | | | 620,148 | 438,619 |
| FRANCHISE FEE | 1,723,250 | | | 1,723,250 | 1,607,650 |
| TOTAL OPERATING EXPENSES | 37,948,673 | 10,018,134 | 11,189 | 47,977,996 | 43,979,666 |
| OPERATING INCOME (LOSS) | 3,209,963 | (1,756,664) | (548) | 1,452,751 | 1,864,220 |

SEE NOTES TO FINANCIAL STATEMENTS

COMBINED STATEMENT OF REVENUES, EXPENSES, AND CHANGES
 IN RETAINED EARNINGS (ACCUMULATED DEFICIT)/FUND BALANCE - ALL PROPRIETARY FUND TYPES
 AND NONEXPENDABLE TRUST FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 1992
 WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 1991

| | PROPRIETARY FUND TYPES | | FIDUCIARY FUND TYPE | TOTALS (MEMORANDUM ONLY) | |
|---|---------------------------|---------------------|------------------------|-----------------------------|---------------------|
| | ENTERPRISE | INTERNAL SERVICE | NONEXPENDABLE TRUST | JUNE 30, 1992 | JUNE 30, 1991 |
| NON-OPERATING REVENUES (EXPENSES) | | | | | |
| INTEREST EARNINGS | 2,651,150 | 404,438 | | 3,055,588 | 3,326,146 |
| PROCEEDS OF REFUNDING BONDS | 8,879,970 | | | 8,879,970 | |
| INTEREST EXPENSE | (3,279,043) | | | (3,279,043) | (2,665,889) |
| PAYMENT TO REFUNDED BOND ESCROW AGENT | (8,879,970) | | | (8,879,970) | |
| DONATIONS | | | | | 55,353 |
| TOTAL NON-OPERATING REVENUES (EXPENSES) | (627,893) | 404,438 | | (223,455) | 715,609 |
| OPERATING TRANSFER IN | 302,140 | 200,000 | | 502,140 | 668,406 |
| NET INCOME (LOSS) BEFORE EXTRAORDINARY ITEM | 2,884,210 | (1,152,226) | (548) | 1,731,436 | 3,248,235 |
| EXTRAORDINARY ITEM LOSS ON BOND REFUNDING | (780,000) | | | (780,000) | |
| NET INCOME (LOSS) | 2,104,210 | (1,152,226) | (548) | 951,436 | 3,248,235 |
| ADD DEPRECIATION ON FIXED ASSETS ACQUIRED BY CONTRIBUTED CAPITAL | 3,106,479 | | | 3,106,479 | 2,844,653 |
| INCREASE (DECREASE) IN RETAINED EARNINGS (DEFICIT)/FUND BALANCE | 5,210,689 | (1,152,226) | (548) | 4,057,915 | 6,092,888 |
| RETAINED EARNINGS (DEFICIT)/FUND BALANCE JULY 1 | 65,365,886 | 303,562 | 185,465 | 65,854,913 | 59,762,025 |
| RETAINED EARNINGS (ACCUMULATED DEFICIT)/ FUND BALANCE JUNE 30 | <u>\$70,576,575</u> | <u>(\$848,664)</u> | <u>\$184,917</u> | <u>\$69,912,828</u> | <u>\$65,854,913</u> |

SEE NOTES TO FINANCIAL STATEMENTS

CITY OF SCOTTSDALE

EXHIBIT A-5

COMBINED STATEMENT OF CASH FLOWS - PROPRIETARY FUND TYPES
AND NONEXPENDABLE TRUST FUNDFOR THE FISCAL YEAR ENDED JUNE 30, 1992
WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 1991

| | PROPRIETARY FUND TYPES | | FIDUCIARY FUND TYPE | TOTALS (MEMORANDUM ONLY) | |
|--|---------------------------|---------------------|------------------------|-----------------------------|---------------|
| | ENTERPRISE | INTERNAL SERVICE | NONEXPENDABLE TRUST | JUNE 30, 1992 | JUNE 30, 1991 |
| CASH FLOWS FROM OPERATING ACTIVITIES: | | | | | |
| OPERATING INCOME (LOSS) | \$3,209,963 | (\$1,756,664) | (\$548) | \$1,452,751 | \$1,864,220 |
| ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED FROM OPERATING ACTIVITIES: | | | | | |
| DEPRECIATION | 6,927,104 | 1,424,133 | | 8,351,237 | 7,536,683 |
| AMORTIZATION | 80,861 | | | 80,861 | 80,861 |
| CHANGES IN ASSETS AND LIABILITIES (SOURCES (USES) OF CASH): | | | | | |
| ACCRUED INTEREST RECEIVABLE | | | 1,549 | 1,549 | (238) |
| ACCOUNTS RECEIVABLE | (79,850) | | | (79,850) | (57,617) |
| MISCELLANEOUS RECEIVABLES | (362,015) | (14,682) | | (376,697) | (577,872) |
| SUPPLIES INVENTORY | | (12,470) | | (12,470) | 8,263 |
| ACCOUNTS PAYABLE | 2,397,115 | (12,577) | | 2,384,538 | (209,054) |
| ACCRUED PAYROLL | 122,883 | 21,376 | | 144,259 | 91,839 |
| DUE TO GENERAL FUND | 492,963 | | | 492,963 | (31,339) |
| CLAIMS PAYABLE - REPORTED | | 2,115,795 | | 2,115,795 | (1,325,807) |
| CLAIMS PAYABLE - UNREPORTED | | 353,142 | | 353,142 | (28,590) |
| DEFERRED REVENUE | 402,151 | | | 402,151 | 27,601 |
| OTHER LIABILITIES | 1,173,404 | | | 1,173,404 | 96,928 |
| DUE FROM CAPITAL IMPROVEMENT FUNDS | (6,158,941) | | | (6,158,941) | |
| TOTAL ADJUSTMENTS | 4,995,675 | 3,874,717 | 1,549 | 8,871,941 | 5,611,658 |
| NET CASH PROVIDED BY OPERATING ACTIVITIES | 8,205,638 | 2,118,053 | 1,001 | 10,324,692 | 7,475,878 |

SEE NOTES TO FINANCIAL STATEMENTS

COMBINED STATEMENT OF CASH FLOWS - PROPRIETARY FUND TYPES
AND NONEXPENDABLE TRUST FUNDFOR THE FISCAL YEAR ENDED JUNE 30, 1992
WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 1991

| | PROPRIETARY FUND TYPES | | FIDUCIARY FUND TYPE | TOTALS (MEMORANDUM ONLY) | |
|---|---------------------------|---------------------|------------------------|-----------------------------|---------------|
| | ENTERPRISE | INTERNAL SERVICE | NONEXPENDABLE TRUST | JUNE 30, 1992 | JUNE 30, 1991 |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES: | | | | | |
| DONATIONS | | | | | 55,353 |
| OPERATING TRANSFER | 302,140 | 200,000 | | 502,140 | 668,406 |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES: | | | | | |
| NET ACQUISITION AND CONSTRUCTION OF PROPERTY AND EQUIPMENT | (13,469,786) | (2,291,436) | | (15,761,222) | (8,647,220) |
| PRINCIPAL PAYMENTS ON LONG-TERM DEBT | (2,111,739) | | | (2,111,739) | (2,542,442) |
| INTEREST PAID ON LONG-TERM DEBT | (3,359,994) | | | (3,359,994) | (2,702,382) |
| INCREASE IN PUBLIC HOUSING NOTE PAYABLE | | | | | (366) |
| CAPITAL CONTRIBUTIONS FROM OTHER GOVERNMENT UNITS | 822,377 | | | 822,377 | 1,307,090 |
| WATER AND SEWER DEVELOPMENT FEES | 6,050,204 | | | 6,050,204 | 5,401,611 |
| CAPITAL CONTRIBUTION FROM DEVELOPERS | 5,474,112 | | | 5,474,112 | |
| PROCEEDS FROM SALE OF BONDS | 8,505,000 | | | 8,505,000 | |
| PRINCIPAL DELETION OF REFUNDED DEBT | (7,725,000) | | | (7,725,000) | |
| LOSS ON BOND REFUNDING | (780,000) | | | (780,000) | |
| NET CASH USED FOR CAPITAL AND RELATED FINANCING ACTIVITIES | (6,594,826) | (2,291,436) | | (8,886,262) | (7,183,709) |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | | | | |
| INTEREST RECEIVED ON INVESTMENTS | 2,584,571 | 389,431 | | 2,974,002 | 3,326,865 |
| DECREASE IN PUBLIC HOUSING RECEIVABLE | | | | | 366 |
| NET CASH PROVIDED BY INVESTING ACTIVITIES | 2,584,571 | 389,431 | | 2,974,002 | 3,327,231 |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | 4,497,523 | 416,048 | 1,001 | 4,914,572 | 4,343,159 |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR | 39,880,470 | 6,118,902 | 183,916 | 46,183,288 | 41,840,129 |
| CASH AND CASH EQUIVALENTS AT END OF YEAR | \$44,377,993 | \$6,534,950 | \$184,917 | \$51,097,860 | \$46,183,288 |

SEE NOTES TO FINANCIAL STATEMENTS

CITY OF SCOTTSDALE

EXHIBIT A-5
(CONT'D)COMBINED STATEMENT OF CASH FLOWS - PROPRIETARY FUND TYPES
AND NONEXPENDABLE TRUST FUNDFOR THE FISCAL YEAR ENDED JUNE 30, 1992
WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 1991

| | PROPRIETARY FUND TYPES | | FIDUCIARY FUND TYPE | TOTALS (MEMORANDUM ONLY) | |
|---|---------------------------|---------------------|------------------------|-----------------------------|--------------------|
| | ENTERPRISE | INTERNAL SERVICE | NONEXPENDABLE TRUST | JUNE 30, 1992 | JUNE 30, 1991 |
| CASH AND CASH EQUIVALENT AT END OF YEAR INCLUDES: | | | | | |
| CASH AND SHORT-TERM INVESTMENTS | \$15,151,110 | | | | |
| RESTRICTED CASH AND CASH EQUIVALENTS | 25,530,228 | | | | |
| CASH WITH FISCAL AGENTS | 3,705,799 | | | | |
| LESS NOTE RECEIVABLE | (9,144) | | | | |
| | | | | | |
| TOTAL CASH | <u>\$44,377,993</u> | | | | |
| SUPPLEMENTAL DISCLOSURE OF NONCASH FINANCING ACTIVITIES: | | | | | |
| ADDITIONS TO PROPERTY, PLANT, AND EQUIPMENT | | | | | |
| CONTRIBUTIONS FROM DEVELOPERS | \$3,294,474 | | | \$3,294,474 | \$3,476,375 |
| CONTRIBUTIONS FROM OTHER GOVERNMENT UNITS | 1,118,758 | | | 1,118,758 | 5,403,336 |
| | | | | | |
| | <u>\$4,413,232</u> | | | <u>\$4,413,232</u> | <u>\$8,879,711</u> |

SEE NOTES TO FINANCIAL STATEMENTS

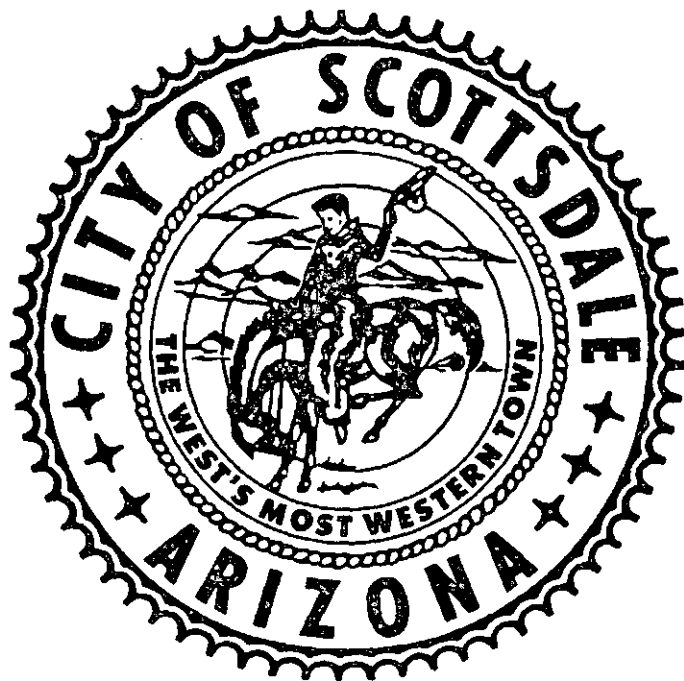
COMBINED STATEMENT OF REVENUES AND EXPENDITURES

BUDGET AND ACTUAL - BUDGET BASIS - ALL PROPRIETARY FUND TYPES

FOR THE FISCAL YEAR ENDED JUNE 30, 1992

| | TOTALS (MEMORANDUM ONLY) | | | ENTERPRISE FUNDS | | | INTERNAL SERVICE FUNDS | | |
|---|-----------------------------|--------------|--|------------------|--------------|--|------------------------|-------------|--|
| | BUDGET | ACTUAL | VARIANCE FAVORABLE (UNFAVORABLE) | BUDGET | ACTUAL | VARIANCE FAVORABLE (UNFAVORABLE) | BUDGET | ACTUAL | VARIANCE FAVORABLE (UNFAVORABLE) |
| REVENUES | | | | | | | | | |
| WATER SERVICE FEES | \$26,000,000 | \$26,180,321 | \$180,321 | \$26,000,000 | \$26,180,321 | \$180,321 | \$ | \$ | \$ |
| WATER RESOURCE FEES | 2,017,000 | 2,380,617 | 363,617 | 2,017,000 | 2,380,617 | 363,617 | | | |
| SEWER SERVICE FEES | 7,250,000 | 7,578,467 | 328,467 | 7,250,000 | 7,578,467 | 328,467 | | | |
| PLANET RANCH | 500,000 | 380,535 | (119,465) | 500,000 | 380,535 | (119,465) | | | |
| SANITATION FEES | 6,250,000 | 6,344,546 | 94,546 | 6,250,000 | 6,344,546 | 94,546 | | | |
| AIRPORT FEES | 685,000 | 626,447 | (58,553) | 685,000 | 626,447 | (58,553) | | | |
| BILLINGS TO USER PROGRAMS | 8,141,000 | 8,166,519 | 25,519 | | | | 8,141,000 | 8,166,519 | 25,519 |
| CONTRIBUTIONS FROM MUNICIPALITY | 200,000 | 200,000 | | | | | 200,000 | 200,000 | |
| INTEREST EARNINGS | 1,670,000 | 1,630,139 | (39,861) | 1,250,000 | 1,225,701 | (24,299) | 420,000 | 404,438 | (15,562) |
| OTHER | | 94,951 | 94,951 | | | | | 94,951 | 94,951 |
| TOTAL REVENUES | 52,713,000 | 53,582,542 | 869,542 | 43,952,000 | 44,716,634 | 764,634 | 8,761,000 | 8,865,908 | 104,908 |
| EXPENDITURES | | | | | | | | | |
| WATER OPERATIONS | 16,694,735 | 15,790,955 | 903,780 | 16,694,735 | 15,790,955 | 903,780 | | | |
| SEWER OPERATIONS | 2,746,858 | 2,558,734 | 188,124 | 2,746,858 | 2,558,734 | 188,124 | | | |
| SANITATION OPERATIONS | 5,413,884 | 5,367,786 | 46,098 | 5,413,884 | 5,367,786 | 46,098 | | | |
| AIRPORT OPERATIONS | 693,895 | 684,230 | 9,665 | 693,895 | 684,230 | 9,665 | | | |
| MOTOR POOL OPERATIONS | 7,025,037 | 6,632,516 | 392,521 | | | | 7,025,037 | 6,632,516 | 392,521 |
| SELF INSURANCE OPERATIONS | 2,356,279 | 2,383,742 | (27,463) | | | | 2,356,279 | 2,383,742 | (27,463) |
| CAPITAL OUTLAY | | | | | | | | | |
| DEBT SERVICE AND RESERVES | 7,224,397 | 7,269,989 | (45,592) | 7,224,397 | 7,269,989 | (45,592) | | | |
| TOTAL EXPENDITURES | 42,155,085 | 40,687,952 | 1,467,133 | 32,773,769 | 31,671,694 | 1,102,075 | 9,381,316 | 9,016,258 | 365,058 |
| EXCESS OF REVENUES OVER EXPENDITURES | \$10,557,915 | \$12,894,590 | \$2,336,675 | \$11,178,231 | \$13,044,940 | \$1,866,709 | (\$620,316) | (\$150,350) | \$469,966 |

SEE NOTES TO FINANCIAL STATEMENTS



**CITY OF SCOTTSDALE
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 1992**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Scottsdale (City) was incorporated on June 25, 1951, under Arizona Revised Statute Chapter 9, Section 101. The current City Charter was adopted on November 16, 1961, under Arizona Revised Statute Chapter 9, Section 281. The Charter provides for the Council - Manager form of government and provides such services as are authorized by the Charter, as limited by the State Constitution.

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

A. REPORTING ENTITY

The Codification of Governmental Accounting and Financial Reporting Standards requires certain organizations, functions, and activities of government that meet the following criteria to be included in the general purpose financial statements. The criteria are defined as:

- 1) Manifestation of oversight by:
 - a) financial interdependency
 - b) selection of governing authority
 - c) designation of management
 - d) ability to significantly influence operations
 - e) accountability for fiscal matters

- 2) Scope of public service by:
 - a) benefits of reporting entity and/or its residents
 - b) geographic boundaries

Applying these criteria and the accounting concept of materiality, the City includes all necessary entities to be in compliance with GASB Statement No. 1. The City's major operations include police protection, parks and recreation, health and certain social services, and general administration service. In addition, the City owns and operates enterprise funds which include water, sewer, sanitation, and airport.

The accompanying financial statements also include the activities and functions of the City of Scottsdale Municipal Property Corporation since it was determined that the City had significant oversight responsibilities, participation in the selection of the governing authority and the designation of management, and the ability to significantly influence operations and accountability for fiscal matters.

The accompanying financial statements do not include the activities and functions of the Industrial Development Authority (Authority). The City does appoint the Board of Directors for the Authority, however, the City has no financial interdependency, such as responsibility for financing deficits, entitlements to surpluses, or guarantees of or "moral responsibilities" for debt. The City does not designate management of the Authority, does not significantly influence operations, and does not have accountability for fiscal matters.

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

A. REPORTING ENTITY (Cont'd)

The accompanying financial statements do not include the activities and functions of the Scottsdale Cultural Council. The City does not select the Chief Executive Officer or designate management of the Council, the City has no financial interdependency such as responsibility for financing deficits, or entitlements to surpluses, or guarantees of or "moral responsibilities" for debt. The City does not significantly influence operations and does not have accountability for fiscal matters (see Note 19).

B. FUND ACCOUNTING

The accounts of the City are organized on the basis of funds or account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenue, and expenditures or expenses. The various funds are summarized by type in the financial statements. The following fund types and account groups are used by the City:

Governmental Fund Types

Governmental Funds are those through which most governmental functions typically are financed. The acquisition, use, and balances of the government's expendable financial resources and the related current liabilities--except those accounted for in proprietary funds--are accounted for through governmental funds (general, special revenue, capital projects, and debt service funds).

Governmental funds are, in essence, accounting segregations of financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used; current liabilities are assigned to the fund from which they are to be paid; and the difference between governmental fund assets and liabilities, the fund equity, is referred to as "Fund Balance."

The governmental fund measurement focus is on determination of financial position and changes in financial position rather than on net income determination. The statement of revenues, expenditures, and changes in fund balance is the primary governmental fund operating statement.

General - The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

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

Debt Service - Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

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

Capital Projects - Capital Projects Funds are used to ensure that revenue designated for certain purposes is properly used. A Capital Projects Fund further enhances reporting to ensure that requirements regarding the use of the revenue were fully satisfied.

Fiduciary Fund Types

Fiduciary Funds are used to account for assets held by a governmental unit in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. Expendable trust funds are classified for accounting measurement purposes like a governmental fund. Agency funds are purely custodial (assets equal liabilities) and thus do not involve measurement of results of operations.

Agency Fund - An Agency Fund is used to account for assets of a deferred compensation plan (see Note 12).

Trust Fund - An Expendable Trust Fund is used to account for assets held by the City in a trustee capacity for individuals, private organizations, other governmental units, and/or other funds, which is accounted and reported for similar to governmental funds. A Non-Expendable Trust Fund is used to account for assets held by the City in which the principal cannot be depleted. The measurement focus is on determination of net income, financial position, and cash flows.

Proprietary Fund Types

Proprietary Funds are used to account for a government's ongoing organizations and activities that are similar to those often found in the private sector. All assets, liabilities, equities, revenues, expenses, and transfers relating to the government's business and quasi-business activities--where net income and capital maintenance are measured--are accounted for through proprietary funds. The measurement focus is on determination of net income, financial position, and cash flows.

Enterprise - Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenue earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Internal Service - Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City, on a cost-reimbursement basis.

Account Groups

Account Groups are used to establish accounting control and accountability for the government's general fixed assets and unmatured principal of its general long-term debt.

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

B. FUND ACCOUNTING (Cont'd)

General Fixed Assets - This account group is established to account for all fixed assets of the City, other than those accounted for in the proprietary funds.

General Long-Term Debt - This account group is established to account for all long-term debt of the City except that which is accounted for in the proprietary funds.

C. BASIS OF ACCOUNTING

The modified accrual basis of accounting is followed by the governmental and fiduciary fund types (except for non-expendable trust fund). Under the modified accrual basis of accounting, revenue is recorded when susceptible to accrual, i.e., both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred.

In applying the susceptible to accrual concept to intergovernmental revenue, the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of this revenue. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the City; therefore, revenue is recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and nearly irrevocable, i.e., revocable only for failure to comply with prescribed compliance requirements, e.g., equal employment opportunity. These resources are reflected as revenue at the time of receipt or earlier if they meet the available criterion.

Transaction privilege tax, licenses and permits, charges for services, fines and forfeitures, and miscellaneous revenue (except investment earnings) are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned since they are measurable and available. See Note 4 regarding property taxes.

The proprietary fund types and non-expendable trust fund are accounted for using the accrual basis of accounting. Revenue is recognized when earned and expenses are recognized when incurred.

D. BUDGET AND BUDGETARY ACCOUNTING

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

- All funds have legally adopted annual budgets except for the Community Development and Grants Funds (included as Special Revenue Funds), Capital Projects Funds, Trust and Agency Funds, and Public Housing Funds.
- The budgetary process encompasses both the appropriated budget and the legally authorized non-appropriated budget. The General, Enterprise, Internal Service, Special Revenue (Highway User Fuel Tax), and Debt Service Funds have

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

D. BUDGET AND BUDGETARY ACCOUNTING (Cont'd)

appropriated budgets. The Capital Projects and Trust and Agency Funds have non-appropriated budgets. The Community Development Block Grant Fund and the Grant Fund have non-appropriated budgets within the applicable fund.

- On or before the second regular Council meeting in May, the City Manager submits to the City Council a proposed budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing them.
- Two public hearings are held prior to the budget's final adoption in order to obtain taxpayer comments.
- At the first regular Council meeting in June, the budget is legally enacted through passage of an ordinance. The ordinance sets the limit for expenditures during the fiscal year. Additional expenditures may be authorized for expenditures directly necessitated by a natural or man-made disaster as prescribed in the State Constitution, Article 9, Section 20. During 1990-91, there were no supplemental budgetary appropriations to the original budget.
- The expenditure appropriations in the adopted budget are by department. The maximum legal expenditure permitted for the fiscal year is the sum of all departmental expenditure appropriations. Departmental appropriations may be amended during the year.
- Upon the recommendation of the City Manager and with the approval of the City Council: (1) transfers may be made from the appropriations for contingencies to departments; and (2) unencumbered appropriations may be transferred from one department to another.
- Management control of budgets is further maintained at a line item level within the department. Transfers between line items within a department may be done only upon approval of the City Manager.
- Initial year budget information may be amended during the year in a legally permissible manner.
- All expenditure appropriations which have not been encumbered lapse at year end.

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

Budgets for the Community Development and Grants Funds, included as Special Revenue Funds, are established pursuant to the terms of the related grant awards. Budgets for Capital Projects Funds are established for individual projects and lapse at final completion of construction. Budgets for Trust and Agency funds are established in accordance with the trust agreements. Accordingly, no annual budget

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

is prepared and no comparison of budget to actual is presented in the financial statements.

E. ENCUMBRANCES

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is employed in the governmental and fiduciary fund types. Encumbrances are reported as reservations of fund balances since they do not constitute expenditures or liabilities. Encumbrances outstanding at the beginning of a fiscal year which were recognized as budgetary expenditures (but not as GAAP basis expenditures) in the prior year are recognized as GAAP basis expenditures (but not as budgetary expenditures unless reappropriated) in the current year as such expenditures are incurred.

Encumbrance accounting is not employed in the proprietary fund types. Commitments in the proprietary funds at June 30, 1992, aggregated approximately \$9,323,000.

F. INVESTMENTS

Investments are stated at cost, or amortized cost, which approximates market, except for the investments held by the Agency Fund which are valued at fair market value (Note 12). The City's policy is to invest in certificates of deposit, repurchase agreements, direct U.S. Treasury debt, securities guaranteed by the United States Government or any of its agencies, and the State of Arizona Local Government Investment Pool.

G. INVENTORIES

The costs of inventory items are recorded under the consumption method as expenditures when consumed for financial statement purposes. The Stores inventory is included on the balance sheet of the General Fund. The Fleet inventory is included on the balance sheet of the Motor Pool Fund. Inventories are valued at year end based on cost with cost being determined using an average cost method.

H. GENERAL FIXED ASSETS

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

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

No depreciation has been provided on general fixed assets.

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

H. GENERAL FIXED ASSETS (Cont'd)

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

I. PROPERTY, PLANT, AND EQUIPMENT - PROPRIETARY FUND TYPES

Property, plant, and equipment of the Enterprise and Internal Service Funds are stated at cost or, if donated, at estimated fair market value on the date of receipt. Depreciation and amortization are provided on the straight-line method over the following estimated useful lives:

| | |
|---|----------------|
| Water System | 10 to 75 Years |
| Sewer System | 30 to 50 Years |
| Buildings and Improvements | 25 Years |
| Machinery and Equipment | 20 Years |
| Motor Vehicles and Other Equipment | 3 to 10 Years |
| Furniture, Fixtures, and Office Equipment | 5 to 10 Years |

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

Contributions of funds from Federal, State, or local grants, subdivider infrastructure, and developer fees restricted for the purpose of purchasing property, plant, or equipment are recorded as contributed capital. Depreciation of contributed assets is recorded as an expense in the respective fund's statement of revenues, expenses, and changes in retained earnings and is closed to the respective fund's contributed capital account.

J. EXCESS PURCHASE PRICE OVER FAIR MARKET VALUE OF ASSETS ACQUIRED

The excess purchase price over fair market value of assets acquired in the Water and Sewer Utility Fund is amortized on the straight-line method over 20 to 25 years.

K. PROPERTY, PLANT, AND EQUIPMENT - ESTIMATED FAIR MARKET VALUE

Fair market value of contributed fixed assets is determined by reference to historical costs of the donor if recently constructed, and if such records are not available, at estimated fair market value on the date of receipt. Estimates used for such fixed assets contributed through June 30, 1992, are as follows:

| | |
|-------------------------------|----------------|
| General Fixed Assets: | |
| Streets and Storm Drains | \$ 598,434,000 |
| Land | 13,686,000 |
| Traffic Signal Equipment | 606,000 |
| Water and Sewer Utility Fund: | |
| Water System and Sewer System | 105,060,000 |

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Cont'd)****L. TRANSACTIONS BETWEEN FUNDS**

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

Non-recurring or non-routine transfers of equity between funds are treated as residual equity transfers and are reported as additions to or deductions from the beginning fund balance of governmental funds. Residual equity transfers to proprietary fund types are treated as contributed capital, and such transfers from proprietary fund types are reported as reductions of retained earnings or contributed capital as is appropriate in the circumstances. All other transactions are treated as operating transfers and are included in the results of operations of both governmental and proprietary fund types.

Indirect administrative costs are allocated to the Enterprise Funds by applying an indirect cost rate to budgeted costs. The indirect cost rate is the ratio of indirect operating services to direct operating services. Indirect operating services are budgetary units that only support or serve other City units. Direct operating services are budgetary units that only support or serve the public. Internal Service Fund budgetary units and debt service costs are excluded from the indirect cost rate calculation.

M. FUNDS SERVICING LONG-TERM DEBT

The General Obligation Bond Debt Service Fund is specifically established to account for and service all general long-term debt of the City except as noted below:

- The General Fund accounts for and services contracts payable funded by general revenues.
- The Highway User Fuel Tax Fund accounts for and services bonds funded by Highway User revenues.
- The Municipal Property Corporation Debt Service Fund accounts for and services all Municipal Property Corporation bonds.
- The Special Assessments Debt Service Fund accounts for and services all Special Assessment bonds.
- Each Enterprise Fund individually accounts for and services the applicable bonds and contracts payable which benefit that fund.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Cont'd)****N. COMPENSATED ABSENCES**

Compensated absences are included in the funds of the City in accordance with GASB Statement No. 1, which set forth the authoritative status of National Council on Governmental Accounting Statement 4, *Accounting and Financial Reporting Principles for Claims and Judgments and Compensated Absences*.

For governmental funds, the percentage of vacation normally taken in the first sixty (60) days of the next fiscal year is recorded as a current liability. The remaining value of vacation accrued is recorded in the Long-Term Debt Account Group.

For proprietary funds, all of the outstanding vacation accrual is recorded as a current liability.

O. INCURRED-BUT-NOT-REPORTED (IBNR) CLAIMS/LOSSES

IBNR claims are included in the Self-Insurance Internal Service Fund. IBNR claim amounts are estimated by application of historical claim reporting experience to the current outstanding claims.

P. CASH EQUIVALENTS

Cash equivalents for purposes of the statement of cash flows are investments (including restricted assets) in the State of Arizona investment pool and certificates of deposit, overnight deposits, repurchase agreements, and U.S. Treasury bills and notes with maturities of three months or less at acquisition date.

Q. "MEMORANDUM ONLY" COMPARATIVE TOTAL COLUMNS

Comparative total columns for the current and prior year have been presented in the accompanying combined financial statements in order to provide an understanding of changes in the City's financial operations.

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

NOTE 2 - BUDGETARY BASIS OF ACCOUNTING

The City prepares its annual budget on a basis which differs from generally accepted accounting principles (GAAP basis). The budget and all transactions are presented in accordance with the City's method (budget basis) in the combined statement of revenue, expenditures, and changes in fund balances - budget and actual - budget basis for General, Special Revenue, and Debt Service funds and the combined statement of revenue and expenses - budget basis for all Proprietary fund types to provide a meaningful comparison of actual results with the budget.

The major differences between the budget and GAAP bases are:

1. Encumbrances are recorded as the equivalent of expenditures (budget) as opposed to a reservation of fund balance (GAAP).
2. Indirect administrative cost allocations (including in lieu property tax and franchise fees) to the enterprise funds are not recognized in the budgetary process but are accounted for as expenses, expenditure credits, or revenue (GAAP).
3. Debt sinking fund principal transactions are not recognized in the budgetary process but are accounted for as expenditures (GAAP).
4. Certain expenditures, revenues, and transfers not recognized in the budgetary year are accrued (GAAP).
5. Capital items in the Enterprise and Internal Service Funds are recognized as expenses (budget).
6. Non-budgeted activities are recognized as expenditures/expenses (GAAP).
7. Debt service principal in the Enterprise Funds are recognized as expenses for budget purposes.

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

Adjustments necessary to convert the fund balances (deficits) and the excess (deficiency) of revenue and other sources over expenditures and other uses at and for the year ended June 30, 1992, on a GAAP basis to budget basis are as follows:

| | Fund Balances (Deficit) at June 30, 1992 | | |
|---|--|---------------------|---------------------|
| | General | Special Revenue | Debt Service |
| GAAP Basis | \$42,285,367 | \$ 637,869 | \$11,341,344 |
| Basis Differences | | | |
| Reserved encumbrances at June 30, 1992, recognized as expenditures for budget purposes | (1,883,903) | (144,753) | |
| Compensated absences at June 30, 1992, not recognized as an expenditure for budget purposes | 500,680 | 40,403 | |
| Capital project fund expenditures for the asset transfer program recognized as expenditures for budget purposes | (23,686,547) | | |
| Debt service not recognized as an expenditure for budget purposes | 1,788,188 | | |
| Revenue and expenditures for certain MPC excise debt accounted for in the general fund (budget) and in the debt service fund (GAAP) | (1,995,554) | | |
| Prior period adjustment and operating transfer in not recognized as revenue for budget purposes | | | (1,259,480) |
| Timing Differences | | | |
| Fund balance from sinking fund not recognized for budget purposes | | | (2,158,641) |
| Perspective Differences | | | |
| Indirect costs allocated to proprietary funds are not recognized as a reduction of expenditures for budget purposes | (26,050,721) | (229,393) | |
| In lieu property tax from proprietary funds not recognized as revenue for budget purposes | (1,914,825) | | |
| Franchise fee from proprietary funds not recognized as revenue for budget purposes | (4,765,100) | | |
| Entity Differences | | | |
| Fund balance for non-budgeted activity, streetlights, and MPC | (619,024) | | (3,160,276) |
| Fund balance for funds for which no annual budgets are prepared | | (493,116) | |
| Budget Basis | (\$16,341,439) | (\$ 188,990) | \$ 4,762,947 |

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

| | Excess (Deficiency) of Revenue and Other Sources Over Expenditures and Other Uses | | |
|--|---|--------------------|-----------------|
| | General | Special Revenue | Debt Service |
| GAAP Basis | (\$ 1,184,050) | \$ 431,644 | (\$1,378,462) |
| Basis Differences | | | |
| Reserved encumbrances at June 30, 1992, recognized as expenditures for budget purposes | (1,883,903) | (144,753) | |
| Compensated absences not recognized as an expenditure for budget purposes | 47,466 | 9,996 | |
| Gain on sale of investments not recognized as revenue for budget purposes | | | (101,332) |
| Reserve funds interest recognized as revenue for budget purposes on cash basis | | | (13,977) |
| Perspective Differences | | | |
| Indirect costs allocated to proprietary funds not recognized as a reduction of expenditures for budget purposes | (4,827,292) | | |
| In lieu property tax from proprietary funds not recognized as revenue for budget purposes | (620,148) | | |
| Franchise fee from proprietary funds not recognized as revenue for budget purposes | (1,723,250) | | |
| Excess of revenues and expenditures on GAAP basis due to recognition of trust revenues and expenditures not recognized on a budget basis | | | 43,895 |
| Entity Differences | | | |
| Excess of revenue and other sources over expenditures for non-budgeted streetlights | (58,720) | | |
| Excess of revenue and other sources over expenditures and other uses for funds for which no annual budgets are prepared | | (379,332) | |
| Payment to refunded bond escrow agent not recognized for budget purposes | | | 1,931,562 |
| Budget Basis | (\$10,249,897) | (\$ 82,445) | \$ 481,686 |

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

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

| | Enterprise | Internal Service |
|---|---------------------|-----------------------------|
| GAAP Basis Net Income (Loss) | \$ 2,104,210 | (\$1,152,226) |
| Basis Differences | | |
| Encumbrances at June 30, 1992, recognized as expense for budget purposes | (724,300) | (599,604) |
| Net increase in compensated absences not recognized as expense for budget purposes | 49,411 | 7,881 |
| Net increase in claims payable not recognized as expense for budget purposes | | 2,468,937 |
| Loss on bond refunding not recognized for budget purposes | 780,000 | |
| Perspective Differences | | |
| Capital outlay recognized as expense for budget purposes | (1,069,931) | (2,299,471) |
| Depreciation and amortization not recognized as expense for budget purposes | 7,007,965 | 1,424,133 |
| Indirect costs not recognized as expense for budget purposes | 4,827,292 | |
| In lieu property tax not recognized as expense for budget purposes | 620,148 | |
| Franchise fee not recognized as expense for budget purposes | 1,723,250 | |
| Debt service principal payments and capitalized interest recognized as expense for budget purposes | (2,861,791) | |
| Retained earnings reservation change recognized as expense for budget purposes | (1,125,245) | |
| Contributions recognized as revenue for budget purposes | 2,380,617 | |
| Operating transfer not recognized as revenue for budget purposes | (302,140) | |
| Interest earnings on non-pooled and bond funds not recognized as income for budget purposes | (1,425,448) | |
| Deficiency of revenue and other sources over expenses and other uses for non-budgeted bond activity | 1,060,902 | |
| Budget Basis Excess (Deficiency) of Revenues Over Expenditures | \$13,044,940 | (\$ 150,350) |

NOTE 3 - CASH AND INVESTMENTS

The City maintains a cash and investment pool for use by all funds except the Municipal Properties Corporation, whose investments are held separately by a trustee, and the Agency Fund.

Deposits

At June 30, 1992, the book value of the City's deposits were (\$12,619,640) and the bank balance was \$1,214,367. The \$13,834,007 difference represents outstanding checks and other reconciling items. The positive cash balances are covered entirely through a combination of federal depository insurance funds and securities held by the pledging bank's trust department in the City's name.

Investments

City Charter, Ordinance, and Trust Agreements authorize the City to invest in obligations of the U.S. Treasury, U.S. Government Agencies, repurchase agreements, and the State of Arizona Local Government Investment Pool.

The City's investments at June 30, 1992, are summarized below. Category 1 includes investments that are registered in the name of the City and held by the City's agent in the name of the City. Category 2 includes uninsured and unregistered investments of the Municipal Properties Corporation held by the bank's trust department in the name of the Municipal Properties Corporation.

| | Category | | Carrying Amount | Market Value |
|--|-------------|-------------|-----------------------|-----------------------|
| | 1 | 2 | | |
| U.S. Treasury Securities | \$ | \$2,541,586 | \$ 2,541,586 | \$ 2,539,629 |
| Government Agency Securities | 1,861,797 | 465,352 | 2,327,149 | 2,628,718 |
| City of Scottsdale Improvement District Bonds | 55,000 | | 55,000 | 55,000 |
| | \$1,916,797 | \$3,006,938 | 4,923,735 | 5,223,347 |
| State of Arizona Local Government Investment Pool (Short-Term Investments) | | | 143,753,273 | 143,753,273 |
| Investment in ICMA Plan | | | 4,927,656 | 4,927,656 |
| Total Investments | | | \$ 153,604,664 | \$ 153,904,276 |

NOTE 3 - CASH AND INVESTMENTS (Cont'd)

Reconciliation of Note 3 to Exhibit A-1

| Note 3 | | Exhibit A-1 | |
|---------------------|-----------------|---------------------------------|---------------|
| Total Cash/Deposits | (\$ 12,619,640) | Cash and Short-Term Investments | |
| Total Investments | 153,604,664 | General | \$ 41,365,282 |
| | | Special Revenue | 404,277 |
| | | Debt Service | 8,275,373 |
| | | Capital Projects | 31,129,734 |
| | | Trust and Agency | 5,758,761 |
| | | Enterprise | 15,151,110 |
| | | Internal Service | 6,534,950 |
| | | Investments | |
| | | General | 1,916,797 |
| | | Trust and Agency | 4,927,656 |
| | | Restricted Cash and Investments | |
| | | Enterprise | 25,521,084 * |
| | | | |
| | | | \$140,985,024 |

* This amount is shown in A-1 as \$25,530,228, which is \$9,144 higher due to a restricted receivable in the Public Housing Fund.

NOTE 4 - PROPERTY TAX

Property taxes are recognized as revenue on the modified accrual basis, i.e., when both measurable and available. Property taxes levied in August, 1992, are not available for 1991-92; accordingly, such taxes will not be recognized as revenue until 1992-93. Prior year levies were recorded using these same principles, and remaining receivables from such levies are also recognized as revenue, when available.

The City's property tax is levied each year on or before the third Monday in August based on the previous January 1 full cash value as determined by the Maricopa County Assessor. Levies are due and payable in two installments on September 1 and March 1, and become delinquent on November 1 and May 1, respectively. Delinquent amounts bear interest at the rate of 16%. Maricopa County, at no charge to the taxing entities, bills and collects all property taxes. Public auctions of properties which have delinquent real estate taxes are held in February following the May 1 date upon which the second half taxes become delinquent. The purchaser is given a Certificate of Purchase issued by the County Treasurer. Five years from the date of sale the holder of a Certificate of Purchase which has not been redeemed may demand of the County Treasurer a County Treasurer's Deed.

Property taxes levied for current operation and maintenance expenses on residential property are limited to 1.0% of the primary full cash value of such property. In addition, taxes levied for current operation and maintenance expenses on all types of property are limited to a maximum increase of 2.0% over the prior year's levy adjusted for new construction and annexations.

Property taxes levied to pay principal and interest on bonded indebtedness are not limited.

NOTE 5 - FIXED ASSETS

A summary of changes in general fixed assets follows:

| | Balance June 30, 1991 | Transfers/ Additions | Transfers/ Deletions | Balance June 30, 1992 |
|----------------------------|--------------------------|-------------------------|-------------------------|--------------------------|
| Land | \$ 43,590,570 | \$ | \$ | \$ 43,590,570 |
| Buildings and Improvements | 127,953,334 | 1,852,112 | (780,967) | 129,024,479 |
| Streets and Storm Drains | 680,018,186 | 50,498,328 | | 730,516,514 |
| Machinery and Equipment | 21,670,972 | 1,152,192 | (219,109) | 22,604,055 |
| Construction in Progress | 14,288,989 | 41,411,307 | (18,068,549) | 37,631,747 |
| | \$ 887,522,051 | \$94,913,939 | (\$19,068,625) | \$ 963,367,365 |

General fixed asset construction in progress commitments at June 30, 1992, is composed of the following:

| | Construction In Progress | Commitments | Budget |
|------------------------|-----------------------------|---------------------|-----------------------|
| Streets | \$17,772,614 | \$32,207,620 | \$ 49,980,234 |
| Traffic | 269,326 | 3,995,903 | 4,265,229 |
| Improvement Districts | 2,948,581 | 1,261,234 | 4,209,815 |
| Drainage/Flood Control | 1,343,844 | 12,932,807 | 14,276,651 |
| Parks/Recreation | 992,046 | 2,626,533 | 3,618,579 |
| Specialty Areas | 10,670,588 | 4,666,205 | 15,336,793 |
| Service Facilities | 814,394 | 4,822,345 | 5,636,739 |
| Public Safety | 1,921,603 | 3,423,956 | 5,345,559 |
| Libraries | 752,283 | 1,767,784 | 2,520,067 |
| Transit | 146,468 | 111,361 | 257,829 |
| | \$37,631,747 | \$67,815,748 | \$ 105,447,495 |

NOTE 5 - FIXED ASSETS (Cont'd)

A summary of proprietary fund types fixed assets at June 30, 1992, follows:

| | Enterprise | Internal Service |
|----------------------------|-----------------------------|---------------------------|
| Land and Land Improvements | \$ 15,418,527 | \$ |
| Water Rights | 20,242,006 | |
| Water System | 145,563,397 | |
| Sewer System | 86,365,547 | |
| Buildings and Improvements | 1,609,923 | 1,222,868 |
| Motor Vehicles | | 13,608,458 |
| Furniture and Fixtures | 425,210 | 49,168 |
| Machinery and Equipment | 725,063 | 972,483 |
| Construction in Progress | 12,552,143 | 164,859 |
| | <hr/> | |
| Accumulated Depreciation | 282,901,816 (51,530,703) | 16,017,836 (8,756,305) |
| | <hr/> | |
| | \$ 231,371,113 | \$ 7,261,531 |
| | <hr/> <hr/> | |

Enterprise and Internal Service Funds construction in progress commitments at June 30, 1992, is composed of the following:

| | Construction In Progress | Commitments | Budget |
|-------------------------|-------------------------------------|--------------------|---------------|
| Enterprise | | | |
| Water System Projects | \$ 4,364,984 | \$14,341,160 | \$18,706,144 |
| Sewer System Projects | 7,006,136 | 14,987,294 | 21,993,430 |
| Airport Projects | 1,181,024 | 486,909 | 1,667,933 |
| | <hr/> | | |
| | \$12,552,144 | \$29,815,363 | \$42,367,507 |
| | <hr/> <hr/> | | |
| Internal Service | | | |
| Motor Vehicle Projects | \$ 164,859 | \$ 267,848 | \$ 432,707 |
| | <hr/> <hr/> | | |

NOTE 6 - LONG-TERM DEBT

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

| | General Obligation Bonds | HURF Revenue | Municipal Property Corp Bonds | Special Assessments | Contracts Payable | Compensated Absences | Total |
|---|--------------------------------|---------------------|-------------------------------------|------------------------|----------------------|-------------------------|-----------------------|
| Balance June 30, 1991 | \$50,615,000 | \$28,960,000 | \$98,785,000 | \$24,210,000 | \$ 5,427,688 | \$ 1,877,804 | \$ 209,875,492 |
| Increase in Compensated Absences Liability | | | | | | 141,820 | 141,820 |
| Debt Incurred | 19,000,000 | | 47,095,000 | 1,450,000 | 4,525,000 | | 72,070,000 |
| Debt Retired | | | (45,015,000) | (2,642,000) | (1,141,844) | | (48,798,844) |
| Debt Refunded | | | | | | | |
| Debt To Be Retired July 1, 1992 | (2,325,000) | (1,000,000) | (2,645,000) | (520,000) | | | (6,490,000) |
| Balance June 30, 1992 | *\$ 67,290,000 | \$27,960,000 | \$98,220,000 | \$22,498,000 | \$ 8,810,844 | \$ 2,019,624 | \$ 226,798,468 |

* This does not include the 1986 General Obligation Water System Improvement Bonds in the amount of \$35,500,000 (\$690,000 is to be retired on July 1, 1992). These bonds are serviced by and recorded in the Water Enterprise Fund.

The following is a summary of debt service requirements to maturity, including contracts payable, as of June 30, 1992. The interest portion of the total is \$176,958,850.

| Fiscal Year Ending | General Obligation Bonds | Utility Revenue Bonds | HURF Revenue Bonds | Municipal Property Corporation | Special Assessment Bonds | Contracts Payable | Total |
|--------------------------|--------------------------------|-----------------------------|--------------------------|--------------------------------------|--------------------------------|----------------------|-----------------------|
| 1993 | \$ 10,261,306 | \$ 2,940,132 | \$ 3,110,272 | \$ 10,803,255 | \$ 4,845,455 | \$ 1,266,946 | \$ 33,227,366 |
| 1994 | 10,165,896 | 2,236,935 | 3,111,280 | 10,691,832 | 4,733,264 | 1,124,015 | 32,063,222 |
| 1995 | 10,071,501 | 2,444,063 | 3,110,182 | 10,691,683 | 4,443,645 | 777,278 | 31,538,352 |
| 1996 | 9,202,891 | 2,445,738 | 3,107,892 | 10,459,465 | 3,371,189 | 777,278 | 29,364,453 |
| 1997 | 9,261,675 | 2,438,688 | 3,107,743 | 10,564,579 | 3,054,339 | 777,278 | 29,204,302 |
| 1998 | 9,272,560 | 2,444,543 | 3,103,003 | 10,578,749 | 2,348,361 | 672,278 | 28,419,494 |
| 1999 | 9,266,458 | 2,442,048 | 3,105,690 | 10,577,030 | 1,935,274 | 672,278 | 27,998,778 |
| 2000 | 10,057,628 | 1,618,188 | 3,105,170 | 10,584,228 | 1,760,236 | 672,278 | 27,797,728 |
| 2001 | 10,976,188 | 704,428 | 3,107,965 | 10,604,875 | 1,652,441 | 672,278 | 27,718,175 |
| 2002 | 11,013,113 | 708,103 | 3,106,269 | 9,855,358 | 382,350 | 672,278 | 25,737,471 |
| 2003 | 11,065,290 | 709,543 | 3,109,607 | 9,872,112 | 92,813 | 272,278 | 25,121,643 |
| 2004 | 11,125,140 | 708,943 | 3,106,682 | 9,876,457 | | 272,278 | 25,089,500 |
| 2005-2040 | 47,972,380 | 3,569,187 | 9,423,480 | 41,327,246 | | 5,921,379 | 108,213,672 |
| | \$169,712,026 | \$25,410,539 | \$46,715,235 | \$166,486,869 | \$28,619,367 | \$14,550,120 | \$ 451,494,156 |

The summary above does not reflect General Obligation Bond principal payments from the Sinking Fund of \$3,500,000 on July 1, 1993, and interest in the aggregate amount of \$187,250.

NOTE 7 - BONDS PAYABLE - EXCLUDING REFUNDED DEBT

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

| | General Obligation | Utility Revenue | HURF Revenue | Municipal Property Corp | Special Assessment | Total |
|---|-----------------------|--------------------|-----------------|-------------------------------|-----------------------|---------------|
| Bonds Payable at June 30, 1991 | \$ 89,905,000 | \$18,430,000 | \$29,785,000 | \$ 101,275,000 | \$24,730,000 | \$264,125,000 |
| New Debt Issued | | | | | | |
| Special Assessments | | | | | 1,450,000 | 1,450,000 |
| General Obligation | 19,000,000 | | | | | 19,000,000 |
| Utility Revenue Refunding | | 8,505,000 | | | | 8,505,000 |
| Municipal Property Corporation Refunding | | | | 47,095,000 | | 47,095,000 |
| Debt Refunded | | (7,725,000) | | (44,270,000) | | (51,995,000) |
| Debt Retired | | | | | | |
| Serial Bonds (Paid 07/01/91) | (3,100,000) | (1,020,000) | (825,000) | (2,490,000) | (520,000) | (7,955,000) |
| Serial Bonds (Paid 11/01/91) | | | | (365,000) | | (365,000) |
| Serial Bonds (Paid 01/01/92) | | | | | (2,642,000) | (2,642,000) |
| Serial Bonds (Paid 05/01/92) | | | | (380,000) | | (380,000) |
| Bonds Payable at June 30, 1992 | 105,805,000 | 18,190,000 | 28,960,000 | 100,865,000 | 23,018,000 | 276,838,000 |
| Less Current Portion | (3,015,000) | (1,095,000) | (1,000,000) | (2,645,000) | (520,000) | (8,275,000) |
| Long-Term Bonds Payable June 30, 1992 | \$102,790,000 | \$17,095,000 | \$27,960,000 | \$ 98,220,000 | \$22,498,000 | \$268,563,000 |

On June 1, 1992, the City issued \$8,505,000 Water and Sewer Revenue Refunding and \$47,095,000 Municipal Property Corporation Bonds with average interest rates of 5.227% and 6.163%, respectively. The entire proceeds of the \$8,824,970 and \$48,560,925 (net of \$25,345 and \$53,426 to date in underwriting fees and other issuance costs), were used to purchase U.S. government securities which were deposited in individual irrevocable trusts with an escrow agent to provide for the future debt service payments on these bonds. As a result, \$7,725,000 and \$44,270,000, respectively, in bonded debt are considered to be defeased. The refunding transactions will result in a decrease in debt service payments of \$502,154 and \$2,526,582, respectively, and will result in an economic gain (present value savings) of \$475,346 and \$2,487,977, over the life of the 1992 Refunding Bonds.

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

Under the provisions of the Arizona Constitution, outstanding general obligation bonded debt for combined water, sewer, light, and (after January 1, 1974) parks and open space purposes may not exceed 20% of a City's net secondary assessed valuation, nor may outstanding general obligation bonded debt for all other purposes exceed 6% of a City's net secondary assessed valuation. The following is a summary of legal borrowing capacity at June 30, 1992:

| Water, Sewer, Light, and Parks and Open Space Purposes Bonds | | All Other General Obligation Bonds | |
|---|---------------|---|--------------|
| 20% Constitutional Limit | \$285,075,723 | 6% Constitutional Limit | \$85,522,717 |
| Net Such General | | Net Such General | |
| Obligation Bonds | | Obligation Bonds | |
| Outstanding | (60,505,400) | Outstanding | (38,784,600) |
| <hr/> | | <hr/> | |
| Available 20% Limitation | | Available 6% Limitation | |
| Borrowing Capacity | \$224,570,323 | Borrowing Capacity | \$46,738,117 |
| <hr/> | | <hr/> | |

On June 30, 1992, the City had authorized but unissued bonds approved by the voters: General Obligation - \$148,529,500; Revenue - \$83,340,000.

There are a number of limitations and restrictions contained in the various bond indentures. The City is in compliance with all significant limitations and restrictions.

Water and sewer utility revenue bonds are collateralized by revenue in excess of operating and maintenance expenses of the City's utility system. The bond indenture ordinances require the maintenance of certain defined reserve funds. The aggregate amount of funds restricted for these requirements was \$8,169,225 at June 30, 1992.

NOTE 7 - BONDS PAYABLE - EXCLUDING REFUNDED DEBT (Cont'd)**General Obligation Bonds**

| | |
|---|---------------|
| \$1,400,000 1968 Civic Center Improvement Serial Bonds due in annual installments of \$200,000 to \$250,000 through July 1, 1996; interest at 4.7% to 5.0%. | \$ 925,000 |
| \$3,500,000 1973 Storm Sewer Series A Term Bonds due in one installment of \$3,500,000 on July 1, 1993; interest at 5.4%. | 3,500,000* |
| \$20,000,000 1983 Capital Improvement Project Serial Bonds due in annual installments of \$2,000,000 through July 1, 1995; interest at 7.75% to 7.8%. | 6,000,000 |
| \$9,800,000 (partially refunded to \$690,000 on April 14, 1991) 1985 Capital Improvement Project Serial Bonds, \$375,000 due July 1, 1993; interest at 10.0%. | 375,000 |
| \$38,000,000 1986 Water System Acquisition and Improvement Serial Bonds due in annual installments of \$800,000 to \$5,070,000 through July 1, 2006; interest at 6.3% to 8.3%. | 35,500,000** |
| \$28,785,000 1990 Capital Improvement Project Serial Bonds due in annual installments of \$615,000 to \$3,755,000 beginning July 1, 1996 through July 1, 2010; interest at 6.7% to 8.5%. | 28,785,000 |
| \$8,830,000 1991 Refunding Bonds due in annual installments of \$90,000 to \$980,000 beginning July 1, 1992, through July 1, 2005; interest at 5.7% to 6.7%. | 8,705,000 |
| \$19,000,000 1991 Capital Improvement Project Serial Bonds due in annual installments of \$685,000 to \$1,850,000 beginning July 1, 1996, through July 1, 2011; interest at 6.0% to 8.5%. | 19,000,000 |
| | <hr/> |
| | \$102,790,000 |
| | <hr/> |

* All bond retirements are paid from the Sinking Fund which is fully funded.

** These bonds are serviced by and recorded in the Water Enterprise Fund.

Revenue Bonds

| | |
|---|------------|
| \$3,910,000 1973 Utility Revenue Refunding Issue Serial Bonds due in annual installments of \$300,000 to \$310,00 through July 1, 1995; interest at 4.5% to 5.1%. | \$ 895,000 |
| \$8,400,000 (partially refunded to \$675,000 on June 1, 1992) 1983 Utility Revenue Serial Bonds; interest at 10.5%. | 625,000 |
| \$8,505,000 1992 Utility Refunding Serial Bonds due in annual installments of \$725,000 to \$1,595,000 through July 1, 2000; interest at 4.25% to 5.7%. | 8,505,000 |
| \$7,500,000 1990 Utility Revenue Serial Bonds due in annual installments of \$235,000 to \$680,000 through July 1, 2009; interest at 6.0% to 8.5%. | 7,070,000 |
| \$11,000,000 (partially refunded to \$2,200,000 on February 14, 1990) 1983 Highway User Fund Tax Revenue Serial Bonds due in annual installments of \$475,000 and \$525,000 through July 1, 1994; interest at 8.3%. | 1,000,000 |
| \$10,000,000 (partially refunded to \$2,660,000 on February 14, 1990) 1985 Highway User Fund Tax Revenue Serial Bonds due in annual installments of \$380,000 to \$480,000 through July 1, 2005; interest at 8.3% to 10.3%. | 1,710,000 |

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

| | |
|---|--------------|
| \$9,800,000 1987 Highway User Fund Tax Revenue Serial Bonds due in annual installments of \$60,000 to \$2,935,000 through July 1, 2007; interest at 7.1% to 9.1%. | 9,560,000 |
| \$15,900,000 1989 Highway User Fund Tax Revenue Refunding Serial Bonds due in annual installments of \$165,000 to \$1,015,000 through July 1, 2005; interest at 6.3% to 7.0%. | 15,690,000 |
| | <hr/> |
| | \$45,055,000 |
| | <hr/> <hr/> |
| Municipal Property Corporation Bonds | |
| \$7,130,000 1974 Municipal Property Corporation Bonds; due in annual installments of \$515,000 to \$1,420,000 through July 1, 1996; interest at 5.4% to 5.5%. | \$ 3,045,000 |
| \$13,000,000 1984 Municipal Property Corporation Recreation Facilities Bonds; due in annual installments of \$490,000 to \$1,420,000 through July 1, 2004; interest at 9.4% to 9.9%. | 10,480,000 |
| \$3,100,000 1987 Municipal Property Corporation Certificates of Participation; due in annual installments of \$550,000 to \$695,000 beginning July 1, 1997 through July 1, 2001; interest at 5.9% to 6.3%. | 3,100,000 |
| \$41,205,000 1986 Refunding Series Municipal Property Corporation Certificates of Participation; due in annual installments of \$1,705,000 to \$4,080,000 through July 1, 2005; interest at 6.1% to 7.8%. | 34,500,000 |
| \$47,095,000 1992 Refunding Series Municipal Property Corporation Certificates of Participation; due in semi-annual installments of \$55,000 to \$1,865,000 through November 1, 2014; interest at 3.0% to 6.25%. | 47,095,000 |
| | <hr/> |
| | \$98,220,000 |
| | <hr/> <hr/> |
| Special Assessment Bonds | |
| \$34,642,883 Special Assessment Bonds issued March 20, 1973, through April 1, 1992, maturing January 1, 1993 through January 1, 2003; due in annual installments of \$2,000 to \$1,070,000; interest at 6.25% to 10.0%. | \$22,498,000 |
| | <hr/> <hr/> |

NOTE 8 - CONTRACTS PAYABLE

Contracts payable, including capital lease agreements, at June 30, 1992 are as follows:

| | General Fund | Water and Sewer Utility Fund | Total |
|--|--------------------|---------------------------------------|--------------------|
| Purchase Contracts | | | |
| Contract payable to the U.S. Army Corps of Engineers for the construction of flood control and recreation facilities; due in annual installments through 2039; interest at 5.1%. | \$3,816,503 | \$ | \$3,816,503 |
| Purchase contract for acquisition of Pepperwood office building; due in monthly installments through November, 2005; interest at 10.0% to 12.0%. | 304,018 | | 304,018 |
| Purchase contract, Plan Six Agreement, to acquire a new water supply and hydropower generation benefits; due in quarterly installments through July, 1994; non-interest bearing. | | 661,461 | 661,461 |
| Contract payable for the construction of the West Couplet; due in annual installments through January, 2002; non-interest bearing. | 4,000,000 | | 4,000,000 |
| Contract payable for the construction of the East Couplet; due in annual installments through November, 1997; non-interest bearing. | 525,000 | | 525,000 |
| Subtotal Purchase Contracts | 8,645,521 | 661,461 | 9,306,982 |
| Capital Lease Agreements | | | |
| Lease-purchase agreement for acquisition of a ladder truck; due in annual installments through September 1993; interest at 7.34%. | 165,323 | | 165,323 |
| Subtotal Capital Lease Agreements | 165,323 | | 165,323 |
| Subtotal Contracts Payable | 8,810,844 | 661,461 | 9,472,305 |
| Less Current Portion | | 402,936 | 402,936 |
| Long-Term Portion of Contracts Payable | \$8,810,844 | \$ 258,525 | \$9,069,369 |

NOTE 8 - CONTRACTS PAYABLE (Cont'd)

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

The following is a schedule of the future minimum lease payments under the preceding capital lease agreement:

| Fiscal Year Ending June 30 | |
|---|-------------|
| 1993 | \$ 87,428 |
| 1994 | 87,106 |
| | <hr/> |
| Total Minimum Lease Payments | 174,534 |
| Less: Amount Representing Interest | (9,211) |
| | <hr/> |
| Present Value of Net Minimum Lease Payments at June 30, 1992 | \$ 165,323 |
| | <hr/> <hr/> |

NOTE 9 - ADVANCE REFUNDINGS

The City has refinanced various bond issues through the issuance of refunding bond issues. The proceeds from the refunding issues have been deposited in irrevocable trusts at commercial banks and invested in U.S. Government securities which, together with interest earned thereon, will provide amounts sufficient for future payment of principal and interest of the issues refunded.

The assets, liabilities, and financial transactions of these trust accounts and the liability for defeased bonds are not reflected in the financial statements of the City. Refunded debt outstanding of the City at June 30, 1992, is as follows:

| | |
|------------------------------------|----------------|
| 1964 Sewer Revenue | \$ 850,000 |
| 1966 Sewer Revenue | 515,000 |
| 1971 Water Revenue | 505,000 |
| 1984 Certificates of Participation | 32,817,239 |
| 1984 Municipal Facilities | 14,345,000 |
| 1985 Municipal Facilities | 16,900,000 |
| 1984 HURF Revenue | 7,000,000 |
| 1985 HURF Revenue | 6,270,000 |
| 1985 General Obligation | 7,760,000 |
| 1986 Certificates of Participation | 44,270,000 |
| 1983 Utility Revenue | 7,725,000 |
| | <hr/> |
| | \$ 138,957,239 |
| | <hr/> <hr/> |

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, 1992, the special assessments receivable, together with amounts paid in advance and interest to be received over the life of the assessment period, are adequate for the scheduled maturities of the bonds payable and the related interest. Improvement bonds are collateralized by properties within the districts. In the event of default by the property owner, the City may enforce auction sale to satisfy the debt service requirements of the improvement bonds. The City is contingently liable on special assessment bonds to the extent that proceeds from auction sales are insufficient to retire outstanding bonds.

NOTE 11 - RETIREMENT AND PENSION PLANS

Substantially all full-time employees and elected officials are covered by one of three multiple-employer public employee retirement programs administered by the State of Arizona. The payroll for employees covered by the 3 retirement programs for the year ended June 30, 1992, was \$42,275,763; the City's total payroll was \$43,480,535.

Arizona Public Safety Personnel Retirement System (Police Employees)

City policemen are covered by the Arizona Public Safety Personnel Retirement System (APSR), an agent multiple-employer public employee retirement system. Employees who retire after completion of 20 years of credited service are entitled to a retirement benefit, payable monthly for life equal to 50% of average monthly compensation for the highest 3 of the last 10 years of credited service plus 2 or 2.5% over 25 years of average monthly compensation for each year of credited service over 20 years, to a maximum of 80%. Benefits fully vest on reaching 10 years of credited service. Vested employees may retire with less than 20 years of credited service and receive reduced retirement benefits. The system also provides death and disability benefits. Benefits are established by State statute.

City policemen are required by State statute to contribute an actuarially determined amount of their annual compensation to the system. The City is required by State statute to contribute to the system the remaining amounts necessary to pay benefits when due. The contribution requirement for the year ended June 30, 1992, was \$1,543,072, which consisted of \$864,727 from the City and \$678,345 from employees. These contributions represented 9.67% and 7.59% of covered payroll, respectively. The payroll for employees covered by the system for the year ended June 30, 1992, was \$8,942,365; the City's total payroll for the system was \$8,942,365.

Arizona State Retirement Plan (All Other Employees)

All other City employees are covered by the Arizona State Retirement Plan (ASRP), a cost-sharing multiple-employer public employee retirement system. Employees may retire at age 65, at or after age 62 with 10 years of total credited service, or at or after the date when age plus total credited service equals 82. They are entitled to a retirement benefit payable monthly for life generally equal to the employee's average monthly compensation, as defined by the State statutes, multiplied by the sum of the number of years of credited past service as defined, times 2.0%. Vested employees may retire at age 50 and receive reduced retirement benefits. The plan also provides death and disability benefits. Benefits are established by State statute.

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

City employees are required by State statute to contribute an actuarially determined amount of their annual compensation to the plan. The City is required by State statute to contribute an amount equal to employee contributions each pay period. The contribution requirement for the year ended June 30, 1992, was \$2,391,946, which consisted of \$1,195,973 from the City and \$1,195,973 from employees. The payroll for employees covered by the plan for the year ended June 30, 1992, was \$33,221,485; the City's total payroll for the plan was \$34,426,258. These contributions represent 3.60% and 3.60% of covered payroll, respectively.

Elected Officials' Retirement Plan (Mayor and City Council)

All City Council members are covered by the Elected Officials' Retirement Plan (EORP), a cost-sharing multiple-employer public employee retirement system. Members may retire at or after age 60 with 25 years of credited service, at or after age 62 with 10 or more years of credited service, or at age 65 with 5 or more years of credited service. They are entitled to a retirement benefit payable monthly for life generally equal to 4.0% of the member's final annual salary multiplied by the years of credited service with a maximum benefit of 80% of a member's final salary. Benefits fully vest on reaching 5 years of credited service. Vested members may retire at age 50 and receive reduced retirement benefits. The plan also provides death and disability benefits. Benefits are established by State statute.

Members are required by State statute to contribute 7.0% of gross salary to the plan. The City is required by State statute to also contribute to the plan the remaining amounts necessary to pay benefits when due. The contribution requirement for the year ended June 30, 1992, was \$26,668, which consisted of \$18,835 from the City and \$7,833 from members. These contributions represented 16.83% and 7.0% of covered payroll, respectively. The payroll for members covered by the plan for the year ended June 30, 1992, was \$111,913; the City's total payroll for the plan was \$111,913.

Pension Benefit Obligation

The "pension benefit obligation" is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases and step-rate benefits, estimated to be payable in the future as a result of employee service to date. The measure, which is the actuarial present value of credited projected benefits, is intended to help users assess APSRS', ASRP's, and EORP's funding status on a going-concern basis; assess progress made in accumulating sufficient assets to pay benefits when due; and make comparisons among public employees/officials retirement systems and employers.

APSRs

The system prepares separate measurements of assets and pension benefit obligation for individual employers. The pension obligation was determined as part of an actuarial valuation of the plan as of June 30, 1991, the most recent valuation date available. Significant actuarial assumptions used in determining the pension benefit obligation include: (a) a rate of return on the investment of present and future assets of 9.0% per year compounded annually; (b) projected salary increases of 6.5% per year compounded annually, attributable to inflation; and (c) additional projected salary increases ranging from 0.0% to 3.0% per year, depending on age, attributable to seniority/merit.

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

At June 30, 1991, the assets in excess of the pension benefit obligation for the system were \$930,796, determined as follows:

PENSION BENEFIT OBLIGATION

| | |
|---|-------------------|
| Retirees and Beneficiaries Currently Receiving Benefits | \$ 7,210,537 |
| Terminated Employees Not Yet Receiving Benefits | None |
| Current Employees | |
| Accumulated Employee Contributions Including | |
| Allocated Investment Income | 4,188,296 |
| Employer Financed - Vested | 8,635,166 |
| Employer Financed - Non-vested | 1,980,648 |
| Health Insurance | 417,975 |
| | <hr/> |
| Total Pension Benefit Obligation | 22,432,622 |
| Net Assets Available for Benefits (at Market Value) | 23,363,418 |
| | <hr/> |
| ASSETS IN EXCESS OF THE PENSION BENEFIT OBLIGATION | \$ 930,796 |
| | <hr/> <hr/> |

The system's funding policy provides for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are designed to accumulate sufficient assets to pay benefits when due. The normal cost and actuarial accrued liability are determined using an entry age actuarial funding method. Unfunded actuarial accrued liabilities are being amortized as a level percent of payroll over a period of 40 years (from July 1, 1978). Of the original 40 years, there are 26 years remaining from July 1, 1992.

During the year ended June 30, 1991, contributions totaling \$1,414,222 (\$759,906 employer and \$654,316 employee) were made in accordance with contribution requirements determined by an actuarial valuation of the plan as of June 30, 1989. The employer contributions consisted of \$696,103 for normal cost and \$63,803 for amortization of the unfunded actuarial accrued liability. Employer contributions represented 9.29% of covered payroll.

Significant actuarial assumptions used to compute contribution requirements were the same as those used to compute the standardized measure of the pension benefit obligation.

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

Trend information is useful in assessing the pension plan's accumulation of sufficient assets to pay pension benefits as they become due. Three year historical trend information is presented below:

| | Fiscal Year | | |
|--|-------------|--------|--------|
| | 1989 | 1990 | 1991 |
| Net assets available for benefits as a percentage of the pension benefit obligation | 104.4% | 103.8% | 104.1% |
| Overfunded pension benefit obligation as a percentage of the annual covered payroll* | 11.6 | 9.8 | 11.3 |
| City's contributions to the pension plan as a percentage of covered payroll | 8.2 | 8.6 | 9.3 |

*Showing the overfunded pension benefit obligation as a percentage of the City's annual covered payroll approximately adjusts for the effects of inflation for analytical purposes.

Ten year historical trend information is presented in the separately issued PERS financial reports.

ASRP

The plan does not prepare separate measurements of assets and pension benefit obligation for individual employers. The pension benefit obligation for the plan as a whole was determined as part of the actuarial valuation of the plan as of June 30, 1991, the most recent valuation date available. Significant actuarial assumptions used include: (a) a rate of return on investment of present and future assets of 8% per year compounded annually; (b) a projected salary increase ranging from 5.50% to 7.75%, compounded annually attributable to cost-of-living and merit; and (c) no post-retirement benefit increase. Legislation during fiscal year 1991 resulted in an increase in the pension benefit obligation by \$74,006,927. Plan amendments that became effective June 30, 1991, accounted for a \$66,262,824 increase in the pension benefit obligation.

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

At June 30, 1991, the assets in excess of pension benefit obligation were \$729,703,762, determined as follows:

PENSION BENEFIT OBLIGATION

| | |
|---|-----------------------|
| Retirees and Beneficiaries Currently Receiving Benefits | \$ 2,767,089,096 |
| Terminated Employees Not Yet Receiving Benefits | 141,063,466 |
| Current Employees | |
| Accumulated Employee Contributions Including | |
| Allocated Investment Income | 1,649,712,301 |
| Employer Financed - Vested | 1,955,040,687 |
| Employer Financed - Non-vested | 577,239,400 |
| | <hr/> |
| Total Pension Benefit Obligation | 7,090,144,950 |
| Net Assets Available for Benefits at Cost | |
| (Market Value of \$8,352,509,215) | 7,819,848,712 |
| | <hr/> |
| ASSETS IN EXCESS OF THE PENSION BENEFIT OBLIGATION | \$ 729,703,762 |
| | <hr/> <hr/> |

The Arizona Revised Statutes provide statutory authority for determining the employees' and employers' contribution amounts as a percentage of covered payroll. Employers are required to contribute at the same rate as employees. Although the statutes prescribe the basis of making the actuarial calculation, the Arizona legislature is able to change the contribution rate from that which is actuarially determined. The actuarial computation is made two years in advance based on the June 30 information (the rate for 1991 was based on June 30, 1989 information). The contribution rates were actuarially determined using the Projected Unit Credit funding method (PUC). The contribution rate consists of a factor to cover normal costs using the same actuarial assumptions used to compute the pension benefit obligation and a factor to amortize the underfunded past service liability based on the criteria of the Arizona Revised Statutes, not to exceed an amortization period of 45 years. The current amortization period is 11 years.

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

The contribution rates, as actuarially determined, for the year ended June 30, 1991, were as follows:

| | 1991 | |
|---|----------------------|-----------------------------------|
| | Amount | Percent of Covered Payroll |
| Normal Cost | \$319,794,894 | 9.16% |
| Amortization of overfunded past service liability | (53,066,402) | (1.52) |
| Total | \$266,728,492 | 7.64% |
| Employers' share | \$133,364,246 | 3.82% |
| Employees' share | 133,364,246 | 3.82 |
| Total | \$266,728,492 | 7.64% |

The actuarial determined rate for the year ended June 30, 1992, is 3.60% for both the employers' and employees' portion.

Trend information is useful in assessing the pension plan's accumulation of sufficient assets to pay pension benefits as they become due. Ten year historical trend information is presented in the separately issued PERS financial report.

EORP

The plan does not prepare separate measurements of assets and pension benefit obligation for individual employers. The pension benefit obligation for the plan as a whole was determined as part of an actuarial valuation of the plan as of June 30, 1990, the most recent valuation date available. Significant actuarial assumptions used in determining the pension benefit obligation include: (a) a rate of return on the investment of present and future assets of 9.0% per year compounded annually; (b) projected salary increases of 7.0% per year compounded annually, attributable to inflation; and (c) the assumption that benefits will not increase after retirement.

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

At June 30, 1990, the unfunded pension benefit obligation was \$1,487,217, determined as follows:

PENSION BENEFIT OBLIGATION

| | |
|---|---------------------|
| Retirees and Beneficiaries Currently Receiving Benefits | \$38,245,692 |
| Terminated Employees Not Yet Receiving Benefits | 1,020,849 |
| Current Employees | |
| Accumulated Employee Contributions Including | |
| Allocated Investment Income | 9,922,914 |
| Employer Financed - Vested | 40,742,336 |
| Employer Financed - Non-vested | 2,671,553 |
| Health Insurance | 1,304,639 |
| | <hr/> |
| Total Pension Benefit Obligation | 93,907,983 |
| Net Assets Available for Benefits (at Market Value) | 92,420,766 |
| | <hr/> |
| UNFUNDED PENSION BENEFIT OBLIGATION | \$ 1,487,217 |
| | <hr/> <hr/> |

The plan's funding policy provides for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are designed to accumulate sufficient assets to pay benefits when due. The normal cost and actuarial accrued liability are determined using an entry age actuarial funding method. Unfunded actuarial accrued liabilities are being amortized as a level percent of payroll over a period of 32 years.

During the year ended June 30, 1990, contributions by all participating employees totalling \$5,078,673 (\$3,048,190 employers and \$2,030,483 employees) were made in accordance with contribution requirements determined by an actuarial valuation of the plan as of June 30, 1989.

Changes in actuarial assumptions and benefit provisions during the valuation year ended June 30, 1990, resulted in an increase in the computed contribution rate of 0.80% of covered payroll.

Significant actuarial assumptions used to compute contribution requirements were the same as those used to compute the standardized measure of the pension benefit obligation.

Trend information is useful in assessing the pension plan's accumulation of sufficient assets to pay benefits when due. Ten year trend information is presented in the separately issued PERS financial report.

NOTE 12 - DEFERRED COMPENSATION PLAN (AGENCY FUND)

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all City employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the City (without being restricted to the provisions of benefits under the plan), subject only to the claims of the City's general creditors. Participants' rights under the plan are equal to those of general creditors of the City in an amount equal to the fair market value of the deferred account for each participant.

It is the opinion of the City Attorney that the City has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor. The City believes that it is unlikely that it will use the assets to satisfy the claims of general creditors in the future. Investments are managed by an independent plan administrator.

NOTE 13 - CONTINGENT LIABILITIES

The City is a party to several lawsuits incident to its normal operations. Management, with concurrence of the City Attorney, is of the opinion that settlement of these lawsuits will not have a material effect on the financial position of the City.

Sick leave benefits provide for ordinary sick pay and are not vested with the employee. Unused benefits are payable only upon the death or retirement of an employee. The amount not recorded in the accounts for accrued sick pay benefits aggregated \$1,743,199 at June 30, 1992.

NOTE 14 - SEGMENTS OF ENTERPRISE ACTIVITIES

Water and sewer, airport, housing, and sanitation are four major services provided by the City which are financed by user charges and are of such significance as to warrant disclosure as segments of enterprise activities. Segment information as of and for the year ended June 30, 1992, is as follows (in thousands of dollars):

| | Total | Water and Sewer | Airport | Housing | Sanitation |
|---|-----------|--------------------|---------|---------|------------|
| Operating Revenue | \$ 41,159 | \$ 34,188 | \$ 626 | \$ | \$6,345 |
| Depreciation and Amortization | 7,008 | 6,492 | 478 | | 38 |
| Operating Income (Loss) | 3,210 | 4,010 | (758) | | (42) |
| Net Income (Loss) | 2,104 | 2,548 | (455) | | 11 |
| Contributions | | | | | |
| Subdividers | 8,768 | 8,768 | | | |
| Development Fees | 6,050 | 6,050 | | | |
| Other Government Units | 1,942 | 1,120 | 822 | | |
| Property, Plant, and Equipment Additions | 17,883 | 16,932 | 906 | | 45 |
| Net Working Capital | 22,415 | 22,118 | 214 | | 83 |
| Total Assets | 289,234 | 275,550 | 12,213 | 9 | 1,462 |
| Long-Term Debt (Less Current Portion) and Other Liabilities: | | | | | |
| Payable From Operating Revenues | 52,854 | 52,854 | | | |
| Payable From Other Services | 122 | 113 | | 9 | |
| Total Equity | 223,576 | 211,228 | 11,615 | | 733 |

NOTE 15 - CONTRIBUTED CAPITAL

During the year ended June 30, 1992, contributed capital increased by the following amounts (in thousands of dollars):

| Source | Total | Water and Sewer Utility | Airport | Sanitation |
|--|-------------|----------------------------|-------------|-------------|
| Development Fees | \$ 6,050 | \$ 6,050 | \$ | \$ |
| Subdividers | 3,294 | 3,294 | | |
| Capital Contributions from Developers | 5,474 | 5,474 | | |
| Municipality - General Fixed Assets | 1,120 | 1,120 | | |
| Federal Government - Capital Construction | 822 | | 822 | |
| Less Depreciation | (3,106) | (2,628) | (478) | |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| | 13,654 | 13,310 | 344 | |
| Contributed Capital July 1, 1991 | 139,346 | 127,651 | 11,217 | 478 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Contributed Capital June 30, 1992 | \$ 153,000 | \$ 140,961 | \$11,561 | \$ 478 |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |

The General Fund has an excess of expenditures over appropriations for the Municipal Services department caused by utility expenses. The Municipal Services department has operations in several funds and has not exceeded the total appropriations for the department.

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

The Highway User Fuel Tax Fund has an excess of expenditures over appropriations for the Municipal Services department of \$152,535 caused by an increase in utilities and in the number of streetlights. The Municipal Services department has operations in several funds and has not exceeded the total appropriation for this department.

The Self-Insurance Fund has an accumulated deficit of \$1,953,194 caused by higher than anticipated insurance claims. The deficit will be eliminated in future years by operating transfers to this fund from the General Fund. Total fund equity is positive in this fund.

The Self-Insurance Fund has an excess of expenditures over appropriations for the Financial Services department of \$27,126 caused by increased claim activity. The Financial Services department has operations in several funds and has not exceeded the appropriations for this department.

NOTE 17 - CAPITALIZED INTEREST

During fiscal year 1992, the Water and Sewer Fund capitalized net interest costs of \$562,823 (interest expense of \$570,051 reduced by interest income of \$7,228). Total interest income and expense in that fund before capitalization was \$2,604,313 and \$3,849,094, respectively.

NOTE 18 - INTERFUND ASSETS/LIABILITIES AND TRANSFERS

Due From/To Other Funds

| Receivable Fund | Amount | Payable Fund | Amount |
|----------------------------|--------------------|---------------------------------|--------------------|
| General | \$1,250,885 | Highway User | \$ 143,454 |
| | | Sanitation | 440,724 |
| | | Airport | 562,983 |
| | | Community | |
| | | Development | 103,724 |
| Water and Sewer Utility | 6,158,941 | Capital Projects (All Other) | 6,158,941 |
| | <u>6,158,941</u> | | <u>6,158,941</u> |
| | <u>\$7,409,826</u> | | <u>\$7,409,826</u> |

Residual Equity Transfer Out**From:**

| | |
|---|---------------------|
| Capital Projects (G.O. Bond Construction) | \$ 158 |
| Capital Projects (HURF Bond Construction) | 1,073,721 |
| | <u>1,073,721</u> |
| | <u>\$ 1,073,879</u> |

Residual Equity Transfer In**To:**

| | |
|---------------------------------|---------------------|
| Capital Projects (All Other) | \$ 158 |
| Capital Projects (All Other) | 1,073,721 |
| | <u>1,073,721</u> |
| | <u>\$ 1,073,879</u> |

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

Net operating transfers are reported in the following funds:

| <u>Operating Transfers Out</u> | | <u>Operating Transfers In</u> | |
|---|---------------------|---|---------------------|
| From: | | To: | |
| General Fund | \$ 2,850,941 | Special Revenue (HURF Fund) | \$ 2,850,941 |
| General Fund | 194,000 | Special Revenue (HURF Fund accounted for as HURF maintenance of effort) | 194,000 |
| Capital Projects (Special Assessments) | 644,395 | Debt Service (Special Assessments) | 644,395 |
| General Fund | 200,000 | Internal Service (Self-Insurance) | 200,000 |
| General Fund | 300,000 | Expendable Trust | 300,000 |
| General Fund | 302,140 | Enterprise Fund (Airport) | 302,140 |
| General Fund | 1,311,090 | Capital Projects (All Other) | 1,311,090 |
| Capital Projects (All Other) | 261,200 | Trust and Agency | 261,200 |
| Capital Projects (G.O. Bond Construction) | 1,238,873 | Capital Projects (All Other) | 1,238,873 |
| | <u>\$ 7,302,639</u> | | <u>\$ 7,302,639</u> |

NOTE 19 - COMMITMENTS, SUBSEQUENT EVENTS, AND OTHER MATTERS

- A. In fiscal 1983 the City entered into a ten-year agreement with Rural/Metro Corporation ("Rural/Metro") whereby Rural/Metro will provide fire protection and related services to the City. In July, 1991, the City amended this agreement and extended the new agreement to June 30, 1996. Annual amounts due in fiscal year 1992 will approximate \$5,606,000. Payments to Rural/Metro amounted to \$5,316,535 for the year ended June 30, 1992.
- B. The City established a Self-Insurance Fund during fiscal year 1979. The Self-Insurance Fund is responsible for the budgeting, investigation, and payment of claims that are incurred by the City. The Self-Insurance Fund is protected by excess insurance designed to limit the exposure of loss for any single loss occurrence. For fiscal year 1992 the Self-Insurance Fund was responsible for the first \$300,000 per occurrence for worker's compensation claims and the first \$1,000,000 for liability claims against the City. The Fund was also responsible for vehicle damage above \$1,000 and all unemployment claims.
- C. In December, 1984, the City entered into a Service Agreement and land lease with Scottsdale Water Services Company (Partnership). The Service Agreement provides that the Partnership's water treatment facility will treat Central Arizona Project water to quality standards established by the City and other regulatory agencies and furnish this water to the City for distribution to its customers. In return, the City will pay service fees based on all of the Partnership's debt service payments and operating costs subsequent to substantial completion of the facility, which was in December, 1986, and the City is obligated to maintain a \$300,000 equipment replacement and repair account. The City will retain ownership of the water and responsibility for deliveries to final users. Payments to the partnership amounted to approximately \$2,779,000 for the year ended June 30, 1992.

Interest on the bonds of the Partnership is due semi-annually on July 1 and January 1 with principal due in varying amounts through July 1, 2008, as follows:

| | |
|------------|--------------|
| 1993 | \$ 745,000 |
| 1994 | 805,000 |
| 1995 | 865,000 |
| 1996 | 935,000 |
| Thereafter | 19,190,000 |
| | <hr/> |
| | \$22,540,000 |
| | <hr/> <hr/> |

The bonds bear interest at a variable rate (4.0% for June, 1992) based on a specified municipal bond index. There is an option under certain circumstances to establish a fixed interest rate.

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

- D. In June, 1988, the City entered into a Service Agreement with Scottsdale Cultural Council (Council). The Service Agreement provides that the Council will manage the arts and cultural affairs within the Scottsdale community for a five year period beginning July 1, 1988. In return, the City will pay service fees to the Council based on the Service Agreement between the City and the Council. Annual amounts due in fiscal year 1993 will approximate \$1,846,000. Payments to Scottsdale Cultural Council amounted to \$1,792,324 for the year ended June 30, 1992.
- E. Since 1987 the City has levied water resource development fees for the purpose of acquiring additional long-term water supplies for new developments. The Homebuilders Association (HBA) sued the City challenging the legal authority of the City to levy a water resource development fee. The trial court ruled adversely to the City. The City has appealed the original judgment to the Court of Appeals and a stay has been granted so that the City may continue to collect the fees. The City has amended the ordinance to provide for refunds to taxpayers if funds are not used for the stated purposes.
- F. In April, 1992, the City Council adopted Resolutions of Intention Nos. 3591 and 3592 to begin two improvement districts, Adobe/Miller Improvement District No. I1001 and North Area Water Improvement District No. I6001. Proceeds from the sale of the Adobe/Miller Improvement District will be used to install and construct 1.7 miles of sanitary sewer, 0.96 miles of water distribution lines, fire hydrants, a water transmission line, street improvements, and various incidentals. Proceeds from the sale of the North Area Water Improvement District will be used to install 18.25 miles of water distribution lines, fire hydrants, and various incidentals. The improvement district bonds (not to exceed \$1,090,000 and \$1,810,000, respectively) for these projects are scheduled to be sold competitively September 14, 1992.

NOTE 20 - CAPITAL IMPROVEMENT NOTES RECEIVABLE

During the fiscal year ended June 30, 1992, City Council authorized an interfund loan from the Water Fund to a Capital Projects Fund of approximately \$6.0 million to provide interim financing of construction costs for the Scottsdale Multi-Use Sports and Cultural Facility. Interest will accrue on the unpaid receivable balance. Repayment of the principal and interest will occur from subsequent bond issuances.

GENERAL FUND

The General Fund is established to account for the revenue and expenditures necessary to carry out basic governmental activities of the City, such as police protection, fire protection, recreation, planning, legal services, administrative services, etc. Appropriations are made from the fund annually. The fund will continue to exist indefinitely.

Revenue for this and other funds is recorded by source, i.e., taxes, licenses, service charges, etc. Expenditures are recorded first by character, then by program, and then by object of the expenditure.

General Fund expenditures are made primarily for current day-to-day operating expenses and operating equipment. Capital expenditures for large-scale public improvements, such as buildings, parks, or streets, are accounted for primarily in Capital Projects, Special Revenue, or Enterprise Funds.

CITY OF SCOTTSDALE

EXHIBIT B-1

GENERAL FUND

BALANCE SHEET

JUNE 30, 1992

ASSETS

| | |
|---------------------------------|---------------------|
| Cash and Short-Term Investments | \$41,365,282 |
| Investments | 1,916,797 |
| Receivables | |
| Accrued Interest | 468,689 |
| Property Taxes | 961,354 |
| State Shared Sales Tax | 682,163 |
| Auto Lieu Tax | 186,476 |
| Miscellaneous | 954,381 |
| Due From Other Funds | 1,250,885 |
| Supplies Inventory | 160,242 |
| | <hr/> |
| Total Assets | <u>\$47,946,269</u> |

LIABILITIES AND FUND BALANCE

| | |
|------------------------------------|---------------------|
| Liabilities | |
| Accounts Payable | \$351,057 |
| Accrued Payroll | 3,594,781 |
| Accrued Interest Payable | 81,933 |
| Deferred Revenue | |
| Property Taxes | 901,754 |
| Other | 731,377 |
| | <hr/> |
| Total Liabilities | 5,660,902 |
| Fund Balance | |
| Reserved for | |
| Encumbrances | 1,883,903 |
| Streetlight Districts | 619,024 |
| Unreserved | 39,782,440 |
| | <hr/> |
| Total Fund Balance | 42,285,367 |
| | <hr/> |
| Total Liabilities and Fund Balance | <u>\$47,946,269</u> |

SEE NOTES TO FINANCIAL STATEMENTS

CITY OF SCOTTSDALE

EXHIBIT B-2

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

FOR THE FISCAL YEAR ENDED JUNE 30, 1992

| | |
|---|---------------------|
| Revenues | |
| Taxes - Local | \$31,990,295 |
| Taxes - Intergovernmental | 18,096,226 |
| Licenses | 704,935 |
| Charges for Current Services | 6,336,520 |
| Fines and Forfeitures | 2,228,091 |
| Use of Money and Property | 4,369,975 |
| Streetlight Districts | 499,529 |
| Other | 3,100,744 |
| | <hr/> |
| Total Revenues | 67,326,315 |
| Expenditures | |
| Current Operating Departments | |
| General Government | 4,993,905 |
| Police | 18,306,428 |
| Financial Services | 2,674,002 |
| Community Services | 14,268,515 |
| Management Services | 3,239,139 |
| Planning & Zoning | 8,263,095 |
| Fire | 6,086,072 |
| Municipal Services | 3,623,928 |
| Streetlight Districts | 440,809 |
| Debt Service | |
| Principal | 1,141,844 |
| Interest | 314,457 |
| | <hr/> |
| Total Expenditures | 63,352,194 |
| | <hr/> |
| Excess of Revenues Over Expenditures | 3,974,121 |
| Other Sources (Uses) | |
| Operating Transfers Out | (5,158,171) |
| | <hr/> |
| Deficiency of Revenues and Other Sources Over Expenditures and Other Uses | (1,184,050) |
| | <hr/> |
| Fund Balance July 1, 1991 | 43,469,417 |
| | <hr/> |
| Fund Balance June 30, 1992 | <u>\$42,285,367</u> |

SEE NOTES TO FINANCIAL STATEMENTS

CITY OF SCOTTSDALE

EXHIBIT B-3

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS

FOR THE FISCAL YEAR ENDED JUNE 30, 1992

| | BUDGET | ACTUAL | VARIANCE FAVORABLE (UNFAVORABLE) |
|--|----------------------|-----------------------|--|
| Revenues | | | |
| Taxes - Local | \$31,291,324 | \$31,990,295 | \$698,971 |
| Taxes - Intergovernmental | 18,037,000 | 18,096,226 | 59,226 |
| Licenses | 638,000 | 704,935 | 66,935 |
| Charges for Current Services | 5,664,000 | 6,336,520 | 672,520 |
| Fines and Forfeitures | 2,291,000 | 2,228,091 | (62,909) |
| Use of Money and Property | 4,466,000 | 4,369,975 | (96,025) |
| Other | 1,275,000 | 757,346 | (517,654) |
| Total Revenues | 63,662,324 | 64,483,388 | 821,064 |
| Expenditures | | | |
| Current Operating Departments | | | |
| General Government | 6,564,830 | 6,415,542 | 149,288 |
| Police | 18,724,576 | 18,522,089 | 202,487 |
| Financial Services | 4,400,243 | 3,898,490 | 501,753 |
| Community Services | 14,541,390 | 14,483,667 | 57,723 |
| Management Services | 4,655,162 | 4,582,296 | 72,866 |
| Planning & Community Development | 9,309,657 | 8,706,849 | 602,808 |
| Fire | 6,251,782 | 6,209,823 | 41,959 |
| Municipal Services | 5,342,603 | 5,500,057 | (157,454) |
| Contingency | (34,046) | | (34,046) |
| Debt Service | | | |
| Principal Interest | 1,701,552 305,252 | 1,141,844 614,457 | 559,708 (309,205) |
| Total Expenditures | 71,763,001 | 70,075,114 | 1,687,887 |
| Deficiency of Revenues Over Expenditures | (8,100,677) | (5,591,726) | 2,508,951 |
| Other Sources (Uses) | | | |
| Operating Transfers In | 11,046,048 | | (11,046,048) |
| Operating Transfers Out | (2,945,371) | (4,658,171) | (1,712,800) |
| Deficiency of Revenues and Other Sources Over Expenditures and Other Uses | | (10,249,897) | (10,249,897) |
| Encumbrances Cancelled | | 2,783,891 | 2,783,891 |
| Fund Balance July 1, 1991 | | (8,875,433) | (8,875,433) |
| Fund Balance June 30, 1992 | \$ | (\$16,341,439) | (\$16,341,439) |

SEE NOTES TO FINANCIAL STATEMENTS

CITY OF SCOTTSDALE

EXHIBIT B-4

GENERAL FUND

SCHEDULE OF REVENUES - BUDGET AND ACTUAL - BUDGET BASIS

FOR THE FISCAL YEAR ENDED JUNE 30, 1992

| | BUDGET | ACTUAL | ACTUAL OVER/ (UNDER) ESTIMATED |
|------------------------------|--------------|--------------|--------------------------------------|
| Taxes - Local | | | |
| Property Tax | \$5,662,940 | \$5,571,380 | (\$91,560) |
| Transaction Privilege | 18,797,384 | 19,559,738 | 762,354 |
| Hotel/Motel Transient Tax | 3,400,000 | 3,419,920 | 19,920 |
| Light and Power Franchise | 2,400,000 | 2,404,508 | 4,508 |
| Cable TV Franchise | 716,000 | 735,777 | 19,777 |
| Salt River Project In Lieu | 155,000 | 157,602 | 2,602 |
| Fire Insurance Premium Tax | 160,000 | 141,370 | (18,630) |
| | 31,291,324 | 31,990,295 | 698,971 |
| Taxes - Intergovernmental | | | |
| State-Shared Sales Tax | 7,775,000 | 7,874,427 | 99,427 |
| Automobile in Lieu | 2,200,000 | 2,162,135 | (37,865) |
| State Revenue Sharing | 8,062,000 | 8,059,664 | (2,336) |
| | 18,037,000 | 18,096,226 | 59,226 |
| Licenses | | | |
| Business and Liquor Licenses | 638,000 | 704,935 | 66,935 |
| Charges for Current Services | | | |
| Building and Related Permits | 4,174,000 | 4,726,282 | 552,282 |
| Recreation Fees | 1,490,000 | 1,610,238 | 120,238 |
| | 5,664,000 | 6,336,520 | 672,520 |
| Fines and Forfeitures | | | |
| Court Fines | 1,900,000 | 1,848,367 | (51,633) |
| Parking | 250,000 | 230,040 | (19,960) |
| Library | 141,000 | 149,684 | 8,684 |
| | 2,291,000 | 2,228,091 | (62,909) |
| Use of Money and Property | | | |
| Interest Earnings | 2,972,000 | 2,853,465 | (118,535) |
| Property Rental | 1,494,000 | 1,516,510 | 22,510 |
| | 4,466,000 | 4,369,975 | (96,025) |
| Other | 1,275,000 | 757,346 | (517,654) |
| Total Revenues | \$63,662,324 | \$64,483,388 | \$821,064 |

SEE NOTES TO FINANCIAL STATEMENTS

CITY OF SCOTTSDALE

EXHIBIT B-5

GENERAL FUND

SCHEDULE OF EXPENDITURES BY OBJECT

FOR THE FISCAL YEAR ENDED JUNE 30, 1992

| | TOTAL | PERSONAL SERVICES | OTHER SERVICES | SUPPLIES | DEBT SERVICE | CAPITAL OUTLAY |
|-------------------------------|--------------|----------------------|-------------------|-------------|-----------------|-------------------|
| Current Operating Departments | | | | | | |
| General Government | \$6,073,738 | \$4,191,567 | \$1,574,456 | \$225,399 | \$ | \$82,316 |
| Police | 18,306,428 | 14,896,033 | 2,832,257 | 299,166 | | 278,972 |
| Financial Services | 3,550,155 | 3,091,760 | 493,691 | 3,121 | | (38,417) |
| Community Services | 14,268,515 | 8,590,121 | 4,331,842 | 1,261,043 | | 85,509 |
| Management Services | 4,445,653 | 2,958,305 | 1,160,213 | 182,015 | | 145,120 |
| Planning & Zoning | 8,263,095 | 4,295,850 | 3,729,500 | 117,475 | | 120,270 |
| Fire | 6,193,207 | 202,365 | 5,921,440 | 48,177 | | 21,225 |
| Municipal Services | 5,181,585 | 1,686,289 | 3,140,790 | 351,566 | | 2,940 |
| Streetlight Districts | 440,809 | | 440,809 | | | |
| Debt Service | | | | | | |
| Principal | 1,141,844 | | | | 1,141,844 | |
| Interest | 314,457 | | | | 314,457 | |
| Expenditures | 68,179,486 | \$39,912,290 | \$23,624,998 | \$2,487,962 | \$1,456,301 | \$697,935 |
| Indirect Cost Allocation Out | (4,827,292) | | | | | |
| Total Expenditures | \$63,352,194 | | | | | |
| Operating Transfers Out | | | | | | |
| Highway User Fuel Tax Fund | \$3,044,941 | | | | | |
| Expendable Trusts | 300,000 | | | | | |
| Self-Insurance Fund | 200,000 | | | | | |
| Airport Fund | 302,140 | | | | | |
| Capital Projects Fund | 1,311,090 | | | | | |
| | \$5,158,171 | | | | | |

SEE NOTES TO FINANCIAL STATEMENTS

SPECIAL REVENUE FUNDS

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

Highway User Fuel Tax Fund

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

Community Development Fund

This fund receives and expends the City's Community Development Block Grant revenues. The amount of the grant is awarded annually by the Housing and Urban Development Department upon application for funding by the City. Community Development Block Grant revenues may be used only for those projects approved in the grant budget and is subject to agency expenditure guidelines.

Grants Fund

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

CITY OF SCOTTSDALE

EXHIBIT C-1

SPECIAL REVENUE FUNDS

COMBINING BALANCE SHEET

JUNE 30, 1992

| ASSETS | TOTAL ALL FUNDS | HIGHWAY USER FUEL TAX | COMMUNITY DEVELOPMENT | GRANTS |
|--|-----------------------|-----------------------------|--------------------------|------------------|
| Cash and Short-Term Investments | \$404,277 | \$ | \$ | \$404,277 |
| Cash with Fiscal Agents | 2,058,566 | 2,058,566 | | |
| Receivables | | | | |
| Fuel Tax | 591,152 | 591,152 | | |
| Grants | 209,863 | | 115,803 | 94,060 |
| Miscellaneous | 9,320 | 9,320 | | |
| Total Assets | \$3,273,178 | \$2,659,038 | \$115,803 | \$498,337 |
| LIABILITIES AND FUND BALANCES | | | | |
| Liabilities | | | | |
| Accounts Payable | \$127,039 | \$120,278 | \$6,761 | \$ |
| Accrued Payroll | 202,526 | 191,987 | 5,318 | 5,221 |
| Due to General Fund | 247,178 | 143,454 | 103,724 | |
| Bond Interest Payable | 1,000,000 | 1,000,000 | | |
| Bonds Payable - Current Portion | 1,058,566 | 1,058,566 | | |
| Total Liabilities | 2,635,309 | 2,514,285 | 115,803 | 5,221 |
| Fund Balances | | | | |
| Reserved for Encumbrances | 170,139 | 144,753 | 5,474 | 19,912 |
| Unreserved | 467,730 | | (5,474) | 473,204 |
| Total Fund Balances | 637,869 | 144,753 | | 493,116 |
| Total Liabilities and Fund Balances | \$3,273,178 | \$2,659,038 | \$115,803 | \$498,337 |

SEE NOTES TO FINANCIAL STATEMENTS

CITY OF SCOTTSDALE

EXHIBIT C-2

SPECIAL REVENUE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

FOR THE FISCAL YEAR ENDED JUNE 30, 1992

| | TOTAL ALL FUNDS | HIGHWAY USER FUEL TAX | COMMUNITY DEVELOPMENT | GRANTS |
|--|-----------------------|-----------------------------|--------------------------|------------------|
| Revenues | | | | |
| Taxes-Intergovernmental | \$8,457,267 | \$8,457,267 | \$ | \$ |
| Grants | 1,770,685 | | 1,098,958 | 671,727 |
| Other | 28,468 | | 28,468 | |
| Total Revenues | 10,256,420 | 8,457,267 | 1,127,426 | 671,727 |
| Expenditures | | | | |
| Current Operating Departments | | | | |
| General Government | 31,009 | | | 31,009 |
| Police | 92,719 | | | 92,719 |
| Transportation | 2,308,548 | 2,282,252 ^{20%} | | 26,296 |
| Community Services | 142,371 | | | 142,371 |
| Planning & Community Development | 1,174,559 | 47,133 | 1,127,426 | |
| Municipal Services | 6,000,379 | 6,000,379 ^{-52%} | | |
| Debt Service | | | | |
| Principal | 1,000,000 | 1,000,000 | | |
| Interest | 2,120,132 | 2,120,132 ^{28%} | | |
| Total Expenditures | 12,869,717 | 11,449,896 | 1,127,426 | 292,395 |
| Excess (Deficiency) of Revenues Over Expenditures | (2,613,297) | (2,992,629) | | 379,332 |
| Other Sources (Uses) | | | | |
| Operating Transfer In | | | | |
| From General Fund | 2,850,941 | 2,850,941 | | |
| HURF Maintenance of Effort | 194,000 | 194,000 | | |
| Operating Transfer Out | | | | |
| | 3,044,941 | 3,044,941 | | |
| Excess(Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses | 431,644 | 52,312 | | 379,332 |
| Fund Balances July 1, 1991 | 206,225 | 92,441 | | 113,784 |
| Fund Balances June 30, 1992 | \$637,869 | \$144,753 | \$ | \$493,116 |

SEE NOTES TO FINANCIAL STATEMENTS

CITY OF SCOTTSDALE

EXHIBIT C-3

SPECIAL REVENUE FUNDS

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 1992

| HIGHWAY USER FUEL TAX | | | |
|---|-------------|-------------|--|
| | BUDGET | ACTUAL | VARIANCE FAVORABLE (UNFAVORABLE) |
| Revenues | | | |
| Taxes - Intergovernmental | \$8,591,000 | \$8,457,267 | (133,733) |
| Total Revenues | 8,591,000 | 8,457,267 | (133,733) |
| Expenditures | | | |
| Current Operating Departments | | | |
| Transportation | 2,398,718 | 2,308,760 | 89,958 |
| Planning & Community Development | 50,000 | 47,133 | 2,867 |
| Municipal Services | 5,956,093 | 6,108,628 | (152,535) |
| Debt Service | | | |
| Principal | 1,000,000 | 1,000,000 | |
| Interest | 2,120,932 | 2,120,132 | 800 |
| Total Expenditures | 11,525,743 | 11,584,653 | (58,910) |
| Deficiency of Revenues Over Expenditures | (2,934,743) | (3,127,386) | (192,643) |
| Other Sources | | | |
| Operating Transfer In From General Fund | 2,740,743 | 2,850,941 | 110,198 |
| HURF Maintenance of Effort | 194,000 | 194,000 | |
| Total Other Sources | 2,934,743 | 3,044,941 | 110,198 |
| Deficiency of Revenues and Other Sources Over Expenditures | | (82,445) | (82,445) |
| Encumbrances Cancelled | | 92,441 | 92,441 |
| Fund Balance July 1, 1991 | | (198,986) | (198,986) |
| Fund Balance June 30, 1992 | \$ | (\$188,990) | (\$188,990) |

SEE NOTES TO FINANCIAL STATEMENTS

CITY OF SCOTTSDALE

EXHIBIT C-4

SPECIAL REVENUE FUNDS

COMBINING SCHEDULE OF REVENUES AND OTHER SOURCES

FOR THE FISCAL YEAR ENDED JUNE 30, 1992

| | TOTAL ALL FUNDS | HIGHWAY USER FUEL TAX | COMMUNITY DEVELOPMENT | GRANTS |
|--|-----------------------|-----------------------------|--------------------------|-----------|
| Taxes - Intergovernmental | | | | |
| Fuel Tax | \$7,404,809 | \$7,404,809 | \$ | \$ |
| Local Transportation Assistance Fund | 1,052,458 | 1,052,458 | | |
| | 8,457,267 | 8,457,267 | | |
| Grants | | | | |
| Federal | 1,270,201 | | 1,098,958 | 171,243 |
| State | 448,531 | | | 448,531 |
| Miscellaneous | 51,953 | | | 51,953 |
| Other | 1,770,685 28,468 | | 1,098,958 28,468 | 671,727 |
| Total Revenues | 10,256,420 | 8,457,267 | 1,127,426 | 671,727 |
| Other Sources | | | | |
| Operating Transfer In/(Out) From General Fund | 2,850,941 | 2,850,941 | | |
| HURF Maintenance of Effort | 194,000 | 194,000 | | |
| | 3,044,941 | 3,044,941 | | |
| Total Revenues and Other Sources | \$13,301,361 | \$11,502,208 | \$1,127,426 | \$671,727 |

SEE NOTES TO FINANCIAL STATEMENTS

CITY OF SCOTTSDALE

EXHIBIT C-5

SPECIAL REVENUE FUNDS

COMBINING SCHEDULE OF EXPENDITURES BY OBJECT

FOR THE FISCAL YEAR ENDED JUNE 30, 1992

| | TOTAL | PERSONAL SERVICES | OTHER SERVICES | SUPPLIES | DEBT SERVICE | CAPITAL OUTLAY |
|-------------------------------|---------------------|----------------------|--------------------|--------------------|--------------------|-------------------|
| HIGHWAY USER FUEL TAX | | | | | | |
| ----- | | | | | | |
| Current Operating Departments | | | | | | |
| Municipal Services | \$6,000,379 | \$1,979,026 | \$2,227,043 | \$1,785,878 | \$ | \$8,432 |
| Transportation | 2,282,252 | 1,278,373 | 957,409 | 30,157 | | 16,313 |
| Planning & Zoning | 47,133 | | 47,133 | | | |
| Debt Service | | | | | | |
| Principal | 1,000,000 | | | | 1,000,000 | |
| Interest | 2,120,132 | | | | 2,120,132 | |
| | ----- | ----- | ----- | ----- | ----- | ----- |
| | 11,449,896 | 3,257,399 | 3,231,585 | 1,816,035 | 3,120,132 | 24,745 |
| COMMUNITY DEVELOPMENT | | | | | | |
| ----- | | | | | | |
| Current Operating Departments | | | | | | |
| Planning & Zoning | 1,127,426 | 134,592 | 652,660 | 23,554 | | 316,620 |
| GRANTS | | | | | | |
| ----- | | | | | | |
| Current Operating Departments | | | | | | |
| Police | 92,719 | 84,860 | | | | 7,859 |
| Transportation | 26,296 | 426 | 4,052 | | | 21,818 |
| Community Services | 142,371 | 33,913 | 15,994 | 12,879 | | 79,585 |
| General Government | 31,009 | | 31,009 | | | |
| | ----- | ----- | ----- | ----- | ----- | ----- |
| | 292,395 | 119,199 | 51,055 | 12,879 | | 109,262 |
| ----- | | | | | | |
| Total Expenditures | <u>\$12,869,717</u> | <u>\$3,511,190</u> | <u>\$3,935,300</u> | <u>\$1,852,468</u> | <u>\$3,120,132</u> | <u>\$450,627</u> |

SEE NOTES TO FINANCIAL STATEMENTS

DEBT SERVICE FUNDS

These funds are established to account for the accumulation of resources for, and the payment of, long-term debt principal and interest not serviced by the enterprise funds.

General Obligation Bond Debt Service Fund

This fund accounts for the principal and interest requirements of the City's general obligation bonds. Financing is provided from the levy of secondary property tax.

Municipal Property Corporation Debt Service Fund

This fund accounts for the principal and interest requirements of the City's Municipal Property Corporation bonds. Financing is provided by transaction privilege tax.

Special Assessments Debt Service Fund

This fund accounts for the principal and interest requirements of Special Assessment bonds. Financing is provided by special assessment levies against the benefitted property holders.

CITY OF SCOTTSDALE

EXHIBIT D-1

DEBT SERVICE FUNDS

COMBINING BALANCE SHEET

JUNE 30, 1992

| | TOTAL ALL FUNDS | GENERAL OBLIGATION BOND | MUNICIPAL PROPERTY CORPORATION | SPECIAL ASSESSMENTS |
|--|-----------------------|-------------------------------|--------------------------------------|------------------------|
| ASSETS | | | | |
| Cash and Short-Term Investments | \$8,275,373 | \$1,588,147 | \$5,948,500 | \$738,726 |
| Cash with Fiscal Agents | 14,043,643 | 8,032,912 | 4,708,666 | 1,302,065 |
| Receivables | | | | |
| Accrued Interest | 106,743 | | 106,743 | |
| Property Tax | 3,522 | 3,522 | | |
| Special Assessments | 22,048,422 | | | 22,048,422 |
| Total Assets | \$44,477,703 | \$9,624,581 | \$10,763,909 | \$24,089,213 |
| LIABILITIES AND FUND BALANCES | | | | |
| Liabilities | | | | |
| Accrued Interest Payable | \$384,446 | \$ | \$384,446 | \$ |
| Payable from Cash with Fiscal Agents | | | | |
| Bonds Interest Payable | 5,213,491 | 2,367,760 | 2,063,666 | 782,065 |
| Bonds Payable - Current Portion | 5,490,000 | 2,325,000 | 2,645,000 | 520,000 |
| Deferred Revenue | | | | |
| Special Assessments | 22,048,422 | | | 22,048,422 |
| Total Liabilities | 33,136,359 | 4,692,760 | 5,093,112 | 23,350,487 |
| Fund Balances | | | | |
| Reserved for | | | | |
| Sinking Fund Requirements | 3,340,152 | 3,340,152 | | |
| Debt Service | 8,001,192 | 1,591,669 | 5,670,797 | 738,726 |
| Total Fund Balances | 11,341,344 | 4,931,821 | 5,670,797 | 738,726 |
| Total Liabilities and Fund Balances | \$44,477,703 | \$9,624,581 | \$10,763,909 | \$24,089,213 |

SEE NOTES TO FINANCIAL STATEMENTS

CITY OF SCOTTSDALE

EXHIBIT D-2

DEBT SERVICE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

FOR THE FISCAL YEAR ENDED JUNE 30, 1992

| | TOTAL ALL FUNDS | GENERAL OBLIGATION BOND | MUNICIPAL PROPERTY CORPORATION | SPECIAL ASSESSMENTS |
|--|-----------------------|-------------------------------|--------------------------------------|------------------------|
| Revenues | | | | |
| Taxes - Local | | | | |
| Property | \$6,716,160 | \$6,716,160 | \$ | \$ |
| Transaction Privilege | 10,183,764 | | 10,183,764 | |
| | 16,899,924 | 6,716,160 | 10,183,764 | |
| Special Assessments | 4,260,961 | | | 4,260,961 |
| Use of Money and Property | | | | |
| Interest Earnings | 1,041,394 | 388,075 | 653,319 | |
| Gain on Sale of Investments | 101,332 | | 101,332 | |
| | 1,142,726 | 388,075 | 754,651 | |
| Total Revenues | 22,303,611 | 7,104,235 | 10,938,415 | 4,260,961 |
| Expenditures | | | | |
| Debt Service | | | | |
| Principal | 8,877,000 | 2,325,000 | 3,390,000 | 3,162,000 |
| Interest | 13,517,906 | 4,448,878 | 7,477,001 | 1,592,027 |
| Total Expenditures | 22,394,906 | 6,773,878 | 10,867,001 | 4,754,027 |
| Excess (Deficiency) of Revenues Over Expenditures | (91,295) | 330,357 | 71,414 | (493,066) |
| Other Sources (Uses) | | | | |
| Operating Transfer In | 644,395 | | | 644,395 |
| Proceeds of Refunding Bonds | 48,560,925 | | 48,560,925 | |
| Payment to Refunded Bond Escrow Agent | (48,560,925) | | (48,560,925) | |
| Reserve Fund Contribution | (1,931,562) | | (1,931,562) | |
| Total Other Sources (Uses) | (1,287,167) | | (1,931,562) | 644,395 |
| Excess (Deficiency) of Revenues and Other Sources Over Expenditures | (1,378,462) | 330,357 | (1,860,148) | 151,329 |
| Fund Balances July 1, 1991 | 12,719,806 | 4,601,464 | 7,530,945 | 587,397 |
| Fund Balances June 30, 1992 | \$11,341,344 | \$4,931,821 | \$5,670,797 | \$738,726 |

SEE NOTES TO FINANCIAL STATEMENTS

CITY OF SCOTTSDALE

EXHIBIT D-3

DEBT SERVICE FUNDS

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICITS) - BUDGET AND ACTUAL - BUDGET BASIS

FOR THE FISCAL YEAR ENDED JUNE 30, 1992

| | TOTALS | | | GENERAL OBLIGATION | | | MUNICIPAL PROPERTY CORPORATION | | | SPECIAL ASSESSMENTS | | |
|---|-------------|-------------|--|--------------------|-------------|--|--------------------------------|-------------|--|---------------------|-------------|--|
| | BUDGET | ACTUAL | VARIANCE FAVORABLE (UNFAVORABLE) | BUDGET | ACTUAL | VARIANCE FAVORABLE (UNFAVORABLE) | BUDGET | ACTUAL | VARIANCE FAVORABLE (UNFAVORABLE) | BUDGET | ACTUAL | VARIANCE FAVORABLE (UNFAVORABLE) |
| Revenues | | | | | | | | | | | | |
| Taxes - Local | \$6,770,426 | \$6,716,160 | (\$54,266) | \$6,770,426 | \$6,716,160 | (\$54,266) | \$ | \$ | \$ | \$ | \$ | \$ |
| Property | 10,502,616 | 10,183,764 | (318,852) | | | | 10,502,616 | 10,183,764 | (318,852) | | | |
| Transaction Privilege | | | | | | | | | | | | |
| | 17,273,042 | 16,899,924 | (373,118) | 6,770,426 | 6,716,160 | (54,266) | 10,502,616 | 10,183,764 | (318,852) | | | |
| Special Assessments | 4,678,952 | 4,260,961 | (417,991) | | | | | | | 4,678,952 | 4,260,961 | (417,991) |
| Use of Money and Property Interest Earnings | 900,000 | 1,027,417 | 127,417 | 400,000 | 388,075 | (11,925) | 500,000 | 639,342 | 139,342 | | | |
| Total Revenues | 22,851,994 | 22,188,302 | (663,692) | 7,170,426 | 7,104,235 | (66,191) | 11,002,616 | 10,823,106 | (179,510) | 4,678,952 | 4,260,961 | (417,991) |
| Expenditures | | | | | | | | | | | | |
| Debt Service | 8,877,000 | 8,877,000 | | 2,325,000 | 2,325,000 | | 3,390,000 | 3,390,000 | | 3,162,000 | 3,162,000 | |
| Principal | 13,756,299 | 13,474,011 | 282,288 | 4,667,294 | 4,448,878 | 218,416 | 7,612,616 | 7,433,106 | 179,510 | 1,476,389 | 1,592,027 | (115,638) |
| Interest | | | | | | | | | | | | |
| Total Expenditures | 22,633,299 | 22,351,011 | 282,288 | 6,992,294 | 6,773,878 | 218,416 | 11,002,616 | 10,823,106 | 179,510 | 4,638,389 | 4,754,027 | (115,638) |
| Excess (Deficiency) of Revenues Over Expenditures | 218,695 | (162,709) | (381,404) | 178,132 | 330,357 | 152,225 | | | | 40,563 | (493,066) | (533,629) |
| Other Sources | | 644,395 | 644,395 | | | | | | | | 644,395 | 644,395 |
| Transfers In | | 644,395 | 644,395 | | | | | | | | 644,395 | 644,395 |
| Excess (Deficiency) of Revenues and Other Sources Over Expenditures | 218,695 | 481,686 | 262,991 | 178,132 | 330,357 | 152,225 | | | | 40,563 | 151,329 | 110,766 |
| Fund Balances (Deficits) July 1, 1991 | | 1,770,740 | 1,770,740 | | 2,442,823 | 2,442,823 | | | | | (672,083) | (672,083) |
| Residual Equity Transfer | | 2,510,521 | 2,510,521 | | | | | 2,510,521 | 2,510,521 | | | |
| Fund Balances (Deficits) June 30, 1992 | \$218,695 | \$4,762,947 | \$4,544,252 | \$178,132 | \$2,773,180 | \$2,595,048 | \$ | \$2,510,521 | \$2,510,521 | \$40,563 | (\$520,754) | (\$561,317) |

SEE NOTES TO FINANCIAL STATEMENTS

CAPITAL PROJECTS FUNDS

A capital projects fund is established to account for the resources expended to acquire assets of a relatively permanent nature. (Special revenue and enterprise fund resources are not included in this category.) These funds evolved from the need for special accounting for bond proceeds, dedicated revenues, and contributions for the acquisition of capital assets.

A capital projects fund provides a formal mechanism which enables administrators to ensure that revenue designated for certain purposes is properly used. A capital projects fund further enhances reporting to ensure that requirements regarding the use of the revenue were fully satisfied.

Capital Projects Funds utilized by the City of Scottsdale are:

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

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

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

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

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

CITY OF SCOTTSDALE
 CAPITAL PROJECTS FUNDS
 COMBINING BALANCE SHEET
 JUNE 30, 1992

EXHIBIT E-1

| | TOTAL ALL FUNDS | GENERAL OBLIGATION BOND CONSTRUCTION | HIGHWAY USER BOND CONSTRUCTION | SPECIAL ASSESSMENTS BOND CONSTRUCTION | TRANSACTION PRIVILEGE TAX | ALL OTHER CONSTRUCTION |
|--|---------------------|---|--------------------------------------|--|------------------------------|---------------------------|
| ASSETS | | | | | | |
| Cash and Short-Term Investments | \$31,129,734 | \$14,772,738 | \$27,341 | \$1,138,050 | \$6,749,681 | \$8,441,924 |
| Receivables | | | | | | |
| Accrued Interest | 311,636 | 165,986 | | 15,935 | | 129,715 |
| Miscellaneous | 106,222 | | | | | 106,222 |
| Total Assets | \$31,547,592 | \$14,938,724 | \$27,341 | \$1,153,985 | \$6,749,681 | \$8,677,861 |
| LIABILITIES AND FUND BALANCES | | | | | | |
| Liabilities | | | | | | |
| Accounts Payable | \$1,351,169 | \$1,113,510 | | \$135,462 | \$87,420 | \$14,777 |
| Accrued Payroll | 48,215 | 39,119 | | 798 | 4,500 | 3,798 |
| Due to Water Fund | 6,158,941 | | | | | 6,158,941 |
| Other | 542,592 | 395,220 | 27,341 | 120,031 | | |
| Total Liabilities | 8,100,917 | 1,547,849 | 27,341 | 256,291 | 91,920 | 6,177,516 |
| Fund Balances | | | | | | |
| Reserved for Encumbrances | 6,809,881 | 4,886,582 | | 699,406 | 518,773 | 705,120 |
| Unreserved | 16,636,794 | 8,504,293 | | 198,288 | 6,138,988 | 1,795,225 |
| Total Fund Balances | 23,446,675 | 13,390,875 | | 897,694 | 6,657,761 | 2,500,345 |
| Total Liabilities and Fund Balances | \$31,547,592 | \$14,938,724 | \$27,341 | \$1,153,985 | \$6,749,681 | \$8,677,861 |

SEE NOTES TO FINANCIAL STATEMENTS

CAPITAL PROJECTS FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

FOR THE FISCAL YEAR ENDED JUNE 30, 1992

| | TOTAL ALL FUNDS | GENERAL OBLIGATION BOND CONSTRUCTION | HIGHWAY USER BOND CONSTRUCTION | SPECIAL ASSESSMENTS BOND CONSTRUCTION | TRANSACTION PRIVILEGE TAX | ALL OTHER CONSTRUCTION |
|--|---------------------|---|--------------------------------------|--|------------------------------|---------------------------|
| Revenues | | | | | | |
| Transaction Privilege Tax | \$5,627,759 | \$ | \$ | \$ | \$5,627,759 | \$ |
| Use of Money and Property | 1,894,463 | 1,009,045 | | 96,869 | | 788,549 |
| Other | 4,087,299 | | | 2,381,883 | | 1,705,416 |
| Total Revenue | 11,609,521 | 1,009,045 | | 2,478,752 | 5,627,759 | 2,493,965 |
| Expenditures | | | | | | |
| Capital Improvements | 40,985,281 | 15,831,123 | 65,830 | 5,133,554 | 5,678,357 | 14,276,417 |
| Excess (Deficiency) of Revenue Over Expenditures | (29,375,760) | (14,822,078) | (65,830) | (2,654,802) | (50,598) | (11,782,452) |
| Other Sources (Uses) | | | | | | |
| Bond Proceeds | 20,450,000 | 19,000,000 | | 1,450,000 | | |
| Proceeds of Contract Payable | 4,525,000 | | | | | 4,525,000 |
| Operating Transfer In | 2,549,963 | | | | | 2,549,963 |
| Operating Transfer Out | (2,144,468) | (1,238,873) | | (644,395) | | (261,200) |
| Total Other Sources (Uses) | 25,380,495 | 17,761,127 | | 805,605 | | 6,813,763 |
| Excess (Deficiency) of Revenue and Other Sources (Uses) Over Expenditures | (3,995,265) | 2,939,049 | (65,830) | (1,849,197) | (50,598) | (4,968,689) |
| Fund Balances July 1, 1991 | 27,441,940 | 10,451,984 | 1,139,551 | 2,746,891 | 6,708,359 | 6,395,155 |
| Residual Equity Transfer In | 1,073,879 | | | | | 1,073,879 |
| Residual Equity Transfer Out | (1,073,879) | (158) | (1,073,721) | | | |
| Fund Balances June 30, 1992 | \$23,446,675 | \$13,390,875 | \$ | \$897,694 | \$6,657,761 | \$2,500,345 |

SEE NOTES TO FINANCIAL STATEMENTS

CITY OF SCOTTSDALE

EXHIBIT E-3

CAPITAL PROJECTS FUNDS

COMBINING SCHEDULE OF EXPENDITURES BY OBJECT

FOR THE FISCAL YEAR ENDED JUNE 30, 1992

| | TOTAL | PERSONAL SERVICES | OTHER SERVICES | SUPPLIES | CAPITAL OUTLAY |
|--|---------------------|----------------------|--------------------|------------------|---------------------|
| General Obligation Bond Construction Fund Capital Improvements | \$15,831,123 | \$844,478 | \$244,273 | \$48,398 | \$14,693,974 |
| Highway User Bond Construction Fund Capital Improvements | 65,830 | 4,105 | 99 | | 61,626 |
| Special Assessments Construction Fund Capital Improvements | 5,133,554 | 90,065 | 555,550 | | 4,487,939 |
| Transaction Privilege Tax Capital Improvements | 5,678,357 | 206,434 | 114,554 | 380,714 | 4,976,655 |
| All Other Construction Fund Capital Improvements | 14,276,417 | 115,858 | 214,110 | 17,932 | 13,928,517 |
| Total Expenditures | \$40,985,281 | \$1,260,940 | \$1,128,586 | \$447,044 | \$38,148,711 |

SEE NOTES TO FINANCIAL STATEMENTS

TRUST AND AGENCY FUNDS

The Trust and Agency Funds are established to administer resources received and held by a governmental unit as the trustee or as the agent for others. Use of these funds facilitates the discharge of responsibilities placed upon the governmental unit by virtue of law or other similar authority.

Expendable Trusts Fund

Used to account for gifts that are designated for special purposes. The expendable trust fund includes gifts received for libraries, arts, parks, memorials, senior citizens, handicapped, and training services.

Nonexpendable Trust Fund

Used to account for gifts for which the original principal may not be expended. The interest or other earnings from the principal are designated for a special purpose. The nonexpendable trust fund includes gifts received for libraries.

Deferred Compensation Agency Fund

Permits employees to defer a portion of their salaries to future years.

CITY OF SCOTTSDALE

EXHIBIT F-1

TRUST AND AGENCY FUNDS

COMBINING BALANCE SHEET

JUNE 30, 1992

| ASSETS | TOTAL ALL FUNDS | EXPENDABLE TRUSTS | NONEXPENDABLE TRUST | DEFERRED COMPENSATION AGENCY |
|--|---------------------|----------------------|------------------------|------------------------------------|
| Cash and Short-Term Investments | \$5,758,761 | \$5,573,844 | \$184,917 | \$ |
| Investments | 4,927,656 | | | 4,927,656 |
| Accrued Interest | 21,658 | 21,658 | | |
| Miscellaneous Receivables | 13,617 | 13,617 | | |
| Total Assets | \$10,721,692 | \$5,609,119 | \$184,917 | \$4,927,656 |
| LIABILITIES AND FUND BALANCES | | | | |
| Liabilities | | | | |
| Accounts Payable | \$6,000 | \$6,000 | \$ | \$ |
| Designated Deferred Compensation Benefits | 4,927,656 | | | 4,927,656 |
| Guaranty and Other Deposits | 1,820,194 | 1,820,194 | | |
| Total Liabilities | 6,753,850 | 1,826,194 | | 4,927,656 |
| Fund Balances | | | | |
| Reserved for Encumbrances | 24,426 | 21,753 | 2,673 | |
| Reserved for Library Acquisitions | 174,351 | | 174,351 | |
| Unreserved | 3,769,065 | 3,761,172 | 7,893 | |
| Total Fund Balances | 3,967,842 | 3,782,925 | 184,917 | |
| Total Liabilities and Fund Balances | \$10,721,692 | \$5,609,119 | \$184,917 | \$4,927,656 |

SEE NOTES TO FINANCIAL STATEMENTS

CITY OF SCOTTSDALE

EXHIBIT F-2

TRUST AND AGENCY FUNDS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
EXPENDABLE TRUSTS FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 1992

| | EXPENDABLE TRUSTS |
|---|----------------------|
| Revenues | |
| Interest Earnings | \$121,019 |
| Other | 1,605,083 |
| | ----- |
| Total Revenues | 1,726,102 |
| Expenditures | |
| Expendable Trusts | 569,112 |
| | ----- |
| Excess of Revenues Over Expenditures | 1,156,990 |
| Other Sources | |
| Operating Transfers In | 561,200 |
| | ----- |
| Excess of Revenues and Other Sources Over Expenditures | 1,718,190 |
| Fund Balance July 1, 1991 | 2,064,735 |
| | ----- |
| Fund Balance June 30, 1992 | <u>\$3,782,925</u> |

SEE NOTES TO FINANCIAL STATEMENTS

CITY OF SCOTTSDALE

EXHIBIT F-3

TRUST AND AGENCY FUNDS

SCHEDULE OF EXPENDITURES BY OBJECT - EXPENDABLE TRUSTS FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 1992

| | TOTAL | PERSONAL SERVICES | OTHER SERVICES | SUPPLIES | CAPITAL OUTLAY |
|-------------------|-----------|----------------------|-------------------|-----------|-------------------|
| Expendable Trusts | \$569,112 | \$62,571 | \$299,899 | \$118,640 | \$88,002 |

SEE NOTES TO FINANCIAL STATEMENTS

CITY OF SCOTTSDALE

EXHIBIT F-4

TRUST AND AGENCY FUNDS

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCE -
NONEXPENDABLE TRUST FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 1992

| | NONEXPENDABLE TRUST |
|----------------------------|------------------------|
| | ----- |
| Operating Revenues | |
| Interest Earnings | \$10,641 |
| Operating Expenses | 11,189 |
| | ----- |
| Operating Income/(Loss) | (548) |
| Net Income/(Loss) | (548) |
| Fund Balance July 1, 1991 | 185,465 |
| | ----- |
| Fund Balance June 30, 1992 | <u>\$184,917</u> |

SEE NOTES TO FINANCIAL STATEMENTS

CITY OF SCOTTSDALE

EXHIBIT F-5

TRUST AND AGENCY FUNDS

STATEMENT OF CASH FLOWS - NONEXPENDABLE TRUST FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 1992

| | |
|---|------------------|
| Cash Flows From Operating Activities: | |
| Operating Income | (\$548) |
| Adjustments To Reconcile Net Income To Net Cash Provided From Operating Activities: | |
| Decrease In Accrued Interest Receivable | 1,549 |
| | <hr/> |
| Net Cash Used By Operating Activities | 1,001 |
| | |
| Net Increase In Cash and Cash Equivalents | 1,001 |
| Cash and Cash Equivalents At Beginning Of Year | 183,916 |
| | <hr/> |
| Cash and Cash Equivalents At End Of Year | <u>\$184,917</u> |
| SEE NOTES TO FINANCIAL STATEMENTS | |

CITY OF SCOTTSDALE

EXHIBIT F-6

TRUST AND AGENCY FUNDS

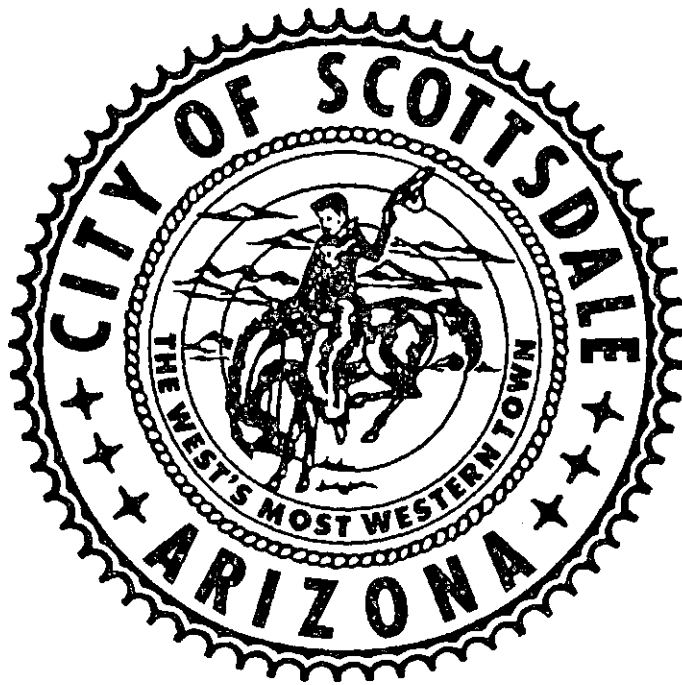
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - DEFERRED COMPENSATION AGENCY FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 1992

DEFERRED COMPENSATION AGENCY

| | BALANCE JULY 1, 1991 | ADDITIONS | DEDUCTIONS | BALANCE JUNE 30, 1992 |
|--|-------------------------|-------------|------------|--------------------------|
| ASSETS | | | | |
| Investments | \$3,993,216 | \$1,154,330 | \$219,890 | \$4,927,656 |
| Total Assets | \$3,993,216 | \$1,154,330 | \$219,890 | \$4,927,656 |
| LIABILITIES | | | | |
| Designated Deferred Compensation Benefits | \$3,993,216 | \$1,154,330 | \$219,890 | \$4,927,656 |
| Total Liabilities | \$3,993,216 | \$1,154,330 | \$219,890 | \$4,927,656 |

SEE NOTES TO FINANCIAL STATEMENTS



ENTERPRISE FUNDS

Enterprise funds are established to account for the financing of self-supporting activities of governmental units which render services to the general public on a user charge basis. Enterprise funds are maintained on the accrual basis of accounting. Although the Water and Sewer Utility, Airport, Sanitation, and Public Housing Funds are operated as enterprise funds, their expenditures are controlled through budgetary accounting procedures similar to other City funds.

Water and Sewer Utility Fund

The Water and Sewer Utility Fund was established for control of the operating revenue and expenses of the City's Water and Sewer Utility. Although a program of the City government, the Utility is operated as a separate enterprise, and the accounting records are maintained on an enterprise fund basis. Accordingly, the account classifications used are designed specifically for the water and sewer operations.

Airport Fund

The Airport Fund was established for control of the operating revenue and expenses of the City's Airport. Airport Fund accounts are maintained on an enterprise fund basis with account classifications designed specifically for airport operations.

Public Housing Fund

The Public Housing Fund was established to provide low cost housing for families displaced by the Neighborhood Development Project of the City and is operated as an enterprise of the City. In fiscal year 1985 all the housing units were sold.

Sanitation Fund

The Sanitation Fund was established July 1, 1989, for control of the operating revenue and expenses related to the City's sanitation services (solid waste, brush removal, container maintenance, etc.). Although a program of the City government, the fund is operated as a separate enterprise. Sanitation fund accounts are maintained on an enterprise fund basis with account classifications designed specifically for its operations.

CITY OF SCOTTSDALE
 ENTERPRISE FUNDS
 COMBINING BALANCE SHEET
 JUNE 30, 1992

EXHIBIT G-1

| ASSETS | TOTAL ALL FUNDS | WATER AND SEWER UTILITY | AIRPORT | PUBLIC HOUSING | SANITATION |
|---|-----------------------|-------------------------------|---------------------|-------------------|--------------------|
| Current Assets | | | | | |
| Cash and Short-Term Investments | \$15,151,110 | \$15,151,110 | \$ | \$ | \$ |
| Cash with Fiscal Agents | 3,705,799 | 3,705,799 | | | |
| Receivables | | | | | |
| Accrued Interest | 419,713 | 410,820 | 179 | | 8,714 |
| Accounts | 4,921,599 | 4,140,541 | | | 781,058 |
| Miscellaneous | 1,348,094 | 513,677 | 812,354 | | 22,063 |
| Due From Capital Improvement Funds | 6,158,941 | 6,158,941 | | | |
| Total Current Assets | 31,705,256 | 30,080,888 | 812,533 | | 811,835 |
| Restricted Cash, Investments, and Receivables | | | | | |
| Revenue Bond Reserves | 2,241,976 | 2,241,976 | | | |
| Water and Sewer Replacement Reserve | 5,627,249 | 5,627,249 | | | |
| Scottsdale Water Service Company Replacement Reserve | 300,000 | 300,000 | | | |
| Acquisition and Construction Reserve | | | | | |
| Bond Proceeds | 1,485,564 | 1,485,564 | | | |
| Development Fees | 15,866,295 | 15,866,295 | | | |
| Notes Receivable | 9,144 | | | 9,144 | |
| | 25,530,228 | 25,521,084 | | 9,144 | |
| Property, Plant, and Equipment | | | | | |
| Land and Land Improvements | 15,418,527 | 2,524,950 | 12,893,577 | | |
| Water Rights | 20,242,006 | 20,242,006 | | | |
| Water System | 145,563,397 | 145,563,397 | | | |
| Sewer System | 86,365,547 | 86,365,547 | | | |
| Buildings and Improvements | 1,609,923 | | 1,246,367 | | 363,556 |
| Furniture and Fixtures | 425,210 | 390,745 | 23,464 | | 11,001 |
| Machinery and Equipment | 725,063 | 116,557 | 143,968 | | 464,538 |
| Construction in Progress | 12,552,143 | 11,371,119 | 1,181,024 | | |
| | 282,901,816 | 266,574,321 | 15,488,400 | | 839,095 |
| Accumulated Depreciation | (51,530,703) | (47,253,600) | (4,087,985) | | (189,118) |
| | 231,371,113 | 219,320,721 | 11,400,415 | | 649,977 |
| Excess Purchase Price Over Fair Market Value of Water System Assets Acquired, Net of Accumulated Amortization of \$2,293,980 | 627,278 | 627,278 | | | |
| Total Assets | \$289,233,875 | \$275,549,971 | \$12,212,948 | \$9,144 | \$1,461,812 |

SEE NOTES TO FINANCIAL STATEMENTS

| LIABILITIES AND FUND EQUITY | TOTAL ALL FUNDS | WATER AND SEWER UTILITY | AIRPORT | PUBLIC HOUSING | SANITATION |
|--|-----------------------|-------------------------------|---------------------|-------------------|--------------------|
| Current Liabilities (Payable from Current Assets) | | | | | |
| Accounts Payable | \$3,528,698 | \$3,438,641 | \$2,059 | \$ | \$87,998 |
| Accrued Payroll | 645,012 | 411,780 | 33,302 | | 199,930 |
| Due To General Fund | 1,003,707 | | 562,983 | | 440,724 |
| Contracts Payable - Current Portion | 402,936 | 402,936 | | | |
| Total | 5,580,353 | 4,253,357 | 598,344 | | 728,652 |
| Current Liabilities (Payable from Restricted Assets) | | | | | |
| Bonds Interest Payable | 1,924,553 | 1,924,553 | | | |
| Bonds Payable - Current Portion | 1,785,000 | 1,785,000 | | | |
| Total | 3,709,553 | 3,709,553 | | | |
| Total Current Liabilities | 9,289,906 | 7,962,910 | 598,344 | | 728,652 |
| Other Liabilities | | | | | |
| Deferred Revenue | 760,725 | 760,725 | | | |
| Customer Advances and Deposits | 2,631,005 | 2,631,005 | | | |
| Other | | | | | |
| Arbitrage Interest | 113,297 | 113,297 | | | |
| Unearned Grant Revenue (Payable from Restricted Notes Receivable) | 9,144 | | | 9,144 | |
| Total Other | 122,441 | 113,297 | | 9,144 | |
| Total Other Liabilities | 3,514,171 | 3,505,027 | | 9,144 | |
| Long-Term Debt (Less Current Portion) | | | | | |
| Bonds Payable | 52,595,000 | 52,595,000 | | | |
| Contracts Payable | 258,525 | 258,525 | | | |
| Total | 52,853,525 | 52,853,525 | | | |
| Total Liabilities | 65,657,602 | 64,321,462 | 598,344 | 9,144 | 728,652 |
| Fund Equity | | | | | |
| Contributed Capital | 177,740,896 | 161,587,456 | 15,675,632 | | 477,808 |
| Less Depreciation | (24,741,198) | (20,626,875) | (4,114,323) | | |
| Net Contributed Capital | 152,999,698 | 140,960,581 | 11,561,309 | | 477,808 |
| Retained Earnings | | | | | |
| Reserved for | | | | | |
| Revenue Bond Retirement | 2,241,976 | 2,241,976 | | | |
| Water and Sewer System Replacement | 5,927,249 | 5,927,249 | | | |
| Acquisition and Construction | 17,351,859 | 17,351,859 | | | |
| Unreserved | 45,055,491 | 44,746,844 | 53,295 | | 255,352 |
| Total Retained Earnings | 70,576,575 | 70,267,928 | 53,295 | | 255,352 |
| Total Fund Equity | 223,576,273 | 211,228,509 | 11,614,604 | | 733,160 |
| Total Liabilities and Fund Equity | \$289,233,875 | \$275,549,971 | \$12,212,948 | \$9,144 | \$1,461,812 |

SEE NOTES TO FINANCIAL STATEMENTS

CITY OF SCOTTSDALE
 ENTERPRISE FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES
 IN RETAINED EARNINGS
 FOR THE FISCAL YEAR ENDED JUNE 30, 1992

EXHIBIT G-2

| | TOTAL ALL FUNDS | WATER AND SEWER UTILITY | AIRPORT | SANITATION |
|---|-----------------------|-------------------------------|-----------|------------|
| Operating Revenues | | | | |
| Water Service Fees | \$26,180,321 | \$26,180,321 | \$ | \$ |
| Sewer Service Fees | 7,454,093 | 7,454,093 | | |
| Planet Ranch | 380,535 | 380,535 | | |
| Sanitation Fees | 6,344,547 | | | 6,344,547 |
| Airport Fees | 626,447 | | 626,447 | |
| Other | 172,693 | 172,693 | | |
| Total Operating Revenues | 41,158,636 | 34,187,642 | 626,447 | 6,344,547 |
| Operating Expenses | | | | |
| Water Operations | 15,770,894 | 15,770,894 | | |
| Sewer Operations | 2,063,776 | 2,063,776 | | |
| Sanitation Operations | 5,329,204 | | | 5,329,204 |
| Airport Operations | 606,144 | | 606,144 | |
| Depreciation and Amortization | 7,007,965 | 6,492,065 | 478,387 | 37,513 |
| Indirect Cost | 4,827,292 | 3,534,587 | 273,208 | 1,019,497 |
| In Lieu Property Tax | 620,148 | 592,987 | 27,161 | |
| Franchise Fee | 1,723,250 | 1,723,250 | | |
| Total Operating Expenses | 37,948,673 | 30,177,559 | 1,384,900 | 6,386,214 |
| Operating Income (Loss) | 3,209,963 | 4,010,083 | (758,453) | (41,667) |
| Non-Operating Revenues (Expenses) | | | | |
| Interest Earnings | 2,651,150 | 2,597,085 | 1,090 | 52,975 |
| Proceeds of Refunding Bonds | 8,879,970 | 8,879,970 | | |
| Interest Expense | (3,279,043) | (3,279,043) | | |
| Payment to Refunded Bond Escrow Agent | (8,879,970) | (8,879,970) | | |
| Net Non-Operating Revenues (Expenses) | (627,893) | (681,958) | 1,090 | 52,975 |
| Operating Transfer In | 302,140 | | 302,140 | |
| Net Income (Loss) Before Extraordinary Item | 2,884,210 | 3,328,125 | (455,223) | 11,308 |
| Extraordinary Item Loss on Bond Refunding | (780,000) | (780,000) | | |
| Net Income (Loss) | 2,104,210 | 2,548,125 | (455,223) | 11,308 |
| Add Depreciation On Fixed Assets Acquired By Contributed Capital | 3,106,479 | 2,628,092 | 478,387 | |
| Increase (Decrease) in Retained Earnings | 5,210,689 | 5,176,217 | 23,164 | 11,308 |
| Retained Earnings July 1, 1991 | 65,365,886 | 65,091,711 | 30,131 | 244,044 |
| Retained Earnings June 30, 1992 | \$70,576,575 | \$70,267,928 | \$53,295 | \$255,352 |

SEE NOTES TO FINANCIAL STATEMENTS

CITY OF SCOTTSDALE

EXHIBIT G-3

ENTERPRISE FUNDS

COMBINING STATEMENT OF CASH FLOWS

FOR THE FISCAL YEAR ENDED JUNE 30, 1992

| | TOTAL ALL FUNDS | WATER AND SEWER UTILITY | AIRPORT | PUBLIC HOUSING | SANITATION |
|--|-----------------------|-------------------------------|-------------|-------------------|------------|
| Cash Flows From Operating Activities: | | | | | |
| Operating Income (Loss) | \$3,209,963 | \$4,010,083 | (\$758,453) | \$ | (\$41,667) |
| Adjustments To Reconcile Operating Income (Loss) To Net Cash Provided From Operating Activities: | | | | | |
| Depreciation | 6,927,104 | 6,411,204 | 478,387 | | 37,513 |
| Amortization | 80,861 | 80,861 | | | |
| Changes In Assets and Liabilities (Sources (Uses) of Cash): | | | | | |
| Accounts Receivable | (79,850) | (119,796) | | | 39,946 |
| Miscellaneous Receivables | (362,015) | 135,311 | (485,053) | | (12,273) |
| Accounts Payable | 2,397,115 | 2,439,944 | (60,133) | | 17,304 |
| Accrued Payroll | 122,883 | 92,649 | 9,076 | | 21,158 |
| Due To General Fund | 492,963 | | 562,983 | | (70,020) |
| Deferred Revenue | 402,151 | 402,151 | | | |
| Other Liabilities | 1,173,404 | 1,173,404 | | | |
| Due From Capital Improvement Funds | (6,158,941) | (6,158,941) | | | |
| Total Adjustments | 4,995,675 | 4,456,787 | 505,260 | | 33,628 |
| Net Cash Provided By Operating Activities | 8,205,638 | 8,466,870 | (253,193) | | (8,039) |
| Cash Flows from Non-Capital Financing Activities: | | | | | |
| Operating Transfer | 302,140 | | 302,140 | | |
| Cash Flows From Capital and Related Financing Activities: | | | | | |
| Net Acquisition and Construction Of Property and Equipment | (13,469,786) | (12,518,845) | (905,740) | | (45,201) |
| Principal Payments On Long-Term Debt | (2,111,739) | (2,111,739) | | | |
| Interest Paid on Long-Term Debt | (3,359,994) | (3,359,994) | | | |
| Capital Contributions From Other Government Units | 822,377 | | 822,377 | | |
| Water and Sewer Development Fees | 6,050,204 | 6,050,204 | | | |
| Capital Contribution from Developers | 5,474,112 | 5,474,112 | | | |
| Proceeds from Bond Sales | 8,505,000 | 8,505,000 | | | |
| Principal Deletion of Refunded Debt | (7,725,000) | (7,725,000) | | | |
| Loss on Refunding | (780,000) | (780,000) | | | |
| Net Cash Used For Capital and Related Financing Activities | (6,594,826) | (6,466,262) | (83,363) | | (45,201) |
| Cash Flows From Investing Activities | | | | | |
| Interest Received On Investments | 2,584,571 | 2,526,285 | 5,046 | | 53,240 |
| Net Increase (Decrease) In Cash and Cash Equivalents | 4,497,523 | 4,526,893 | (29,370) | | |
| Cash and Cash Equivalents At Beginning Of Year | 39,880,470 | 39,851,100 | 29,370 | | |
| Cash and Cash Equivalents At End Of Year | \$44,377,993 | \$44,377,993 | \$ | \$ | \$ |

SEE NOTES TO FINANCIAL STATEMENTS

CITY OF SCOTTSDALE

EXHIBIT G-3
(CONT'D)

ENTERPRISE FUNDS

COMBINING STATEMENT OF CASH FLOWS

FOR THE FISCAL YEAR ENDED JUNE 30, 1992

| | TOTAL ALL FUNDS | WATER AND SEWER UTILITY | AIRPORT | PUBLIC HOUSING | SANITATION |
|---|-----------------------|-------------------------------|-----------|-------------------|------------|
| Cash and Cash Equivalents at End of Year Includes | | | | | |
| Cash and Short-Term Investments | \$15,151,110 | \$15,151,110 | \$ | \$ | \$ |
| Cash with Fiscal Agents | 3,705,799 | 3,705,799 | | | |
| Restricted Cash and Investments | 25,530,228 | 25,521,084 | | 9,144 | |
| Less Note Receivable | (9,144) | | | (9,144) | |
| Total Cash | \$44,377,993 | \$44,377,993 | \$ | \$ | \$ |
| Supplemental Disclosure Of Noncash Financing Activities: | | | | | |
| Additions To Property, Plant, and Equipment | | | | | |
| Contributions From Developers | \$3,294,474 | \$3,294,474 | \$ | \$ | \$ |
| Contributions From Municipality | 1,118,758 | 1,118,758 | | | |
| | \$4,413,232 | \$4,413,232 | \$ | \$ | \$ |

SEE NOTES TO FINANCIAL STATEMENTS

ENTERPRISE FUNDS

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

FOR THE FISCAL YEAR ENDED JUNE 30, 1992

| | TOTALS | | | WATER AND SEWER UTILITY | | | AIRPORT | | | SANITATION | | |
|--------------------------------------|--------------|--------------|--|-------------------------|--------------|--|-----------|------------|--|------------|-------------|--|
| | BUDGET | ACTUAL | VARIANCE FAVORABLE (UNFAVORABLE) | BUDGET | ACTUAL | VARIANCE FAVORABLE (UNFAVORABLE) | BUDGET | ACTUAL | VARIANCE FAVORABLE (UNFAVORABLE) | BUDGET | ACTUAL | VARIANCE FAVORABLE (UNFAVORABLE) |
| Revenues | | | | | | | | | | | | |
| Water Service Fees | \$26,000,000 | \$26,180,321 | \$180,321 | \$26,000,000 | \$26,180,321 | \$180,321 | \$ | \$ | \$ | \$ | \$ | \$ |
| Water Resources Fees | 2,017,000 | 2,380,617 | 363,617 | 2,017,000 | 2,380,617 | 363,617 | | | | | | |
| Sewer Service Fees | 7,250,000 | 7,578,467 | 328,467 | 7,250,000 | 7,578,467 | 328,467 | | | | | | |
| Planet Ranch | 500,000 | 380,535 | (119,465) | 500,000 | 380,535 | (119,465) | | | | | | |
| Sanitation Fees | 6,250,000 | 6,344,546 | 94,546 | | | | | | | 6,250,000 | 6,344,546 | 94,546 |
| Airport Fees | 685,000 | 626,447 | (58,553) | | | | 685,000 | 626,447 | (58,553) | | | |
| Interest Earnings | 1,250,000 | 1,225,701 | (24,299) | 1,200,000 | 1,171,636 | (28,364) | | 1,090 | 1,090 | 50,000 | 52,975 | 2,975 |
| Total Revenues | 43,952,000 | 44,716,634 | 764,634 | 36,967,000 | 37,691,576 | 724,576 | 685,000 | 627,537 | (57,463) | 6,300,000 | 6,397,521 | 97,521 |
| Expenditures | | | | | | | | | | | | |
| Water Operations | 16,694,735 | 15,790,955 | 903,780 | 16,694,735 | 15,790,955 | 903,780 | | | | | | |
| Sewer Operations | 2,746,858 | 2,558,734 | 188,124 | 2,746,858 | 2,558,734 | 188,124 | | | | | | |
| Sanitation Operations | 5,413,884 | 5,367,786 | 46,098 | | | | | | | 5,413,884 | 5,367,786 | 46,098 |
| Airport Operations | 693,895 | 684,230 | 9,665 | | | | 693,895 | 684,230 | 9,665 | | | |
| Debt Service and Reserves | 7,224,397 | 7,269,989 | (45,592) | 7,224,397 | 7,269,989 | (45,592) | | | | | | |
| Total Expenditures | 32,773,769 | 31,671,694 | 1,102,075 | 26,665,990 | 25,619,678 | 1,046,312 | 693,895 | 684,230 | 9,665 | 5,413,884 | 5,367,786 | 46,098 |
| Excess of Revenues Over Expenditures | \$11,178,231 | \$13,044,940 | \$1,866,709 | \$10,301,010 | \$12,071,898 | \$1,770,888 | (\$8,895) | (\$56,693) | (\$47,798) | \$886,116 | \$1,029,735 | \$143,619 |

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, 1992

EXHIBIT H-1

| ASSETS | TOTAL ALL FUNDS | MOTOR POOL | SELF INSURANCE |
|---|---|---|----------------------------------|
| Current Assets | | | |
| Cash and Short-Term Investments | \$6,534,950 | \$2,459,963 | \$4,074,987 |
| Receivables | | | |
| Accrued Interest | 66,530 | 26,708 | 39,822 |
| Miscellaneous | 31,480 | 4,842 | 26,638 |
| Supplies Inventory | 259,304 | 259,304 | |
| Total Current Assets | 6,892,264 | 2,750,817 | 4,141,447 |
| Property, Plant, and Equipment | | | |
| Buildings and Improvements | 1,222,868 | 1,222,868 | |
| Motor Vehicles | 13,608,458 | 13,608,458 | |
| Machinery and Equipment | 972,483 | 972,483 | |
| Furniture, Fixtures, and Office Equipment | 49,168 | 16,831 | 32,337 |
| Construction in Progress | 164,859 | 164,859 | |
| Accumulated Depreciation | 16,017,836 (8,756,305) | 15,985,499 (8,738,188) | 32,337 (18,117) |
| | 7,261,531 | 7,247,311 | 14,220 |
| Total Assets | \$14,153,795 | \$9,998,128 | \$4,155,667 |
| LIABILITIES AND FUND EQUITY | | | |
| Current Liabilities | | | |
| Accounts Payable | \$21,367 | \$15,235 | \$6,132 |
| Accrued Payroll | 208,929 | 180,567 | 28,362 |
| Claims Payable | | | |
| Reported | 3,629,025 | | 3,629,025 |
| Unreported | 462,254 | | 462,254 |
| Total Claims Payable | 4,091,279 | | 4,091,279 |
| Total Current Liabilities | 4,321,575 | 195,802 | 4,125,773 |
| Fund Equity | | | |
| Contributed Capital | 10,680,884 | 8,697,796 | 1,983,088 |
| Retained Earnings/Accumulated Deficit | (848,664) | 1,104,530 | (1,953,194) |
| Net Fund Equity | 9,832,220 | 9,802,326 | 29,894 |
| Total Liabilities and Fund Equity | \$14,153,795 | \$9,998,128 | \$4,155,667 |

SEE NOTES TO FINANCIAL STATEMENTS

CITY OF SCOTTSDALE

EXHIBIT H-2

INTERNAL SERVICE FUNDS

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

FOR THE FISCAL YEAR ENDED JUNE 30, 1992

| | TOTAL ALL FUNDS | MOTOR POOL | SELF INSURANCE |
|--|-----------------------|--------------------|----------------------|
| Operating Revenues | | | |
| Billings To User Programs | \$8,166,519 | \$5,605,092 | \$2,561,427 |
| Other | 94,951 | 89,120 | 5,831 |
| Total Operating Revenues | 8,261,470 | 5,694,212 | 2,567,258 |
| Operating Expenses | | | |
| Motor Pool Operations | 3,774,173 | 3,774,173 | |
| Self-Insurance Operations | 4,819,828 | | 4,819,828 |
| Depreciation | 1,424,133 | 1,421,105 | 3,028 |
| Total Operating Expenses | 10,018,134 | 5,195,278 | 4,822,856 |
| Operating Income/(Loss) | (1,756,664) | 498,934 | (2,255,598) |
| Non-Operating Revenues/ Operating Transfers | | | |
| Interest Earnings | 404,438 | 162,359 | 242,079 |
| Operating Transfer | 200,000 | | 200,000 |
| Total Non-Operating Revenues/ Operating Transfers | 604,438 | 162,359 | 442,079 |
| Net Income/(Loss) | (1,152,226) | 661,293 | (1,813,519) |
| Retained Earnings/Accumulated Deficit | | | |
| July 1, 1991 | 303,562 | 443,237 | (139,675) |
| Retained Earnings/Accumulated Deficit | (\$848,664) | \$1,104,530 | (\$1,953,194) |

SEE NOTES TO FINANCIAL STATEMENTS

CITY OF SCOTTSDALE

EXHIBIT H-3

INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF CASH FLOWS

FOR THE FISCAL YEAR ENDED JUNE 30, 1992

| | TOTAL ALL FUNDS | MOTOR POOL | SELF INSURANCE |
|---|-----------------------|---------------|-------------------|
| Cash Flows From Operating Activities: | | | |
| Operating Income /(Loss) | (\$1,756,664) | \$498,934 | (\$2,255,598) |
| Adjustments to Reconcile Operating Income to Net Cash Provided from Operating Activities: | | | |
| Depreciation | 1,424,133 | 1,421,105 | 3,028 |
| Changes in Assets and Liabilities (Sources (Uses) of Cash): | | | |
| Miscellaneous Receivables | (14,682) | (4,842) | (9,840) |
| Supplies Inventory | (12,470) | (12,470) | |
| Accounts Payable | (12,577) | (16,238) | 3,661 |
| Accrued Payroll | 21,376 | 16,649 | 4,727 |
| Claims Payable - Reported | 2,115,795 | | 2,115,795 |
| Claims Payable - Unreported | 353,142 | | 353,142 |
| Total Adjustments | 3,874,717 | 1,404,204 | 2,470,513 |
| Net Cash Provided by Operating Activities | 2,118,053 | 1,903,138 | 214,915 |
| Cash Flows From Non-Capital Financing Activities: | | | |
| Operating Transfer | 200,000 | | 200,000 |
| Cash Flows From Capital and Related Financing Activities: | | | |
| Acquisition and Construction of Property and Equipment | (2,291,436) | (2,291,436) | |
| Net Cash Used for Capital and Related Financing Activities | (2,291,436) | (2,291,436) | |
| Cash Flows From Investing Activities: | | | |
| Interest Received On Investments | 389,431 | 159,314 | 230,117 |
| Net Increase/(Decrease) in Cash and Cash Equivalents | 416,048 | (228,984) | 645,032 |
| Cash and Equivalents at Beginning of Year | 6,118,902 | 2,688,947 | 3,429,955 |
| Cash and Equivalents at End of Year | \$6,534,950 | \$2,459,963 | \$4,074,987 |

SEE NOTES TO FINANCIAL STATEMENTS

INTERNAL SERVICE FUNDS

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

FOR THE FISCAL YEAR ENDED JUNE 30, 1992

| | TOTALS | | | MOTOR POOL | | | SELF INSURANCE | | |
|---|-------------|-------------|--|---------------|-------------|--|----------------|-------------|--|
| | BUDGET | ACTUAL | VARIANCE FAVORABLE (UNFAVORABLE) | BUDGET | ACTUAL | VARIANCE FAVORABLE (UNFAVORABLE) | BUDGET | ACTUAL | VARIANCE FAVORABLE (UNFAVORABLE) |
| Revenues | | | | | | | | | |
| Billings To User Programs | \$8,141,000 | \$8,166,519 | \$25,519 | \$5,605,000 | \$5,605,092 | \$92 | \$2,536,000 | \$2,561,427 | \$25,427 |
| Contribution from Municipality | 200,000 | 200,000 | | | | | 200,000 | 200,000 | |
| Interest Earnings | 420,000 | 404,438 | (15,562) | 150,000 | 162,359 | 12,359 | 270,000 | 242,079 | (27,921) |
| Other | | 94,951 | 94,951 | | 89,120 | 89,120 | | 5,831 | 5,831 |
| Total Revenues | 8,761,000 | 8,865,908 | 104,908 | 5,755,000 | 5,856,571 | 101,571 | 3,006,000 | 3,009,337 | 3,337 |
| Expenditures | | | | | | | | | |
| Motor Pool Operations | 7,025,037 | 6,632,516 | 392,521 | 7,025,037 | 6,632,516 | 392,521 | | | |
| Self Insurance Operations | 2,356,279 | 2,383,742 | (27,463) | | | | 2,356,279 | 2,383,742 | (27,463) |
| Total Expenditures | 9,381,316 | 9,016,258 | 365,058 | 7,025,037 | 6,632,516 | 392,521 | 2,356,279 | 2,383,742 | (27,463) |
| Excess (Deficiency) of Revenues Over Expenditures | (\$620,316) | (\$150,350) | \$469,966 | (\$1,270,037) | (\$775,945) | \$494,092 | \$649,721 | \$625,595 | (\$24,126) |

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

CITY OF SCOTTSDALE

EXHIBIT I-1

SCHEDULE OF GENERAL FIXED ASSETS BY SOURCE

AS OF JUNE 30, 1992

Property and Equipment

| | |
|----------------------------|--------------|
| Land | \$43,590,570 |
| Buildings and Improvements | 129,024,479 |
| Streets and Storm Drains | 730,516,514 |
| Machinery and Equipment | 22,604,055 |
| Construction in Progress | 37,631,747 |

| | |
|----------------------------|----------------------|
| Total General Fixed Assets | <u>\$963,367,365</u> |
|----------------------------|----------------------|

Investment in General Fixed Assets From

| | |
|------------------------|--------------|
| General Fund | \$69,096,835 |
| Special Revenue Funds | 37,573,407 |
| Capital Projects Funds | 222,022,950 |
| Contributions | 607,094,986 |
| Improvement Districts | 27,579,187 |

| | |
|--|----------------------|
| Total Investment in General Fixed Assets | <u>\$963,367,365</u> |
|--|----------------------|

SCHEDULE OF GENERAL FIXED ASSETS BY FUNCTION AND ACTIVITY

AS OF JUNE 30, 1992

| DEPARTMENT | TOTAL | LAND | BUILDINGS AND IMPROVEMENTS | STREETS AND STORM DRAINS | MACHINERY AND EQUIPMENT |
|--|----------------------|---------------------|----------------------------------|--------------------------------|-------------------------------|
| General Government | \$1,793,163 | \$464,153 | \$833,838 | \$ | \$495,172 |
| Police | 3,936,201 | 40,855 | 1,009,158 | 48,038 | 2,838,150 |
| Financial Services | 900,897 | | 304,987 | | 595,910 |
| Transportation | 7,287,767 | | 7,027,680 | | 260,087 |
| Community Services | 19,038,755 | 7,444,399 | 9,679,017 | 134,747 | 1,780,592 |
| Management Services | 12,062,752 | | 13,733 | | 12,049,019 |
| Planning & Community Development | 338,695 | | 109,544 | | 229,151 |
| Fire | 691,891 | | 397,962 | | 293,929 |
| Municipal Services | 58,637 | | | | 58,637 |
| Capital Projects | 879,626,860 | 35,641,163 | 109,648,560 | 730,333,729 | 4,003,408 |
| Total General Fixed Assets Allocated to Functions | 925,735,618 | \$43,590,570 | \$129,024,479 | \$730,516,514 | \$22,604,055 |
| Construction In Progress | 37,631,747 | | | | |
| Total General Fixed Assets | \$963,367,365 | | | | |

CITY OF SCOTTSDALE

EXHIBIT I-3

SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS BY FUNCTION AND ACTIVITY

FOR THE FISCAL YEAR ENDED JUNE 30, 1992

| DEPARTMENT | JULY 1, 1991 | ADDITIONS | DELETIONS | JUNE 30, 1992 |
|----------------------------------|----------------------|---------------------|-----------------------|----------------------|
| General Government | \$1,749,839 | \$73,724 | (\$30,400) | \$1,793,163 |
| Police | 3,636,789 | 321,023 | (21,611) | 3,936,201 |
| Financial Services | 924,522 | 22,088 | (45,713) | 900,897 |
| Transportation | 7,272,185 | 20,145 | (4,563) | 7,287,767 |
| Community Services | 19,265,581 | 64,231 | (291,057) | 19,038,755 |
| Management Services | 12,006,084 | 149,283 | (92,615) | 12,062,752 |
| Planning & Community Development | 218,735 | 151,412 | (31,452) | 338,695 |
| Fire | 672,299 | 19,592 | | 691,891 |
| Municipal Services | 57,141 | 2,996 | (1,500) | 58,637 |
| Capital Projects | 827,429,887 | 52,678,138 | (481,165) | 879,626,860 |
| Construction in Progress | 14,288,989 | 41,411,307 | (18,068,549) | 37,631,747 |
| Total General Fixed Assets | <u>\$887,522,051</u> | <u>\$94,913,939</u> | <u>(\$19,068,625)</u> | <u>\$963,367,365</u> |

DEBT REQUIREMENTS

The supplemental debt service schedules are presented to provide a comprehensive overview of the City's total debt. These schedules are presented by debt type without regard to fund classification. They include a schedule of changes in long-term debt for the current fiscal year and a schedule of debt service requirements to maturity for each debt classification.

CITY OF SCOTTSDALE

EXHIBIT J-1

SCHEDULE OF CHANGES IN LONG-TERM DEBT

FOR THE FISCAL YEAR ENDED JUNE 30, 1992

| | JULY 1, 1991 | ISSUED | RETIRED | ADVANCE REFUNDINGS | | JUNE 30, 1992 | FINAL PAYMENT DATE |
|---|---------------------|---------------------|--------------------|---------------------|---------------------|----------------------|-----------------------|
| | | | | ISSUED | DEFEASED | | |
| GENERAL OBLIGATION BONDS | | | | | | | |
| 1968 Civic Center | \$1,125,000 | \$ | \$200,000 | \$ | \$ | \$925,000 | 07/01/96 |
| 1973 Storm Sewer | 3,500,000 | | | | | 3,500,000 | 07/01/93 |
| 1984 Public Buildings | 5,760,000 | | 1,440,000 | | | 4,320,000 | 07/01/95 |
| 1984 Parks & Recreation | 2,000,000 | | 500,000 | | | 1,500,000 | 07/01/95 |
| 1984 Storm Sewer | 240,000 | | 60,000 | | | 180,000 | 07/01/95 |
| 1985 Public Buildings | 112,500 | | | | | 112,500 | 07/01/05 |
| 1985 Parks & Recreation | 146,250 | | | | | 146,250 | 07/01/05 |
| 1985 Storm Sewer | 116,250 | | | | | 116,250 | 07/01/05 |
| 1986 Water Acquisition | 36,190,000 | | 690,000 | | | 35,500,000 | 07/01/06 |
| 1990 Capital Improvements | 28,785,000 | | | | | 28,785,000 | 07/01/10 |
| 1991 G.O. Refunding | 8,830,000 | | 125,000 | | | 8,705,000 | 07/01/05 |
| 1991 Series B | | 19,000,000 | | | | 19,000,000 | 07/01/11 |
| Total General Obligation Bonds | \$86,805,000 | \$19,000,000 | \$3,015,000 | \$ | \$ | \$102,790,000 | |
| REVENUE BONDS | | | | | | | |
| 1973 Utility Refunding | \$1,170,000 | \$ | \$275,000 | \$ | \$ | \$895,000 | 07/01/96 |
| 1977 Utility | 550,000 | | 550,000 | | | | 07/01/92 |
| 1984 Utility | 8,400,000 | | 50,000 | | 7,725,000 | 625,000 | 07/01/93 |
| 1990 Utility | 7,290,000 | | 220,000 | | | 7,070,000 | 07/01/09 |
| 1992 Refunding | | | | 8,505,000 | | 8,505,000 | 07/01/00 |
| 1984 HURF | 1,425,000 | | 425,000 | | | 1,000,000 | 07/01/03 |
| 1985 HURF | 2,055,000 | | 345,000 | | | 1,710,000 | 07/01/05 |
| 1987 HURF | 9,635,000 | | 75,000 | | | 9,560,000 | 07/01/07 |
| 1989 HURF Refunding | 15,845,000 | | 155,000 | | | 15,690,000 | 07/01/05 |
| Total Revenue Bonds | \$46,370,000 | \$ | \$2,095,000 | \$8,505,000 | \$7,725,000 | \$45,055,000 | |
| MUNICIPAL PROPERTY CORPORATION BONDS | | | | | | | |
| Arts Building, Parking Garage | \$3,535,000 | \$ | \$490,000 | \$ | \$ | \$3,045,000 | 07/01/96 |
| Golf Course | 10,930,000 | | 450,000 | | | 10,480,000 | 07/01/04 |
| Asset Transfer Refunding | 45,015,000 | | 745,000 | | 44,270,000 | | 11/01/14 |
| Street Improvements | 3,100,000 | | | | | 3,100,000 | 07/01/01 |
| Civic Center Underpass, Library, Police, Horseshorld Refunding | 36,205,000 | | 1,705,000 | | | 34,500,000 | 07/01/05 |
| Asset Transfer 1992 Refunding | | | | 47,095,000 | | 47,095,000 | 11/01/14 |
| Total Municipal Property Corporation Bonds | \$98,785,000 | \$ | \$3,390,000 | \$47,095,000 | \$44,270,000 | \$98,220,000 | |

CITY OF SCOTTSDALE

EXHIBIT J-1

SCHEDULE OF CHANGES IN LONG-TERM DEBT

FOR THE FISCAL YEAR ENDED JUNE 30, 1992

| | JULY 1, 1991 | ISSUED | RETIRED | ADVANCE REFUNDINGS | | JUNE 30, 1992 | FINAL PAYMENT DATE |
|---------------------------------------|----------------------|---------------------|---------------------|---------------------|---------------------|----------------------|-----------------------|
| | | | | ISSUED | DEFEASED | | |
| SPECIAL ASSESSMENTS | | | | | | | |
| PK-6802 5th Ave. Parking | \$15,000 | \$ | \$15,000 | \$ | \$ | \$ | 01/01/92 |
| RW-6805 5th Ave. | 5,000 | | 2,000 | | | 3,000 | 01/01/93 |
| RW-6806 Thomas, Civic Center, Earl | 70,000 | | 18,000 | | | 52,000 | 01/01/95 |
| P-8288 Indian Plaza Paving | 30,000 | | 30,000 | | | | 01/01/92 |
| P-7570 Scottsdale and Shea | 24,000 | | 24,000 | | | | 01/01/92 |
| P-8861 Gary Road Paving | 12,000 | | 6,000 | | | 6,000 | 01/01/93 |
| W-7829 North Scottsdale | 2,615,000 | | 650,000 | | | 1,965,000 | 01/01/95 |
| S-7830 Sewer Project | 680,000 | | 170,000 | | | 510,000 | 01/01/95 |
| WSP-8871 Escondido Estates | 54,000 | | 17,000 | | | 37,000 | 01/01/94 |
| WSP-8741 Hayden Road Extension | 715,000 | | 140,000 | | | 575,000 | 01/01/96 |
| WSP-8978 N. Airport Industrial | 3,125,000 | | 520,000 | | | 2,605,000 | 07/01/97 |
| I5502 NW Airpark | 1,210,000 | | 175,000 | | | 1,035,000 | 01/01/98 |
| 08739 Via Linda | 820,000 | | 120,000 | | | 700,000 | 01/01/98 |
| I8501 CAP @ Hayden Road | 550,000 | | 70,000 | | | 480,000 | 01/01/99 |
| I0601 Pima/CAP | 10,660,000 | | 1,070,000 | | | 9,590,000 | 01/01/01 |
| 08834 Pima Acres | 1,315,000 | | 135,000 | | | 1,180,000 | 01/01/01 |
| I0004 Fifth Avenue/Marshall Way | 1,215,000 | | | | | 1,215,000 | 01/01/02 |
| I0003 Old Scottsdale/West Main | 1,095,000 | | | | | 1,095,000 | 01/01/02 |
| I2001 Section 31 | | 525,000 | | | | 525,000 | 01/01/02 |
| I9001 Pinnacle Vista | | 925,000 | | | | 925,000 | 01/01/03 |
| Total Special Assessment Bonds | \$24,210,000 | \$1,450,000 | \$3,162,000 | \$ | \$ | \$22,498,000 | |
| Total Bonds | \$256,170,000 | \$20,450,000 | \$11,662,000 | \$55,600,000 | \$51,995,000 | \$268,563,000 | |
| CONTRACTS PAYABLE | | | | | | | |
| U.S. Corps of Engineers - | | | | | | | |
| Indian Bend Wash | \$3,850,670 | \$ | \$34,167 | \$ | \$ | \$3,816,503 | 2043 |
| Pepperwood | 314,190 | | 10,172 | | | 304,018 | 02/01/06 |
| Plan 6 | 1,168,201 | | 506,739 | | | 661,462 | 07/01/94 |
| Telephone Phase III | 57,897 | | 57,897 | | | | 12/23/91 |
| Computer Phase III.V | 25,714 | | 25,714 | | | | 12/23/91 |
| Computer Phase IV | 939,656 | | 939,656 | | | | 04/01/92 |
| Ladder Truck | 239,561 | | 74,238 | | | 165,323 | 09/30/93 |
| East Couplet/Galleria | | 525,000 | | | | 525,000 | 06/30/97 |
| West Couplet/Camelview | | 4,000,000 | | | | 4,000,000 | 2001 |
| Total Contracts | \$6,595,889 | \$4,525,000 | \$1,648,583 | \$ | \$ | \$9,472,306 | |
| TOTAL BONDS AND CONTRACTS | \$262,765,889 | \$24,975,000 | \$13,310,583 | \$55,600,000 | \$51,995,000 | \$278,035,306 | |

CITY OF SCOTTSDALE

EXHIBIT J-2

DEBT SERVICE REQUIREMENTS TO MATURITY
GENERAL OBLIGATION BONDS

FOR THE FISCAL YEAR ENDED JUNE 30, 1992

| FISCAL YEAR | GENERAL PURPOSE 6% LIMITATION | | | UTILITY PURPOSE 20% LIMITATION | | | TOTAL GENERAL OBLIGATION DEBT SERVICE REQUIREMENTS* | | |
|----------------|----------------------------------|---------------------|---------------------|-----------------------------------|---------------------|---------------------|--|---------------------|----------------------|
| | PRINCIPAL | INTEREST | TOTAL | PRINCIPAL | INTEREST | TOTAL | PRINCIPAL | INTEREST | TOTAL |
| 1992-93 | \$1,065,000 | \$4,006,753 | \$5,071,753 | \$2,400,000 | \$2,789,553 | \$5,189,553 | \$3,465,000 | \$6,796,306 | \$10,261,306 |
| 1993-94 | 730,000 | 3,859,743 | 4,589,743 | 2,915,000 | 2,661,153 | 5,576,153 | 3,645,000 | 6,520,896 | 10,165,896 |
| 1994-95 | 785,000 | 3,811,293 | 4,596,293 | 3,045,000 | 2,430,208 | 5,475,208 | 3,830,000 | 6,241,501 | 10,071,501 |
| 1995-96 | 2,125,000 | 3,759,418 | 5,884,418 | 1,130,000 | 2,188,473 | 3,318,473 | 3,255,000 | 5,947,891 | 9,202,891 |
| 1996-97 | 1,810,000 | 3,234,281 | 5,044,281 | 1,730,000 | 2,487,394 | 4,217,394 | 3,540,000 | 5,721,675 | 9,261,675 |
| 1997-98 | 1,850,000 | 3,016,360 | 4,866,360 | 1,960,000 | 2,446,200 | 4,406,200 | 3,810,000 | 5,462,560 | 9,272,560 |
| 1998-99 | 1,980,000 | 2,859,110 | 4,839,110 | 2,105,000 | 2,322,348 | 4,427,348 | 4,085,000 | 5,181,458 | 9,266,458 |
| 1999-00 | 2,115,000 | 2,690,810 | 4,805,810 | 3,065,000 | 2,186,818 | 5,251,818 | 5,180,000 | 4,877,628 | 10,057,628 |
| 2000-01 | 2,260,000 | 2,513,780 | 4,773,780 | 4,215,000 | 1,987,408 | 6,202,408 | 6,475,000 | 4,501,188 | 10,976,188 |
| 2001-02 | 2,410,000 | 2,355,050 | 4,765,050 | 4,540,000 | 1,708,063 | 6,248,063 | 6,950,000 | 4,063,113 | 11,013,113 |
| 2002-03 | 2,570,000 | 2,200,825 | 4,770,825 | 4,890,000 | 1,404,465 | 6,294,465 | 7,460,000 | 3,605,290 | 11,065,290 |
| 2003-04 | 2,750,000 | 2,035,600 | 4,785,600 | 5,265,000 | 1,074,540 | 6,339,540 | 8,015,000 | 3,110,140 | 11,125,140 |
| 2004-05 | 2,935,000 | 1,858,000 | 4,793,000 | 5,670,000 | 718,820 | 6,388,820 | 8,605,000 | 2,576,820 | 11,181,820 |
| 2005-06 | 4,185,000 | 1,668,420 | 5,853,420 | 5,070,000 | 329,550 | 5,399,550 | 9,255,000 | 1,997,970 | 11,252,970 |
| 2006-07 | 4,475,000 | 1,391,670 | 5,866,670 | 45,400 | 6,510 | 51,910 | 4,520,400 | 1,398,180 | 5,918,580 |
| 2007-08 | 4,739,600 | 1,089,165 | 5,828,765 | 5,125,000 | 779,145 | 5,904,145 | 9,864,600 | 1,868,310 | 11,732,910 |
| 2008-11 | | | | 7,335,000 | 551,100 | 7,886,100 | 7,335,000 | 551,100 | 7,886,100 |
| TOTALS | \$38,784,600 | \$42,350,278 | \$81,134,878 | \$60,505,400 | \$28,071,748 | \$88,577,148 | \$99,290,000 | \$70,422,026 | \$169,712,026 |

*EXCLUDES GENERAL OBLIGATION BOND PRINCIPAL AND INTEREST PAYMENTS TO BE MADE FROM THE FULLY FUNDED SINKING FUND;
PRINCIPAL \$3,500,000, INTEREST \$187,250.

DEBT SERVICE REQUIREMENTS TO MATURITY
REVENUE BONDS AND HIGHWAY USER BONDS

FOR THE FISCAL YEAR ENDED JUNE 30, 1992

| FISCAL YEAR | WATER AND SEWER UTILITY REVENUE BONDS | | | HIGHWAY USER REVENUE BONDS | | | TOTAL WATER AND SEWER UTILITY AND HIGHWAY USER REVENUE BONDS | | |
|---------------|--|--------------------|---------------------|-------------------------------|---------------------|---------------------|--|---------------------|---------------------|
| | PRINCIPAL | INTEREST | TOTAL | PRINCIPAL | INTEREST | TOTAL | PRINCIPAL | INTEREST | TOTAL |
| 1992-93 | \$1,160,000 | \$1,780,132 | \$2,940,132 | \$1,080,000 | \$2,030,272 | \$3,110,272 | \$2,240,000 | \$3,810,404 | \$6,050,404 |
| 1993-94 | 1,285,000 | 951,935 | 2,236,935 | 1,175,000 | 1,936,280 | 3,111,280 | 2,460,000 | 2,888,215 | 5,348,215 |
| 1994-95 | 1,560,000 | 884,063 | 2,444,063 | 1,270,000 | 1,840,182 | 3,110,182 | 2,830,000 | 2,724,245 | 5,554,245 |
| 1995-96 | 1,645,000 | 800,738 | 2,445,738 | 1,360,000 | 1,747,892 | 3,107,892 | 3,005,000 | 2,548,630 | 5,553,630 |
| 1996-97 | 1,730,000 | 708,688 | 2,438,688 | 1,460,000 | 1,647,743 | 3,107,743 | 3,190,000 | 2,356,431 | 5,546,431 |
| 1997-98 | 1,835,000 | 609,543 | 2,444,543 | 1,555,000 | 1,548,003 | 3,103,003 | 3,390,000 | 2,157,546 | 5,547,546 |
| 1998-99 | 1,940,000 | 502,048 | 2,442,048 | 1,665,000 | 1,440,690 | 3,105,690 | 3,605,000 | 1,942,738 | 5,547,738 |
| 1999-00 | 1,230,000 | 388,188 | 1,618,188 | 1,780,000 | 1,325,170 | 3,105,170 | 3,010,000 | 1,713,358 | 4,723,358 |
| 2000-01 | 390,000 | 314,428 | 704,428 | 1,905,000 | 1,202,965 | 3,107,965 | 2,295,000 | 1,517,393 | 3,812,393 |
| 2001-02 | 420,000 | 288,103 | 708,103 | 2,035,000 | 1,071,269 | 3,106,269 | 2,455,000 | 1,359,372 | 3,814,372 |
| 2002-03 | 450,000 | 259,543 | 709,543 | 2,180,000 | 929,607 | 3,109,607 | 2,630,000 | 1,189,150 | 3,819,150 |
| 2003-04 | 480,000 | 228,943 | 708,943 | 2,330,000 | 776,682 | 3,106,682 | 2,810,000 | 1,005,625 | 3,815,625 |
| 2004-05 | 515,000 | 195,823 | 710,823 | 2,515,000 | 608,735 | 3,123,735 | 3,030,000 | 804,558 | 3,834,558 |
| 2005-06 | 550,000 | 160,288 | 710,288 | 2,715,000 | 426,685 | 3,141,685 | 3,265,000 | 586,973 | 3,851,973 |
| 2006-07 | 590,000 | 121,788 | 711,788 | 2,935,000 | 223,060 | 3,158,060 | 3,525,000 | 344,848 | 3,869,848 |
| 2007-08 | 635,000 | 80,488 | 715,488 | | | | 635,000 | 80,488 | 715,488 |
| 2008-11 | 680,000 | 40,800 | 720,800 | | | | 680,000 | 40,800 | 720,800 |
| TOTALS | \$17,095,000 | \$8,315,539 | \$25,410,539 | \$27,960,000 | \$18,755,235 | \$46,715,235 | \$45,055,000 | \$27,070,774 | \$72,125,774 |

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CITY OF SCOTTSDALE

EXHIBIT J-2

DEBT SERVICE REQUIREMENTS TO MATURITY
MUNICIPAL PROPERTY CORPORATION, SPECIAL ASSESSMENT BONDS, AND CONTRACTS PAYABLE

FOR THE FISCAL YEAR ENDED JUNE 30, 1992

| FISCAL YEAR | MUNICIPAL PROPERTY CORPORATION DEBT SERVICE REQUIREMENTS | | | SPECIAL ASSESSMENT BONDS DEBT SERVICE REQUIREMENTS | | | CONTRACTS PAYABLE | | |
|----------------|---|---------------------|----------------------|---|--------------------|---------------------|--------------------|--------------------|---------------------|
| | PRINCIPAL | INTEREST | TOTAL | PRINCIPAL | INTEREST | TOTAL | PRINCIPAL | INTEREST | TOTAL |
| 1992-93 | \$4,440,000 | \$6,363,255 | \$10,803,255 | \$3,389,000 | \$1,456,455 | \$4,845,455 | \$1,034,090 | \$232,856 | \$1,266,946 |
| 1993-94 | 4,220,000 | 6,471,832 | 10,691,832 | 3,477,000 | 1,256,264 | 4,733,264 | 900,346 | 223,669 | 1,124,015 |
| 1994-95 | 4,475,000 | 6,216,683 | 10,691,683 | 3,447,000 | 996,645 | 4,443,645 | 558,409 | 218,869 | 777,278 |
| 1995-96 | 4,525,000 | 5,934,465 | 10,459,465 | 2,595,000 | 776,189 | 3,371,189 | 561,878 | 215,400 | 777,278 |
| 1996-97 | 4,915,000 | 5,649,579 | 10,564,579 | 2,455,000 | 599,339 | 3,054,339 | 565,599 | 211,679 | 777,278 |
| 1997-98 | 5,265,000 | 5,313,749 | 10,578,749 | 1,920,000 | 428,361 | 2,348,361 | 464,597 | 207,681 | 672,278 |
| 1998-99 | 5,630,000 | 4,947,030 | 10,577,030 | 1,630,000 | 305,274 | 1,935,274 | 468,891 | 203,387 | 672,278 |
| 1999-00 | 6,050,000 | 4,534,228 | 10,584,228 | 1,565,000 | 195,236 | 1,760,236 | 473,511 | 198,767 | 672,278 |
| 2000-01 | 6,520,000 | 4,084,875 | 10,604,875 | 1,565,000 | 87,441 | 1,652,441 | 478,481 | 193,797 | 672,278 |
| 2001-02 | 6,260,000 | 3,595,358 | 9,855,358 | 365,000 | 17,350 | 382,350 | 483,834 | 188,444 | 672,278 |
| 2002-03 | 6,765,000 | 3,107,112 | 9,872,112 | 90,000 | 2,813 | 92,813 | 89,598 | 182,680 | 272,278 |
| 2003-04 | 7,300,000 | 2,576,457 | 9,876,457 | | | | 95,813 | 176,465 | 272,278 |
| 2004-05 | 6,315,000 | 2,000,391 | 8,315,391 | | | | 102,516 | 169,762 | 272,278 |
| 2005-06 | 2,385,000 | 1,538,000 | 3,923,000 | | | | 87,811 | 163,008 | 250,819 |
| 2006-07 | 2,540,000 | 1,382,188 | 3,922,188 | | | | 72,216 | 158,950 | 231,166 |
| 2007-08 | 2,695,000 | 1,218,958 | 3,913,958 | | | | 75,910 | 155,256 | 231,166 |
| 2008-32 | 17,920,000 | 3,332,709 | 21,252,709 | | | | 2,958,806 | 1,977,144 | 4,935,950 |
| TOTALS | \$98,220,000 | \$68,266,869 | \$166,486,869 | \$22,498,000 | \$6,121,367 | \$28,619,367 | \$9,472,306 | \$5,077,814 | \$14,550,120 |

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

TABLE I

| FISCAL YEAR | TOTAL | GENERAL GOVERNMENT | POLICE | FINANCIAL SERVICES | TRANSPORTATION | COMMUNITY SERVICES | MANAGEMENT SERVICES | PLANNING AND ZONING | FIRE | WATER RESOURCES | MUNICIPAL SERVICES | STREETLIGHT DISTRICTS (1) | CAPITAL IMPROVEMENTS | DEBT SERVICES |
|-------------|--------------|--------------------|--------------|--------------------|----------------|--------------------|---------------------|---------------------|-------------|-----------------|--------------------|---------------------------|----------------------|---------------|
| (2) 1992 | \$98,616,817 | \$5,024,914 | \$18,399,147 | \$2,674,002 | \$2,308,548 | \$14,410,886 | \$3,239,139 | \$9,437,654 | \$6,086,072 | \$ | \$9,624,307 | \$440,809 | \$ | \$26,971,339 |
| (2) 1991 | 92,219,470 | 4,257,006 | 17,057,240 | 2,660,254 | 2,312,664 | 13,704,744 | 2,885,827 | 8,424,594 | 5,721,096 | | 8,643,248 | 431,424 | | 26,121,373 |
| (2) 1990 | 84,881,157 | 3,917,752 | 14,510,678 | 2,465,924 | 6,782,224 | 12,179,223 | 4,992,759 | 5,935,822 | 5,020,994 | | 2,891,348 | 432,177 | | 25,752,256 |
| 1989 | 95,645,945 | 5,202,464 | 14,138,466 | 2,856,972 | 6,504,125 | 12,323,666 | 4,441,009 | 5,889,490 | 4,787,139 | 1,418,078 | 8,081,417 | 415,041 | 1,976,266 | 27,611,812 |
| 1988 | 91,528,855 | 3,532,276 | 13,571,954 | 2,665,064 | 13,592,848 | 12,455,464 | 4,482,015 | 5,758,673 | 4,155,740 | 1,283,892 | | 408,668 | 1,269,248 | 26,551,691 |
| 1987 | 87,887,639 | 2,721,381 | 11,836,704 | 2,190,533 | 11,872,258 | 10,294,757 | 3,912,789 | 5,883,408 | 3,973,055 | | | 443,276 | 5,810,239 | 26,365,767 |
| 1986 | 79,682,450 | 2,589,123 | 9,475,467 | 1,942,012 | 11,037,959 | 8,730,701 | 7,321,889 | 8,195,938 | | | | | 7,583,511 | 22,805,850 |
| 1985 | 58,041,919 | 2,138,651 | 8,352,188 | 1,873,189 | 10,573,974 | 8,155,034 | 7,625,803 | 7,116,544 | | | | | 544,579 | 11,661,957 |
| 1984 | 50,714,853 | 1,927,456 | 7,433,027 | 1,792,739 | 9,035,611 | 7,198,146 | 5,833,286 | 5,678,868 | | | | | 9,386,874 | 2,428,846 |
| 1983 | 44,551,039 | 3,681,626 | 9,847,607 | 2,488,759 | 8,329,776 | 6,469,869 | | 5,402,471 | | | | | 6,705,466 | 1,625,465 |

(1) Streetlight Districts were not classified as General Government expenditures until fiscal year 1987.

(2) Reorganizations occurred during these fiscal years which resulted in department title changes and a shift in divisions between departments. Only 1991 has been recast to reflect these changes.

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

TABLE II

| FISCAL YEAR | TOTAL | TAXES | INTER-GOVERNMENT REVENUE | SPECIAL ASSESSMENTS* | LICENSES | CHARGES FOR SERVICES | FINES AND FORFEITURES | USE OF MONEY AND PROPERTY | STREETLIGHT DISTRICTS* | MISCELLANEOUS |
|-------------|--------------|--------------|--------------------------|----------------------|-----------|----------------------|-----------------------|---------------------------|------------------------|---------------|
| 1992 | \$99,886,346 | \$48,890,219 | \$26,553,493 | \$4,260,961 | \$704,935 | \$6,336,520 | \$2,228,091 | \$5,512,701 | \$499,529 | \$4,899,897 |
| 1991 | 92,656,392 | 46,358,382 | 25,176,007 | 2,774,035 | 630,070 | 5,152,757 | 2,215,138 | 6,345,610 | 558,163 | 3,446,230 |
| 1990 | 88,821,627 | 43,300,830 | 25,182,676 | 2,957,646 | 617,200 | 5,463,953 | 2,052,306 | 6,320,488 | 564,046 | 2,362,482 |
| 1989 | 91,683,407 | 40,349,302 | 23,956,139 | 2,527,537 | 596,233 | 10,594,369 | 1,838,594 | 7,708,925 | 509,184 | 3,603,124 |
| 1988 | 86,582,553 | 37,560,884 | 23,136,401 | 3,132,161 | 489,775 | 10,921,238 | 1,515,621 | 6,499,076 | 299,856 | 3,027,541 |
| 1987 | 77,534,835 | 34,165,734 | 22,208,618 | 1,317,697 | 474,633 | 9,394,683 | 1,091,268 | 6,020,676 | 255,020 | 2,606,506 |
| 1986 | 74,306,839 | 30,814,928 | 20,808,629 | | 421,354 | 9,150,054 | 1,533,450 | 8,086,213 | | 3,492,211 |
| 1985 | 63,083,250 | 27,324,172 | 19,651,559 | | 403,829 | 7,953,178 | 1,147,666 | 4,545,911 | | 2,056,935 |
| 1984 | 51,576,944 | 23,760,587 | 16,644,270 | | 385,009 | 7,085,896 | 1,009,111 | 1,377,798 | | 1,314,273 |
| 1983 | 42,899,061 | 18,845,162 | 15,419,637 | | 402,894 | 5,208,927 | 722,696 | 1,381,218 | | 918,527 |

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

**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 |
|-------------|--------------|-----------------|----------------------|-------------|------------------|
| 1992 | \$48,890,219 | \$33,163,422 | \$12,287,540 | \$3,281,655 | \$157,602 |
| 1991 | 46,358,382 | 31,159,495 | 11,924,840 | 3,122,093 | 151,954 |
| 1990 | 43,300,830 | 30,462,121 | 9,822,930 | 2,935,445 | 80,334 |
| 1989 | 40,349,302 | 28,401,262 | 9,125,216 | 2,720,995 | 101,829 |
| 1988 | 37,560,884 | 25,953,299 | 9,094,087 | 2,407,878 | 105,620 |
| 1987 | 34,165,734 | 24,273,366 | 7,707,177 | 2,093,052 | 92,139 |
| 1986 | 30,814,928 | 22,080,785 | 6,782,380 | 1,865,339 | 86,424 |
| 1985 | 27,324,172 | 20,051,172 | 5,580,004 | 1,628,787 | 64,209 |
| 1984 | 23,760,587 | 17,460,418 | 4,980,289 | 1,267,485 | 52,395 |
| 1983 | 18,845,162 | 14,399,311 | 3,371,348 | 1,022,588 | 51,915 |

TABLE IV

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

| FISCAL YEAR | TOTAL TAX LEVY | CURRENT TAX COLLECTIONS | % OF LEVY COLLECTIONS | DELINQUENT TAX COLLECTIONS | FUTURE YEAR TAX COLLECTIONS | TOTAL TAX COLLECTIONS | TOTAL COLLECTIONS % OF CURRENT LEVY | OUTSTANDING DELINQUENT TAXES | OUTSTANDING DELINQUENT AS % OF CURRENT LEVY |
|-------------|----------------|-------------------------|-----------------------|----------------------------|-----------------------------|-----------------------|-------------------------------------|------------------------------|---|
| 1992 | \$12,406,428 | \$11,242,860 | 90.62 | \$833,008 | \$111,672 | \$12,187,540 | 98.23 | \$850,230 | 6.85 |
| 1991 | 12,465,643 | 11,220,265 | 90.01 | 644,872 | 59,702 | 11,924,839 | 95.66 | 933,490 | 7.49 |
| 1990 | 9,863,616 | 9,179,323 | 93.06 | 601,806 | 41,967 | 9,823,096 | 99.59 | 740,805 | 7.51 |
| 1989 | 9,095,857 | 8,540,625 | 93.90 | 537,687 | 46,904 | 9,125,216 | 100.32 | 692,636 | 7.62 |
| 1988 | 8,943,980 | 8,321,524 | 93.89 | 669,796 | 102,767 | 9,094,087 | 101.68 | 602,824 | 6.74 |
| 1987 | 7,973,800 | 7,316,676 | 91.80 | 315,643 | 74,858 | 7,707,177 | 96.65 | 726,036 | 9.11 |
| 1986 | 6,776,237 | 6,498,494 | 95.90 | 183,078 | 100,807 | 6,782,379 | 100.00 | 351,720 | 5.19 |
| 1985 | 5,481,042 | 5,346,783 | 97.55 | 204,822 | 27,971 | 5,579,576 | 101.80 | 227,482 | 4.15 |
| 1984 | 5,008,462 | 4,674,445 | 93.33 | 187,583 | 28,399 | 4,890,427 | 97.64 | 227,075 | 4.49 |
| 1983 | 3,448,356 | 3,264,176 | 94.65 | 44,053 | 118,261 | 3,426,490 | 99.37 | 198,681 | 5.76 |

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**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) |
|-----------|---------------|--------------------------|------------------|--------------------|-----------------------|-----------------|------------|-----------------------|------------------------------------|
| 1991-92 P | Note | \$1,220,208,593 | \$13,420,160 | \$81,408,370 | \$59,724,632 | \$1,374,761,755 | \$462,386 | \$1,374,299,369 | \$9,455,811 |
| S | \$626,794,230 | 644,386,540 | 13,420,160 | 81,436,505 | 59,805,265 | 1,425,842,700 | 464,083 | 1,425,378,617 | 9,753,991 |
| 1990-91 P | Note | 1,223,412,100 | 17,661,195 | 77,524,985 | 56,007,880 | 1,374,606,160 | 462,542 | 1,374,143,616 | 9,328,072 |
| S | \$659,705,245 | 667,306,900 | 17,661,195 | 77,544,940 | 56,057,300 | 1,478,275,580 | 462,211 | 1,477,813,367 | 9,921,082 |
| 1989-90 P | Note | 1,135,696,035 | 16,335,940 | 72,491,425 | 52,966,020 | 1,277,489,420 | 475,955 | 1,277,013,465 | 8,660,247 |
| S | 657,418,600 | 641,834,315 | 16,335,940 | 72,491,425 | 53,002,235 | 1,441,082,515 | 478,065 | 1,440,604,450 | 9,609,263 |
| 1988-89 P | Note | 997,492,015 | 16,141,580 | 61,292,800 | 48,590,545 | 1,123,516,940 | 506,116 | 1,123,010,824 | 7,599,557 |
| S | 575,199,010 | 584,018,330 | 16,141,580 | 61,280,715 | 48,689,065 | 1,285,328,700 | 506,543 | 1,284,822,157 | 8,503,650 |
| 1987-88 P | Note | 884,855,850 | 15,960,085 | 52,975,475 | 46,231,835 | 1,000,023,245 | 511,936 | 999,511,309 | 6,824,658 |
| S | 500,624,140 | 539,400,325 | 15,960,085 | 53,014,855 | 46,258,720 | 1,155,258,125 | 501,752 | 1,154,756,373 | 7,766,372 |
| 1986-87 P | Note | 754,011,020 | 20,209,940 | 51,209,830 | 37,742,485 | 863,173,275 | 544,917 | 862,628,358 | 5,924,016 |
| S | 359,032,815 | 543,595,735 | 20,209,940 | 51,284,540 | 37,742,495 | 1,011,865,545 | 536,119 | 1,011,329,426 | 6,818,621 |
| 1985-86 P | Note | 612,418,575 | 19,491,720 | 31,181,985 | 34,897,580 | 697,989,860 | 347,947 | 697,641,913 | 4,996,510 |
| S | 289,289,410 | 442,267,375 | 19,491,720 | 31,282,385 | 34,897,580 | 817,228,470 | 335,622 | 816,892,848 | 5,498,018 |
| 1984-85 P | Note | 497,307,980 | 5,586,005 | 34,234,800 | 32,718,135 | 569,846,920 | 404,295 | 569,442,625 | 4,008,323 |
| S | 238,256,260 | 360,033,625 | 5,586,005 | 34,344,260 | 32,718,135 | 670,938,285 | 379,760 | 670,558,525 | 4,684,493 |
| 1983-84 P | Note | 415,957,110 | 7,117,670 | 44,027,420 | 31,163,760 | 498,265,960 | 432,103 | 497,833,857 | 3,450,866 |
| S | 207,127,235 | 328,758,240 | 7,117,670 | 44,179,445 | 31,163,760 | 618,346,350 | 359,684 | 617,986,666 | 4,252,661 |
| 1982-83 P | Note | 337,368,075 | 873,145 | 23,763,595 | 34,378,830 | 396,383,645 | 489,152 | 395,894,493 | 3,250,168 |
| S | 118,468,430 | 294,573,905 | 873,145 | 23,971,545 | 34,378,830 | 472,265,855 | 424,824 | 471,841,031 | 2,781,027 |

Note: Real Estate and Improvements combined in primary valuation.

ASSESSED VALUATION HISTORIES

| | City of Scottsdale | Maricopa County | State of Arizona |
|-----------|--------------------|------------------|------------------|
| 1991-92 P | \$1,374,299,369 | \$13,875,615,691 | \$21,620,849,326 |
| S | 1,425,378,617 | 14,235,175,875 | 22,193,297,451 |
| 1990-91 P | 1,374,143,616 | 14,132,765,094 | 21,665,493,366 |
| S | 1,477,813,367 | 14,772,923,118 | 22,538,018,640 |
| 1989-90 P | 1,277,013,465 | 13,686,040,352 | 21,005,523,893 |
| S | 1,440,604,450 | 14,687,784,811 | 22,339,250,803 |
| 1988-89 P | 1,123,010,824 | 12,373,679,006 | 19,288,421,282 |
| S | 1,284,822,157 | 13,493,208,236 | 20,832,030,237 |
| 1987-88 P | 999,511,309 | 11,487,860,703 | 17,968,514,121 |
| S | 1,154,756,373 | 12,401,720,464 | 19,343,265,895 |
| 1986-87 P | 862,628,358 | 9,752,363,542 | 15,869,884,369 |
| S | 1,011,329,426 | 10,963,593,442 | 17,651,286,504 |
| 1985-86 P | 697,641,913 | 8,073,816,168 | 13,660,461,630 |
| S | 816,892,848 | 9,038,215,631 | 15,187,957,117 |
| 1984-85 P | 569,442,625 | 7,057,697,234 | 12,136,753,090 |
| S | 670,558,525 | 7,929,606,629 | 13,527,994,589 |
| 1983-84 P | 497,833,857 | 6,372,193,869 | 11,135,717,824 |
| S | 617,986,666 | 7,477,212,494 | 12,864,444,352 |
| 1982-83 P | 395,894,493 | 5,257,521,736 | 9,943,400,152 |
| S | 471,841,031 | 6,034,315,165 | 11,199,119,863 |

Note: Property tax reform legislation approved by the voters on June 3, 1980, created PRIMARY (P) SECONDARY (S) valuation bases. Taxes levied on PRIMARY valuations are for maintenance and operation of counties, cities, school districts, community college districts, and the state. Taxes levied on SECONDARY valuations are for debt retirement, voter-approved budget overrides, and maintenance and operation of special-service districts.

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

TAX RATES PER \$100 ASSESSED VALUATIONS

| FISCAL YEAR | | CITY OF SCOTTSDALE | SCHOOL DISTRICTS | | MARICOPA COUNTY | STATE OF ARIZONA | FLOOD DISTRICT | CENTRAL ARIZONA PROJECT | FIRE DISTRICT | LIBRARY | TOTAL |
|-------------|-----------|--------------------|--------------------|-------------------|-----------------|------------------|----------------|-------------------------|---------------|---------|----------|
| | | | SCOTTSDALE UNIFIED | COMMUNITY COLLEGE | | | | | | | |
| 1991-92 | Primary | \$.4101 | \$4.1346 | \$.7459 | \$1.5143 | \$.4700 | \$ | \$ | \$ | \$ | \$7.2749 |
| | Secondary | .4750 | 1.1437 | .0943 | .1741 | | .4447 | .1400 | .0082 | .0444 | 2.5244 |
| | TOTAL | .8851 | \$5.2783 | .8402 | \$1.6884 | .4700 | .4447 | .1400 | .0082 | .0444 | \$9.7993 |
| 1990-91 | Primary | \$.3941 | \$4.1697 | \$.7047 | \$1.5045 | \$.4700 | \$ | \$ | \$ | \$ | \$7.2430 |
| | Secondary | .4772 | .9093 | .0916 | .1683 | | .4235 | .1000 | .0064 | .0420 | 2.2183 |
| | TOTAL | .8713 | \$5.0790 | .7963 | \$1.6728 | .4700 | .4235 | .1000 | .0064 | .0420 | \$9.4613 |
| 1989-90 | Primary | \$.3919 | \$4.3220 | \$.6869 | \$1.4426 | \$.4700 | \$ | \$ | \$ | \$ | \$7.3134 |
| | Secondary | .3373 | .9637 | .0639 | .1637 | | .4303 | .1000 | .0064 | .0420 | 2.1073 |
| | TOTAL | .7292 | \$5.2857 | .7508 | \$1.6063 | .4700 | .4303 | .1000 | .0064 | .0420 | \$9.4207 |
| 1988-89 | Primary | \$.4031 | \$4.3393 | \$.6473 | \$1.4370 | \$.4700 | \$ | \$ | \$ | \$ | \$7.2967 |
| | Secondary | .3556 | .8458 | .0684 | .1656 | | .5000 | .1000 | .0087 | .0445 | 2.0886 |
| | TOTAL | .7587 | \$5.1851 | .7157 | \$1.6026 | .4700 | .5000 | .1000 | .0087 | .0445 | \$9.3853 |
| 1987-88 | Primary | \$.4100 | \$5.2000 | \$.6100 | \$1.4300 | \$.3800 | \$ | \$ | \$ | \$ | \$8.0300 |
| | Secondary | .4200 | .4900 | .0700 | .2100 | | .5000 | .1000 | .0100 | .0300 | 1.8300 |
| | TOTAL | .8300 | \$5.6900 | .6800 | \$1.6400 | .3800 | .5000 | .1000 | .0100 | .0300 | \$9.8600 |
| 1986-87 | Primary | \$.4200 | \$4.9100 | \$.6600 | \$1.4500 | \$.3800 | \$ | \$ | \$ | \$ | \$7.8200 |
| | Secondary | .4400 | .6500 | .0800 | .2200 | | .5000 | .0700 | | | 1.9600 |
| | TOTAL | .8600 | \$5.5600 | .7400 | \$1.6700 | .3800 | .5000 | .0700 | | | \$9.7800 |
| 1985-86 | Primary | \$.4300 | \$4.7600 | \$.7100 | \$1.4500 | \$.4000 | \$ | \$ | \$ | \$ | \$7.7500 |
| | Secondary | .4600 | | .1100 | .1600 | | .5000 | .0700 | | | 1.3000 |
| | TOTAL | .8900 | \$4.7600 | .8200 | \$1.6100 | .4000 | .5000 | .0700 | | | \$9.0500 |
| 1984-85 | Primary | \$.4800 | \$4.3000 | \$.7500 | \$1.5000 | \$.4000 | \$ | \$ | \$ | \$ | \$7.4300 |
| | Secondary | .4200 | | .1600 | .1600 | | .5000 | .0700 | | | 1.1500 |
| | TOTAL | .9000 | \$4.3000 | .7500 | \$1.6600 | .4000 | .5000 | .0700 | | | \$8.5800 |
| 1983-84 | Primary | \$.5100 | \$4.3400 | \$.7700 | \$1.5300 | \$.7500 | \$ | \$ | \$ | \$ | \$7.9000 |
| | Secondary | .4000 | .1300 | | .2400 | | .4800 | .0500 | | | 1.3000 |
| | TOTAL | .9100 | \$4.4700 | .7700 | \$1.7700 | .7500 | .4800 | .0500 | | | \$9.2000 |
| 1982-83 | Primary | \$.5500 | \$3.9800 | \$.8000 | \$1.5700 | \$.7500 | \$ | \$ | \$ | \$ | \$7.6500 |
| | Secondary | .2600 | .2100 | | .1600 | | .5000 | .0300 | | | 1.1600 |
| | TOTAL | .8100 | \$4.1900 | .8000 | \$1.7300 | .7500 | .5000 | .0300 | | | \$8.8100 |

Scottsdale residents residing outside Scottsdale Unified School District:

| School District | 1991-92 Tax Rate Total |
|------------------|------------------------|
| Balsz Elementary | \$11.62 |
| Cave Creek | 9.52 |
| Fountain Hills | 10.56 |
| Paradise Valley | 12.42 |
| Tempe | 11.52 |

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

TAX LEVIES

| FISCAL YEAR | | SCHOOL DISTRICTS | | | MARICOPA COUNTY | STATE OF ARIZONA | FLOOD DISTRICT | CENTRAL ARIZONA PROJECT | FIRE DISTRICT | LIBRARY | TOTAL |
|-------------|-----------|--------------------|--------------------|-------------------|-----------------|------------------|----------------|-------------------------|---------------|-------------|---------------|
| | | CITY OF SCOTTSDALE | SCOTTSDALE UNIFIED | COMMUNITY COLLEGE | | | | | | | |
| 1991-92 | Primary | \$5,636,002 | \$63,651,363 | \$103,498,218 | \$210,113,008 | \$65,215,394 | \$ | \$ | \$ | \$ | \$448,113,985 |
| | Secondary | 6,770,426 | 18,014,779 | 13,421,470 | 25,868,883 | | 46,536,815 | 19,929,247 | 1,167,284 | 6,320,418 | 138,029,322 |
| | TOTAL | \$12,406,428 | \$81,666,142 | \$116,919,688 | \$235,981,891 | \$65,215,394 | \$46,536,815 | \$19,929,247 | \$1,167,284 | \$6,320,418 | \$586,143,307 |
| 1990-91 | Primary | \$5,413,466 | \$64,113,108 | \$99,559,163 | \$209,542,215 | \$63,689,678 | \$ | \$ | \$ | \$ | \$442,317,630 |
| | Secondary | 7,052,177 | 14,778,034 | 13,524,900 | 26,049,981 | | 46,551,742 | 14,187,398 | 1,192,883 | 5,958,707 | 129,295,822 |
| | TOTAL | \$12,465,643 | \$78,891,142 | \$113,084,063 | \$235,592,196 | \$63,689,678 | \$46,551,742 | \$14,187,398 | \$1,192,883 | \$5,958,707 | \$571,613,452 |
| 1989-90 | Primary | \$5,004,616 | \$63,682,375 | \$94,016,141 | \$197,430,202 | \$64,324,340 | \$ | \$ | \$ | \$ | \$424,457,674 |
| | Secondary | 4,859,000 | 15,336,527 | 9,382,900 | 24,041,307 | | 47,234,724 | 14,687,785 | 982,630 | 6,618,870 | 123,143,743 |
| | TOTAL | \$9,863,616 | \$79,018,902 | \$103,399,041 | \$221,471,509 | \$64,324,340 | \$47,234,724 | \$14,687,785 | \$982,630 | \$6,618,870 | \$547,601,417 |
| 1988-89 | Primary | \$4,526,857 | \$57,697,334 | \$80,098,810 | \$177,809,767 | \$58,121,461 | \$ | \$ | \$ | \$ | \$378,254,229 |
| | Secondary | 4,569,000 | 12,426,366 | 9,218,850 | 12,324,183 | | 50,832,192 | 13,480,787 | 1,179,127 | 6,000,000 | 110,030,505 |
| | TOTAL | \$9,095,857 | \$70,123,700 | \$89,317,660 | \$190,133,950 | \$58,121,461 | \$50,832,192 | \$13,480,787 | \$1,179,127 | \$6,000,000 | \$488,284,734 |
| 1987-88 | Primary | \$4,131,980 | \$63,154,347 | \$70,272,141 | \$165,318,498 | \$43,656,031 | \$ | \$ | \$ | \$ | \$346,532,997 |
| | Secondary | 4,812,000 | 6,532,030 | 9,057,513 | 27,251,761 | | 47,860,799 | 12,402,456 | 1,184,118 | 4,135,868 | 113,236,545 |
| | TOTAL | \$8,943,980 | \$69,686,377 | \$79,329,654 | \$192,570,259 | \$43,656,031 | \$47,860,799 | \$12,402,456 | \$1,184,118 | \$4,135,868 | \$459,769,542 |
| 1986-87 | Primary | \$3,609,800 | \$53,017,998 | \$64,252,038 | \$140,945,425 | \$37,058,981 | \$ | \$ | \$ | \$ | \$298,884,242 |
| | Secondary | 4,364,000 | 7,966,614 | 8,936,900 | 26,639,165 | | 44,850,000 | 7,674,515 | | | 100,431,194 |
| | TOTAL | \$7,973,800 | \$60,984,612 | \$73,188,938 | \$167,584,590 | \$37,058,981 | \$44,850,000 | \$7,674,515 | | | \$399,315,436 |
| 1985-86 | Primary | \$3,042,009 | \$43,000,993 | \$57,198,367 | \$117,171,280 | \$31,718,427 | \$ | \$ | \$ | \$ | \$252,131,076 |
| | Secondary | 3,734,228 | | 9,265,991 | 14,500,000 | | 35,258,000 | 6,326,751 | | | 69,084,970 |
| | TOTAL | \$6,776,237 | \$43,000,993 | \$66,464,358 | \$131,671,280 | \$31,718,427 | \$35,258,000 | \$6,326,751 | | | \$321,216,046 |
| 1984-85 | Primary | \$2,719,021 | \$32,632,320 | \$52,825,981 | \$105,958,455 | \$28,197,257 | \$ | \$ | \$ | \$ | \$222,333,034 |
| | Secondary | 2,762,021 | | 11,919,468 | | | 29,484,792 | 5,544,888 | | | 49,711,169 |
| | TOTAL | \$5,481,042 | \$32,632,320 | \$52,825,981 | \$117,877,923 | \$28,197,257 | \$29,484,792 | \$5,544,888 | | | \$272,044,203 |
| 1983-84 | Primary | \$2,558,626 | \$29,535,753 | \$49,021,392 | \$97,060,969 | \$47,791,454 | \$ | \$ | \$ | \$ | \$225,968,194 |
| | Secondary | 2,449,836 | 1,044,991 | 17,945,309 | | | 25,750,000 | 3,738,606 | | | 50,928,742 |
| | TOTAL | \$5,008,462 | \$30,580,744 | \$49,021,392 | \$115,006,278 | \$47,791,454 | \$25,750,000 | \$3,738,606 | | | \$276,896,936 |
| 1982-83 | Primary | \$2,188,451 | \$22,663,965 | \$42,157,932 | \$82,722,892 | \$39,432,461 | \$ | \$ | \$ | \$ | \$189,165,701 |
| | Secondary | 1,259,905 | 1,441,572 | 9,655,311 | | | 22,348,935 | 1,810,371 | | | 36,516,094 |
| | TOTAL | \$3,448,356 | \$24,105,537 | \$42,157,932 | \$92,378,203 | \$39,432,461 | \$22,348,935 | \$1,810,371 | | | \$225,681,795 |

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.

**CITY OF SCOTTSDALE
PRINCIPAL TAXPAYERS
JUNE 30, 1992**

TABLE VII

| TAXPAYER | TYPE OF BUSINESS | ASSESSED VALUATION | PERCENT OF SECONDARY ASSESSED VALUATION |
|-------------------------------------|-------------------------------|-----------------------|--|
| Arizona Public Service | Electric Utility | \$30,073,595 | 2.11 |
| Motorola, Inc. | Electronics Manufacturing | 23,463,665 | 1.65 |
| Westcor Company II Ltd. Partnership | Shopping Center | 14,822,305 | 1.04 |
| McKesson Corporation | Pharmaceutical Company | 9,907,170 | 0.70 |
| U.S. West Communications | Telecommunications | 9,757,945 | 0.68 |
| Joyce M. Corrigan | Owner of Undeveloped Property | 9,519,125 | 0.67 |
| Herberger Enterprises and Trust | Residential Property Owners | 8,379,000 | 0.59 |
| Mayo Foundation for Medicine | Medical Facility | 6,529,955 | 0.46 |
| Registry Resort | Resort | 6,379,025 | 0.45 |
| Southwest Gas | Gas Utility | 6,111,095 | 0.43 |
| Camelview Shopping Center | Shopping Center | 5,382,715 | 0.38 |
| Kemper Marley | Landowner | 5,087,310 | 0.36 |
| | | \$135,412,905 | 9.52 |

TABLE VIII

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

| FISCAL YEAR | SPECIAL ASSESSMENTS BILLED | CURRENT ASSESSMENTS COLLECTED | RATIO OF COLLECTIONS TO AMOUNT DUE | TOTAL OUTSTANDING* CURRENT AND DELINQUENT ASSESSMENTS |
|----------------|----------------------------------|-------------------------------------|--|--|
| 1991-92 | \$4,277,490 | \$4,232,313 | 98.9% | \$45,177 |
| 1990-91 | 3,154,734 | 3,107,553 | 98.5 | 47,181 |
| 1989-90 | 3,000,779 | 2,936,746 | 97.9 | 64,033 |
| 1988-89 | 3,039,493 | 3,000,260 | 98.7 | 39,233 |
| 1987-88 | 3,052,968 | 3,029,100 | 99.2 | 23,868 |
| 1986-87 | 2,145,044 | 2,128,060 | 99.2 | 16,984 |
| 1985-86 | 1,885,731 | 1,884,530 | 99.9 | 1,201 |
| 1984-85 | 469,277 | 468,058 | 99.7 | 1,219 |
| 1983-84 | 307,290 | 302,047 | 98.3 | 5,243 |
| 1982-83 | 530,838 | 522,765 | 98.5 | 8,073 |

* Under Arizona law, public auctions are held in January of each year at which disposition of then-delinquent assessments is made. By bid, special lien rights to properties against which due but unpaid assessments exist are offered in return for payment of all outstanding amounts plus penalties. In the event there are not interested bidders, the delinquency must be satisfied from budgetary funds of the sponsoring governmental unit. Thus, in January of each year, all outstanding delinquent assessments are collected. The amounts shown in this column, if any, represent unpaid balances of the June 1 semi-annual interest installment only.

TABLE IX

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

| FISCAL YEAR | POPULATION (1) | ASSESSED VALUE | GROSS BONDED DEBT (2) | LESS DEBT SERVICE FUNDS | NET BONDED DEBT | RATIO OF NET BONDED DEBT TO ASSESSED VALUE | NET BONDED DEBT PER CAPITA |
|-------------|----------------|-----------------|-----------------------|-------------------------|-----------------|--|----------------------------|
| 1991-92 | 139,050 | \$1,425,378,617 | \$67,290,000 | \$4,931,821 | \$62,358,179 | 4.4% | \$448.46 |
| 1990-91 | 133,949 | 1,477,813,367 | 50,615,000 | 5,674,407 | 44,940,593 | 3.0 | 335.51 |
| 1989-90 | 130,720 | 1,440,604,450 | 52,400,000 | 5,438,209 | 46,961,791 | 3.3 | 359.25 |
| 1988-89 | 127,553 | 1,284,822,157 | 29,535,000 | 6,256,289 | 23,278,711 | 1.8 | 182.50 |
| 1987-88 | 124,562 | 1,154,756,373 | 32,950,000 | 7,028,420 | 25,921,580 | 2.2 | 208.10 |
| 1986-87 | 120,541 | 1,011,329,426 | 36,335,000 | 7,769,234 | 28,565,766 | 2.8 | 236.98 |
| 1985-86 | 114,993 | 816,892,848 | 40,195,000 | 8,270,674 | 31,924,326 | 3.9 | 277.62 |
| 1984-85 | 107,900 | 670,558,525 | 30,800,000 | 6,525,723 | 24,274,277 | 3.6 | 224.97 |
| 1983-84 | 100,900 | 617,986,666 | 31,000,000 | 6,492,884 | 24,507,116 | 4.0 | 242.89 |
| 1982-83 | 98,600 | 417,841,031 | 11,365,000 | 6,047,735 | 5,317,265 | 1.1 | 53.93 |

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(1) Source: City Planning Staff

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

**CITY OF SCOTTSDALE
COMPUTATION OF LEGAL DEBT MARGINS
JUNE 30, 1992**

TABLE X

| | | |
|--|------------|----------------------|
| Assessed Value | | \$1,425,378,617 |
| Debt Limit 6% of Assessed Value | | 85,522,717 |
| Amount of Debt Applicable to Debt Limit | | |
| Total 6% General Obligation Bonded Debt | | |
| 1968 Civic Center | 1,125,000 | |
| 1983 CIP Series A | 2,400,000 | |
| 1985 CIP Series B | 375,000 | |
| 1990 CIP Series A | 21,519,000 | |
| 1991 Refunding | 1,930,000 | |
| 1991 Series B | 13,760,600 | 41,109,600 |
| | | 41,109,600 |
| Less: | | |
| Cash in Debt Service Funds | | |
| 1968 Civic Center | 200,000 | |
| 1983 CIP Series A | 2,000,000 | |
| 1991 Refunding | 125,000 | 2,325,000 |
| | | 2,325,000 |
| Total Debt Applicable to Debt Limit | | 38,784,600 |
| | | 38,784,600 |
| Legal Debt Margin | | \$46,738,117 |
| | | \$46,738,117 |
| Debt Limit 20% of Assessed Value | | \$285,075,723 |
| Amount of Debt Applicable to Debt Limit | | |
| Total 20% General Obligation Bonded Debt | | |
| 1973 Storm Sewer Series A | 3,500,000 | |
| 1983 CIP Series A | 5,600,000 | |
| 1986 Water Improvements | 36,190,000 | |
| 1990 CIP Series A | 7,266,000 | |
| 1991 Refunding | 6,900,000 | |
| 1991 Series B | 5,239,400 | 64,695,400 |
| | | 64,695,400 |
| Less: | | |
| Cash in Debt Service Funds | | |
| 1973 Storm Sewer Series A | 3,500,000 | |
| 1986 Water Improvements | 690,000 | 4,190,000 |
| | | 4,190,000 |
| Total Debt Applicable to Debt Limit | | 60,505,400 |
| | | 60,505,400 |
| Legal Debt Margin | | \$224,570,323 |
| | | \$224,570,323 |

TABLE XI

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

| FISCAL YEAR | PRINCIPAL | INTEREST | DEBT SERVICE | TOTAL EXPENDITURES | RATIO OF DEBT SERVICE TO TOTAL EXPENDITURES |
|-------------|-------------|-------------|--------------|--------------------|---|
| 1992 | \$2,325,000 | \$4,448,878 | \$6,773,878 | \$98,616,817 | 6.87% |
| 1991 | 2,515,000 | 3,462,318 | 5,977,318 | 92,217,407 | 6.48 |
| 1990 | 2,475,000 | 2,724,699 | 5,199,699 | 84,881,157 | 6.13 |
| 1989 | 3,445,000 | 2,178,611 | 5,623,611 | 95,645,945 | 5.90 |
| 1988 | 3,415,000 | 2,339,321 | 5,754,321 | 91,528,855 | 6.26 |
| 1987 | 3,385,000 | 2,651,968 | 6,036,968 | 84,961,071 | 7.11 |
| 1986 | 3,860,000 | 2,782,036 | 6,642,036 | 79,682,450 | 8.34 |
| 1985 | 975,000 | 2,080,725 | 3,055,725 | 58,041,919 | 5.26 |
| 1984 | 670,000 | 1,114,165 | 1,784,165 | 50,714,853 | 3.52 |
| 1983 | 660,000 | 589,860 | 1,249,860 | 44,551,039 | 2.81 |

TABLE XII

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

COVERAGE INCLUDING 1986 GENERAL OBLIGATION BOND EXPENSES

| FISCAL YEAR | GROSS REVENUE | OPERATING & MAINTENANCE EXPENSES | NET REVENUE AVAILABLE FOR DEBT SERVICE | PRINCIPAL | INTEREST | TOTAL | COVERAGE | REQUIRED COVERAGE |
|-------------|---------------|----------------------------------|--|-------------|-------------|-------------|----------|-------------------|
| 1992 | \$36,784,727 | \$23,685,494 | \$13,099,233 | \$1,785,000 | \$3,849,104 | \$5,634,104 | 2.32 | 1.20 |
| 1991 | 34,101,914 | 25,034,722 | 9,067,192 | 1,605,000 | 3,956,008 | 5,561,008 | 1.63 | 1.20 |
| 1990 | 33,204,682 | 19,749,304 | 13,455,378 | 1,295,000 | 3,742,838 | 5,037,838 | 2.67 | 1.20 |
| 1989 | 28,081,975 | 15,044,722 | 13,037,253 | 1,170,000 | 3,562,876 | 4,732,876 | 2.75 | 1.20 |
| 1988 | 26,327,551 | 12,208,834 | 14,118,717 | 1,050,000 | 3,624,851 | 4,674,851 | 3.02 | 1.20 |
| 1987 | 19,757,728 | 11,333,904 | 8,423,824 | 690,000 | 3,001,897 | 3,691,897 | 2.28 | 1.20 |
| 1986 | 16,048,667 | 6,275,565 | 9,773,102 | 950,000 | 1,084,061 | 2,034,061 | 4.80 | 1.20 |
| 1985 | 12,936,684 | 5,259,787 | 7,676,897 | 1,270,000 | 1,151,571 | 2,421,571 | 3.17 | 1.20 |
| 1984 | 10,415,234 | 4,843,415 | 5,571,819 | 1,200,000 | 770,132 | 1,970,132 | 2.83 | 1.20 |
| 1983 | 8,122,921 | 4,007,847 | 4,115,074 | 685,000 | 490,573 | 1,175,573 | 3.50 | 1.20 |

COVERAGE NOT INCLUDING 1986 GENERAL OBLIGATION BOND EXPENSES

| FISCAL YEAR | GROSS REVENUE | OPERATING & MAINTENANCE EXPENSES | NET REVENUE AVAILABLE FOR DEBT SERVICE | PRINCIPAL | INTEREST | TOTAL | COVERAGE |
|-------------|---------------|----------------------------------|--|-------------|-------------|-------------|----------|
| 1992 | \$36,784,727 | \$23,685,494 | \$13,099,233 | \$1,095,000 | \$1,374,281 | \$2,469,281 | 5.30 |
| 1991 | 34,101,914 | 25,034,722 | 9,067,192 | 1,020,000 | 2,014,346 | 3,034,346 | 2.99 |
| 1990 | 33,204,682 | 19,749,304 | 13,455,378 | 800,000 | 1,178,375 | 1,978,375 | 6.80 |
| 1989 | 28,081,975 | 15,044,722 | 13,037,253 | 765,000 | 964,798 | 1,729,798 | 7.54 |
| 1988 | 26,327,551 | 12,208,834 | 14,118,717 | 725,000 | 999,798 | 1,724,798 | 8.19 |
| 1987 | 19,757,728 | 11,333,904 | 8,423,824 | 690,000 | 1,033,111 | 1,723,111 | 4.89 |

DEFINITIONS:

- REVENUES - includes all revenues, all receipts, interest income, etc., actually realized for services and interest. Development fees are not included.
- EXPENSES - includes operating and maintenance expenses that are necessary for on-going operations;
 - depreciation is a non-operating expense and is not included in expense;
 - indirect expense, in lieu property tax, and franchise fee expense are a regular business agreement with other funds, therefore are included in expenses;
 - contract principal is not reflected in expenses.

TABLE XIII

CITY OF SCOTTSDALE
TOTAL DIRECT AND OVERLAPPING GENERAL OBLIGATION DEBT

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

| Name of Governmental Unit | Net Bond Outstanding | % Applicable To This Municipality | City of Scottsdale Share of Debt |
|--|-------------------------|---|--|
| State of Arizona | None | 6.56% | \$ 0 |
| Maricopa County | \$182,750,000 | 10.01 | 18,298,891 |
| Maricopa County Community College District | 19,600,000 | 10.01 | 1,961,960 |
| Tempe Elementary School District No. 3 | 24,125,000 | 0.00 | 97 |
| Balsz Elementary School District No. 31 | None | 4.29 | 0 |
| Scottsdale Unified School District No. 48 | 140,385,000 | 68.19 | 96,035,387 |
| Paradise Valley Unified School District No. 69 | 188,860,000 | 18.85 | 35,600,110 |
| Cave Creek Unified School District No. 93 | 19,010,000 | 42.11 | 8,004,192 |
| Tempe Union High School District No. 213 | 69,165,000 | 0.00 | 207 |
| Phoenix Union High School District No. 210 | 108,200,000 | 0.22 | 262,779 |
| Total Overlapping Debt | | | 160,163,623 |
| City of Scottsdale | 66,115,000 | 100.00 | 66,115,000 |
| Total Direct and Overlapping Debt | | | \$226,278,623 |

TABLE XIV

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

| FISCAL YEAR | POPULATION (1) | PER CAPITA INCOME (2) (5) | MEDIAN AGE (2) (5) | EDUCATION LEVEL IN YEARS OF SCHOOLING (2) | SCHOOL ENROLLMENT (3) | UNEMPLOYMENT RATE (4) (5) |
|-------------|-------------------|---------------------------------|--------------------------|---|-----------------------------|---------------------------------|
| 1992 | 139,050 | \$23,482 | 39.1 | N/A | 20,357 | 4.7% |
| 1991 | 133,949 | 20,937 | 37.0 | N/A | 19,647 | 3.1 |
| 1990 | 130,720 | 20,543 | 35.0 | N/A | 19,276 | 3.0 |
| 1989 | 127,553 | 17,926 | 35.0 | N/A | 19,350 | 2.7 |
| 1988 | 124,562 | 16,891 | 39.0 | N/A | 20,081 | 3.5 |
| 1987 | 120,541 | 14,975 | 39.0 | N/A | 19,337 | 4.3 |
| 1986 | 114,993 | 14,716 | 36.9 | 13.5 | 19,255 | 3.9 |
| 1985 | 107,900 | 14,071 | 43.5 | 14.2 | 18,830 | 3.6 |
| 1984 | 100,900 | 10,900 | 38.5 | 12.0 | 19,032 | 2.9 |
| 1983 | 98,600 | 12,200 | 39.4 | 13.0 | 19,803 | 5.9 |

Sources:

- (1) City Planning Staff
- (2) Inside Phoenix (Republic and Gazette)
- (3) Scottsdale School District
- (4) Arizona Department of Economic Security
- (5) City Planning Staff - Fiscal Years 1988, 1989, and 1990 only

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 | | PROPERTY VALUE (3) | | |
|----------------|--------------------------------|---------------|---------------------------------|---------------|----------------------------------|-----|--------------------|-----------------|---------------|
| | NUMBER OF PERMITS | VALUE | NUMBER OF DWELLING UNITS | VALUE | (\$000) | (2) | COMMERCIAL | RESIDENTIAL | NONTAXABLE |
| 1992 | 1,296 | \$ 33,101,112 | 2,327 | \$490,763,126 | \$19,425,952 | | \$3,818,532,680 | \$5,935,463,922 | \$621,380,175 |
| 1991 | 935 | 53,179,292 | 2,028 | 363,705,832 | 18,992,331 | | 4,131,284,706 | 5,789,786,355 | 607,232,155 |
| 1990 | 1,035 | 116,911,202 | 1,571 | 229,271,970 | 17,119,454 | | 4,074,473,248 | 5,534,789,752 | 606,445,209 |
| 1989 | 1,287 | 243,007,000 | 1,932 | 360,424,000 | 14,491,100 | | 3,507,955,829 | 5,076,358,189 | 457,067,285 |
| 1988 | 1,416 | 172,700,000 | 3,996 | 545,900,000 | 15,373,219 | | 3,034,294,469 | 4,807,553,647 | 390,010,293 |
| 1987 | 2,369 | 241,225,414 | 3,907 | 400,622,346 | 16,305,623 | | 2,419,008,011 | 4,399,613,412 | 300,069,057 |
| 1986 | 2,436 | 190,962,782 | 4,027 | 386,391,288 | 13,973,325 | | 1,935,264,476 | 3,596,269,350 | 220,255,201 |
| 1985 | 2,691 | 184,975,825 | 3,917 | 363,121,381 | 12,287,691 | | 1,453,886,466 | 3,118,169,191 | 253,820,222 |
| 1984 | 2,529 | 124,939,954 | 3,504 | 294,370,574 | 10,286,853 | | 1,276,210,112 | 2,925,474,200 | 230,412,720 |
| 1983 | 1,949 | 67,585,662 | 2,404 | 137,180,307 | 8,603,186 | | 810,425,162 | 2,439,742,604 | 194,655,713 |

Note (1) Source - City Building Inspection Staff
 Note (2) Source - Arizona Bankers Association
 Note (3) Source - Abstract published by the Arizona State Department of Revenue

TABLE XVI

**CITY OF SCOTTSDALE
MISCELLANEOUS STATISTICAL DATA
JUNE 30, 1992**

| | | |
|---|---------------------|----------------------------|
| Date of Incorporation | - June 25, 1951 | Area - Square Miles |
| Date Charter Adopted | - November 16, 1961 | 1951 - .62 |
| Form of Government | - Council/Manager | 1961 - 8.80 |
| Population | | 1970 - 62.20 |
| 1950 Census | - 2,032 | 1975 - 85.80 |
| 1960 Census | - 10,026 | 1979 - 88.60 |
| 1965 Special Census | - 54,504 | 1982 - 113.60 |
| 1970 Census | - 67,823 | 1986 - 183.60 |
| 1975 Special Census | - 78,065 | 1987 - 184.30 |
| 1980 Census | - 88,412 | 1988 - 184.80 |
| 1985 Census | - 108,447 | 1990 - 185.20 |
| 1990 Census | - 130,069 | 1992 - 185.20 |
| 1992 Est. 06/30/92 | - 139,050 | |
| Miles of Sewers | | |
| Storm | | 28.43 |
| Sanitary | | 692.70 |
| Fire Protection | | |
| Number of Stations | | 6 |
| The City of Scottsdale has no fire employees but contracts with Rural/Metro Corporation to provide fire service to all residents. | | |
| Police Protection | | |
| Number of Employees | | 312 |
| Number of Traffic Citations (excluding parking) | | 39,324 |
| Number of Vehicles | | 143 |
| The City jail is a holding facility. All long-term prisoners are incarcerated in the County jail. | | |
| Recreation | | |
| Parks - Number of Acres | | 2,576 |
| Number of Swimming Pools | | 3 |
| Number of Other Recreation Facilities | | 38 |
| These include schools and school playgrounds in cooperation with Scottsdale School District. | | |
| Water Enterprise | | |
| Number of Water Customers | | 48,320 |
| Annual Consumption (Gallons) | | 13,542,763,085 |
| System Capacity (Gallons Per Day) | | 86,645,120 |
| Miles of Distribution Lines | | 940.20 |
| Number of Streetlights | | 7,989 |
| Employees as of June 30, 1992 | | |
| Full-Time | | 1,178 |
| Part-Time | | 286 |
| Grant Funded | | 6 |
| Total | | 1,470 |
| Elections | | |
| Number of registered voters as of last regular election, March, 1992 | | 87,535 |
| Number/% voting in last municipal election | | 17,068/19.5% |
| Population | | |
| Median Age of Residents | | 39.1 |
| Mean Average Household Income | | 47,344 |
| Mean Average Home Value - Single Family | | 148,358 |

TABLE XVII

**CITY OF SCOTTSDALE
SCHEDULE OF INSURANCE IN FORCE
June 30, 1992**

| Carrier | Policy Description | Amount of Coverage |
|--|---|--------------------|
| Arkwright Mutual Insurance Co. 12/31/90 to 12/31/95 | Property Insurance Repair or Replace \$25,000 Deductible | \$137,421,000 |
| Insurance Company of the West 07/01/91 to 07/01/92 | Excess Liability Coverage \$1,000,000 Retention | \$ 1,000,000 |
| Insurance Company of the West 07/01/91 to 07/01/92 | Excess Liability Coverage | \$ 9,000,000 |
| National Union Fire Insurance 07/01/91 to 07/01/92 | Airport, Hangarkeepers and Non-owned Aviation Coverage \$5,000 Deductible | \$ 50,000,000 |
| Employers Reinsurance 07/01/91 to 07/01/92 | Excess Workers' Compensation Coverage \$300,000 Retention | Statutory |

TABLE XVIII

**CITY OF SCOTTSDALE
SALARIES AND SURETY BONDS OF PRINCIPAL OFFICIALS
FOR FISCAL YEAR ENDED JUNE 30, 1992**

| OFFICIAL TITLE | MAXIMUM | BOND |
|----------------|----------|-----------|
| Mayor | \$33,600 | \$ 10,000 |
| Councilmen (6) | 13,800 | 10,000 |
| City Manager | 111,758 | 1,000,000 |
| City Clerk | 56,410 | 1,000,000 |
| City Attorney | 91,936 | 1,000,000 |
| City Treasurer | 87,547 | 1,000,000 |
| City Judge | 79,290 | 1,000,000 |
| City Auditor | 68,536 | 1,000,000 |

**PUBLIC EMPLOYEES HONESTY AND FAITHFUL PERFORMANCE
BOND**

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