



**1973-74
FINANCIAL
REPORT**

*COVER DESIGN: Two dimensional
abstraction of sculpture by
Louise Nevelson*

COVER BY: G. E. Maskulka

ANNUAL FINANCIAL REPORT FISCAL YEAR 1973-74



CITY OF SCOTTSDALE, ARIZONA

INCORPORATED JUNE 25, 1951

CHARTER ADOPTED NOVEMBER 16, 1961

AMENDED APRIL 10, 1973

CITY OF SCOTTSDALE, ARIZONA
"THE WEST'S MOST WESTERN TOWN"
Incorporated 1951

CITY COUNCIL

WILLIAM C. JENKINS, MAYOR

RICHARD CAMPANA

DR. HEINZ HINK

HERB R. DRINKWATER

CHARLES SMITH

MRS. BILLIE GENTRY

PAUL MESSINGER

DALE C. CARTER
City Manager

CHAD J. COWLEY
Finance Director

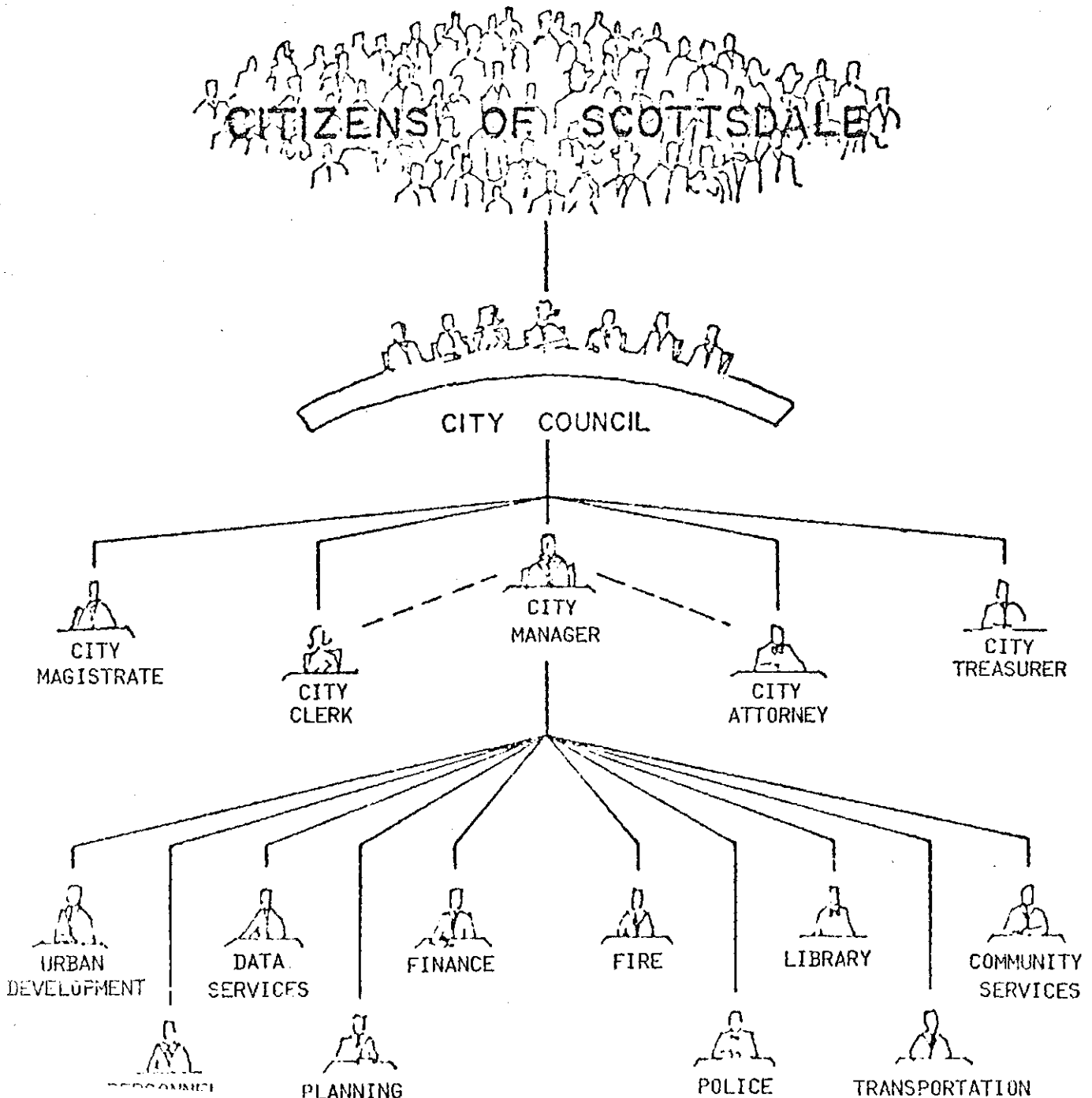
GERALD R. DAVIS
City Treasurer

COUNCIL MANAGER GOVERNMENT

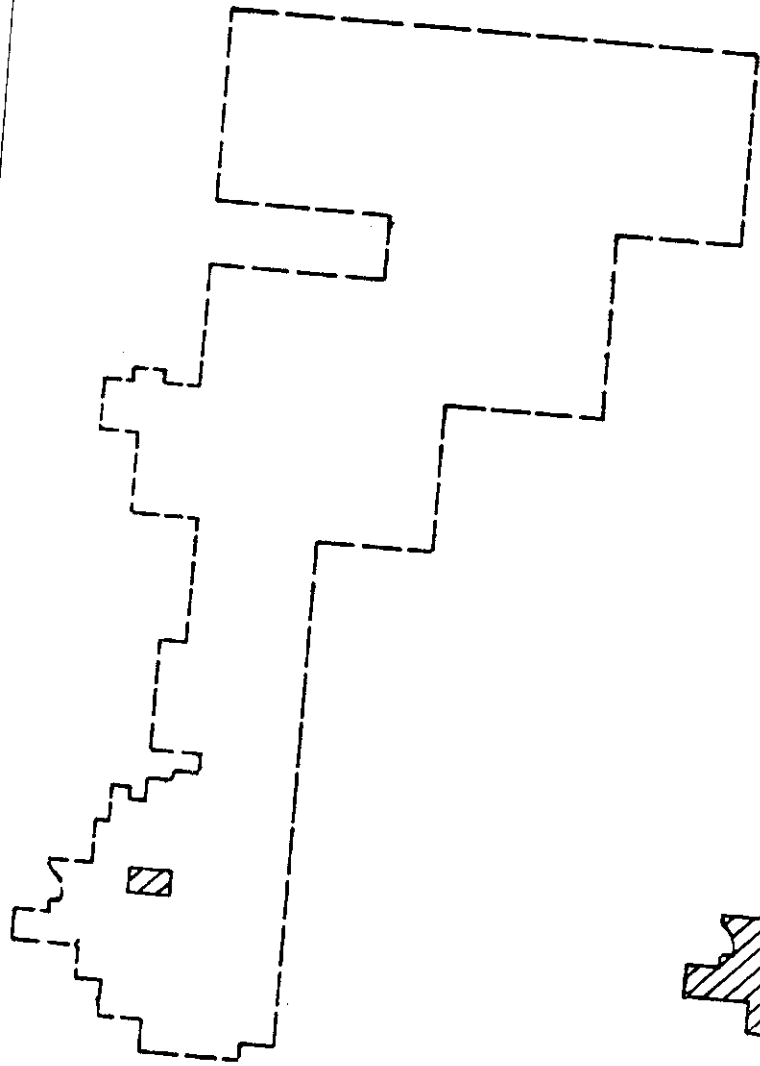
YOUR CITY GOVERNMENT...

Organization Chart

With the Council-Manager form of government, the City of Scottsdale is organized similar to a business enterprise. The stockholders (citizens) elect a board of directors (City Council) which is responsible for determining policy and hiring a general manager (City Manager) to carry out the policies set by the board of directors and to administer day to day operations efficiently. The outstanding features of this plan are 1) Unification of authority and political responsibility in the elected City Council, and 2) Centralization of administrative responsibilities in an administrator (the City Manager) appointed by the Council. This plan also enhances coordination of activities between various departments, eliminates duplication of effort, and makes possible many operating economies. Highly skilled and trained administrators are selected to provide necessary facilities and services as efficiently as possible and to give a strict accounting of the public funds entrusted to the City.

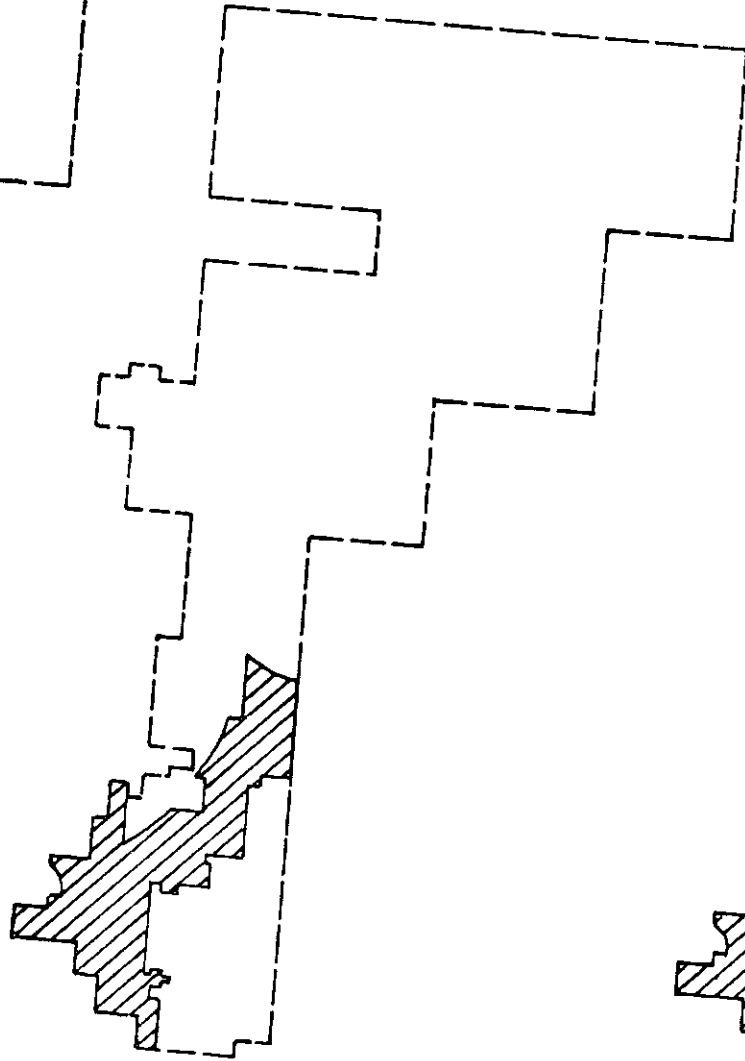


SCOTTSDALE LAND AREA



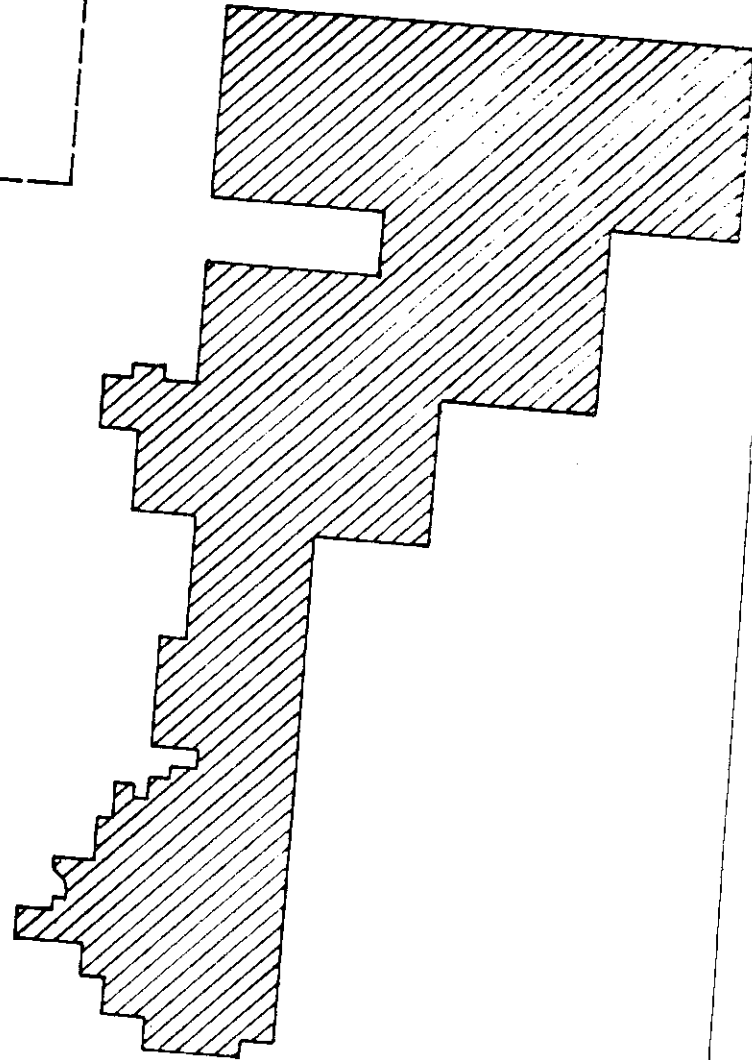
1951

.62 SQUARE MILES



1961

4.9 SQUARE MILES



1971

73.6 SQUARE MILES

(Land area has not changed at June 30, 1974.)

City of Scottsdale

ANNUAL FINANCIAL REPORT

June 30, 1974

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City of Scottsdale

ANNUAL FINANCIAL REPORT

June 30, 1974

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THE MUNICIPAL FINANCE OFFICERS ASSOCIATION
OF THE UNITED STATES AND CANADA

Certifies that

THE ANNUAL FINANCIAL REPORT OF
The City of Scottsdale, Arizona
For the Fiscal Year Ended June 30, 1973

SUBSTANTIALLY CONFORMS TO THE PRINCIPLES AND STANDARDS OF
PUBLIC FINANCIAL REPORTING AS PROMULGATED BY THE

Municipal Finance Officers Association
AND THE
National Committee on Governmental Accounting



Presented April 3, 1974

A. G. Pullerton
Chairman, Committee on Accounting

Ronald W. Beatty
Executive Director

"A Certificate of Conformance is awarded by the Municipal Finance Officers Association of the United States and Canada only to the governmental unit whose financial report is judged to conform substantially to the high standards for financial reporting established by the Association. These standards are contained in publications of the National Committee on Governmental Accounting."

City of Scottsdale, Arizona

"The West's Most Western Town"



September 30, 1974

To The Honorable William C. Jenkins, Mayor
City of Scottsdale, Arizona

Dear Mayor Jenkins:

The annual financial report of the City of Scottsdale, Arizona for the fiscal year ended June 30, 1974, is submitted herewith.

Accounting Policy

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

The accrual basis of accounting is followed (with minor exceptions) by all funds other than budgetary funds (general, special revenue, public works reserve, and debt service funds), which utilize the modified accrual basis of accounting, which recognizes revenues when received and records expenditures when the liability is incurred.

Budgetary control is maintained by a quarterly allotment system and the encumbrances of allotment balances with purchase orders prior to their release to vendors. Purchase orders which exceed allotment balances are not released until additional appropriations are made. This basis of accounting is in accordance with recommendations by the National Committee on Governmental Accounting and the Committee on Governmental Accounting and Auditing of the American Institute of Certified Public Accountants.

General Governmental Functions

Revenues for general governmental functions totaled \$13,167,118 in 1974, an increase of 19.65% over 1973. Transaction Privilege Taxes collected by the City produced 36.17% of the total revenue in 1974 compared to 38.86% in 1973. This is a decrease of 2.69%. General Property Taxes produced 11.13% of the revenue in 1974 compared to 11.84% last year. The amount of revenue from various sources and the increase or decrease over last year are shown in the following tabulation.



<u>Revenue Source</u>	<u>Amount (Thousands)</u>	<u>Percent of Total</u>	<u>Increase (Decrease) Over 1973 (Thousands)</u>
Property Taxes	\$ 1,465	11.13%	\$ 162
Privilege Taxes and Penalties	4,763	36.17	487
Licenses and Permits	545	4.14	(21)
Fines, Forfeits, and Penalties	229	1.74	(10)
State-Shared Revenues	3,961	30.08	1,196
Federal-Shared Revenue	685	5.20	4
Charges for Current Services	260	1.97	19
Use of Money and Property	292	2.22	86
Contributions from Utility	807	6.13	154
Miscellaneous	160	1.22	85
	<u>\$13,167</u>	<u>100.00%</u>	<u>\$2,162</u>

Assessed valuations of \$174.6 million at July 1, 1973, represented an increase of 39.23% over the preceding year. The assessed value at July 1, 1974, relating to the fiscal year 1975, is \$195.6 million, an increase of 12.00% over the assessment at July 1, 1973. A substantial part of this increase is due to the growth of the community. Current tax collections were 97.05% of the tax levy up 2.32% from last year. Delinquent tax collections increased when compared with the prior year. Maricopa County is the tax collection agent for the City of Scottsdale for property taxes. The ratio of total collections, current and delinquent, to the current tax levy, was 100.55%. This is up from collections in the past by a small amount. Allocations of the property tax levy by purpose for 1974 and the preceding four fiscal years are as follows. (Amounts per hundred assessed value)

<u>Purpose</u>	<u>1974</u>	<u>1973</u>	<u>1972</u>	<u>1971</u>	<u>1970</u>
General Fund	\$0.5104	\$0.6460	\$0.7108	\$0.7106	\$0.7184
Public Works Reserve	0.0308	0.1165	0.1022	0.0924	0.1001
General Obligation Debt	<u>0.2788</u>	<u>0.2675</u>	<u>0.2170</u>	<u>0.2270</u>	<u>0.2115</u>
Total Tax Rate	<u>\$0.8200</u>	<u>\$1.0300</u>	<u>\$1.0300</u>	<u>\$1.0300</u>	<u>\$1.0300</u>

Expenditures for general governmental purposes increased by 35.20% over the preceding year. Increases in levels of expenditure for major functions of the City over the preceding year are shown in the following tabulation.

<u>Function</u>	<u>Amount (Thousands)</u>	<u>Percent of Total</u>	<u>Increase Over 1973 (Thousands)</u>
General Government	\$ 2,526	17.29%	\$ 783
Public Safety	2,807	19.22	517
Public Works			(3,212)
Health and Sanitation	1,776	12.16	11
Transportation*	907	6.21	907
Culture and Recreation	2,051	14.04	677
Urban Development*	3,454	23.65	3,454
Debt Service	<u>1,085</u>	<u>7.43</u>	<u>666</u>
Total	<u>\$14,606</u>	<u>100.00%</u>	<u>\$3,803</u>

* Formerly Public Works

The unappropriated fund balances in the major operating funds were maintained at adequate levels. The general fund balance of \$363,339 was down \$1,152,513 from last year. The gasoline tax fund balance of \$9,166 was up \$5,091 from last year. The major streets gas tax fund balance of \$104,586 was down \$421,102 from last year and the public works reserve fund balance of \$329,652 was up \$149,393. The Federal Revenue Sharing unappropriated fund balance of \$118,511 was down \$372,175.

Treasury Management

Cash temporarily idle during the year was invested in time deposits ranging from 90 to 150 days to maturity. During the fiscal year ended June 30, 1974, all temporarily idle funds of the City were deposited in U. S. Treasury bills or time certificates of deposit. Our investment policy showed an average yield for the first half of the fiscal year of 9.765% on our investments. The last half of the fiscal year interest rates declined as the money market temporarily became stronger and our yield decreased to 9.149% average. At the present time, our average yield is about 12.04%, due to a renewed weakening of the money market. This yield of temporarily idle funds provided \$1,039,558 in total investment income, \$292,438 of which was for general operations and was equivalent to a levy of 16.7¢ per hundred dollars assessed valuation on property tax, had it been necessary to levy property tax to provide these funds.

Debt Administration

The ratio of net bonded debt to assessed valuation and the amount of bonded debt per capita are useful indicators of the City's debt position to municipal management, citizens and investors. These data for the City of Scottsdale at June 30, 1974, were as follows:

		<u>Ratio of the Debt to Assessed Value (20% of Present Market)</u>	<u>Ratio of Debt to Present Market Value</u>	<u>Debt Per Capita</u>
Net Direct Bonded Debt	\$ 6,604,000	3.8%	.76%	\$ 97.37
Overlapping Debt	<u>13,910,220</u>	<u>7.9</u>	<u>1.59</u>	<u>205.10</u>
Net Direct & Overlapping Debt	\$20,514,220	11.7%	2.35%	\$302.47

Debt per capita has been calculated on the population of the city as computed by the 1970 census of 67,823. It is estimated, at the present time, that the population of the city is approaching 85,000 people. Outstanding general obligation bonds at June 30, 1974, totaled \$7,713,000 of which \$625,000, issued for sanitary sewer purposes, is considered to be self-supporting. The remainder of \$7,088,000 is considered to be net direct tax supported debt. More detailed information about the debt position of the City can be found on pages eight and nine. During the past year, \$169,000 of tax supported bonds were retired. The following tabulation compares general obligation bonds issued since July of 1966.

<u>Rate of Issues</u>	<u>Amount</u>	<u>Average Life in Years</u>	<u>Effective Interest Rate</u>	<u>Interest Cost Per Borrowed Dollars</u>
July 1, 1973	\$3,500,000	20.0	5.3395	\$1.070
Oct. 1, 1971	738,000	3.5	3.9594	.138
Jan. 1, 1968	1,400,000	26.0	4.7585	1.235
Jan. 1, 1967	1,000,000	18.9	3.7550	.704
July 1, 1966	700,000	14.7	4.5334	.663

During June 1973, the City obtained a new rating for both general obligation and revenue bonds. The ratings obtained were as follows: General obligation bonds - Moody's Investor Service A-1, Standard & Poor's AA; Water & Sewer Systems Revenue bonds - Moody's Investor Service A-1, Standard & Poor's A. These ratings were effective for the sale on July 17, 1973, of \$3,500,000 of general obligation bonds and \$2,500,000 of Water and Sewer Revenue Bonds. The proceeds of general obligation bond issues are accounted for in bond construction funds until the improvement projects are completed. At the end of the fiscal year, the completed projects are transferred to general fixed assets group of accounts. During 1973-74, projects financed by general obligation bonds from the parks improvement bond series were completed at a cost of \$361,169. Projects completed from the storm sewer construction bonds amounted to \$1,325,847. There are \$6,500,000 of authorized but unissued bonds at June 30, 1974, for general obligation purposes. There are also authorized but unissued Water and Sewer Revenue bonds in the amount of \$6,550,000. Bond construction project funds on hand at June 30, 1974, consisted of \$177 in cash, \$2,820,416 in time certificates of deposit and \$173,764 in advances to other funds.

General Fixed Assets

The general fixed assets of the City are those assets used in performance of general governmental functions and exclude the fixed assets of utilities and other enterprise activities. As of June 30, 1973, general fixed assets of the City amounted to \$108,410,936. This amount represents the original cost of assets or the appraised cost where the original cost was not calculable or where the asset was contributed by a developer or other party to the City. The values for land and for buildings and improvements are considerably less than their present value. Depreciation of general fixed assets is not recognized in the City's accounting system.

Water and Sewer System

The water and sewer system continued to grow during the current year. The water service charges increased by a \$168,883, indicating the steady growth of the system. Water connection fees increased by \$60,134. Water development fees collected during the year amounted to \$212,868, a decrease of \$78,814 over the prior year. The money from this revenue is being held in a segregated fund until final settlement is reached on a court suit which has been filed against the City. The total amount which has been segregated is \$545,962. Revenues from sewer service charges increased by \$102,960.

Other revenues increased proportionately to the activity that occurred. Total operating revenues increased \$225,252 during the year. Operating expenses increased by \$74,016 during the year, leaving an increase in net operating income before depreciation of \$151,236. Depreciation increased with the growth of the system.

Income from interest earnings increased from \$105,230 to \$334,823.

Bond interest expense increased by \$108,097. Since the refunding bonds were issued in mid-year, of 1972-73, only six months interest is reflected in the prior year statements.

Airport

The City's airport made substantial improvement in its operation during the past year. The revenues increased to \$107,313 from \$96,295 and operating

expense increased to \$46,467 from \$34,493. This provided a net operating income before depreciation of \$60,846 compared to \$61,802 in the prior year. Depreciation remained constant and provided the airport with a net operating income of \$17,631 compared to \$18,325 last year. The net profit for the year was \$22,945 compared to a loss of \$11,016 in the prior year. Providing that revenues continue to increase and additional operating expenses are not incurred, the airport should continue to make a small profit in the future.

Independent Audit

The City charter requires an annual audit to be made of the books of account, financial records and all transactions of the City by a certified public accountant selected by the City Council. This requirement has been complied with and the auditor's report has been included in this report.

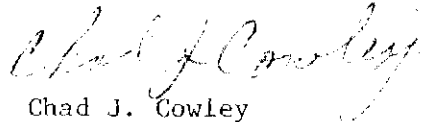
Certificate of Conformance

On April 3, 1974, the Municipal Finance Officers Association of the United States and Canada awarded its Certificate of Conformance for financial reporting for the annual financial report of the City of Scottsdale for the year ended June 30, 1973. The latter report was judged to conform substantially to the high standards for financial reporting as promulgated by that Association and the National Committee on Governmental Accounting. We believe our present annual report for the year ended June 30, 1974, continues to conform substantially to such standards.

Acknowledgement

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

Respectfully submitted,



Chad J. Cowley
Director of Finance

CJC/mmF

ERNST & ERNST

100 W. WASHINGTON, SUITE 1500

PHOENIX, ARIZONA 85003

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

We have examined the financial statements of the various funds and account groups of the City of Scottsdale, Arizona, for the year ended June 30, 1974, as listed in the table of contents of this report, under Financial Section - Exhibits I through XI. Our examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the financial statements listed in the aforementioned table of contents present fairly the financial position of the various funds and account groups of the City of Scottsdale, Arizona, at June 30, 1974, and the results of operations and the changes in financial position and fund balances and cash receipts and disbursements for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

The accompanying Statistical Section - Tables I through XIII is not necessary for a fair presentation of the financial statements, but is presented as additional analytical data. This information has been subjected to the tests and other auditing procedures applied in the examination of the financial statements mentioned above and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.



Phoenix, Arizona
October 15, 1974

**FINANCIAL
SECTION**

COMBINED STATEMENTS

The statements presented in Exhibit I are intended to provide a financial overview of municipal operations. These reports are at a summary level and include that data needed to control and analyze current operations to determine compliance with legal and budgetary limitations, and to assist in the financial planning process. The following combined statements are presented:

Combined Balance Sheet - All Funds

Combined Statement of Revenue - Estimated and Actual,
General and Special Revenue Funds

Combined Statement of General Governmental Expenditures and
Encumbrances Compared with Appropriations - General and
Special Revenue Funds

Combined Schedule of Bonds Payable - All Funds

Combined State of Cash Receipts and Disbursements - All Funds

CITY OF SCOTTSDALE

COMBINED BALANCE SHEET - ALL FUNDS

JUNE 30, 1974

<u>ASSETS AND OTHER DEBITS</u>	<u>GENERAL FUND</u>	<u>SPECIAL REVENUE FUNDS</u>	<u>DEBT SERVICE FUNDS</u>	<u>CAPITAL PROJECTS FUNDS</u>
Cash	\$ 53,450	\$ 1,340	\$ 2	\$ 1,497
Cash with fiscal agents		42	689,764	
Receivables				
Accounts receivable				
Grants receivable				
Special assessments				47,868
From governmental units				173,764
Due from other funds	997,755	297,305	131,651	175,016
Other receivables				
Investments				
Certificates of deposit and U.S. Treasury Bills	246,142	544,493		3,171,416
Inventory of supplies	140,258			
Accrued interest				
Project cost control				
Amount to be provided for retirement of debt			142,611	
Other assets	119,094			6,447
Property and equipment				
Advance deposit for purchase of water company and related costs				
Land				
Well site				
Sewer system				
Buildings and improvements				
Furniture, fixtures and equipment				
Construction in progress				
Utility plant acquisition adjustment				
Allowance for depreciation				
Streets and storm drains				
Machinery and equipment				
Restricted assets				
Water development fees				
Restricted for bond redemption				
Reserve requirements in trust				
Cash in trust				
Restricted for acquisition and construction				
 Total Assets and Other Debits	 <u>\$1,556,699</u>	 <u>\$843,180</u>	 <u>\$964,028</u>	 <u>\$3,576,008</u>

Statement

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<u>ENTERPRISE FUNDS</u>	<u>MOTOR POOL FUND</u>	<u>TRUST AND AGENCY FUNDS</u>	<u>SPECIAL ASSESSMENTS FUNDS</u>	<u>GENERAL FIXED ASSETS</u>	<u>CAPITAL LONG-TERM DEBT</u>
\$ 17,940	\$	\$ 19,376	\$ 707	\$	\$
298,862			143,343		
243,054		239,536			
		69,183	5,307,710		
63,574	246,686	21,008			
87,223					
1,096,563		4,122,449	585,500		
20,054		738,647			
					16,535,547
818,373					
1,675,044		1,280,945		4,161,359	
5,047,287					
13,458,967				6,748,683	
721,592					
84,561					
288,362				2,652,334	
1,512,483					
(3,389,592)				91,416,233	
				3,432,327	
545,962					
126,345					
49,502					
<u>1,390,000</u>					
<u>\$24,156,156</u>	<u>\$246,686</u>	<u>\$6,491,144</u>	<u>\$6,037,260</u>	<u>\$108,410,936</u>	<u>\$16,535,547</u>
20	26	28	31	34	35

CITY OF SCOTTSDALE

COMBINED BALANCE SHEET - ALL FUNDS

JUNE 30, 1974

LIABILITIES, RESERVES AND FUND BALANCES/RETAINED EARNINGS	GENERAL FUND	SPECIAL REVENUE FUNDS	DEBT SERVICE FUNDS	CAPITAL PROJECTS FUNDS
Claims payable	\$ 608,593	\$188,671		\$ 159,846
Contracts/loan payable			\$142,611	
Bonds payable - current			229,000	
Accrued interest payable				
Bond interest payable		42	185,764	
Guaranty and other deposits				
Due to other funds	289,284	225,089	131,653	381,415
Advance from municipality				
Customer advances and deposits				
Other liabilities				
Long-term debt				
Bonds payable				
Contracts payable				
Assessments payable on City property				
Total Liabilities	<u>897,877</u>	<u>413,802</u>	<u>689,028</u>	<u>541,261</u>
Reserves and fund balances/ retained earnings				
Reserve for inventory of supplies	140,258			
Reserve for encumbrances	155,225	197,115		538,714
Reserve for water and sewer replacement				
Reserve for water development fees				
Reserve for value of land sold, leased, or retained				
Contributions to capital				
from subdividers				
From municipality				
From improvement districts				
From Seventh-Day Adventist Church				
From federal government				
From general and utility funds				
Fund balances				
Available for appropriation	363,339	232,263		2,496,033
Restricted for bond interest and redemption/sinking fund			275,000	
Investment in property, plant and equipment				
Retained earnings (deficit)	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities, Reserves and Fund Balance/Retained Earnings (Deficit)	<u>\$1,556,699</u>	<u>\$843,180</u>	<u>\$964,028</u>	<u>\$3,576,008</u>

ENTERPRISE FUNDS	MOTOR POOL FUND	TRUST AND AGENCY FUNDS	SPECIAL ASSESSMENTS FUNDS	GENERAL FIXED ASSETS	GENERAL LONG-TERM DEBT
\$ 86,572	\$152,717	\$ 102,457	\$ 1,140	\$	\$
161,818		5,830,000			
125,000			4,662,553		
3,641		106,454			
163,570			1,275,055		
		234,846			
735,099	93,969	76,117	372		
620,000					
81,506					
			54,034		
6,285,000					7,489,000
1,847,139					8,209,771
					836,776
<u>10,109,345</u>	<u>246,686</u>	<u>6,349,874</u>	<u>5,993,154</u>		<u>16,535,547</u>
		7,601			
90,052					
545,962					
		350			
3,827,463					
5,425,850					
2,704,791					
700,000					
793,784	475,316				
		133,319			
			44,106		
				108,410,936	
<u>(41,091)</u>	<u>(475,316)</u>				
<u>\$24,156,156</u>	<u>\$246,686</u>	<u>\$6,491,144</u>	<u>\$6,037,260</u>	<u>\$108,410,936</u>	<u>\$16,535,547</u>
20	26	28 - 5 -	31	34	35

CITY OF SCOTTSDALE

STATEMENT 2

GENERAL AND SPECIAL REVENUE FUNDS

COMBINED STATEMENT OF REVENUE - ESTIMATED AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 1974

<u>SOURCE</u>	<u>ESTIMATED</u>	<u>ACTUAL</u>	<u>ACTUAL OVER (UNDER) ESTIMATED</u>
Local taxes			
General (Statement 8)	\$ 4,758,956	\$ 4,732,911	(\$ 26,045)
Intergovernmental revenue			
General (Statement 8)	3,078,126	3,108,882	30,756
Special (Statement 12)	1,284,720	1,237,428	(47,292)
Other (Statement 12)	<u> </u>	<u>300</u>	<u>300</u>
Total Intergovernmental Revenue	4,362,846	4,346,610	(16,236)
Licenses and permits			
General (Statement 8)	<u>632,600</u>	<u>544,996</u>	(87,604)
Charges for services			
General (Statement 8)	<u>416,800</u>	<u>260,485</u>	(156,315)
Fines and forfeitures			
General (Statement 8)	<u>281,200</u>	<u>229,396</u>	(51,804)
Revenue from use of money and property			
General (Statement 8)	93,000	144,806	51,806
Special (Statement 12)	<u>20,500</u>	<u>107,893</u>	<u>87,393</u>
Total Revenue from Use of Money and Property	<u>113,500</u>	<u>252,699</u>	<u>139,199</u>
Miscellaneous revenues			
General (Statement 8)	<u>22,600</u>	<u>126,210</u>	<u>103,610</u>
Total Revenue	<u>\$10,588,502</u>	<u>\$10,493,307</u>	<u>(\$ 95,195)</u>

CITY OF SCOTTSDALE
 COMBINED STATEMENT OF GENERAL GOVERNMENTAL EXPENDITURES AND ENCUMBRANCES
 COMPARED WITH APPROPRIATIONS - GENERAL AND SPECIAL REVENUE FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 1974

STATEMENT 3

PROGRAM	RESERVES FOR ENCUMBRANCES JUNE 30, 1973	EXPENDITURES 1972-73	CREDIT TO FUND BALANCE	REVISED APPROPRIATIONS 1973-74	EXPENDITURES 1973-74	ENCUMBRANCES JUNE 30, 1974	UNENCUMBERED BALANCE JUNE 30, 1974
General government							
General (Statement 9)	\$ 29,199	\$ 16,477	\$12,722	\$ 2,577,108	\$ 2,457,145	\$ 68,911	\$ 51,052
Public safety							
General (Statement 9)	8,075	8,075	—	2,806,987	2,782,026	24,925	36
Public works							
General (Statement 9)	514,368	450,873	63,495				
Special revenue (Statement 13)	283,785	280,029	3,756				
Total public works	798,153	730,902	67,251				
Health and sanitation							
General (Statement 9)	133,973	132,195	1,778	1,776,490	1,767,943	8,234	313
Transportation							
Special revenue (Statement 13)				953,577	899,789	7,721	46,067
Culture and recreation							
General (Statement 9)	15,339	13,517	1,822	2,124,330	2,016,173	34,322	73,835
Urban development							
General (Statement 9)				778,835	728,966	18,833	31,036
Special Revenue (Statement 13)				1,870,612	1,748,038	189,394	(66,820)
Total urban develop- ment				2,649,447	2,477,004	208,227	(35,784)
Debt service							
General (Statement 9)				199,609	97,473		102,136
Special revenue (Statement 13)				3,446	3,446		
Total debt service				203,055	100,919		102,136
Total General							
Special Revenue Funds	\$984,739	\$901,166	\$83,573	\$13,090,994	\$12,500,999	\$352,340	\$237,655

CITY OF SCOTTSDALE

COMBINED SCHEDULE OF BONDS PAYABLE - ALL FUNDS

JUNE 30, 1974

<u>BOND DESCRIPTION</u>	<u>INTEREST RATE</u>	<u>ISSUE DATE</u>	<u>FINAL MATURITY DATE</u>
<u>General Obligation Bonds:</u>			
1957 Sewer	3.70-4.00%	5/9/57	7/1/77
1961 Sewer	3.90-4.30	6/27/61	7/1/85
1960 Municipal building and jail	4.00	4/20/60	7/1/77
Town hall mortgage retirement	4.00	4/20/60	7/1/75
Parks and recreation improvement	4.50-5.00	9/20/66	7/1/86
Civic center improvement	3.70-5.00	1/17/67	7/1/90
Civic center improvement	4.70-5.00	1/16/68	7/1/96
Parks and recreation improvement	3.75-4.75	9/14/71	7/1/77
Storm sewer construction*	5.35	7/17/73	7/1/93
Total General Obligation Bonds			
<u>Revenue Bonds:</u>			
Motor vehicle fuel tax anticipation	4.25	5/7/56	5/1/76
Utility revenue refunding issue	4.80-5.80	6/9/73	7/1/95
Utility revenue	4.90-5.80	7/17/73	7/1/83
Total Revenue Bonds			
Total Bonds Payable			
<u>Bonds Fully Refunded In Trust:</u>			
1957 Sewer revenue	4.25	4/15/57	7/1/77
1961 Sewer revenue	4.00-4.50	6/1/61	7/1/86
1964 Sewer revenue	3.60-3.75	6/30/64	7/1/93
1966 Sewer revenue	3.90-4.00	5/3/66	7/1/96
1971 Water revenue	4.20-6.00	4/22/71	7/1/96
Total Bonds In Trust			

*Term bonds with annual payments to a sinking fund for redemption in 1993.

STATEMENT 4

<u>ANNUAL PAYMENTS</u>	<u>AUTHORIZED AND ISSUED</u>	<u>RETIRED</u>	<u>OUTSTANDING</u>
\$ 2,000/\$ 40,000	\$ 397,000	\$267,000	\$ 130,000
\$ 10,000/\$ 50,000	700,000	150,000	550,000
\$ 10,000	160,000	120,000	40,000
\$ 4,000	60,000	52,000	8,000
\$ 10,000/\$ 75,000	700,000	75,000	625,000
\$ 10,000/\$115,000	1,000,000	80,000	920,000
\$ 75,000/\$250,000	1,400,000		1,400,000
\$ 68,000/\$135,000	738,000	198,000	540,000
\$275,000/\$635,000	<u>3,500,000</u>		<u>3,500,000</u>
	<u>\$ 8,655,000</u>	<u>\$942,000</u>	<u>\$ 7,713,000</u>
\$ 1,000/\$ 3,000	\$ 46,000	\$ 41,000	\$ 5,000
\$ 50,000/\$285,000	3,910,000		3,910,000
\$ 75,000/\$375,000	<u>2,500,000</u>		<u>2,500,000</u>
	<u>\$ 6,456,000</u>	<u>\$ 41,000</u>	<u>\$ 6,415,000</u>
	<u>\$15,111,000</u>	<u>\$983,000</u>	<u>\$14,128,000</u>
\$ 1,000/\$ 20,000	\$ 221,000	\$141,000	\$ 80,000
\$ 15,000/\$ 50,000	700,000	165,000	535,000
\$ 25,000/\$ 90,000	1,750,000	270,000	1,480,000
\$ 20,000/\$180,000	1,200,000		1,200,000
\$ 25,000/\$110,000	<u>1,500,000</u>		<u>1,500,000</u>
	<u>\$ 5,371,000</u>	<u>\$576,000</u>	<u>\$ 4,795,000</u>
	<u>\$ 5,371,000</u>	<u>\$576,000</u>	<u>\$ 4,795,000</u>

CITY OF SCOTTSDALE

STATEMENT 5

COMBINED STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS - ALL FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 1974

	BALANCE JULY 1, 1973	RECEIPTS	DISBURSEMENTS	BALANCE JUNE 30, 1974
General fund (Statement 6)	\$ 69,639	\$48,190,010	\$48,206,199	\$53,450
Special revenue funds (Statement 10)				
Gas tax	604	1,450,607	1,450,548	663
Major streets gas tax	887	1,414,051	1,414,262	676
Federal revenue sharing	399	1,873,771	1,874,169	1
Debt service funds (Statement 14)				
General debt service	8	1,663,164	1,663,170	2
Excise debt service	- 0 -	- 0 -	- 0 -	- 0 -
Capital projects funds (Statement 16)				
Public works reserve	8	2,099,320	2,098,008	1,320
Parks bond construction	6	1,115,589	1,115,419	176
Storm sewer construction	8	5,149,841	5,149,848	1
Enterprise funds (Statement 20)				
Water and sewer utility	19,595	10,155,630	10,157,287	17,938
Airport	10	266,075	266,083	2
Trust and agency funds (Statement 28)				
Neighborhood development project	148,556	14,621,858	14,757,185	13,229
Federal grants	4,863	440,929	445,785	7
Miscellaneous trust and agency	16,778	500,660	511,298	6,140
Special assessments funds (Statement 31)	- 0 -	1,763,515	1,762,808	707
Total All Funds	\$261,361	\$89,705,020	\$89,872,069	\$94,312

Investments and cash balances classified by depository and type	Investments*	Cash Balances
Change and petty cash funds		\$ 2,130
Valley National Bank	\$ - 0 -	57,346
First National Bank of Arizona	812,000	31,001
Arizona Bank	975,000	- 0 -
Great Western Bank	1,679,000	1,284
Continental Bank	2,973,500	152
United Bank	763,500	2,398
Southern Arizona Bank	- 0 -	1
U. S. Treasury Bills	4,483,158	- 0 -
	\$11,686,158	\$94,312

*In order to maintain the most effective investment program, all cash, except certain trust and agency cash, is pooled. Individual fund cash is controlled through the general ledger and investments are not made by fund. As a result, it is not possible to prepare a Combined Schedule of Investments - All Funds and hence, the presentation above is an analysis of the City's cash position.

GENERAL FUND

The General Fund is established to account for the revenues 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.

Revenues, for this and other funds, are recorded by source, i.e., taxes, licenses, service charges, etc. Expenditures are recorded first 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 elsewhere in the Capital Projects Funds, Special Revenue Funds, or Enterprise Funds.

CITY OF SCOTTSDALE

STATEMENT 6

GENERAL FUND

BALANCE SHEET

JUNE 30, 1974

ASSETS

Cash	\$ 53,450
Investments	246,142
Inventories of supplies	140,258
Other assets	119,094
Due from other funds	<u>997,755</u>
Total Assets	<u>\$1,556,699</u>

LIABILITIES, RESERVES AND FUND BALANCE

Claims payable	\$ 608,593
Due to other funds	<u>289,284</u>
Total Liabilities	<u>897,877</u>
Reserve for inventories of supplies	140,258
Reserve for encumbrances (Statement 9)	155,225
Fund balance (Statement 7)	<u>363,339</u>
Total Liabilities, Reserves and Fund Balance	<u>\$1,556,699</u>

See notes to financial statements.

CITY OF SCOTTSDALE

STATEMENT 7

GENERAL FUND

ANALYSIS OF CHANGES IN FUND BALANCE

FOR THE FISCAL YEAR ENDED JUNE 30, 1974

Fund balance July 1, 1973		\$1,515,852
Add:		
1972-73 Reserve for encumbrances cancelled (Statement 9)		<u>79,817</u>
Total balance and addition		1,595,669
Deduct:		
Excess of expenditures, encumbrances and contributions over revenue and contributions.		
Expenditures and contributions (Statement 9)	\$11,031,946	
Revenue and contributions (Statement 8)	<u>9,954,841</u>	
Reserve for encumbrances June 30, 1974 (Statement 9)		<u>\$1,077,105</u> <u>155,225</u>
Total Deductions		<u>1,232,330</u>
Fund Balance June 30, 1974 (Statement 6)		<u>\$ 363,339</u>

CITY OF SCOTTSDALE

STATEMENT 8

GENERAL FUND

STATEMENT OF REVENUE AND CONTRIBUTIONS - ESTIMATED AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 1974

	<u>ESTIMATED</u>	<u>ACTUAL</u>	<u>ACTUAL OVER/(UNDER) ESTIMATED</u>
Taxes			
Property tax	\$ 891,286	\$ 903,342	\$ 12,056
Transaction privilege tax	3,727,070	3,678,382	(48,688)
Utility franchise tax	140,600	151,187	10,587
	<u>4,758,956</u>	<u>4,732,911</u>	<u>(26,045)</u>
Intergovernmental revenue			
State-shared sales tax	2,053,200	2,084,931	31,731
Automobile in lieu	274,000	417,793	143,793
State revenue sharing	750,926	606,158	(144,768)
	<u>3,078,126</u>	<u>3,108,882</u>	<u>30,756</u>
License and permits			
Business and liquor licenses	139,800	159,097	19,297
Building permits	180,000	150,365	(29,635)
Electrical permits	81,700	74,731	(6,969)
Plumbing permits	59,700	42,654	(17,046)
Mechanical permits	35,700	31,390	(4,310)
Other licenses & permits	135,700	86,759	(48,941)
	<u>632,600</u>	<u>544,996</u>	<u>(87,604)</u>
Charges for services			
Refuse collection	229,100	141,794	(87,306)
Plan check fees	22,700	34,800	12,100
Planning commission fees	87,800	34,708	(53,092)
Other charges	77,200	49,183	(28,017)
	<u>416,800</u>	<u>260,485</u>	<u>(156,315)</u>
Fines and forfeitures			
Court fines	258,500	204,721	(53,779)
Library fines	22,700	24,675	1,975
	<u>281,200</u>	<u>229,396</u>	<u>(51,804)</u>
Revenue from use of money and property			
Interest earnings	93,000	144,806	51,806
Miscellaneous revenue			
Rentals and royalties	10,000	42,142	32,142
Other revenue	12,600	84,068	71,468
	<u>22,600</u>	<u>126,210</u>	<u>103,610</u>
Total Revenue	9,283,282	9,147,686	(135,596)
Contributions from other funds	807,155	807,155	
Total Revenue and Contributions	<u>\$10,090,437</u>	<u>\$9,954,841</u>	<u>\$ (135,596)</u>

Statement 7

CITY OF SCOTTSDALE
GENERAL FUND
STATEMENT OF EXPENDITURES, ENCUMBRANCES AND CONTRIBUTIONS COMPARED WITH APPROPRIATIONS
FOR THE FISCAL YEAR ENDED JUNE 30, 1974

STATEMENT 9

<u>PROGRAM</u>	<u>RESERVE FOR ENCUMBRANCES JUNE 30, 1973</u>	<u>EXPENDITURES 1972-73</u>	<u>CREDIT TO FUND BALANCE</u>	<u>REVISED APPROPRIATIONS 1973-74</u>	<u>EXPENDITURES 1973-74</u>	<u>RESERVE FOR ENCUMBRANCES JUNE 30, 1974</u>	<u>UNENCUMBERED BALANCE JUNE 30, 1974</u>
General government	\$ 29,199	\$ 16,477	\$12,722	\$ 2,577,108	\$ 2,457,145	\$ 68,911	\$ 51,052
Public safety	8,075	8,075		2,806,987	2,782,026	24,925	36
Public works	514,368	450,873	63,495				
Health and sanitation	133,973	132,195	1,778	1,776,490	1,767,943	8,234	313
Culture and recreation	15,339	13,517	1,822	2,124,330	2,016,173	34,322	73,835
Urban development				778,835	728,966	18,833	31,036
Debt service				199,609	97,473		102,136
Total Expenditures	<u>\$700,954</u>	<u>\$621,137</u>	<u>\$79,817</u>	<u>\$10,263,359</u>	<u>\$ 9,849,726</u>	<u>\$155,225</u>	<u>\$ 258,408</u>
Contributions to other funds			Statement 7	<u>924,221</u>	<u>1,182,220</u>		<u>(257,999)</u>
Total Expenditures and Contributions				<u>\$11,187,580</u>	<u>\$11,031,946</u>	<u>\$155,225</u>	<u>\$ 409</u>

See notes to financial statements.

Statement 7 Statement 6 & 7

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 revenues. Such funds are authorized by statutory or charter provisions to pay for certain activities with some form of continuing revenues.

Gas Tax Fund

This fund was established to receive and expend the City's allocation of the 5¢ per gallon State gasoline tax. The amount available to each city is allocated on a population basis which is determined by the latest federal census. Money allocated to this fund must be used for street construction, reconstruction and maintenance.

Major Streets Gas Tax Fund

This fund was established to receive and expend the City's allocation of the 2¢ per gallon State gasoline tax. The amount available to each city is allocated on a population basis which is determined by the latest federal census. Money allocated to this fund must be used for arterial street construction and reconstruction.

Federal Revenue Sharing Fund

This fund was established to receive and expend the City's allocation of Federal Revenue Sharing money. The amount available to each city is allocated on the basis of a formula established by the Congress of the United States. Federal Revenue Sharing money must be used for the following expenditures:

- A. Ordinary and necessary maintenance and operating expenses for:
 - 1. Public safety including law enforcement, fire protection and building code enforcement.
 - 2. Environmental protection including sewage disposal, sanitation and pollution abatement.
 - 3. Public transportation including transit systems and streets and roads.
 - 4. Health,
 - 5. Recreation,
 - 6. Libraries,
 - 7. Social Services for the poor or aged.
 - 8. Financial administration.

- B. Ordinary and necessary capital expenditures authorized by law.

CITY OF SCOTTSDALE

STATEMENT 10

SPECIAL REVENUE FUNDS

BALANCE SHEET

JUNE 30, 1974

<u>ASSETS</u>	<u>TOTAL ALL FUNDS</u>	<u>GAS TAX</u>	<u>MAJOR STREETS GAS TAX</u>	<u>FEDERAL REVENUE SHARING</u>
Cash	\$ 1,340	\$ 663	\$ 676	\$ 1
Cash with fiscal agents	42	42		
Investments	544,493	101,000	147,000	296,493
Due from other funds	<u>297,305</u>	<u>153,288</u>	<u> </u>	<u>144,017</u>
Total Assets	<u>\$843,180</u>	<u>\$254,993</u>	<u>\$147,676</u>	<u>\$440,511</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCES</u>				
Claims payable	\$188,671	\$ 23,494	\$ 1,079	\$164,098
Due to other funds	225,089	214,570	54	10,465
Bond interest payable	<u>42</u>	<u>42</u>	<u> </u>	<u> </u>
Total Liabilities	<u>413,802</u>	<u>238,106</u>	<u>1,133</u>	<u>174,563</u>
Reserves for encumbrances (Statement 13)	197,115	7,721	41,957	147,437
Fund balances (Statement 11)	<u>232,263</u>	<u>9,166</u>	<u>104,586</u>	<u>118,511</u>
Total Liabilities, Reserves and Fund Balances (Statement 1)	<u>\$843,180</u>	<u>\$254,993</u>	<u>\$147,676</u>	<u>\$440,511</u>

See notes to financial statements.

CITY OF SCOTTSDALE

STATEMENT 11

SPECIAL REVENUE FUNDS

ANALYSIS OF CHANGES IN FUND BALANCES

FOR THE FISCAL YEAR ENDED JUNE 30, 1974

	TOTAL ALL FUNDS	GAS TAX	MAJOR STREETS GAS TAX	FEDERAL REVENUE SHARING
Fund Balances, July 1, 1973	\$1,020,449	\$ 4,075	\$525,688	\$490,686
Add:				
1972-73 Reserves for encumbrances cancelled (Statement 13)	3,756	3,756		
Contributions from general fund	<u>710,823</u>	<u>710,823</u>		
Total Balances and Additions	1,735,028	718,654	525,688	490,686
Deduct:				
Excess of expenditures over revenue				
Expenditures (Statement 13)	2,651,271	903,234	787,527	960,510
Revenue (Statement 12)	<u>1,345,621</u>	<u>201,467</u>	<u>408,382</u>	<u>735,772</u>
	1,305,650	701,767	379,145	224,738
Reserve for encumbrances, June 30, 1974 (Statement 13)	<u>197,115</u>	<u>7,721</u>	<u>41,957</u>	<u>147,437</u>
Total Deductions	<u>1,502,765</u>	<u>709,488</u>	<u>421,102</u>	<u>372,175</u>
Fund Balances, June 30, 1974 (Statement 10)	<u>\$ 232,263</u>	<u>\$ 9,166</u>	<u>\$104,586</u>	<u>\$118,511</u>

See notes to financial statements.

CITY OF SCOTTSDALE

STATEMENT 12

SPECIAL REVENUE FUNDS

STATEMENT OF REVENUE - ESTIMATED AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 1974

<u>SOURCE AND FUND</u>	<u>ESTIMATED</u>	<u>ACTUAL</u>	<u>ACTUAL OVER/(UNDER) ESTIMATED</u>
<u>Gas Tax Fund</u>			
Intergovernmental revenue			
Gasoline tax	\$ 246,200	\$ 199,142	(\$47,058)
Revenue from use of money and property			
Interest earnings	2,000	2,025	25
Other	<u>300</u>	<u>300</u>	<u>300</u>
Total	<u>248,200</u>	<u>201,467</u>	<u>(46,733)</u>
<u>Major Streets Gas Tax Fund</u>			
Intergovernmental revenue			
Gasoline tax	365,700	353,758	(11,942)
Revenue from use of money and property			
Interest earnings	<u>3,500</u>	<u>54,624</u>	<u>51,124</u>
Total	<u>369,200</u>	<u>408,382</u>	<u>39,182</u>
<u>Federal Revenue Sharing Fund</u>			
Intergovernmental revenue			
Federal revenue sharing	672,820	684,528	11,708
Revenue from use of money and property			
Interest earnings	<u>15,000</u>	<u>51,244</u>	<u>36,244</u>
Total	<u>687,820</u>	<u>735,772</u>	<u>47,952</u>
Total Revenue	<u>\$1,305,220</u>	<u>\$1,345,621</u>	<u>\$40,401</u>
<u>Recapitulation by Source</u>			
Intergovernmental revenue (Statement 2)	\$1,284,720	\$1,237,428	(\$47,292)
Revenue from use of money and property (Statement 2)	20,500	107,893	87,393
Other (Statement 2)	<u>300</u>	<u>300</u>	<u>300</u>
Total Revenue	<u>\$1,305,220</u>	<u>\$1,345,621</u>	<u>\$40,401</u>

Statement 11

CITY OF SCOTTSDALE

STATEMENT 13

SPECIAL REVENUE FUNDS

STATEMENT OF EXPENDITURES AND ENCUMBRANCES COMPARED WITH APPROPRIATIONS

FOR THE FISCAL YEAR ENDED JUNE 30, 1974

	TOTAL ALL FUNDS	GAS TAX	MAJOR STREETS GAS TAX	FEDERAL REVENUE SHARING
Reserve for encumbrances June 30, 1973	\$ 283,785	\$ 7,382	\$276,403	
Expenditures 1972-73	<u>280,029</u>	<u>3,626</u>	<u>276,403</u>	
Credit to fund balance (Statement 11)	<u>3,756</u>	<u>3,756</u>	<u>- 0 -</u>	
Revised appropriations 1973-74	2,827,633	\$957,022	\$840,791	\$1,029,820
Less:				
Expenditures 1973-74	<u>2,651,271</u>	<u>903,234</u>	<u>787,527</u>	<u>960,510</u>
Unexpended balance	176,362	53,788	53,264	69,310
Less:				
Reserves for encumbrances June 30, 1974 (Statement 11)	<u>197,115</u>	<u>7,721</u>	<u>41,957</u>	<u>147,437</u>
Unencumbered Balance (Deficit)	<u>(\$ 20,753)</u>	<u>\$ 46,067</u>	<u>\$ 11,307</u>	<u>(\$ 78,127)</u>

See notes to financial statements.

DEBT SERVICE FUNDS

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

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

1957	Sewer Bonds
1960	Municipal Building and Jail Bonds
1960	Town Hall Mortgage Retirement Bonds
1961	Sewer Bonds
1966	Parks and Recreation Improvement Bonds
1967	Civic Center Improvement Bonds
1968	Civic Center Improvement Bonds
1971	Parks and Recreation Improvement Bonds
1973	Storm Sewer Construction Term Bonds

CITY OF SCOTTSDALE

STATEMENT 14

DEBT SERVICE FUNDS

BALANCE SHEET

JUNE 30, 1974

<u>ASSETS</u>	<u>TOTAL ALL FUNDS</u>	<u>GENERAL DEBT SERVICE</u>	<u>EXCISE DEBT SERVICE</u>
Cash	\$ 2	\$ 2	\$
Cash with fiscal agents	689,764	689,764	
Due from other funds	131,651	90,766	40,885
Amount to be provided for retirement of debt	<u>142,611</u>	<u> </u>	<u>142,611</u>
Total Assets	<u>\$964,028</u>	<u>\$780,532</u>	<u>\$183,496</u>
<u>LIABILITIES AND FUND BALANCES</u>			
Contract payable - Note D	\$142,611	\$	\$142,611
Due to other funds	131,653	90,768	40,885
Bonds payable	229,000	229,000	
Bond interest payable	185,764	185,764	
Fund balances			
Restricted for sinking fund requirements	275,000	275,000	
Unrestricted (Statement 15)	<u> </u>	<u> </u>	<u> </u>
Total Liabilities and Fund Balances (Statement 1)	<u>\$964,028</u>	<u>\$780,532</u>	<u>\$183,496</u>

See notes to financial statements.

CITY OF SCOTTSDALE

STATEMENT 15

DEBT SERVICE FUNDS

STATEMENT OF REVENUE, EXPENDITURES AND FUND BALANCES

FOR THE FISCAL YEAR ENDED JUNE 30, 1974

	TOTAL ALL FUNDS	GENERAL DEBT SERVICE	EXCISE DEBT SERVICE
Revenue:			
Taxes			
Property tax	\$462,517	\$462,517	\$
Transaction privilege tax	216,781		216,781
State revenue sharing	298,115	298,115	
Interest earned	<u>6,430</u>	<u>6,430</u>	
Total Revenue	<u>983,843</u>	<u>767,062</u>	<u>216,781</u>
Expenditures:			
Payment to fiscal agents			
Principal	230,119	169,000	61,119
Interest	477,496	321,834	155,662
Fiscal agent's fees	1,228	1,228	
Deposit to sinking fund	<u>275,000</u>	<u>275,000</u>	
Total Expenditures	<u>983,843</u>	<u>767,062</u>	<u>216,781</u>
Fund Balances June 30, 1974 (Statement 14)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See notes to financial statements.

CAPITAL PROJECTS FUNDS

Capital projects funds are 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, grants and contributions for the acquisition of capital assets.

Capital projects funds provide a formal mechanism which enables administrators to ensure that revenues dedicated for certain purpose are used only for that purpose and further enables them to report to creditors, and other grantors of capital projects fund revenue, that their requirements regarding the use of the revenue were fully satisfied.

Public Works Reserve Fund

The Public Works Reserve Fund is utilized for the accumulation and expending of general tax revenues specifically appropriated for major capital outlay projects by action of the City Council. Appropriations are made from the fund annually. The fund will continue to exist indefinitely.

Bond Construction Funds

Bond Construction Funds are utilized for the receiving and expending of the proceeds of bond sales. Bonds are authorized by the general electorate for specific capital project construction periods, rather than on an annual basis. Each bond construction fund is terminated upon the final completion of the construction of the project for which it was created. Those presently in existence are as follows:

Parks Bond Construction Fund
Storm Sewer Construction Fund

CITY OF SCOTTSDALE

STATEMENT 16

CAPITAL PROJECTS FUNDS

BALANCE SHEET

JUNE 30, 1974

<u>ASSETS</u>	TOTAL ALL FUNDS	PUBLIC WORKS RESERVE	PARKS BOND CONSTRUCTION	STORM SEWER CONSTRUCTION
Cash	\$ 1,497	\$ 1,320	\$ 176	\$ 1
Investments	3,171,416	351,000		2,820,416
Receivable from special assessment districts for construction costs	47,868	47,868		
Other assets	6,447	6,447		
Due from other funds	175,016	175,016		
Receivable from other governmental units	<u>173,764</u>		<u>173,764</u>	
Total Assets	<u>\$3,576,008</u>	<u>\$581,651</u>	<u>\$173,940</u>	<u>\$2,820,417</u>
<u>LIABILITIES, RESERVES AND FUND BALANCES</u>				
Claims payable	\$ 159,846	\$ 59,187	\$ 2,893	\$ 97,766
Due to other funds	<u>381,415</u>	<u>14,375</u>	<u>110,957</u>	<u>256,083</u>
Total Liabilities	<u>541,261</u>	<u>73,562</u>	<u>113,850</u>	<u>353,849</u>
Reserves for encumbrances (Statement 19)	538,714	178,437	3,276	357,001
Fund balances (Statement 17)	<u>2,496,033</u>	<u>329,652</u>	<u>56,814</u>	<u>2,109,567</u>
Total Liabilities, Reserves and Fund Balances (Statement 1)	<u>\$3,576,008</u>	<u>\$581,651</u>	<u>\$173,940</u>	<u>\$2,820,417</u>

See notes to financial statements.

CITY OF SCOTTSDALE

STATEMENT 17

CAPITAL PROJECTS FUNDS

ANALYSIS OF CHANGES IN FUND BALANCES

FOR THE FISCAL YEAR ENDED JUNE 30, 1974

	TOTAL ALL FUNDS	PUBLIC WORKS RESERVE	PARKS BOND CONSTRUCTION	STORM SEWER CONSTRUCTION
Fund balances, July 1, 1973	\$ 500,435	\$180,259	\$408,036	(\$ 87,860)
Add: 1972-73 Reserve for encumbrances cancelled (Statement 19)	43,785	43,785		
Excess of revenue over expenditures:				
Revenue (Statement 18)	4,776,311	882,813	13,223	3,880,275
Expenditures (Statement 19)	<u>2,277,806</u>	<u>590,790</u>	<u>361,169</u>	<u>1,325,847</u>
	2,498,505	292,023	(347,946)	2,554,428
Total Balances and Additions	3,042,725	516,067	60,090	2,466,568
Deduct:				
Reserve for encumbrances, June 30, 1974 (Statement 19)	538,714	178,437	3,276	357,001
Adjust reserve for prepaid incidentals	<u>7,978</u>	<u>7,978</u>		
Fund Balance, June 30, 1974 (Statement 16)	<u>\$2,496,033</u>	<u>\$329,652</u>	<u>\$ 56,814</u>	<u>\$2,109,567</u>

CITY OF SCOTTSDALE

STATEMENT 18

CAPITAL PROJECTS FUNDS

STATEMENT OF REVENUE - ESTIMATED AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 1974

	<u>ESTIMATED</u>	<u>ACTUAL</u>	<u>ACTUAL OVER/ (UNDER) ESTIMATED</u>
<u>Public Works Reserve Fund</u>			
Taxes			
Property	\$ 42,488	\$ 73,959	\$ 31,471
Transaction privilege tax	<u>742,230</u>	<u>742,230</u>	<u>31,471</u>
	<u>784,718</u>	<u>816,189</u>	
Revenue from use of money and property			
Interest earnings	3,000	33,309	30,309
Prior year expense recovery	<u> </u>	<u>33,315</u>	<u>33,315</u>
Total	<u>787,718</u>	<u>882,813</u>	<u>95,095</u>
<u>Park Bond Construction Fund</u>			
Revenue from use of money and property			
Interest earnings		<u>13,223</u>	<u>13,223</u>
Total		<u>13,223</u>	<u>13,223</u>
<u>Storm Sewer Bond Construction</u>			
Sale of bonds	3,500,000	3,500,000	
Revenue from use of money and property			
Interest earned		223,395	223,395
Aid from other government units	<u> </u>	<u>156,880</u>	<u>156,880</u>
Total	<u>3,500,000</u>	<u>3,880,275</u>	<u>380,275</u>
	<u>\$4,287,718</u>	<u>\$4,776,311</u>	<u>\$488,593</u>

Statement 17

CITY OF SCOTTSDALE

STATEMENT 19

CAPITAL PROJECTS FUNDS

STATEMENT OF EXPENDITURES AND ENCUMBRANCES COMPARED WITH APPROPRIATIONS

FOR THE FISCAL YEAR ENDED JUNE 30, 1974

	<u>TOTAL ALL FUNDS</u>	<u>PUBLIC WORKS RESERVE</u>	<u>PARKS BOND CONSTRUCTION</u>	<u>STORM- SEWER CONSTRUCTION</u>
Reserve for encumbrances June 30, 1973	\$ 57,945	\$ 57,489	\$ 456	
Expenditures 1972-73	<u>14,160</u>	<u>13,704</u>	<u>456</u>	
Credit to fund balance (Statement 17)	<u>43,785</u>	<u>43,785</u>	<u>- 0 -</u>	
Revised appropriations 1973-74	917,201	917,201		
Less:				
Expenditures 1973-74	<u>2,277,806</u>	<u>590,790</u>	<u>361,169</u>	<u>\$1,325,847</u>
Unexpended balance (deficit)	(1,360,605)	326,411	(361,169)	(1,325,847)
Less:				
Reserves for encumbrances June 30, 1974 (Statement 17)	<u>538,714</u>	<u>178,437</u>	<u>3,276</u>	<u>357,001</u>
Uncumbered Balance (deficit)	<u>(\$1,899,319)</u>	<u>\$147,974</u>	<u>(\$364,445)</u>	<u>(\$1,682,848)</u>

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 on a user charge basis to the general public. The accounting for enterprise funds is on an accrual basis. Although both the Water and Sewer Utility and the Airport 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 revenues and expenses of the City of Scottsdale Water and Sewer Utility. Although a program of the City government, the Utility is operated as a separate enterprise and the accounting records are maintained on an enterprise fund basis. Accordingly, the account classifications used are designed specifically for the water and sewer operations.

Airport Fund

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

CITY OF SCOTTSDALE

ENTERPRISE FUNDS

BALANCE SHEET

JUNE 30, 1974

<u>ASSETS</u>	<u>TOTAL ALL FUNDS</u>	<u>WATER & SEWER UTILITY</u>	<u>AIRPORT</u>
Current Assets			
Cash (Statements 23 and 25)	\$ 17,940	\$ 17,938	\$ 2
Cash with fiscal agents	298,862	298,862	
Investments - at cost, which approximates market	1,096,563	1,096,563	
Accounts receivable	243,054	238,221	4,833
Other receivables	87,223	87,223	
Accrued interest	20,054	20,054	
Due from other funds	63,574	63	63,511
	<u>1,827,270</u>	<u>1,758,924</u>	<u>68,346</u>
Total Current Assets			
Property and Equipment - on the basis of cost			
Advance for purchase of water company and costs	818,373	818,373	
Land	1,675,044	50,499	1,624,545
Well sites	5,047,287	5,047,287	
Sewer system	13,458,967	13,458,967	
Buildings	721,592		721,592
Furniture, fixtures and equipment	84,561	81,912	2,649
Construction in progress	288,362	288,362	
Utility plant acquisition adjustment	1,512,483	1,512,483	
Allowance for depreciation	(3,389,592)	(3,139,220)	(250,372)
	<u>20,217,077</u>	<u>18,118,663</u>	<u>2,098,414</u>
Restricted Assets			
Water development fees - Note G	545,962	545,962	
Restricted for bond redemption			
Reserve requirements in trust	126,345	126,345	
Cash in trust	49,502	49,502	
Restricted for acquisition and construction			
Investments	1,390,000	1,390,000	
	<u>2,111,809</u>	<u>2,111,809</u>	
	<u>\$24,156,156</u>	<u>\$21,989,396</u>	<u>\$2,166,760</u>
Total Assets (Statement 1)			

<u>LIABILITIES AND RETAINED EARNINGS</u>	<u>TOTAL ALL FUNDS</u>	<u>WATER & SEWER UTILITY</u>	<u>AIRPORT</u>
Current Liabilities			
Claims payable	\$ 86,572	\$ 82,554	\$ 4,018
Bond interest payable	163,570	163,570	
Contract interest payable	3,641	3,641	
Current portion of bonds payable	125,000	125,000	
Current portion of contract payable	161,818	94,429	67,389
Due to other funds	<u>735,099</u>	<u>693,014</u>	<u>42,085</u>
Total Current Liabilities	<u>1,275,700</u>	<u>1,162,208</u>	<u>113,492</u>
Long-Term Debt - Note C and D			
Bonds payable - less current portion	6,285,000	6,285,000	
Contracts payable - less current portion	<u>1,847,139</u>	<u>1,336,910</u>	<u>510,229</u>
	<u>8,132,139</u>	<u>7,621,910</u>	<u>510,229</u>
Other Liabilities			
Customer advances and deposits	81,506	81,506	
Advance from municipality	<u>620,000</u>	<u>620,000</u>	
	<u>701,506</u>	<u>701,506</u>	
Reserves			
Reserve for water and sewer replacement	90,052	90,052	
Reserve for water development fees	<u>545,962</u>	<u>545,962</u>	
	<u>636,014</u>	<u>636,014</u>	
Contributions to capital:			
Contributions from subdividers	3,827,463	3,827,463	
Contributions from municipality	5,425,850	5,217,866	207,984
Contributions from improvement districts	2,704,791	2,704,791	
Contributions from Seventh-Day Adventist Church	700,000		700,000
Contributions from federal government	<u>793,784</u>		<u>793,784</u>
	<u>13,451,888</u>	<u>11,750,120</u>	<u>1,701,768</u>
Retained earnings (deficit) (Statement 21)	(41,091)	117,638	(158,729)
Total Liabilities and retained earnings (Statement 1)	<u>\$24,156,156</u>	<u>\$21,989,396</u>	<u>\$2,166,760</u>

See notes to financial statements.

CITY OF SCOTTSDALE

STATEMENT 21

ENTERPRISE FUNDS

ANALYSIS OF CHANGES IN RETAINED EARNINGS

FOR THE FISCAL YEAR ENDED JUNE 30, 1974

	TOTAL ALL FUNDS	WATER & SEWER UTILITY	AIRPORT
Retained Earnings (Deficit), July 1, 1973	(\$ 3,122)	\$ 178,552	(\$181,674)
Add:			
Net income for the year (Statements 22 and 24)	<u>1,412,067</u>	<u>1,389,122</u>	<u>22,945</u>
Total Retained Earnings (Deficit) and Additions	<u>1,408,945</u>	<u>1,567,674</u>	<u>(158,729)</u>
Deduct:			
Distribution of earnings to Motor Pool Fund	71,000	71,000	
Distribution of earnings to General Fund	807,155	807,155	
Reserve for water development fees	545,962	545,962	
Adjustment to construction to be provided	<u>25,919</u>	<u>25,919</u>	
Total Deductions	<u>1,450,036</u>	<u>1,450,036</u>	
Retained Earnings (Deficit) June 30, 1974 (Statement 20)	<u>(\$ 41,091)</u>	<u>\$ 117,638</u>	<u>(\$158,729)</u>

See notes to financial statements.

CITY OF SCOTTSDALE

STATEMENT 22

WATER AND SEWER UTILITY FUND

COMPARATIVE STATEMENT OF REVENUE AND EXPENSE

FOR THE FISCAL YEAR ENDED JUNE 30, 1974 AND 1973

	<u>FISCAL YEAR 1973-74</u>	<u>FISCAL YEAR 1972-73</u>
Operating Revenue:		
Water development fees	\$212,868	\$291,682
Water service charges	718,870	549,987
Water connection fees	150,000	89,866
Sewer service fees	923,193	820,233
Sewer connection fees	76,551	107,503
Other operating revenue	<u>16,757</u>	<u>13,716</u>
Total operating revenue	\$2,098,239	\$1,872,987
Operating Expenses: (exclusive of depreciation)		
Water/source of supply	17,020	18,525
Water/pumping expenses	95,467	87,822
Water treatment expenses	- 0 -	40
Water transmission and distribution expenses	47,752	17,666
Sewer treatment and disposal	143,394	94,721
Customer collection expenses	112,890	81,228
General and administrative expenses	<u>64,325</u>	<u>106,830</u>
Total operating expenses	<u>480,848</u>	<u>406,832</u>
Net Operating Income Before Depreciation	1,617,391	1,466,155
Less: depreciation and amortization	<u>419,854</u>	<u>396,114</u>
Net operating income	1,197,537	1,070,041
Non-Operating Income		
Interest earnings	334,823	105,230
Gain on refunding of debt		266,448
Federal aid	<u>180,141</u>	
Total Non-Operating Income	<u>514,964</u>	<u>371,678</u>
Total Income	1,712,501	1,441,719
Non-Operating Expense		
Bond interest	<u>323,379</u>	<u>215,282</u>
Net Income (Statement 21)	<u>\$1,389,122</u>	<u>\$1,226,437</u>

CITY OF SCOTTSDALE

STATEMENT 23

WATER AND SEWER UTILITY FUND

STATEMENT OF SOURCES AND APPLICATIONS OF CASH FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 1974

Cash Funds Were Provided By:

Net operating income before depreciation	\$1,617,391
Non-operating income	514,964
Decrease in investments	253,301
Increase in current liabilities	277,943
Proceeds from sale of bonds	<u>3,000,000</u>
Total Cash Funds Provided	5,663,599

Cash Funds Were Applied To:

Increase in cash with fiscal agents	294,784
Increase in receivables	94,058
Acquisition of property and equipment	1,904,815
Increase in restricted assets	1,369,441
Decrease in customer deposits	21,195
Decrease in long-term debt	779,429
Contributions to City of Scottsdale	878,155
Non-operating interest expense	<u>323,379</u>
Total Cash Funds Applied	5,665,256

Decrease in Cash Funds 1973-74	(1,657)
Cash balance July 1, 1973	<u>19,595</u>

Cash Balance June 30, 1974	<u>\$ 17,938</u>
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Statement 20

CITY OF SCOTTSDALE

STATEMENT 24

AIRPORT FUND

COMPARATIVE STATEMENT OF REVENUE AND EXPENSE

FOR THE FISCAL YEAR ENDED JUNE 30, 1974 AND 1973

	<u>FISCAL YEAR 1973-74</u>	<u>FISCAL YEAR 1972-73</u>
Operating Revenue:		
Tie downs and rentals	\$88,933	\$76,032
Commissions on sales	<u>18,380</u>	<u>20,263</u>
Total Operating Revenue	\$107,313	\$96,295
Operating Expenses:		
(exclusive of depreciation)		
Administration	41,269	17,780
Maintenance	4,177	4,490
Other	<u>1,021</u>	<u>12,223</u>
Total Operating Expenses	<u>46,467</u>	<u>34,493</u>
Net operating income before depreciation	60,846	61,802
Less depreciation	<u>43,215</u>	<u>43,477</u>
Net Operating Income	17,631	18,325
Non-Operating Income		
Gain on refinancing of debt	22,549	
Interest earned		29
Federal aid	<u>11,888</u>	
Total Non-Operating Income	<u>34,437</u>	<u>29</u>
Total Income	<u>52,068</u>	<u>18,354</u>
Non-Operating Expense		
Interest expense	<u>29,123</u>	<u>29,370</u>
Net Income (Loss) (Statement 21)	<u>\$ 22,945</u>	<u>(\$11,016)</u>

CITY OF SCOTTSDALE

STATEMENT 25

AIRPORT FUND

STATEMENT OF SOURCES AND APPLICATIONS OF CASH FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 1974

Cash Funds Were Provided By:

Net operating income before depreciation	\$ 60,846
Non-operating income - Federal aid	11,888
Increase in current liabilities	75,752
Contributions from City of Scottsdale	67,081
Gain on refunding of long-term debt	<u>22,549</u>
Total Cash Funds Provided	238,116

Cash Funds Were Applied To:

Increase in receivables	59,498
Decrease in long-term debt	105,347
Purchase of land and equipment	44,156
Non-operating interest expense	<u>29,123</u>
Total Cash Funds Applied	<u>238,124</u>

Decrease in cash funds during 1973-74

(8)

Cash balance July 1, 1973

10

Cash Balance June 30, 1974

\$ 2

Statement 20

See notes to financial statements.

INTRAGOVERNMENTAL SERVICE FUND

Intragovernmental 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 billings to user programs of the City.

CITY OF SCOTTSDALE

STATEMENT 26

MOTOR POOL FUND

BALANCE SHEET

JUNE 30, 1974

ASSETS

Due from other funds	<u>\$246,686</u>
Total Assets	<u>\$246,686</u>

LIABILITIES, CONTRIBUTIONS AND RETAINED EARNINGS

Claims payable	\$152,717
Due to other funds	<u>93,969</u>
	<u>246,686</u>
Contributions from general fund	404,316
Contributions from water and sewer utility	<u>71,000</u>
	<u>475,316</u>
Retained earnings (deficit) (Statement 27)	(<u>475,316</u>)
Total Liabilities, Contributions and Retained Earnings	<u>\$246,686</u>

See notes to financial statements.

CITY OF SCOTTSDALE

STATEMENT 27

MOTOR POOL FUND

STATEMENT OF REVENUE, COSTS AND RETAINED EARNINGS

FOR THE FISCAL YEAR ENDED JUNE 30, 1974

Operating Revenue :

Billings to user programs		\$1,271,377
Sales of surplus equipment		<u>350</u>
Total Operating Revenue		<u>1,271,727</u>

Operating Costs :

Salaries and wages	\$362,601	
Materials used	490,014	
Outside services	140,780	
Shop supplies	48,580	
General and office	<u>38,705</u>	<u>1,080,680</u>

Excess of Revenues Over Costs		191,047
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Purchase of additional and replacement equipment		<u>666,363</u>
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Retained Earnings (deficit) (Statement 26)		<u>(\$ 475,316)</u>
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See notes to financial statements.

• TRUST AND AGENCY FUNDS

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.

CITY OF SCOTTSDALE

STATEMENT 28

TRUST AND AGENCY FUNDS

BALANCE SHEET

JUNE 30, 1974

<u>ASSETS</u>	<u>TOTAL ALL FUNDS</u>	<u>NEIGHBORHOOD DEVELOPMENT PROJECT</u>	<u>FEDERAL GRANTS</u>	<u>MISCELLANEOUS TRUST AND AGENCY</u>
Cash	\$ 19,376	\$ 13,229	\$ 7	\$ 6,140
Grants receivable	69,183		69,183	
Accounts receivable	239,536	239,536		
Due from other funds	21,008		9,519	11,489
Investments	4,122,449	3,877,974		244,475
Land inventory	1,280,945	1,280,945		
Project cost control- Note E	738,647	738,647		
	<u>\$6,491,144</u>	<u>\$6,150,331</u>	<u>\$78,709</u>	<u>\$262,104</u>
<u>LIABILITIES, RESERVES & FUND BALANCES</u>				
Claims payable	\$ 102,457	\$ 94,778	\$ 1,024	\$ 6,655
Loans payable (temporary)	5,830,000	5,830,000		
Due to other funds	76,117	74,154	1,963	
Guaranty and other deposits	234,846	44,595		190,251
Accrued interest payable	106,454	106,454		
	<u>6,349,874</u>	<u>6,149,981</u>	<u>2,987</u>	<u>196,906</u>
Reserves for encumbrances (Statement 30)	7,601		320	7,281
Reserves for value of land sold, leased or retained	350	350		
Fund balances (Statement 30)	<u>133,319</u>		<u>75,402</u>	<u>57,917</u>
	<u>\$6,491,144</u>	<u>\$6,150,331</u>	<u>\$78,709</u>	<u>\$262,104</u>
Total Liabilities, Reserves and Fund Balances	<u>\$6,491,144</u>	<u>\$6,150,331</u>	<u>\$78,709</u>	<u>\$262,104</u>

CITY OF SCOTTSDALE

STATEMENT 29

TRUST AND AGENCY FUNDS

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 1974

	TOTAL ALL FUNDS	NEIGHBORHOOD DEVELOPMENT PROJECT	FEDERAL GRANTS	MISCELLANEOUS TRUST AND AGENCY
Cash Balances July 1, 1973	\$ 170,197	\$ 148,556	\$ 4,863	\$ 16,778
Cash Receipts:				
Federal and state aid	2,990,542	2,689,144	301,398	
Investment maturities	11,454,454	11,290,932		163,522
Interest earned	175,679	167,252		8,427
Operating revenue	250,545	250,545		
Security and other deposits	294,797	73,334		221,463
Donations	65,404			65,404
Transfers from other funds	332,026	150,651	139,531	41,844
Total Receipts	<u>15,563,447</u>	<u>14,621,858</u>	<u>440,929</u>	<u>500,660</u>
Cash Disbursements:				
Reduction of notes	15,000	15,000		
Federal aid rebates	5,658		5,658	
Investments purchased	13,402,015	13,118,905		283,110
Deposit refunds	131,679	15,200		116,479
Operating expenses	1,825,052	1,608,080	129,217	87,755
Transfers to other funds	334,864		310,910	23,954
Total Disbursements	<u>15,714,268</u>	<u>14,757,185</u>	<u>445,785</u>	<u>511,298</u>
Cash Balances June 30, 1974 (Statement 28)	<u>\$ 19,376</u>	<u>\$ 13,229</u>	<u>\$ 7</u>	<u>\$ 6,140</u>

See notes to financial statements.

CITY OF SCOTTSDALE

STATEMENT 30

TRUST AND AGENCY FUNDS

ANALYSIS OF CHANGES IN FUND BALANCES

FOR THE FISCAL YEAR ENDING JUNE 30, 1974

	<u>COMBINED FUNDS</u>	<u>FEDERAL GRANTS</u>	<u>MISCELLANEOUS TRUST AND AGENCY</u>
Fund Balances, July 1, 1973	\$ 35,988	\$(18,400)	\$ 54,388
Add:			
1972-73 Reserve for encumbrances cancelled	8,817	1,439	7,378
Excess of revenue over expenditures			
Revenue	230,661	155,963	74,698
Expenditures	<u>141,901</u>	<u>70,635</u>	<u>71,266</u>
	88,760	85,328	3,432
Contributions from general fund	<u>7,355</u>	<u>7,355</u>	
Total Balances and Additions	140,920	75,722	65,198
Deduct:			
Reserve for encumbrances, June 30, 1974	<u>7,601</u>	<u>320</u>	<u>7,281</u>
Fund Balances, June 30, 1974 (Statement 28)	<u>\$ 133,319</u>	<u>\$ 75,402</u>	<u>\$ 57,917</u>

SPECIAL ASSESSMENT FUND

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

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

CITY OF SCOTTSDALE

STATEMENT 31

SPECIAL ASSESSMENTS FUNDS

BALANCE SHEET

JUNE 30, 1974

Cash	\$	707
Cash with fiscal agents		143,343
Special assessments receivable - Note B		5,307,710
Investments		<u>585,500</u>
Total Assets		<u>\$6,037,260</u>

LIABILITIES AND FUND BALANCE

Claims payable	\$	1,140
Bonds payable - Note B		4,662,553
Bond interest payable		1,275,055
Other liabilities		6,166
Due to other funds		372
Due to public works reserve for construction		47,868
Fund balance - restricted for bond interest and redemption (Statement 33)		<u>44,106</u>
Total Liabilities and Fund Balance (Statement 1)		<u>\$6,037,260</u>

See notes to financial statements.

CITY OF SCOTTSDALE

STATEMENT 32

SPECIAL ASSESSMENTS FUNDS

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 1974

Cash Balance July 1, 1973	\$ - 0 -
Cash Receipts	
Assessments receivable payments	780,922
Redemptions	4,727
Penalties	4,353
Over payments	8,568
Street lighting tax revenues	46,260
Investments - maturities	841,520
Transfer from other funds	77,165
Total Receipts	<u>\$1,763,515</u>
Cash Disbursements:	
Bond redemption	\$ 592,005
Interest paid	221,952
Over payments refunded	13,171
Redemptions	14,160
Street lighting operating expense	34,812
Investments purchased	868,330
Transfers to other funds	18,378
Total Disbursements	<u>\$1,762,808</u>
Cash Balance June 30, 1974	<u>\$ 707</u>

Statement 31

See notes to financial statements.

CITY OF SCOTTSDALE

STATEMENT 33

SPECIAL ASSESSMENTS FUNDS

ANALYSIS OF CHANGES IN FUND BALANCE

FOR THE FISCAL YEAR ENDED JUNE 30, 1974

Fund Balance, July 1, 1973	\$ 32,702
Add:	
Penalty income	3,606
Excess of revenue over expenditures	
Revenue	46,260
Expenditures	<u>35,921</u>
	10,339
Total Balance and Addition	46,647
Deduct:	
Adjustment - close out finished districts set up new districts	<u>2,541</u>
Fund Balance, June 30, 1974 (Statement 31)	<u>\$ 44,106</u>

GENERAL FIXED ASSETS GROUP OF ACCOUNTS

The General Fixed Assets Group of Accounts are 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. No depreciation is provided for on such assets. Through this control, responsibility for the custody of these assets can be fixed as well.

The investment in fixed assets of enterprise operations are accounted for in their respective funds.

CITY OF SCOTTSDALE

STATEMENT 34

STATEMENT OF GENERAL FIXED ASSETS

JUNE 30, 1974

General Fixed Assets - Note F

Land	\$ 4,161,359
Buildings and improvements	6,748,683
Streets and storm drains	91,416,233
Machinery and equipment	3,432,327
Construction in process	<u>2,652,334</u>
Total General Fixed Assets	<u>\$108,410,936</u>
Investment in General Fixed Assets*	<u>\$108,410,936</u>
Investment in Property, Plant, and Equipment	<u>\$108,410,936</u>
	Statement 1

*The sources of funds invested in general fixed assets and functions and activity are unavailable at June 30, 1974

See notes to financial statements.

GENERAL LONG-TERM DEBT GROUP OF ACCOUNTS

The accounts in the General Long-Term Group of Accounts represents the long-term liabilities of the City.

The long-term debt of the enterprise funds are accounted for in their respective funds.

CITY OF SCOTTSDALE

STATEMENT 35

STATEMENT OF GENERAL LONG-TERM DEBT

JUNE 30, 1974

Amount to be provided for retirement of contracts payable	\$ 8,209,771
Amount to be provided for retirement of general long-term debt	<u>8,325,776</u>
	<u>\$16,535,547</u>
General long-term bonded debt payable	7,489,000
Special assessments payable on City-owned property	836,776
Contracts payable - Note D	<u>8,209,771</u>
Total General Long-Term Debt (Statement 1)	<u>\$16,535,547</u>

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

CITY OF SCOTTSDALE, ARIZONA

JUNE 30, 1974

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Basis of Accounting - All funds of the City are maintained on a modified accrual basis of accounting, except for the Enterprise, Intragovernmental, Neighborhood Development Project and Federal Grants funds which are maintained on the accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when received and expenditures are recorded when the liability is incurred. This method of accounting is modified by the encumbrance method of accounting for expenditures which records commitments such as purchase orders and uncompleted contracts as restrictions of fund balances.

Investments - Investments of the various funds are comprised of certificates of deposit and U. S. Treasury Bills which are stated at cost. It is the City's general policy to invest only in certificates of deposit and U. S. Government agency securities. Bond premiums and discounts are recorded in expenditures and revenue upon maturity or sale.

General Fixed Assets - General fixed assets are recorded as expenditures in the various funds, except Enterprise Funds, in which the expenditures are budgeted at the time of purchase. These assets are capitalized at cost, except for those assets for which historical costs were not available which are stated at engineering estimates, in the general fixed assets group of accounts. Gifts or contributions are recorded as general fixed assets at fair market value at the time received. No depreciation has been provided on general fixed assets.

Enterprise Funds Property and Equipment - Fixed assets of the Enterprise Funds are stated at cost except for water system fixed assets acquired from various privately owned water companies which are recorded at their net book value at the date acquired. Depreciation has been provided using the straight-line method of accounting over the assets estimated useful lives ranging from 3 to 50 years. The excess of the purchase price over the net book value of water system assets acquired has been recorded as a "utility plant acquisition adjustment" and is being amortized on a straight-line basis over a 25-year period.

NOTE B - SPECIAL ASSESSMENTS RECEIVABLE

The City acts as trustee for special assessments on improvement districts, whereby it collects the assessments levied against the owners of property within the improvement district and disburses these amounts to retire the bonds issued to finance the improvements.

NOTE C - REDEMPTION OF SEWER AND WATER REVENUE BONDS

The City issued 1957 and 1961 Sewer Revenue Bonds for the planned construction of a sewer treatment plant. Proceeds from these bonds became unexpendable when the plan

NOTES TO FINANCIAL STATEMENTS (Cont'd.)

CITY OF SCOTTSDALE, ARIZONA

JUNE 30, 1974

was abandoned and it was necessary to refund the bonds to remove their lien on future sewer revenues and to provide for the issuance of additional bonds for construction of joint sewer facilities under a five-City plan. On July 9, 1964, the City executed an irrevocable trust agreement with a bank whereby the City deposited funds in the trust account for the purpose of servicing and redeeming the 1957 and 1961 Sewer Revenue Bonds. The interest earnings on the funds deposited in trust, together with such funds, are sufficient for the redemption of principal and the payment of interest on the bonds. At June 30, 1974, the principal amounts outstanding were \$80,000 on the 1957 Sewer Revenue Bonds and \$535,000 on the 1961 Sewer Revenue Bonds. A call provision is included in each indenture and will be exercised on all bonds outstanding as of January 1, 1975.

During 1973, the City issued Utility Revenue Refunding Bonds to refund Sewer Revenue Series of 1964 and 1966 and Water Revenue Series of 1971. In conjunction with the issuance of these bonds, the City purchased securities of various U. S. Governmental agencies which were placed in irrevocable trusts. The interest earnings on the securities held by the trust, together with the principal of such securities, are sufficient for the redemption of principal and the payment of interest on the bonds refunded. At June 30, 1974, the principal amounts outstanding were \$1,500,000 on the 1971 Water Bonds and \$1,480,000 and \$1,200,000 respectively on the 1964 and 1966 Sewer Revenue Bonds.

NOTE D - CONTRACTS PAYABLE

On February 11, 1974, the City entered into two new contracts with the City of Scottsdale Municipal Property Corporation to refinance existing contracts payable and provide new financing for the Scottsdale Center for the Arts (SCA) and a parking facility. Contracts refinanced were as follows:

	<u>Total</u>	<u>Excise Debt Services Fund</u>	<u>Airport Fund</u>
Agreement dated January 8, 1968	\$ 385,000	\$ 123,591	\$261,409
Agreement dated March 2, 1971	1,380,000	1,221,282	158,718
Agreement dated April 18, 1972	<u>222,420</u>	<u> </u>	<u>222,420</u>
Total Refinanced	<u>\$1,987,420</u>	<u>\$1,344,873</u>	<u>\$642,547</u>

The February 11, 1974 contracts are for an amount sufficient to pay principal interest, and other costs relating to bonds issued by the Corporation.

Legal title to all constructed facilities is retained by the Corporation until the related contract is paid in full. The City has sole right to the use of the facilities and is responsible for all operating and maintenance costs.

The City, in accordance with the agreements, has collateralized the bonded debt issued by the Corporation by (1) a first lien pledge of all excise, transaction privilege, and franchise taxes collected by the City, (2) a pledge of all net revenues derived by the City from the property whether by lease, rental or otherwise.

NOTES TO FINANCIAL STATEMENTS (Cont'd.)

CITY OF SCOTTSDALE, ARIZONA

JUNE 30, 1974

NOTE D - CONTRACTS PAYABLE (Cont'd.)

The February 11, 1974 contracts are payable as follows:

	<u>Total</u>	<u>Excise Debt Service Fund</u>	<u>Airport Fund</u>
Refinancing agreement, \$1,890,000 payable in annual installments plus interest at 4.75% payable semiannually through July 1, 1982.	\$1,800,000	\$1,222,382	\$577,618

<u>Maturity</u>	
<u>July 1</u>	<u>Principal</u>
1975	\$210,000
1976	220,000
1977-79	725,000
1980-82	645,000

SCA construction agreement \$7,130,000 payable in annual installments beginning July 1, 1982, plus interest at rates ranging from 5.2% to 6% (average rate 5.4258%) payable semiannually from July 1, 1974, through July 1, 1996.	7,130,000	7,130,000	
	<u>\$8,930,000</u>	<u>\$8,352,382</u>	<u>\$577,618</u>
Long-term portion	\$8,720,000	\$8,209,771	\$510,229
Due within one year	210,000	142,611	67,389
	<u>\$8,930,000</u>	<u>\$8,352,382</u>	<u>\$577,618</u>

At June 30, 1974, the City Water and Sewer Utility Fund is obligated under two purchase contracts for the acquisition of water companies as follows:

	<u>Due within one year</u>	<u>Long- term</u>
Indian Bend Water Company, \$1,629,625 payable in annual installments through July 1986, plus 6% interest	\$84,429	\$1,251,910
Ocotillo Water Company, \$105,000 payable in annual installments through October 1977, plus 5 3/4% interest	10,000	85,000
	<u>\$94,429</u>	<u>\$1,336,910</u>

NOTES TO FINANCIAL STATEMENTS (Cont'd.)

CITY OF SCOTTSDALE, ARIZONA

JUNE 30, 1974

NOTE D - CONTRACTS PAYABLE (Cont'd.)

These contracts are payable from operating revenues of the Utility Fund and place no lien on other City revenues.

NOTE E - NEIGHBORHOOD DEVELOPMENT PROJECT

The project cost control at June 30, 1974, represents costs relating to the third grant action year which began November 1, 1973.

An audit was performed of project costs incurred for the second grant action year through October 31, 1973, and these costs were subsequently closed against grant proceeds. The accounts receivable of \$239,536 represents final settlement of the second grant action year.

The statement of Cash Receipts and Disbursements of the Neighborhood Development Project includes project costs incurred during the fiscal year July 1, 1973 to June 30, 1974.

NOTE F - FIXED ASSETS

During the year ended June 30, 1973, the City completed a project of establishing cost data and subsidiary record control for fixed assets, and adjustments were made to the carrying values as accurate cost data was established. Historical costs were not available for certain fixed assets and these items were recorded in the accounts based on the City Engineer's estimates of their cost. Engineer's estimates were used for the following items:

General Fixed Assets -	
Streets and storm drains	\$84,193,126
Traffic signal equipment	605,640
Land	3,847,513
Utility Fixed Assets -	
Sewer system	12,194,611

NOTE G - WATER DEVELOPMENT FEES

During fiscal year 1972-73, the City began levying a water development fee on residential and commercial development of a minimum of \$400 per unit constructed. Developers have filed suit to recover such fees.

The City has recognized such fees as revenue when received and established a corresponding restricted asset and reserve until such time as final settlement of legal action is reached.

NOTES TO FINANCIAL STATEMENTS (Cont'd.)

CITY OF SCOTTSDALE, ARIZONA

JUNE 30, 1974

NOTE H - CONTINGENT LIABILITIES

The City has been named defendant in two separate lawsuits claiming a total of \$650,000. The status of these claims at June 30, 1974, is indeterminable, however, it is believed that they will have no adverse affect on the financial position of the City.

NOTE I - COMMITMENTS

The City entered into an agreement dated June 11, 1974 with the Gainey Water Company for the purchase of that portion of the Company's water system which serves areas of the City for a total purchase price of \$58,500 including present or contingent liabilities which may or do constitute a lien or other encumbrance upon the acquired property, plant or facilities. The City commenced operation of the acquired system during July, 1974.

During October 1973, the City began condemnation proceeding for the acquisition of the Desert Springs Water Company. As a result of this action, the City will acquire all of the assets of the Company for an estimated purchase price of \$1,600,000 of which \$818,000 has been advanced at June 30, 1974. The final purchase price will be established by the court.

**STATISTICAL
SECTION**

CITY OF SCOTTSDALE
GENERAL GOVERNMENTAL EXPENDITURES BY MAJOR PROGRAM
LAST TEN FISCAL YEARS

TABLE I

<u>Fiscal Year</u>	<u>General Government</u>	<u>Public Safety</u>	<u>Public Works</u>	<u>Health & Sanitation</u>	<u>Culture & Recreation</u>	<u>Debt Service</u>
1974	\$2,526,056	\$2,806,951	\$4,361,968	\$1,776,177	\$2,050,495	\$1,084,762
1973	1,743,392	2,289,692	3,212,325	1,765,158	1,373,567	419,169
1972	1,036,203	1,806,833	2,328,832	1,318,726	785,430	398,189
1971	1,030,698	1,544,895	2,016,027	1,010,599	1,053,202	238,862
1970	920,490	1,306,030	2,201,330	856,446	756,228	185,472
1969	747,714	1,198,636	1,439,749	584,698	611,857	181,969
1968	579,885	1,074,288	1,351,864	627,984	623,326	263,944
1967	438,478	784,305	1,073,747	620,930	290,314	101,926
1966	392,296	721,342	987,422	410,607	244,862	98,539
1965	430,228	651,601	600,623	460,805	361,881	105,771

GENERAL REVENUES BY SOURCE
LAST TEN FISCAL YEARS

TABLE II

<u>Fiscal Year</u>	<u>Taxes</u>	<u>Licenses & Permits</u>	<u>Inter-Government Revenue</u>	<u>Charges For Services</u>	<u>Fines & Forfeits</u>	<u>Uses of Money & Property</u>	<u>Misc.</u>
1974	\$6,228,398	\$544,996	\$4,644,425	\$260,485	\$229,396	\$292,438	\$964,980
1973	5,578,586	565,811	3,446,539	240,847	239,166	205,908	728,495
1972	4,552,900	147,086	2,373,264	613,816	197,333	130,473	218,983
1971	3,814,291	138,875	2,039,197	355,242	163,765	202,319	673,158
1970	3,413,956	378,123	1,796,624	291,416	178,143		33,830
1969	2,797,311	282,418	1,534,980	245,241	174,537		
1968	2,490,332	210,905	1,320,915	189,743	137,717		
1967	2,220,043	200,429	1,213,038	118,161	103,480		
1966	1,701,530	165,216	682,987	120,630	122,196		5,000
1965	1,571,625	165,708	686,502	110,976	122,544		

TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS

TABLE III

<u>Fiscal Year</u>	<u>Total Taxes</u>	<u>Privilege Taxes</u>	<u>General Property Tax</u>	<u>Franchise</u>	<u>In-Lieu Property</u>
1974	\$6,228,398	\$4,637,393	\$1,439,818	\$125,729	\$25,458
1973	5,578,586	4,173,436	1,273,554	102,023	29,573
1972	4,552,900	3,380,861	1,064,754	78,930	28,355
1971	3,814,291	2,754,597	968,298	69,031	22,365
1970	3,413,956	2,462,561	868,750	59,676	22,969
1969	2,797,311	1,891,095	843,830	54,854	7,532
1968	2,490,332	1,546,490	882,018	61,824	
1967	2,220,043	1,328,021	837,728	54,294	
1966	1,701,530	874,006	781,323	46,201	
1965	1,571,625	789,777	740,063	41,785	

CITY OF SCOTTSDALE
PROPERTY TAX RATES AND TAX LEVIES - ALL OVERLAPPING GOVERNMENTS
JUNE 30, 1974

TABLE IV

Overlapping Municipality	1973-74 Assessed Valuation	Portion Applicable to the City of Scottsdale		1973-74 Tax Rate Per \$100 A.V.
		Approx. %	Amount	
State of Arizona	\$4,476,532,548	3.90%	\$174,633,004	\$.75
Maricopa County	2,119,061,748	8.24	174,633,004	1.94
Maricopa County J.C. District	2,119,061,748	8.24	174,633,004	.57
Phoenix Union H. S. D.	853,049,180	.41	3,497,502	2.47
School District #31 (Balsz)	49,429,788	7.02	3,469,971	2.78
Scottsdale H. S. D.	283,189,715	59.72	169,120,898	3.73
School District #48 (Scottsdale)	283,189,715	59.72	169,120,898	3.73
Paradise Valley H. S. D.	70,591,972	2.79	1,969,516	4.15
School District #69 (P. V.)	70,591,972	2.79	1,969,516	5.46
City of Scottsdale	174,633,004	100.00	174,633,004	.82

Total Direct and Overlapping Tax Rate Per \$100 Assessed Valuation:

Inside School District No. 31 (Balsz)	\$ 933
Inside School District No. 48 (Scottsdale)	1,046
Inside School District No. 69 (Paradise Valley)	1,387

COMPUTATION OF DIRECT AND OVERLAPPING DEBT
AS OF JUNE 30, 1974

TABLE V

<u>Name of Governmental Unit</u>	<u>Net Debt Outstanding</u>	<u>% Applicable to this Municipality</u>	<u>City of Scottsdale Share of Debt</u>
City of Scottsdale	\$ 7,219,000	100.00%	\$7,219,000
State of Arizona	None	3.90	
Maricopa County	32,750,000	8.24	2,698,600
Maricopa County Junior College District	10,047,640	8.24	827,925
Phoenix Union H. S. District	13,002,071	.41	53,308
School District No. 31 (Balsz)	569,552	7.02	39,982
Scottsdale H. S. District	8,852,216	59.72	5,286,543
School District No. 48 (Scottsdale)	7,795,750	59.72	4,655,622
Paradise Valley H. S. District	5,897,563	2.79	164,542
School District No. 69 (Paradise Valley)	6,584,166	2.79	183,698
Total Direct and Overlapping Debt			<u>\$21,129,220</u>

CITY OF SCOTTSDALE

TABLE VI

PROPERTY TAX LEVIES AND COLLECTIONS

<u>FISCAL YEAR</u>	<u>TOTAL TAX LEVY</u>	<u>CURRENT TAX COLLECTIONS</u>	<u>% OF LEVY COLLECTIONS</u>	<u>DELINQUENT TAX COLLECTIONS</u>	<u>FUTURE YEAR TAX COLLECTIONS</u>	<u>TOTAL TAX COLLECTIONS</u>	<u>TOTAL COLLECTIONS % OF CURRENT LEVY</u>	<u>OUTSTANDING DELINQUENT TAXES</u>	<u>OUTSTANDING DELINQUENT TAXES AS A % OF CURRENT LEVY</u>
1974	\$1,431,614	\$1,389,339	97.05%	\$28,858	\$21,621	\$1,439,818	100.55%	\$42,275	2.95%
1973	1,291,567	1,223,459	94.73	26,271	23,824	1,273,554	98.61	71,905	5.57
1972	1,062,379	1,033,373	97.27	16,385	14,996	1,064,754	100.22	30,068	2.83
1971	966,172	943,559	97.66	14,376	10,363	968,298	100.22	19,340	2.00
1970	852,987	835,520	97.95	25,168	8,062	868,750	101.85	25,150	2.95
1969	848,486					843,830	99.45	30,454	3.59
1968	882,108					882,018	99.99	13,624	1.54
1967	824,683					837,728	101.58		
1966	779,647					781,323	100.21		
1965	739,079					740,063	100.13		

CITY OF SCOTTSDALE
 ASSESSED VALUATION CLASSIFICATION AND HISTORIES
 THE LAST FIVE YEARS AND THE LAST TEN YEARS

TABLE VII

COMPARATIVE ASSESSED VALUATION CLASSIFICATION

<u>Classification</u>	<u>Year</u> <u>1973-74</u>	<u>Year</u> <u>1972-73</u>	<u>Year</u> <u>1971-72</u>	<u>Year</u> <u>1970-71</u>	<u>Year</u> <u>1969-70</u>
Real Estate	\$ 40,478,765	\$ 31,571,935	\$ 26,360,355	\$25,272,765	\$21,824,585
Improvements	113,661,935	77,515,955	62,206,065	55,303,340	50,659,640
Secured Personal	1,170,470	1,054,588	1,041,960	993,420	1,790,380
Unsecured Personal	7,505,240	5,733,750	5,118,130	4,597,300	1,983,285
Utilities, Rails, Wires	12,410,719	10,283,575	9,487,252	8,922,302	7,906,798
Gross Valuation	\$175,227,129	\$126,159,803	\$104,213,762	\$95,089,127	\$84,164,688
Less Exemptions	594,125	778,850	1,070,145	1,286,325	1,349,985
Net Taxable Valuation	\$174,633,004	\$125,380,953	\$103,143,617	\$93,802,802	\$82,814,703

ASSESSED VALUATION HISTORIES

<u>Year</u>	<u>City of</u> <u>Scottsdale</u>	<u>Maricopa</u> <u>County</u>	<u>State of</u> <u>Arizona</u>
1973-74	\$174,633,004	\$2,119,061,748	\$4,476,532,548
1972-73	125,380,953	1,644,191,013	3,634,000,000
1971-72	103,143,617	1,385,223,610	3,165,849,984
1970-71	93,802,802	1,249,273,171	2,877,440,831
1969-70	82,814,703	1,146,470,649	2,656,536,168
1968-69	82,377,245	1,137,884,187	2,599,066,421
1967-68	82,440,045	1,074,313,660	2,351,583,270
1966-67	77,073,244	1,025,285,286	2,238,806,714
1965-66	72,864,228	987,624,424	2,129,219,709
1964-65	69,072,786	968,411,520	2,073,510,461

RATIO OF ANNUAL DEBT SERVICE EXPENDITURES
 FOR GENERAL BONDED DEBT TO TOTAL GENERAL EXPENDITURES
 LAST TEN FISCAL YEARS

TABLE VIII

<u>Fiscal</u> <u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt</u> <u>Service</u>	<u>Total General</u> <u>Expenditures</u>	<u>Ratio of Debt Service</u> <u>to General Expenditures</u>
1974	\$479,000	\$543,876	\$1,022,876	\$14,075,632	7.27%
1973	174,000	158,863	332,863	10,803,303	3.08
1972	110,000	158,602	268,602	7,794,711	3.45
1971	42,000	138,027	180,027	6,894,283	2.61
1970	42,000	139,776	181,776	6,036,354	3.01
1969	36,500	141,536	178,036	4,764,623	3.74
1968	91,500	150,092	241,592	4,521,291	5.34
1967	51,500	49,570	101,070	3,309,700	3.05
1966	51,500	46,599	98,099	2,855,068	3.44
1965	56,000	48,908	104,908	2,610,909	4.02

CITY OF SCOTTSDALE
COMPUTATION OF LEGAL DEBT MARGINS
JUNE 30, 1974

TABLE IX

Assessed Value			\$174,633,004
Debt Limit 4% of Assessed Value			<u>6,985,320</u>
Amount of Debt Applicable to Debt Limit			
Total Bonded Debt		\$14,128,000	
Other Debt			
Excise Tax Debt	\$9,020,000		
Water Purchase Debt	<u>1,421,340</u>	<u>10,441,340</u>	
			24,569,340
Less:			
Cash in Debt Service Funds	169,000		
Motor Vehicle Tax Anticipation Bonds	5,000		
Revenue Bonds	6,410,000		
Excise Tax Debt	9,020,000		
Water Purchase Debt	1,421,340		
15% General Obligation Bonds	<u>4,180,000</u>	<u>21,205,340</u>	
Total Debt Applicable to Debt Limit			<u>3,364,000</u>
Legal Debt Margin			<u>\$ 3,621,320</u>
Debt Limit 15% of Assessed Value			\$ 26,194,950
Amount of Debt Applicable to Debt Limit			
Total Bonded Debt		14,128,000	
Other Debt			
Excise Tax Debt	9,020,000		
Water Purchase Contract	<u>1,421,340</u>	<u>10,441,340</u>	
			24,569,340
Less:			
Cash in Debt Service Funds	325,000		
Motor Vehicle Tax Anticipation Bonds	5,000		
Revenue Bonds	6,410,000		
Excise Tax Debt	9,020,000		
Water Purchase Debt	1,421,340		
4% General Obligation Bonds	<u>3,533,000</u>	<u>20,714,340</u>	
Total Debt Applicable to Debt Limit			<u>3,855,000</u>
Legal Debt Margin			<u>\$ 22,339,950</u>

TABLE X

CITY OF SCOTTSDALE, ARIZONA

SUMMARY OF GENERAL OBLIGATION BONDED DEBT SERVICE AND EXCISE TAX DEBT SERVICE REQUIREMENTS

AS OF JUNE 30, 1974

FISCAL YEAR	GENERAL PURPOSE 4% LIMITATION			UTILITY PURPOSE 1 1/2% LIMITATION			TOTAL GENERAL OBLIGATION DEBT SERVICE REQUIREMENTS			EXCISE TAX DEBT SERVICE			TOTAL ALL DEBT SERVICE REQUIREMENTS			
	PRINCIPAL	INTEREST	TOTAL	PRINCIPAL	SINKING FUND(1)	INTEREST(2)	TOTAL	PRINCIPAL	INTEREST	TOTAL	PRINCIPAL	INTEREST	TOTAL	PRINCIPAL	INTEREST	TOTAL
1972-74	\$ 169,000	\$ 152,387	\$ 321,387	\$ 60,000	\$ 275,000	\$ 213,175	\$ 548,175	\$ 504,000	\$ 365,562	\$ 869,562	\$ 90,000	\$ 198,974	\$ 288,974	\$ 594,000	\$ 564,536	\$ 1,158,536
1974-75	169,000	145,562	314,562	65,000	510,000	210,925	789,925	744,900	356,487	1,100,487	210,000	473,270	683,270	954,000	829,757	1,783,757
1975-76	170,000	139,040	309,040	70,000	650,000	208,487	928,487	849,000	347,527	1,237,527	220,000	463,295	683,295	1,110,000	810,822	1,920,822
1976-77	160,000	132,225	292,225	85,000	570,000	205,863	860,863	815,000	318,088	1,151,088	230,000	452,845	682,845	1,045,000	790,933	1,835,933
1977-78	65,000	125,410	190,410	50,000	635,000	202,675	887,675	752,750	328,585	1,078,385	240,000	441,920	681,920	990,000	770,505	1,760,505
1978-79	70,000	123,060	193,060	50,000	560,000	200,800	810,800	689,000	323,860	1,003,860	255,000	430,520	685,520	935,000	754,380	1,689,380
1979-80	75,000	115,985	194,985	50,000	520,000	198,900	768,900	640,000	318,885	961,885	265,000	418,408	683,408	910,000	737,293	1,647,293
1980-81	80,000	116,685	196,685	50,000	520,000	197,000	767,000	630,000	313,685	963,685	275,000	405,820	680,820	925,000	719,505	1,644,505
1981-82	85,000	113,160	198,160	50,000	520,000	195,050	765,050	655,000	308,210	963,210	290,000	392,757	682,757	965,000	700,967	1,645,967
1982-83	90,000	109,435	199,435	50,000	520,000	193,100	763,100	660,000	302,555	962,555	305,000	376,670	681,670	965,000	679,205	1,644,205
1983-84	100,000	105,485	205,485	50,000	520,000	191,150	761,150	670,000	296,635	966,635	320,000	358,370	678,370	990,000	655,005	1,645,005
1984-85	105,000	101,225	206,225	50,000	520,000	189,200	759,200	675,000	290,425	965,425	340,000	339,170	679,170	1,015,000	629,595	1,644,595
1985-86	160,000	96,740	256,740	50,000	500,000	187,250	687,250	660,000	283,990	941,990	355,000	121,490	676,490	1,015,000	605,480	1,620,480
1986-87	165,000	90,220	255,220	50,000	500,000	187,250	687,250	665,000	277,470	942,470	375,000	303,030	678,030	1,040,000	580,500	1,620,500
1987-88	175,000	84,135	259,135	50,000	500,000	187,250	687,250	675,000	271,365	946,365	395,000	283,530	678,530	1,070,000	554,895	1,624,895
1988-89	180,000	77,640	257,640	50,000	500,000	187,250	687,250	680,000	264,840	944,840	415,000	262,990	677,990	1,095,000	527,880	1,622,880
1989-90	190,000	70,980	260,980	50,000	500,000	187,250	687,250	690,000	258,230	948,230	440,000	241,410	681,410	1,130,000	499,840	1,629,840
1990-91	200,000	62,975	262,975	50,000	500,000	187,250	687,250	700,000	250,225	950,225	465,000	218,530	683,530	1,165,000	466,755	1,631,755
1991-92	200,000	52,975	252,975	50,000	500,000	187,250	687,250	700,000	240,225	940,225	490,000	193,420	683,420	1,190,000	433,645	1,623,645
1992-93	200,000	43,475	243,475	180,000	180,000	187,250	367,250	380,000	230,725	610,725	515,000	166,960	681,960	895,000	397,685	1,292,685
1993-94	275,000	36,075	259,075					225,000	34,075	259,075	540,000	139,150	679,150	765,000	173,225	938,225
1994-95	230,000	23,500	273,500					250,000	23,500	273,500	570,000	109,450	679,450	820,000	132,950	952,950
1995-96	210,000	11,750	251,750					230,000	11,750	251,750	1,420,000	78,100	1,498,100	1,670,000	89,850	1,759,850
TOTALS	\$2,313,000	\$2,142,000	\$2,665,000	\$680,000	\$10,000,000	\$3,924,325	\$14,581,325	\$13,213,000	\$5,036,929	\$20,292,929	\$9,020,000	\$7,070,079	\$16,090,079	\$23,233,000	\$13,107,008	\$36,740,008

1) \$3,500,000 of a total \$10,000,000 authorization has been issued to date. Additional amounts will be issued as required. A sinking fund has been provided to retire all issues which will mature July 1, 1993.

2) Interest will increase as future series of the sinking fund issue are sold.

CITY OF SCOTTSDALE

TABLE XI

SCHEDULE OF WATER AND SEWER UTILITY REVENUE BOND COVERAGE

<u>Fiscal Year</u>	<u>Gross Revenue</u>	<u>Operating & Maintenance Expenses</u>	<u>Net Revenue Available for Debt Services</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Coverage</u>	<u>Required Coverage</u>
1974	\$2,433,062	\$480,848	\$1,952,214	\$125,000	\$244,050	\$369,050	5.29	1.20 Times
1973	1,978,216	406,832	1,571,384	- 0 -	- 0 -	- 0 -	- 0 -	1.20

The 1964 and 1966 Sewer Revenue Bonds and the 1971 Water Revenue Bonds were refunded in 1973 by a \$3,910,000 Refunding Issue. Principal and interest on the 1973 refunding bonds is payable from the now combined operation of the City of Scottsdale Water and Sewer Utility System after providing sufficient funds for the current expenses of the system. In addition to the refunding issue, the City of Scottsdale has outstanding \$650,000 principal amount of bonds remaining of the Sewer Revenue Issues of 1957 and 1961. Principal and interest on these bonds is secured by monies and investments held in an irrevocable trust at the Arizona Bank.

CITY OF SCOTTSDALE
SCHEDULE OF INSURANCE IN FORCE
END OF FISCAL YEAR JUNE 30, 1974

TABLE XII

CARRIER	POLICY DESCRIPTION	AMOUNT OF COVERAGE
Central Mutual	Package policy - - all City property including motor vehicles (specific property excluded -- traffic signals, refuse containers and fire hydrants). Real property covered for replacement cost, no allowance for depreciation.	
Policy Period 7/1/72 to 7/1/75	Specific limits are as follows:	
	a. Real Property	\$7,312,575
	b. General Liability	
	(1) Per person	300,000
	(2) Per occurrence	300,000
	c. Riot and Civil Disorder	
	(1) Per person	25,000
	(2) Per occurrence	100,000
	d. Mercantile Robbery & Safe Burglary	
	(1) Outside robbery	3,000
	(2) Safe burglary	3,000
	(3) Cash registers and cash drawers	1,000
	e. Automotive	
	(1) Liability (per person)	300,000
	(2) Liability (per occurrence)	300,000
	(3) Property damage (per occurrence)	300,000
	(4) Comprehensive (\$250 deductible)	---
	(5) Collision (\$250 deductible)	---
Central Mutual	Excess blanket catastrophe liability (excludes airport operations)	
7/1/72 to 7/1/75	Retained limit - underlying insurance (\$300,000)	
USAIG	Airport - single limit bodily injury and property damage liability (each occurrence or accident and aggregate products)	
7/1/72 to 7/1/75	Hangarkeeper's liability (\$500 deductible)	
American Home Assurance Co.	Police Professional Liability - Personal or bodily injury, includes sworn police officers and specified city officers while acting within scope of their authority.	
3/5/74 to 3/5/75		

CITY OF SCOTTSDALE
GENERAL INSURANCE
JUNE 30, 1974

TABLE XIIa

Real Property Insured Exposures

<u>Description</u>	<u>Type Const.</u>	<u>Square Feet</u>	<u>Acquired</u>	<u>Original Cost</u>	<u>Replacement Cost (7/1/74)</u>
Fire Station 12 13655 N. Scottsdale	Conc/blk	2,120	12/71	\$ 70,429	\$ 56,224
Fire Station 2857 N. Miller	Conc/blk	8,424	8/68	140,907	223,412
Fire Station II 7339 E. McDonald	Conc/blk	4,023	12/71	90,136	116,897
Fire Truck Shelter	Met/Lbr		3/67	3,002	5,940
<u>McCormick Park</u> SE Ind. Bend, Sctsd. l.	Adobe/Wd	3,108	12/67	- 0 -	58,120
<u>McCormick Park Stg.</u> SE Ind. Bend, Sctsd. l.	Adobe/Wd	616	12/67		11,519
<u>RR Train Shed</u> McCormick Park	Stl/Wd	6,400	12/71	34,175	91,520
<u>Agua Linda Pk. Bldg.</u> Pima, McDonald	Adobe/Wd	350	8/60	3,150	6,545
<u>Chesnutt Pk. Bldg.</u> 4565 N. Granite Rf.	Adobe	950	8/65	8,550	17,765
<u>Public Services</u> 3739 Civic Center Pl.	Conc/blk	23,260	4/72	799,302	954,101
<u>City Hall</u> 3939 Civic Center Pl.	Conc/blk	26,000	10/68	547,000	1,476,684
<u>Library</u> 3839 Civic Center Pl.	Conc/blk	39,000	10/68	625,919	1,599,741
<u>Com. Ctr. Pool/Bldg.</u>	Conc/blk	1,200	6/66	51,942	24,143
<u>Eldorado Rec. Ctr.</u> 2311 Miller Rd.	Conc/blk	10,000	10/68	146,288	227,370
<u>Eldorado Bathhouse</u> 2311 Miller Rd.	Conc/blk	3,515	6/68	63,917	73,154

CITY OF SCOTTSDALE
GENERAL INSURANCE
JUNE 30, 1974

TABLE XIIa (cont.)

<u>Description</u>	<u>Type Const.</u>	<u>Square Feet</u>	<u>Acquired</u>	<u>Original Cost</u>	<u>Replacement Cost (7/1/74)</u>
<u>Eldorado Restrooms</u> 2311 Miller Rd.	Conc/blk	350	7/70	\$ 4,625	\$ 7,284
<u>Eldorado Cntrl. Bldg.</u> 2311 Miller Rd.	Conc/blk	1,944	7/70	43,362	44,893
<u>Street Mtce. Bldg.</u> Miller, McKellips	Conc/blk	8,479	8/71	123,340	149,230
<u>St. Mtce. Stge.</u> Miller, McKellips	Met/Lbr	600	7/66	2,000	7,920
<u>Refuse Ctr. Bldg.</u> Miller, McKellips	Conc/blk	3,640	7/66	72,433	82,762
<u>Equip. Mtce. Bldg.</u> Miller, McKellips	Conc/blk	15,716	11/64	97,328	276,602
<u>Pks. Rec. Repair Ctr.</u> Miller, McKellips	Conc/blk	1,600	2/69	25,149	28,160
<u>Refuse Shelter</u> Miller, McKellips	Conc/blk	780	9/67	6,240	13,728
<u>Cholla Pk. Bldg.</u> 14501 N. Hayden	Conc/blk	1,904	12/71	44,740	43,292
<u>Warehouse</u> 7501 E. 2nd	Conc/mtl	17,200	72	115,000	302,720
<u>Vista Del Camino</u> 7700 Roosevelt	Conc/blk	8,753	8/73		326,399

SCOTTSDALE MUNICIPAL AIRPORT COMPREHENSIVE INSURANCE

Terminal Bldg.	Conc/blk	4,240	1/68	\$ 85,000	\$127,422
Hangar	Conc/blk	15,714	1/68	195,000	314,886
Tee-Hangars, Shelter	Conc/blk/st	228	11/71	148,000	195,034
Fuel Dispensing	Conc/blk	576	6/68	60,000	96,888
FAA Bldg.	Conc/blk	5,930	7/72	200,000	242,220

CITY OF SCOTTSDALE
MISCELLANEOUS STATISTICAL DATA
JUNE 30, 1974

TABLE XIII

Population	<u>1951 Census</u> 2032 Persons	<u>1960 Census</u> 10,026 Persons	<u>Special 1965 Census</u> 54,504 Persons	<u>1970 Census</u> 67,823 Persons
Miles of Streets and Alleys				
Streets			298	
Alleys			143	
Miles of Sewers				
Storm			8.4	
Sanitary			236.1	
Fire Protection				
Number of Stations			3	
The City of Scottsdale has no fire employees but contracts with Rural Fire Protection Co. to provide fire service to all residents.				
Police Protection				
Number of Employees			119	
Number of Law Violations (excluding parking)			23,032	
The City jail is a holding facility. All long-term prisoners are incarcerated in the County jail.				
Number of Vehicles			31	
Recreation				
Parks - Number of acres.			289.7	
Number of swimming pools			3	
Number of other recreation facilities			15	
These consist of schools and school playgrounds in cooperation with Scottsdale School District.				
Water Enterprise				
Number of Users			7,578	
Annual Consumption		1,900,266,720		
Plant Capacity			12,500 G. P. M.	
Miles of Distribution Lines			74	
Number of Street Lights			2,416	
Employees as of June 30, 1974				
Merit System			805	
Unclassified (exempt)			30	
Total			835	
Elections				
Number of Registered Voters			33,628	
Number of Voting in Last Municipal Election			4,267	
% Voting in Last Municipal Election			12.7%	
Population				
Median Age of Residents			28.6 yrs.	
Median Household Incomes			\$13,869	
Median Home Value			\$29,470	

CITY OF SCOTTSDALE
MISCELLANEOUS STATISTICAL DATA
JUNE 30, 1974

TABLE XIII Cont'd

<u>Building Permits</u> <u>Fiscal Year</u>	<u>No. Permits</u>	<u>Valuation</u>
1974	3246	\$55,963,717
1973	3869	67,606,320
1972	3918	56,873,192
1971	3030	41,523,463
1970	3422	40,221,405
1969	2559	29,965,232
1968	2535	18,974,032
1967	2300	16,923,114
1966	1832	17,015,635
1965	1130	14,480,179