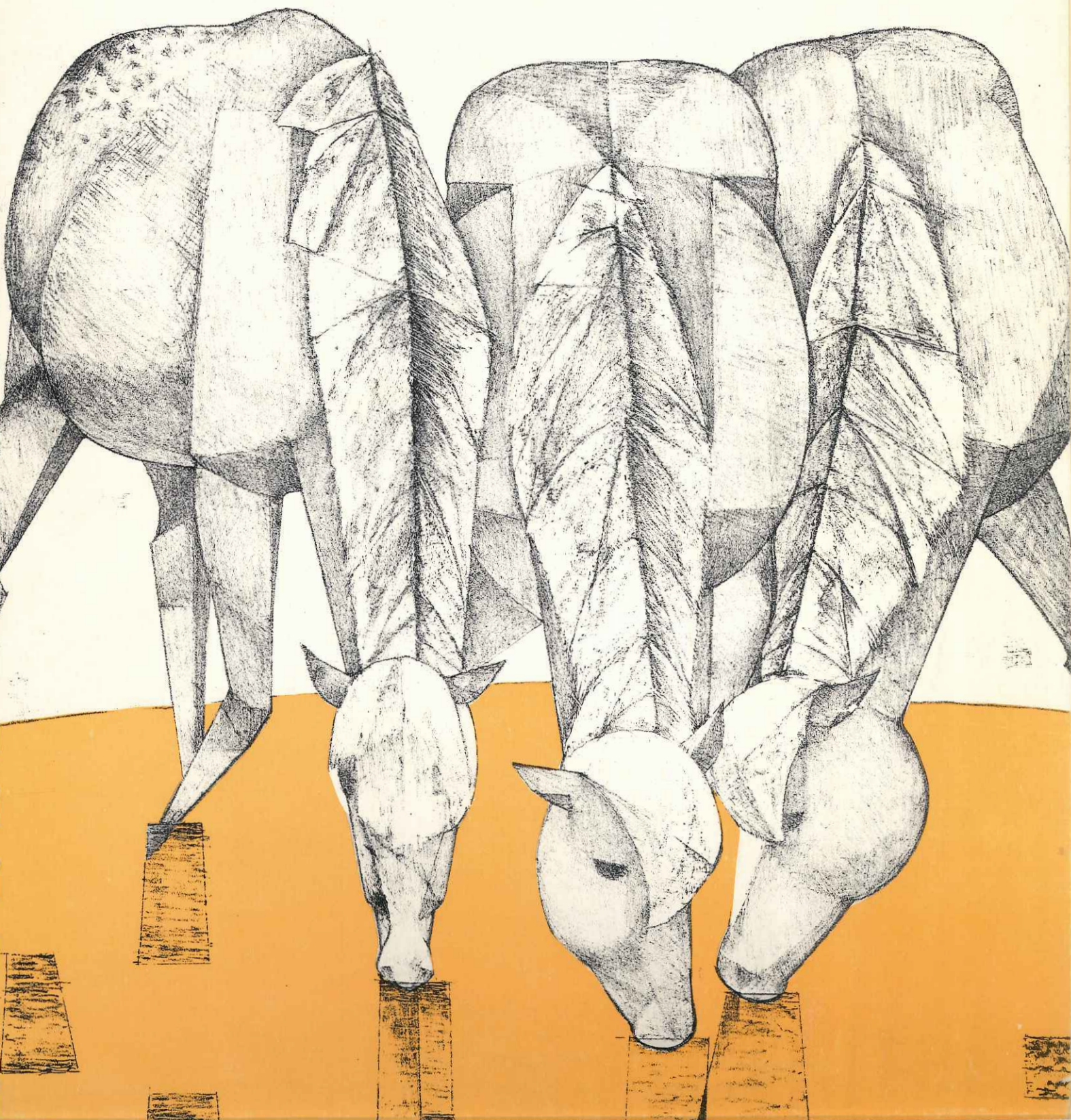
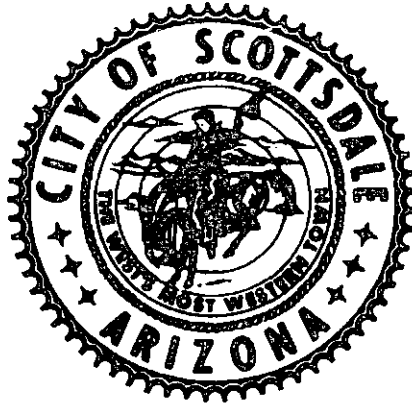


ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 1980 CITY OF SCOTTSDALE, ARIZONA



Cover design from original print of
Arizona Artist Lew Davis' "Green Pond"



**CITY OF SCOTTSDALE, ARIZONA
ANNUAL
FINANCIAL REPORT
FISCAL YEAR ENDED
JUNE 30, 1980**

CITY COUNCIL

HERBERT R. DRINKWATER, MAYOR

JAMES D. BRUNER

HEINZ R. HINK, PHD

DIANE D. CUSACK

JEFF SCHUBERT

BILLIE AXLINE GENTRY

CHARLIE SMITH

ROY R. PEDERSON

CITY MANAGER

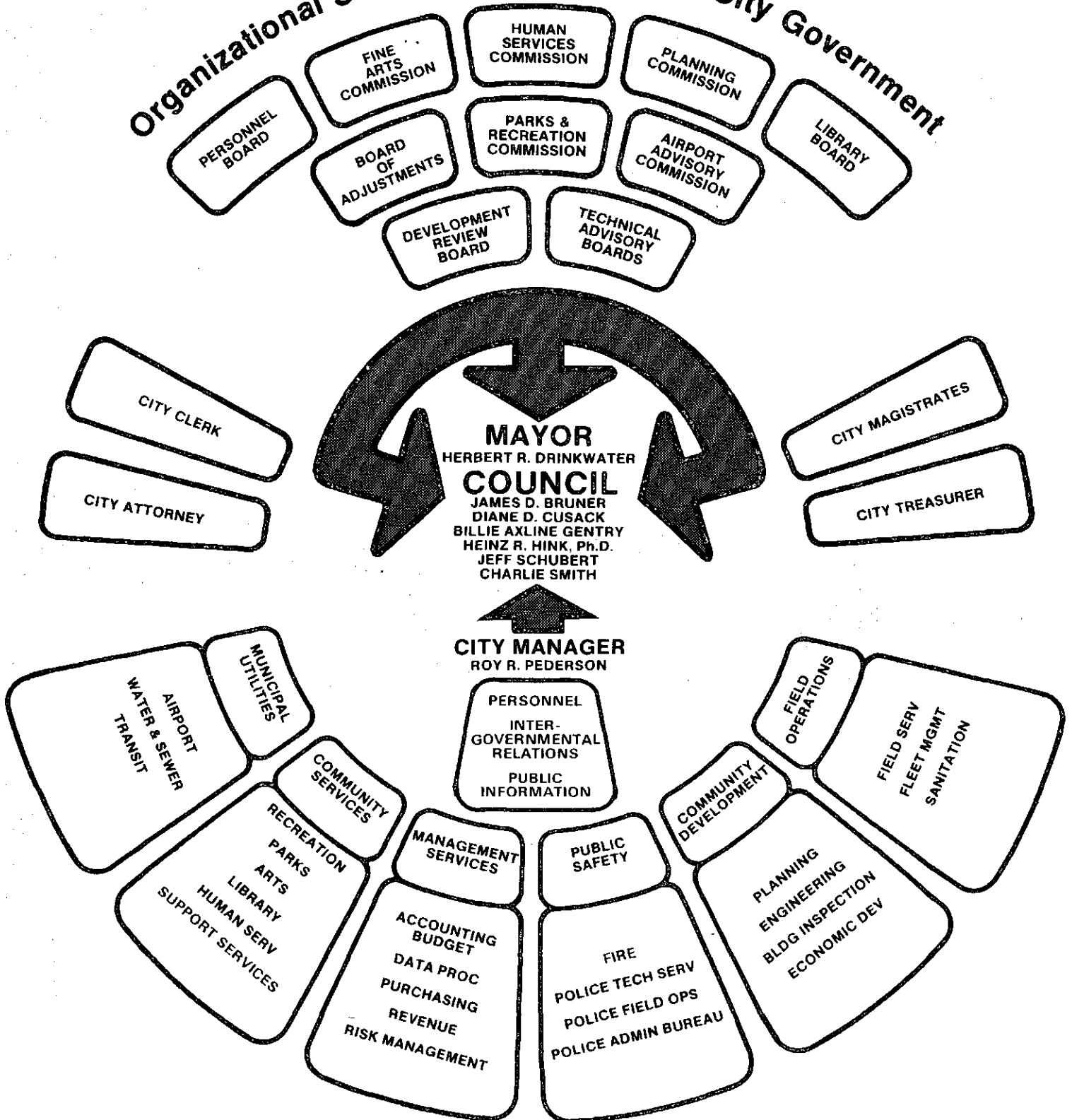
Prepared by

Management Services Department

James A. Jenkins

Management Services Dept. Head/City Treasurer

Organizational Structure for Scottsdale City Government



City of Scottsdale
ANNUAL FINANCIAL REPORT

June 30, 1980

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**INTRODUCTORY
SECTION**



August 29, 1980

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

Dear Mayor and City Council

The annual financial report of the City of Scottsdale, Arizona, for the fiscal year ended June 30, 1980, is submitted in accordance with Article 6, Section 14 of the City Charter.

This report consists of three sections. The Introductory Section contains this letter of transmittal which highlights the financial affairs of the City for the fiscal year and the supplemental Certificate of Conformance in Financial Reporting issued to the City for its June 30, 1979, annual financial report. The Financial Section includes: (1) the opinion of the independent certified public accountants based upon their audit as required by City Charter and State Law; (2) combined financial statements; (3) combining statements - by fund type, and individual fund; and (4) schedules presenting greater detail for information reported in the statements. The Statistical Section includes financial information for both prior and current periods of time and related non-financial data which provide insight into the financial basis of the City.

Financial Policies

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

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

Budgetary control is maintained by a monthly allotment system and the encumbrance of allotment balances with purchase orders prior to their release to vendors. Purchase orders which exceed allotment balances are not released until additional appropriations are made. Open encumbrances are reported as reservations of fund balance at June 30, 1980.

Financial Overview

A comparison of total fund balances for Governmental Funds reveals a small decrease over last year.

<u>Fund</u>	<u>FY 1979-80</u>	<u>FY 1978-79</u>	<u>Increase (Decrease)</u>
General	\$ 1,894,496	\$ 3,704,691	\$(1,810,195)
Highway User	269,688	139,091	130,597
Public Works Reserve	5,417,667	3,124,315	2,293,352
Federal Revenue Sharing	15,607	103,319	(87,712)
Community Development	49,790	108,511	(58,721)
Grants	220,695	412,494	(191,799)
Debt Service	3,715,852	3,182,116	533,736
Capital Projects	2,098,255	3,233,420	(1,135,165)
Special Assessments	106,368	97,581	8,787
Trust and Agency	<u>86,594</u>	<u>102,403</u>	<u>(15,809)</u>
Total Fund Balances	<u>\$13,875,012</u>	<u>\$14,207,941</u>	<u>\$ (332,929)</u>

A comparison of total retained earnings for Proprietary Funds reveals a substantial improvement over last year.

<u>Fund</u>	<u>FY 1979-80</u>	<u>FY 1978-79</u>	<u>Increase (Decrease)</u>
Water and Sewer	\$10,619,071	\$ 7,934,493	\$ 2,684,578
Airport	(452,190)	(408,598)	(43,592)
Motor Pool	104,919	(1,364)	106,283
Public Housing	(124,676)	(110,692)	(13,984)
Self Insurance	<u>868,810</u>	<u>300,252</u>	<u>568,558</u>
Total Retained Earnings	<u>\$11,015,934</u>	<u>\$ 7,714,091</u>	<u>\$ 3,301,843</u>

Governmental Funds Revenue

Revenue for governmental funds totaled \$35,365,899 in 1980, an increase of 3.2% over 1979. The amount of revenue from various sources and the increase or decrease over last year is shown in the following tabulation.

<u>Revenue Source</u>	<u>FY 1979-80</u>	<u>FY 1978-79</u>	<u>Increase (Decrease)</u>	<u>%</u>
Property Taxes	\$ 2,949,749	\$ 3,171,299	\$ (221,550)	(7.0)%
Privilege Taxes	11,747,501	10,589,679	1,157,822	10.9
Licenses and Permits	1,301,675	1,747,776	(446,101)	(25.5)
Fines and Forfeitures	564,704	528,652	36,052	6.8
State Shared Revenue	8,223,567	7,396,811	826,756	11.2
Federal Shared Revenue	1,048,561	883,170	165,391	18.7
Charges for Services	2,140,977	1,799,987	340,990	18.9
Use of Money and Property	1,617,730	1,429,350	188,380	13.2
Miscellaneous	2,678,965	1,885,413	793,552	42.1
Grants	2,092,470	3,841,752	(1,749,280)	(54.5)
Operating Transfers	1,000,000	1,000,000	-0-	-0-
Total	<u>\$35,365,899</u>	<u>\$34,273,889</u>	<u>\$ 1,092,010</u>	<u>3.2%</u>

Another interesting comparison is that of percentage contribution by revenue source.

<u>Revenue Source</u>	<u>FY 1979-80</u>	<u>FY 1978-79</u>	<u>Increase (Decrease)</u>
Property Taxes	8.3%	9.2%	(.9)%
Privilege Taxes	33.2	30.9	2.3
Licenses and Permits	3.7	5.1	(1.4)
Fines and Forfeitures	1.6	1.5	.1
State Shared Revenue	23.2	21.6	1.6
Federal Shared Revenue	3.0	2.6	.4
Charges for Services	6.1	5.3	.8
Use of Money and Property	4.6	4.2	.4
Miscellaneous	7.6	5.5	2.1
Grants	5.9	11.2	(5.3)
Operating Transfers	2.8	2.9	(.1)
Total	<u>100.0%</u>	<u>100.0%</u>	<u>-0- %</u>

This comparison shows the change occurring in the contribution percentage from last year. This is consistent with expectations in that privilege taxes, use of money and property, and state shared revenues which are closely related to the current level of economic prosperity provide for the largest increases in the current year revenue. Licenses and permits are down over last year, reflecting the rapid decline in construction experienced in the last half of the fiscal year. Property taxes and grants both show significant decreases in contribution to total revenue.

Governmental Funds Expenditures

Expenditures of governmental funds increased by 13.6% or \$4,287,242 over 1979. A comparison by municipal department is shown in the following schedule.

<u>Department</u>	<u>FY 1979-80</u>	<u>FY 1978-79</u>	<u>Increase (Decrease)</u>
General Government	\$ 2,216,339	\$ 1,456,251	\$ 760,088
Public Safety	6,685,001	6,138,958	546,043
Management Services	2,516,505	2,173,888	342,617
Field Operations	5,680,964	5,551,843	129,121
Community Services	5,377,929	6,551,397	(1,173,468)
Community Development	4,504,456	3,620,426	884,030
Debt Service	1,526,660	1,529,155	(2,495)
Municipal Utilities	407,185	279,761	127,424
Capital Improvements	5,783,789	3,109,907	2,673,882
Operating Transfers	<u>1,000,000</u>	<u>1,000,000</u>	<u>-0-</u>
Total	<u>\$35,698,828</u>	<u>\$31,411,586</u>	<u>\$ 4,287,242</u>

Treasury Management

Temporarily idle cash was invested during the year in time certificates of deposit, treasury bills, savings accounts, and government agency securities. These investments yielded 11.0% on an average daily invested balance of \$22,400,000. Total interest earned on all funds provided \$2,705,776 investment income. Interest earnings on the governmental funds was \$1,286,665 and was equivalent to a property tax levy of 45.1¢ per hundred dollars of assessed valuation, had it been necessary to levy property tax to provide these funds.

Debt Administration

The ratio of annual debt service for general bonded debt to total general expenditures provides an indication of a municipality's ability to meet debt service requirements. This percentage is 4.0% for 1979-80. More detailed information about bonded debt can be found in the Statistical Section.

The City of Scottsdale presently has the following bond ratings. General Obligation Bonds - Moody's Investor Service Aa, Standard and Poor's AA; Water and Sewer Revenue Bonds - Moody's Investor Service A-1, Standard and Poor's A. Additionally, the City has legal debt margin of \$10,487,002 for 4% General Obligation Bonds and \$43,573,361 for 15% General Obligation Bonds. There is no legal limit on Revenue Bonds.

General Fixed Assets

The general fixed assets of the City are those assets used in the performance of general governmental functions and exclude the fixed assets of utilities and other enterprise activities. As of June 30, 1980, the general fixed assets of the City amounted to \$226,016,265. This amount represents the original cost of assets or the estimated fair value where the original cost was not

calculable or where the asset was contributed by a developer or other party to the City. The values for land and for buildings and improvements for statement purposes are considerably less than their present value. Depreciation of general fixed assets is not recognized in the City's accounting system.

Water and Sewer System

The net income for the water and sewer system totaled \$2,684,578, down from \$3,463,784 last year. The primary reason for the reduction was the decrease of \$1,215,233 in water development fees collected during the year. Water and sewer system revenues totaled \$6,231,513 for fiscal year 1979-80 down \$667,933 from last year.

Expenses have increased; for fiscal year 1979-80 expenses totaled \$3,546,935 up \$111,273 or 3.2% over last year.

Airport

The net loss for the airport decreased from \$45,520 last year to \$43,592 for fiscal year 1979-80. Operating revenues increased \$55,055 or 29% over last year, primarily from space rentals and commissions on sales by the Fixed Base Operators. Operating expenses increased \$36,646 or 22% with the largest increases for personnel costs, materials and supplies.

Public Housing Fund

The Public Housing Fund is operated in conjunction with the Neighborhood Development Project. It was designed to provide low-cost, subsidized housing for those families that were displaced by the project. The net loss for the Public Housing Fund for fiscal year 1979-80 was \$13,984 compared to a loss of \$13,784 for last year. Rental income increased \$12,216 from the prior year, due primarily to a reduction in the number of uncollected rents. Operating costs were increased by \$12,973 with all of the increase occurring in maintenance expense.

Significant Events and Accomplishments - 1979-80

- o Our local economy continued to grow in all sectors but construction:
 - 1,433 building permits were issued, down 3,110 from last year's total of 4,543 permits.
 - Permit valuations for 1979-80 totaled \$106.6 million, down \$71.3 million from last year's \$177.9 million total permitted valuation.
 - 2,885 new dwelling units were approved by the Development Review Board, a decrease of 1,494 from last year's total of 4,379 units.
- o Sold \$1.8 million of Water/Sewer Revenue Bonds in June 1980, leaving no unissued bonding authority for either general obligation or revenue bonds.
- o We added 18 miles of water lines and 17 miles of sewer lines to serve our expanding population.
- o Nineteen million dollars worth of capital improvements were completed during the year.

- o Water production for the year totaled slightly over four billion gallons, an increase of 25% compared to last year. The water production capacity now stands at 618 million gallons per month or 14,110 gallons per minute.
- o The amount of sewage treated this year totaled 2.85 billion gallons, a 10% increase over last year. This equates to an average of 7.8 million gallons of sewage treated per day.
- o The federally funded employment subsidy program, CETA, was dropped as a City program effective September 30, 1979.
- o The property tax structure was revamped by the state legislature and approved by the electorate on June 3, 1980. For 1980-81 the property taxes will be divided into a primary tax and a secondary tax. Primary taxes are limited by law and are for operating uses only. Secondary taxes are unlimited and are for voter approved debt service requirements.

The combined tax rate for 1980-81 is \$1.04, a primary tax of \$.63 and a secondary tax of \$.41. The \$1.04 rate will generate a levy of \$3,164,000, which is \$222,000 larger than the current year's levy.

- o During 1979-80 the only user fee increase was the commercial refuse rate increase of approximately 28%. This increase was necessary to keep the commercial operation from being subsidized by general revenue.
- o Effective April 1, 1980 the fees charged for building permits were increased with a second increase scheduled to take effect October 1, 1980. The combined increase is estimated to be approximately 35%.
- o For the 1980-81 fiscal year the residential and commercial refuse rate schedules were approved for rate increases during the budget process.
- o During 1979-80 a fuel conservation program was instituted by the City. During the prior year 458,000 gallons of fuel were used by the fleet but this year only 384,000 gallons were used, a 16% decrease while the fleet size increased by 10%.
- o Human Services Mobility Program was established, a demand responsive program that provides low-cost transportation to vital services at a reduced cost. The program has 478 registrants, with most users over 75 years of age, living alone, and using the service primarily for transportation to medical facilities.
- o The second year of our Self-Insurance Program has been completed successfully, the program objectives having been substantially met:

Preventable vehicle accidents by employees declined 42%.

Total vehicle accidents declined by 24%.

Employee industrial injury claims declined 10%.

The catastrophic reserve now totals \$869,000 as compared to \$300,000 last year.

Due to a lowering of insurance rates for 1980-81 we have decreased our risk from the first \$250,000 of coverage to the first \$100,000 of coverage for liability insurance.

Future Outlook

The 1980-81 budget provides for an operating expenditure level of \$39 million, up 12% from last year. In addition, a contingency program of \$11 million was approved, of which \$7 million is designated for capital improvements. The capital improvement projects will be authorized periodically if sufficient revenue is received to provide the planned funding. This was done to insure that operating programs would be funded before capital programs should the economic situation be less favorable than projected at budget time.

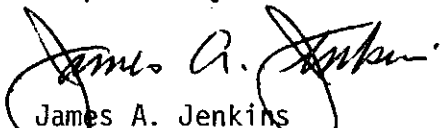
Our budget assumes a reduced level of economic activity during the year. The extraordinary economic growth we experienced during the past several years will diminish to a more moderate level for 1980-81.

The large surplus available at the start of 1979-80 has been expended. Our new budget provides sufficient funds to meet the maintenance and operating costs necessary to provide existing services to citizens. The Capital Improvement program, however, can no longer be sustained on the present basis. We will require additional revenue sources to complete our planned Five-Year Capital Improvement Program.

Acknowledgement

The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff of the accounting program, who assisted and contributed in its preparation. I 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



James A. Jenkins
Management Services Department Head
and City Treasurer

JAJ:mg

Certificate of Conformance in Financial Reporting

Presented to

Scottsdale, Arizona

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 1979

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



Denis
President

Ronald W. Sattly
Executive Director

"The Municipal Finance Officers Association of the United States and Canada (MFOA) awarded a Certificate of Conformance in Financial Reporting to the City of Scottsdale, Arizona for its comprehensive annual financial report for the fiscal year ended June 30, 1979.

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

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



**FINANCIAL
SECTION**



Peat, Marwick, Mitchell & Co.

Certified Public Accountants

100 West Clarendon
Phoenix, Arizona 85013

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

We have examined the combined financial statements of the City of Scottsdale, Arizona and the combining and individual fund financial statements of the City as of and for the year ended June 30, 1980 as identified in the Financial Section Table of Contents. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the combined financial statements referred to above present fairly the financial position of the City of Scottsdale, Arizona at June 30, 1980 and the results of its operations and the changes in financial position of its proprietary fund types for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year, after giving retroactive effect to the changes, with which we concur, as described in Note B to the financial statements. Also, in our opinion, the combining and individual fund financial statements present fairly the financial position of the individual funds of the City of Scottsdale, Arizona at June 30, 1980 and the results of their operations and the changes in financial position of their proprietary funds for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year, after giving retroactive effect to the changes, with which we concur, as described in Note B to the financial statements.

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

Peat, Marwick, Mitchell & Co.

August 29, 1980

CITY OF SCOTTSDALE
 COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
 JUNE 30, 1980
 WITH COMPARATIVE TOTALS FOR JUNE 30, 1979

EXHIBIT A-1

ASSETS AND OTHER DEBITS	GOVERNMENTAL FUND TYPES					FIDUCIARY FUND TYPE	PROPRIETARY FUND TYPES		ACCOUNT GROUPS		TOTALS	
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	SPECIAL ASSESSMENTS	TRUST AND AGENCY	ENTERPRISE	INTERNAL SERVICE	GENERAL FIXED ASSETS	GENERAL LONG-TERM DEBT	JUNE 30, 1980	JUNE 30, 1979
Cash and short-term investments	\$ 453,852	\$4,881,302	\$	\$2,119,653	\$ 794,424	\$1,187,539	\$ 6,292,009	\$1,204,868	\$	\$	\$ 16,933,647	\$ 17,559,340
Cash with fiscal agents			4,389,433		137,258						4,526,691	3,942,451
Investments	1,348,374										1,348,374	1,665,592
Accrued interest receivable	807,746										807,746	304,418
Receivables												
Property taxes	44,131										44,131	88,638
State-shared sales tax	328,264										328,264	327,332
Auto lieu tax	62,703										62,703	59,073
Gas tax		109,833									109,833	110,738
Federal revenue sharing		274,533									274,533	224,959
Grants		222,499									222,499	869,635
Special assessments					3,311,250						3,311,250	3,136,054
Accounts	293,807						771,871	874			1,066,552	940,457
Miscellaneous	71,961	1,413,524					345,698				1,831,183	306,470
Restricted cash, investments and receivables							4,964,778				4,964,778	5,002,488
Assets held in trust for retirement of refunded debt							3,312,138				3,312,138	3,390,009
Property, plant and equipment - less applicable accumulated depreciation and amortization							38,946,567	2,509,313	226,016,265		267,472,145	231,105,099
Excess purchase price over fair market value of water system assets acquired							1,240,072				1,240,072	1,396,860
Amounts available and to be provided for retirement of debt										\$19,534,491	19,534,491	20,082,193
Total Assets and Other Debits	\$3,410,838	\$6,901,691	\$4,389,433	\$2,119,653	\$4,242,932	\$1,187,539	\$55,873,133	\$3,715,055	\$226,016,265	\$19,534,491	\$327,391,030	\$290,511,806

See notes to financial statements.

CITY OF SCOTTSDALE
 COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
 JUNE 30, 1980
 WITH COMPARATIVE TOTALS FOR JUNE 30, 1979

EXHIBIT A-1
 (Continued)

LIABILITIES AND FUND EQUITY	GOVERNMENTAL FUND TYPES					FIDUCIARY FUND TYPE	PROPRIETARY FUND TYPES		ACCOUNT GROUPS		TOTALS	
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	SPECIAL ASSESSMENTS	TRUST AND AGENCY	ENTERPRISE	INTERNAL SERVICE	GENERAL FIXED ASSETS	GENERAL LONG-TERM DEBT	JUNE 30, 1980	JUNE 30, 1979
Liabilities												
Cash overdraft	\$	\$ 335,143	\$	\$	\$	\$	\$	\$	\$	\$	\$ 335,143	\$ 123,028
Claims payable	255,527	593,101		21,398		7,920	787,189	261,013			1,926,148	1,204,220
Accrued payroll and withholdings	1,226,191										1,226,191	1,081,308
Guaranty and other deposits						1,093,025					1,093,025	669,394
Deferred revenue - property taxes	34,624										34,624	66,929
Bonds interest payable			323,581		137,258		240,717				701,556	689,839
Bonds payable - current			350,000				500,000				850,000	745,000
Contracts payable - current							197,676				197,676	374,429
Other deposits							1,514				1,514	1,575
Long-term debt (less current portion)					3,999,306		11,429,034		19,534,491		34,962,831	33,979,780
Other liabilities							335,735				335,735	387,067
Refunded debt to be retired by assets held in trust							3,756,982				3,756,982	3,874,115
Total Liabilities	<u>1,516,342</u>	<u>928,244</u>	<u>673,581</u>	<u>21,398</u>	<u>4,136,564</u>	<u>1,100,945</u>	<u>17,248,847</u>	<u>261,013</u>	<u>19,534,491</u>		<u>45,421,425</u>	<u>43,196,684</u>
Fund Equity												
Contributed capital							28,582,081	2,480,313			31,062,394	27,642,909
Investment in general fixed assets									226,016,265		226,016,265	197,750,181
Retained earnings												
Reserved for												
Revenue bond retirement							946,685				946,685	906,537
Acquisition and con- struction												1,357,550
Water and sewer system replacement							265,592				265,592	166,274
Debt service							30,978				30,978	4,757
Unreserved							8,798,950	973,729			9,772,679	5,278,973
Fund Balances												
Reserved for												
Encumbrances	659,883	5,615,518		1,252,027		6,223					7,533,651	1,700,254
Debt service			3,715,852		106,368						3,822,220	3,279,697
Unreserved	<u>1,234,613</u>	<u>357,929</u>		<u>846,228</u>		<u>80,371</u>					<u>2,519,141</u>	<u>9,227,990</u>
Total Retained Earnings/ Fund Balance	<u>1,894,496</u>	<u>5,973,447</u>	<u>3,715,852</u>	<u>2,098,255</u>	<u>106,368</u>	<u>86,594</u>	<u>10,042,205</u>	<u>973,729</u>			<u>24,890,946</u>	<u>21,922,032</u>
Total Fund Equity	<u>1,894,496</u>	<u>5,973,447</u>	<u>3,715,852</u>	<u>2,098,255</u>	<u>106,368</u>	<u>86,594</u>	<u>38,624,286</u>	<u>3,454,042</u>	<u>226,016,265</u>		<u>281,969,605</u>	<u>247,315,122</u>
Total Liabilities and Fund Equity	<u>\$3,410,838</u>	<u>\$6,901,691</u>	<u>\$4,389,433</u>	<u>\$2,119,653</u>	<u>\$4,242,932</u>	<u>\$1,187,539</u>	<u>\$55,873,133</u>	<u>\$3,715,055</u>	<u>\$226,016,265</u>	<u>\$19,534,491</u>	<u>\$327,391,030</u>	<u>\$290,511,806</u>

See notes to financial statements.

CITY OF SCOTTSDALE
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
 ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 1980
 WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 1979

EXHIBIT A-2

	GOVERNMENTAL FUND TYPES					FIDUCIARY FUND TYPE	TOTALS	
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	SPECIAL ASSESSMENTS	TRUST AND AGENCY	JUNE 30, 1980	JUNE 30, 1979
Revenue								
Taxes - Local	\$ 8,200,803	\$ 4,981,467	\$ 1,514,980	\$	\$	\$	\$ 14,697,250	\$ 13,760,978
Taxes - Intergovernmental	6,756,645	2,515,483					9,272,128	8,279,981
Grants		2,092,470					2,092,470	3,841,752
Licenses	312,244						312,244	275,779
Charges for Current Services	3,130,408						3,130,408	3,271,984
Fines and Forfeitures	564,704						564,704	528,652
Use of Money and Property	636,790	498,749	238,736	243,455			1,617,730	1,429,350
Miscellaneous	264,740	1,262,073		22,174	1,015,357	114,621	2,678,965	1,885,413
Total Revenue	<u>19,866,334</u>	<u>11,350,242</u>	<u>1,753,716</u>	<u>265,629</u>	<u>1,015,357</u>	<u>114,621</u>	<u>34,365,899</u>	<u>33,273,889</u>
Expenditures								
General Government	1,956,224						1,956,224	1,303,792
Public Safety	5,486,507	1,198,494					6,685,001	6,168,993
Management Services	2,516,505						2,516,505	2,205,212
Field Operations	3,713,286	1,967,678					5,680,964	5,617,177
Community Services	5,003,490	374,439					5,377,929	6,612,279
Community Development	1,516,211	2,988,245					4,504,456	3,364,260
Municipal Utilities	158,994	248,191					407,185	283,905
Debt Service	306,680		1,219,980				1,526,660	1,564,655
Capital Improvements	18,632	3,487,478		1,400,794	876,885		5,783,789	4,335,686
Street Light Districts					129,685		129,685	101,397
Trust and Agency						130,430	130,430	75,061
Total Expenditures	<u>20,676,529</u>	<u>10,264,525</u>	<u>1,219,980</u>	<u>1,400,794</u>	<u>1,006,570</u>	<u>130,430</u>	<u>34,698,828</u>	<u>31,632,417</u>
Excess (Deficiency) of Revenue over Expenditures	(810,195)	1,085,717	533,736	(1,135,165)	8,787	(15,809)	(332,929)	1,641,472
Other Sources (Uses)								
Operating Transfers In		1,000,000					1,000,000	1,000,000
Operating Transfers Out	(1,000,000)						(1,000,000)	(1,000,000)
Excess (Deficiency) of Revenue and Other Sources over Expenditures and Other Uses	<u>(1,810,195)</u>	<u>2,085,717</u>	<u>533,736</u>	<u>(1,135,165)</u>	<u>8,787</u>	<u>(15,809)</u>	<u>(332,929)</u>	<u>1,641,472</u>
Fund Balances July 1	3,270,070	2,622,097	3,182,116	3,233,420	97,581	102,403	12,507,687	11,345,638
Prior Period Adjustments	434,621	1,265,633					1,700,254	1,220,831
Fund Balances as Restated	<u>3,704,691</u>	<u>3,887,730</u>	<u>3,182,116</u>	<u>3,233,420</u>	<u>97,581</u>	<u>102,403</u>	<u>14,207,941</u>	<u>12,566,469</u>
Fund Balances June 30	<u>\$ 1,894,496</u>	<u>\$ 5,973,447</u>	<u>\$ 3,715,852</u>	<u>\$ 2,098,255</u>	<u>\$ 106,368</u>	<u>\$ 86,594</u>	<u>\$ 13,875,012</u>	<u>\$ 14,207,941</u>

See notes to financial statements.

CITY OF SCOTTSDALE
 COMBINED STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL - BUDGET BASIS - GENERAL, SPECIAL REVENUE AND DEBT SERVICE FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 1980

EXHIBIT A-3

	TOTALS			GENERAL FUND			SPECIAL REVENUE FUNDS			DEBT SERVICE FUNDS		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenue												
Taxes - Local	\$15,299,000	\$14,697,250	\$ (601,750)	\$ 6,445,017	\$ 8,200,803	\$1,755,786	\$ 7,334,974	\$ 4,981,467	\$(2,353,507)	\$1,519,009	\$1,514,980	\$ (4,029)
Taxes - Intergovernmental	9,273,000	9,272,128	(872)	6,623,000	6,756,645	133,645	2,650,000	2,515,483	(134,517)			
Licenses	281,000	312,244	31,244	281,000	312,244	31,244						
Charges for Current Services	3,519,000	3,130,408	(388,592)	3,519,000	3,130,408	(388,592)						
Fines and Forfeitures	525,000	564,704	39,704	525,000	564,704	39,704						
Use of Money and Property	907,000	1,135,539	228,539	717,000	636,790	(80,210)	190,000	498,749	308,749			
Miscellaneous	163,000	1,526,813	1,363,813	163,000	264,740	101,740		1,262,073	1,262,073			
Total Revenue	<u>29,967,000</u>	<u>30,639,086</u>	<u>672,086</u>	<u>18,273,017</u>	<u>19,866,334</u>	<u>1,593,317</u>	<u>10,174,974</u>	<u>9,257,772</u>	<u>(917,202)</u>	<u>1,519,009</u>	<u>1,514,980</u>	<u>(4,029)</u>
Expenditures												
General Government	2,141,381	2,056,496	84,885	2,141,381	2,056,496	84,885						
Public Safety	6,877,931	6,700,367	177,564	5,735,281	5,562,347	172,934	1,142,650	1,138,020	4,630			
Management Services	2,696,908	2,664,465	32,443	2,696,908	2,664,465	32,443						
Field Operations	5,916,815	5,876,108	40,707	3,762,025	3,744,691	17,334	2,154,790	2,131,417	23,373			
Community Services	5,075,019	5,035,828	39,191	5,075,019	5,035,828	39,191						
Community Development	2,875,265	2,861,026	14,239	1,515,378	1,513,640	1,738	1,359,887	1,347,386	12,501			
Municipal Utilities	177,340	169,656	7,684	177,340	169,656	7,684						
Debt Service	2,079,898	1,821,660	258,238	491,589	306,680	184,909				1,588,309	1,514,980	73,329
Capital Improvements	10,270,518	7,479,747	2,790,771				10,270,518	7,479,747	2,790,771			
Total Expenditures	<u>38,111,075</u>	<u>34,665,353</u>	<u>3,445,722</u>	<u>21,594,921</u>	<u>21,053,803</u>	<u>541,118</u>	<u>14,927,845</u>	<u>12,096,570</u>	<u>2,831,275</u>	<u>1,588,309</u>	<u>1,514,980</u>	<u>73,329</u>
Deficiency of Revenue over Expenditures	8,144,075	4,026,267	4,117,808	3,321,904	1,187,469	2,134,435	4,752,871	2,838,798	1,914,073	69,300	-0-	69,300
Other Sources (Uses)												
Operating Transfers In	931,859	1,000,000	68,141				931,859	1,000,000	68,141			
Operating Transfers Out	<u>1,668,222</u>	<u>(1,000,000)</u>	<u>(2,668,222)</u>	<u>1,668,222</u>	<u>(1,000,000)</u>	<u>(2,668,222)</u>						
Deficiency of Revenue and Other Sources over Expenditures and Other Uses	5,543,994	4,026,267	1,517,727	1,653,682	2,187,469	(533,787)	3,821,012	1,838,798	1,982,214	69,300	-0-	69,300
Fund Balances July 1, 1979	<u>5,543,994</u>	<u>5,757,386</u>	<u>213,392</u>	<u>1,653,682</u>	<u>3,270,070</u>	<u>1,616,388</u>	<u>3,821,012</u>	<u>2,487,316</u>	<u>(1,333,696)</u>	<u>69,300</u>	<u>-0-</u>	<u>(69,300)</u>
Fund Balances June 30, 1980	<u>\$ -0-</u>	<u>\$ 1,731,119</u>	<u>\$ 1,731,119</u>	<u>\$ -0-</u>	<u>\$ 1,082,601</u>	<u>\$ 1,082,601</u>	<u>\$ -0-</u>	<u>\$ 648,518</u>	<u>\$ 648,518</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

See notes to financial statements.

CITY OF SCOTTSDALE

EXHIBIT A-4

COMBINED STATEMENT OF REVENUE, EXPENSES AND CHANGES
IN RETAINED EARNINGS - ALL PROPRIETARY FUND TYPESFOR THE FISCAL YEAR ENDED JUNE 30, 1980
WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 1979

	ENTERPRISE	INTERNAL SERVICE	TOTALS	
			JUNE 30, 1980	JUNE 30, 1979
Operating Revenue				
Water service charges	\$ 2,293,893	\$	\$ 2,293,893	\$1,953,535
Water connection fees	158,961		158,961	261,196
Water development fees	415,193		415,193	1,630,426
Sewer service fees	1,803,278		1,803,278	1,624,694
Sewer connection fees	207,088		207,088	263,911
Tie downs and rentals	165,166		165,166	147,985
Commissions on sales	77,999		77,999	42,727
Permits	4,904		4,904	2,302
Property rentals	40,793		40,793	28,512
Billings to user programs		3,629,939	3,629,939	3,539,985
Other	85,265	140,299	225,564	146,802
Total Operating Revenue	<u>5,252,540</u>	<u>3,770,238</u>	<u>9,022,778</u>	<u>9,642,075</u>
Operating Expenses				
Water operations	1,188,489		1,188,489	1,008,666
Sewer operations	560,146		560,146	726,681
Customer collection	153,881		153,881	145,244
Airport operations	206,995		206,995	170,349
Public housing operations	42,707		42,707	29,734
Motor pool operations		2,111,022	2,111,022	1,895,194
Self-insurance operations		494,126	494,126	577,012
Depreciation and amortization	1,074,807	490,249	1,565,056	1,349,723
Total Operating Expenses	<u>3,227,025</u>	<u>3,095,397</u>	<u>6,322,422</u>	<u>5,902,603</u>
Operating Income	<u>2,025,515</u>	<u>674,841</u>	<u>2,700,356</u>	<u>3,739,472</u>
Non-Operating Revenue (Expenses)				
Interest earnings	1,306,266		1,306,266	1,114,605
Interest expense	(704,779)		(704,779)	742,925
Total Non-Operating Revenue (Expenses)	<u>601,487</u>		<u>601,487</u>	<u>371,680</u>
Net Income	2,627,002	674,841	3,301,843	4,111,152
Retained Earnings July 1	<u>7,415,203</u>	<u>298,888</u>	<u>7,714,091</u>	<u>3,602,939</u>
Retained Earnings June 30	<u>\$10,042,205</u>	<u>\$ 973,729</u>	<u>\$11,015,934</u>	<u>\$7,714,091</u>

See notes to financial statements.

CITY OF SCOTTSDALE

EXHIBIT A-5

COMBINED STATEMENT OF CHANGES IN FINANCIAL POSITION -
ALL PROPRIETARY FUND TYPESFOR THE FISCAL YEAR ENDED JUNE 30, 1980
WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 1979

	ENTERPRISE	INTERNAL SERVICE	TOTALS	
			JUNE 30, 1980	JUNE 30, 1979
Sources of Funds				
From operations				
Net income	\$ 2,627,002	\$ 674,841	\$ 3,301,843	\$ 4,111,152
Noncash charge - depreciation and amortization	<u>1,074,807</u>	<u>490,249</u>	<u>1,565,056</u>	<u>1,349,723</u>
Total from operations	<u>3,701,809</u>	<u>1,165,090</u>	<u>4,866,899</u>	<u>5,460,875</u>
Decrease in receivables	1,204		1,204	309,887
Decrease in assets held for refunded debt	77,871		77,871	54,494
Decrease in restricted cash and investments	37,710		37,710	1,569,274
Sale of property and decrease in construction in process				269,866
Cash, property, and equipment contributed by subdividers	2,443,040		2,443,040	3,425,485
Increase in contributions to capital	855,272	121,173	976,445	748,930
Increase in current liabilities	345,925	99,870	445,795	572,716
Increase in long-term debt	<u>1,190,572</u>		<u>1,190,572</u>	
	<u>8,653,403</u>	<u>1,386,133</u>	<u>10,039,536</u>	<u>12,411,527</u>
Uses of Funds				
Increase in receivables	189,326	779	190,105	415,310
Transfer sale proceeds to another fund				20,706
Purchase of equipment and construction in process	5,714,745	1,351,445	7,066,190	3,824,170
Contribution of water/sewer assets from subdividers	2,443,040		2,443,040	3,425,485
Decrease in current liabilities	1,982	21,695	23,677	2,962
Decrease in other liabilities	48,430		48,430	55,341
Decrease in refunded debt	117,133		117,133	91,738
Payments on long-term debt	<u>88,247</u>		<u>88,247</u>	<u>619,467</u>
	<u>8,602,903</u>	<u>1,373,919</u>	<u>9,976,822</u>	<u>8,455,179</u>
Increase in Cash and Short-term Investments	50,500	12,214	62,714	3,956,348
Cash and Short-term Investments July 1	<u>6,241,509</u>	<u>1,192,654</u>	<u>7,434,163</u>	<u>3,477,815</u>
June 30	<u>\$ 6,292,009</u>	<u>\$ 1,204,868</u>	<u>\$ 7,496,877</u>	<u>\$ 7,434,163</u>

See notes to financial statements.

CITY OF SCOTTSDALE
 NOTES TO FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 1980

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

1. Basis of Presentation - Fund Accounting

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

GOVERNMENTAL FUNDS

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

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

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

Capital Projects Fund - The Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds, special assessment funds, and trust funds).

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

PROPRIETARY FUNDS

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

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

PROPRIETARY FUNDS (Continued)

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

FIDUCIARY FUNDS

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

ACCOUNT GROUPS

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

General Long-Term Debt Account Group - This group of accounts is established to account for all long-term debt of the City except that accounted for in the proprietary funds, trust funds, and special assessment funds.

2. Basis of Accounting

The modified accrual basis of accounting is followed by the governmental funds and expendable trust and agency funds. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures, other than interest on long-term debt, are recorded when the liability is incurred.

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

Licenses and permits, charges for services, fines and forfeits, and miscellaneous revenues (except investment earnings) are recorded as revenues when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned since they are measurable and available. (See Note E for a discussion of property taxes.)

Special assessments are recorded as revenues in the year the assessments are levied, even if payments are made in annual installments.

The accrual basis of accounting is utilized by the proprietary funds.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Budgetary Data

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

- (a) On or before the second regular Council meeting in May, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
- (b) Two public hearings are held prior to the budget's final adoption in order to obtain taxpayer comments.
- (c) At the first regular Council meeting in June, the budget is legally enacted through passage of an ordinance.
- (d) Upon the recommendation of the City Manager and with the approval of the City Council, expenditures may be made from the appropriation for contingencies. The transfers of any sums within any specific appropriation may be done only upon the approval of the City Manager.

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

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

4. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is employed in the governmental funds. Encumbrances are reported as reservations of fund balances since they do not constitute expenditures or liabilities.

Encumbrance accounting is not employed in the proprietary funds since they are reported on the accrual basis. Funds aggregating \$3,108,000 have been committed for the proprietary funds.

5. Investments

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

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

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

6. Inventories

The costs of inventory items are recorded as expenditures for financial statement purposes when purchased and are not included on the balance sheet of the General Fund. Inventories aggregated \$169,128 at June 30, 1980 based on a lower of cost or market valuation with cost being determined using an average cost method.

7. General Fixed Assets

General fixed assets have been acquired for general governmental purposes. Assets purchased are recorded as expenditures in the governmental funds and capitalized at cost in the general fixed assets account group. Contributed fixed assets are recorded in general fixed assets at fair market value at the time received.

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

No depreciation has been provided on general fixed assets.

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

8. Property, Plant and Equipment - Proprietary Funds

Property, plant and equipment of the Enterprise and Internal Service Funds are stated at cost or at appraised historical costs, if historical costs are not available. Depreciation and amortization are provided on the straight-line method over the following estimated useful lives:

Water system	10 to 75 years
Sewer system	30 to 50 years
Buildings and improvements	25 years
Motor vehicles and other equipment	5 to 10 years
Furniture, fixtures and office equipment	5 to 10 years

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

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

9. Excess Purchase Price Over Fair Market Value of Assets Acquired

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

10. Property, Plant and Equipment - Estimated Fair Value

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

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

10. Property, Plant and Equipment - Estimated Fair Value (continued)

General Fixed Assets:	
Streets and storm drains	\$169,088,488
Land	4,664,000
Traffic signal equipment	606,000
Water and Sewer Utility Fund:	
Water system and sewer system	\$ 22,269,684

11. Vacation and Sick Leave

The City's personnel ordinance provides full-time City employees with vacation and sick leave in varying amounts. Vacation and sick pay expenses are charged to operations when taken by the employee. At termination, an employee is paid for his accumulated (vested) vacation time. The amount not recorded in the accounts for vested vacation pay aggregated \$959,434 at June 30, 1980.

Sick leave benefits provide for ordinary sick pay and are not vested with the employee. Unused benefits are payable only upon the death or retirement of an employee. The amount not recorded in the accounts for accrued sick pay benefits aggregated \$1,400,153 at June 30, 1980.

12. Comparative Total Columns

Comparative total columns for the current and prior year have been presented in the accompanying combined financial statements in order to provide an understanding of changes in the City's financial position and operations. These totals do not represent consolidated financial information.

13. Transactions Between Funds

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

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

NOTE B - ACCOUNTING CHANGES

In order to conform with reporting requirements under Governmental Accounting and Financial Reporting Principles Statement 1 and Grant, Entitlement and Shared Revenue Accounting and Reporting by State and Local Governments Statement 2 as set forth by the National Council on Governmental Accounting, certain changes were made in the accompanying financial statements.

NOTE B - ACCOUNTING CHANGES (Continued)

Change in Accounting Principle - Encumbrances

Statement 1 states that encumbrances of governmental funds, which are outstanding at year end, do not constitute expenditures or liabilities. Where such encumbrances represent appropriations which do not lapse at year end, they should be reported as reservations of fund balance for subsequent year expenditures based on the encumbered appropriation carried over. Accordingly, a change in accounting for encumbrances of the General Fund and the Special Revenue Fund, was required. The cumulative effect of the change, to apply retroactively the new method, is presented as an adjustment of beginning fund balance for the applicable funds.

Additionally, the effect on operations of the change in accounting in 1979 was as follows:

	<u>Excess (Deficiency) of Revenue Over Expenditures and Other Uses</u>
General Fund	\$(418,440)
Highway Users Fund	26,734
Public Works Reserve Fund	499,091
Federal Revenue Sharing Fund	(14,186)
Community Development Fund	52,852
Grants Fund	333,372
	<u>\$ 479,423</u>

Grant Accounting

Statement 2 requires that grants, entitlements, or shared revenues received or utilized for proprietary fund operations or capital assets be accounted for in these fund types whereas they previously were accounted for in the Grants Fund. The effects of the change on beginning fund balance and retained earnings and on comparability with prior year data are not material.

NOTE C - BUDGETARY BASIS OF ACCOUNTING

The City of Scottsdale prepares its annual budget on a basis which differs from generally accepted accounting principles (GAAP basis). The budget and all transactions are presented in accordance with the City's method (budget basis) in the combined statement of revenues and expenditures - budget and actual - general, special revenue funds and debt service funds to provide a meaningful comparison of actual results with the budget. The major difference between budget and GAAP basis is that encumbrances are recorded as the equivalent of expenditures (budget) as opposed to a reservation of fund balance (GAAP).

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

	<u>FUND BALANCES AT END OF YEAR</u>		
	<u>GENERAL</u>	<u>SPECIAL REVENUE FUND TYPES</u>	<u>DEBT SERVICE</u>
GAAP Basis	\$1,894,496	\$5,973,447	\$ 3,715,852
Reserved encumbrances at June 30, 1980 but recognized as expenditures for budget purposes	(659,883)	(5,615,518)	
Less: Community Development and Grants Funds, not a part of budget basis		446,104	
Encumbrances cancelled	(152,012)	(155,515)	
Fund balance from Sinking Fund not recognized for budget purposes			(3,715,852)
Budget Basis	<u>\$1,082,601</u>	<u>\$ 648,518</u>	<u>\$ -0-</u>

NOTE C - BUDGETARY BASIS OF ACCOUNTING (Continued)

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

	Excess (Deficiency) of Revenue Over Expenditures and Other Uses		
	General	Special Revenue Fund Types	Debt Service
GAAP Basis	\$(1,810,195)	\$ 2,085,690	\$ 533,736
Expenditures of amounts encumbered during year ended June 30, 1979	266,874	731,061	
Reserved encumbrances at June 30, 1980 but recognized as expendi- tures for budget purposes	(659,883)	(5,615,518)	
Encumbrances carried over from prior year	15,735	263,317	
Community Development and Grants Funds not included as part of budget basis		696,652	
Sinking fund interest earn- ings not recognized as revenue for budget purposes			(238,736)
Principal payment from sinking fund not recognized as an expenditure for budget purposes			225,000
Sinking fund deposit recognized as an expenditure for budget purposes			(520,000)
Budget Basis	<u>\$(2,187,469)</u>	<u>\$(1,838,798)</u>	<u>\$ -0-</u>

NOTE D - CASH AND INVESTMENTS

Pooled cash and investments, excluding amounts held by fiscal agents and including those restricted for designated purposes, at June 30, 1980 consist of the following:

Cash in savings account	\$ 126,417
Cash in checking accounts	(1,920,452)
Certificate of deposit	4,298,495
Treasury bills	2,752,806
Treasury notes	974,094
Federal agencies	13,851,604
Improvement district bonds	293,000
	<u>\$20,375,964</u>

NOTE E - PROPERTY TAX

Property taxes are recognized on the modified accrual basis, i.e. when both measurable and available. Because property taxes levied in August, 1980 are not available for the current year, such taxes will not be recognized as revenue until the subsequent fiscal year. Prior year levies were recorded using these same principles and remaining receivables from such levies are also recognized as revenue when available.

NOTE F - DUE FROM OTHER GOVERNMENTS

Miscellaneous receivables includes \$486,749 due from the Arizona State Water Commission, which is the latest billing in connection with the construction of the Indian Bend Wash Project.

Under the agreement with the Water Commission the City will be reimbursed for 50% of its total qualifiable expenditures. The State's share of \$486,749 was recognized as revenue in the 1979-80 fiscal year since it is expected to be collected in fiscal year 1980-81.

Also included in miscellaneous receivables is an amount due from Maricopa County of \$591,079 for their participation in road construction of the Bell-Pima Loop.

The City has assumed total responsibility for construction of these projects; therefore, both projects are accounted for in their entirety in the Special Revenue Fund.

NOTE G - FIXED ASSETS

A summary of changes in General Fixed Assets follows:

	<u>BALANCE</u> <u>7/1/79</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE</u> <u>6/30/80</u>
Land	\$ 5,595,700	\$ 490,896	\$	\$ 6,086,596
Buildings and Improvements	19,348,806	2,020,280		21,369,086
Streets and Storm Drains	167,812,568	22,870,413		190,682,981
Machinery and Equipment	1,598,822	152,176	601	1,750,397
Construction in Process	<u>3,394,285</u>	<u>4,288,703</u>	<u>1,555,783</u>	<u>6,127,205</u>
	<u>\$197,750,181</u>	<u>\$29,822,468</u>	<u>\$1,556,384</u>	<u>\$226,016,265</u>

A summary of Proprietary Fund types Fixed Assets at June 30, 1980 follows:

	<u>ENTERPRISE</u>	<u>INTERNAL SERVICE</u>
Land	\$ 2,894,085	\$ 67,904
Water System	17,549,345	
Sewer System	20,048,156	
Buildings and Improvements	1,268,881	427,041
Motor Vehicles		3,078,197
Machinery and Equipment		701,379
Furniture and Fixtures	159,203	15,637
Construction in Process	<u>4,526,797</u>	<u>375,130</u>
	<u>46,446,467</u>	<u>4,665,288</u>
Accumulated Depreciation	<u>(7,499,900)</u>	<u>(2,155,975)</u>
	<u>\$38,946,567</u>	<u>\$ 2,509,313</u>

NOTE H - LONG-TERM DEBT - EXCLUDING REFUNDED DEBT

Under the provisions of the Arizona Constitution, outstanding general obligation bonded debt for combined water, sewer, light, and (after January 1, 1974) parks and open space purposes may not exceed 15% of a City's net assessed valuation, nor may outstanding general obligation bonded debt for all other purposes exceed 4% of a City's net assessed valuation. The following is a summary of legal borrowing capacity:

Water, Sewer, Light, and Parks and Open Space Purposes Bonds		All Other General Obligation Bonds	
15% constitutional limit	\$49,282,509	4% constitutional limit	\$13,142,002
Net such general obligation bonds outstanding	<u>5,709,148</u>	Net such general obligation bonds outstanding	<u>2,655,000</u>
Available 15% limitation borrowing capacity	<u>\$43,573,361</u>	Available 4% limitation borrowing capacity	<u>\$10,487,002</u>

At June 30, 1980 the City has no authorized but unissued bonds.

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

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

NAME OF GOVERNMENTAL UNIT	NET DEBT OUTSTANDING	% APPLICABLE TO THIS MUNICIPALITY	CITY OF SCOTTSDALE SHARE OF DEBT
City of Scottsdale	\$ 8,364,148	100.00	\$ 8,364,148
State of Arizona	None	4.01	-0-
Maricopa County	27,975,324	8.03	2,246,419
Maricopa County C.C.D.	2,459,614	8.03	197,507
Phoenix Union H.S.D. No. 210	10,451,919	0.41	42,853
S.D. No. 31 (Balsz)	None	7.49	-0-
Scottsdale Unified S.D. No. 48	6,521,103	62.06	4,046,997
S.D. No. 69 (Paradise Valley)	36,070,180	4.82	<u>1,738,583</u>
Total Direct and Overlapping Debt			<u>\$16,636,507</u>

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

	GENERAL OBLIGATION BONDS	CONTRACTS PAYABLE	CITY-OWNED SPECIAL ASSESSMENTS	TOTAL
Balance June 30, 1979	\$12,430,000	\$7,568,021	\$84,173	\$20,082,194
Debt Retired		(179,962)	(17,741)	(197,703)
Debt To Be Retired July 1, 1980	<u>(350,000)</u>			<u>(350,000)</u>
Balance June 30, 1980	<u>\$12,080,000</u>	<u>\$7,388,059</u>	<u>\$66,432</u>	<u>\$19,534,491</u>

NOTE H - LONG-TERM DEBT - EXCLUDING REFUNDED DEBT (Continued)

The following is a summary of bond transactions of the City for the fiscal year ended June 30, 1980:

	GENERAL OBLIGATION	REVENUE	SPECIAL ASSESSMENT	TOTAL
Bonds Payable at June 30, 1979	\$12,750,000	\$ 9,875,000	\$3,750,840	\$26,375,840
New Debt Issued				
Utility Revenue "D"		1,800,000		1,800,000
Improvement District 78			288,417	288,417
Improvement District 79			577,306	577,306
Debt Retired				
Serial Bonds (Paid July 1, 1979)	(120,000)	(425,000)		(545,000)
Term Bonds (Paid July 1, 1979)	(200,000)			(200,000)
Serial Bonds (Paid January 1, 1980)			(617,257)	(617,257)
Total Bonds Payable at June 30, 1980	<u>12,430,000</u>	<u>11,250,000</u>	<u>3,999,306</u>	<u>27,679,306</u>
Current Portion	<u>(350,000)</u>	<u>(500,000)</u>	<u>-0-</u>	<u>(850,000)</u>
Long-Term Bonds Payable June 30, 1980	<u>\$12,080,000</u>	<u>\$10,750,000</u>	<u>\$3,999,306</u>	<u>\$26,829,306</u>

The following is a summary of debt service requirements to maturity, including contracts payable as of June 30, 1980. The interest portion of the total is \$15,022,953:

ANNUAL PRINCIPAL AND INTEREST REQUIREMENTS

FISCAL YEAR	GENERAL OBLIGATION BONDS	REVENUE DEBT	SPECIAL ASSESSMENT BONDS	OTHER DEBT	TOTAL
1981	\$ 1,280,260	\$ 1,239,463	\$ 872,973	\$ 680,820	\$ 4,073,516
1982	1,268,085	1,278,110	825,207	682,757	4,054,159
1983	1,255,710	1,339,336	784,452	681,670	4,061,168
1984	1,247,885	1,809,376	648,085	678,370	4,383,716
1985	1,246,675	1,807,249	440,167	679,170	4,173,261
1986	1,209,865	1,411,814	369,225	676,490	3,667,394
1987	1,113,470	960,623	337,282	678,030	3,089,405
1988	1,061,365	962,560	317,795	678,530	3,020,250
1989	1,002,390	967,560	181,037	677,990	2,828,977
1990	948,230	964,835	106,220	681,410	2,700,695
1991	950,225	935,385	41,740	683,530	2,610,880
1992	940,225	909,885	40,323	683,420	2,573,853
1993	610,725	343,635	23,360	681,960	1,659,680
1994	259,075	338,635	19,950	679,150	1,296,810
1995	273,500	297,825	17,637	679,450	1,268,412
1996	261,750			1,498,100	1,759,850
	<u>\$14,929,435</u>	<u>\$15,566,291</u>	<u>\$5,025,453</u>	<u>\$11,700,847</u>	<u>\$47,222,026</u>

NOTE H - LONG-TERM DEBT - EXCLUDING REFUNDED DEBT (Continued)

Water and sewer utility revenue bonds are collateralized by revenue in excess of operating and maintenance expenses of the City's utility system. The bond indenture ordinances require the maintenance of certain defined reserve funds. The aggregate amount of funds restricted for these requirements was \$946,685 at June 30, 1980.

General Obligation Bonds

\$700,000 1961 Sewer Serial Bonds due in annual installments of \$10,000 to \$50,000 through July 1, 1985; interest at 3.90% to 4.30%.	\$ 250,000
\$700,000 1966 Parks and Recreation Improvement Serial Bonds due in annual installments of \$10,000 to \$75,000 through July 1, 1986; interest at 4.50% to 5.00%.	420,000
\$1,000,000 1967 Civic Center Improvement Serial Bonds due in annual installments of \$10,000 to \$180,000 through July 1, 1990; interest at 3.70% to 5.00%.	835,000
\$1,400,000 1968 Civic Center Improvement Serial Bonds due in annual installments of \$75,000 to \$250,000 through July 1, 1996; interest at 4.70% to 5.00%.	1,400,000
\$3,500,000 1973 Storm Sewer Series A Term Bonds due in one installment of \$3,500,000 on July 1, 1993; interest at 5.35%.	3,500,000*
\$1,500,000 1973 Storm Sewer Series B Term Bonds due in three installments of \$225,000 each through July 1, 1983; interest at 5.20%.	675,000*
\$4,000,000 1973 Storm Sewer Series C Term Bonds due in four installments of \$1,000,000 each July 1, 1986 through July 1, 1989; interest at 5.60% to 5.90%.	4,000,000*
\$1,000,000 1973 Storm Sewer Series D Term Bonds due in two installments of \$300,000 and \$700,000 July 1, 1985 and July 1, 1986; interest at 5.125%.	1,000,000*
*Annual payments are made to the Sinking Fund and all bond retirements are paid from the Sinking Fund.	<u>\$12,080,000</u>

Revenue Bonds

\$3,910,000 1973 Utility Revenue Refunding Issue Serial annual installments of \$50,000 to \$310,000 through July 1, 1995; interest at 4.80% to 5.80%.	\$ 3,375,000
\$2,500,000 1973 Utility Revenue Series A Serial Bonds due in annual installments of \$75,000 to \$375,000 through July 1, 1983; interest at 4.90% to 5.80%.	975,000
\$750,000 1975 Utility Revenue Series B Serial Bonds due in annual installments of \$25,000 to \$400,000 through July 1, 1984; interest at 5.50% to 6.50%.	600,000
\$4,000,000 1977 Utility Revenue Series C Serial Bonds due in annual installments of \$400,000 to \$550,000 through July 1, 1992; interest at 4.75% to 5.50%.	4,000,000
\$1,800,000 1980 Utility Revenue Series D Serial Bonds due in annual installments of \$50,000 to \$670,000 through July 1, 1986; interest at 5.40% to 6.25%	1,800,000
	<u>\$10,750,000</u>

Special Assessment Bonds

\$6,762,313 Special Assessment Bonds issued 4/26/71 through 10/15/79, maturity 1/1/81 through 1/1/95. Interest 6.00% to 7.50%. Annual installments of \$2,000 to \$174,000.	\$ 3,999,306
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NOTE I - CONTRACTS PAYABLE

Contracts payable at June 30, 1980 include the following:

	<u>EXCISE DEBT SERVICE</u>	<u>AIRPORT</u>	<u>WATER AND SEWER UTILITY</u>	<u>TOTAL</u>
Contracts payable to City of Scottsdale Municipal Property Corporation for:				
Financing construction of municipal buildings, 5.2% to 6% (average rate 5.4%) principal due from July 1, 1982 through July 1, 1996.	\$7,130,000	\$	\$	\$7,130,000
Refinancing contracts, 4.75%, payable in annual installments through July 1, 1982.	258,059	121,941		380,000
Purchase contracts for acquisition of water companies 5.75% to 6%, due in annual installments through 1986.	<u>7,388,059</u>	<u>121,941</u>	<u>754,767</u> <u>754,767</u>	<u>754,767</u> <u>8,264,767</u>
Less current portion	<u> </u>	<u>88,246</u>	<u>109,428</u>	<u>197,674</u>
	<u>\$7,388,059</u>	<u>\$ 33,695</u>	<u>\$645,339</u>	<u>\$8,067,093</u>

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

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

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

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

Land (\$88,350) and buildings and improvements (\$6,559,303) relating to the aforementioned arrangement are included in the General Fixed Assets at June 30, 1980.

NOTE I - CONTRACTS PAYABLE (Continued)

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

<u>FISCAL YEAR ENDING JUNE 30,</u>	<u>DEBT SERVICE</u>	<u>AIRPORT</u>	<u>WATER AND SEWER UTILITY</u>	<u>TOTAL</u>
1981	\$ 187	\$ 88	\$109	\$ 384
1982	256	34	117	407
1983	305		132	437
1984	320		132	452
1985	340		132	472
1986-1990	1,980		133	2,113
1991-1995	2,580			2,580
1996-2000	<u>1,420</u>	<u> </u>	<u> </u>	<u>1,420</u>
	<u>\$7,388</u>	<u>\$122</u>	<u>\$755</u>	<u>\$8,265</u>

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

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

NOTE K - SPECIAL ASSESSMENTS FUNDS

As trustee for improvement districts, the City is responsible for collection of assessments levied against the owners of property within the improvement districts and for disbursement of these amounts for retirement of the respective bonds issued to finance the improvements. At June 30, 1980, the special assessments receivable together with amounts paid in advance and interest to be received over the life of the assessment period, are adequate for the scheduled maturities of the bonds payable and the related interest.

Improvement bonds are collateralized by properties within the districts. In the event of default by the property owner, the City may enforce auction sale to satisfy the debt service requirements of the improvement bonds. The City is contingently liable on special assessment bonds to the extent that proceeds from auction sales are insufficient to retire outstanding bonds.

NOTE L - RETIREMENT AND PENSION PLANS

Substantially all full-time City employees are covered by one of three contributory retirement and pension plans which are administered by the State of Arizona.

City policemen are covered by the Arizona Public Safety Personnel Retirement System. Employees contribute eight percent of their annual compensation as set by State law and the City contributes the actuarially determined current service costs plus amortization of the unfunded past service liability over 40 years and current administrative expenses. For 1979-80 the City's contribution was \$376,813, a rate of 14.40% of annual compensation. The City's actuarially determined value of employer unfunded vested costs at June 30, 1979, was \$909,716. Actuarial valuations for Scottsdale's participation in the Arizona Public Safety Personnel Retirement System are computed annually.

The Arizona State Retirement Plan ("Plan") covers all new City employees since July 1, 1976, except policemen, and those City employees on that date who elected to transfer to such Plan from the Arizona State Retirement System ("System"). Employees contribute seven percent of their total annual wages and the City contributes the larger of the actuarially determined current service costs plus amortization of the unfunded past service liability over 45 years and current administrative expenses or seven percent of total annual wages. For 1979-80 the City's contribution was \$659,344 at a rate of 7 percent of annual compensation. The Plan does not provide separately calculated financial information for its participants, therefore the City's share of any actuarially determined unfunded vested costs cannot be determined.

The System, a money-purchase plan, covers all employees other than the City's policemen and those employees who transferred to the Plan. The City and these employees each contribute five percent of total annual wages to this program. For 1979-80 the City's contribution was \$66,289 at a rate of 5 percent of annual compensation. The City did not recognize prior employment when this retirement plan was adopted and accordingly there are no past service liabilities. Annual actuarial valuations are computed for the entire System and not separately for the City.

NOTE M - CONTINGENT LIABILITIES

The City participates in a number of Federal and State assisted grant programs, principal of which are the Federal Revenue Sharing, Community Development Block Grants and Local Public Works programs, which are subject to financial and compliance audits. The audits of these programs for or including the year ended June 30, 1980 have not been conducted. Accordingly, the City's compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

NOTE N - SEGMENTS OF ENTERPRISE ACTIVITIES

Water and sewer, airport and housing are three major services provided by the City of Scottsdale which are financed by user charges and are of such significance as to warrant disclosure as segments of Enterprise Activities. The key financial data for the year ended June 30, 1980 for these services are as follows (in thousands of dollars):

	<u>TOTAL</u>	<u>WATER AND SEWER</u>	<u>AIRPORT</u>	<u>HOUSING</u>
Operating Revenues	<u>\$ 5,253</u>	<u>\$ 4,964</u>	<u>\$ 248</u>	<u>\$ 41</u>
Operating Expenses				
Depreciation	1,074	949	103	22
Other	<u>2,153</u>	<u>1,903</u>	<u>207</u>	<u>43</u>
	<u>3,227</u>	<u>2,852</u>	<u>310</u>	<u>65</u>
Operating Income (Loss)	<u>\$ 2,026</u>	<u>\$ 2,112</u>	<u>\$ (62)</u>	<u>\$ (24)</u>
Net Income	<u>\$ 2,627</u>	<u>\$ 2,685</u>	<u>\$ (44)</u>	<u>\$ (14)</u>
Assets	<u>\$55,873</u>	<u>\$51,600</u>	<u>\$3,745</u>	<u>\$ 528</u>
Bonds Payable	<u>\$11,250</u>	<u>\$11,250</u>		
Fund Equity	<u>\$38,624</u>	<u>\$34,659</u>	<u>\$3,438</u>	<u>\$ 527</u>
Acquisition of Property Plant and Equipment	<u>\$ 8,158</u>	<u>\$ 7,625</u>	<u>\$ 533</u>	

NOTE O - OTHER MATTERS

1. The City is a party in several lawsuits incident to its normal operations. In the opinion of the City Attorney, the settlement of such lawsuits will not have a material effect on the financial position of the various funds of the City.
2. In fiscal 1979-80, the City entered into a five-year agreement with Metropolitan Fire Department, Inc. ("Metropolitan") whereby Metropolitan will provide fire protection and related services to the City. Annual amounts due, as specified in the contract, will approximate \$1,393,884.
3. The City has a contract for the acquisition of data processing equipment that has been accounted for as an operating lease. Annual contract payments are as follows: 1980-81 \$216,622; 1981-82 \$175,032; 1982-83 \$162,944; 1983-84 \$40,044.
4. The City entered into an agreement with the U.S. Army Corps of Engineers for the construction of flood control and recreation facilities throughout the Indian Bend Wash. In connection with this agreement, the City will be required to make annual payments of approximately \$208,000 including interest at approximately 5.1% for fifty years upon completion of the project, estimated to be in 1980-81.
5. The City established a Self Insurance Fund during fiscal 1979. The Self Insurance Fund is responsible for the budgeting, investigation and payment of claims that are incurred by the City of Scottsdale. The Self Insurance Fund is protected by excess

NOTE 0 - OTHER MATTERS (Continued)

insurance designed to limit the exposure to loss for any single loss occurrence. For fiscal year 1979-80 the Self Insurance Fund was responsible for the first \$250,000 per occurrence for workmen's compensation and liability claims against the City. The Fund was also responsible for the first \$50,000 per occurrence for claims relating to vehicle and property damage and the first \$25,000 for claims relating to fidelity bonds.

The Self Insurance Fund establishes a liability for claims filed but not yet settled based upon the City's estimate of probable loss.



GENERAL FUND

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

Revenue, for this and other funds, is recorded by source, i.e., taxes, licenses, service charges, etc. Expenditures are recorded first by 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

EXHIBIT B-1

GENERAL FUND

BALANCE SHEET

JUNE 30, 1980

ASSETS

Cash and short-term investments	\$ 453,852
Investments	1,348,374
Accrued interest receivable	807,746
Property taxes receivable	44,131
State-shared sales tax receivable	328,264
Auto lieu tax receivable	62,703
Accounts receivable, including unbilled of \$128,623	293,807
Miscellaneous receivables	<u>71,961</u>
 Total Assets	 <u>\$3,410,838</u>

LIABILITIES AND FUND BALANCE

Liabilities	
Claims payable	\$ 255,527
Accrued payroll and withholdings	1,226,191
Deferred revenue - property taxes	<u>34,624</u>
 Total Liabilities	 <u>1,516,342</u>
Commitments	
Fund Balance	
Reserved for encumbrances	659,883
Unreserved	<u>1,234,613</u>
 Total Fund Balance	 <u>1,894,496</u>
 Total Liabilities and Fund Balance	 <u>\$3,410,838</u>

See notes to financial statements.

CITY OF SCOTTSDALE

EXHIBIT B-2

GENERAL FUND

STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE

FOR THE FISCAL YEAR ENDED JUNE 30, 1980

	<u>ACTUAL</u>
Revenue	
Taxes - Local	\$ 8,200,803
Taxes - Intergovernmental	6,756,645
Licenses	312,244
Charges for Current Services	3,130,408
Fines and Forfeitures	564,704
Use of Money and Property	636,790
Miscellaneous	264,740
Total Revenue	<u>19,866,334</u>
Expenditures	
General Government	1,956,224
Public Safety	5,486,507
Management Services	2,516,505
Field Operations	3,713,286
Community Services	5,003,490
Community Development	1,516,211
Municipal Utilities	158,994
Debt Service	306,680
Capital Improvements	18,632
Total Expenditures	<u>20,676,529</u>
Deficiency of Revenue over Expenditures	810,195
Other Uses	
Operating Transfers Out	<u>1,000,000</u>
Deficiency of Revenue over Expenditures and Other Uses	<u>1,810,195</u>
Fund Balance July 1, 1979	3,270,070
Prior Period Adjustment	<u>434,621</u>
Fund Balance as Restated	<u>3,704,691</u>
Fund Balance June 30, 1980	<u>\$ 1,894,496</u>

See notes to financial statements.

CITY OF SCOTTSDALE

EXHIBIT B-3

GENERAL FUND

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

FOR THE FISCAL YEAR ENDED JUNE 30, 1980

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenue			
Taxes - Local	\$ 6,445,017	\$ 8,200,803	\$ 1,755,786
Taxes - Intergovernmental	6,623,000	6,756,645	133,645
Licenses	281,000	312,244	31,244
Charges for Current Services	3,519,000	3,130,408	(388,592)
Fines and Forfeitures	525,000	564,704	39,704
Use of Money and Property	717,000	636,790	(80,210)
Miscellaneous	163,000	264,740	101,740
Total Revenue	<u>18,273,017</u>	<u>19,866,334</u>	<u>1,593,317</u>
Expenditures			
General Government	2,141,381	2,056,496	84,885
Public Safety	5,735,281	5,562,347	172,934
Management Services	2,696,908	2,664,465	32,443
Field Operations	3,762,025	3,744,691	17,334
Community Services	5,075,019	5,035,828	39,191
Community Development	1,515,378	1,513,640	1,738
Municipal Utilities	177,340	169,656	7,684
Debt Service	491,589	306,680	184,909
Total Expenditures	<u>21,594,921</u>	<u>21,053,803</u>	<u>541,118</u>
Deficiency of Revenue over Expenditures	3,321,904	1,187,469	2,134,435
Other Uses			
Operating Transfers Out	<u>(1,668,222)</u>	<u>1,000,000</u>	<u>(2,668,222)</u>
Deficiency of Revenue over Expenditures and Other Uses	1,653,682	2,187,469	(533,787)
Fund Balance July 1, 1979	<u>1,653,682</u>	<u>3,270,070</u>	<u>1,616,388</u>
Fund Balance June 30, 1980	<u>\$ -0-</u>	<u>\$ 1,082,601</u>	<u>\$ 1,082,601</u>

See notes to financial statements.

CITY OF SCOTTSDALE

EXHIBIT B-4

GENERAL FUND

SCHEDULE OF REVENUE - ESTIMATED AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 1980

	ESTIMATED	ACTUAL	ACTUAL OVER(UNDER) ESTIMATED
Taxes - Local			
Property	\$ 824,763	\$ 746,147	\$ (78,616)
Transaction privilege	4,379,254	6,295,524	1,916,270
Hotel/motel transient tax	741,000	620,651	(120,349)
Light and power franchise	440,000	489,739	49,739
Salt River Project in lieu	60,000	48,742	(11,258)
	<u>6,445,017</u>	<u>8,200,803</u>	<u>1,755,786</u>
Taxes - Intergovernmental			
State-shared sales tax	3,849,000	3,962,739	113,739
Automobile in lieu	785,000	812,581	27,581
State revenue sharing	1,989,000	1,981,325	(7,675)
	<u>6,623,000</u>	<u>6,756,645</u>	<u>133,645</u>
Licenses			
Business licenses	88,000	98,759	10,759
Liquor licenses	163,000	173,716	10,716
Application fees	4,000	13,199	9,199
Occupational registrations	26,000	26,570	570
	<u>281,000</u>	<u>312,244</u>	<u>31,244</u>
Charges for Current Services			
Refuse collection charges	1,810,000	1,704,126	(105,874)
Building and related permits	1,350,000	989,431	(360,569)
Other fees	171,000	209,639	38,639
Recreation fees	188,000	227,212	39,212
	<u>3,519,000</u>	<u>3,130,408</u>	<u>(388,592)</u>
Fines and Forfeitures			
Moving vehicles	419,000	422,579	3,579
Parking	39,000	36,936	(2,064)
Other court fees	39,000	59,932	20,932
Library	28,000	45,257	17,257
	<u>525,000</u>	<u>564,704</u>	<u>39,704</u>
Use of Money and Property			
Interest earnings	477,000	544,461	67,461
Property rental	240,000	92,329	(147,671)
	<u>717,000</u>	<u>636,790</u>	<u>(80,210)</u>
Miscellaneous			
	<u>163,000</u>	<u>264,740</u>	<u>101,740</u>
Total Revenue	<u>\$18,273,017</u>	<u>\$19,866,334</u>	<u>\$1,593,317</u>

CITY OF SCOTTSDALE

GENERAL FUND

SCHEDULE OF EXPENDITURES BY OBJECT

FOR THE FISCAL YEAR ENDED JUNE 30, 1980

	<u>TOTAL</u>	<u>PERSONAL SERVICES</u>	<u>OTHER SERVICES</u>	<u>SUPPLIES</u>	<u>DEBT SERVICE</u>	<u>CAPITAL OUTLAY</u>
General Government	\$ 1,956,224	\$ 1,133,190	\$ 752,753	\$ 36,964	\$	\$ 33,317
Public Safety	5,486,507	4,483,517	842,087	76,762		84,141
Management Services	2,516,505	1,418,515	1,030,532	15,255		52,203
Field Operations	3,713,286	1,424,749	1,933,180	322,097		33,260
Community Services	5,003,490	3,316,601	1,085,105	327,988		273,796
Community Development	1,516,211	1,230,037	248,877	19,810		17,487
Municipal Utilities	158,994		157,089			1,905
Debt Service	306,680				306,680	
Capital Improvements	<u>18,632</u>			<u>6,902</u>		<u>11,730</u>
Total Expenditures	<u>\$20,676,529</u>	<u>\$13,006,609</u>	<u>\$6,049,623</u>	<u>\$805,778</u>	<u>\$306,680</u>	<u>\$507,839</u>
Operating Transfer to Highway Users Fund	<u>\$ 1,000,000</u>					

SPECIAL REVENUE FUNDS

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

Highway User Fuel Tax Fund

This fund receives and expends the City's allocation of the Highway User Revenue Fund. 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.

Public Works Reserve Fund

The Public Works Reserve Fund is utilized for accumulating and expending of general tax revenue 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.

Federal Revenue Sharing Fund

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

Community Development Fund

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

Grants Fund

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

CITY OF SCOTTSDALE
 SPECIAL REVENUE FUNDS
 COMBINING BALANCE SHEET
 JUNE 30, 1980

<u>ASSETS</u>	<u>TOTAL ALL FUNDS</u>	<u>HIGHWAY USER FUEL TAX</u>	<u>PUBLIC WORKS RESERVE</u>	<u>FEDERAL REVENUE SHARING</u>	<u>COMMUNITY DEVELOPMENT</u>	<u>GRANTS</u>
Cash and short-term investments	\$4,881,302	\$192,963	\$4,684,312	\$	\$	\$ 4,027
Gas tax receivable	109,833	109,833				
Federal revenue sharing receivable	274,533			274,533		
Grants receivable	222,499					222,499
Miscellaneous receivables	<u>1,413,524</u>	<u>4,757</u>	<u>1,244,067</u>	<u>3,700</u>	<u>161,000</u>	<u></u>
Total Assets	<u>\$6,901,691</u>	<u>\$307,553</u>	<u>\$5,928,379</u>	<u>\$278,233</u>	<u>\$161,000</u>	<u>\$226,526</u>
<u>LIABILITIES AND FUND BALANCES</u>						
Liabilities						
Cash overdraft	\$ 335,143	\$	\$	\$257,277	\$ 77,866	\$
Claims payable	<u>593,101</u>	<u>37,865</u>	<u>510,712</u>	<u>5,349</u>	<u>33,344</u>	<u>5,831</u>
Total Liabilities	<u>928,244</u>	<u>37,865</u>	<u>510,712</u>	<u>262,626</u>	<u>111,210</u>	<u>5,831</u>
Fund Balances						
Reserved for encumbrances	5,615,518	209,410	4,960,004		123,581	322,523
Unreserved	<u>357,929</u>	<u>60,278</u>	<u>457,663</u>	<u>15,607</u>	<u>(73,791)</u>	<u>(101,828)</u>
Total Fund Balances	<u>5,973,447</u>	<u>269,688</u>	<u>5,417,667</u>	<u>15,607</u>	<u>49,790</u>	<u>220,695</u>
Total Liabilities and Fund Balances	<u>\$6,901,691</u>	<u>\$307,553</u>	<u>\$5,928,379</u>	<u>\$278,233</u>	<u>\$161,000</u>	<u>\$226,526</u>

See notes to financial statements.

CITY OF SCOTTSDALE
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 1980

EXHIBIT C-2

	TOTAL ALL FUNDS	HIGHWAY USERS FUEL TAX	PUBLIC WORKS RESERVE	FEDERAL REVENUE SHARING	COMMUNITY DEVELOPMENT	GRANTS
Revenue						
Taxes - Local	\$ 4,981,467	\$	\$4,981,467	\$	\$	\$
Taxes - Intergovernmental	2,515,483	1,466,922		1,048,561		
Grants	2,092,470				1,320,975	771,495
Use of Money and Property	498,749	3,550	493,473	1,726		
Miscellaneous	1,262,073	24,733	1,237,319	21		
Total Revenue	<u>11,350,242</u>	<u>1,495,205</u>	<u>6,712,259</u>	<u>1,050,308</u>	<u>1,320,975</u>	<u>771,495</u>
Expenditures						
Public Safety	1,198,494			1,138,020		60,474
Field Operations	1,967,678	1,967,678				
Community Services	374,439					374,439
Community Development	2,988,245	382,893	945,466		1,379,696	280,190
Municipal Utilities	248,191					248,191
Capital Improvements	3,487,478	14,037	3,473,441			
Total Expenditures	<u>10,264,525</u>	<u>2,364,608</u>	<u>4,418,907</u>	<u>1,138,020</u>	<u>1,379,696</u>	<u>963,294</u>
Excess (Deficiency) of Revenue over Expenditures	1,085,717	(869,403)	2,293,352	(87,712)	(58,721)	(191,799)
Other Sources						
Operating Transfers In	<u>1,000,000</u>	<u>1,000,000</u>				
Excess (Deficiency) of Revenue and Other Sources over Expenditures	2,085,717	130,597	2,293,352	(87,712)	(58,721)	(191,799)
Fund Balances July 1, 1979	<u>2,622,097</u>	<u>90,651</u>	<u>2,293,346</u>	<u>103,319</u>	<u>55,659</u>	<u>79,122</u>
Prior Period Adjustments	<u>1,265,633</u>	<u>48,440</u>	<u>830,969</u>		<u>52,852</u>	<u>333,372</u>
Fund Balances as Restated	3,887,730	139,091	3,124,315	103,319	108,511	412,494
Fund Balances June 30, 1980	<u>\$ 5,973,447</u>	<u>\$ 269,688</u>	<u>\$5,417,667</u>	<u>\$ 15,607</u>	<u>\$ 49,790</u>	<u>\$ 220,695</u>

See notes to financial statements.

CITY OF SCOTTSDALE
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - BUDGET BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 1980

	TOTAL ALL FUNDS			HIGHWAY USERS FUEL TAX			PUBLIC WORKS RESERVE			FEDERAL REVENUE SHARING		
	BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Revenue												
Taxes - Local	\$ 7,334,974	\$ 4,981,467	\$(2,353,507)	\$	\$	\$	\$ 7,334,974	\$4,981,467	\$(2,353,507)	\$	\$	\$
Taxes - Intergovernmental	2,650,000	2,515,483	(134,517)	1,558,000	1,466,922	(91,078)				1,092,000	1,048,561	(43,439)
Use of Money and Property	190,000	498,749	308,749		3,550	3,550	180,000	493,473	313,473	10,000	1,726	(8,274)
Miscellaneous		1,262,073	1,262,073		24,733	24,733		1,237,319	1,237,319		21	21
Total Revenue	<u>10,174,974</u>	<u>9,257,772</u>	<u>(917,202)</u>	<u>1,558,000</u>	<u>1,495,205</u>	<u>(62,795)</u>	<u>7,514,974</u>	<u>6,712,259</u>	<u>(802,715)</u>	<u>1,102,000</u>	<u>1,050,308</u>	<u>(51,692)</u>
Expenditures												
Public Safety	1,142,650	1,138,020	4,630							1,142,650	1,138,020	4,630
Field Operations	2,154,790	2,131,417	23,373	2,154,790	2,131,417	23,373						
Community Services	-0-											
Community Development	1,359,887	1,347,386	12,501	402,655	394,412	8,243	957,232	952,974	4,258			
Capital Improvements	10,270,518	7,479,747	2,790,771	15,500	15,500		10,255,018	7,464,247	2,790,771			
Total Expenditures	<u>14,927,845</u>	<u>12,096,570</u>	<u>2,831,275</u>	<u>2,572,945</u>	<u>2,541,329</u>	<u>31,616</u>	<u>11,212,250</u>	<u>8,417,221</u>	<u>2,795,029</u>	<u>1,142,650</u>	<u>1,138,020</u>	<u>4,630</u>
Deficiency of Revenue over Expenditures	4,752,871	2,838,798	1,914,073	1,014,945	1,046,124	(31,179)	3,697,276	1,704,962	1,992,314	40,650	87,712	(47,062)
Other Sources												
Operating Transfers In	931,859	1,000,000	68,141	1,014,945	1,000,000	(14,945)	(83,086)		83,086			
Deficiency of Revenue and Other Sources over Expenditures	3,821,012	1,838,798	1,982,214	-0-	46,124	(46,124)	3,780,362	1,704,962	2,075,400	40,650	87,712	(47,062)
Fund Balances July 1, 1979	<u>3,821,012</u>	<u>2,487,316</u>	<u>(1,333,696)</u>	<u>-0-</u>	<u>90,651</u>	<u>90,651</u>	<u>3,780,362</u>	<u>2,293,346</u>	<u>(1,487,016)</u>	<u>40,650</u>	<u>103,319</u>	<u>62,669</u>
Fund Balances June 30, 1980	<u>\$ -0-</u>	<u>\$ 648,518</u>	<u>\$ 648,518</u>	<u>\$ -0-</u>	<u>\$ 44,527</u>	<u>\$ 44,527</u>	<u>\$ -0-</u>	<u>\$ 588,384</u>	<u>\$ 588,384</u>	<u>\$ -0-</u>	<u>\$ 15,607</u>	<u>\$ 15,607</u>

See notes to financial statements.

CITY OF SCOTTSDALE
SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUE AND OTHER SOURCES
FOR THE FISCAL YEAR ENDED JUNE 30, 1980

	<u>TOTAL ALL FUNDS</u>	<u>HIGHWAY USERS FUEL TAX</u>	<u>PUBLIC WORKS RESERVE</u>	<u>FEDERAL REVENUE SHARING</u>	<u>COMMUNITY DEVELOPMENT</u>	<u>GRANTS</u>
Taxes - Local						
Property tax	\$ 971,413	\$	\$ 971,413	\$	\$	\$
Privilege tax	4,010,054		4,010,054			
	<u>4,981,467</u>		<u>4,981,467</u>			
Taxes - Intergovernmental						
Gas tax	1,466,922	1,466,922				
Federal revenue sharing	1,048,561			1,048,561		
	<u>2,515,483</u>	<u>1,466,922</u>		<u>1,048,561</u>		
Use of Money and Property						
Interest earnings	<u>498,749</u>	<u>3,550</u>	<u>493,473</u>	<u>1,726</u>		
Grants						
Federal	1,751,972				1,320,975	430,997
State	182,771					182,771
Miscellaneous	157,727					157,727
	<u>2,092,470</u>				<u>1,320,975</u>	<u>771,495</u>
Miscellaneous	<u>1,262,073</u>	<u>24,733</u>	<u>1,237,319</u>	<u>21</u>		
Other Sources						
Operating transfers in	<u>1,000,000</u>	<u>1,000,000</u>				
Total	<u>\$12,350,242</u>	<u>\$2,495,205</u>	<u>\$6,712,259</u>	<u>\$1,050,308</u>	<u>\$1,320,975</u>	<u>\$771,495</u>

CITY OF SCOTTSDALE
 SPECIAL REVENUE FUNDS
 COMBINING SCHEDULE OF REVENUE AND OTHER SOURCES - ESTIMATED AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 1980

	TOTAL ALL FUNDS			HIGHWAY USERS FUEL TAX			PUBLIC WORKS RESERVE			FEDERAL REVENUE SHARING		
	ESTIMATED	ACTUAL	ACTUAL OVER/(UNDER) ESTIMATED	ESTIMATED	ACTUAL	ACTUAL OVER/(UNDER) ESTIMATED	ESTIMATED	ACTUAL	ACTUAL OVER/(UNDER) ESTIMATED	ESTIMATED	ACTUAL	ACTUAL OVER/(UNDER) ESTIMATED
Taxes - Local												
Property tax	\$ 1,202,350	\$ 971,413	\$ (230,937)	\$	\$	\$	\$1,202,350	\$ 971,413	\$ (230,937)	\$	\$	\$
Privilege tax	6,132,624	4,010,054	(2,122,570)				6,132,624	4,010,054	(2,122,570)			
	<u>7,334,974</u>	<u>4,981,467</u>	<u>(2,353,507)</u>				<u>7,334,974</u>	<u>4,981,467</u>	<u>(2,353,507)</u>			
Taxes - Intergovernmental												
Gas tax	1,558,000	1,466,922	(91,078)	1,558,000	1,466,922	(91,078)						
Federal revenue sharing	1,092,000	1,048,561	(43,439)							1,092,000	1,048,561	(43,439)
	<u>2,650,000</u>	<u>2,515,483</u>	<u>(134,517)</u>	<u>1,558,000</u>	<u>1,466,922</u>	<u>(91,078)</u>				<u>1,092,000</u>	<u>1,048,561</u>	<u>(43,439)</u>
Use of Money and Property												
Interest earnings	190,000	498,749	308,749		3,550	3,550	180,000	493,473	313,473	10,000	1,726	(8,274)
Miscellaneous		1,262,073	1,262,073		24,733	24,733		1,237,319	1,237,319		21	21
Total Revenue	10,174,974	9,257,772	(917,202)	1,558,000	1,495,205	(62,795)	7,514,974	6,712,259	(802,715)	1,102,000	1,050,308	(51,692)
Other Sources												
Operating transfers in	931,859	1,000,000	68,141	1,014,945	1,000,000	(14,945)	(83,086)		83,086			
Total Revenue and Other Sources	<u>\$11,106,833</u>	<u>\$10,257,772</u>	<u>\$ (849,061)</u>	<u>\$2,572,945</u>	<u>\$2,495,205</u>	<u>\$(77,740)</u>	<u>\$7,431,888</u>	<u>\$6,712,259</u>	<u>\$ (719,629)</u>	<u>\$1,102,000</u>	<u>\$1,050,308</u>	<u>\$(51,692)</u>

CITY OF SCOTTSDALE

EXHIBIT C-6

SPECIAL REVENUE FUNDS

COMBINING SCHEDULE OF EXPENDITURES BY OBJECT

FOR THE FISCAL YEAR ENDED JUNE 30, 1980

	<u>TOTAL</u>	<u>PERSONAL SERVICES</u>	<u>OTHER SERVICES</u>	<u>SUPPLIES</u>	<u>CAPITAL OUTLAY</u>
<u>HIGHWAY USER FUEL TAX</u>					
Field Operations	\$ 1,967,678	\$ 738,816	\$ 533,399	\$682,498	\$ 12,965
Community Development	382,893	193,923	187,268	1,702	
Capital Improvements	14,037	3,367	595	9,640	435
	<u>2,364,608</u>	<u>936,106</u>	<u>721,262</u>	<u>693,840</u>	<u>13,400</u>
<u>PUBLIC WORKS RESERVE</u>					
Community Development	945,466	786,028	117,539	14,737	27,162
Capital Improvements	3,473,441	164,945	135,185	16,984	3,156,327
	<u>4,418,907</u>	<u>950,973</u>	<u>252,724</u>	<u>31,721</u>	<u>3,183,489</u>
<u>FEDERAL REVENUE SHARING</u>					
Public Safety	<u>1,138,020</u>		<u>1,135,878</u>	<u>2,142</u>	
<u>COMMUNITY DEVELOPMENT</u>					
Community Development	<u>1,379,696</u>	<u>218,132</u>	<u>119,047</u>	<u>49,709</u>	<u>992,808</u>
<u>GRANTS</u>					
Community Services	374,439	163,647	16,005	23,744	171,043
Public Safety	60,474	12,966	3,112	761	43,635
Municipal Utilities	248,191	4,452	64,188		179,551
Community Development	280,190	9,624	22,553	17,414	230,599
	<u>963,294</u>	<u>190,689</u>	<u>105,858</u>	<u>41,919</u>	<u>624,828</u>
TOTAL EXPENDITURES	<u>\$10,264,525</u>	<u>\$2,295,900</u>	<u>\$2,334,769</u>	<u>\$819,331</u>	<u>\$4,814,525</u>



DEBT SERVICE FUNDS

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

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

- 1961 Sewer Bonds
- 1966 Parks and Recreation Improvement Bonds
- 1967 Civic Center Improvement Bonds
- 1968 Civic Center Improvement Bonds
- 1973 Storm Sewer Construction Bonds
- 1975 Storm Sewer Construction Bonds
- 1976 Storm Sewer Construction Bonds
- 1978 Storm Sewer Construction Bonds

Excise Debt Service Funds presently established are as follows:

- 1974 Municipal Properties Corporation Refunding Bonds
- 1974 Municipal Properties Corporation Bonds

CITY OF SCOTTSDALE
 DEBT SERVICE FUND
 BALANCE SHEET
 JUNE 30, 1980

EXHIBIT D-1

<u>ASSETS</u>	<u>GENERAL DEBT SERVICE</u>
Cash with fiscal agents	\$4,389,433
Total Assets	<u>\$4,389,433</u>
 <u>LIABILITIES AND FUND BALANCE</u>	
Liabilities	
Bonds interest payable	\$ 323,581
Bonds payable	<u>350,000</u>
Total Liabilities	<u>673,581</u>
Fund balance	
Reserved for sinking fund requirements	<u>3,715,852</u>
Total Liabilities and Fund Balance	<u>\$4,389,433</u>

See notes to financial statements.

CITY OF SCOTTSDALE

EXHIBIT D-2

DEBT SERVICE FUNDS

COMBINING STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES

FOR THE FISCAL YEAR ENDED JUNE 30, 1980

	<u>TOTAL ALL FUNDS</u>	<u>GENERAL DEBT SERVICE</u>	<u>EXCISE DEBT SERVICE</u>
Revenue			
Taxes - Local			
Property	\$1,232,189	\$1,232,189	\$
Transaction privilege	282,791		282,791
Interest earnings	<u>238,736</u>	<u>238,736</u>	
Total Revenue	<u>1,753,716</u>	<u>1,470,925</u>	<u>282,791</u>
Expenditures			
Payment to fiscal agents			
Principal	254,962	75,000	179,962
Interest	736,252	635,510	100,742
Fiscal agents' fees	3,766	1,679	2,087
Principal retired from sinking fund	<u>225,000</u>	<u>225,000</u>	
Total Expenditures	<u>1,219,980</u>	<u>937,189</u>	<u>282,791</u>
Excess of Revenue over Expenditures	533,736	533,736	-0-
Reserved Fund Balances July 1, 1979	<u>3,182,116</u>	<u>3,182,116</u>	<u>-0-</u>
Reserved Fund Balances June 30, 1980	<u>\$3,715,852</u>	<u>\$3,715,852</u>	<u>\$ -0-</u>

See notes to financial statements.

CITY OF SCOTTSDALE
DEBT SERVICE FUNDS
COMBINING STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - BUDGET BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 1980

EXHIBIT D-3

	TOTALS			GENERAL DEBT SERVICE			EXCISE DEBT SERVICE		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenue									
Taxes - Local									
Property	\$1,231,887	\$1,232,189	\$ 302	\$1,231,887	\$1,232,189	\$ 302	\$	\$	\$
Transaction privilege	287,122	282,791	(4,331)				287,122	282,791	(4,331)
Total Revenue	<u>1,519,009</u>	<u>1,514,980</u>	<u>(4,029)</u>	<u>1,231,887</u>	<u>1,232,189</u>	<u>302</u>	<u>287,122</u>	<u>282,791</u>	<u>(4,331)</u>
Expenditures									
Payment to fiscal agents									
Principal	254,962	254,962		75,000	75,000		179,962	179,962	
Interest	809,970	736,252	73,718	635,510	635,510		174,460	100,742	73,718
Fiscal agents' fees	3,377	3,766	(389)	1,377	1,679	(302)	2,000	2,087	(87)
Sinking fund deposit	520,000	520,000		520,000	520,000				
Total Expenditures	<u>1,588,309</u>	<u>1,514,980</u>	<u>73,329</u>	<u>1,231,887</u>	<u>1,232,189</u>	<u>(302)</u>	<u>356,422</u>	<u>282,791</u>	<u>73,631</u>
Deficiency of Revenue over Expenditures	69,300	-0-	69,300	-0-	-0-	-0-	69,300	-0-	69,300
Reserved Fund Balances July 1, 1979	69,300	-0-	(69,300)	-0-	-0-	-0-	69,300	-0-	(69,300)
Reserved Fund Balances June 30, 1980	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

See notes to financial statements.

CAPITAL PROJECTS FUND

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

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

A bond construction fund is utilized for receiving and expending proceeds from 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 final completion of construction of the project for which it was created. The only one presently in existence is:

Storm Sewer Construction Fund

CITY OF SCOTTSDALE

EXHIBIT E-1

CAPITAL PROJECTS FUND

BALANCE SHEET

JUNE 30, 1980

<u>ASSETS</u>	<u>STORM SEWER CONSTRUCTION</u>
Cash and short-term investments	<u>\$2,119,653</u>
Total Assets	<u>\$2,119,653</u>
 <u>LIABILITIES AND FUND BALANCE</u>	
Liabilities	
Claims payable	<u>\$ 21,398</u>
Fund Balance	
Reserved for encumbrances	1,252,027
Unreserved	<u>846,228</u>
Total Fund Balance	<u>2,098,255</u>
Total Liabilities and Fund Balance	<u>\$2,119,653</u>

See notes to financial statements.

CITY OF SCOTTSDALE

EXHIBIT E-2

CAPITAL PROJECTS FUND

STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE

FOR THE FISCAL YEAR ENDED JUNE 30, 1980

	<u>STORM SEWER CONSTRUCTION</u>
Revenue	
Aid from other government units	\$ 22,160
Interest earnings	243,455
Other	<u>14</u>
Total Revenue	<u>265,629</u>
Expenditures	
Capital improvements	<u>1,400,794</u>
Total Expenditures	<u>1,400,794</u>
Deficiency of Revenue over Expenditures	1,135,165
Fund Balance July 1, 1979	<u>3,233,420</u>
Fund Balance June 30, 1980	<u>\$2,098,255</u>

See notes to financial statements.

CITY OF SCOTTSDALE
 CAPITAL PROJECTS FUND
 SCHEDULE OF EXPENDITURES BY OBJECT
 FOR THE FISCAL YEAR ENDED JUNE 30, 1980

	<u>TOTAL</u>	<u>PERSONAL SERVICES</u>	<u>OTHER SERVICES</u>	<u>SUPPLIES</u>	<u>CAPITAL OUTLAY</u>
Storm Sewer Construction Fund					
Capital Improvements	<u>\$1,400,794</u>	<u>\$59,019</u>	<u>\$10,524</u>	<u>\$1,203</u>	<u>\$1,330,048</u>
Total Expenditures	<u>\$1,400,794</u>	<u>\$59,019</u>	<u>\$10,524</u>	<u>\$1,203</u>	<u>\$1,330,048</u>

SPECIAL ASSESSMENTS FUND

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

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

CITY OF SCOTTSDALE

EXHIBIT F-1

SPECIAL ASSESSMENTS FUND

BALANCE SHEET

JUNE 30, 1980

ASSETS

Cash and short-term investments	\$ 794,424
Cash with fiscal agents	137,258
Special assessments receivable	<u>3,311,250</u>
Total Assets	<u>\$4,242,932</u>

LIABILITIES AND FUND BALANCE

Liabilities	
Bonds interest payable	\$ 137,258
Bonds payable	<u>3,999,306</u>
Total Liabilities	<u>4,136,564</u>
Fund Balance	
Reserved for bond interest and redemption	<u>106,368</u>
Total Liabilities and Fund Balance	<u>\$4,242,932</u>

See notes to financial statements.

CITY OF SCOTTSDALE

EXHIBIT F-2

SPECIAL ASSESSMENTS FUND

STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE

FOR THE FISCAL YEAR ENDED JUNE 30, 1980

Revenue	
Penalty income	\$ 2,785
Assessments levied	865,723
Street light districts	<u>146,849</u>
Total Revenue	<u>1,015,357</u>
Expenditures	
Street light districts	129,685
Capital improvements	<u>876,885</u>
Total Expenditures	<u>1,006,570</u>
Excess of Revenue over Expenditures	8,787
Fund Balance July 1, 1979	<u>97,581</u>
Fund Balance June 30, 1980	<u>\$ 106,368</u>

See notes to financial statements.



TRUST AND AGENCY FUND

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

CITY OF SCOTTSDALE

EXHIBIT G-1

TRUST AND AGENCY FUND

BALANCE SHEET

JUNE 30, 1980

ASSETS

Cash and short-term investments	<u>\$1,187,539</u>
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Total Assets	<u>\$1,187,539</u>
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LIABILITIES AND FUND BALANCE

Liabilities

Claims payable	\$ 7,920
Guaranty and other deposits	<u>1,093,025</u>

Total Liabilities	<u>1,100,945</u>
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Fund Balance

Reserved for encumbrances	6,223
Unreserved	<u>80,371</u>

Total Fund Balance	<u>86,594</u>
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Total Liabilities and Fund Balance	<u>\$1,187,539</u>
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See notes to financial statements.

CITY OF SCOTTSDALE

EXHIBIT G-2

TRUST AND AGENCY FUND

STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE

FOR THE FISCAL YEAR ENDED JUNE 30, 1980

Revenue	\$114,621
Expenditures	<u>130,430</u>
Deficiency of Revenue over Expenditures	15,809
Fund Balance July 1, 1979	<u>102,403</u>
Fund Balance June 30, 1980	<u>\$ 86,594</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 to the general public on a user charge basis. Enterprise funds are maintained on the accrual basis of accounting. Although the Water and Sewer Utility, Airport and Public Housing Funds are operated as enterprise funds, their expenditures are controlled through budgetary accounting procedures similar to other City funds.

Water and Sewer Utility Fund

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

Airport Fund

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

Public Housing Fund

The Public Housing Fund was established to provide low cost housing for families displaced by the Neighborhood Development Project of the City of Scottsdale and is operated as an enterprise of the City.

CITY OF SCOTTSDALE
 ENTERPRISE FUNDS
 COMBINING BALANCE SHEET
 JUNE 30, 1980

<u>ASSETS</u>	<u>TOTAL ALL FUNDS</u>	<u>WATER AND SEWER UTILITY</u>	<u>AIRPORT</u>	<u>PUBLIC HOUSING</u>
Current Assets				
Cash and short-term investments	\$ 6,292,009	\$ 5,997,214	\$ 191,222	\$103,573
Accounts receivable, including unbilled of \$464,922	771,871	761,512	10,359	
Miscellaneous receivables	345,698	165,938	175,967	3,793
Total Current Assets	<u>7,409,578</u>	<u>6,924,664</u>	<u>377,548</u>	<u>107,366</u>
Restricted Cash, Investments & Receivables				
Cash with fiscal agents	771,695	771,695		
Revenue bond reserves	946,685	946,685		
Acquisition and construction - bond proceeds	2,980,806	2,980,806		
Water and sewer replacement	265,592	265,592		
	<u>4,964,778</u>	<u>4,964,778</u>		
Assets Held in Trust for Retirement of Refunded Debt				
Cash	221,982	221,982		
Investments	3,090,156	3,090,156		
	<u>3,312,138</u>	<u>3,312,138</u>		
Property, Plant and Equipment				
Land	2,894,085	79,209	2,814,876	
Water system	17,549,345	17,549,345		
Sewer system	20,048,156	20,048,156		
Buildings and improvements	1,268,881		721,591	547,290
Furniture, fixtures and equipment	159,203	143,451	15,752	
Construction in process	4,526,797	4,017,138	509,659	
	<u>46,446,467</u>	<u>41,837,299</u>	<u>4,061,878</u>	<u>547,290</u>
Accumulated depreciation and amortization	<u>(7,499,900)</u>	<u>(6,679,078)</u>	<u>(694,576)</u>	<u>(126,246)</u>
	<u>38,946,567</u>	<u>35,158,221</u>	<u>3,367,302</u>	<u>421,044</u>
Excess purchase price over fair market value of water system assets acquired, net of accumulated amortization of \$1,097,660.	<u>1,240,072</u>	<u>1,240,072</u>		
Total Assets	<u>\$55,873,133</u>	<u>\$51,599,873</u>	<u>\$3,744,850</u>	<u>\$528,410</u>

See notes to financial statements.

<u>LIABILITIES AND FUND EQUITY</u>	<u>TOTAL ALL FUNDS</u>	<u>WATER AND SEWER UTILITY</u>	<u>AIRPORT</u>	<u>PUBLIC HOUSING</u>
Current Liabilities				
Claims payable	\$ 787,189	\$ 601,932	\$ 185,196	\$ 61
Current portion of contracts payable	197,676	109,429	88,247	
Other deposits	<u>1,514</u>			<u>1,514</u>
Total Current Liabilities	<u>986,379</u>	<u>711,361</u>	<u>273,443</u>	<u>1,575</u>
Current Liabilities (payable from restricted assets)				
Bonds interest payable	240,717	240,717		
Current portion of bonds payable	<u>500,000</u>	<u>500,000</u>		
Total Current Liabilities (payable from restricted assets)	<u>740,717</u>	<u>740,717</u>		
Total Current Liabilities	<u>1,727,096</u>	<u>1,452,078</u>	<u>273,443</u>	<u>1,575</u>
Long-Term Debt (less current portion)				
Bonds payable	10,750,000	10,750,000		
Contracts payable	679,034	645,339	33,695	
	<u>11,429,034</u>	<u>11,395,339</u>	<u>33,695</u>	
Other Liabilities				
Customer advances and deposits	85,735	85,735		
Advance from municipality	250,000	250,000		
	<u>335,735</u>	<u>335,735</u>		
Refunded Debt to be Retired by Assets Held in Trust				
Bonds interest payable	76,982	76,982		
Bonds payable				
Current portion	145,000	145,000		
Long-term portion	3,535,000	3,535,000		
	<u>3,756,982</u>	<u>3,756,982</u>		
Fund Equity				
Contributed capital	28,582,081	24,040,668	3,889,902	651,511
Retained earnings (accumulated deficit)				
Reserved for				
Revenue bond retirement	946,685	946,685		
Water and sewer system replacement	265,592	265,592		
Debt service	30,978	30,978		
Unreserved	<u>8,798,950</u>	<u>9,375,816</u>	<u>(452,190)</u>	<u>(124,676)</u>
Total Retained Earnings (Accumulated Deficit)	<u>10,042,205</u>	<u>10,619,071</u>	<u>(452,190)</u>	<u>(124,676)</u>
Total Fund Equity	<u>38,624,286</u>	<u>34,659,739</u>	<u>3,437,712</u>	<u>526,835</u>
Total Liabilities and Fund Equity	<u>\$55,873,133</u>	<u>\$51,599,873</u>	<u>\$3,744,850</u>	<u>\$528,410</u>

CITY OF SCOTTSDALE

EXHIBIT H-2

ENTERPRISE FUNDS

COMBINING STATEMENT OF REVENUE, EXPENSES AND
CHANGES IN RETAINED EARNINGS

FOR THE FISCAL YEAR ENDED JUNE 30, 1980

	TOTAL ALL FUNDS	WATER AND SEWER UTILITY	AIRPORT	PUBLIC HOUSING
Operating Revenue				
Water service charges	\$2,293,893	\$2,293,893	\$	\$
Water connection fees	158,961	158,961		
Water development fees	415,193	415,193		
Sewer service fees	1,803,278	1,803,278		
Sewer connection fees	207,088	207,088		
Tie downs and rentals	165,166		165,166	
Commissions on sales	77,999		77,999	
Permits	4,904		4,904	
Property rentals	40,793			40,793
Other	85,265	85,230		35
Total Operating Revenue	<u>5,252,540</u>	<u>4,963,643</u>	<u>248,069</u>	<u>40,828</u>
Operating Expenses				
Water operations	1,188,489	1,188,489		
Sewer operations	560,146	560,146		
Customer collection	153,881	153,881		
Airport operations	206,995		206,995	
Utilities	19,939			19,939
Maintenance	22,768			22,768
Depreciation and amortization	1,074,807	949,472	103,461	21,874
Total Operating Expenses	<u>3,227,025</u>	<u>2,851,988</u>	<u>310,456</u>	<u>64,581</u>
Operating Income (Loss)	<u>2,025,515</u>	<u>2,111,655</u>	<u>(62,387)</u>	<u>(23,753)</u>
Non-Operating Revenue (Expenses)				
Interest earnings	1,306,266	1,267,870	28,627	9,769
Interest expense	(704,779)	(694,947)	(9,832)	
Total Non-Operating Revenue (Expenses)	<u>601,487</u>	<u>572,923</u>	<u>18,795</u>	<u>9,769</u>
Net Income (Loss)	<u>2,627,002</u>	<u>2,684,578</u>	<u>(43,592)</u>	<u>(13,984)</u>
Retained Earnings July 1, 1979	<u>7,415,203</u>	<u>7,934,493</u>	<u>(408,598)</u>	<u>(110,692)</u>
Retained Earnings June 30, 1980	<u>\$10,042,205</u>	<u>\$10,619,071</u>	<u>\$(452,190)</u>	<u>\$(124,676)</u>

See notes to financial statements.

CITY OF SCOTTSDALE

EXHIBIT H-3

ENTERPRISE FUNDS

COMBINING STATEMENT OF CHANGES IN FINANCIAL POSITION

FOR THE FISCAL YEAR ENDED JUNE 30, 1980

	TOTAL ALL FUNDS	WATER AND SEWER UTILITY	AIRPORT	PUBLIC HOUSING
Sources of Funds				
From operations				
Net income (loss)	\$ 2,627,002	\$2,684,578	\$(43,592)	\$(13,984)
Noncash charge - depreciation and amortization	<u>1,074,807</u>	<u>949,472</u>	<u>103,461</u>	<u>21,874</u>
Total from operations	<u>3,701,809</u>	<u>3,634,050</u>	<u>59,869</u>	<u>7,890</u>
Cash, property and equipment contributed by subdividers	2,443,040	2,443,040		
Decrease in restricted cash and investments	37,710	37,710		
Contributions from improvement districts	298,662	298,662		
Increase in current liabilities	345,925	165,193	180,732	
Increase in long-term debt	1,190,572	1,190,572		
Contributions from government units	454,159	38,146	416,013	
Decrease in receivables	1,204			1,204
Decrease in net assets held for refunded debt	77,871	77,871		
Contributions from municipality	<u>102,451</u>	<u>30,451</u>	<u>72,000</u>	
	<u>8,653,403</u>	<u>7,915,695</u>	<u>728,614</u>	<u>9,094</u>
Uses of Funds				
Contribution of water/sewer assets from subdividers	2,443,040	2,443,040		
Purchase of other property, equipment, and construction in process	5,714,745	5,182,070	532,675	
Payments on long-term debt	88,247		88,247	
Increase in receivables	189,326	13,185	176,141	
Decrease in refunded debt	117,133	117,133		
Decrease in other liabilities	48,430	48,430		
Decrease in current liabilities	<u>1,982</u>			<u>1,982</u>
	<u>8,602,903</u>	<u>7,803,858</u>	<u>797,063</u>	<u>1,982</u>
Increase (Decrease) in Cash and Short- term Investments	50,500	111,837	(68,449)	7,112
Cash and Short-term Investments				
July 1, 1979	<u>6,241,509</u>	<u>5,885,377</u>	<u>259,671</u>	<u>96,461</u>
June 30, 1980	<u>\$ 6,292,009</u>	<u>\$5,997,214</u>	<u>\$191,222</u>	<u>\$103,573</u>

See notes to financial statements.



INTERNAL SERVICE FUNDS

Internal service funds are established to finance and account for services and/or commodities furnished by a designated program to other programs within the City.

Motor Pool Fund

The Motor Pool Fund is responsible for the maintenance and operations of various automobiles and other equipment of the City. Revenue to this fund is derived from billings to user programs of the City.

Self Insurance Fund

The Self Insurance Fund is responsible for the administration of the protected self insurance program initiated by the City July 1, 1978. Revenue to this fund is derived from charges to user programs. This fund provides coverage for unemployment, workmen's compensation, property and liability claims.

CITY OF SCOTTSDALE
INTERNAL SERVICE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 1980

EXHIBIT I-1

<u>ASSETS</u>	TOTAL ALL FUNDS	MOTOR POOL	SELF INSURANCE
Cash and short-term investments	\$1,204,868	\$ 117,333	\$1,087,535
Accounts receivable	874	874	
	<u>1,205,742</u>	<u>118,207</u>	<u>1,087,535</u>
Property, plant and equipment			
Land	67,904	67,904	
Buildings and improvements	427,041	427,041	
Motor vehicles	3,078,197	3,078,197	
Machinery and equipment	701,379	701,379	
Furniture, fixtures and office equipment	15,637	15,637	
Construction in process	375,130	375,130	
	<u>4,665,288</u>	<u>4,665,288</u>	
Accumulated depreciation	<u>(2,155,975)</u>	<u>(2,155,975)</u>	
	<u>2,509,313</u>	<u>2,509,313</u>	
Total Assets	<u>\$3,715,055</u>	<u>\$2,627,520</u>	<u>\$1,087,535</u>
<u>LIABILITIES AND FUND EQUITY</u>			
Liabilities			
Claims payable	<u>\$ 261,013</u>	<u>\$ 42,288</u>	<u>\$ 218,725</u>
Fund Equity			
Contributed capital	2,480,313	2,480,313	
Retained earnings - unreserved	<u>973,729</u>	<u>104,919</u>	<u>868,810</u>
Total Fund Equity	<u>3,454,042</u>	<u>2,585,232</u>	<u>868,810</u>
Total Liabilities and Fund Equity	<u>\$3,715,055</u>	<u>\$2,627,520</u>	<u>\$1,087,535</u>

See notes to financial statements.

CITY OF SCOTTSDALE

EXHIBIT I-2

INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF REVENUE, EXPENSES AND CHANGES IN RETAINED EARNINGS

FOR THE FISCAL YEAR ENDED JUNE 30, 1980

	<u>TOTAL ALL FUNDS</u>	<u>MOTOR POOL</u>	<u>SELF INSURANCE</u>
Operating Revenue			
Billings to user programs	\$3,629,939	\$2,647,444	\$ 982,495
Other	<u>140,299</u>	<u>60,110</u>	<u>80,189</u>
Total Operating Revenue	<u>3,770,238</u>	<u>2,707,554</u>	<u>1,062,684</u>
Operating Expenses			
Salaries and wages	858,872	858,872	
Materials purchased	534,580	534,580	
Gas, oil and lubricants	443,772	443,772	
Depreciation	490,249	490,249	
Other shop expenses	102,106	102,106	
General and administrative	112,363	12,079	100,284
Outside services	159,613	159,613	
Insurance premiums	193,577		193,577
Claims paid	<u>200,265</u>		<u>200,265</u>
Total Operating Expenses	<u>3,095,397</u>	<u>2,601,271</u>	<u>494,126</u>
Net Gain From Operations	674,841	106,283	568,558
Retained Earnings July 1, 1979	<u>298,888</u>	<u>(1,364)</u>	<u>300,252</u>
Retained Earnings June 30, 1980	<u>\$ 973,729</u>	<u>\$ 104,919</u>	<u>\$ 868,810</u>

See notes to financial statements.

CITY OF SCOTTSDALE

EXHIBIT I-3

INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF CHANGES IN FINANCIAL POSITION

FOR THE FISCAL YEAR ENDED JUNE 30, 1980

	<u>TOTAL ALL FUNDS</u>	<u>MOTOR POOL</u>	<u>SELF INSURANCE</u>
Sources of Funds			
From operations			
Net gain	\$ 674,841	\$ 106,283	\$ 568,558
Noncash charge - depreciation	<u>490,249</u>	<u>490,249</u>	
Total from operations	1,165,090	596,532	568,558
Contributions from municipality	121,173	121,173	
Increase in current liabilities	<u>99,870</u>		<u>99,870</u>
	<u>1,386,133</u>	<u>717,705</u>	<u>668,428</u>
Uses of Funds			
Purchase of motor vehicles	1,062,749	1,062,749	
Increase in buildings and equipment	74,745	74,745	
Increase in construction in process	213,951	213,951	
Increase in current receivables	779	779	
Decrease in current liabilities	<u>21,695</u>	<u>21,695</u>	
	<u>1,373,919</u>	<u>1,373,919</u>	
Increase in Cash and Short-term Investments	12,214	(656,214)	668,428
Cash and Short-term Investments			
July 1, 1979	<u>1,192,654</u>	<u>773,547</u>	<u>419,107</u>
June 30, 1980	<u>\$1,204,868</u>	<u>\$ 117,333</u>	<u>\$1,087,535</u>

See notes to financial statements.

**STATISTICAL
SECTION**

TABLE I

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

<u>FISCAL YEAR</u>	<u>TOTAL</u>	<u>GENERAL GOVERNMENT</u>	<u>PUBLIC SAFETY</u>	<u>MANAGEMENT SERVICES</u>	<u>FIELD OPERATIONS</u>	<u>COMMUNITY SERVICES</u>	<u>COMMUNITY DEVELOPMENT</u>	<u>MUNICIPAL UTILITIES</u>	<u>DEBT SERVICE</u>	<u>CAPITAL IMPROVEMENTS</u>
*1980	\$32,161,034	\$1,956,224	\$6,685,001	\$2,516,505	\$5,680,964	\$5,377,929	\$4,504,456	\$407,185	\$1,526,660	\$3,506,110
1979	30,210,507	1,304,630	6,161,448	2,260,310	5,660,651	6,765,247	3,929,206	285,847	2,131,927	1,711,241
1978	21,685,841	1,568,749	4,703,394	1,816,144	4,578,124	3,598,038	1,633,725	38,852	2,170,692	1,578,123

Reorganization March 1977

1977	18,415,674	3,648,165	4,521,225		5,185,420	2,957,806			2,103,058	
1976	15,929,841	3,186,451	4,028,832		4,331,800	2,745,985			1,636,773	
1975	15,043,465	2,655,502	3,468,442		5,076,154	2,091,699			1,751,668	
1974	14,606,409	2,526,056	2,806,951		6,138,145	2,050,495			1,084,762	
1973	10,803,303	1,743,392	2,289,692		4,977,483	1,373,567			419,169	
1972	7,674,213	1,036,203	1,806,833		3,647,558	785,430			398,189	
1971	6,894,283	1,030,698	1,544,895		3,026,626	1,053,202			238,862	

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

TABLE II

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

<u>FISCAL YEAR</u>	<u>TOTAL</u>	<u>TAXES</u>	<u>LICENSES & PERMITS</u>	<u>INTER-GOVERNMENT REVENUE</u>	<u>CHARGES FOR SERVICES</u>	<u>FORFEITS</u>	<u>USES OF MONEY & PROPERTY</u>	<u>MISCELLANEOUS</u>
1980	\$32,970,292	\$14,697,250	\$1,301,665	\$11,364,598	\$2,153,174	\$564,704	\$1,374,275	\$1,514,626
1979	31,720,927	13,760,978	1,747,776	12,121,733	1,799,987	528,652	1,132,908	628,893
1978	23,769,172	11,623,061	1,318,170	7,179,902	1,812,947	485,337	731,343	618,412
1977	19,292,257	9,463,545	665,819	6,415,559	1,523,559	338,246	427,322	458,207
1976	16,995,456	8,158,411	449,435	6,122,988	1,464,550	277,274	350,680	172,118
1975	14,546,168	6,826,005	421,468	5,545,735	768,616	236,954	382,875	364,515
1974	13,165,118	6,228,398	544,996	4,644,425	260,485	229,396	292,438	964,980
1973	11,005,352	5,578,586	565,811	3,446,539	240,847	239,166	205,908	728,495
1972	8,233,855	4,552,900	147,086	2,373,264	613,816	197,333	130,473	218,983
1971	7,386,847	3,814,291	138,875	2,039,197	355,242	163,765	202,319	673,158

TABLE III

TAX REVENUE BY SOURCE
LAST TEN FISCAL YEARS

<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>
1980	\$14,697,250	\$11,209,020	\$2,949,749	\$489,739	\$48,742
1979	13,760,978	10,133,373	3,171,299	399,006	57,300
1978	11,623,061	7,832,052	3,412,532	320,135	58,342
1977	9,463,545	6,242,303	2,905,835	255,922	59,485
1976	8,158,411	5,281,979	2,637,808	209,576	29,048
1975	6,826,005	4,755,934	1,859,700	165,387	44,984
1974	6,228,398	4,637,393	1,439,818	125,729	25,458
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

TABLE IV

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

FISCAL YEAR	TOTAL TAX LEVY	CURRENT TAX COLLECTIONS	% OF LEVY COLLECTIONS	DELINQUENT TAX COLLECTIONS	FUTURE YEAR TAX COLLECTIONS	TOTAL TAX COLLECTIONS	TOTAL COLLECTIONS % OF CURRENT LEVY	OUTSTANDING DELINQUENT TAXES	OUTSTANDING DELINQUENT AS A % OF CURRENT LEVY
1980	\$2,941,981	\$2,843,369	96.65	\$ 61,451	\$44,929	\$2,949,749	100.26	\$ 79,553	2.70
1979	3,118,364	3,081,311	98.81	75,095	14,893	3,171,299	101.70	66,929	2.15
1978	3,395,254	3,323,293	97.88	66,122	23,117	3,412,532	100.51	10,952	.32
1977	2,812,007	2,781,386	98.91	104,974	19,475	2,905,835	103.34	77,287	2.75
1976	2,662,620	2,481,183	93.19	67,089	89,536	2,637,808	99.07	96,286	3.62
1975	2,014,517	1,803,406	89.52	27,997	28,297	1,859,700	92.31	122,612	6.09
1974	1,431,614	1,389,339	97.05	28,858	21,621	1,439,818	100.57	42,275	2.95
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

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

COMPARATIVE ASSESSED VALUATION CLASSIFICATION

CLASSIFICATIONS	1979-80	1978-79	1977-78	1976-77	1975-76	1974-75	1973-74	1972-73	1971-72	1970-71
Real Estate	\$ 64,707,360	\$ 58,113,425	\$ 53,849,005	\$ 48,704,580	\$ 46,731,400	\$ 42,009,905	\$ 40,478,765	\$ 31,571,935	\$ 26,360,355	\$25,272,765
Improvements	214,606,835	178,910,680	154,935,375	144,585,650	135,227,745	124,498,760	113,661,935	77,515,955	62,206,065	55,303,340
Secured Personal	4,905,525	2,991,890	2,368,435	2,088,180	2,362,150	1,610,135	1,170,470	1,054,588	1,041,960	993,420
Unsecured Personal	18,168,440	14,343,335	12,172,310	10,476,390	9,944,190	9,499,810	7,505,240	5,733,750	5,118,130	4,597,300
Utilities, Rails, Wires	26,686,105	23,759,140	21,493,915	19,670,520	19,309,805	18,519,655	12,410,719	10,283,575	9,487,252	8,922,302
Gross Valuation	329,074,265	278,118,470	244,819,040	225,525,320	213,575,290	196,138,265	175,227,129	126,159,803	104,213,762	95,089,127
Less Exemptions	524,208	556,772	556,121	564,759	565,660	554,060	594,125	778,850	1,070,145	1,286,325
Net Taxable Valuation	<u>\$328,550,057</u>	<u>\$277,561,698</u>	<u>\$244,262,919</u>	<u>\$224,960,561</u>	<u>\$213,009,630</u>	<u>\$195,584,205</u>	<u>\$174,633,004</u>	<u>\$125,380,953</u>	<u>\$103,143,617</u>	<u>\$93,802,802</u>
Estimated Actual Value of Taxable Property in Thousands of Dollars	\$ 1,736,654	\$ 1,447,302	\$ 1,251,931	\$ 1,147,690	\$ 1,083,709	\$ 992,701	\$ 902,400	\$ 639,047	\$ 525,707	\$ 478,098

ASSESSED VALUATION HISTORIES

YEAR	CITY OF SCOTTSDALE	MARICOPA COUNTY	STATE OF ARIZONA
1979-80	\$328,550,057	\$4,089,042,274	\$8,192,513,552
1978-79	277,561,698	3,488,588,940	7,226,035,626
1977-78	244,262,919	3,058,514,752	6,655,381,547
1976-77	224,960,561	2,844,314,021	6,200,230,075
1975-76	213,009,630	2,678,051,825	5,826,289,483
1974-75	195,584,205	2,427,495,810	5,128,946,903
1973-74	174,633,004	2,119,061,748	4,476,532,548
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

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

TABLE VI

TAX RATES		SCHOOL DISTRICTS						CENTRAL ARIZONA PROJECT	TOTAL
FISCAL YEAR	CITY OF SCOTTSDALE	SCOTTSDALE UNIFIED*	COMMUNITY COLLEGE	MARICOPA COUNTY	STATE OF ARIZONA	FLOOD DISTRICT			
1980-81 Primary	\$.63	\$3.92	\$.88	\$1.76	\$1.25	\$	\$	\$ 8.44	
Secondary	.41	.33	.04	.22		.43	.04	1.47	
Total	<u>\$1.04</u>	<u>\$4.25</u>	<u>\$.92</u>	<u>\$1.98</u>	<u>\$1.25</u>	<u>\$.43</u>	<u>\$.04</u>	<u>\$ 9.91</u>	
1979-80	1.03	5.64	.94	2.30	.48	.20	.03	10.62	
1978-79	1.18	5.41	.84	2.30	1.10	.20	.03	11.06	
1977-78	1.39	5.35	.76	2.67	1.60	.20	.03	12.00	
1976-77	1.25	5.62	.71	2.70	1.60	.20	.03	12.11	
1975-76	1.25	5.00	.59	2.77	1.60	.20	.03	11.44	
1974-75	1.03	5.05	.57	2.34	1.50	.20	.03	10.72	
1973-74	.82	7.46	.57	1.94	.75	.20		11.74	
1972-73	1.03	6.94	.62	2.10	1.55	.05		12.29	
1971-72	1.03	7.37	.69	2.13	1.90	.04		13.16	
1970-71	1.03	7.03	.66	2.13	1.65	.05		12.55	

TAX LEVIES								
1980-81 Primary	\$1,882,000	\$17,123,070	\$33,805,756	\$67,153,941	\$ 47,780,616	\$	\$	\$167,745,383
Secondary	1,282,000	1,511,100	1,560,000	8,493,229		12,292,400	1,636,096	26,774,825
Total	<u>\$3,164,000</u>	<u>\$18,634,170</u>	<u>\$35,365,756</u>	<u>\$75,647,170</u>	<u>\$ 47,780,616</u>	<u>\$12,292,400</u>	<u>\$1,636,096</u>	<u>\$194,520,208</u>
1979-80	2,941,981	24,808,895	33,407,254	81,741,154	17,059,023	5,342,316	1,066,189	166,366,812
1978-79	3,118,364	22,305,645	27,903,341	76,402,005	75,760,851	5,026,367	996,548	211,513,721
1977-78	3,395,254	20,777,865	23,244,733	81,662,344	106,486,104	4,674,825	917,554	241,158,679
1976-77	2,812,007	19,822,661	20,194,630	76,796,479	99,203,681	4,394,979	853,294	224,077,731
1975-76	2,662,620	16,722,860	15,800,506	74,182,036	93,175,007	4,153,705	803,416	207,500,150
1974-75	2,014,517	15,497,448	13,836,726	56,803,402	77,077,598	4,854,992	728,249	170,812,932
1973-74	1,431,614	21,125,953	12,078,652	41,109,798	33,749,494	3,427,676		112,923,187
1972-73	1,291,567	14,960,407	10,193,984	34,528,011	56,337,631	822,096		118,133,696
1971-72	1,062,379	12,713,665	9,588,043	29,505,263	60,151,150	424,903		113,445,403
1970-71	966,172	12,127,146	8,245,203	26,609,519	47,477,777	479,560		95,905,377

*For Scottsdale residents residing within the Phoenix Union High School District and Balsz Elementary District the 1980-81 tax rate total is \$10.83. For those residing within the Paradise Valley Unified School District the total rate is \$12.72.

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

TABLE VII

CITY OF SCOTTSDALE
SPECIAL ASSESSMENT COLLECTIONS
LAST TEN FISCAL YEARS

FISCAL YEAR	CURRENT ASSESSMENTS DUE	CURRENT ASSESSMENTS COLLECTED	RATIO OF COLLECTIONS TO AMOUNT DUE	TOTAL OUTSTANDING* CURRENT AND DELINQUENT ASSESSMENTS
1979-80	\$ 967,385	\$ 954,370	98.7%	\$13,015
1978-79	1,123,385	1,119,671	99.7	3,714
1977-78	838,132	834,603	99.6	3,529
1976-77	930,939	926,059	99.5	4,880
1975-76	1,064,181	N/A	N/A	N/A
1974-75	1,017,921	N/A	N/A	N/A
1973-74	663,806	N/A	N/A	N/A
1972-73	696,964	N/A	N/A	N/A
1971-72	647,190	N/A	N/A	N/A
1970-71	644,630	N/A	N/A	N/A

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

TABLE VIII

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

<u>FISCAL YEAR</u>	<u>POPULATION*</u>	<u>ASSESSED VALUE</u>	<u>GROSS BONDED DEBT</u>	<u>LESS DEBT SERVICE FUNDS</u>	<u>NET BONDED DEBT</u>	<u>RATIO OF NET BONDED DEBT TO ASSESSED VALUE</u>	<u>NET BONDED DEBT PER CAPITA</u>
1979-80	100,800	\$328,550,057	\$12,430,000	\$4,065,852	\$ 8,364,148	2.5%	\$ 82.98
1978-79	96,900	277,561,698	12,750,000	3,502,116	9,247,884	3.3	95.44
1977-78	89,200	244,262,919	13,065,000	2,929,844	10,135,156	4.2	113.62
1976-77	83,000	224,960,561	12,510,000	2,468,356	10,041,644	4.5	120.98
1975-76	79,400	213,009,630	12,750,000	1,762,947	10,987,053	5.2	138.38
1974-75	79,500	195,584,205	7,494,000	1,058,108	6,435,892	3.3	80.95
1973-74	78,000	174,633,004	7,713,000	494,000	7,219,000	4.1	92.55
1972-73	82,800	125,380,953	4,437,000	224,000	4,213,000	3.4	50.88
1971-72	76,900	103,143,617	4,594,000	157,000	4,437,000	4.3	57.70
1970-71	73,100	93,802,802	3,940,000	84,000	3,856,000	4.1	52.75

*Source: City Planning Staff.

TABLE IX

CITY OF SCOTTSDALE
COMPUTATION OF LEGAL DEBT MARGINS

JUNE 30, 1980

Assessed Value			\$328,550,057
Debt Limit 4% of Assessed Value			<u>13,142,002</u>
Amount of Debt Applicable to Debt Limit			
Total Bonded Debt		\$23,680,000	
Other Debt			
Excise Tax Debt	\$ 7,510,000		
Water Purchase Debt	<u>754,768</u>	8,264,768	
		<u>\$31,944,768</u>	
Less:			
Cash in Debt Service Funds	75,000		
Revenue Bonds	11,250,000		
Excise Tax Debt	7,510,000		
Water Purchase Debt	754,768		
15% General Obligation Bonds	<u>9,700,000</u>	<u>29,289,768</u>	
Total Debt Applicable to Debt Limit			2,655,000
Legal Debt Margin			<u>\$ 10,487,002</u>
Debt Limit 15% of Assessed Value			\$ 49,282,509
Amount of Debt Applicable to Debt Limit			
Total Bonded Debt		\$23,680,000	
Other Debt			
Excise Tax Debt	\$ 7,510,000		
Water Purchase Debt	<u>754,768</u>	8,264,768	
		<u>31,944,768</u>	
Less:			
Cash in Debt Service Funds	3,990,852		
Revenue Bonds	11,250,000		
Excise Tax Debt	7,510,000		
Water Purchase Debt	754,768		
4% General Obligation Bonds	<u>2,730,000</u>	<u>26,235,620</u>	
Total Debt Applicable to Debt Limit			5,709,148
Legal Debt Margin			<u>\$ 43,573,361</u>

TABLE X

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

<u>FISCAL YEAR</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>DEBT SERVICE</u>	<u>TOTAL EXPENDITURES</u>	<u>RATIO OF DEBT SERVICE TO TOTAL EXPENDITURES</u>
*1980	\$645,000	\$647,160	\$1,292,160	\$32,161,034	4.02%
1979	680,000	666,805	1,346,805	30,210,507	4.46
1978	750,000	626,410	1,376,410	21,685,841	6.35
1977	815,000	652,810	1,467,810	18,415,674	7.97
1976	890,000	387,549	1,277,549	15,929,841	8.02
1975	744,000	367,178	1,111,178	15,043,465	7.39
1974	504,000	348,884	852,884	14,606,409	5.84
1973	224,000	186,663	410,663	10,803,303	3.80
1972	102,000	188,227	290,227	7,674,213	3.78
1971	84,000	169,302	253,302	6,894,283	3.67

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

TABLE XI

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

<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>
1980	\$6,231,513	\$1,902,516	\$4,328,997	\$500,000	\$481,434	\$981,434	4.41	1.20
1979	6,899,446	1,880,591	5,018,855	425,000	499,008	924,008	5.43	1.20
1978	5,076,901	1,187,611	3,889,290	345,000	516,483	861,483	4.51	1.20
1977	3,242,466	939,703	2,302,763	320,000	401,178	721,178	3.19	1.20
1976	2,798,475	753,920	2,044,555	260,000	349,345	609,345	3.36	1.20
1975	2,520,369	676,231	1,844,138	235,000	334,136	569,136	3.24	1.20
1974	2,433,062	480,848	1,952,214	125,000	244,050	369,050	5.29	1.20
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.

TABLE XII

CITY OF SCOTTSDALE
DEMOGRAPHIC STATISTICS
LAST TEN FISCAL YEARS

<u>FISCAL YEAR</u>	<u>POPULATION (1)</u>	<u>PER CAPITA INCOME (2)</u>	<u>MEDIAN AGE (1)</u>	<u>EDUC. LEVEL IN YEARS OF SCHOOLING (2)</u>	<u>SCHOOL ENROLLMENT (3)</u>	<u>UNEMPLOYMENT RATE (4)</u>
1971	73,100	\$4,295	28.8	14.8	N/A	N/A
1972	76,900	4,474	29.0	14.1	28,615	N/A
1973	82,800	5,357	29.1	14.8	28,563	N/A
1974	78,000	5,259	29.3	14.2	28,247	5.5
1975	79,500	6,250	29.4	14.8	27,653	10.5
1976	79,400	6,280	30.4	14.8	26,837	7.8
1977	83,000	6,786	31.4	14.1	26,264	5.8
1978	89,200	7,826	32.4	14.6	25,478	4.2
1979	96,900	8,397	33.3	14.5	24,440	3.4
1980	100,800	8,968	34.3	14.4	23,309	4.4

Sources:

- (1) City Planning Staff.
- (2) Inside Phoenix (Republic and Gazette), Forecast '80 (Western Savings).
- (3) Scottsdale School District.
- (4) Arizona Department of Economic Security.

TABLE XIII

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

FISCAL YEAR	COMMERCIAL CONSTRUCTION (1)		RESIDENTIAL CONSTRUCTION (1)		BANK DEPOSITS (2)	PROPERTY VALUE (3)(4)		
	NUMBER OF PERMITS	VALUE	NUMBER OF DWELLING UNITS	VALUE		COMMERCIAL	RESIDENTIAL	NONTAXABLE
1980	3,827	\$47,930,450	1,433	\$ 58,675,933	\$600,972,017	\$482,728,948	\$1,253,925,269	\$154,602,436
1979	3,933	47,245,774	4,543	130,673,316	514,678,916	420,469,277	1,026,832,307	137,822,740
1978	2,693	31,196,225	3,523	113,863,766	447,368,632	443,481,361	808,449,825	107,680,243
1977	2,163	19,096,608	1,681	34,897,790	374,312,674			
1976	1,802	23,871,250	401	12,006,224	301,468,854			
1975	1,652	41,908,840	518	9,943,042	291,667,922			
1974					256,369,433			
1973					265,459,501			
1972					207,395,183			
1971					165,218,471			

Note (1) Source - City building inspection program, data not available prior to 1975.

Note (2) Source - Phoenix Clearing House.

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

Note (4) Source - Estimated actual value.

TABLE XIV

CITY OF SCOTTSDALE
MISCELLANEOUS STATISTICAL DATA
JUNE 30, 1980

Date of Incorporation - June 25, 1951	
Date Charter Adopted - November 16, 1961	
Form of Government - Council/Manager	
Population	Area - Square Miles
1951 Census - 2,032	1951 - .62
1960 Census - 10,026	1961 - 4.90
1965 Special Census - 54,504	1970 - 62.20
1970 Census - 67,823	1971 - 73.60
1975 Special Census - 78,065	1975 - 85.80
1980 (Est. 6/30/80) - 100,800	1979 - 88.60
Miles of Streets and Alleys	
Streets	463.72
Alleys	152.32
Miles of Sewers	
Storm	12.46
Sanitary	307.06
Fire Protection	
Number of Stations	4
The City of Scottsdale has no fire employees but contracts with Metropolitan Fire Department Inc. to provide fire service to all residents.	
Police Protection	
Number of Employees	195
Number of Traffic Citations (excluding parking)	25,756
Number of Vehicles	83
The City jail is a holding facility. All long-term prisoners are incarcerated in the County jail.	
Recreation	
Parks - Number of Acres	1,750
Number of Swimming Pools	3
Number of Other Recreation Facilities	17
These include schools and school playgrounds in cooperation with Scottsdale School District.	
Water Enterprise	
Number of Users (No. Units)	13,392
Annual Consumption (Gallons)	4,055,850,000
Plant Capacity	20,383,562 G.P.D.
Miles of Distribution Lines	198.67
Number of Street Lights	4,318
Employees as of June 30, 1980	
Full Time	779
Part Time	221
Grant Funded	3
Total	1,003
Elections	
Number of Registered Voters as of Last Regular Election (Feb. '80)	36,963
Number/% Voting in Last Municipal Election	5,357/14%
Population	
Median Age of Residents	34.3
Median Household Income	\$24,483
Median Home Value - Single Family	\$78,313
Median Home Value - Townhouse and Condominium	\$84,722

CITY OF SCOTTSDALE
DEBT SERVICE REQUIREMENTS TO MATURITY
GENERAL OBLIGATION BONDS AND EXCISE DEBT

AS OF JUNE 30, 1980

FISCAL YEAR	GENERAL PURPOSE 4% LIMITATION			UTILITY PURPOSE 15% LIMITATION			TOTAL GENERAL OBLIGATION DEBT SERVICE REQUIREMENTS			EXCISE TAX DEBT SERVICE			TOTAL ALL DEBT SERVICE REQUIREMENTS			
	PRINCIPAL	INTEREST	TOTAL	PRINCIPAL	SINKING FUND (1)	INTEREST	TOTAL	PRINCIPAL	INTEREST	TOTAL	PRINCIPAL	INTEREST	TOTAL	PRINCIPAL	INTEREST	TOTAL
1980-81	\$ 80,000	\$ 116,685	\$ 196,685	\$ 50,000	\$ 520,000	\$ 513,575	\$ 1,083,575	\$ 650,000	\$ 630,260	\$ 1,280,260	\$ 275,000	\$ 405,820	\$ 680,820	\$ 925,000	\$ 1,036,080	\$ 1,961,080
1981-82	85,000	113,160	198,160	50,000	520,000	499,925	1,069,925	655,000	613,085	1,268,085	290,000	392,757	682,757	945,000	1,005,842	1,950,842
1982-83	90,000	109,435	199,435	50,000	520,000	486,275	1,056,275	660,000	595,710	1,255,710	305,000	376,670	681,670	965,000	972,380	1,937,380
1983-84	100,000	105,485	205,485	50,000	520,000	472,400	1,042,400	670,000	577,885	1,247,885	320,000	358,370	678,370	990,000	936,255	1,926,255
1984-85	105,000	101,225	206,225	50,000	520,000	470,450	1,040,450	675,000	571,675	1,246,675	340,000	339,170	679,170	1,015,000	910,845	1,925,845
1985-86	160,000	96,740	256,740		500,000	453,125	953,125	660,000	549,865	1,209,865	355,000	321,490	676,490	1,015,000	871,355	1,886,355
1986-87	165,000	90,220	255,220		500,000	358,250	858,250	665,000	448,470	1,113,470	375,000	303,030	678,030	1,040,000	751,500	1,791,500
1987-88	175,000	84,115	259,115		500,000	302,250	802,250	675,000	386,365	1,061,365	395,000	283,530	678,530	1,070,000	669,895	1,739,895
1988-89	180,000	77,640	257,640		500,000	244,750	744,750	680,000	322,390	1,002,390	415,000	262,990	677,990	1,095,000	585,380	1,680,380
1989-90	190,000	70,980	260,980		500,000	187,250	687,250	690,000	258,230	948,230	440,000	241,410	681,410	1,130,000	499,640	1,629,640
1990-91	200,000	62,975	262,975		500,000	187,250	687,250	700,000	250,225	950,225	465,000	218,530	683,530	1,165,000	468,755	1,633,755
1991-92	200,000	52,975	252,975		500,000	187,250	687,250	700,000	240,225	940,225	490,000	193,420	683,420	1,190,000	433,645	1,623,645
1992-93	200,000	43,475	243,475		180,000	187,250	367,250	380,000	230,725	610,725	515,000	166,960	681,960	895,000	397,685	1,292,685
1993-94	225,000	34,075	259,075				225,000	225,000	34,075	259,075	540,000	139,150	679,150	765,000	173,225	938,225
1994-95	250,000	23,500	273,500				250,000	250,000	23,500	273,500	570,000	109,450	679,450	820,000	132,950	952,950
1995-96	250,000	11,750	261,750				250,000	250,000	11,750	261,750	1,420,000	78,100	1,498,100	1,670,000	89,850	1,759,850
TOTALS	<u>\$2,655,000</u>	<u>\$1,194,435</u>	<u>\$3,849,435</u>	<u>\$250,000</u>	<u>\$6,280,000</u>	<u>\$4,550,000</u>	<u>\$11,080,000</u>	<u>\$9,185,000</u>	<u>\$5,744,435</u>	<u>\$14,929,435</u>	<u>\$7,510,000</u>	<u>\$4,190,847</u>	<u>\$11,700,847</u>	<u>\$16,695,000</u>	<u>\$ 9,935,282</u>	<u>\$26,630,282</u>

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

CITY OF SCOTTSDALE
DEBT SERVICE REQUIREMENTS TO MATURITY
SPECIAL ASSESSMENT BONDS
JUNE 30, 1980

<u>FISCAL YEAR</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
1981	\$ 635,306	\$ 237,667	\$ 872,973
1982	627,000	198,207	825,207
1983	626,000	158,452	784,452
1984	526,000	122,085	648,085
1985	346,000	94,167	440,167
1986	296,000	73,225	369,225
1987	283,000	54,282	337,282
1988	282,000	35,795	317,795
1989	160,000	21,037	181,037
1990	94,000	12,220	106,220
1991	34,000	7,740	41,740
1992	35,000	5,323	40,323
1993	20,000	3,360	23,360
1994	18,000	1,950	19,950
1995	17,000	637	17,637
	<u>\$3,999,306</u>	<u>\$1,026,147</u>	<u>\$5,025,453</u>

CITY OF SCOTTSDALE
DEBT SERVICE REQUIREMENTS TO MATURITY
REVENUE BONDS AND LONG-TERM CONTRACTS
JUNE 30, 1980

FISCAL YEAR	WATER AND SEWER UTILITY REVENUE BONDS		
	PRINCIPAL	INTEREST	TOTAL
1981	\$ 535,000	\$ 549,748	\$ 1,084,748
1982	600,000	522,322	1,122,322
1983	685,000	490,573	1,175,573
1984	1,200,000	453,537	1,653,537
1985	1,270,000	389,333	1,659,333
1986	950,000	321,822	1,271,822
1987	690,000	270,623	960,623
1988	725,000	237,560	962,560
1989	765,000	202,560	967,560
1990	800,000	164,835	964,835
1991	810,000	125,385	935,385
1992	825,000	84,885	909,885
1993	300,000	43,635	343,635
1994	310,000	28,635	338,635
1995	285,000	12,825	297,825
	<u>\$10,750,000</u>	<u>\$3,898,278</u>	<u>\$14,648,278</u>

TABLE XVc

WATER AND SEWER UTILITY LONG-TERM CONTRACTS			WATER AND SEWER UTILITY TOTAL REQUIREMENTS		
<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
\$109,429	\$ 45,286	\$ 154,715	\$ 644,429	\$ 595,034	\$ 1,239,463
117,068	38,720	155,788	717,068	561,042	1,278,110
132,067	31,696	163,763	817,067	522,269	1,339,336
132,067	23,772	155,839	1,332,067	477,309	1,809,376
132,068	15,848	147,916	1,402,068	405,181	1,807,249
132,068	7,924	139,992	1,082,068	329,746	1,411,814
			690,000	270,623	960,623
			725,000	237,560	962,560
			765,000	202,560	967,560
			800,000	164,835	964,835
			810,000	125,385	935,385
			825,000	84,885	909,885
			300,000	43,635	343,635
			310,000	28,635	338,635
			285,000	12,825	297,825
<u>\$754,767</u>	<u>\$163,246</u>	<u>\$ 918,013</u>	<u>\$11,504,767</u>	<u>\$4,061,524</u>	<u>\$15,566,291</u>

