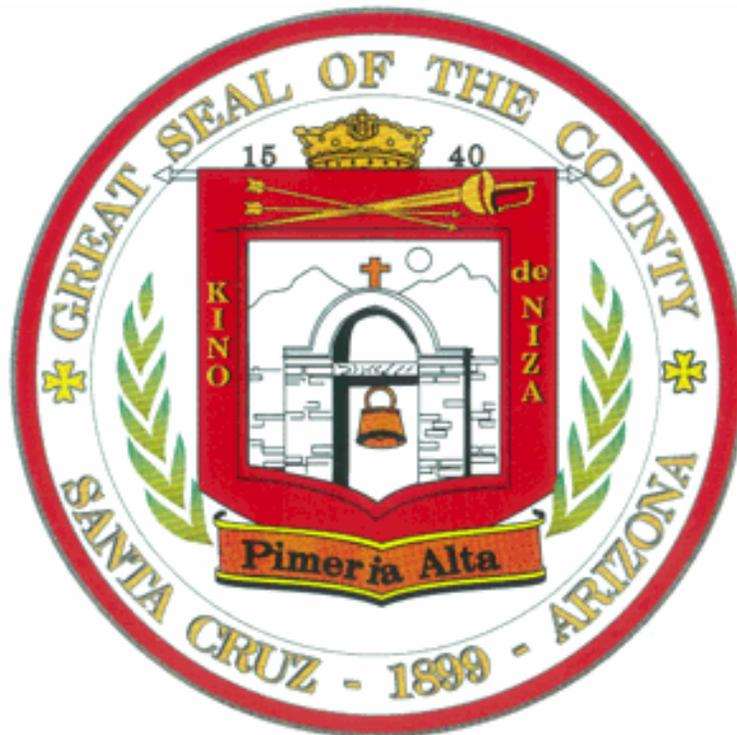


SANTA CRUZ COUNTY, ARIZONA

Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2002



SANTA CRUZ COUNTY

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE
FISCAL YEAR ENDED JUNE 30, 2002**

BOARD OF SUPERVISORS

**MANUEL RUIZ,
CHAIRMAN
DISTRICT #1**

**ROBERT DAMON,
MEMBER
DISTRICT #2**

**JOHN MAYNARD,
VICE CHAIRMAN
DISTRICT #3**

COUNTY MANAGER

GREG LUCERO

**PREPARED BY THE
SANTA CRUZ COUNTY FINANCE DEPARTMENT**

**DIRECTOR OF ADMINISTRATIVE SERVICES
JENNIFER K. ST. JOHN**

MAYRA OCHOA

SANTA CRUZ COUNTY

COMPREHENSIVE ANNUAL FINANCIAL REPORT FISCAL YEAR ENDED JUNE 30, 2002

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October 18, 2002

To the Honorable Board of Supervisors
Santa Cruz County, Arizona

The Comprehensive Annual Financial Report of Santa Cruz County (the County) for the fiscal year ended June 30, 2002, is hereby respectfully submitted. State statutes require that the County issue annual financial statements which shall be audited by the State of Arizona, Office of the Auditor General or by its designee. The County is responsible for the accuracy, completeness, and fairness of the financial statements, including all representations and disclosures. To the best of our knowledge and belief, the accompanying report is accurate in all material respects; it fairly presents the financial position and the results of operations of the various funds and account groups of the County; and all disclosures necessary to enable the reader to gain an understanding of the County's financial activities have been included.

The accompanying report is presented in three sections: An **INTRODUCTORY** section, which is unaudited and contains this letter of transmittal, the certificate of achievement and the County's organization chart; the **FINANCIAL** section, which includes the independent auditors' report, the general purpose financial statements and the combining and individual fund and account group statements and schedules that provide additional detailed information relative to the general purpose financial statements; and the **STATISTICAL** section, which is unaudited and includes various financial, economic, social and demographic data about the County for the last ten years.

The County is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and the United States Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Information related to this single audit, including the schedule of expenditures of federal awards, the independent auditors' reports on the County's internal control over financial reporting and compliance with applicable laws, regulations, contracts and grants and a schedule of findings and questioned costs, will be included in a separate single audit report to be issued at a later date.

The County is divided into three distinct districts. Each district elects a member to the Board of Supervisors to serve a four-year term. The Chair is selected by the Board from among its members. The Board establishes the policies of the various County departments. The Board-appointed County Manager oversees the County's general administrative operations.

THE REPORTING ENTITY

The County includes all the funds and account groups of the primary government, Santa Cruz County, as well as all of its component units. Component units are legally separate entities for which the primary government is financially accountable. Blended component units, although legally separate entities, are, in substance, part of the primary government's operations and are included as part of the primary government. Accordingly, the Santa Cruz County Flood Control District, whose Board of Directors is the same as the County's Board of Supervisors, is blended and reported as a special revenue fund of the primary government.

GOVERNMENTAL SERVICES

Santa Cruz County offers a wide variety of governmental services. Health and community services are provided by the County Health Department. Public works are performed by Planning and Zoning, Roads and Flood Control. Public safety and legal services are provided by the Sheriff's Department, Superior Court, Juvenile and Justice Courts, the Public Fiduciary, Emergency Services, the Clerk of the Superior Court and the County Attorney.

ACCOUNTING POLICIES AND BUDGETARY CONTROL

Due to the County's growth, the accounting system continually evolves and undergoes constant evaluation. Accordingly, emphasis is placed on the adequacy of the County's internal control. Internal accounting control is designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss from unauthorized use or disposition; the integrity of financial records for preparing financial statements; and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived; and the evaluation of costs and benefits requires estimates and judgments by management.

We believe that the County's internal control adequately safeguards assets and provides reasonable assurance of the proper recording and integrity of financial statements and underlying financial transactions.

Budgetary control generally is maintained at the department level, as required by statute. In the Special Revenue and Capital Projects Funds, budgetary control is maintained also at the individual fund or project level.

FUND AND ACCOUNT GROUP DESCRIPTIONS

Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent.

The various fund types of the County have been classified into fund categories listed below. The County has no proprietary funds. Each fund is a discrete accounting entity with its own set of self-balancing accounts that comprises its assets, liabilities, revenues, expenditures and fund equity.

Fund Category	Fund Type
Governmental	General Special Revenue Debt Service Capital Projects
Fiduciary	Trust and Agency

The measurement focus for these fund categories is explained below.

Governmental funds are used to account for the County's current expendable financial resources and related current liabilities. Measurement focus is based upon determination of financial position (sources and uses of financial resources and balances of net available expendable resources) rather than upon net income determination. The basic financial statements necessary to fairly present financial position and operating results for these funds are the Balance Sheet and the Statement of Revenues, Expenditures and Changes in Fund Balances.

There are various other taxing authorities, school districts and some special districts within the County governed by independently elected boards. The financial statements of such districts are not included in this report except to reflect amounts held in a trust or agency capacity by the County Treasurer.

Fiduciary funds are maintained to account for assets held by the County in a trustee capacity or as an agent for others. Agency funds are custodial in nature and do not involve measurement of results of operations. The Investment Trust funds account for investments made by the County on behalf of other governmental entities using the economic resources measurement focus.

Account groups are used to establish accounting control and accountability for the County's general fixed assets and general long-term debt. The County's general fixed assets are not financial resources available for expenditure. The unmatured principal of the County's general long-term debt does not require use of financial resources during the current accounting period. Accordingly, these are not accounted for in the governmental funds, but in self-balancing account groups.

HISTORICAL BACKGROUND, ECONOMIC CONDITION AND OUTLOOK

Santa Cruz County is situated in the southern part of Arizona with its southern boundary bordering Mexico. The County was split from Pima County by the 20th Territorial Assembly in 1899. The neighboring community of Nogales, Sonora, Mexico has grown to an estimated population of 350,000.

The County's opportunities in transportation and distribution, retail trade, manufacturing and tourism have established the County as the gateway to a North American Trade Corridor that reaches from Calgary through the County to Mexico City. The County has been a trading center for Northern Mexico since its founding in 1880. Over 75,000 visitors come from northwest Mexico daily to shop in Santa Cruz County.

The County is also the home to one of the largest twin plant (maquiladora) programs along the U.S. – Mexican border. Since its inception in 1965, the twin plant program has grown to over 76 firms employing over 21,000 in Nogales, Sonora, Mexico. The twin plant program allows foreign companies to transport their materials and components into Mexico duty-free for assembly or processing into finished products. These products are then exported back to their country or a third country paying duty only on value added. Utilizing Mexico's advantage in labor costs, the twin plant program provides a competitive alternative to overseas operations. Under the North American Free Trade Agreement ("NAFTA"), twin plant operations are marketing products extensively into Mexico as well.

The County is home to some of the largest produce distributors in the United States. At peak season, between 1,000 to 1,200 trucks pass swiftly through Santa Cruz County's state-of-the-art commercial port, carrying approximately 70% of the winter produce consumed in the U.S. and Canada in a normal year. Santa Cruz County's produce industry is anchored by over 250 brokers, distributors and warehouses.

The County's economy has been negatively affected by the devaluation of the Mexican peso. The most obvious impact has been a reduction in County sales tax revenue. Sales tax amounts have not reached the level they were at prior to devaluation. In addition, business owners who cater to Mexican shoppers have been greatly impacted.

The County's intention is to continue to operate in a fiscally responsible manner that respects our heritage and our environment, while exploring new economic opportunities and providing the services demanded of a rapidly growing border community.

MAJOR INITIATIVES

The County's staff, following specific directives of the Board of Supervisors and the County Manager, have been involved in a variety of projects through the year. These projects reflect the County's commitment to ensuring that its citizens are able to live and work in an enviable environment.

The County continued work on the airport master plan update and several Community Development Block Grants Projects during the fiscal year ended June 30, 2002. Such projects will be funded mostly through various federal and state grant monies. The County feels that the improvements at the airport will assist in promoting economic development.

FINANCIAL INFORMATION

The Combined Statement of Revenues, Expenditures and Changes in Fund Balances – All Governmental Fund Types is the primary operating statement of the County. This statement presents the sources and uses of expendable financial resources and the amounts available for expenditure in the next fiscal year. The recurring operations of the County are accounted for in the General Fund, Special Revenue Funds, and Debt Service Fund. The following is an analysis of the sources (revenues) and uses (expenditures) of those expendable financial resources.

Revenues: Revenues, expressed in thousands, totaled \$31,965 in fiscal year 2001-02, an increase of 14% over the previous year. The amounts of revenues from various sources and the changes since last year are analyzed below.

Revenue Source	Amount 01-02 (\$000's)	Percent of Total 01-02	Amount 00-01 (\$000's)	Percent of Total 00-01	Increase (Decrease) (\$000's)
Taxes	\$ 10,149	31.7 %	\$ 9,089	32.3 %	\$ 1,060
Intergovernmental	18,466	57.8	15,481	55.0	2,985
Licenses and permits	464	1.5	380	1.3	84
Charges for services	1,711	5.4	1,702	6.1	9
Fines and forfeits	812	2.5	837	3.0	(25)
Investment income	185	0.6	300	1.1	(115)
Rents	15				15
Contributions	2		3		(1)
Miscellaneous	<u>161</u>	<u>0.5</u>	<u>329</u>	<u>1.2</u>	<u>(168)</u>
TOTAL	<u>\$ 31,965</u>	<u>100.0 %</u>	<u>\$ 28,121</u>	<u>100.0 %</u>	<u>\$ 3,844</u>

Significant increases are explained below.

The increase in intergovernmental revenues is due primarily to an increase in several federal grants and an increase in state-shared revenues.

The increase in taxes is due primarily to the increase in the property assessed value and a higher rate of delinquent tax collections.

Intergovernmental Revenues: Major items included in intergovernmental revenues include sales tax, highway user revenue received from the State of Arizona and federal grants.

Expenditures: Expenditures, expressed in thousands, for general operations totaled \$31,287, an increase of 10% from the previous year. Changes in levels of expenditures for the County's major functions over the preceding year are analyzed below.

Function	Amount 01-02 (\$000's)	Percent of Total 01-02	Amount 00-01 (\$000's)	Percent of Total 00-01	Increase (Decrease) (\$000's)
General government	\$ 10,758	34.4 %	\$ 9,681	34.1 %	\$ 1,077
Public safety	5,429	17.3	5,162	18.2	267
Highways and streets	4,755	15.2	4,812	16.9	(57)
Health, welfare and sanitation	4,851	15.5	4,772	16.8	79
Education and economic opportunity	3,303	10.6	2,069	7.3	1,234
Recreation	152	0.5	143	.5	9
Capital outlay	1,474	4.7	1,189	4.2	285
Debt service	565	1.8	565	2.0	0
TOTAL	\$ 31,287	100.0 %	\$ 28,393	100.0 %	\$ 2,894

Significant increases are explained below.

Education and economic opportunity expenditures increased primarily to increases in funding from state and federal grants.

General government expenditures have increased due primarily to a cost of living increase for all County employees, an increase in health insurance cost, and increased maintenance on the County buildings.

Public safety expenditures have increased primarily to increases in funding from state and federal grants.

Capital outlay expenditures have increased primarily due to the County entering into a new capital lease.

FUND BALANCES

Fund balances were maintained at adequate levels. Following is a comparison of fund balances for the Governmental Funds with related increases and decreases from the prior year:

Fund	Fiscal Year 2001-02 (\$000's)	Fiscal Year 2000-01 (\$000's)	Increase (Decrease) (\$000's)
General Fund	\$ 3,784	\$ 3,794	\$ (10)
Special Revenue Funds	2,891	1,215	1,676
Debt Service Fund	253	134	119
Capital Projects Funds	(249)	41	(290)

LONG-TERM OBLIGATIONS

The ratio of net bonded debt to assessed value and the amount of net bonded debt per capita are useful indicators of the County's debt position to County management, citizens, investors and bond rating agencies. This data at fiscal year-end was as follows:

Net bonded debt (\$000's)	\$1,722
Ratio of net bonded debt to assessed value	.8%
Net bonded debt per capita	\$43

County general obligation bonds outstanding at June 30, 2002, expressed in thousands, totaled \$1,975. The notes to the financial statements and selected tables in the Statistical Section of this report present more detailed information about the County's debt position.

Date of Issue	Original Principal Amount (000's)	Average Life in Years	Effective Interest Rate	Interest Cost per Borrowed Dollar
February 3, 1993	\$5,415	7.836	5.255 %	\$ 0.41

CAPITAL PROJECTS

Proceeds of general obligation bond issues and major capital grants are accounted for in the Capital Projects Funds until the projects are completed. Completed projects and uncompleted construction-in-progress at fiscal year-end, except for infrastructure fixed assets discussed below, are capitalized in the General Fixed Assets Account Group. During fiscal year 2001-02, expenditures in the Capital Projects Funds, expressed in thousands, totaled \$540 compared with fiscal year 2000-01 expenditures of \$229.

GENERAL FIXED ASSETS

The general fixed assets of the County are those fixed assets used in the performance of general governmental functions. Santa Cruz County does not record the value of certain infrastructure fixed assets such as roads, bridges, drainage systems and street lighting systems. As of June 30, 2002, the general fixed assets of the County amounted to approximately \$29 million. Depreciation of general fixed assets is not recognized in the County's accounting system.

CASH MANAGEMENT

Most cash, other than imprest accounts, is on deposit with the County Treasurer. Amounts temporarily idle during the year are invested on a short-term basis. Such investments during the year benefited the General Fund by approximately \$101,500.

RISK MANAGEMENT

Santa Cruz County participates in two public entity risk pools to cover various risks of loss. The Arizona Counties Property and Casualty Pool provides member counties catastrophic loss coverage for general liability and property damage. The Arizona Counties Workers' Compensation Pool provides member counties with workers' compensation coverage.

The County also participates in the Arizona Local Government Employee Benefit Trust to provide for employee health insurance. The trust provides the benefits through a self-funding agreement with its participants and administers the program.

INDEPENDENT AUDIT

Arizona Revised Statutes require an annual audit of the financial statements. This requirement has been complied with and the auditors' opinion is included in this report.

AWARDS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Santa Cruz County for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2001. This was the twelfth consecutive year that Santa Cruz County has received this prestigious award. The Certificate of Achievement is a national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to the GFOA Certificate of Achievement program standards. Such Comprehensive Annual Financial Report must satisfy both U.S. generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the GFOA Certificate of Achievement program requirements, and we are submitting it to them.

ACKNOWLEDGMENTS

The preparation of this report on a timely basis could not be accomplished without the efficient and dedicated services of the Finance Department. I would like to express my appreciation to those who assisted in and contributed to the preparation of this report. I would also like to thank the Board of Supervisors for their interest and support in planning and conducting the financial operations of the County in a responsible manner.

Respectfully submitted,

Jennifer K. St. John
Director of Administrative Service

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Santa Cruz County,
Arizona

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2001

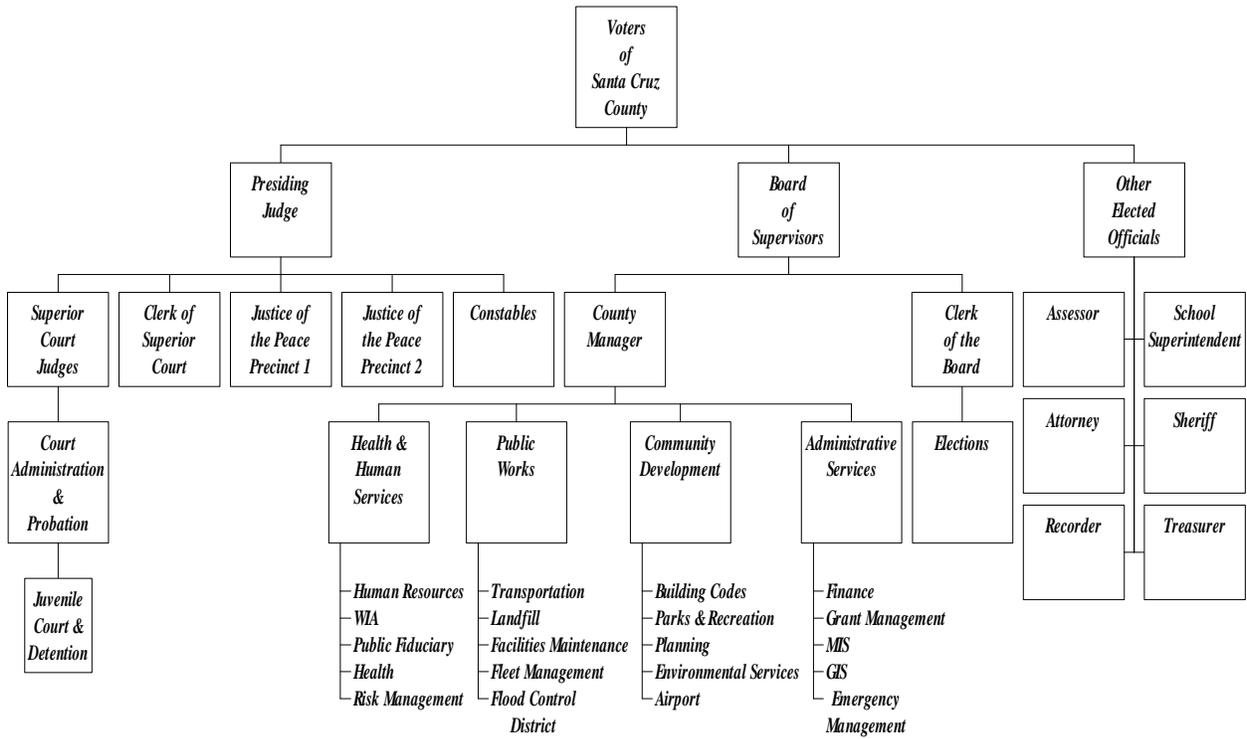
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards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



William Patrick Rote
President

Jeffrey L. Esser
Executive Director

Santa Cruz County Organizational Chart



COMBINED FINANCIAL STATEMENTS – OVERVIEW
(GENERAL PURPOSE FINANCIAL STATEMENTS)



DEBRA K. DAVENPORT, CPA
AUDITOR GENERAL

**STATE OF ARIZONA
OFFICE OF THE
AUDITOR GENERAL**

WILLIAM THOMSON
DEPUTY AUDITOR GENERAL

Independent Auditors' Report

Members of the Arizona State Legislature

The Board of Supervisors of
Santa Cruz County, Arizona

We have audited the accompanying general purpose financial statements of Santa Cruz County as of and for the year ended June 30, 2002, as listed in the table of contents. These general purpose financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

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

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of Santa Cruz County as of June 30, 2002, and the results of its operations and changes in net assets of its investment trust funds for the year then ended in conformity with U.S. generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements of Santa Cruz County taken as a whole. The combining and individual fund and account group financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

The information included in the introductory and statistical sections listed in the table of contents has not been subjected to the auditing procedures applied in our audit of the general purpose financial statements and, accordingly, we express no opinion on such information.

In accordance with *Government Auditing Standards*, we will also issue our report on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants at a future date. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Debbie Davenport
Auditor General

October 18, 2002

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SANTA CRUZ COUNTY

COMBINED BALANCE SHEET – ALL FUND TYPES AND ACCOUNT GROUPS JUNE 30, 2002

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
ASSETS AND OTHER DEBITS				
Cash and cash equivalents	\$ 1,897,093	\$ 3,201,348	\$ 232,975	
Property taxes receivable	936,988	155,144	95,024	
Due from other governmental units	1,226,230	2,328,529	761	\$ 302,234
Due from other funds	1,416,342			
Accounts receivable	51,177	8,415		
Accrued interest receivable				
Prepaid items	1,676	743		
Land and improvements				
Buildings and improvements				
Construction equipment and vehicles				
Furniture and equipment				
Construction in progress				
Amount available in Debt Service Fund				
Amount to be provided for the retirement of long-term debt				
TOTAL	<u>\$ 5,529,506</u>	<u>\$ 5,694,179</u>	<u>\$ 328,760</u>	<u>\$ 302,234</u>
LIABILITIES, EQUITY AND OTHER CREDITS				
LIABILITIES:				
Accounts payable	\$ 501,796	\$ 683,569	\$ 320	\$ 242,000
Due to other governmental units				
Due to other funds		1,356,108		60,234
Deposits held for other parties				
Deferred revenue	744,485	438,736	75,864	248,500
Accrued payroll and employee benefits	499,342	324,767		
General obligation bonds payable				
Obligations under capital leases				
Long-term notes payable				
Estimated liabilities for claims and judgments				
Estimated liabilities for landfill closure and postclosure care costs				
Estimated liabilities for landfill environmental regulation compliance				
Total liabilities	<u>1,745,623</u>	<u>2,803,180</u>	<u>76,184</u>	<u>550,734</u>
EQUITY AND OTHER CREDITS:				
Investment in general fixed assets				
Fund balance reserved for debt service			252,576	
Fund balance reserved for investment trust participants				
Unreserved fund balance (deficit)	<u>3,783,883</u>	<u>2,890,999</u>		<u>(248,500)</u>
Total equity and other credits	<u>3,783,883</u>	<u>2,890,999</u>	<u>252,576</u>	<u>(248,500)</u>
TOTAL	<u>\$ 5,529,506</u>	<u>\$ 5,694,179</u>	<u>\$ 328,760</u>	<u>\$ 302,234</u>

See notes to financial statements.

Fiduciary Fund Type	Account Groups		Totals (Memorandum Only)
	General Fixed Assets	General Long-Term Debt	
\$ 17,231,716			\$ 22,563,132
			1,187,156
			3,857,754
			1,416,342
			59,592
23,592			23,592
			2,419
	\$ 8,245,284		8,245,284
	10,093,488		10,093,488
	8,080,936		8,080,936
	1,693,734		1,693,734
	673,316		673,316
		\$ 252,576	252,576
		7,653,924	7,653,924
<u>\$ 17,255,308</u>	<u>\$ 28,786,758</u>	<u>\$ 7,906,500</u>	<u>\$ 65,803,245</u>
			\$ 1,427,685
\$ 125,028			125,028
			1,416,342
1,529,592			1,529,592
			1,507,585
		\$ 612,028	1,436,137
		1,975,000	1,975,000
		1,289,587	1,289,587
		949,135	949,135
		75,000	75,000
		2,105,750	2,105,750
		900,000	900,000
<u>1,654,620</u>		<u>7,906,500</u>	<u>14,736,841</u>
	\$ 28,786,758		28,786,758
			252,576
15,600,688			15,600,688
			6,426,382
<u>15,600,688</u>	<u>28,786,758</u>		<u>51,066,404</u>
<u>\$ 17,255,308</u>	<u>\$ 28,786,758</u>	<u>\$ 7,906,500</u>	<u>\$ 65,803,245</u>

SANTA CRUZ COUNTY

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – ALL GOVERNMENTAL FUND TYPES FISCAL YEAR ENDED JUNE 30, 2002

	Governmental Fund Types				Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	
REVENUES:					
Taxes	\$ 8,314,351	\$ 1,161,687	\$ 673,262		\$ 10,149,300
Intergovernmental	7,812,612	10,653,464		\$ 305,247	18,771,323
Licenses and permits	463,603				463,603
Charges for services	1,303,828	407,226			1,711,054
Fines and forfeits	524,530	287,528			812,058
Investment income	101,484	73,283	9,881	1,216	185,864
Rents		14,524			14,524
Contributions		2,174			2,174
Miscellaneous	31,638	129,479			161,117
Total revenues	18,552,046	12,729,365	683,143	306,463	32,271,017
EXPENDITURES:					
Current:					
General government	8,363,170	2,394,971			10,758,141
Public safety	4,270,492	1,158,046			5,428,538
Highways and streets		4,754,708			4,754,708
Health, welfare and sanitation	3,785,856	1,064,870			4,850,726
Education and economic opportunity	1,194,487	2,108,711			3,303,198
Recreation	152,015				152,015
Capital outlay	693,053	781,053		540,316	2,014,422
Debt service:					
Principal retirement			435,000		435,000
Interest and fiscal charges			129,656		129,656
Total expenditures	18,459,073	12,262,359	564,656	540,316	31,826,404
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	92,973	467,006	118,487	(233,853)	444,613
OTHER FINANCING SOURCES (USES):					
Capital lease agreement	269,478	137,226			406,704
Operating transfers from other funds	228,759	706,214		837	935,810
Operating transfers to other funds	(601,293)	(278,421)		(56,096)	(935,810)
Proceeds from long-term notes		643,827			643,827
Total other financing sources (uses)	(103,056)	1,208,846		(55,259)	1,050,531
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(10,083)	1,675,852	118,487	(289,112)	1,495,144
FUND BALANCES, BEGINNING OF YEAR	3,793,966	1,215,147	134,089	40,612	5,183,814
FUND BALANCES (DEFICITS), END OF YEAR	\$ 3,783,883	\$ 2,890,999	\$ 252,576	\$ (248,500)	\$ 6,678,958

See notes to financial statements.

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SANTA CRUZ COUNTY

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUND TYPES FISCAL YEAR ENDED JUNE 30, 2002

	General Fund			Special Revenue Funds		
	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES:						
Taxes	\$ 8,444,033	\$ 8,314,351	\$ (129,682)	\$ 1,249,677	\$ 1,161,687	\$ (87,990)
Intergovernmental	6,815,465	7,812,612	997,147	10,225,181	10,653,464	428,283
Licenses and permits	350,000	463,603	113,603			
Charges for services	1,458,139	1,303,828	(154,311)	413,968	407,226	(6,742)
Fines and forfeits	520,000	524,530	4,530	272,000	287,528	15,528
Investment income	140,000	101,484	(38,516)		73,283	73,283
Rents					14,524	14,524
Contributions					2,174	2,174
Miscellaneous	115,000	31,638	(83,362)	36,000	129,479	93,479
Total revenues	<u>17,842,637</u>	<u>18,552,046</u>	<u>709,409</u>	<u>12,196,826</u>	<u>12,729,365</u>	<u>532,539</u>
EXPENDITURES:						
Current:						
General government	8,964,658	8,363,170	601,488	3,536,622	2,394,971	1,141,651
Public safety	4,081,080	4,270,492	(189,412)	1,385,438	1,158,046	227,392
Highways and streets				7,473,002	4,754,708	2,718,294
Health, welfare and sanitation	4,121,711	3,785,856	335,855	1,116,179	1,064,870	51,309
Education and economic opportunity	1,199,046	1,194,487	4,559	1,641,025	2,108,711	(467,686)
Recreation	217,564	152,015	65,549			
Capital outlay	620,862	423,575	197,287			
Debt service:						
Principal retirement						
Interest and fiscal charges						
Total expenditures	<u>19,204,921</u>	<u>18,189,595</u>	<u>1,015,326</u>	<u>15,152,266</u>	<u>11,481,306</u>	<u>3,670,960</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,362,284)</u>	<u>362,451</u>	<u>1,724,735</u>	<u>(2,955,440)</u>	<u>1,248,059</u>	<u>4,203,499</u>
OTHER FINANCING SOURCES (USES):						
Operating transfers from other funds	161,734	228,759	67,025	656,667	706,214	49,547
Operating transfers to other funds	(702,730)	(601,293)	101,437	(236,044)	(278,421)	(42,377)
Total other financing sources (uses)	<u>(540,996)</u>	<u>(372,534)</u>	<u>168,462</u>	<u>420,623</u>	<u>427,793</u>	<u>7,170</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>(1,903,280)</u>	<u>(10,083)</u>	<u>1,893,197</u>	<u>(2,534,817)</u>	<u>1,675,852</u>	<u>4,210,669</u>
FUND BALANCES, BEGINNING OF YEAR	<u>1,903,280</u>	<u>3,793,966</u>	<u>1,890,686</u>	<u>2,534,817</u>	<u>1,215,147</u>	<u>(1,319,670)</u>
FUND BALANCES (DEFICITS) END OF YEAR	<u>\$</u>	<u>\$ 3,783,883</u>	<u>\$ 3,783,883</u>	<u>\$</u>	<u>\$ 2,890,999</u>	<u>\$ 2,890,999</u>

See notes to financial statements.

Debt Service Fund			Capital Projects Funds			Totals (Memorandum Only)		
Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
\$ 699,372	\$ 673,262	\$ (26,110)				\$ 10,393,082	\$ 10,149,300	\$ (243,782)
			\$ 2,484,617	\$ 305,247	\$(2,179,370)	19,525,263	18,771,323	(753,940)
						350,000	463,603	113,603
						1,872,107	1,711,054	(161,053)
						792,000	812,058	20,058
	9,881	9,881		1,216	1,216	140,000	185,864	45,864
							14,524	14,524
							2,174	2,174
						151,000	161,117	10,117
<u>699,372</u>	<u>683,143</u>	<u>(16,229)</u>	<u>2,484,617</u>	<u>306,463</u>	<u>(2,178,154)</u>	<u>33,223,452</u>	<u>32,271,017</u>	<u>(952,435)</u>
						12,501,280	10,758,141	1,743,139
						5,466,518	5,428,538	37,980
						7,473,002	4,754,708	2,718,294
						5,237,890	4,850,726	387,164
						2,840,071	3,303,198	(463,127)
						217,564	152,015	65,549
			2,659,882	540,316	2,119,566	3,280,744	963,891	2,316,853
435,000	435,000					435,000	435,000	
<u>378,737</u>	<u>129,656</u>	<u>249,081</u>				<u>378,737</u>	<u>129,656</u>	<u>249,081</u>
<u>813,737</u>	<u>564,656</u>	<u>249,081</u>	<u>2,659,882</u>	<u>540,316</u>	<u>2,119,566</u>	<u>37,830,806</u>	<u>30,775,873</u>	<u>7,054,933</u>
<u>(114,365)</u>	<u>118,487</u>	<u>232,852</u>	<u>(175,265)</u>	<u>(233,853)</u>	<u>(58,588)</u>	<u>(4,607,354)</u>	<u>1,495,144</u>	<u>6,102,498</u>
			120,373	837	(119,536)	938,774	935,810	(2,964)
				(56,096)	(56,096)	(938,774)	(935,810)	2,964
			<u>120,373</u>	<u>(55,259)</u>	<u>(175,632)</u>			
(114,365)	118,487	232,852	(54,892)	(289,112)	(234,220)	(4,607,354)	1,495,144	6,102,498
<u>114,365</u>	<u>134,089</u>	<u>19,724</u>	<u>54,892</u>	<u>40,612</u>	<u>(14,280)</u>	<u>4,607,354</u>	<u>5,183,814</u>	<u>576,460</u>
<u>\$</u>	<u>\$ 252,576</u>	<u>\$ 252,576</u>	<u>\$</u>	<u>\$ (248,500)</u>	<u>\$ (248,500)</u>	<u>\$</u>	<u>\$ 6,678,958</u>	<u>\$ 6,678,958</u>

SANTA CRUZ COUNTY

COMBINING STATEMENT OF CHANGES IN NET ASSETS – INVESTMENT TRUST FUNDS FISCAL YEAR ENDED JUNE 30, 2002

	Treasurer's Investment Pool	Individual Investment Accounts	Total
ADDITIONS:			
Contributions from participants	\$ 82,607,496	\$ 10,272	\$ 82,617,768
Net investment income	<u>453,788</u>	<u>10,076</u>	<u>463,864</u>
Total additions	<u>83,061,284</u>	<u>20,348</u>	<u>83,081,632</u>
DEDUCTIONS:			
Distributions to participants	<u>85,474,834</u>	<u>10,790</u>	<u>85,485,624</u>
NET INCREASE (DECREASE) IN NET ASSETS	(2,413,550)	9,558	(2,403,992)
NET ASSETS HELD IN TRUST, JULY 1, 2001	<u>17,677,753</u>	<u>326,927</u>	<u>18,004,680</u>
NET ASSETS HELD IN TRUST, JUNE 30, 2002	<u>\$ 15,264,203</u>	<u>\$ 336,485</u>	<u>\$ 15,600,688</u>

See notes to financial statements.

SANTA CRUZ COUNTY

NOTES TO FINANCIAL STATEMENTS FISCAL YEAR ENDED JUNE 30, 2002

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Santa Cruz County conform to U.S. generally accepted accounting principles applicable to governmental units adopted by the Governmental Accounting Standards Board (GASB). A summary of the County's more significant accounting policies follows.

The County's major operations include general government, public safety, highway and street maintenance and construction, health, welfare and sanitation, education and economic opportunity and recreation.

- a. *Reporting Entity* – The County is a general purpose local government that is governed by a separately elected board of three county supervisors. These general purpose financial statements present all the fund types and account groups of the County (i.e., a primary government) and its component units. Component units are legally separate entities for which the County is considered to be financially accountable. Blended component units, although legally separate entities, are in substance part of the County's operations, and so data from these units is combined with data of the primary government. Discretely presented component units, on the other hand, are reported in a separate column in the combined financial statements to emphasize they are legally separate from the County. Each blended component unit discussed below has a June 30 year-end. The County has no discretely presented component units.

Blended Component Unit – The County has established the Santa Cruz County Flood Control District to manage water retention issues for the County. The District is legally separate from the County, but the Board of Supervisors of the County serves as the Board of Directors of the District. The District is reported as a special revenue fund in the accompanying financial statements. Separate financial statements of the District are not prepared.

- b. *Basis of Presentation – Fund Accounting* – The County's accounts are maintained in accordance with the principles of fund accounting to ensure that limitations and restrictions on the County's available resources are observed. The principles of fund accounting require that resources be classified for accounting and reporting purposes into funds or account groups in accordance with the activities or objectives specified for those resources. Each fund is considered a separate accounting entity, and its operations are accounted for in a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures. Account groups are reporting devices to account for certain assets and liabilities of the governmental funds not recorded directly in those funds.

Accounts are separately maintained for each fund and account group; however, in the accompanying financial statements, funds that have similar characteristics have been combined into generic fund types that are further classified into broad fund categories. A description of the fund categories, types, and account groups used by the County follows:

SANTA CRUZ COUNTY

NOTES TO FINANCIAL STATEMENTS FISCAL YEAR ENDED JUNE 30, 2002

GOVERNMENTAL FUNDS account for the County's general government activities using the flow of current financial resources measurement focus and include the following fund types:

General Fund – The General Fund is the County's primary operating fund. It accounts for all financial resources of the County, except those required to be accounted for in other funds.

Special Revenue Funds – The Special Revenue Funds account for specific revenue sources, other than major capital projects, that are legally restricted to expenditures for specified purposes.

Debt Service Fund – The Debt Service Fund accounts for resources accumulated and used for the payment of general long-term debt principal, interest, and related costs.

Capital Projects Funds – The Capital Projects Funds account for resources to be used for acquiring or constructing major capital facilities.

FIDUCIARY FUNDS account for assets held by the County on behalf of others, and include the following fund types:

Investment Trust Funds – The Investment Trust Funds account for investments made by the County on behalf of other governmental entities using the economic resources measurement focus.

Agency Funds – The Agency Funds are custodial in nature and do not present results of operations or have a measurement focus. These funds are used to account for assets that the government holds for others in an agency capacity.

ACCOUNT GROUPS are used to establish control and accountability for certain County assets and liabilities that are not recorded in the funds and include the following two groups:

General Fixed Assets Account Group – This account group accounts for all fixed assets of the County.

General Long-Term Debt Account Group – This account group accounts for all long-term obligations of the County.

- c. *Basis of Accounting* – Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied and determines when revenues and expenditures are recognized in the accounts and reported in the financial statements. However, since debt service resources are provided during the current year for payment of general long-term debt principal and interest due early in the following year, those expenditures have been recognized in the Debt Service Fund.

The financial statements of the Governmental and Agency Funds are presented on the modified accrual basis of accounting. Revenues are recognized when they become measurable and available to finance expenditures of the current period. Expenditures are recognized when the related fund liability is incurred, except for principal and interest on general long-term debt that are recognized when due.

SANTA CRUZ COUNTY

NOTES TO FINANCIAL STATEMENTS FISCAL YEAR ENDED JUNE 30, 2002

The financial statements of the Investment Trust Funds are presented on the accrual basis of accounting. Revenues are recognized when they are earned, and expenses are recognized when they are incurred.

In applying the susceptible to accrual test 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 for the specific purpose or project before any amounts will be paid to the County; therefore, revenues are recognized when the related expenditures are incurred. In the other, monies are virtually unrestricted as to purpose of expenditures and nearly irrevocable, i.e., revocable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt. Property taxes collected within 60 days after the end of the year are recorded as revenue since, at that time, they are deemed available to pay liabilities of the current period.

Licenses and permits, fines and miscellaneous revenues 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.

- d. *Budgeting and Budgetary Control* – Arizona Revised Statutes (A.R.S.) require the County to prepare and adopt a balanced budget annually for each separate fund. The Board of Supervisors must approve such operating budgets on or before the third Monday in July to allow sufficient time for the legal announcements and hearings required for the adoption of the property tax levy on the third Monday in August. No supplemental appropriations are made subsequent to budget adoption. All appropriations lapse at the end of the fiscal year. A.R.S. prohibit expenditures or liabilities in excess of the amounts budgeted.

Essentially, the County prepares its budget on the same modified accrual basis of accounting used to record actual revenues and expenditures.

The County has adopted budgets in accordance with the A.R.S. requirements for the General, Special Revenue, Debt Service and Capital Projects Funds, cited above. Expenditures may not legally exceed appropriations at the department level. Transfers of appropriations between departments or from the contingency account to a department may be made upon approval by the Board of Supervisors.

- e. *Encumbrances* – Encumbrance accounting, under which purchase orders, contracts and other commitments to expend monies are recorded to reserve that portion of the applicable fund balance, is not employed by the County during the year. However, the County must encumber amounts necessary and available to pay liabilities outstanding for goods or services received but unpaid at June 30, after which warrants may be drawn against the encumbered amounts for 60 days immediately following the close of the fiscal year. After 60 days, the remaining encumbered balances lapse.

SANTA CRUZ COUNTY

NOTES TO FINANCIAL STATEMENTS FISCAL YEAR ENDED JUNE 30, 2002

- f. *Grants and Entitlements* – In governmental funds, grants which are awarded for a specific purpose are considered to be earned when the related expenditure occurs. If the grant is awarded on a reimbursable basis, the amount spent is shown as due from other governmental units until the cash is received. If cash is received in advance, the revenue recognition is deferred until the related expenditure occurs. Grants and assistance awards made on the basis of entitlement periods are recorded as intergovernmental receivables and revenues when entitlement occurs.
- g. *Cash and Investments* – Nonparticipating interest-earning investment contracts are stated at cost. Money market investments and participating interest-earning investment contracts with a remaining maturity of one year or less at time of purchase are stated at amortized cost. All other investments are stated at fair value.
- h. *Inventories* – Purchases of inventory items are recorded at the time of purchase as expenditures in the funds from which the purchases were made and because the amounts on hand at June 30, 2002, were immaterial, they are not included in the balance sheet.
- i. *General Fixed Assets* – General fixed assets have been acquired for general governmental purposes. Assets purchased are recorded as expenditures in the General, Special Revenue and Capital Projects Funds and capitalized at cost or estimated historical cost (if original cost is not available) in the General Fixed Assets Account Group. Estimates of historical cost were based on price levels at the time of acquisition and various supply item catalogs. Fixed assets with estimated costs are not material to the General Fixed Assets Account Group. Gifts or contributions of fixed assets are recorded in the General Fixed Assets Account Group at fair market value at the time received. It is the County's policy not to include public domain fixed assets such as roads, bridges, streets and similar items in the General Fixed Assets Account Group. Since such assets are normally immovable and normally of value only to the County, the purpose of stewardship is satisfied without recording these assets. No depreciation is provided on general fixed assets. General fixed assets sold or otherwise disposed of are eliminated from the accounts. Interest is capitalized on general fixed assets acquired with tax-exempt debt. The amount of interest to be capitalized is calculated by offsetting interest expense incurred from the date of borrowing until the completion of the project with interest earned on invested proceeds during the same period.
- j. *Investment Income* – Investment income is composed of interest, dividends, and net changes in the fair value of applicable investments.
- k. *Property Taxes* – Property taxes are recognized as revenues in the fiscal year they are levied and collected or if they are collected within 60 days subsequent to fiscal year-end. Property taxes not collected within 60 days subsequent to fiscal year-end or collected in advance of the fiscal year for which they are levied are reported as deferred revenues.

SANTA CRUZ COUNTY

NOTES TO FINANCIAL STATEMENTS FISCAL YEAR ENDED JUNE 30, 2002

- l. *Compensated Absences* – Compensated absences consist of vacation leave and a calculated amount of sick leave earned by employees based on services already rendered. Employees may accumulate up to 240 hours of vacation depending on years of service, but any vacation hours in excess of the maximum amount that are unused at year-end are forfeited. Upon termination of employment, all unused and unforfeited vacation benefits are paid to employees. Accordingly, vacation benefits are accrued as a liability in the financial statements. Generally sick leave benefits provide for ordinary sick pay and are cumulative but do not vest with employees and therefore, are not accrued. However, for employees who terminate with a minimum of five years of continuous service and have accumulated sick leave hours in excess of 240 hours, sick leave benefits do vest and, therefore, are accrued. Such eligible terminating employees are compensated for actual sick leave at a percentage in proportion to years of service provided.

The amount of compensated absences expected to be paid by available financial resources is recorded as a current liability at June 30 in the General and Special Revenue Funds. The remaining noncurrent amount of compensated absences is recorded in the General Long-Term Debt Account Group.

- m. *Total Columns on Combined Statements* – The total columns on the combined statements are captioned “Memorandum Only” to indicate the aggregate of the columnar statements by fund type and account group. The data in these columns does not present financial position or results of operations in conformity with U.S. generally accepted accounting principles and is not comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Individual Fund Deficits – The following deficits resulted from operations during the year but are expected to be corrected through normal operations in fiscal year 2002-2003 or through General Fund operating transfers.

Fund	Deficit
Special Revenue:	
Waste Tire Grant	\$ 5,726
Literacy Coordinator	3,344
Capital Projects:	
Airport Hangar Construction	5,160
Airport Runway Widening	242,000
Community Development Block Grant Projects	1,340

SANTA CRUZ COUNTY

NOTES TO FINANCIAL STATEMENTS FISCAL YEAR ENDED JUNE 30, 2002

Excess of Expenditures Over Appropriations in Individual Funds – Various departments within the General Fund as reported on the General Fund – Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (page 27) had an excess of actual expenditures over appropriations. The excess expenditures were primarily the result of unexpected expenditures and/or additional unanticipated revenues. Certain Special Revenue Funds, as listed below, had an excess of actual expenditures over appropriations.

The excess in Workforce Investment Act expenditures resulted from the County receiving more federal and state grant revenues than budgeted for, which resulted in increased expenditures. The remaining excess expenditures resulted from unforeseen expenditures that the County did not budget for.

Fund	Excess Expenditures
Special Revenue:	
Animal Control	\$ 57,906
Local Emergency Plan Committee	89
Waste Tire Grant	12,515
Literacy Coordinator	1,748
Workforce Investment Act Grant	328,843

3. DEPOSITS AND INVESTMENTS

Arizona Revised Statutes authorize the County to invest public monies in the State Treasurer's investment pool; U.S. Treasury obligations; specified state and local government bonds; and interest-earning investments such as savings accounts, certificates of deposit and repurchase agreements in eligible depositories. The Statutes require collateral for demand deposits, certificates of deposit, and repurchase agreements at 101 percent of all deposits not covered by federal depository insurance.

County Treasurer's Investment Pool – Arizona Revised Statutes require community colleges, school districts and other local governments to deposit certain public monies with the County Treasurer (see **Note 15**). Those monies are pooled with County monies for investment purposes.

Deposits – At June 30, 2002, the investment pool had cash on hand of \$210,777. The carrying amount of the investment pool's total cash in bank was (\$1,084,222) because the County invested available cash relating to outstanding warrants, and the bank balance was (\$147,599). The County's agreement with the bank allows overdrafts for one day to enable the County to cover the overdraft by transferring monies from the State Treasurer's investment pool.

SANTA CRUZ COUNTY

NOTES TO FINANCIAL STATEMENTS FISCAL YEAR ENDED JUNE 30, 2002

Investments – At June 30, 2002, the investments in the County Treasurer’s investment pool consisted of the following:

	Fair Value
Investment in State Treasurer’s investment pool	<u>\$ 19,025,280</u>

The State Board of Deposit provides oversight for the State Treasurer’s pools, and the Local Government Investment Pool Advisory Committee provides consultation and advice to the Treasurer. The fair value of a participant’s position in the pool approximates the value of that participant’s pool shares. Those shares are not identified with specific investments and are not subject to custodial credit risk.

Other Deposits – At June 30, 2002, the carrying amount of nonpooled cash on hand was \$9,090. The carrying amount of the County’s total nonpooled cash in bank was \$1,022,855, and the bank balance was \$1,071,293. Of the bank balance, \$722,486 was covered by federal depository insurance and \$348,807 was covered by collateral held by the pledging financial institution’s trust department or agent in the County’s name.

Other Investments – At June 30, 2002, the County’s nonpooled investments consisted of the following:

	Fair Value
Investment in State Treasurer’s investment pool	<u>\$ 3,380,052</u>

A reconciliation of cash and investments to amounts shown as cash and cash equivalents on the Combined Balance Sheet follows:

	County Treasurer's Investment Pool	Other	Total
Cash on hand	\$ 210,077	\$ 9,090	\$ 219,167
Carrying amount of deposits	(1,084,222)	1,022,855	(61,367)
Fair value of investments	<u>19,025,280</u>	<u>3,380,052</u>	<u>22,405,332</u>
Total	<u>\$ 18,151,135</u>	<u>\$ 4,411,997</u>	<u>\$ 22,563,132</u>

SANTA CRUZ COUNTY

NOTES TO FINANCIAL STATEMENTS FISCAL YEAR ENDED JUNE 30, 2002

4. PROPERTY TAXES RECEIVABLE

The County levies real property taxes on or before the third Monday in August that become due and payable in two equal installments. The first installment is due on the first day of October and becomes delinquent after the first business day of November. The second installment is due on the first day of March of the next year and becomes delinquent after the first business day of May.

During the year, the County also levies various personal property taxes that are due the second Monday of the month following receipt of the tax notice and become delinquent 30 days later.

A lien assessed against real and personal property attaches on the first day of January preceding assessment and levy.

Property taxes receivable consist of uncollected property taxes as determined from the records of the County Treasurer's Office, and at June 30, 2002, the uncollected property taxes and related allowances for uncollectibles were as follows:

Fiscal year	General Fund	Special Revenue Funds	Debt Service Fund
2001-02	\$ 781,243	\$ 150,647	\$ 79,566
Prior	597,202	63,736	62,490
Less allowances for uncollectibles	<u>441,457</u>	<u>59,239</u>	<u>47,032</u>
Net total	<u>\$ 936,988</u>	<u>\$ 155,144</u>	<u>\$ 95,024</u>

That portion of property taxes receivable not collected within 60 days after June 30, 2002, has been deferred and, consequently, is not included in the current-year revenues.

5. DUE FROM OTHER GOVERNMENTAL UNITS

Amounts due from other governments at June 30, 2002, in the General Fund include \$905,236 in sales taxes and \$97,065 in auto lieu tax from the State of Arizona. The remaining balance results from various grants and contracts with other governmental units and interest due on the investments held with the State Treasurer. Amounts due from other governments in the Special Revenue Funds include \$425,977 in highway user taxes from the State of Arizona and \$1,085,704 for federal reimbursement grants. The remaining balance results from various grants with other governmental units and interest due on investments held with the State Treasurer. Amounts due from other governments in the Debt Service Fund represents interest due on investments held with the State Treasurer of \$761.

SANTA CRUZ COUNTY

NOTES TO FINANCIAL STATEMENTS FISCAL YEAR ENDED JUNE 30, 2002

6. CHANGES IN GENERAL FIXED ASSETS

A summary of the changes in general fixed assets follows:

	Balance July 1, 2001	Additions	Deletions	Balance June 30, 2002
Land and improvements	\$ 8,065,777	\$ 179,507		\$ 8,245,284
Buildings and improvements	9,978,704	114,784		10,093,488
Construction equipment and vehicles	7,529,718	691,895	\$ 140,677	8,080,936
Furniture and equipment	1,261,031	457,563	24,860	1,693,734
Construction in progress	<u>289,838</u>	<u>562,985</u>	<u>179,507</u>	<u>673,316</u>
Total	<u>\$ 27,125,068</u>	<u>\$ 2,006,734</u>	<u>\$ 345,044</u>	<u>\$ 28,786,758</u>

The estimated cost to complete construction in progress at June 30, 2002, was \$1,010,168.

7. LONG-TERM NOTES PAYABLE

Long-term notes payable consist of agreements for emergency road repairs and the development of air park infrastructure at a total purchase price of \$1,064,215. The future minimum payments required under the contracts at June 30, 2002, including interest varying from 3.11 to 5.80 percent, are as follows:

Year Ending June 30,

2003	\$ 201,191
2004	197,142
2005	193,095
2006	189,047
2007	113,921
Thereafter	<u>189,625</u>
Total minimum payments	1,084,021
Less amount representing interest	<u>134,886</u>
Present value of minimum payments	<u>\$ 949,135</u>

8. OBLIGATIONS UNDER CAPITAL LEASES

The County has acquired equipment under the provisions of various long-term lease agreements classified as capital leases for accounting purposes because they provide for a bargain purchase option or a transfer of ownership by the end of the lease term. Accordingly, such assets totaling \$1,819,415 at June 30, 2002, are capitalized in the General Fixed Assets Account Group. The future minimum lease payments under the capital leases, together with the present value of the net minimum lease payments at June 30, 2002, were as follows:

SANTA CRUZ COUNTY

NOTES TO FINANCIAL STATEMENTS FISCAL YEAR ENDED JUNE 30, 2002

Fiscal Year Ending June 30,

2003	\$ 406,355
2004	470,305
2005	245,700
2006	157,186
2007	75,897
Thereafter	<u>120,948</u>
Total minimum lease payments	1,476,391
Less amounts representing interest	<u>186,804</u>
Present value of net minimum lease payments	<u>\$ 1,289,587</u>

9. LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS

State and federal laws and regulations require the County to place a final cover on each of its three landfill sites when they stop accepting waste and to perform certain maintenance and monitoring functions at the sites for 30 years after closure. Although closure and postclosure care costs will not be paid until near or after the date that the landfills stop accepting waste, the County reports a portion of these closure and postclosure care costs as an addition to the General Long-Term Debt Account Group in each period based on landfill capacity used as of each balance sheet date. The \$2,105,750 reported as landfill closure and postclosure care liability at June 30, 2002, represents the cumulative amount reported to date based on the use of 48 percent of the estimated capacity of the landfills. The County will recognize the remaining estimated cost of closure and postclosure care of \$2,165,250 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in fiscal year 2002. The County closed one landfill in 1994 and expects to close the remaining two landfills in the years 2015 and 2058 and the actual cost may be higher due to inflation, changes in technology, or changes in regulations. Closure and postclosure costs will be met by user fees and budget appropriations. Landfill user fees are periodically reviewed in order to make adjustments as necessary.

According to state and federal laws and regulations, the County must comply with the local government financial test requirements that assure the County can meet the costs of landfill closure, postclosure, and corrective action when needed. The County is in compliance with these requirements.

10. ESTIMATED LIABILITIES FOR LANDFILL ENVIRONMENTAL REGULATION COMPLIANCE

The County is subject to various state and federal regulations governing the operations of its landfills. Although the County has generally complied with these requirements, as of June 30, 2002, it had not installed certain required improvements at one of its landfills, including adequate gas extraction and storm water control systems. The estimated cost to complete these improvements is accrued in the General Long-Term Debt Account Group, but the actual cost could be higher due to inflation, changes in technology, or changes in regulations.

SANTA CRUZ COUNTY

NOTES TO FINANCIAL STATEMENTS FISCAL YEAR ENDED JUNE 30, 2002

11. BONDS PAYABLE

General obligation bonds payable at June 30, 2002, consisted of the outstanding general obligation bonds presented below. The bonds are generally noncallable, with interest payable semiannually.

Principal and interest requirements at June 30, 2002, were as follows:

Description	Interest Rates	Maturities	Outstanding Principal July 1, 2001	Retirements	Outstanding Principal June 30, 2002
Series 1993	5.20% to 5.60%	2003 – 2006	\$ 2,410,000	\$ 435,000	\$ 1,975,000

General obligation bond debt service requirements to maturity, including \$278,370 of interest, are as follows:

Fiscal Year Ending June 30,	
2003	\$ 562,310
2004	563,650
2005	567,730
2006	<u>559,680</u>
Total	<u>\$ 2,253,370</u>

12. RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County carries commercial insurance for risks of loss relating to the ownership of the Nogales International Airport, and settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years. Other risks of loss are covered by the County's participation in the Arizona Counties Property and Casualty Pool, the Arizona Counties Workers' Compensation Pool and the Arizona Local Government Employee Benefit Trust, which are described below.

- a. *The Arizona Counties Property and Casualty Pool* is a public entity risk pool currently composed of 11 member counties. The pool provides member counties catastrophic loss coverage for risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters; and provides risk management services. Such coverage includes all defense costs as well as the amount of any judgment or settlement. The County is responsible for paying a premium, based on its exposure in relation to the exposure of the other participants, and a deductible of \$5,000 for each occurrence. The County is also responsible for any payments in excess of the maximum coverage of \$100 million per occurrence for property claims and \$15 million per occurrence for liability claims. A county must participate in the pool at least three years after becoming a member; however, it may withdraw after the initial three-year period. If the pool were to become insolvent, the County would be assessed an additional contribution.

SANTA CRUZ COUNTY

NOTES TO FINANCIAL STATEMENTS FISCAL YEAR ENDED JUNE 30, 2002

- b. *The Arizona Counties Workers' Compensation Pool* is a public entity risk pool currently composed of 11 member counties. The pool provides member counties with workers' compensation coverage, as required by law, and risk management services. The County is responsible for paying a premium, based on an experience rating formula, that allocates pool expenditures and liabilities among the members.

The Arizona Counties Property and Casualty Pool and the Arizona Counties Workers' Compensation Pool receive independent audits annually and an audit by the Arizona Department of Insurance triennially. Both pools accrue liabilities for losses that have been incurred but not reported. These liabilities are determined annually based on an independent actuarial valuation.

- c. *The Arizona Local Government Employee Benefit Trust* – The County provides life, health and disability benefits to its employees and their dependents through the Arizona Local Government Employee Benefit Trust currently composed of six member counties. The Trust provides the benefits through a self-funding agreement with its participants and administers the program. The County is responsible for paying the premium and may require its employees to contribute a portion of that premium. If it withdraws from the Trust, the County is responsible for any claims run-out costs, including claims reported but not settled, claims incurred but not reported, and administrative costs. If the Trust were to terminate, the County would be responsible for its proportional share of any Trust deficit.

13. CHANGES IN LONG-TERM LIABILITIES

A summary of changes in the liabilities reported in the General Long-Term Debt Account Group follows:

	Balance July 1, 2001	Additions	Reductions	Balance June 30, 2002
Accrued payroll and employee benefits	\$ 579,694	\$ 37,939	\$ 5,605	\$ 612,028
General obligation bonds payable	2,410,000		435,000	1,975,000
Obligations under capital leases	1,220,892	406,704	338,009	1,289,587
Long-term notes payable	785,001	643,827	479,693	949,135
Estimated liabilities for claims and judgments	75,000			75,000
Estimated liabilities for landfill closure and postclosure care costs	2,181,835		76,085	2,105,750
Estimated liabilities for landfill environmental regulation compliance	950,000		50,000	900,000
Total	<u>\$8,202,422</u>	<u>\$ 1,088,470</u>	<u>\$1,384,392</u>	<u>\$7,906,500</u>

SANTA CRUZ COUNTY

NOTES TO FINANCIAL STATEMENTS FISCAL YEAR ENDED JUNE 30, 2002

14. INTERFUND RECEIVABLES, PAYABLES AND OPERATING TRANSFERS

The interfund receivables, payables and operating transfers by fund are as follows:

	Due From Other Funds	Due to Other Funds	Operating Transfers From Other Funds	Operating Transfers to Other Funds
General Fund	\$ 1,416,342		\$ 228,759	\$ 601,293
Special Revenue Funds:				
Juvenile Services		\$ 205,587		
Probation Services		20,213	2,684	
Animal Control			239,186	
Flood		180,272		161,534
Criminal Justice Enhancement		676,203	101,539	11,129
Road			23,247	
Jail Enhancement			7,677	
Other		11,309	82,454	5,719
Workforce Investment Act Grant		262,524		
Retrieval Conversion				100,039
Health Services			249,427	
Capital Project Funds:				
CDBG Projects		47,257	837	9,053
Airport Industrial Park		12,977		47,043
Total	<u>\$ 1,416,342</u>	<u>\$ 1,416,342</u>	<u>\$ 935,810</u>	<u>\$ 935,810</u>

15. COUNTY TREASURER'S INVESTMENT POOL

Arizona Revised Statutes require community colleges, school districts and other local governments to deposit certain public monies with the County Treasurer. The Treasurer has a fiduciary responsibility to administer those and the County monies under his stewardship. The Treasurer invests, on a pool basis, all idle monies not specifically invested for a fund or program. In addition, the Treasurer determines the fair value of those pooled investments annually at June 30.

The County Treasurer's investment pool is not registered with the Securities and Exchange Commission as an investment company and there is no regulatory oversight of its operations. The structure of the pool does not provide for shares and the County has not provided or obtained any legally binding guarantees to support the value of the participants' investments.

Details of each major investment classification follows.

SANTA CRUZ COUNTY

NOTES TO FINANCIAL STATEMENTS FISCAL YEAR ENDED JUNE 30, 2002

Investment Type	Principal	Interest Rate	Maturities	Fair Value
State Treasurer's Investment Pool	\$ 19,025,280	No Stated Interest Rate	No Stated Maturity	\$ 19,025,280

A condensed statement of the investment pool's net assets and changes in net assets follows:

Statement of Net Assets:

Assets	\$ 18,174,727
Liabilities	
Net assets	<u>\$ 18,174,727</u>

Net assets held in trust for:

Internal participants	\$ 2,910,524
External participants	<u>15,264,203</u>
Total net assets held in trust	<u>\$ 18,174,727</u>

Statement of Changes in Net Assets:

Total additions	\$105,668,366
Total deductions	<u>108,181,503</u>
Net decrease	(2,513,137)
Net assets held in trust:	
July 1, 2001	<u>20,687,864</u>
June 30, 2002	<u>\$ 18,174,727</u>

16. CONTINGENT LIABILITIES

Litigation – The County is contingently liable for lawsuits and other claims incidental to the ordinary course of its operations. Anticipated losses from lawsuits and other claims are accrued in the General Long-Term Debt Account Group. In the opinion of County management, based on the advice of the County Attorney, any other matters will not have a materially adverse effect on the County's financial position at June 30, 2002.

17. BUDGETARY REPORTING

The County's adopted budget is prepared on a basis consistent with generally accepted accounting principles, with one exception: the present value of net minimum capital lease payments and long-term notes payable are not budgeted as capital outlay expenditures and other financing sources at the inception of the agreements. Consequently, the following adjustments are necessary to present actual expenditures and other financing sources on a budgetary basis for the year ended June 30, 2002, in order to provide a meaningful comparison.

SANTA CRUZ COUNTY

NOTES TO FINANCIAL STATEMENTS FISCAL YEAR ENDED JUNE 30, 2002

	General Fund		Special Revenue Funds	
	Total Expenditures	Total Other Financing Sources	Total Expenditures	Total Other Financing Sources
Combined Statement of Revenues, Expenditures and Changes in Fund Balances	\$ 18,459,073	\$ (103,056)	\$ 12,262,359	\$ 1,208,846
Present value of long-term notes payable			(643,827)	(643,827)
Present value of net minimum capital lease payments	<u>(269,478)</u>	<u>(269,478)</u>	<u>(137,226)</u>	<u>(137,226)</u>
Combined Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual	<u>\$ 18,189,595</u>	<u>\$ (372,534)</u>	<u>\$ 11,481,306</u>	<u>\$ 427,793</u>

18. RETIREMENT PLANS

Plan Descriptions – The County contributes to the four plans described below. Benefits are established by state statute and generally provide retirement, death, long-term disability, survivor and health insurance premium benefits.

The *Arizona State Retirement System (ASRS)* administers a cost-sharing multiple-employer defined benefit pension plan that covers general employees of the County. The ASRS is governed by the Arizona State Retirement System Board according to the provisions of A.R.S. Title 38, Chapter 5, Article 2.

The *Public Safety Personnel Retirement System (PSPRS)* is an agent multiple-employer defined benefit pension plan that covers public safety personnel who are regularly assigned hazardous duty as employees of the State of Arizona or one of its political subdivisions. The PSPRS, acting as a common investment and administrative agent, is governed by a five-member board, known as The Fund Manager, and 189 local boards according to the provisions of A.R.S. Title 38, Chapter 5, Article 4.

The *Corrections Officer Retirement Plan (CORP)* is an agent multiple-employer defined benefit pension plan that covers certain employees of the State of Arizona, Departments of Corrections and Juvenile Corrections and County employees whose primary duties require direct inmate contact. The CORP is governed by The Fund Manager of PSPRS and 12 local boards according to the provisions of A.R.S. Title 38, Chapter 5, Article 6.

The *Elected Officials Retirement Plan (EORP)* is a cost-sharing multiple-employer defined benefit pension plan that covers elected officials and judges of certain state and local governments. The EORP is governed by The Fund Manager of PSPRS according to the provisions of A.R.S. Title 38, Chapter 5, Article 3.

Each plan issues a publicly available financial report that includes its financial statements and required supplementary information. A report may be obtained by writing or calling the applicable plan.

SANTA CRUZ COUNTY

NOTES TO FINANCIAL STATEMENTS FISCAL YEAR ENDED JUNE 30, 2002

ASRS

3300 North Central Avenue
Post Office Box 33910
Phoenix, Arizona 85067-3910
(602) 240-2000 or
(800) 621-3778

PSPRS, CORP AND EORP

1020 East Missouri Avenue
Phoenix, Arizona 85014
(602) 255-5575

Funding Policy – The Arizona State Legislature establishes and may amend active plan members’ and the County’s contribution rates.

Cost-Sharing Plans – For the year ended June 30, 2002, active ASRS members and the County were each required by statute to contribute at the actuarially determined rate of 2.49 percent (2.00 percent retirement and 0.49 percent long-term disability) of the members’ annual covered payroll. The County’s contributions to ASRS for the years ended June 30, 2002, 2001 and 2000 were \$189,558, \$184,128, and \$168,500, respectively, which were equal to the required contributions for the year.

In addition, active EORP members were required by statute to contribute 7 percent of the members’ annual covered payroll. The County was required to remit a designated portion of court docket fees. The County had no required contribution to EORP for the fiscal year-ended June 30, 2002 and contributions of \$6,021, and \$5,917, for the years ended June 30, 2001 and 2002, respectively, which were equal to the required contributions for the year.

Agent Plans – For the year ended June 30, 2002, active PSPRS members were required by statute to contribute 7.65 percent of the members’ annual covered payroll, and the County was required to contribute at the actuarially determined rate of 12.99 percent. Active CORP members were required by statute to contribute 8.5 percent of the members’ annual covered payroll, and the County was required to contribute at the actuarially determined rate of 2.00 percent.

Annual Pension Cost – The County’s pension cost for the two agent plans for the year ended June 30, 2002, and related information follows:

	PSPRS	CORP
Contribution rates:		
County	12.99%	2%
Plan members	7.65%	8.5%
Annual pension cost	\$177,405	\$7,572
Contributions made	\$177,405	\$7,572

SANTA CRUZ COUNTY

NOTES TO FINANCIAL STATEMENTS FISCAL YEAR ENDED JUNE 30, 2002

The current-year annual required contributions for both the PSPRS and CORP were determined as part of their June 30, 2000, actuarial valuations using the entry-age actuarial cost method. The actuarial assumptions included (a) 9 percent investment rate of return and (b) projected salary increases ranging from 6.5 percent to 9.5 percent per year. Both (a) and (b) included an inflation component of 5.5 percent. The assumptions did not include cost-of-living adjustments. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a four-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at June 30, 2001, was 20 years.

Trend Information – Annual pension cost information for the current and two preceding years follows for each of the agent plans.

Contributions Required and Contributions Made				
Plan	Year Ended June 30,	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
PSPRS	2002	\$ 177,405	100.0%	\$ 0
	2001	181,851	100.0%	0
	2000	127,208	100.0%	0
CORP	2002	\$ 7,572	100.0%	\$ 0
	2001	0	N/A	0
	2000	20,312	100.0%	0

Funding Progress – The following analysis of funding progress for each of the agent plans as of June 30, 2001, was obtained from the three most recent actuarial evaluations of the agent plans.

PSPRS

Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (b)	Funding (Liability) Excess (a-b)	Funded Ratio (a/b)	Annual Covered Payroll (c)	Unfunded Liability as Percentage of Covered Payroll ([a-b]/c)
June 30, 2001	\$ 3,942,396	\$ 4,128,198	\$ (185,802)	95.5 %	\$ 1,324,279	14.0 %
June 30, 2000	3,441,668	4,014,051	(572,383)	85.7 %	953,705	60.0 %
June 30, 1999	2,964,988	3,640,059	(675,071)	81.5 %	1,243,398	54.3 %

SANTA CRUZ COUNTY

NOTES TO FINANCIAL STATEMENTS FISCAL YEAR ENDED JUNE 30, 2002

CORP

Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (b)	Funding (Liability) Excess (a-b)	Funded Ratio (a/b)	Annual Covered Payroll (c)	Unfunded Liability as Percentage of Covered Payroll ((a-b)/c)
June 30, 2001	\$ 1,307,206	\$ 577,145	\$ 730,061	226.5 %	\$ 525,811	
June 30, 2000	1,228,534	540,398	688,136	227.3 %	515,177	
June 30, 1999	994,755	426,009	568,746	233.5 %	577,281	

19. IMPLEMENTATION OF GASB STATEMENT No. 34

Beginning with fiscal year 2003, the County will prepare its external financial reports following the requirements of GASB Statement No. 34, *Basic Financial Statements—and Management’s Discussion and Analysis—for State and Local Governments*. Implementing this standard will significantly change the accounting principles and reporting format the County uses in future financial reports.

* * * * *

**COMBINING AND INDIVIDUAL FUND AND
ACCOUNT GROUP FINANCIAL STATEMENTS
AND SCHEDULES**

GENERAL FUND

SPECIAL REVENUE FUNDS

CAPITAL PROJECTS FUNDS

INVESTMENT TRUST AND AGENCY FUNDS

GENERAL FIXED ASSETS ACCOUNT GROUP

SANTA CRUZ COUNTY

GENERAL FUND

The General Fund accounts for all resources used to finance County services, which are not required to be accounted for in other funds. These services include General Government, Public Safety, Health, Welfare and Sanitation, Education and Economic Opportunity, Recreation and Capital Outlay.

SANTA CRUZ COUNTY

GENERAL FUND – SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL FISCAL YEAR ENDED JUNE 30, 2002

	Budget	Actual	Variance
REVENUES:			
Taxes	\$ 8,444,033	\$ 8,314,351	\$ (129,682)
Intergovernmental	6,815,465	7,812,612	997,147
Licenses and permits	350,000	463,603	113,603
Charges for services	1,458,139	1,303,828	(154,311)
Fines and forfeits	520,000	524,530	4,530
Investment income	140,000	101,484	(38,516)
Miscellaneous	115,000	31,638	(83,362)
	<u>17,842,637</u>	<u>18,552,046</u>	<u>709,409</u>
EXPENDITURES:			
General Government:			
Adult Probation	320,372	321,176	(804)
Airport	90,723	548,892	(458,169)
Assessor	540,393	515,275	25,118
Board of Supervisors	3,328,484	2,512,492	815,992
Clerk of Superior Court	515,464	502,023	13,441
Constable	42,997	50,432	(7,435)
County Attorney	746,509	698,416	48,093
Elections	25,881	10,894	14,987
Grounds and Maintenance	672,442	674,250	(1,808)
Information Technology	44,441	62,807	(18,366)
Justice Court	567,930	572,417	(4,487)
Planning and Zoning	311,118	235,518	75,600
Public Fiduciary	203,403	155,770	47,633
Recorder	203,830	210,418	(6,588)
Superior Court	1,014,695	967,928	46,767
Treasurer	335,976	324,462	11,514
	<u>8,964,658</u>	<u>8,363,170</u>	<u>601,488</u>
Public Safety:			
Building Codes	235,158	232,273	2,885
Emergency Services	97,568	94,949	2,619
Juvenile Detention	494,588	523,069	(28,481)
Security	58,023	60,637	(2,614)
Sheriff	3,195,743	3,359,564	(163,821)
	<u>4,081,080</u>	<u>4,270,492</u>	<u>(189,412)</u>

(Continued)

SANTA CRUZ COUNTY

GENERAL FUND – SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL FISCAL YEAR ENDED JUNE 30, 2002

	Budget	Actual	Variance
Health, Welfare and Sanitation:			
Landfill Reserve	\$ 1,704,890	\$ 1,347,684	\$ 357,206
Long-Term Care Services	1,635,342	1,707,337	(71,995)
Medical Assistance	62,147	88,689	(26,542)
Medical Indigent	631,332	515,151	116,181
Mental Health Services	<u>88,000</u>	<u>126,995</u>	<u>(38,995)</u>
Total health, welfare and sanitation	<u>4,121,711</u>	<u>3,785,856</u>	<u>335,855</u>
Education and Economic Opportunity:			
Drug Education	89,023	88,158	865
School Superintendent	<u>1,110,023</u>	<u>1,106,329</u>	<u>3,694</u>
Total education and economic opportunity	<u>1,199,046</u>	<u>1,194,487</u>	<u>4,559</u>
Recreation	217,564	152,015	65,549
Capital Outlay	<u>620,862</u>	<u>423,575</u>	<u>197,287</u>
Total expenditures	<u>19,204,921</u>	<u>18,189,595</u>	<u>1,015,326</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,362,284)</u>	<u>362,451</u>	<u>1,724,735</u>
OTHER FINANCING SOURCES (USES):			
Operating transfers from other funds	161,734	228,759	67,025
Operating transfers to other funds	<u>(702,730)</u>	<u>(601,293)</u>	<u>101,437</u>
Total other financing sources (uses)	<u>(540,996)</u>	<u>(372,534)</u>	<u>168,462</u>
EXCESS OF REVENUES AND OTHER SOURCES UNDER EXPENDITURES AND OTHER USES	(1,903,280)	(10,083)	1,893,197
FUND BALANCE, BEGINNING OF YEAR	<u>1,903,280</u>	<u>3,793,966</u>	<u>1,890,686</u>
FUND BALANCE, END OF YEAR	<u>\$</u>	<u>\$ 3,783,883</u>	<u>\$ 3,783,883</u>

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SANTA CRUZ COUNTY

SPECIAL REVENUE FUNDS

These funds account for revenues which are restricted as to use by grantor, statute and/or local policy.

- The **Road and Flood Funds** account for the maintenance of the County's roads and subdivision street systems and the County's flood control facility systems, respectively, in accordance with adopted standards.
- The **Animal Control and Health Services Funds** account for the major health services of the County by providing animal control services, and public health disease and pollution prevention services, respectively.
- The **Probation Services, Criminal Justice Enhancement, Juvenile Services and Jail Enhancement Funds** account for various public safety and criminal justice programs which provide adult and juvenile probation and rehabilitation, family counseling, crime prevention, criminal apprehension and prosecution, and jail maintenance and improvement services for the County.
- The **Retrieval Conversion Fund** accounts for the procurement of computer hardware and software, employee computer training and computer equipment maintenance for the County's courts and the Recorder's Office.
- The **Workforce Investment Act Grant (W.I.A.)** accounts for federal programs to help educate and train low-income youth and adults to improve the quality of the workforce.
- Several small fund programs were combined into the Other category, and account for various minor programs. The small funds/programs include **Child Support and Visitation, Commodity Flow Study, Taxpayers' Information, Local Emergency Plan Committee, Local Emergency Plan Committee '97, Local Emergency Plan Committee '98, Local Emergency Plan Committee '99, Domestic Prep Hazardous Material Training, Case Management, School Forest Fees, Law Library, Old Courthouse, Waste Tire Grant, and Literacy Coordinator.**

SANTA CRUZ COUNTY

COMBINING BALANCE SHEET – SPECIAL REVENUE FUNDS JUNE 30, 2002

ASSETS	Road	Animal Control	Probation Services	Health Services	Flood
Cash and cash equivalents	\$ 1,305,558	\$ 3,072	\$ 229,907	\$ 96,099	\$ 335,042
Property taxes receivable					155,144
Due from other governmental units	476,738	32,440	27,104	24,232	429,880
Accounts receivable	454	349	92	4,138	
Prepaid Items	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL	<u>\$ 1,782,750</u>	<u>\$ 35,861</u>	<u>\$ 257,103</u>	<u>\$ 124,469</u>	<u>\$ 920,066</u>
 LIABILITIES AND FUND EQUITY					
LIABILITIES:					
Accounts payable	\$ 336,094	\$ 3,821	\$ 6,825	\$ 18,907	\$ 23,424
Due to other funds			20,213		180,272
Deferred revenue					120,083
Accrued payroll and employee benefits	<u>89,251</u>	<u>16,686</u>	<u>44,322</u>	<u>18,174</u>	<u>20,977</u>
Total liabilities	<u>425,345</u>	<u>20,507</u>	<u>71,360</u>	<u>37,081</u>	<u>344,756</u>
 FUND EQUITY – Unreserved fund balance	 <u>1,357,405</u>	 <u>15,354</u>	 <u>185,743</u>	 <u>87,388</u>	 <u>575,310</u>
TOTAL	<u>\$ 1,782,750</u>	<u>\$ 35,861</u>	<u>\$ 257,103</u>	<u>\$ 124,469</u>	<u>\$ 920,066</u>

Criminal Justice Enhance- ment	Juvenile Services	Jail Enhance- ment	Retrieval Conver- sion	W.I.A.	Other	Total June 30, 2002
\$ 462,175	\$ 150,898	\$ 83,117	\$ 365,229	\$ 31,262	\$ 138,989	\$ 3,201,348
687,519	205,713	13,596	122	393,032	38,153	155,144
29		1,403	1,264	666	20	2,328,529
228		515				8,415
<u>1,149,951</u>	<u>356,611</u>	<u>98,631</u>	<u>366,615</u>	<u>424,960</u>	<u>177,162</u>	<u>5,694,179</u>
\$ 45,954	\$ 27,315	\$ 7,506	\$ 80,734	\$ 110,051	\$ 22,938	\$ 683,569
676,203	205,587			262,524	11,309	1,356,108
306,245	12,408					438,736
58,001	37,318	3,957		30,000	6,081	324,767
<u>1,086,403</u>	<u>282,628</u>	<u>11,463</u>	<u>80,734</u>	<u>402,575</u>	<u>40,328</u>	<u>2,803,180</u>
63,548	73,983	87,168	285,881	22,385	136,834	2,890,999
<u>1,149,951</u>	<u>356,611</u>	<u>98,631</u>	<u>366,615</u>	<u>424,960</u>	<u>177,162</u>	<u>5,694,179</u>

SANTA CRUZ COUNTY

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – SPECIAL REVENUE FUNDS FISCAL YEAR ENDED JUNE 30, 2002

	Road	Animal Control	Probation Services	Health Services	Flood
REVENUES:					
Taxes					\$ 1,084,697
Intergovernmental	\$ 3,142,389	\$ 136,304	\$ 733,707	\$ 216,000	2,019,625
Charges for services		19,428	73,827	111,958	
Fines and forfeits					
Investment income	30,325	58	6,675	2,251	2,914
Rents					
Contributions				2,049	
Miscellaneous	3,265	16,667	6,147	21,464	2,368
Total revenues	<u>3,175,979</u>	<u>172,457</u>	<u>820,356</u>	<u>353,722</u>	<u>3,109,604</u>
EXPENDITURES:					
Current:					
General government			815,252		
Public safety					
Highways and streets	2,777,241				1,977,467
Health, welfare and sanitation		376,498		562,506	
Education and economic opportunity					
Capital outlay	781,053				
Total expenditures	<u>3,558,294</u>	<u>376,498</u>	<u>815,252</u>	<u>562,506</u>	<u>1,977,467</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(382,315)</u>	<u>(204,041)</u>	<u>5,104</u>	<u>(208,784)</u>	<u>1,132,137</u>
OTHER FINANCING SOURCES (USES):					
Capital lease agreement	137,226				
Proceeds from long-term notes	643,827				
Operating transfers from other funds	23,247	239,186	2,684	249,427	
Operating transfers to other funds					(161,534)
Total other financing sources (uses)	<u>804,300</u>	<u>239,186</u>	<u>2,684</u>	<u>249,427</u>	<u>(161,534)</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	421,985	35,145	7,788	40,643	970,603
FUND BALANCES (DEFICITS), BEGINNING OF YEAR	<u>935,420</u>	<u>(19,791)</u>	<u>177,955</u>	<u>46,745</u>	<u>(395,293)</u>
FUND BALANCES, END OF YEAR	<u>\$ 1,357,405</u>	<u>\$ 15,354</u>	<u>\$ 185,743</u>	<u>\$ 87,388</u>	<u>\$ 575,310</u>

Criminal Justice Enhance- ment	Juvenile Services	Jail Enhance- ment	Retrieval Conver- sion	W.I.A.	Other	Total June 30, 2002
\$ 1,256,977	\$ 62,326	\$ 14,664	\$ 24,600	\$ 1,668,698	\$ 216,657	\$ 1,161,687
26,244	1,083,701	154,806	59,860		98,906	10,653,464
187,305	15,485	1,518	100,223			407,226
11,031	4,661	1,194	10,940		3,234	287,528
	125				14,524	73,283
19,651	10,859	39,873		9,185		14,524
<u>1,501,208</u>	<u>1,177,157</u>	<u>212,055</u>	<u>195,623</u>	<u>1,677,883</u>	<u>333,321</u>	<u>129,479</u>
596,407	710,801		161,323		111,188	2,394,971
922,730		234,163			1,153	1,158,046
	575,140			1,427,573	125,866	4,754,708
					105,998	1,064,870
<u>1,519,137</u>	<u>1,285,941</u>	<u>234,163</u>	<u>161,323</u>	<u>1,427,573</u>	<u>344,205</u>	<u>2,108,711</u>
						<u>781,053</u>
<u>(17,929)</u>	<u>(108,784)</u>	<u>(22,108)</u>	<u>34,300</u>	<u>250,310</u>	<u>(10,884)</u>	<u>467,006</u>
101,539		7,677			82,454	137,226
(11,129)			(100,039)		(5,719)	643,827
<u>90,410</u>		<u>7,677</u>	<u>(100,039)</u>		<u>76,735</u>	<u>706,214</u>
						<u>(278,421)</u>
72,481	(108,784)	(14,431)	(65,739)	250,310	65,851	1,675,852
(8,933)	182,767	101,599	351,620	(227,925)	70,983	1,215,147
<u>\$ 63,548</u>	<u>\$ 73,983</u>	<u>\$ 87,168</u>	<u>\$ 285,881</u>	<u>\$ 22,385</u>	<u>\$ 136,834</u>	<u>\$ 2,890,999</u>

SANTA CRUZ COUNTY

ROAD – STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL FISCAL YEAR ENDED JUNE 30, 2002

	Budget	Actual	Variance
REVENUES:			
Intergovernmental	\$ 3,150,000	\$ 3,142,389	\$ (7,611)
Investment income		30,325	30,325
Miscellaneous		3,265	3,265
Total revenues	<u>3,150,000</u>	<u>3,175,979</u>	<u>25,979</u>
EXPENDITURES:			
Current:			
Highways and streets – Road	<u>3,970,162</u>	<u>2,777,241</u>	<u>1,192,921</u>
EXCESS OF REVENUES (UNDER) OVER EXPENDITURES	(820,162)	398,738	1,218,900
OTHER FINANCING SOURCES:			
Operating transfers from other funds	<u>5,000</u>	<u>23,247</u>	<u>18,247</u>
EXCESS OF REVENUES AND OTHER SOURCES (UNDER) OVER EXPENDITURES	<u>(815,162)</u>	<u>421,985</u>	<u>1,237,147</u>
FUND BALANCE, BEGINNING OF YEAR	<u>815,162</u>	<u>935,420</u>	<u>120,258</u>
FUND BALANCE, END OF YEAR	<u>\$</u>	<u>\$ 1,357,405</u>	<u>\$ 1,357,405</u>

SANTA CRUZ COUNTY

ANIMAL CONTROL – STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL FISCAL YEAR ENDED JUNE 30, 2002

	Budget	Actual	Variance
REVENUES:			
Intergovernmental	\$ 104,000	\$ 136,304	\$ 32,304
Charges for services	18,000	19,428	1,428
Investment income		58	58
Miscellaneous		16,667	16,667
Total revenues	<u>122,000</u>	<u>172,457</u>	<u>50,457</u>
EXPENDITURES:			
Current:			
Health, welfare and sanitation – Animal Control	<u>318,592</u>	<u>376,498</u>	<u>(57,906)</u>
EXCESS OF REVENUES UNDER EXPENDITURES	<u>(196,592)</u>	<u>(204,041)</u>	<u>(7,449)</u>
OTHER FINANCING SOURCES –			
Operating transfers from other funds	<u>195,459</u>	<u>239,186</u>	<u>43,727</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES	<u>(1,133)</u>	<u>35,145</u>	<u>36,278</u>
FUND BALANCE (DEFICIT), BEGINNING OF YEAR	<u>1,133</u>	<u>(19,791)</u>	<u>(20,924)</u>
FUND BALANCE, END OF YEAR	<u>\$</u>	<u>\$ 15,354</u>	<u>\$ 15,354</u>

SANTA CRUZ COUNTY

PROBATION SERVICES – STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL FISCAL YEAR ENDED JUNE 30, 2002

	Budget	Actual	Variance
REVENUES:			
Intergovernmental	\$ 752,192	\$ 733,707	\$ (18,485)
Charges for services	124,600	73,827	(50,773)
Investment income		6,675	6,675
Miscellaneous		6,147	6,147
	<u>876,792</u>	<u>820,356</u>	<u>(56,436)</u>
Total revenues			
EXPENDITURES:			
Current:			
General government - Probation	1,134,419	815,252	319,167
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(257,627)</u>	<u>5,104</u>	<u>262,731</u>
OTHER FINANCING SOURCES —			
Operating transfers from other funds	<u>2,684</u>	<u>2,684</u>	
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES	<u>(254,943)</u>	<u>7,788</u>	<u>262,731</u>
FUND BALANCE, BEGINNING OF YEAR	<u>254,943</u>	<u>177,955</u>	<u>(76,988)</u>
FUND BALANCE, END OF YEAR	<u>\$</u>	<u>\$ 185,743</u>	<u>\$ 185,743</u>

SANTA CRUZ COUNTY

HEALTH SERVICES – STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL FISCAL YEAR ENDED JUNE 30, 2002

	Budget	Actual	Variance
REVENUES:			
Intergovernmental	\$ 210,338	\$ 216,000	\$ 5,662
Charges for services	88,000	111,958	23,958
Investment income		2,251	2,251
Contributions		2,049	2,049
Miscellaneous		21,464	21,464
	<u>298,338</u>	<u>353,722</u>	<u>55,384</u>
Total revenues			
EXPENDITURES:			
Current:			
Health, welfare and sanitation:			
Environmental Health	421,081	336,905	84,176
Sexually Transmitted Diseases Program	5,000	3,100	1,900
Nutrition	12,750	12,750	
Women, Infants, and Children	25,807	25,807	
Immunization	27,816	27,816	
Tuberculosis	123,952	117,001	6,951
Human Immunodeficiency Virus (H.I.V.) Testing	46,094	37,127	8,967
School Superintendent	2,000	2,000	
	<u>664,500</u>	<u>562,506</u>	<u>101,994</u>
Total expenditures			
EXCESS OF REVENUES UNDER EXPENDITURES	<u>(366,162)</u>	<u>(208,784)</u>	<u>157,378</u>
OTHER FINANCING SOURCES— Operating transfers from other funds	<u>269,432</u>	<u>249,427</u>	<u>(20,005)</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES	<u>(96,730)</u>	<u>40,643</u>	<u>137,373</u>
FUND BALANCE, BEGINNING OF YEAR	<u>96,730</u>	<u>46,745</u>	<u>(49,985)</u>
FUND BALANCE, END OF YEAR	<u>\$</u>	<u>\$ 87,388</u>	<u>\$ 87,388</u>

SANTA CRUZ COUNTY

FLOOD – STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL FISCAL YEAR ENDED JUNE 30, 2002

	Budget	Actual	Variance
REVENUES:			
Taxes	\$ 1,159,128	\$ 1,084,697	\$ (74,431)
Intergovernmental	2,220,797	2,019,625	(201,172)
Investment income		2,914	2,914
Miscellaneous		2,368	2,368
	<u>3,379,925</u>	<u>3,109,604</u>	<u>(270,321)</u>
Total revenues			
EXPENDITURES:			
Current:			
Highways and Streets:			
Chula Vista South	19,271	5,479	13,792
Pickrell Bridge	604,164	46,945	557,219
South River Rd		2,750	(2,750)
Avenida Cocospeva	31,246	4,450	26,796
Via Patricia	10,000		10,000
Avenida Cherokee	21,317	25,567	(4,250)
Avenida Navidad	24,878	3,924	20,954
Avenida Beatriz	50,282	62,084	(11,802)
Calle Toruno	59,404	88,465	(29,061)
Flood District	2,682,278	1,737,803	944,475
	<u>3,502,840</u>	<u>1,977,467</u>	<u>1,525,373</u>
Total expenditures			
EXCESS OF REVENUES (UNDER) OVER EXPENDITURES	<u>(122,915)</u>	<u>1,132,137</u>	<u>1,255,052</u>
OTHER FINANCING SOURCES (USES):			
Operating transfers from other funds	25,253		(25,253)
Operating transfers to other funds	(161,734)	(161,534)	200
Total other financing sources (uses)	<u>(136,481)</u>	<u>(161,534)</u>	<u>(25,053)</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>(259,396)</u>	<u>970,603</u>	<u>1,229,999</u>
FUND BALANCE (DEFICIT), BEGINNING OF YEAR	<u>259,396</u>	<u>(395,293)</u>	<u>(654,689)</u>
FUND BALANCE, END OF YEAR	<u>\$</u>	<u>\$ 575,310</u>	<u>\$ 575,310</u>

SANTA CRUZ COUNTY

CRIMINAL JUSTICE ENHANCEMENT – STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL FISCAL YEAR ENDED JUNE 30, 2002

	Budget	Actual	Variance
REVENUES:			
Intergovernmental	\$ 1,173,021	\$ 1,256,977	\$ 83,956
Charges for services	21,000	26,244	5,244
Fines and forfeits	250,000	187,305	(62,695)
Investment income		11,031	11,031
Miscellaneous		19,651	19,651
Total revenues	<u>1,444,021</u>	<u>1,501,208</u>	<u>57,187</u>
EXPENDITURES:			
Current:			
General government:			
County Attorney	703,311	550,801	152,510
Board of Supervisors	5,923		5,923
Superior Court	12,693		12,693
Probation Department	62,157	45,606	16,551
Total general government	<u>784,084</u>	<u>596,407</u>	<u>187,677</u>
Public safety:			
County Attorney		12,906	(12,906)
Sheriff	1,077,191	887,267	189,924
Nogales Police	6,000	11,575	(5,575)
Metro Task Force	19,000	7,199	11,801
Department of Public Safety	5,000	2,834	2,166
Other Agencies	5,000	949	4,051
Total public safety	<u>1,112,191</u>	<u>922,730</u>	<u>189,461</u>
Total expenditures	<u>1,896,275</u>	<u>1,519,137</u>	<u>377,138</u>
EXCESS OF REVENUES UNDER EXPENDITURES	<u>(452,254)</u>	<u>(17,929)</u>	<u>434,325</u>
OTHER FINANCING SOURCES (USES):			
Operating transfers from other funds	101,989	101,539	(450)
Operating transfers to other funds	(69,310)	(11,129)	58,181
Total other financing sources (uses)	<u>32,679</u>	<u>90,410</u>	<u>57,731</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>(419,575)</u>	<u>72,481</u>	<u>492,056</u>
FUND BALANCE (DEFICIT), BEGINNING OF YEAR	<u>419,575</u>	<u>(8,933)</u>	<u>(428,508)</u>
FUND BALANCE, END OF YEAR	<u>\$</u>	<u>\$ 63,548</u>	<u>\$ 63,548</u>

SANTA CRUZ COUNTY

JUVENILE SERVICES – STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL FISCAL YEAR ENDED JUNE 30, 2002

	Budget	Actual	Variance
REVENUES:			
Taxes	\$ 75,198	\$ 62,326	\$ (12,872)
Intergovernmental	1,131,459	1,083,701	(47,758)
Charges for services	13,000	15,485	2,485
Investment income		4,661	4,661
Contributions		125	125
Miscellaneous		10,859	10,859
Total revenues	<u>1,219,657</u>	<u>1,177,157</u>	<u>(42,500)</u>
EXPENDITURES:			
Current:			
General government:			
Superior Court	50,062	59,108	(9,046)
Probation	884,637	651,693	232,944
Total General Government	<u>934,699</u>	<u>710,801</u>	<u>223,898</u>
Education & Economic Opportunity - School Superintendent	<u>427,962</u>	<u>575,140</u>	<u>(147,178)</u>
Total expenditures	<u>1,362,661</u>	<u>1,285,941</u>	<u>76,720</u>
EXCESS OF REVENUES UNDER EXPENDITURES	<u>(143,004)</u>	<u>(108,784)</u>	<u>34,220</u>
FUND BALANCE, BEGINNING OF YEAR	<u>143,004</u>	<u>182,767</u>	<u>39,763</u>
FUND BALANCE, END OF YEAR	<u>\$</u>	<u>\$ 73,983</u>	<u>\$ 73,983</u>

SANTA CRUZ COUNTY

JAIL ENHANCEMENT – STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL FISCAL YEAR ENDED JUNE 30, 2002

	Budget	Actual	Variance
REVENUES:			
Taxes	\$ 15,351	\$ 14,664	\$ (687)
Intergovernmental	120,000	154,806	34,806
Charges for services	2,500	1,518	(982)
Investment income		1,194	1,194
Miscellaneous	<u>36,000</u>	<u>39,873</u>	<u>3,873</u>
Total revenues	<u>173,851</u>	<u>212,055</u>	<u>38,204</u>
EXPENDITURES:			
Current:			
Public safety:			
Sheriff	220,553	233,848	(13,295)
School Superintendent	<u>45,366</u>	<u>315</u>	<u>45,051</u>
Total expenditures	<u>265,919</u>	<u>234,163</u>	<u>31,756</u>
EXCESS OF REVENUES UNDER EXPENDITURES	<u>(92,068)</u>	<u>(22,108)</u>	<u>69,960</u>
OTHER FINANCING SOURCES— Operating transfers from other funds	<u> </u>	<u>7,677</u>	<u>7,677</u>
EXCESS OF REVENUES AND OTHER SOURCES UNDER EXPENDITURES	<u>(92,068)</u>	<u>(14,431)</u>	<u>77,637</u>
FUND BALANCE, BEGINNING OF YEAR	<u>92,068</u>	<u>101,599</u>	<u>9,531</u>
FUND BALANCE, END OF YEAR	<u>\$ </u>	<u>\$ 87,168</u>	<u>\$ 87,168</u>

SANTA CRUZ COUNTY

RETRIEVAL CONVERSION – STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL FISCAL YEAR ENDED JUNE 30, 2002

	Budget	Actual	Variance
REVENUES:			
Intergovernmental	\$ 24,600	\$ 24,600	\$
Charges for services	64,600	59,860	(4,740)
Fines and forfeits	22,000	100,223	78,223
Investment income		10,940	10,940
Total revenues	<u>111,200</u>	<u>195,623</u>	<u>84,423</u>
EXPENDITURES:			
Current:			
General government:			
Justice Court #1	81,223		81,223
Justice Court #2	10,158		10,158
Superior Court	197,466	29,039	168,427
Clerk of Superior Court	62,207	1,714	60,493
Recorder	112,213	130,570	(18,357)
Total expenditures	<u>463,267</u>	<u>161,323</u>	<u>301,944</u>
EXCESS OF REVENUES (UNDER) OVER EXPENDITURES	<u>(352,067)</u>	<u>34,300</u>	<u>386,367</u>
OTHER FINANCING USES – Operating transfers to other funds	<u></u>	<u>(100,039)</u>	<u>(100,039)</u>
EXCESS OF REVENUES UNDER EXPENDITURES AND OTHER USES	<u>(352,067)</u>	<u>(65,739)</u>	<u>286,328</u>
FUND BALANCE, BEGINNING OF YEAR	<u>352,067</u>	<u>351,620</u>	<u>(447)</u>
FUND BALANCE, END OF YEAR	<u>\$</u>	<u>\$ 285,881</u>	<u>\$ 285,881</u>

SANTA CRUZ COUNTY

WORKFORCE INVESTMENT ACT GRANT – STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL FISCAL YEAR ENDED JUNE 30, 2002

	Budget	Actual	Variance
REVENUES:			
Intergovernmental	\$ 1,098,730	\$ 1,668,698	\$ 569,968
Miscellaneous		9,185	9,185
Total revenues	<u>1,098,730</u>	<u>1,677,883</u>	<u>579,153</u>
EXPENDITURES:			
Current:			
Education & Economic Opportunity:			
WIA Youth-In-School	339,459	246,236	93,223
WIA Youth-Out of School	140,957	66,525	74,432
WIA Youth Administration		2,029	(2,029)
WIA	618,314	1,105,930	(487,616)
WIA Adult Administration		6,853	(6,853)
Total expenditures	<u>1,098,730</u>	<u>1,427,573</u>	<u>(328,843)</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u> </u>	<u>250,310</u>	<u>250,310</u>
FUND DEFICIT, BEGINNING OF YEAR	<u> </u>	<u>(227,925)</u>	<u>(227,925)</u>
FUND BALANCE, END OF YEAR	<u>\$ </u>	<u>\$ 22,385</u>	<u>\$ 22,385</u>

SANTA CRUZ COUNTY

CHILD SUPPORT AND VISITATION – STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL FISCAL YEAR ENDED JUNE 30, 2002

	Budget	Actual	Variance
REVENUES:			
Charges for services	\$ 3,000	\$ 1,322	\$ (1,678)
Investment income	<u> </u>	<u> 970</u>	<u> 970</u>
Total revenues	<u> 3,000</u>	<u> 2,292</u>	<u> (708)</u>
EXPENDITURES:			
Current:			
General government – Superior Court	<u> 32,632</u>	<u> </u>	<u> 32,632</u>
EXCESS OF REVENUES (UNDER) OVER EXPENDITURES	<u> (29,632)</u>	<u> 2,292</u>	<u> 31,924</u>
FUND BALANCE, BEGINNING OF YEAR	<u> 29,632</u>	<u> 29,633</u>	<u> 1</u>
FUND BALANCE, END OF YEAR	<u> \$ </u>	<u> \$ 31,925</u>	<u> \$ 31,925</u>

SANTA CRUZ COUNTY

COMMODITY FLOW STUDY – STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL FISCAL YEAR ENDED JUNE 30, 2002

	Budget	Actual	Variance
REVENUES:			
Intergovernmental	\$ _____	\$ <u>7,350</u>	\$ <u>7,350</u>
EXPENDITURES:			
Current:			
Public Safety	_____	_____	_____
EXCESS OF REVENUES OVER EXPENDITURES	_____	<u>7,350</u>	<u>7,350</u>
FUND BALANCE, BEGINNING OF YEAR	_____	_____	_____
FUND BALANCE, END OF YEAR	\$ <u>_____</u>	\$ <u>7,350</u>	\$ <u>7,350</u>

SANTA CRUZ COUNTY

TAXPAYERS' INFORMATION – STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL FISCAL YEAR ENDED JUNE 30, 2002

	Budget	Actual	Variance
REVENUES:			
Charges for services	\$ 6,000	\$ 5,181	\$ (819)
Investment income	<u> </u>	<u> 225</u>	<u> 225</u>
Total revenues	<u> 6,000</u>	<u> 5,406</u>	<u> (594)</u>
EXPENDITURES:			
Current:			
General government – Treasurer	<u> 18,043</u>	<u> 12,409</u>	<u> 5,634</u>
EXCESS OF REVENUES UNDER EXPENDITURES	<u> (12,043)</u>	<u> (7,003)</u>	<u> 5,040</u>
FUND BALANCE, BEGINNING OF YEAR	<u> 12,043</u>	<u> 9,191</u>	<u> (2,852)</u>
FUND BALANCE, END OF YEAR	<u> \$ </u>	<u> \$ 2,188</u>	<u> \$ 2,188</u>

SANTA CRUZ COUNTY

LOCAL EMERGENCY PLAN COMMITTEE – STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL FISCAL YEAR ENDED JUNE 30, 2002

	Budget	Actual	Variance
REVENUES:			
Investment income	\$ _____	\$ 2	\$ 2
EXPENDITURES:			
Current:			
Public safety – Emergency Services	_____	89	(89)
EXCESS OF REVENUES UNDER EXPENDITURES	_____	(87)	(87)
OTHER FINANCING SOURCES (USES) –			
Operating transfers from other funds		718	718
Operating transfers to other funds	_____	(1)	(1)
Total other financing sources (uses)	_____	717	717
EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	_____	630	630
FUND DEFICIT, BEGINNING OF YEAR	_____	(630)	(630)
FUND BALANCE, END OF YEAR	\$ _____	\$ _____	\$ _____

SANTA CRUZ COUNTY

LOCAL EMERGENCY PLAN COMMITTEE `97 – STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL FISCAL YEAR ENDED JUNE 30, 2002

	Budget	Actual	Variance
REVENUES:			
Investment income	\$ _____	\$ 19	\$ 19
EXPENDITURES:			
Current:			
Public safety – Emergency Services	<u>2,250</u>	<u>24</u>	<u>2,226</u>
EXCESS OF REVENUES UNDER EXPENDITURES	(2,250)	(5)	2,245
OTHER FINANCING USES –			
Operating transfers to other funds	_____	<u>(718)</u>	<u>(718)</u>
EXCESS OF REVENUES UNDER EXPENDITURES AND OTHER USES	<u>(2,250)</u>	<u>(723)</u>	<u>1,527</u>
FUND BALANCE, BEGINNING OF YEAR	<u>2,250</u>	<u>723</u>	<u>(1,527)</u>
FUND BALANCE, END OF YEAR	\$ _____	\$ _____	\$ _____

SANTA CRUZ COUNTY

LOCAL EMERGENCY PLAN COMMITTEE '98 – STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL FISCAL YEAR ENDED JUNE 30, 2002

	Budget	Actual	Variance
REVENUES:			
Investment income	\$ _____	\$ _____	\$ _____
EXPENDITURES:			
Current:			
Public safety – Emergency Services	<u>2,440</u>	<u>32</u>	<u>2,408</u>
EXCESS OF REVENUES UNDER EXPENDITURES	<u>(2,440)</u>	<u>(32)</u>	<u>2,408</u>
FUND BALANCE, BEGINNING OF YEAR	<u>2,440</u>	<u>32</u>	<u>(2,408)</u>
FUND BALANCE, END OF YEAR	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ _____</u>

SANTA CRUZ COUNTY

LOCAL EMERGENCY PLAN COMMITTEE' 99 – STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL FISCAL YEAR ENDED JUNE 30, 2002

	Budget	Actual	Variance
REVENUES:			
Intergovernmental	\$ _____	\$ 9,425	\$ 9,425
EXPENDITURES:			
Current:			
Public Safety:			
Emergency Services	_____ 60	_____ 60	_____
EXCESS OF REVENUES (UNDER) OVER EXPENDITURES	(60)	9,365	9,425
OTHER FINANCING SOURCES – Operating transfers from other funds	_____	_____ 1	_____ 1
EXCESS OF REVENUES AND OTHER SOURCES (UNDER) OVER EXPENDITURES	_____ (60)	_____ 9,366	_____ 9,426
FUND BALANCE, BEGINNING OF YEAR	_____ 60	_____ 61	_____ 1
FUND BALANCE, END OF YEAR	\$ _____	\$ 9,427	\$ 9,427

SANTA CRUZ COUNTY

DOMESTIC PREP HAZARDOUS MATERIAL TRAINING – STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL FISCAL YEAR ENDED JUNE 30, 2002

	Budget	Actual	Variance
REVENUES:			
Investment income	\$ <u> </u>	\$ <u> 79</u>	\$ <u> 79</u>
EXPENDITURES:			
Current:			
Public safety – Emergency Services	<u> 2,578</u>	<u> 948</u>	<u> 1,630</u>
EXCESS OF REVENUES UNDER EXPENDITURES	<u> (2,578)</u>	<u> (869)</u>	<u> 1,709</u>
FUND BALANCE, BEGINNING OF YEAR	<u> 2,578</u>	<u> 2,354</u>	<u> (224)</u>
FUND BALANCE, END OF YEAR	<u> </u>	<u> \$ 1,485</u>	<u> \$ 1,485</u>

SANTA CRUZ COUNTY

CASE MANAGEMENT – STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL FISCAL YEAR ENDED JUNE 30, 2002

	Budget	Actual	Variance
REVENUES:			
Intergovernmental	\$ 52,416	\$ 70,030	\$ 17,614
Investment income	<u> </u>	<u> 852</u>	<u> 852</u>
Total revenues	<u> 52,416</u>	<u> 70,882</u>	<u> 18,466</u>
EXPENDITURES:			
Current:			
Health, welfare and sanitation – Medical Assistance	<u> 78,326</u>	<u> 58,590</u>	<u> 19,736</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(25,910)</u>	<u> 12,292</u>	<u> 38,202</u>
FUND BALANCE, BEGINNING OF YEAR	<u> 25,910</u>	<u> 33,114</u>	<u> 7,204</u>
FUND BALANCE, END OF YEAR	<u>\$ </u>	<u>\$ 45,406</u>	<u>\$ 45,406</u>

SANTA CRUZ COUNTY

SCHOOL FOREST FEES – STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL FISCAL YEAR ENDED JUNE 30, 2002

	Budget	Actual	Variance
REVENUES:			
Intergovernmental	\$ 45,000	\$ 79,014	\$ 34,014
Investment income		829	829
Total revenues	<u>45,000</u>	<u>79,843</u>	<u>34,843</u>
EXPENDITURES:			
Current:			
Education and economic opportunity – School Superintendent	<u>57,565</u>	<u>47,482</u>	<u>10,083</u>
EXCESS OF REVENUES (UNDER) OVER EXPENDITURES	<u>(12,565)</u>	<u>32,361</u>	<u>44,926</u>
OTHER FINANCING USES – Operating transfers to other funds	<u>(5,000)</u>	<u>(5,000)</u>	
EXCESS OF REVENUES (UNDER) OVER EXPENDITURES AND OTHER USES	<u>(17,565)</u>	<u>27,361</u>	<u>44,926</u>
FUND BALANCE, BEGINNING OF YEAR	<u>17,565</u>	<u>12,942</u>	<u>(4,623)</u>
FUND BALANCE, END OF YEAR	<u>\$</u>	<u>\$ 40,303</u>	<u>\$ 40,303</u>

SANTA CRUZ COUNTY

LAW LIBRARY – STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL FISCAL YEAR ENDED JUNE 30, 2002

	Budget	Actual	Variance
REVENUES:			
Charges for Services	<u>\$ 15,000</u>	<u>\$ 15,589</u>	<u>\$ 589</u>
EXPENDITURES:			
Current:			
General Government – Superior Court	<u>30,000</u>	<u>20,686</u>	<u>9,314</u>
EXCESS OF REVENUES UNDER EXPENDITURES	<u>(15,000)</u>	<u>(5,097)</u>	<u>9,903</u>
OTHER FINANCING SOURCES –			
Operating transfers from other funds	<u>15,000</u>	<u>7,500</u>	<u>(7,500)</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES	<u> </u>	<u>2,403</u>	<u>2,403</u>
FUND DEFICIT, BEGINNING OF YEAR	<u> </u>	<u>(2,220)</u>	<u>(2,220)</u>
FUND BALANCE, END OF YEAR	<u>\$ </u>	<u>\$ 183</u>	<u>\$ 183</u>

SANTA CRUZ COUNTY

OLD COURTHOUSE – STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL FISCAL YEAR ENDED JUNE 30, 2002

	Budget	Actual	Variance
REVENUES:			
Intergovernmental	\$ 97,628	\$	\$ (97,628)
Rents	<u> </u>	<u>14,524</u>	<u>14,524</u>
Total revenues	<u>97,628</u>	<u>14,524</u>	<u>(83,104)</u>
EXPENDITURES:			
Current:			
General government – Old Courthouse	<u>139,478</u>	<u>78,093</u>	<u>61,385</u>
EXCESS OF REVENUES UNDER EXPENDITURES	<u>(41,850)</u>	<u>(63,569)</u>	<u>(21,719)</u>
OTHER FINANCING SOURCES – Operating transfers from other funds	<u>41,850</u>	<u>72,380</u>	<u>30,530</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES	<u> </u>	<u>8,811</u>	<u>8,811</u>
FUND DEFICIT, BEGINNING OF YEAR	<u> </u>	<u>(1,173)</u>	<u>(1,173)</u>
FUND BALANCE, END OF YEAR	<u>\$</u>	<u>\$ 7,638</u>	<u>\$ 7,638</u>

SANTA CRUZ COUNTY

WASTE TIRE GRANT – STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL FISCAL YEAR ENDED JUNE 30, 2002

	Budget	Actual	Variance
REVENUES:			
Intergovernmental	\$ 45,000	\$ 50,838	\$ 5,838
Charges for services	1,500		(1,500)
Investment income		258	258
	<u>46,500</u>	<u>51,096</u>	<u>4,596</u>
Total revenues			
EXPENDITURES:			
Current:			
Health, welfare and sanitation – Rio Rico Landfill	<u>54,761</u>	<u>67,276</u>	<u>(12,515)</u>
EXCESS OF REVENUES UNDER EXPENDITURES	(8,261)	(16,180)	(7,919)
OTHER FINANCING SOURCES –			
Operating transfers from other funds	<u> </u>	<u>1,855</u>	<u>1,855</u>
EXCESS OF REVENUES AND OTHER SOURCES UNDER EXPENDITURES	<u>(8,261)</u>	<u>(14,325)</u>	<u>(6,064)</u>
FUND BALANCE, BEGINNING OF YEAR	<u>8,261</u>	<u>8,598</u>	<u>337</u>
FUND DEFICIT, END OF YEAR	<u>\$</u>	<u>\$ (5,727)</u>	<u>\$ (5,727)</u>

SANTA CRUZ COUNTY

LITERACY COORDINATOR – STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL FISCAL YEAR ENDED JUNE 30, 2002

	Budget	Actual	Variance
REVENUES:			
Charges for services	<u>\$ 56,768</u>	<u>\$ 76,814</u>	<u>\$ 20,046</u>
EXPENDITURES:			
Current:			
Education and economic opportunity – School Superintendent	<u>56,768</u>	<u>58,516</u>	<u>(1,748)</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u> </u>	<u>18,298</u>	<u>18,298</u>
FUND DEFICIT, BEGINNING OF YEAR	<u> </u>	<u>(21,642)</u>	<u>(21,642)</u>
FUND DEFICIT, END OF YEAR	<u>\$ </u>	<u>\$ (3,344)</u>	<u>\$ (3,344)</u>

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SANTA CRUZ COUNTY

CAPITAL PROJECTS FUNDS

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major facilities.

SANTA CRUZ COUNTY

COMBINING BALANCE SHEET – CAPITAL PROJECTS FUNDS JUNE 30, 2002

	CDBG Projects	Airport Runway Widening	Airport Industrial Park	Airport Hangar Construction	Total
ASSETS					
Due from other governmental units	\$ 47,256	\$ 242,000		\$ 12,978	\$ 302,234
TOTAL	<u>\$ 47,256</u>	<u>\$ 242,000</u>	<u>\$</u>	<u>\$ 12,978</u>	<u>\$ 302,234</u>
LIABILITIES AND FUND EQUITY					
LIABILITIES:					
Accounts payable		\$ 242,000			\$ 242,000
Due to other funds	\$ 47,256			\$ 12,978	60,234
Deferred revenue	<u>1,340</u>	<u>242,000</u>		<u>5,160</u>	<u>248,500</u>
Total liabilities	<u>48,596</u>	<u>484,000</u>		<u>18,138</u>	<u>550,734</u>
FUND EQUITY –					
Unreserved fund deficit	<u>(1,340)</u>	<u>(242,000)</u>		<u>(5,160)</u>	<u>(248,500)</u>
TOTAL	<u>\$ 47,256</u>	<u>\$ 242,000</u>	<u>\$</u>	<u>\$ 12,978</u>	<u>\$ 302,234</u>

SANTA CRUZ COUNTY

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – CAPITAL PROJECTS FUNDS FISCAL YEAR ENDED JUNE 30, 2002

	CDBG Projects	Airport Runway Widening	Airport Industrial Park	Airport Hangar Construction	Total
REVENUES:					
Intergovernmental	\$ 258,219			\$ 47,028	\$ 305,247
Investment income	195		\$ 1,021		1,216
Total revenues	258,414		1,021	47,028	306,463
EXPENDITURES:					
Capital outlay	251,666	\$ 242,000		46,650	540,316
EXCESS OF REVENUES OVER (UNDER)					
EXPENDITURES	6,748	(242,000)	1,021	378	(233,853)
OTHER FINANCING SOURCES (USES):					
Operating transfers from other funds	837				837
Operating transfers to other funds	(9,053)		(47,043)		(56,096)
Total other financing sources (uses)	(8,216)		(47,043)		(55,259)
EXCESS OF REVENUES AND OTHER					
SOURCES (UNDER) OVER					
EXPENDITURES AND OTHER USES	(1,468)	(242,000)	(46,022)	378	(289,112)
FUND BALANCES (DEFICITS),					
BEGINNING OF YEAR	128		46,022	(5,538)	40,612
FUND DEFICITS, END OF YEAR					
	\$ (1,340)	\$ (242,000)	\$	\$ (5,160)	\$ (248,500)

Note: During the year ended June 30, 2002, the County decided to combine the financial activity of the Community Development Block Grant (CDBG) Projects with CDBG – A.D.A. Compliance and CDBG – Parking Lot Improvements which had previously been presented separately; consequently, the CDBG – A.D.A. Compliance and CDBG – Parking Lot Improvements’ fund deficits at June 30, 2001 of \$7,893 and \$837, respectively, were added to the CDBG Projects fund balance resulting in a \$128 beginning fund balance.

SANTA CRUZ COUNTY

COMMUNITY DEVELOPMENT BLOCK GRANT – STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL FISCAL YEAR ENDED JUNE 30, 2002

	Budget	Actual	Variance
REVENUES:			
Intergovernmental	\$ 1,176,760	\$ 258,219	\$ (918,541)
Investment income		195	195
Total revenues	<u>1,176,760</u>	<u>258,414</u>	<u>(918,346)</u>
EXPENDITURES:			
Capital outlay:			
CIP/Development impact fee	60,000		60,000
De Anza pedestrian pathway	240,862		240,862
CDBG Projects	671,256	251,666	419,590
MIRL upgrade	<u>250,000</u>		<u>250,000</u>
Total expenditures	<u>1,222,118</u>	<u>251,666</u>	<u>970,452</u>
EXCESS OF REVENUES (UNDER) OVER EXPENDITURES	<u>(45,358)</u>	<u>6,748</u>	<u>52,106</u>
OTHER FINANCING SOURCES (USES):			
Operating transfers from other funds	36,500	837	(35,663)
Operating transfers to other funds		<u>(9,053)</u>	<u>(9,053)</u>
Total other financing sources (uses)	<u>36,500</u>	<u>(8,216)</u>	<u>(44,716)</u>
EXCESS OF REVENUES AND OTHER SOURCES UNDER EXPENDITURES AND OTHER USES	<u>(8,858)</u>	<u>(1,468)</u>	<u>7,390</u>
FUND BALANCE, BEGINNING OF YEAR	<u>8,858</u>	<u>128</u>	<u>(8,730)</u>
FUND DEFICIT, END OF YEAR	<u>\$</u>	<u>\$ (1,340)</u>	<u>\$ (1,340)</u>

SANTA CRUZ COUNTY

AIRPORT RUNWAY WIDENING – STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL FISCAL YEAR ENDED JUNE 30, 2002

	Budget	Actual	Variance
REVENUES:			
Intergovernmental	\$1,265,800	\$	\$ (1,265,800)
EXPENDITURES:			
Capital Outlay:			
Runway safety zone hazard elimination	300,000	120,000	180,000
Runway erosion control	250,000		250,000
Airport acquisition equipment	150,000		150,000
Guidance, signage and utility upgrade	300,000		300,000
Runway pavement preservation	150,000		150,000
Phase I - runway/taxiway design	<u>195,000</u>	<u>122,000</u>	<u>73,000</u>
Total expenditures	<u>1,345,000</u>	<u>242,000</u>	<u>1,103,000</u>
EXCESS OF REVENUES UNDER EXPENDITURES	<u>(79,200)</u>	<u>(242,000)</u>	<u>(162,800)</u>
OTHER FINANCING SOURCES – Operating transfers from other funds	<u>79,200</u>		<u>(79,200)</u>
EXCESS OF REVENUES AND OTHER SOURCES UNDER EXPENDITURES		<u>(242,000)</u>	<u>(242,000)</u>
FUND BALANCE, BEGINNING OF YEAR			
FUND DEFICIT, END OF YEAR	<u>\$</u>	<u>\$ (242,000)</u>	<u>\$ (242,000)</u>

SANTA CRUZ COUNTY

AIRPORT INDUSTRIAL PARK – STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL FISCAL YEAR ENDED JUNE 30, 2002

	Budget	Actual	Variance
REVENUES:			
Investment income	\$	\$ 1,021	\$ 1,021
EXPENDITURES:			
Capital outlay – Airport Industrial Park	<u>46,022</u>	<u> </u>	<u>46,022</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(46,022)</u>	<u>1,021</u>	<u>47,043</u>
OTHER FINANCING USES – Operating transfers to other funds	<u> </u>	<u>(47,043)</u>	<u>(47,043)</u>
EXCESS OF REVENUES UNDER EXPENDITURES AND OTHER USES	<u>(46,022)</u>	<u>(46,022)</u>	<u> </u>
FUND BALANCE, BEGINNING OF YEAR	<u>46,022</u>	<u>46,022</u>	<u> </u>
FUND BALANCE, END OF YEAR	<u>\$</u>	<u>\$</u>	<u>\$</u>

SANTA CRUZ COUNTY

AIRPORT HANGAR CONSTRUCTION – STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL FISCAL YEAR ENDED JUNE 30, 2002

	Budget	Actual	Variance
REVENUES:			
Intergovernmental	\$ 42,057	\$ 47,028	\$ 4,971
EXPENDITURES:			
Capital outlay – Airport Master Plan Update	<u>46,742</u>	<u>46,650</u>	<u>92</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(4,685)</u>	<u>378</u>	<u>5,063</u>
OTHER FINANCING SOURCES			
Operating transfers from other funds	<u>4,673</u>	<u> </u>	<u>(4,673)</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES	<u>(12)</u>	<u>378</u>	<u>390</u>
FUND BALANCE (DEFICIT), BEGINNING OF YEAR	<u>12</u>	<u>(5,538)</u>	<u>(5,550)</u>
FUND DEFICIT, END OF YEAR	<u>\$</u>	<u>\$ (5,160)</u>	<u>\$ (5,160)</u>

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SANTA CRUZ COUNTY

INVESTMENT TRUST AND AGENCY FUNDS

The Investment Trust and Agency Funds are used to account for assets held by the County in a trustee capacity or as an agent for individuals, private organizations, other governments or other funds.

The Investment Trust Funds account for investments made by the County on behalf of other governmental entities using the economic resources measurement focus.

Agency Funds are custodial in nature and do not involve a measurement of results of operations.

SANTA CRUZ COUNTY

COMBINING BALANCE SHEET – INVESTMENT TRUST AND AGENCY FUNDS JUNE 30, 2002

	Investment Trust	Agency	Total
ASSETS			
Cash and cash equivalents	\$ 15,577,096	\$ 1,654,620	\$ 17,231,716
Accrued interest receivable	<u>23,592</u>	<u> </u>	<u>23,592</u>
TOTAL	<u>\$ 15,600,688</u>	<u>\$ 1,654,620</u>	<u>\$ 17,255,308</u>
LIABILITIES AND FUND BALANCE			
Due to other governmental units		\$ 125,028	\$ 125,028
Deposits held for other parties		<u>1,529,592</u>	<u>1,529,592</u>
TOTAL LIABILITIES		1,654,620	1,654,620
FUND BALANCE			
Reserved for investment trust participants	<u>\$ 15,600,688</u>	<u> </u>	<u>15,600,688</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 15,600,688</u>	<u>\$ 1,654,620</u>	<u>\$ 17,255,308</u>

SANTA CRUZ COUNTY

COMBINING STATEMENT OF NET ASSETS – INVESTMENT TRUST FUNDS JUNE 30, 2002

	Treasurer's Investment Pool	Individual Investment Accounts	Total
ASSETS			
Cash and cash equivalents	\$ 15,240,611	\$ 336,485	\$ 15,577,096
Accrued interest receivable	<u>23,592</u>	<u> </u>	<u>23,592</u>
TOTAL	<u>\$ 15,264,203</u>	<u>\$ 336,485</u>	<u>\$ 15,600,688</u>
NET ASSETS			
Net assets held in trust	<u>\$ 15,264,203</u>	<u>\$ 336,485</u>	<u>\$ 15,600,688</u>

SANTA CRUZ COUNTY

COMBINING BALANCE SHEET – AGENCY FUNDS JUNE 30, 2002

	Property Tax Collection	Special Purpose	Total
ASSETS			
Cash and cash equivalents	<u>\$ 631,765</u>	<u>\$ 1,022,855</u>	<u>\$ 1,654,620</u>
LIABILITIES			
Due to other governmental units	\$ 125,028		\$ 125,028
Deposits held for other parties	<u>506,737</u>	<u>\$ 1,022,855</u>	<u>1,529,592</u>
TOTAL LIABILITIES	<u>\$ 631,765</u>	<u>\$ 1,022,855</u>	<u>\$ 1,654,620</u>

SANTA CRUZ COUNTY

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES – AGENCY FUNDS FISCAL YEAR ENDED JUNE 30, 2002

	Balance July 1, 2001	Additions	Deductions	Balance June 30, 2002
<u>PROPERTY TAX COLLECTION</u>				
ASSETS				
Cash and cash equivalents	\$ 610,627	\$2,334,682	\$2,313,544	\$ 631,765
LIABILITIES				
Due to other governmental units	\$ 230,043	\$2,208,529	\$2,313,544	\$ 125,028
Deposits held for other parties	380,584	126,153		506,737
TOTAL	\$ 610,627	\$2,334,682	\$2,313,544	\$ 631,765
<u>SPECIAL PURPOSE</u>				
ASSETS				
Cash and cash equivalents	\$ 356,501	\$ 666,354	\$	\$ 1,022,855
LIABILITIES				
Deposits held for other parties	\$ 356,501	\$ 666,354	\$	\$ 1,022,855
<u>TOTALS – ALL AGENCY FUNDS</u>				
ASSETS				
Cash and cash equivalents	\$ 967,128	\$3,001,036	\$2,313,544	\$ 1,654,620
LIABILITIES				
Due to other governmental units	\$ 230,043	\$2,208,529	\$2,313,544	\$ 125,028
Deposits held for other parties	737,085	792,507		1,529,592
TOTAL	\$ 967,128	\$3,001,036	\$2,313,544	\$ 1,654,620

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SANTA CRUZ COUNTY

GENERAL FIXED ASSETS ACCOUNT GROUP

The General Fixed Assets Account Group is used to account for fixed assets of the County. Infrastructure assets such as roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems are not recorded in the General Fixed Assets Account Group.

SANTA CRUZ COUNTY

SCHEDULE OF GENERAL FIXED ASSETS BY SOURCE AS OF JUNE 30, 2002 (with comparative totals for June 30, 2001)

	2002	2001
GENERAL FIXED ASSETS:		
Land and improvements	\$ 8,245,284	\$ 8,065,777
Buildings and improvements	10,093,488	9,978,704
Construction equipment and vehicles	8,080,936	7,529,718
Furniture and equipment	1,693,734	1,261,031
Construction in progress	<u>673,316</u>	<u>289,838</u>
 TOTAL GENERAL FIXED ASSETS	 <u>\$28,786,758</u>	 <u>\$27,125,068</u>
 INVESTMENT IN GENERAL FIXED ASSETS BY SOURCE:		
General Fund	\$ 12,354,181	\$ 11,750,036
Special Revenue Funds	5,304,016	4,809,456
Capital Projects Funds	<u>11,128,561</u>	<u>10,565,576</u>
 TOTAL INVESTMENT IN GENERAL FIXED ASSETS	 <u>\$28,786,758</u>	 <u>\$27,125,068</u>

SANTA CRUZ COUNTY

SCHEDULE OF GENERAL FIXED ASSETS BY FUNCTION AS OF JUNE 30, 2002

Function	Land and Improvements	Buildings and Improvements	Construction Equipment and Vehicles	Furniture and Equipment	Total
GENERAL FIXED ASSETS:					
General government	\$ 5,233,711	\$ 7,199,495	\$ 516,635	\$ 1,037,539	\$ 13,987,380
Public safety	448,857	2,188,472	1,278,210	580,805	4,496,344
Highways and streets	252,287	224,953	3,191,533	46,222	3,714,995
Health, welfare and sanitation	491,589	394,216	3,009,167	20,715	3,915,687
Recreation	1,818,840	86,352	7,659	8,453	1,921,304
Education			77,732		77,732
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL GENERAL FIXED ASSETS ALLOCATED TO FUNCTIONS	<u>\$ 8,245,284</u>	<u>\$ 10,093,488</u>	<u>\$ 8,080,936</u>	<u>\$ 1,693,734</u>	<u>28,113,442</u>
CONSTRUCTION IN PROGRESS					<u>673,316</u>
TOTAL GENERAL FIXED ASSETS					<u>\$ 28,786,758</u>

SANTA CRUZ COUNTY

SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS BY FUNCTION FISCAL YEAR ENDED JUNE 30, 2002

Function	General Fixed Assets July 1, 2001	Additions	Deductions	General Fixed Assets June 30, 2002
GENERAL FIXED ASSETS:				
General government	\$ 13,689,235	\$ 350,331	\$ 52,186	\$ 13,987,380
Public safety	4,131,915	374,679	10,250	4,496,344
Highways and streets	3,225,064	577,981	88,050	3,714,995
Health, welfare and sanitation	3,783,430	140,757	8,500	3,915,687
Recreation	1,927,854		6,550	1,921,304
Education	<u>77,732</u>			<u>77,732</u>
Total general fixed assets allocated to functions	<u>26,835,230</u>	<u>1,443,748</u>	<u>165,536</u>	<u>28,113,442</u>
Construction in progress	<u>289,838</u>	<u>562,985</u>	<u>179,507</u>	<u>673,316</u>
TOTAL GENERAL FIXED ASSETS	<u>\$ 27,125,068</u>	<u>\$ 2,006,733</u>	<u>\$ 345,043</u>	<u>\$ 28,786,758</u>

SANTA CRUZ COUNTY

GENERAL GOVERNMENT EXPENDITURES BY FUNCTION LAST TEN FISCAL YEARS

Fiscal Year	General Government	Public Safety	Highways and Streets	Health, Welfare and Sanitation	Education and Economic Opportunity	Recreation	Debt Service	Total
1992-93 ⁽¹⁾	\$ 6,129,420	\$ 3,149,055	\$ 1,698,851	\$ 3,110,103	\$ 1,805,309	\$ 605,991	\$ 473,192	\$ 16,971,921
1993-94 ⁽¹⁾	6,093,641	2,804,505	1,911,102	2,999,493	1,667,406	113,013	569,138	16,158,298
1994-95 ⁽¹⁾	6,151,768	3,592,542	3,154,229	3,225,382	1,595,039	462,952	571,031	18,752,943
1995-96 ⁽²⁾	6,621,311	3,588,249	2,809,036	3,311,230	1,457,323	137,413	567,886	18,492,448
1996-97 ⁽²⁾	7,388,349	3,891,295	2,360,871	3,988,960	2,056,895	96,128	567,971	20,350,469
1997-98 ⁽²⁾	7,804,516	4,112,307	2,417,027	4,509,819	2,415,599	96,840	567,505	21,923,613
1998-99 ⁽²⁾	8,327,949	4,262,875	2,715,266	4,626,194	2,142,245	95,889	565,326	22,735,744
1999-00 ⁽²⁾	8,777,360	4,943,688	3,251,114	4,773,391	2,216,010	375,407	557,975	24,894,945
2000-01 ⁽³⁾	9,681,412	5,162,176	4,811,564	4,771,920	2,068,935	142,964	564,931	27,203,902
2001-02 ⁽³⁾	10,758,141	5,428,538	4,754,708	4,850,726	3,303,198	152,015	564,656	29,811,982

NOTE:

- (1) Includes General, Special Revenue and Debt Service Funds. Expenditures for capital outlay are not included. For financial reporting the Private Industry Council was blended with the County's Special Revenue Funds prior to fiscal year 1995-96.
- (2) Includes the General Fund, Special Revenue Funds, Debt Service Fund and the Private Industry Council (discretely presented component unit). Expenditures for capital outlay are not included.
- (3) Includes the General Fund, Special Revenue Funds, and Debt Service Fund. Expenditures for capital outlay are not included.

SOURCE: General purpose financial statements

SANTA CRUZ COUNTY

GENERAL GOVERNMENT REVENUES BY SOURCE LAST TEN FISCAL YEARS

Fiscal Year	Taxes	Intergovernmental Revenues	Licenses and Permits	Charges for Services	Fines and Forfeits	Investment Income	Rents	Miscellaneous
1992-93 ⁽¹⁾	\$ 4,263,312	\$ 11,264,020	\$ 118,396	\$ 494,789	\$ 530,349	\$ 138,599	\$ 38,705	\$ 388,793
1993-94 ⁽¹⁾	4,887,216	11,157,920	177,730	824,926	429,541	114,476	47,959	253,012
1994-95 ⁽¹⁾	5,531,492	11,336,950	185,482	702,880	743,524	192,633	21,233	183,435
1995-96 ⁽²⁾	6,076,136	11,082,776	183,081	923,863	535,166	192,820	11,200	119,322
1996-97 ⁽²⁾	6,520,323	11,753,973	224,964	954,759	606,083	171,874	8,475	94,253
1997-98 ⁽²⁾	6,792,874	12,540,779	247,856	1,096,579	590,423	201,704	8,425	99,902
1998-99 ⁽²⁾	8,151,288	13,045,484	415,161	1,373,323	884,693	208,715	8,400	147,217 ⁽³⁾
1999-00 ⁽²⁾	8,393,625	13,781,349	416,327	1,465,321	769,863	263,859	8,400	384,856 ⁽³⁾
2000-01 ⁽⁴⁾	9,089,430	15,480,611	380,183	1,702,029	837,359	299,608	0	331,851 ⁽⁵⁾
2001-02 ⁽⁴⁾	10,149,300	18,771,323	463,603	1,711,073	812,058	185,369	14,524	163,291 ⁽⁵⁾

NOTE:

- (1) Includes General, Special Revenue and Debt Service Funds. For financial reporting, the Private Industry Council was blended with the County's Special Revenue Funds prior to fiscal year 1995-96.
- (2) Includes the General Fund, Special Revenue Funds, Debt Service Fund and the Private Industry Council (discretely presented component unit).
- (3) Includes both Contributions and Miscellaneous Revenues Recorded in the Combined Statement of Revenues, Expenditures and Other Changes – Governmental Fund Types and Discretely Presented Component Unit.
- (4) Includes the General Fund, Special Revenue Funds, and Debt Service Fund.
- (5) Includes both Contributions and Miscellaneous Revenues recorded in the Combined Statement of Revenues, Expenditures and Other Changes – Governmental Fund Types.

SOURCE: General purpose financial statements

SANTA CRUZ COUNTY

PROPERTY TAX LEVIES AND COLLECTIONS LAST TEN FISCAL YEARS

Fiscal Year	Primary Property Taxes	Secondary Property Taxes				Total Property Tax Levy	Property Taxes Collected			Percent of Levy	Outstanding Delinquent Taxes Receivable (2)
		Flood Control	Fire District	Debt Service Fund	Total		Primary	Secondary	Total (1)		
1992-93	\$ 2,834,098	\$ 600,000	\$ 161,513	\$ 569,540	\$ 1,331,053	\$ 4,165,151	\$ 2,750,650	\$ 1,286,120	\$ 4,036,770	96.92 %	\$ 603,361
1993-94	3,661,428	600,000	165,597	512,756	1,278,353	4,939,781	3,393,177	1,259,633	4,652,810	94.19	703,881
1994-95	4,179,207	600,000	161,982	519,948	1,281,930	5,461,137	3,900,351	1,257,792	5,158,143	94.45	732,421
1995-96	4,210,914	592,495	168,643	530,216	1,291,354	5,502,268	4,193,902	1,285,475	5,479,377	99.58	614,250
1996-97	4,402,897	603,914	170,855	537,169	1,311,938	5,714,835	4,277,572	1,296,505	5,574,077	97.54	725,396
1997-98	4,875,688	316,021	173,898	546,734	1,036,653	5,912,341	4,722,448	1,061,559	5,784,007	97.83	724,881
1998-99	5,770,881	645,590	181,072	564,354	1,391,016	7,161,897	5,406,241	1,311,885	6,718,126	93.80	910,369
1999-00	6,019,737	684,849	190,411	593,509	1,468,769	7,488,506	5,831,139	1,430,038	7,261,177	96.96	860,219
2000-01	6,404,168	718,592	201,652	628,549	1,548,793	7,952,961	6,081,744	1,477,337	7,559,081	95.00	849,620
2001-02	7,014,033	1,159,128	224,373	699,372	2,082,873	9,096,906	6,646,502	1,919,407	8,565,909	94.16	1,187,156

NOTES:

- (1) Property taxes collected include both current year levy collections and outstanding delinquent taxes receivable collections.
- (2) Amount was obtained from applicable years' general purpose financial statements and represents primary and secondary County tax levies receivable, net of uncollectible as of fiscal year-end.

SOURCE: Annual budgets

SANTA CRUZ COUNTY

ASSESSED AND FULL VALUE OF TAXABLE PROPERTY LAST TEN FISCAL YEARS (Amounts in Thousands)

Fiscal Year	Net Assessed Value	Estimated Actual Value	Ratio of Net Assessed To Estimated Actual Value
1992-93 Primary	\$ 142,417	\$ 961,510	14.81 %
1992-93 Secondary	152,441	1,022,961	14.90
1993-94 Primary	151,926	1,011,225	15.02
1993-94 Secondary	156,519	1,043,103	15.01
1994-95 Primary	157,801	1,062,099	14.86
1994-95 Secondary	161,983	1,094,348	14.80
1995-96 Primary	160,482	1,108,966	14.47
1995-96 Secondary	170,493	1,182,774	14.41
1996-97 Primary	166,241	1,168,892	14.22
1996-97 Secondary	170,855	1,209,992	14.12
1997-98 Primary	171,167	1,214,648	14.09
1997-98 Secondary	173,898	1,240,400	14.02
1998-99 Primary	177,639	1,270,596	13.98
1998-99 Secondary	181,072	1,298,822	13.94
1999-00 Primary	185,297	1,371,767	13.51
1999-00 Secondary	190,410	1,418,095	13.43
2000-01 Primary	197,130	1,458,893	13.51
2000-01 Secondary	201,652	1,495,744	13.48
2001-02 Primary	215,903	1,590,882	13.57
2001-02 Secondary	224,373	1,660,243	13.51

SOURCE: Tax Certification reports from Arizona Department of Revenue, Division of Property and Special Taxes, obtained from the Assessor's Office.

SANTA CRUZ COUNTY

PROPERTY TAX RATES – DIRECT AND OVERLAPPING GOVERNMENTS LAST TEN FISCAL YEARS (Per \$100 of Assessed Value)

Fiscal Year	Santa Cruz County				Fire Districts			State of Arizona	Education Assistance
	County-Wide	Flood Control District	Fire District	Debt Service	Tubac	Rio Rico	Nogales Suburban		
1992-93	1.9900	0.4761	0.1060	0.3736	1.1274	1.2075	2.7317	3.3300	0.5300
1993-94	2.4100	0.4688	0.1058	0.3276	1.2837	1.1608	3.6682	3.3300	0.5300
1994-95	2.6485	0.4501	0.1000	0.3211	1.3350	1.4077	3.8193	3.3300	0.5300
1995-96	2.6485	0.4119	0.1000	0.3144	1.3135	1.4860	3.7322	3.3300	0.5300
1996-97	2.6485	0.4119	0.1000	0.3144	1.6585	1.6336	3.8800	2.2000	0.5300
1997-98	2.8485	0.2119	0.1000	0.3144	1.9184	1.7708	3.8813	2.2000	0.5300
1998-99	3.2487	0.4115	0.1000	0.3117	1.8427	1.9152	3.8330	2.2000	0.5300
1999-00	3.2487	0.4115	0.1000	0.3117	2.6168	2.0979	3.8073	2.1654	0.5217
2000-01	3.2487	0.4115	0.1000	0.3117	2.6085	2.2117	3.8154	2.1265	0.5123
2001-02	3.2487	0.6115	0.1000	0.3117	2.5901	2.2035	3.6850	2.0647	0.4974

SOURCE: Annual budgets

SANTA CRUZ COUNTY

**PROPERTY TAX RATES – DIRECT AND OVERLAPPING GOVERNMENTS –
SCHOOL DISTRICTS
LAST TEN FISCAL YEARS
(Per \$100 of Assessed Value)**

Fiscal Year	Patagonia Union High School #20	Elementary Schools			Santa Cruz Valley Unified #35	Nogales Unified #1
		Patagonia #6	Sonoita #25	Santa Cruz #28		
1992-93	5.6374	2.5476	6.8925	6.4494	5.5765	6.2995
1993-94	5.9511	3.5802	8.1124	10.0393	9.5210	6.9782
1994-95	6.2419	3.5588	7.3243	9.4262	8.1751	7.0130
1995-96	4.6601	2.9953	8.5457	9.4440	8.0921	7.1635
1996-97	3.9142	2.7792	7.6880	8.2032	8.0759	7.2044
1997-98	4.4567	2.7792	7.6897	8.8124	9.5308	7.0218
1998-99	4.4559	2.7758	7.6881	8.3102	9.2809	7.1452
1999-00	4.4549	2.7709	7.3342	8.3102	9.2809	6.7444
2000-01	4.4009	2.9293	7.1844	8.8315	9.1006	7.4978
2001-02	4.4347	3.7098	7.0119	8.5546	8.0142	6.8810

SOURCE: Annual budgets

SANTA CRUZ COUNTY

LEGAL DEBT MARGIN

JUNE 30, 2002

(Amounts in Thousands)

Secondary assessed valuation	<u>\$ 224,373</u>
Legal debt limitation ⁽¹⁾	\$ 33,656
Deduct bond outstanding	<u>(1,975)</u>
Legal debt limit	<u>\$ 31,681</u>

NOTE:

⁽¹⁾ Legal debt limit is 15% of secondary assessed valuation.

SOURCE: Annual budget
General purpose financial statements

SANTA CRUZ COUNTY

RATIO OF NET GENERAL BONDED DEBT TO ASSESSED VALUE AND NET BONDED DEBT PER CAPITA LAST TEN FISCAL YEARS (Amounts in Thousands)

Fiscal Year	Population	Secondary Assessed Value	Gross Bonded Debt	Debt Service Monies Available for Principal	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
1992-93	31,500	\$ 156,519	\$ 5,230	\$ 206	\$ 5,024	0.03	0.16
1993-94	32,000	161,983	4,940	140	4,800	0.03	0.15
1994-95	32,800	170,493	4,630	110	4,520	0.03	0.14
1995-96	35,000	170,855	4,305	75	4,230	0.02	0.12
1996-97	36,200	173,898	3,960	58	3,902	0.02	0.11
1997-98	36,800	181,072	3,595	55	3,540	0.02	0.10
1998-99	38,300	190,410	3,215	27	3,188	0.02	0.08
1999-00	39,400	201,652	2,825	66	2,579	0.01	0.07
2000-01	39,990	224,373	2,410	134	2,276	0.01	0.06
2001-02	39,785	224,373	1,975	253	1,722	0.01	0.04

SOURCE: Annual budget
Debt retirement schedule

SANTA CRUZ COUNTY

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

(Amounts in Thousands)

Fiscal Year	Principal	Interest	Total Debt Service	Total General Government Expenditures	Ratio of Debt Service to Total General Government Expenditures
1992-93 ⁽¹⁾	\$ 185	\$ 287	\$ 472	\$ 6,129	0.08
1993-94 ⁽¹⁾	290	279	569	6,094	0.09
1994-95 ⁽¹⁾	310	261	571	6,152	0.09
1995-96 ⁽¹⁾	325	241	566	6,621	0.09
1996-97 ⁽¹⁾	345	223	568	7,388	0.08
1997-98 ⁽¹⁾	365	203	568	7,805	0.07
1998-99 ⁽¹⁾	380	185	565	8,328	0.07
1999-00 ⁽¹⁾	390	168	558	8,777	0.06
2000-01 ⁽²⁾	415	150	565	9,681	0.06
2001-02 ⁽²⁾	435	130	565	10,758	0.05

NOTES:

- (1) Includes General, Special Revenue and Debt Service Funds and the Private Industry Council (discretely presented component unit).
- (2) Includes General, Special Revenue and Debt Service Funds.

SOURCE: General purpose financial statements

SANTA CRUZ COUNTY

COMPUTATION OF DIRECT AND OVERLAPPING DEBT

JUNE 30, 2002

(Amounts in Thousands)

Jurisdiction	Net Debt Outstanding	Percent Applicable to Santa Cruz	Amount Applicable to Santa Cruz
Santa Cruz County	\$ 1,975	100 %	\$ 1,975
School District	11,461	100 %	11,461

SOURCE: Report of Indebtedness – published by Arizona Department of Revenue

SANTA CRUZ COUNTY

DEMOGRAPHIC STATISTICS LAST TEN YEARS

Year	Population	Civilian Labor Force	Unemploy- ment Rate	Employment				
				Govern- ment	Con- struction	Manu- facturing	Trade and Services	Finance, Insurance and Real Estate
1993	31,500	13,830	14.9 %	2,190	250	880	7,070	200
1994	32,400	14,490	21.4	2,120	350	830	6,770	280
1995	33,900	15,180	19.6	2,240	300	970	6,460	340
1996	35,100	15,440	25.6	2,410	300	990	6,140	290
1997	36,400	14,220	20.7	2,740	340	1,010	6,580	200
1998	36,800	14,225	17.7	3,200	400	1,000	7,200	200
1999	38,300	12,900	16.7	2,950	375	1,000	6,125	250
2000	39,400	12,525	13.5	3,125	350	850	6,025	200
2001	39,900	13,425	7.6	3,750	400	1,075	6,350	225
2002	39,785	13,225	9.1	3,275	400	750	6,400	400

SOURCE: Arizona Economic Indicators as of Spring 2002, published by the University of Arizona – Economic and Business Research Program.

SANTA CRUZ COUNTY

DEMOGRAPHIC STATISTICS – INTERNATIONAL BORDER CROSSING LAST TEN YEARS

Year	Persons			Vehicles
	United States Citizens	Aliens	Total	
1993	5,334,660	7,342,820	12,677,480	3,658,440
1994	5,170,899	10,845,431	16,016,330	4,021,860
1995	2,779,444	11,244,419	14,023,863	3,543,690
1996	2,914,902	10,252,094	13,166,996	3,632,280
1997	2,904,345	11,104,174	14,008,519	3,831,323
1998	2,958,124	11,712,371	14,670,495	3,958,508
1999	2,842,501	11,652,432	14,494,933	4,449,626
2000	3,146,755	12,715,067	15,861,822	4,840,233
2001	2,845,166	11,243,340	14,088,506	4,847,408
2002 ⁽¹⁾	192,460	819,486	1,011,946	366,309

NOTE:

⁽¹⁾ Information available through January 2002.

SOURCE: Arizona Economic Indicators published by the University of Arizona – Economic and Business Research Program.

SANTA CRUZ COUNTY

DEMOGRAPHIC STATISTICS – SALES, CONSTRUCTION, BANK DEPOSITS AND PROPERTY VALUE LAST TEN YEARS (Amounts in Thousands)

Year	Sales ⁽¹⁾		Construction Awards	Construction	Bank Deposits	Property Value		
	Construction	Retail Trade		Number of Dwelling Units Awarded		Commer- cial	Resi- dential	Non- taxable
1993	\$ 26,516	\$260,856	\$ 29,259	345	\$442,089	\$ 50,899	\$ 38,700	\$ 11,670
1994	37,179	270,834	51,528	443	452,976	60,841	42,135	12,723
1995	45,756	218,010	48,695	455	454,785	63,049	44,199	13,190
1996	38,428	230,057	49,245	503	459,441	61,297	47,537	14,637
1997	35,217	252,331	41,833	539	512,695	60,132	50,645	17,681
1998	42,153	276,794	49,712	536	566,682	62,047	54,896	16,845
1999	57,409	281,140	50,940	556	626,795	64,380	70,755	21,081
2000	53,548	229,070	68,637	528	528,395	64,380	70,756	21,414
2001	45,700	256,856	49,005	319	565,385	69,232	88,789	23,160
2002	27,307 ⁽²⁾	189,387 ⁽²⁾	10,214 ⁽²⁾	123 ⁽³⁾	571,175	101,146	93,235	23,836

NOTES:

- (1) Information reported for fiscal year ended June 30.
- (2) Information available up to February 2002.
- (3) Information available up to June 2002.

SOURCES: Abstract of the Assessment Roll, obtained through the Assessor's Office.
 Arizona Bankers Association
 Arizona Economic Indicators published by the University of Arizona – Economic and Business Research Program.
 Report of building or zoning permits issued and local public construction
 Arizona Department of Revenue Annual Report

SANTA CRUZ COUNTY

DEMOGRAPHIC STATISTICS – PER CAPITA INCOME AND SCHOOL ENROLLMENT LAST TEN YEARS

Year	Per Capita Income	School Enrollment
1993	12,986	7,850 ⁽¹⁾
1994	13,456	8,195 ⁽³⁾
1995	13,572	8,480 ⁽⁴⁾
1996	14,282	8,794 ⁽⁵⁾
1997	15,009	9,083 ⁽⁶⁾
1998	15,938	8,913 ⁽⁷⁾
1999	16,496	9,085 ⁽⁸⁾
2000	17,373	9,434 ⁽⁹⁾
2001	N/A ⁽²⁾	9,324 ⁽¹⁰⁾
2002	N/A ⁽²⁾	N/A ⁽²⁾

NOTES:

- (1) School enrollment as of March 11, 1993.
- (2) Information not available.
- (3) School enrollment as of January 14, 1994.
- (4) School enrollment as of May 15, 1995.
- (5) School enrollment as of April 8, 1996.
- (6) School enrollment as of January 31, 1997.
- (7) School enrollment as of June 30, 1998.
- (8) School enrollment as of June 9, 1999.
- (9) School enrollment as of June 9, 2000.
- (10) School enrollment as of June 9, 2001.

SOURCES: Annual reports of the Superintendent of Public Instruction
Bureau of Economic Analysis – United States Department of Commerce

PRINCIPAL TAXPAYERS
JUNE 30, 2002
(Amounts in Thousands)

Taxpayer	Estimated 2002 Secondary Assessed Valuation	Percent of County's 2002 Secondary Assessed Valuation
SC Electric & Gas	\$ 19,676	8.77 %
Qwest Corporation	4,667	0.02
Delta Properties LLP	3,830	0.02
Rio Rico Properties	2,280	0.01
Vatere LLC	2,135	0.01
Westrust Southwest Retail Partners LLC	2,237	0.01
Union Pacific Railroad	1,750	0.01
Mariposa Mall Investors LLC	1,578	0.01
HGC/MW Dev Lim Part	1,526	0.01
Panousopoulos Constantine & Nelida	<u>1,320</u>	<u>0.01</u>
 TOTAL	 <u>\$ 40,999</u>	 <u>8.95 %</u>

NOTE: Amounts above represent assessment values for purposes of computing property tax assessments.

SOURCE: "Top 10 Taxpayers" list published by Arizona Department of Revenue.

SANTA CRUZ COUNTY

MISCELLANEOUS STATISTICAL DATA FISCAL YEAR ENDED JUNE 30, 2002

YEAR OF INCORPORATION	1899
FORM OF GOVERNMENT	Body politic county of State of Arizona Pursuant to Arizona Revised Statutes
AREA	1,246 square miles
MILES OF STREETS:	
Paved	392.36
Unpaved	336.60
REGISTERED VOTERS	17,066
Democrat	61.18%
Republican	20.62%
NUMBER OF FIDUCIAL COURTS:	
Superior Court Department	1
Justice of Peace Courts	2
FLOOD PROTECTION:	
Flood control district	1
Number of employees	11
SHERIFF PROTECTION:	
Number of stations	4
Number of employees	73
Major crimes	173
Vehicular patrol units	56
SANITARY LANDFILLS:	
Number of landfills	2
NUMBER OF PARKS:	
Neighborhood parks	6