

REPORT HIGHLIGHTS
 FINANCIAL STATEMENT AUDIT

Subject

Pima County issues financial statements annually for its Development Services Enterprise Fund. The County is responsible for preparing financial statements, maintaining strong internal controls, and demonstrating accountability for its use of public monies. As the auditors, we determine whether the County has met its responsibilities.

Our Conclusion

The information in the financial statements is fairly stated in all material respects, and the financial statements can be relied on.



2003

Year Ended June 30, 2003

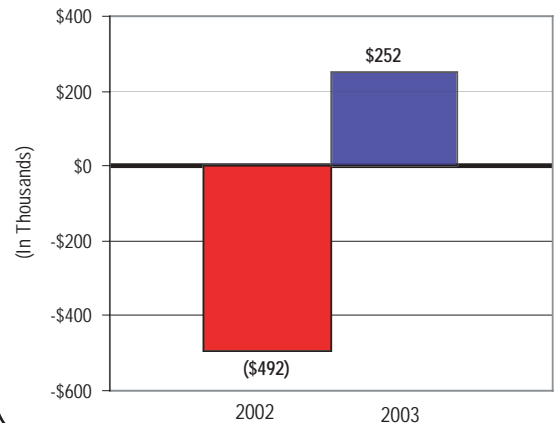
**Development Services
 Operating Income Increased**

Development Services operating income totaled \$252,000 for the fiscal year ended June 30, 2003. This was a significant increase from the prior year's reported loss of \$492,000. The Fund's income increased because of an increase in charges for services revenues.

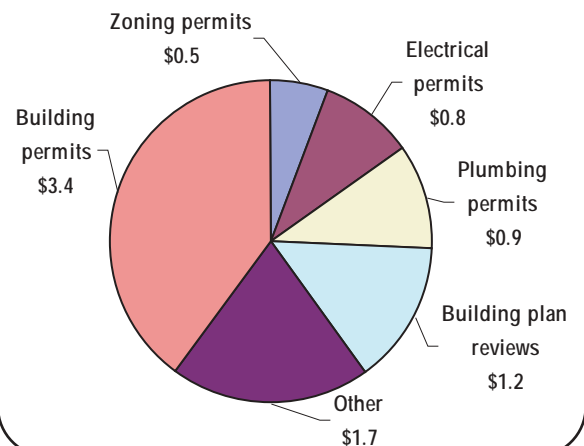
Charges for services revenue increased by more than \$700,000, or 9 percent from the prior year. This increase is attributable to an increase in the demand for permits, building plan reviews, and other permitting services. The following is a summary of the types of services provided and the fees collected during the fiscal year.

- Building permits—\$3.4 million
- Building plan reviews—\$1.2 million
- Plumbing permits—\$.9 million
- Electrical permits—\$.8 million
- Zoning permits—\$.5 million
- Other permitting services—\$1.7 million

**Development Services
 Operating Income (Loss)
 Fiscal Years 2002 and 2003**



**Charges for Services Revenue
 by Fee Type FY 2003
 (In Millions)**



Summarized Fund Financial Information

The Fund's financial information is presented in three basic statements: Statement of Net Assets; Statement of Revenues, Expenses, and Changes in Fund Net Assets; and Statement of Cash Flows.

The Statement of Net Assets reports all assets and liabilities using the accrual basis of accounting. Net assets, the difference between assets and liabilities, are one way to measure the Fund's financial health.

The Statement of Revenues, Expenses, and Changes in Fund Net Assets presents the Fund's operating results, as well as nonoperating revenues, expenses, and other changes.

The Statement of Cash Flows provides information about cash receipts and cash payments during the year. This statement helps users assess the Fund's ability to generate net cash flows to meet its obligations as they come due and the need for external financing.

The tables to the right present summarized versions of the Fund's Statement of Net Assets; Statement of Revenues, Expenses, and Changes in Fund Net Assets; and Statement of Cash Flows.

Assets	
Current	\$6,209
Noncurrent	<u>294</u>
Total assets	<u>6,503</u>
Liabilities	
Current	<u>894</u>
Total liabilities	<u>894</u>
Net Assets	
Invested in capital assets	294
Unrestricted	<u>5,315</u>
Total net assets	<u>\$5,609</u>

Operating revenues	\$8,632
Operating expenses	<u>8,380</u>
Operating income	<u>252</u>
Nonoperating revenues	98
Nonoperating expenses	(7)
Other decreases	<u>(222)</u>
Increase in net assets	<u>121</u>
Net assets—beginning	<u>5,488</u>
Net assets—ending	<u>\$5,609</u>

Cash flows from:	
Operating activities	\$ 303
Noncapital financing activities	(9)
Capital financing activities	(70)
Investing activities	<u>(118)</u>
Net increase in cash	<u>106</u>
Cash—beginning	<u>6,051</u>
Cash—ending	<u>\$6,157</u>

TO OBTAIN MORE INFORMATION

A copy of the full report
can be obtained by calling
(602) 553-0333



or by visiting
our Web site at:
www.auditorgen.state.az.us

Contact person for
this report:
Rebecca Rosenberg

REPORT HIGHLIGHTS FINANCIAL STATEMENT AUDIT

Year Ended June 30, 2003