

**SANTA CRUZ COUNTY, ARIZONA**

**ANNUAL COMPREHENSIVE FINANCIAL REPORT  
FOR THE  
FISCAL YEAR ENDED JUNE 30, 2022**

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**PREPARED BY THE  
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Santa Cruz County  
Annual Comprehensive Financial Report  
Fiscal Year Ended June 30, 2022

Table of Contents

	Page
<b>Introductory Section</b>	
Letter of Transmittal .....	v-viii
Organizational Chart .....	ix
 <b>Financial Section</b>	
Independent Auditors' Report.....	1-4
Required Supplementary Information—Management's Discussion and Analysis.....	5-15
 <b>Government-Wide Statements</b>	
Statement of Net Position .....	17
Statement of Activities.....	18
 <b>Fund Statements</b>	
<b>Governmental Funds</b>	
Balance Sheet .....	19
Reconciliation of the Balance Sheet to the Statement of Net Position .....	20
Statement of Revenues, Expenditures, and Changes in Fund Balances .....	21
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities.....	22
<b>Proprietary Funds</b>	
Statement of Net Position .....	23
Statement of Revenues, Expenses, and Changes in Fund Net Position.....	24
Statement of Cash Flows .....	25
<b>Fiduciary Funds</b>	
Statement of Fiduciary Net Position.....	26
Statement of Changes in Fiduciary Net Position .....	27
Notes to Financial Statements .....	28-67

## Table of Contents (Continued)

### Other Required Supplementary Information

#### Budgetary Comparison Schedules

General Fund .....	69-70
Jail District Fund .....	71
Road Fund .....	72
Health Services Fund .....	73
American Rescue Plan Act Fund .....	74
Notes to Budgetary Comparison Schedules .....	75-76

#### Pension Plan Schedules

Schedule of the County's Proportionate Share of the Net Pension Liability—	
Cost-Sharing Pension Plans .....	77-78
Schedule of Changes in the County's Net Pension Liability and Related Ratios—	
Agent Pension Plans .....	79-82
Schedule of County Pension Contributions .....	83-86
Notes to Pension Plan Schedules .....	87-89

### Supplementary Information

#### Combining and Individual Fund Statements and Schedules:

##### Nonmajor Governmental Funds:

Combining Balance Sheet—Nonmajor Governmental Funds .....	91
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances—	
Nonmajor Governmental Funds .....	92
Combining Balance Sheet—Nonmajor Special Revenue Funds .....	93-94
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances—	
Nonmajor Special Revenue Funds .....	95-96
Combining Balance Sheet—Nonmajor Capital Projects Funds .....	97
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances—	
Nonmajor Capital Projects Funds .....	98

#### Schedule of Revenues, Expenditures, and Changes in Fund Balances—Budget and Actual:

##### Nonmajor Special Revenue Funds:

Flood Control .....	100
Criminal Justice Enhancement .....	101
WIOA .....	102
Homeland Security .....	103
Juvenile Services .....	104
Probation Services .....	105
Retrieval Conversion .....	106

## Table of Contents (Continued)

Animal Control .....	107
Other Governmental Special Revenue Funds .....	108
Nonmajor Capital Projects Funds:	
Construction .....	110
Airport .....	111
Other .....	112
Nonmajor Debt Service Fund .....	114
Fiduciary Funds:	
Combining Statement of Fiduciary Net Position—Custodial Funds .....	116
Combining Statement of Changes in Fiduciary Net Position—Custodial Funds .....	117

## Statistical Section

### Financial Trends

Net Position by Component.....	121
Changes in Net Position .....	122-123
Fund Balances, Governmental Funds .....	124
Changes in Fund Balances, Governmental Funds .....	125
General Government Revenues by Source .....	126
General Government Revenues by Source (as a percentage of total).....	127
General Government Expenditures by Function .....	128
General Government Expenditures by Function (as a percentage of total) .....	129

### Revenue Capacity

Taxable Assessed Value and Estimated Actual Value of Property .....	131
Property Tax Rates—Direct and Overlapping Governments.....	132
Property Tax Rates—Direct and Overlapping Governments—School Districts.....	133
Principal Property Taxpayers .....	134-135
Property Tax Levies and Collections .....	136
Assessed and Estimated Actual Value of Taxable Property.....	137

### Debt Capacity

Ratios of Outstanding Debt by Type to Personal Income and Per Capita .....	139
Computation of Direct and Overlapping Debt Governmental Activities, Debt Outstanding .....	140
Legal Debt Margin .....	141
Pledged Revenue Coverage.....	142

## Table of Contents (Continued)

### Demographic and Economic Information

Demographic Statistics—Economic Indicators.....	144
Principal Employers .....	145
Employment Statistics .....	146
Demographic Statistics—Sales, Construction, and Bank Deposits.....	147

### Operating Information

Employees by Function .....	149
Operating Indicators .....	150
Capital Assets Used in the Operation of Governmental Funds.....	151



## ADMINISTRATIVE SERVICES SANTA CRUZ COUNTY

Mauricio A. Chavez  
Administrative Services Director

September 26, 2023

The Honorable Board of Supervisors  
Santa Cruz County, Arizona

I am pleased to submit, in accordance with state statutes, Santa Cruz County's (County) Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2022. This report has been prepared in conformity with generally accepted accounting principles (GAAP) as prescribed in pronouncements of the Governmental Accounting Standards Board. County management is responsible for both the accuracy of the data and the completeness and fairness of the presentation, including all representations and disclosures. To the best of our knowledge and belief, this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the County. All disclosures necessary to enable the reader to gain an understanding of the County's financial activities have been included.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The County's MD&A can be found immediately following the report of the independent auditors.

This report includes all funds of the County. The County provides a full range of services, including law enforcement and public safety; healthcare; sanitation; welfare programs; construction and maintenance of highways, streets, and related infrastructure; recreational services and cultural activities; and education.

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### Profile of Santa Cruz County

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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 20<sup>th</sup> Territorial Assembly in 1899. The County encompasses approximately 1,250 square miles and has roughly 46,600 people. The neighboring community of Nogales, Sonora, Mexico has grown to an estimated population of 450,000.

Santa Cruz County is divided into three supervisorial districts. Each district elects a member to the Board of Supervisors to serve a 4-year term. The Chair is selected by the Board from among its members. The Board establishes the policies that govern the various County departments. The Board-appointed County Manager oversees the County's general administrative operations.

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## Economic Condition and Outlook

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Santa Cruz County serves as a gateway for international trade and is a major link in the CANAMEX Trade Corridor, which is a western transportation corridor connecting Canada, the United States, and Mexico. The County's location at the U.S. and Mexican border provides excellent opportunities for shipping and distribution, retail trade, manufacturing, and tourism. The County has been a trading center for northern Mexico since the 1880s. Over 40,000 visitors come from northwest Mexico daily to shop in Santa Cruz County.

The County is home to some of the largest produce distributors in the United States. At peak season, over 1,350 trucks pass through the County's state-of-the-art commercial port, Mariposa Port of Entry, daily carrying approximately 33.5 percent of the winter produce consumed in the U.S. in a normal year. Santa Cruz County's produce industry is anchored by over 250 brokers, distributors, and warehouses. Rail traffic has remained steady as consumers continue to purchase new vehicles manufactured in Mexico. Bulk commodities needed worldwide continue to be exported to Mexico for distribution elsewhere.

The County will 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.

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## Major Initiatives

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The Board of Supervisors and county management virtually attended the NACo's Annual Legislative Conference that included the following topics: federal policy update, community, economic and workforce development strategies, local infrastructure investments and maximizing ARPA funds. The Board of Supervisors and management staff continue to reach out to members of Congress to relate the current issues and concerns that affect the County. Areas of concern continue to be port of entry staffing and infrastructure, innovative inspection technologies, the International Outfall Interceptor (IOI), Nogales wash and tunnels and continued infrastructure funding.

The Board of Supervisors and management staff attended the annual County Supervisors Association Legislative Summit to review and discuss political context and create a foundational educational opportunity for elected officials and staff. Reach agreement on CSA legislative agenda and advocacy strategies for the upcoming legislative session.

The Board of Supervisors through the American Rescue Plan Act funding approved and launched a financial asset building forgivable loan program for qualifying small businesses and non-profits. This program intention is to mitigate community negative economic impacts experienced from the COVID pandemic.

The School Superintendent's office was awarded a \$5.8 million multi-year ESSER III pass-through grant from the Department of Education to implement the Invest in Our Youth Project that represents a comprehensive initiative for our children and youth that addresses the considerable loss of learning, social and emotional stress placed on our children and youth caused by the COVID Pandemic.



The Health Department received numerous COVID-19 related federal and state grants to assist with multiple projects, including COVID-19 equipment and supplies required for testing, contact tracing, compliance referrals and vaccination POD programs.

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## Financial Management and Information

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County management is responsible for establishing and maintaining an internal control structure designed to ensure that the County's assets are protected from loss, theft, or misuse, and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with GAAP. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: 1) the cost of a control should not exceed the benefits likely to be derived; and 2) the valuation of costs and benefits requires estimates and judgments by management. We believe that the County's internal control structure adequately safeguards assets and provides reasonable assurance of the proper recording and integrity of financial statements and underlying financial transactions.

Independent Audit: 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 its designee. The State Auditors' report on the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining funds are included as the first component of the financial section of this report.

Single Audit: As a recipient of federal and state financial assistance, the County is required to have an annual audit under Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Uniform Guidance requirements also address the establishment and maintenance of an adequate internal control structure to ensure compliance with applicable laws and regulations related to those programs. Tests are made to determine the adequacy of the internal control structure, including that portion related to federal financial assistance programs, as well as determining that the County has materially complied with applicable laws and regulations.

Budgeting Controls: The County also maintains budgetary controls, which are designed to help ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Board of Supervisors. Budgetary control generally is maintained at the departmental level for all funds. Management further controls budgets by not allowing personnel savings to be reprogrammed to operating supplies and services within a department.

The Reporting Entity: The financial reporting entity includes all the funds 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 funds of the Santa Cruz County Flood Control District and the Santa Cruz County Jail District, whose Board of Directors is the County's Board of Supervisors, are blended and reported as special revenue funds of the primary government.

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## Acknowledgements

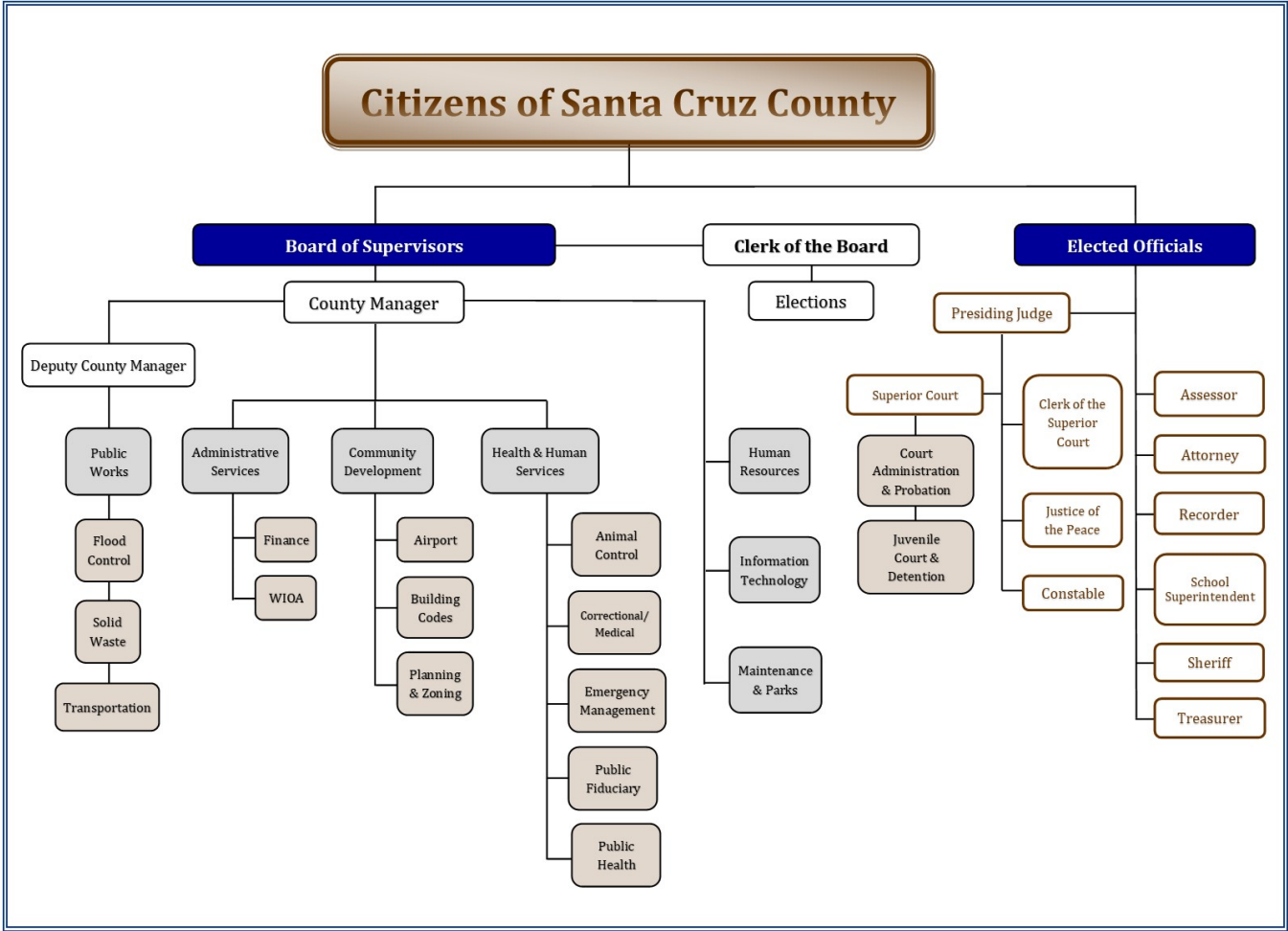
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The preparation of this report could not be accomplished without the efficient and dedicated services of the finance department. I would also like to thank every county department who assisted in and contributed to the preparation of this report. In addition, the staff of the Auditor General's Office provided excellent support and technical advice. I also wish to express my sincere appreciation to 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,

A handwritten signature in blue ink, appearing to read 'Mauricio A. Chavez', with a stylized, cursive script.

Mauricio A. Chavez, CMPI  
Administrative Services Director



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Financial Section



LINDSEY A. PERRY  
AUDITOR GENERAL

ARIZONA  
AUDITOR GENERAL

MELANIE M. CHESNEY  
DEPUTY AUDITOR GENERAL

## Independent auditors' report

Members of the Arizona State Legislature

The Board of Supervisors of  
Santa Cruz County, Arizona

### Report on the audit of the financial statements

#### *Opinions*

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and aggregate remaining fund information of Santa Cruz County as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and aggregate remaining fund information of the County as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with U.S. generally accepted accounting principles.

#### *Basis for opinions*

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 U.S. Comptroller General. Our responsibilities under those standards are further described in the auditors' responsibilities for the audit of the financial statements section of our report. We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### *Emphasis of matter*

As discussed in Note 1 to the financial statements, for the year ended June 30, 2022, the County adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 87, *Leases*. Our opinions are not modified with respect to this matter.

## **Other matters**

### *Compliance over the use of Highway User Revenue Fund and other dedicated State transportation revenue monies*

In connection with our audit, nothing came to our attention that caused us to believe that the County failed to comply with the authorized transportation purposes, insofar as they relate to accounting matters, for Highway User Revenue Fund monies it received pursuant to Arizona Revised Statutes Title 28, Chapter 18, Article 2, and any other dedicated State transportation revenues it received. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the County's noncompliance with the authorized transportation purposes referred to above, insofar as they relate to accounting matters.

The communication related to compliance over the use of Highway User Revenue Fund and other dedicated State transportation revenue monies in the preceding paragraph is intended solely for the information and use of the members of the Arizona State Legislature, the County's Board of Supervisors and management, and other responsible parties within the County and is not intended to be and should not be used by anyone other than these specified parties.

### **Management's responsibilities for the financial statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. generally accepted accounting principles, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### **Auditors' responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we express no such opinion.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the audit's planned scope and timing, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required supplementary information***

U.S. generally accepted accounting principles require that the management's discussion and analysis on pages 5 through 15, budgetary comparison schedules on pages 68 through 75, schedule of the County's proportionate share of the net pension liability—cost-sharing pension plans on pages 76 through 77, schedule of changes in the County's net pension liability and related ratios—agent pension plans on pages 78 through 81, and schedule of County pension contributions on pages 82 through 85 be presented to supplement the basic financial statements. Such information is management's responsibility and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with U.S. generally accepted auditing standards, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary information***

#### *Combining and individual nonmajor fund financial statements and schedules*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying combining and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not required parts of the basic financial statements. Such information is management's responsibility and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the accompanying combining and individual nonmajor fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other information***

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and



our report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance on the other information.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

### **Other reporting required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we will issue our report on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters at a future date. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

*Lindsey A. Perry*

Lindsey A. Perry, CPA, CFE  
Auditor General

September 26, 2023

## Santa Cruz County Management's Discussion and Analysis

This discussion and analysis is intended to be an easily readable analysis of Santa Cruz County's (County) financial activities based on currently known facts, decisions, or conditions. This analysis focuses on current year activities and should be read in conjunction with the transmittal letter that begins on page v and with the County's basic financial statements following this section.

For the year ended June 30, 2022, the County implemented the provisions of GASB Statement No. 87, Leases, as amended, which establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. As a result, the County's financial statements have been modified to reflect the recognition of certain lease assets and liabilities for leases that were previously classified as operating leases and recognized as inflows or outflows of resources based on the contract payment provisions.

### Financial Highlights

- At June 30, 2022, the assets and deferred outflows of resources of the County exceeded its liabilities and deferred inflows of resources by \$72,165,074 (net position). Of this amount, \$70.5 million is the net investment in capital assets (e.g., land, buildings, improvements, construction and vehicles, furniture and equipment, infrastructure and construction in progress); \$14.1 million is restricted for specific purposes (restricted net position); and \$(12.4) million is the unrestricted net position deficit balance that is primarily a result of recognizing long-term liabilities related to pensions.
- The County's total net position as reported in the Statement of Activities increased by \$4,280,355.
- At June 30, 2022, total assets were \$164,213,581 compared to \$158,892,030, at June 30, 2021. This is a \$5,321,551 or 3.35 percent increase over the prior fiscal year.
- At June 30, 2022, total liabilities were \$100,266,377 compared to \$98,310,764 at June 30, 2021. This is a \$1,955,613 or 1.99 percent increase over the prior fiscal year.
- At June 30, 2022, total deferred outflows related to pensions and other postemployment benefits (OPEB) were \$14,838,712 compared to \$7,592,903 at June 30, 2021. This is a \$7,245,809 or 95.43 percent increase over the prior fiscal year.
- At June 30, 2022, total deferred inflows related to pensions and OPEB were \$7,795,499 compared to \$1,892,856 at June 30, 2021. This is a \$5,902,643 or 311.84 percent increase over the prior fiscal year.
- At June 30, 2022, the governmental funds reported combined fund balances of \$29,538,821 or an increase in fund balance of \$1,629,162, in comparison with the prior year's balance of \$27,909,659.
- At June 30, 2022, \$11,755,311 or 39.80 percent of governmental fund balances were restricted, \$94,646 or 0.32 percent was assigned, \$17,477,281 or 59.17 percent were unassigned, and \$211,583 or 0.71 percent was nonspendable. Restricted fund balances have externally imposed restrictions on their usage by creditors, such as through debt covenants, grantors, contributors, or laws and regulations; or by constitutional provisions or enabling legislation. The assigned and unassigned fund balances are considered unrestricted. The unrestricted fund balances are available for spending at the County's discretion. However, the assigned fund balances are designated by management. The nonspendable

# Santa Cruz County Management's Discussion and Analysis

fund balances include amounts that cannot be spent because they are not in spendable form, such as prepaid items.

- At June 30, 2022, unassigned fund balance for the general fund was \$19,406,897, almost 74 percent of total general fund expenditures. In accordance with Arizona Revised Statutes §42-17151, this entire amount is budgeted to be spent in the next fiscal year.

## Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements comprise three components: 1) Government-wide financial statements, 2) Fund financial statements, and 3) Notes to the basic financial statements. Required supplementary information is included in addition to the basic financial statements.

**Government-wide Financial Statements** are designed to provide readers with a broad overview of the County's finances, in a manner similar to private-sector businesses.

The *Statement of Net Position* presents information on all county assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The *Statement of Activities* presents information showing how net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of these government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities*). The governmental activities of the County include general government, public safety, highways and streets, health, welfare and sanitation, education and economic opportunity, and recreation. The County has one business-type activity, which is the County Landfill.

Component units are included in our basic financial statements and consist of legally separate entities for which the County is financially accountable and that have substantially the same board as the County or provide services entirely to the County. The blended component units included in the County's basic financial statements are the Santa Cruz County Flood Control District and the Santa Cruz County Jail District.

*The government-wide financial statements can be found on pages 17-18 of this report.*

**Fund Financial Statements** are groupings of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate finance-related legal compliance. All of the funds of the County can be divided into three classifications: *governmental funds*, *proprietary funds*, and *fiduciary funds*.

## Santa Cruz County Management's Discussion and Analysis

*Governmental funds* are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a county's near-term financing requirements. Governmental funds include the general, special revenue, debt service, and capital projects funds.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*. The County reports five major governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General, Jail District, Road, Health Services, and American Rescue Plan Act funds. Data from the other governmental funds (nonmajor) are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

*The governmental fund financial statements can be found on pages 19-22 of this report.*

**Proprietary funds** are maintained two ways. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The County uses its enterprise fund to account for the landfills operated by the County. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County has no internal service funds. Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. The County's landfill operation is considered to be a major fund and is presented in the proprietary fund financial statements.

*The proprietary fund financial statements can be found on pages 23-25 of this report.*

**Fiduciary funds** are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs.

*The fiduciary funds financial statements can be found on pages 26-27 of this report.*

**Notes to financial statements** provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 28-67 of this report.

**Required supplementary information** presents budgetary comparison schedules for the General, Jail District, Road, Health Services and American Rescue Plan Act funds of the County. It also includes pension plan schedules. Required supplementary information can be found on pages 69-89 of this report.

# Santa Cruz County Management's Discussion and Analysis

## Government-wide Financial Analysis

### Statement of Net Position

Net position may serve over time as a useful indicator of a government's financial position. The following table reflects the condensed Statement of Net Position of the County as of June 30, 2022, compared to the prior year.

**Statement of Net Position  
June 30, 2022 and 2021 (In Thousands)**

	Governmental Activities		Business-Type Activities		Total	
	2022	2021 Restated	2022	2021	2022	2021 Restated
Current and other assets	\$ 47,138	\$ 38,986	\$ 8,266	\$ 7,556	\$ 55,404	\$ 46,542
Capital assets	105,963	109,634	2,846	3,055	108,809	112,689
Total assets	<u>153,101</u>	<u>148,620</u>	<u>11,112</u>	<u>10,611</u>	<u>164,213</u>	<u>159,231</u>
Deferred outflows of resources						
Total deferred outflows of resources	<u>16,209</u>	<u>9,104</u>	<u>93</u>	<u>93</u>	<u>16,302</u>	<u>9,197</u>
Current and other liabilities	13,105	8,148	247	163	13,352	8,311
Long-term liabilities	83,745	87,259	3,169	3,080	86,914	90,339
Total liabilities	<u>96,850</u>	<u>95,407</u>	<u>3,416</u>	<u>3,243</u>	<u>100,266</u>	<u>98,650</u>
Deferred inflows of resources						
Total deferred inflows of resources	<u>7,946</u>	<u>1,846</u>	<u>138</u>	<u>47</u>	<u>8,084</u>	<u>1,893</u>
Net Position						
Net invested in capital assets	67,745	67,826	2,711	2,873	70,456	70,699
Restricted	14,136	15,065			14,136	15,065
Unrestricted	(17,367)	(22,420)	4,940	4,541	(12,427)	(17,879)
Total net position	<u>\$ 64,514</u>	<u>\$ 60,471</u>	<u>\$ 7,651</u>	<u>\$ 7,414</u>	<u>\$ 72,165</u>	<u>\$ 67,885</u>

The above fiscal year 2021 amounts were restated due to the implementation of GASB Statement No. 87 for leases.

At June 30, 2022, the County's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by almost \$72.2 million (net position).

The largest portion (\$70.5 million or 97.6 percent) of the County's net position reflects the investment in capital assets (e.g., land, buildings, infrastructure, machinery and equipment, and construction in progress), less accumulated depreciation and related debt still outstanding used to acquire those assets. The County uses these assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, because the capital assets themselves will not be used to liquidate these liabilities. Restricted net position (\$14.1 million or 19.5 percent) represents resources that are subject to external restrictions on how they may be used. The remaining deficit balance (\$12.4 million or negative 17.1 percent) is the unrestricted net position deficit balance that is primarily a result of recognizing long-term liabilities related to pensions as mentioned above.

## Santa Cruz County Management's Discussion and Analysis

The following provides an explanation of governmental activities current and other assets, deferred outflows and inflows of resources related to pension and OPEB, and unearned revenue that changed significantly over the prior year:

- Current and other assets – the \$8.2 million or 20.9 percent net increase was largely in cash and investments, due from other governmental units and net pension and OPEB asset:
  - Cash and investments increased \$5.2 million or 16.8 percent primarily due to additional unearned American Rescue Plan Act grant of \$4.2 million received in the current fiscal year and accounts payable and accrued payroll and employee benefits increased \$793,000 over the prior fiscal year.
  - Due from other governmental units increased \$1.6 million or 27.5 percent largely due to additional receivables recognized in county half-cent sales tax, federal and state reimbursement grants, miscellaneous items and an ALTC contribution refund.
  - Net pension and OPEB asset increased \$861,000 or 197.8 percent as a result of an actuarial valuation of the total pension and OPEB asset/liability with a measurement date of June 30, 2021.
- Deferred outflows and inflows of resources related to pensions and OPEB increased \$7.2 million or 96.6 percent and \$5.8 million or 314.8 percent, respectively, as a result of an actuarial valuation of the total pension and OPEB asset/liability with a measurement date of June 30, 2021.
- Unearned revenue increased \$4.2 million or 92.4 percent solely due to additional American Rescue Plan Act grant of \$4.2 million received in the current fiscal year.

The business-type activities assets and liabilities remained stable over the prior year.

## Santa Cruz County Management's Discussion and Analysis

### Changes in Net position

The following table reflects the condensed Statement of Activities of the County for the year ended 2022 compared to the prior year.

### Changes in Net Position For the Years Ended June 30, 2022 and 2021 (In Thousands)

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues:						
Program revenues:						
Charges for services	\$ 4,297	\$ 3,233	\$ 2,971	\$ 3,454	\$ 7,268	\$ 6,687
Operating grants and contributions	17,078	17,574			17,078	17,574
Capital grants and contributions	336	239			336	239
General revenues:						
Property taxes	18,739	17,446			18,739	17,446
County excise tax	7,774	9,719			7,774	9,719
Share of state sales taxes	6,906	6,988			6,906	6,988
Share of state overweight permits	390	458			390	458
State appropriations	550	550			550	550
Payments in lieu of taxes	1,263	1,233			1,263	1,233
VLT unrestricted	2,117	2,124			2,117	2,124
Grants and contributions not restricted to specific programs						-
Investment income (loss)	37	12	4	3	41	15
Miscellaneous	402	479			402	479
Gain on sale/trade-in of capital assets						
Capital contribution	2	3	(2)	(3)		
Transfers		(5)		5	-	-
Total revenues	<u>59,891</u>	<u>60,053</u>	<u>2,973</u>	<u>3,459</u>	<u>62,864</u>	<u>63,512</u>
Expenses:						
General government	17,493	16,113			17,493	16,113
Public safety	16,728	16,774			16,728	16,774
Highways and streets	9,509	7,610			9,509	7,610
Health, welfare and sanitation	6,454	6,783	2,736	2,265	9,190	9,048
Education and economic opportunity	3,368	3,047			3,368	3,047
Recreation	423	300			423	300
Interest on long-term debt	1,873	1,432			1,873	1,432
Total expenses	<u>55,848</u>	<u>52,059</u>	<u>2,736</u>	<u>2,265</u>	<u>58,584</u>	<u>54,324</u>
Changes in net position	4,043	7,994	237	1,194	4,280	9,188
Net position—beginning	<u>60,471</u>	<u>52,477</u>	<u>7,414</u>	<u>6,220</u>	<u>67,885</u>	<u>58,697</u>
Net position—ending	<u>\$64,514</u>	<u>\$60,471</u>	<u>\$ 7,651</u>	<u>\$ 7,414</u>	<u>\$72,165</u>	<u>\$67,885</u>

Overall, the County's governmental revenues slightly decreased \$162,000 or (0.27) percent and expenses increased \$3.8 million or 7.3 percent. The following provides an explanation of governmental activities revenues and expenses that changed significantly over the prior year:

## Santa Cruz County Management's Discussion and Analysis

- County excise tax decreased \$1.9 million or (20.0) percent due to the State Route 189 construction project that was completed at the end of fiscal year 2021, resulting in less contracting prime excise taxes.
- Highways and streets expenses increased \$1.9 million or 25 percent solely due to additional annual road maintenance costs.

Overall, the County's business-type revenues decreased \$486,000 or (14.0) percent and expenses increased by \$471,000 or 20.8 percent. The following provides an explanation of business-type activities revenues and expenses that changed significantly over the prior year:

Landfill charges for services – The \$483,000 or (14.0) percent decrease was due to the State SR189 bridge project that was completed at the end fiscal year 2021.

Sanitation expenses – The \$471,000 or 20.8 percent increase was due to additional road maintenance costs incurred in the current fiscal year.

### Financial Analysis of the County's Funds

As noted earlier, the County uses *fund accounting* to ensure and demonstrate compliance with finance-related legal requirements.

*Governmental Funds* – Governmental activities are contained in the general, special revenue, debt service, and capital projects funds. The focus of the County's governmental funds is to provide information of near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financial requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At June 30, 2022, the County's governmental funds reported combined fund balances of \$29,538,821, an increase of \$1,629,162 in comparison with the prior year's balance. Of the combined fund balances, \$17,477,281 constitutes unassigned fund balance, which is available to meet the County's current and future needs.

The General Fund is the County's primary operating fund. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$19,406,897. Unassigned fund balance represents 73.9 percent of total General Fund expenditures. This ratio indicates a strong fund balance position in comparison to expenditures.

The following provides an explanation for activities that changed significantly over the prior year within the major funds, as applicable:

#### General Fund

- Cash and investments increased \$2.7 million or 20.5 percent largely due to the positive result of the current year's operations. The net change in fund balance was \$3.4 million in the current year.
- Due from other governmental units increased \$321,000 or 15.6 percent primarily due to an ALTC contribution refund accrued at year end.
- Due from other funds increased \$854,000 or 56.0 percent primarily due to additional transfers out incurred in the current fiscal year and recorded at year end.



## Santa Cruz County Management's Discussion and Analysis

- General government expenditures increased \$1.6 million or 12.4 percent primarily due to the following reasons:
  - The Board approved step and grade compensation plan plus 3 percent COLA;
  - Increase in library contribution with City of Nogales;
  - Increase in supervisors, association contribution and conference fees;
  - Increase in legal costs in the County Attorney's Office for hiring an outside firm to handle specific cases and temporary assistant to handle increase in legal cases;
  - Increase in professional architectural and engineering services in the Facility Maintenance Department for design plans for the old juvenile detention building, courts parking area, evacuation plan for WIOA building, and county complex heating, ventilation and air conditioning control upgrade.
  - Increase in professional services and court program materials for additional cases in the Justice of the Peace court.
  - Increase in professional services for potential economic development grant opportunities.
- Public safety expenditures increased \$2.2 million or 58.8 percent primarily due to the following reasons:
  - The Board approved step and grade compensation plan plus 3 percent COLA;
  - Increase in fuel and vehicle repair and maintenance costs;
  - Increase in purchases of weapons, ammunition and other accessories for patrol staff.
  - Increase in mobile phone, uniform and other operating costs for additional staff.
  - Increase in ACIP insurance distribution for the Sheriff Department.
- Welfare expenditures decreased \$414,000 or (12.5) percent primarily due to an ALTC contribution refund.

### Jail District Fund

- Cash and investments increased \$137,000 or 10.3 percent largely due to additional operating transfers in received from General Fund and conservative spending in the current fiscal year.
- Due from other governmental units increased \$145,000 or 19.3 percent primarily due to overpaid contributions made to the state Public Safety Personnel Retirement System in the current fiscal year.
- County half cent jail excise sales tax revenues decreased \$973,000 or (20.0) percent largely due to the State Route 189 construction project was completed at the end of fiscal year 2021, a decrease in contracting prime sales taxes.
- Public safety expenditures decreased \$1.0 million or (22.1) percent largely due to the Juvenile Detention Center was closed and legal service costs for the IRS Jail District bond audit incurred in the prior fiscal year but not in the current fiscal year.
- Health expenditures increased \$487,000 or 127.9 percent primarily due to using contracted private medical firm to provide correctional healthcare services to prisoners instead of using employed nurses in the prior fiscal year.

### Road Fund

- Cash and investments decreased \$1.2 million or (66.9) percent as a result of the current fiscal year's operations.
- Due from other governmental units increased \$212,000 or 44.1 percent largely due to the increase in intergovernmental revenues in the current fiscal year.
- Accounts receivable increased \$359,000 or 34,038 percent largely due to the increase in charges for services for the South 32 Arizona Mining project.

## Santa Cruz County Management's Discussion and Analysis

- Accounts payable increased \$465,000 or 110.6 percent solely due to year-end purchases of goods and services for the increase in annual road maintenance projects.
- Highways and streets expenditures increased \$2.2 million or 38.6 percent solely due to additional roads maintained and repaired in the current fiscal year.

### Health Services Fund

- Due from other governmental units increased \$977,000 or 132.24 percent primarily due to additional unavailable intergovernmental revenue recognized in the current fiscal year as explained below.
- Due to other funds increased \$864,000 or 144.3 percent primarily due to increase in year-end cash transfers from General Fund to cover additional negative cash balances in health service funds.
- Unavailable intergovernmental revenue increased \$702,000 or 118.7 percent largely due to several state and federal grants received after the available 60-day period.
- Charges for services increased \$33,000 or 15.1 percent solely due to Environmental Health providing more services.
- Health expenditures decreased \$357,000 or (15.7) percent largely due to most state and federal grants were closed out in the current fiscal year.

### American Rescue Act Plan Fund

- Cash and investments increased \$4.2 million or 93.4 percent solely due to additional American Rescue Act Plan grant received in the current fiscal year.
- Unearned revenue increased \$4.2 million or 92.4 percent largely due to additional American Rescue Act Plan grant received but not eligible to spend at year-end.

## General Fund Budgetary Highlights

General Fund actual expenditures were approximately \$9.3 million under the adopted budget and actual revenues were more than estimated revenues by \$6.5 million. The County conservatively estimated revenues and budgeted expenditures.

## Capital Assets and Debt Administration

### Capital Assets

The County's investment in capital assets as of June 30, 2022, amounted to \$108.8 million (net of accumulated depreciation/amortization). This investment in capital assets includes land, buildings, improvements other than buildings, construction equipment and vehicles, furniture and equipment, construction in progress, and infrastructure. A major capital asset event during the current fiscal year was as follows:

- The County implemented the provisions of GASB Statement No. 87, Leases, as amended, which establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. As a result, the County's financial statements have been modified to reflect the recognition of certain lease assets and reported them as intangible right-to-use lease assets.

## Santa Cruz County Management's Discussion and Analysis

### Capital Assets Net of Depreciation (In Thousands)

	Governmental Activities		Business-Type Activities		Total	
	2021		2022	2021	2022	2021
	2022	Restated				
Land	\$ 22,352	\$ 22,352	\$ 230	\$ 230	\$ 22,582	\$ 22,582
Buildings	48,132	49,980	75	81	48,207	50,061
Improvements other than buildings	2,388	2,738	2,404	2,527	4,792	5,265
Construction equipment and vehicles	846	910	134	212	980	1,122
Furniture and equipment	991	944	3	5	994	949
Infrastructure	30,583	31,972			30,583	31,972
Intangibles:						
Right-to-use lease assets:						
Construction equipment and vehicles	412	398			412	398
Furniture and equipment	259	340			259	340
Total capital assets, net	<u>\$105,963</u>	<u>\$ 109,634</u>	<u>\$ 2,846</u>	<u>\$3,055</u>	<u>\$108,809</u>	<u>\$112,689</u>

The above fiscal year 2021 amounts were restated due to the implementation of GASB Statement No. 87 for leases.

Additional information on the County's capital assets can be found in Note 6 of the Notes to Financial Statements on pages 40-41 of this report.

### Long-Term Liabilities

At June 30, 2022, the County had total long-term liabilities outstanding of \$86.9 million. This amount includes pledged revenue obligations of \$47.3 million, net pension and OPEB liabilities of \$33.9 million, long-term loans payable of \$274,000, compensated absences payable of \$2.0 million, landfill closure and post closure care costs payable of \$2.5 million, financed purchases of \$135,000, leases payable of \$712,000, and claims and judgments payable of \$75,000.

Major long-term liabilities events during the current fiscal year were as follows:

- As mentioned above, the County implemented the provisions of GASB Statement No. 87, Leases. As a result, the County's financial statements have been modified to reflect the recognition of certain lease liabilities for leases that were previously classified as operating leases and recognized as inflows or outflows of resources based on the contract payment provisions. In addition, installment purchase contracts and obligations under capital leases have been reclassified as financed purchases and leases payable, respectively.
- In December 2021, the County issued \$9,170,000 Series 2021 pledged revenue obligations with interest rates between 0.70 percent and 3.15 percent to make additional contributions of \$8,800,000 to fund the unfunded portion of the County's PSPRS net pension liability. The pledged revenue obligations are generally noncallable, with interest payable semiannually.

## Santa Cruz County Management's Discussion and Analysis

Additional information on the County's long-term debt can be found in Note 7 of the Notes to Financial Statements on pages 41-46 of this report.

### Economic Factors and Next Year's Budget

- Always cautious due to the economic and political turmoil in Mexico and the continued uncertainty of the US immigration, and trade policies, however the local economy took an upward turn despite COVID-19 protocols in place, and the state economy generally continues to improve, particularly in the urban areas.
- The State's budget has led to legislative budget proposals involving cost shifts, program shifts, lost revenue streams and HURF shifts to the detriment of the County ranging from \$600,000 to \$1.4 million annually over the past ten years. The improving State economy should reduce this burden in future years, however potential lower revenues on the local level continue to hamper the County's recovery from the recession.
- The economy of Santa Cruz County employs approximately 18.6k people. The largest industries are retail trade, educational services and wholesale trade (produce industry). Within the retail trade, our largest industry, the County experiences brick and mortar store closures, a trend we anticipate will continue. The County relies heavily on shoppers from Mexico, however due to current border issues and the staffing shortages at the port of entries, many visitors and tourists avoid or are unable to make the trip. Although many COVID-19 protocols restrictions were eliminated, many retail and restaurant closed because of the COVID-19 pandemic. The produce industry is a major contributor to the regions' economy, and trade agreements recently negotiated came at a greater cost to importers due to the new border inspection requirements and duty fees. The trend to divert produce deliveries through Texas continues as a mechanism to reduce transportation costs and expedite deliveries. This continues to lead a shift of produce firms to that region, negatively affecting our employment base and economy.
- Pedestrian border crossings at the Nogales POE increased 46% in 2022 compared to last year, and vehicular passengers increased by 48% due to the border reopening fully to non-essential travelers.
- Construction of new commercial warehouse buildings improved this year and construction of new homes remained strong. While there have been significant improvements in the economy in urban counties with the State, rural areas typically lag 1-2 years behind.

### Request for Information

This financial report is designed to provide a general overview of the County's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Santa Cruz County Finance Department, 2150 N. Congress Drive, Room 118, Nogales, AZ 85621.

## Basic Financial Statements

Santa Cruz County  
Statement of Net Position  
June 30, 2022

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>Assets</b>			
Current assets:			
Cash and investments	\$ 36,235,306	\$ 8,015,316	\$ 44,250,622
Cash and investments held by trustee	2,580		2,580
Property taxes receivable (net of allowance)	1,157,288		1,157,288
Due from other governmental units	7,302,640	3,746	7,306,386
Accounts receivable	644,153	236,695	880,848
Leases receivable	289,237		289,237
Prepaid items	211,583	291	211,874
Noncurrent assets:			
Net pension and other postemployment benefits asset	1,295,464	9,888	1,305,352
Capital assets:			
Not being depreciated/amortized	22,352,410	229,996	22,582,406
Being depreciated/amortized (net)	<u>83,610,783</u>	<u>2,616,205</u>	<u>86,226,988</u>
Total assets	<u>153,101,444</u>	<u>11,112,137</u>	<u>164,213,581</u>
<b>Deferred Outflows of Resources</b>			
Deferred charge on debt refunding	1,463,894		1,463,894
Deferred outflows related to pensions and other postemployment benefits	<u>14,745,347</u>	<u>93,365</u>	<u>14,838,712</u>
Total deferred outflows of resources	<u>16,209,241</u>	<u>93,365</u>	<u>16,302,606</u>
<b>Liabilities</b>			
Accounts payable	3,283,880	217,367	3,501,247
Due to other governments	4,610		4,610
Accrued payroll and employee benefits	1,129,319	30,220	1,159,539
Unearned revenue	8,686,876		8,686,876
Noncurrent liabilities:			
Due within 1 year	5,191,098	71,166	5,262,264
Due in more than 1 year	<u>78,554,031</u>	<u>3,097,810</u>	<u>81,651,841</u>
Total liabilities	<u>96,849,814</u>	<u>3,416,563</u>	<u>100,266,377</u>
<b>Deferred Inflows of Resources</b>			
Deferred inflows related to pensions and other postemployment benefits	7,657,238	138,261	7,795,499
Deferred inflows related to leases	<u>289,237</u>		<u>289,237</u>
Total deferred inflows of resources	<u>7,946,475</u>	<u>138,261</u>	<u>8,084,736</u>
<b>Net Position</b>			
Net investment in capital assets	67,744,795	2,710,989	70,455,784
Restricted for:			
Capital projects	276,244		276,244
Education	1,148,958		1,148,958
Flood control	2,198,513		2,198,513
Health	1,521,156		1,521,156
Judicial activities	3,354,740		3,354,740
Law enforcement	3,716,950		3,716,950
Public safety	149,435		149,435
Social services	278,783		278,783
Highways and streets	716,416		716,416
Sanitation	269,565		269,565
Other purposes	505,452		505,452
Unrestricted (deficit)	<u>(17,366,611)</u>	<u>4,939,689</u>	<u>(12,426,922)</u>
Total net position	<u>\$ 64,514,396</u>	<u>\$ 7,650,678</u>	<u>\$ 72,165,074</u>

See accompanying notes to financial statements.

Santa Cruz County  
Statement of Activities  
Year Ended June 30, 2022

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary Government							
Governmental activities:							
General government	\$ 17,492,776	\$ 3,235,364	\$ 2,063,118	\$ 250,576	\$ (11,943,718)		\$ (11,943,718)
Public safety	16,727,514	154,904	3,778,118		(12,794,492)		(12,794,492)
Highways and streets	9,509,175	543,738	5,617,048		(3,348,389)		(3,348,389)
Health, welfare and sanitation	6,454,043	341,714	2,800,313		(3,312,016)		(3,312,016)
Education and economic opportunity	3,368,397	14,000	2,819,745		(534,652)		(534,652)
Recreation	422,882	7,535		85,000	(330,347)		(330,347)
Interest on long-term debt	1,873,127				(1,873,127)		(1,873,127)
Total governmental activities	<u>\$ 55,847,914</u>	<u>\$ 4,297,255</u>	<u>\$ 17,078,342</u>	<u>\$ 335,576</u>	<u>\$ (34,136,741)</u>		<u>\$ (34,136,741)</u>
Business-type activities:							
Landfill	2,736,191	2,970,797				\$ 234,606	234,606
Total business-type activities	<u>2,736,191</u>	<u>2,970,797</u>				<u>234,606</u>	<u>234,606</u>
Total primary government	<u>\$ 58,584,105</u>	<u>\$ 7,268,052</u>	<u>\$ 17,078,342</u>	<u>\$ 335,576</u>	<u>\$ (34,136,741)</u>	<u>\$ 234,606</u>	<u>\$ (33,902,135)</u>
<b>General revenues/expenses:</b>							
Taxes							
Property taxes, levied for general purposes					15,970,990		15,970,990
Property taxes, levied for flood control district					2,768,310		2,768,310
Property taxes, levied for debt service					74		74
County excise tax for general purposes					3,887,120		3,887,120
County excise tax for jail district					3,887,021		3,887,021
Share of state sales taxes					6,905,639		6,905,639
Share of state vehicle license tax					2,116,649		2,116,649
Share of state overweight permits					389,895		389,895
State appropriations					550,050		550,050
Payments in lieu of taxes					1,263,376		1,263,376
Investment earnings					37,145	3,719	40,864
Miscellaneous					402,502		402,502
Capital contribution					2,013	(2,013)	-
Transfers in (out)					(586)	586	-
Total general revenues and transfers					<u>38,180,198</u>	<u>2,292</u>	<u>38,182,490</u>
Changes in net position					4,043,457	236,898	4,280,355
<b>Net position—July 1, 2021</b>					<u>60,470,939</u>	<u>7,413,780</u>	<u>67,884,719</u>
<b>Net position—June 30, 2022</b>					<u>\$ 64,514,396</u>	<u>\$ 7,650,678</u>	<u>\$ 72,165,074</u>

See accompanying notes to financial statements.

Santa Cruz County  
Balance Sheet  
Governmental Funds  
June 30, 2022

	General Fund	Jail District Fund	Road Fund	Health Services Fund	American Rescue Plan Act Fund	Other Governmental Funds	Total
<b>Assets</b>							
Cash and investments	\$ 15,930,493	\$ 1,459,594	\$ 617,639	\$ 184,660	\$ 8,732,410	\$ 9,310,510	\$ 36,235,306
Cash and investments held by trustee	2,580						2,580
Property taxes receivable (net of allowances for uncollectibles)	973,545					183,743	1,157,288
Due from other governmental units	2,382,044	897,484	691,720	1,715,067		1,616,325	7,302,640
Due from other funds	2,377,880						2,377,880
Accounts receivable	238,578	422	360,497	3,695		40,961	644,153
Leases receivable	289,237						289,237
Prepaid items	88,277	63,350		12,735		47,221	211,583
Total assets	<u>\$ 22,282,634</u>	<u>\$ 2,420,850</u>	<u>\$ 1,669,856</u>	<u>\$ 1,916,157</u>	<u>\$ 8,732,410</u>	<u>\$ 11,198,760</u>	<u>\$ 48,220,667</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>							
<b>Liabilities</b>							
Accounts payable	\$ 1,128,453	\$ 107,647	\$ 886,002	\$ 216,188	\$ 45,534	\$ 900,056	\$ 3,283,880
Due to other governments						4,610	4,610
Accrued payroll and employee benefits	621,359	124,019	67,438	46,293		270,210	1,129,319
Due to other funds				1,462,088		915,792	2,377,880
Unearned revenue					8,686,876		8,686,876
Total liabilities	<u>1,749,812</u>	<u>231,666</u>	<u>953,440</u>	<u>1,724,569</u>	<u>8,732,410</u>	<u>2,090,668</u>	<u>15,482,565</u>
<b>Deferred Inflows of Resources</b>							
Unavailable revenue—property taxes	740,726					137,116	877,842
Unavailable revenue—intergovernmental	7,685			1,293,030		731,131	2,031,846
Unavailable revenue—miscellaneous						356	356
Deferred inflows related to leases	289,237						289,237
Total deferred inflows of resources	<u>1,037,648</u>			<u>1,293,030</u>		<u>868,603</u>	<u>3,199,281</u>
<b>Fund balances</b>							
Nonspendable	88,277	63,350		12,735		47,221	211,583
Restricted		2,125,834	716,416	77,341		8,835,720	11,755,311
Assigned						94,646	94,646
Unassigned	19,406,897			(1,191,518)		(738,098)	17,477,281
Total fund balances	<u>19,495,174</u>	<u>2,189,184</u>	<u>716,416</u>	<u>(1,101,442)</u>		<u>8,239,489</u>	<u>29,538,821</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 22,282,634</u>	<u>\$ 2,420,850</u>	<u>\$ 1,669,856</u>	<u>\$ 1,916,157</u>	<u>\$ 8,732,410</u>	<u>\$ 11,198,760</u>	<u>\$ 48,220,667</u>

See accompanying notes to financial statements.



Santa Cruz County  
Reconciliation of the Balance Sheet  
to the Statement of Net Position  
Governmental Funds  
June 30, 2022

<b>Fund balances—total governmental funds</b>		<b>\$ 29,538,821</b>
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$218,391,612 and the accumulated depreciation/amortization is \$112,428,419		105,963,193
Some receivables are not available to pay for current-period expenditures and, therefore, are reported as unavailable revenue in the funds		3,199,281
Long-term liabilities, such as net pension/OPEB liabilities and loans payable, are not due and payable in the current period and, therefore, are not reported in the funds.		
Pledged revenue obligations payable	\$ (44,165,000)	
Pledged revenue obligations premium payable	(3,146,829)	
Long-term loans payable	(273,873)	
Leases payable	(711,590)	
Compensated absences payable	(1,974,881)	
Net pension and other postemployment benefits liabilities	(33,397,956)	
Estimated liabilities for claims and judgments	<u>(75,000)</u>	
		(83,745,129)
Deferred outflows of resources related to long-term debts are applicable to future reporting periods and, therefore, are not reported in the funds		1,463,894
Net pension and OPEB assets held in trust for future benefits are not available for County operations and, therefore, are not reported in the funds.		1,295,464
Deferred outflows and inflows of resources related to pensions and OPEB are applicable to future reporting periods and, therefore, are not reported in the funds		7,088,109
Deferred inflows related to leases are applicable to future reporting periods and, therefore, are not reported in the funds		<u>(289,237)</u>
<b>Net position of governmental activities</b>		<b><u>\$ 64,514,396</u></b>

See accompanying notes to financial statements.

Santa Cruz County  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds  
Year Ended June 30, 2022

	General Fund	Jail District Fund	Road Fund	Health Services Fund	American Rescue Plan Act Fund	Other Governmental Funds	Total
<b>Revenues:</b>							
Taxes	\$ 19,806,434	\$3,887,021				\$ 2,759,882	\$ 26,453,337
Intergovernmental	12,035,484	196,370	\$ 6,006,943	\$ 1,052,776	\$ 344,815	8,331,027	27,967,415
Licenses and permits	1,159,628					-	1,159,628
Charges for services	968,139	7,498	543,739	252,678		365,316	2,137,370
Fines and forfeits	498,569					398,990	897,559
Investment earnings	27,859	2,622	2,025			4,639	37,145
Donations						123,146	123,146
Rents	102,698						102,698
Miscellaneous	61,055	30	200,365			140,711	402,161
Total revenues	<u>34,659,866</u>	<u>4,093,541</u>	<u>6,753,072</u>	<u>1,305,454</u>	<u>344,815</u>	<u>12,123,711</u>	<u>59,280,459</u>
<b>Expenditures:</b>							
Current:							
General government	14,965,257					2,287,436	17,252,693
Public safety	5,920,320	3,575,489			344,815	6,526,124	16,366,748
Highways and streets			7,911,308			-	7,911,308
Health, welfare and sanitation	2,903,244	867,650		1,911,864		970,613	6,653,371
Education and economic opportunity	478,528					2,968,483	3,447,011
Recreation	361,225					10,000	371,225
Debt service:							
Principal retirement	1,150,762	1,856,687	8,675	3,844		1,146,900	4,166,868
Interest and fiscal charges	497,274	1,077,247				491,212	2,065,733
Total expenditures	<u>26,276,610</u>	<u>7,377,073</u>	<u>7,919,983</u>	<u>1,915,708</u>	<u>344,815</u>	<u>14,400,768</u>	<u>58,234,957</u>
Excess (deficiency) of revenues over expenditures	8,383,256	(3,283,532)	(1,166,911)	(610,254)	-	(2,277,057)	1,045,502
<b>Other financing sources (uses):</b>							
Pledged revenue refunding obligations proceeds	9,170,000						9,170,000
Payment to PSPRS	(8,800,000)						(8,800,000)
Leases agreements	92,717					121,529	214,246
Transfers in	88,948	3,893,964	7,500	175,352		1,650,198	5,815,962
Transfers out	(5,579,238)		(59)	(59,228)		(178,023)	(5,816,548)
Total other financing sources (uses)	<u>(5,027,573)</u>	<u>3,893,964</u>	<u>7,441</u>	<u>116,124</u>	<u>-</u>	<u>1,593,704</u>	<u>583,660</u>
Net change in fund balances	3,355,683	610,432	(1,159,470)	(494,130)	-	(683,353)	1,629,162
Fund balances, beginning of year	16,139,491	1,578,752	1,875,886	(607,312)	-	8,922,842	27,909,659
Fund balances, end of year	<u>\$ 19,495,174</u>	<u>\$2,189,184</u>	<u>\$ 716,416</u>	<u>\$ (1,101,442)</u>	<u>\$ -</u>	<u>\$ 8,239,489</u>	<u>\$ 29,538,821</u>

See accompanying notes to financial statements.

Santa Cruz County  
Reconciliation of the Statement of Revenues, Expenditures, and  
Changes in Fund Balances to the Statement of Activities  
Governmental Funds  
Year Ended June 30, 2022

**Net change in fund balances—total governmental funds** \$ 1,629,162

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation/amortization expense.

Capital outlays	\$ 1,122,534	
Less: current-year depreciation/amortization	<u>(4,786,169)</u>	(3,663,635)

In the statement of activities, only the gain/loss on the sale of capital assets is reported, whereas in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the book value of the capital assets sold. (9,610)

Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is issued, whereas these amounts are amortized in the statement of activities.

Debt issued	(9,384,246)	
Refunding pledged revenue obligations premium amortized	332,118	
Deferred outflows related to refunding pledged revenue obligations amortized	(139,512)	
Principal repaid	<u>4,166,868</u>	(5,024,772)

Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available resources. In the Statement of Activities, however, which is presented on the accrual basis of accounting, expenses and liabilities are reported regardless of when the financial resources are available.

Decrease in compensated absences payable		65,404
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County pension/OPEB contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension/OPEB liability is measured a year before the County's report date. Pension/OPEB expense, which is the change in the net pension/OPEB liability adjusted for changes in deferred outflows and inflows of resources related to pensions/OPEB, is reported in the Statement of Activities.

County pension/OPEB contributions	12,233,626	
Pension/OPEB expense	<u>(1,798,216)</u>	10,435,410

Collections of revenues in the governmental funds exceeded revenues reported in the Statement of Activities

Intergovernmental	(728,232)	
Miscellaneous revenue	<u>(15)</u>	(728,247)

Some revenues reported in the Statement of Activities do not represent the collection of current financial resources and therefore are not reported as revenues in the governmental funds.

Capital contribution	2,013	
Property tax	60,178	
Intergovernmental	1,277,198	
Miscellaneous revenue	<u>356</u>	<u>1,339,745</u>

**Change in net position of governmental activities** \$ 4,043,457

See accompanying notes to financial statements.

Santa Cruz County  
Statement of Net Position  
Propriety Funds  
June 30, 2022

	<b>Business-Type Activities— Enterprise Fund Landfill</b>
<b>Assets</b>	
Current assets:	
Cash and investments	\$ 8,015,316
Due from other governmental units	3,746
Accounts receivable	236,695
Prepaid items	291
Total current assets	8,256,048
Noncurrent assets:	
Net pension and other postemployment benefits asset	9,888
Capital assets	
Nondepreciable	229,996
Depreciable (net)	2,616,205
Total noncurrent assets	2,856,089
Total assets	11,112,137
<b>Deferred Outflows of Resources</b>	
Deferred outflows related to pensions and OPEB	93,365
Total deferred outflows of resources	93,365
<b>Liabilities</b>	
Current liabilities:	
Accounts payable	217,367
Accrued payroll and employee benefits	30,220
Financed purchase payable—current portion	49,001
Compensated absences payable—current portion	22,165
Total current liabilities	318,753
Noncurrent liabilities:	
Landfill closure and postclosure care costs payable	2,490,087
Financed purchase payable	86,211
Compensated absences payable	39,444
Net pension and OPEB liability	482,068
Total noncurrent liabilities	3,097,810
Total liabilities	3,416,563
<b>Deferred Inflows of Resources</b>	
Deferred inflows related to pensions and OPEB	138,261
Total deferred inflows of resources	138,261
<b>Net Position</b>	
Net investment in capital assets	2,710,989
Unrestricted	4,939,689
Total net position	\$ 7,650,678

See accompanying notes to financial statements.

Santa Cruz County  
Statement of Revenues, Expenses, and Changes in Fund Net Position  
Proprietary Funds  
Year Ended June 30, 2022

	<b>Business-Type Activities— Enterprise Fund Landfill</b>
<b>Operating revenues:</b>	
Landfill fees	\$ 2,916,111
Other	<u>54,686</u>
Total operating revenues	<u>2,970,797</u>
 <b>Operating expenses:</b>	
Personal services	469,368
Professional services	233,636
Supplies	33,354
Utilities	47,495
Repairs and maintenance	1,364,696
Insurance	5,266
Landfill closure and postclosure care costs	237,382
Depreciation	209,178
Other	<u>128,262</u>
Total operating expenses	<u>2,728,637</u>
 Operating income	 <u>242,160</u>
 <b>Nonoperating revenues (expenses):</b>	
Investment earnings	3,719
Interest expense on financed purchases	<u>(7,554)</u>
Total nonoperating revenues (expenses)	<u>(3,835)</u>
 Income before contributions, gains, losses, and transfers	 238,325
Transfers in	586
Capital contribution to governmental activities	<u>(2,013)</u>
 Increase in net position	 236,898
Net position, July 1, 2021	<u>7,413,780</u>
Net position, June 30, 2022	<u>\$ 7,650,678</u>

See accompanying notes to financial statements.

Santa Cruz County  
Statement of Cash Flows  
Proprietary Funds  
Year Ended June 30, 2022

	<b>Business-Type Activities— Enterprise Fund Landfill</b>
<b>Cash flows from operating activities</b>	
Receipts from customers	\$ 2,964,181
Payments to suppliers and providers of goods and services	(1,740,356)
Payments to employees	(477,164)
Net cash provided by operating activities	<u>746,661</u>
<b>Cash flows from noncapital financing activities</b>	
Cash transfers from governmental funds	<u>586</u>
Net cash provided by noncapital and related financing activities	<u>586</u>
<b>Cash flows from capital and related financing activities</b>	
Principal paid on financed purchase agreement	(47,026)
Cash contributions made for capital purposes	(2,013)
Interest paid on financed purchase agreement	(7,554)
Net cash used for capital and related financing activities	<u>(56,593)</u>
<b>Cash flows from investing activities</b>	
Interest received on investments	<u>3,719</u>
Net cash provided by investing activities	<u>3,719</u>
Net increase in cash and cash equivalents	694,373
Cash and cash equivalents, July 1, 2021	<u>7,320,943</u>
Cash and cash equivalents, June 30, 2022	<u>\$ 8,015,316</u>
Reconciliation of operating income to net cash provided by operating activities	
Operating income	\$ 242,160
Adjustments to reconcile operating income to net cash provided by operating activities	
Depreciation	209,178
Changes in assets, deferred outflows of resources, liabilities, and deferred inflow of resources:	
Increase and decrease in:	
Due from other governmental units	(221)
Accounts receivable	(6,395)
Prepaid items	(291)
Deferred outflows related to pensions and other postemployment benefits	(781)
Accounts payable	72,644
Accrued payroll and employee benefits	1,463
Compensated absences payable	11,274
Landfill closure and postclosure care costs payable	237,382
Deferred inflows related to pensions and other postemployment benefits	91,354
Net pension/OPEB asset	(8,581)
Net pension/OPEB liability	<u>(102,525)</u>
Net cash provided by operating activities	<u>\$ 746,661</u>

See accompanying notes to financial statements.

Santa Cruz County  
Statement of Fiduciary Net Position  
Fiduciary Funds  
June 30, 2022

	Investment Trust Funds	Private-Purpose Trust Funds	Custodial funds	
			External Investment Pool	Other
<b>Assets</b>				
Cash and investments	\$ 8,578	\$ 510,226	\$ 38,251,380	\$ 5,682,610
Taxes receivable for other governments				1,393,699
Total assets	<u>8,578</u>	<u>510,226</u>	<u>38,251,380</u>	<u>7,076,309</u>
<b>Liabilities</b>				
Due to other governments				3,919,732
Due to others				466,687
Total liabilities				<u>4,386,419</u>
<b>Net position</b>				
Restricted for:				
Pool participants			38,251,380	
Individuals, organizations, and other governments	<u>8,578</u>	<u>510,226</u>		<u>2,689,890</u>
Total net position	<u>\$ 8,578</u>	<u>\$ 510,226</u>	<u>\$ 38,251,380</u>	<u>\$ 2,689,890</u>

See accompanying notes to financial statements.

Santa Cruz County  
Statement of Changes in Fiduciary Net Position  
Fiduciary Funds  
Year Ended June 30, 2022

	Investment Trust Funds	Private-Purpose Trust Funds	Custodial funds	
			External Investment Pool	Other
<b>Additions:</b>				
Contributions from pool participants			\$ 135,942,651	
Property/sales tax collections for other governments				\$ 11,168,462
Collections for individuals		\$ 700,738		2,411,638
Investment earnings	\$ 34	10	11,020	933
Inmate collections				244,984
Other				3,579,993
Total additions	<u>34</u>	<u>700,748</u>	<u>135,953,671</u>	<u>17,406,010</u>
<b>Deductions:</b>				
Distributions to pool participants			138,410,105	
Beneficiary payments to individuals		579,047		942,445
Property/sales tax distributions to other governments				11,359,812
Other distributions to other governments	56,742			
Administrative expense		42,985		141,623
Payments to inmates				103,626
Other				4,889,468
Total deductions	<u>56,742</u>	<u>622,032</u>	<u>138,410,105</u>	<u>17,436,974</u>
Net increase (decrease) in fiduciary net position	(56,708)	78,716	(2,456,434)	(30,964)
Net position, July 1, 2021	<u>65,286</u>	<u>431,510</u>	<u>40,707,814</u>	<u>2,720,854</u>
Net position, June 30, 2022	<u>\$ 8,578</u>	<u>\$ 510,226</u>	<u>\$ 38,251,380</u>	<u>\$ 2,689,890</u>

See accompanying notes to financial statements.



Santa Cruz County  
Notes to Financial Statements  
June 30, 2022

Note 1 – Summary of Significant Accounting Policies

Santa Cruz County's accounting policies conform to generally accepted accounting principles applicable to governmental units adopted by the Governmental Accounting Standards Board (GASB).

For the year ended June 30, 2022, the County implemented the provisions of GASB Statement No. 87, Leases, as amended, which establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. As a result, the County's financial statements have been modified to reflect the recognition of certain lease assets and liabilities for leases that were previously classified as operating leases and recognized as inflows or outflows of resources based on the contract payment provisions.

A. Reporting Entity

The County is a general purpose local government that a separately elected board of supervisors governs. The accompanying financial statements present the activities of the County (the 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 so intertwined with the County that they are in substance part of the County's operations. Therefore, 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 government-wide 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.

The Santa Cruz County Flood Control District is a legally separate tax-levying entity pursuant to A.R.S. §48-3602 that provides flood control facilities and regulates floodplains and drainage to prevent flooding of property within Santa Cruz County. The Santa Cruz County Jail District is a legally separate tax-levying entity pursuant to A.R.S. §48-4002 that acquires, constructs, operates, maintains, and finances the County jail, jail system, and juvenile detention facility. The Santa Cruz County Board of Supervisors serves as the Board of Directors of the Flood Control and Jail Districts and significantly influences the programs, projects, activities, and level of services provided by the Districts. The Board also establishes policy, appoints management, exercises budgetary control and sets the tax rate for the Flood Control District. In addition, the Board exercises budgetary control for the Jail District. Further, the Districts provide services almost entirely for the benefit of the County; therefore, the Flood Control and Jail Districts are considered blended component units of the County. Separate financial statements for the Districts are not available.

Santa Cruz County  
Notes to Financial Statements  
June 30, 2022

## B. Basis of Presentation

The basic financial statements include both government-wide statements and fund financial statements. The government-wide statements focus on the County as a whole, while the fund financial statements focus on major funds. Each presentation provides valuable information that can be analyzed and compared between years and between governments to enhance the information's usefulness.

**Government-wide statements**—Provide information about the primary government (the County) and its component units. The statements include a statement of net position and a statement of activities. These statements report the overall government's financial activities, except for fiduciary activities. They also distinguish between the County's governmental and business-type activities. Governmental activities generally are financed through taxes and intergovernmental revenues. Business-type activities are financed in whole or in part by fees charged to external parties.

A statement of activities presents a comparison between direct expenses and program revenues for each function of the County's governmental activities and segment of its business-type activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. The County does not allocate indirect expenses to programs or functions. Program revenues include:

- Charges to customers or applicants for goods, services, or privileges provided,
- Operating grants and contributions, and
- Capital grants and contributions, including special assessments.

Revenues that are not classified as program revenues, including internally dedicated resources and all taxes the County levies or imposes, are reported as general revenues.

Generally, the effect of interfund activity has been eliminated from the government-wide financial statements to minimize the double-counting of internal activities. However, charges for interfund services provided and used are not eliminated if the prices approximate their external exchange values.

**Fund financial statements**—Provide information about the County's funds, including fiduciary funds and blended component units. Separate statements are presented for the governmental, proprietary, and fiduciary fund categories. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds. Fiduciary funds are aggregated and reported by fund type.

Proprietary fund revenues and expenses are classified as either operating or nonoperating. Operating revenues and expenses generally result from transactions associated with the fund's principal activity. Accordingly, revenues, such as user charges, in which each party receives and gives up essentially equal values are operating revenues. Other revenues, such as grants and contributions, result from transactions in which the parties do not exchange

Santa Cruz County  
Notes to Financial Statements  
June 30, 2022

equal values and are considered nonoperating revenues along with investment earnings and revenues ancillary activities generate. Operating expenses include the cost of services, administrative expenses, and depreciation on capital assets. Other expenses, such as interest expense, are considered nonoperating expenses.

The County reports the following major governmental funds:

The *General Fund* is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *Jail District Fund* accounts for all financial resources of the Jail District and is funded by excise taxes, maintenance of effort payments from the County's General Fund, and federal reimbursements.

The *Road Fund* accounts for specific revenue sources such as highway user revenues and vehicle license taxes that are restricted for road construction, maintenance and operations, and pavement preservation.

The *Health Services Fund* accounts for a variety of health service and education programs including Environmental Health, Immunization, Bioterrorism, Smoke Free Arizona, and infectious and contagious diseases. Revenue sources include federal and state grants, charges for services provided, and operating transfers from the General Fund.

The *American Rescue Plan Act Fund* accounts for specific federal assistance allocated to the County to support efforts in minimizing the spread of the COVID-19 virus and provide immediate economic relief to the county and its businesses and households due to the public health emergency.

The County also reports the following major enterprise fund:

The *Landfill Fund* accounts for sanitation fee revenues and expenses related to the operation of the Rio Rico and Sonoita Landfills as well as the Tubac Transfer Station.

The County also reports the following fund types:

The *Fiduciary Funds* consist of investment trust funds, which account for individual investment accounts that the County Treasurer holds in trust and invests on behalf of other governmental entities; private-purpose trust funds, which account for assets the County's Public Fiduciary holds in trust for the benefit of various parties; and custodial funds, which account for other fiduciary activities, including the pooled assets the County Treasurer holds and invests on behalf of other governmental entities that are not held in trust and the County Treasurer's receipt and distribution of taxes for other governmental entities.

Santa Cruz County  
Notes to Financial Statements  
June 30, 2022

### C. Basis of Accounting

The government-wide, proprietary fund, and fiduciary fund financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Property taxes are recognized as revenue in the year for which they are levied. Grants and donations are recognized as revenue as soon as all eligibility requirements the provider imposed have been met.

Under the terms of grant agreements, the County funds certain programs by a combination of grants and general revenues. Therefore, when program expenses are incurred, there are both restricted and unrestricted net position resources available to finance the program. The County applies grant resources to such programs before using general revenues.

Governmental funds in the fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when they become both measurable and available. The County considers all revenues reported in the governmental funds to be available if the revenues are collected within 60 days after year-end. The County's major revenue sources that are susceptible to accrual are property taxes, excise taxes, intergovernmental, charges for services, and investment earnings. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, compensated absences, and landfill closure and postclosure care costs, which are recognized as expenditures to the extent they are due and payable. General capital asset acquisitions are reported as expenditures in governmental funds. Issuances of general long-term debt and acquisitions under lease contracts are reported as other financing sources.

### D. Cash and Investments

For the statement of cash flows, the County's cash and cash equivalents are considered to be cash on hand, demand deposits, cash and investments held by the County Treasurer, investments in the State Treasurer's local government investment pool, and only those highly liquid investments with a maturity of 3 months or less when purchased.

Nonparticipating interest-earning investment contracts are stated at cost. Money market investments and participating interest-earning investment contracts with a remaining maturity of 1 year or less at the time of purchase that are not in the County Treasurer's investment pool are stated at amortized cost. All other investments are stated at fair value.

### E. Property Tax Calendar

The County levies real and personal property taxes on or before the third Monday in August that become due and payable in 2 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

Santa Cruz County  
Notes to Financial Statements  
June 30, 2022

installment is due on the first day of March of the next year and becomes delinquent after the first business day of May.

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

## F. Capital Assets

Capital assets are reported at actual cost (or estimated historical cost if historical records are not available). Donated assets are reported at acquisition value.

Capitalization thresholds (the dollar values above which asset acquisitions are added to the capital asset accounts), depreciation/amortization methods, and estimated useful lives of capital assets are as follows:

	<b>Capitalization Threshold</b>	<b>Depreciation/Amortization Method</b>	<b>Estimated Useful Life</b>
Land	\$10,000	N/A	N/A
Construction in progress	10,000	N/A	N/A
Buildings	10,000	Straight line	15-40 years
Improvements other than buildings	10,000	Straight line	7-40 years
Construction equipment and vehicles	5,000	Straight line	5-7 years
Furniture and equipment	5,000	Straight line	5-7 years
Infrastructure	10,000	Straight line	20-65 years
Intangibles:			
Right-to-use lease assets:			
Construction equipment and vehicles	5,000	Straight line	Varies
Furniture and equipment	5,000	Straight line	Varies

Intangible right-to-use lease assets are amortized over the shorter of the lease term or the useful life of the underlying asset with one exception. If a lease contains a purchase option that the County has determined is reasonably certain of being exercised, the lease asset is amortized over the useful life of the underlying asset.

## G. Deferred Outflows and Inflows of Resources

The statement of net position and balance sheet include separate sections for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources represent a consumption of net position that applies to future periods that will be recognized as an expense or expenditure in future periods. Deferred inflows of resources represent an

Santa Cruz County  
Notes to Financial Statements  
June 30, 2022

acquisition of net position or fund balance that applies to future periods and will be recognized as a revenue in future periods.

#### H. Postemployment Benefits

For purposes of measuring the net pension and other postemployment benefits (OPEB) assets and liabilities, deferred outflows of resources and deferred inflows of resources related to pensions and OPEB, and pension and OPEB expense, information about the plans' fiduciary net position and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

#### I. Fund Balance Classifications

The governmental funds' fund balances are reported separately within classifications based on a hierarchy of the constraints placed on those resources' use. The classifications are based on the relative strength of the constraints that control how the specific amounts can be spent. The classifications are nonspendable, restricted, and unrestricted, which includes committed, assigned, and unassigned fund balance classifications.

The nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form, such as prepaid items, or are legally or contractually required to be maintained intact. Restricted fund balances are those that have externally imposed restrictions on their usage by creditors (such as through debt covenants), grantors, contributors, or laws and regulations.

The unrestricted fund balance category is composed of committed, assigned, and unassigned resources. Committed fund balances are self-imposed limitations that the County's Board of Supervisors approved, which is the highest level of decision-making authority within the County. Only the Board can remove or change the constraints placed on committed fund balances.

Assigned fund balances are resources constrained by the County's intent to be used for specific purposes, but that are neither restricted nor committed. The Board of Supervisors has authorized the Administrative Services Director to assign resources for a specific purpose.

The unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not reported in the other classifications. Also, deficits in fund balances of the other governmental funds are reported as unassigned.

When an expenditure is incurred that can be paid from either restricted or unrestricted fund balances, it is the County's policy to use restricted fund balance first. It is the County's policy to use committed amounts first when disbursing unrestricted fund balances, followed by assigned amounts, and lastly unassigned amounts.

Santa Cruz County  
Notes to Financial Statements  
June 30, 2022

## J. Investment Earnings

Investment earnings is composed of interest, dividends, and net changes in the fair value of applicable investments.

## K. Compensated Absences

Compensated absences payable consists of vacation leave and a calculated amount of sick leave employees earned based on services already rendered.

Employees may accumulate up to 320 hours of vacation depending on years of service, but they forfeit any unused vacation hours in excess of the maximum amount at calendar year-end. Upon terminating employment, the County pays all unused and unforfeited vacation benefits to employees. Accordingly, vacation benefits are accrued as a liability in the government-wide and proprietary funds' financial statements. A liability for these amounts is reported in the governmental funds' financial statements only if they have matured, for example, as a result of employee resignations and retirements by fiscal year end.

Employees may accumulate an unlimited number of sick leave hours. Generally, sick leave benefits provide for ordinary sick pay and are cumulative, but employees forfeit them upon terminating employment. Because sick leave benefits do not vest with employees, a liability for sick leave benefits is not accrued in the financial statements. However, for employees who terminate with a minimum of 5 years of continuous service and have accumulated sick leave hours in excess of 240 hours, sick leave benefits do vest and, therefore, are accrued as a liability in the government-wide and proprietary funds' financial statements. Such eligible terminating employees are compensated for actual sick leave at a percentage in proportion to years of service provided. A liability for these amounts is reported in the governmental funds' financial statements only if they have matured, for example, as a result of employee resignations and retirements by fiscal year-end.

## L. Leases

As lessee, the County recognizes lease liabilities with an initial, individual value of \$5,000 or more. The County uses its estimated incremental borrowing rate to measure lease liabilities unless it can readily determine the interest rate implicit in the lease. The County's estimated incremental borrowing rate is based on current borrowing rate as the discount rate.

As lessor, the County recognizes lease receivables with an initial, individual value of \$5,000 or more. If there is no stated rate in the lease contract and the implicit rate cannot be determined, the County uses its own estimated incremental borrowing rate as the discount rate to measure lease receivables. The County's estimated incremental borrowing rate is calculated as described above.

Santa Cruz County  
Notes to Financial Statements  
June 30, 2022

M. Miscellaneous Disclosures

Pursuant to A.R.S. §35-391(B), the County shall disclose in its annual financial report the amount of any reward, discount, incentive, or other financial consideration received by the governmental entity resulting from credit card payments. The County received \$1,075 in rebates during fiscal year 2022.

Note 2 – Stewardship, Compliance, and Accountability

**Deficit fund balances**—At June 30, 2022, the following nonmajor funds reported deficits in fund balance:

Fund	Deficit
Governmental funds:	
Special revenue	
Homeland Security	\$183,026
WIOA	55,494
Animal Control	71,872
Debt Service Fund	4,093

Note 3 – Deposits and Investments

Arizona Revised Statutes (A.R.S.) authorize the County to invest public monies in the State Treasurer’s investment pool; obligations issued or guaranteed by the United States or any of the senior debt of its agencies, sponsored agencies, corporations, sponsored corporations, or instrumentalities; specified State and local government bonds, notes, and other evidences of indebtedness; interest-earning investments such as savings accounts, certificates of deposit, and repurchase agreements in eligible depositories; specified commercial paper issued by corporations organized and doing business in the United States; specified bonds, debentures, notes, and other evidences of indebtedness that are denominated in United States dollars; and certain open-end and closed-end mutual funds, including exchange traded funds. In addition, the County Treasurer may invest trust funds in certain fixed income securities of corporations doing business in the United States or District of Columbia.

Credit risk

Statutes have the following requirements for credit risk:

1. Commercial paper must be of prime quality and be rated within the top two ratings by a nationally recognized rating agency.
2. Specified bonds, debentures, notes and other evidences of indebtedness that are denominated in United States dollars must be rated "A" or better at the time of purchase by at least two nationally recognized rating agencies.



Santa Cruz County  
Notes to Financial Statements  
June 30, 2022

3. Fixed income securities must carry one of the two highest ratings by Moody's investors service and Standard and Poor's rating service. If only one of these services rates the security, it must carry the highest rating of that service.

Custodial credit risk

Statutes require collateral for deposits at 102 percent of all deposits federal depository insurance does not cover.

Concentration of credit risk

Statutes do not include any requirements for concentration of credit risk.

Interest rate risk

Statutes require that public monies invested in securities and deposits have a maximum maturity of 5 years. The maximum maturity for investments in repurchase agreements is 180 days.

Foreign currency risk

Statutes do not allow foreign investments unless the investment is denominated in United States dollars.

**Deposits**—At June 30, 2022, the carrying amount of the County's deposits was \$41,904,125, and the bank balance was \$42,317,252. The County does not have a formal policy related to custodial credit risk for deposits. At June 30, 2022, \$7,978 of the County's bank balance was uninsured and uncollateralized.

**Investments**—The County had total investments of \$46,795,583 at June 30, 2022. The County categorizes certain investments measured at fair value within the fair value hierarchy established by generally accepted accounting principles as follows:

Investments by fair value level	Amount	Quoted prices in active markets for identical assets (Level 1)
Negotiable certificates of deposit	\$ 9,560,080	\$ 9,560,080
Negotiable credit union share certificates	1,406,485	1,406,485
U.S. Government money market fund	<u>19,726,180</u>	<u>19,726,180</u>
Total investments at fair value	<u>\$30,692,745</u>	<u>\$30,692,745</u>

Investments categorized as Level 1 are valued using prices quoted in active markets for those investments.

The County also had investments of \$16,102,838 in the State Treasurer's investment pools measured at fair value. Investments in the State Treasurer's investment pools are valued at the pool's share price multiplied by the number of shares the County held. The fair value of a participant's position in the pools approximates the value of that participant's pool shares. The State Board of Investment provides oversight for the State Treasurer's investment pools.

Santa Cruz County  
Notes to Financial Statements  
June 30, 2022

**Credit Risk**—The County does not have a formal investment policy with respect to credit risk. At June 30, 2022, credit risk for the County's investments was as follows:

Investment Type	Rating	Rating Agency	Amount
State Treasurer's investment pool 5	AAAf/S1+	Standard and Poor's	\$16,099,626
State Treasurer's investment pool 7	Unrated	Not applicable	3,212
Negotiable certificates of deposit	Unrated	Not applicable	9,560,080
Negotiable credit union share certificates	Unrated	Not applicable	1,406,485
U.S. Government money market fund	Aaa-mf	Moody's	<u>19,726,180</u>
			<u>\$46,795,583</u>

**Custodial credit risk**—For an investment, custodial credit risk is the risk that, in the event of the counterparty's failure, the County will not be able to recover the value of its investments or collateral securities that are in an outside party's possession. The County does not have a formal investment policy with respect to custodial credit risk.

**Concentration of credit risk**—The County does not have a formal investment policy with respect to concentration of credit risk.

**Interest rate risk**—The County does not have a formal investment policy with respect to interest rate risk. At June 30, 2022, the County had the following investments in debt securities:

Investment Type	Amount	Weighted Average Maturity (In Years)
State Treasurer's investment pool 5	\$16,099,626	0.12
State Treasurer's investment pool 7	3,212	0.08
Negotiable certificates of deposit	9,560,080	1.40
Negotiable credit union share certificates	1,406,485	1.70
U.S. Government money market fund	<u>19,726,180</u>	0.07
	<u>\$46,795,583</u>	

A reconciliation of cash, deposits, and investments to amounts shown on the statements of net position follows:

Cash, deposits, and investments:	
Cash on hand	\$ 6,288
Amount of deposits	41,904,125
Amount of investments	<u>46,795,583</u>
Total	<u>\$88,705,996</u>

Santa Cruz County  
Notes to Financial Statements  
June 30, 2022

Statement of Net Position:

	<b>Governmental Activities</b>	<b>Business- Type Activities</b>	<b>Investment Trust Funds</b>	<b>Private- Purpose Trust Funds</b>	<u>Custodial Funds</u>		
					<b>External Investment Pools</b>	<b>Other</b>	<b>Total</b>
Cash and investments	\$36,235,306	\$8,015,316	\$8,578	\$510,226	\$38,251,380	\$5,682,610	\$88,703,416
Cash and investments held by trustee	<u>2,580</u>						<u>2,580</u>
	<u>\$36,237,886</u>	<u>\$8,015,316</u>	<u>\$8,578</u>	<u>\$510,226</u>	<u>\$38,251,380</u>	<u>\$5,682,610</u>	<u>\$88,705,996</u>

Note 4 – 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’s monies under her 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 pool’s structure 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.

The Treasurer allocates interest earnings to each of the pool’s participants.

The County’s deposits and investments are included in the County Treasurer’s investment pool, except for \$1,806,417 of deposits, \$2,580 of investments in U.S. Government money market fund and \$13,665,376 of investments in the State Treasurer’s investment pools. Therefore, the deposit and investment risks of the Treasurer’s investment pool are substantially the same as the County’s deposit and investment risks. See Note 3 for disclosure of the County’s deposit and investment risks.

Details of the major investment classification follow:

<b>Investment Type</b>	<b>Principal</b>	<b>Interest Rates</b>	<b>Maturities</b>	<b>Amount</b>
U.S. Government money market fund	\$19,723,600	None stated	None stated	\$19,723,600
Negotiable certificates of deposit	9,800,000	0.10% - 3.00%	08/22 - 05/26	9,560,080
Negotiable credit union share certificates	1,440,000	0.35% - 3.10%	05/23 - 06/25	1,406,485
State Treasurer’s investment pool 5	2,437,462	None stated	None stated	2,437,462

A condensed statement of the investment pool’s net position and changes in net position follows:

Santa Cruz County  
Notes to Financial Statements  
June 30, 2022

**Statement of Fiduciary Net Position:**

Assets	\$ 73,226,536
Net position	<u>\$ 73,226,536</u>
Net position held for:	
Internal participants	\$ 30,588,737
External participants	<u>42,637,799</u>
Total net position	<u>\$ 73,226,536</u>

**Statement of Changes in Fiduciary Net Position:**

Total additions	\$211,060,959
Total deductions	<u>208,568,234</u>
Net increase	2,492,725
Net position	
July 1, 2021	<u>70,733,811</u>
June 30, 2022	<u>\$ 73,226,536</u>

Note 5 – Due From Other Governmental Units

Amounts due from other governmental units at June 30, 2022, for the County's individual major funds and nonmajor funds in the aggregate are shown as follows:

Description	Governmental Activities					Business- Type Activities	Total
	General Fund	Jail District Fund	Road Fund	Health Services Fund	Other Governmental Funds		
County half-cent sales tax	\$ 691,042	\$ 691,032					\$1,382,074
State shared sales tax	1,126,251						1,126,251
State vehicle license tax	80,469						80,469
State shared overweight permits			\$ 65,925				65,925
Highway user revenue			466,757				466,757
Federal and state reimbursement grants	45,971	26,145		\$ 1,715,067	\$ 1,614,105		3,401,288
ALTC contribution refund	321,637						321,637
Miscellaneous	<u>116,674</u>	<u>180,307</u>	<u>159,038</u>		<u>2,220</u>	<u>\$ 3,746</u>	<u>461,985</u>
	<u>\$2,382,044</u>	<u>\$ 897,484</u>	<u>\$ 691,720</u>	<u>\$ 1,715,067</u>	<u>\$ 1,616,325</u>	<u>\$ 3,746</u>	<u>\$7,306,386</u>

Santa Cruz County  
Notes to Financial Statements  
June 30, 2022

Note 6 – Capital Assets

Capital asset activity for the year ended June 30, 2022, was as follows:

	Primary Government			Balance June 30, 2022
	Balance July 1, 2021 <u>Restated*</u>	Increases	Decreases	
<b>Governmental activities:</b>				
Capital assets, not being depreciated/amortized:				
Land	\$ 22,352,410			\$ 22,352,410
Total capital assets not being depreciated/amortized	22,352,410			22,352,410
Capital assets being depreciated/amortized:				
Buildings	74,594,594			74,594,594
Improvements other than buildings	6,430,523			6,430,523
Construction equipment and vehicles	12,474,497	455,652	591,571	12,338,578
Furniture and equipment	13,038,461	454,649		13,493,110
Infrastructure	87,755,632			87,755,632
Intangibles:				
Right-to-use lease assets:				
Construction equipment and vehicles	603,127	152,240		755,367
Furniture and equipment	609,392	62,006		671,398
Total capital assets being depreciated/amortized	195,506,226	1,124,547	591,571	196,039,202
Less accumulated depreciation/amortization for:				
Buildings	24,614,603	1,848,432		26,463,035
Improvements other than buildings	3,692,702	349,640		4,042,342
Construction equipment and vehicles	11,563,928	510,259	581,961	11,492,226
Furniture and equipment	12,094,752	407,080		12,501,832
Infrastructure	55,783,581	1,389,672		57,173,253
Intangibles:				
Right-to-use lease assets:				
Construction equipment and vehicles	205,099	138,656		343,755
Furniture and equipment	269,546	142,430		411,976
Total accumulated depreciation/amortization	108,224,211	4,786,169	581,961	112,428,419
Total capital assets being depreciated/amortized, net	87,282,015	(3,661,622)	9,610	83,610,783
Governmental activities capital assets, net	\$109,634,425	\$(3,661,622)	\$ 9,610	\$ 105,963,193

\*Due to the implementation of GASB Statement No. 87 for leases, the County's beginning leased asset balance was restated from fiscal year 2021. There was no impact to net position.

Santa Cruz County  
Notes to Financial Statements  
June 30, 2022

	Primary Government			Balance June 30, 2022
	Balance July 1, 2021	Increases	Decreases	
<b>Business-type activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 229,996	\$ -	\$ -	\$ 229,996
Total Capital assets not being depreciated	229,996	-	-	229,996
Capital assets being depreciated:				
Buildings	246,067			246,067
Improvements other than buildings	4,383,102			4,383,102
Construction equipment and vehicles	2,073,691		11,300	2,062,391
Furniture and equipment	72,182			72,182
Total capital assets being depreciated	6,775,042		11,300	6,763,742
Less accumulated depreciation for:				
Buildings	165,309	6,156		171,465
Improvements other than buildings	1,855,538	123,304		1,978,842
Construction equipment and vehicles	1,861,976	78,114	11,300	1,928,790
Furniture and equipment	66,836	1,604		68,440
Total accumulated depreciation	3,949,659	209,178	11,300	4,147,537
Total capital assets being depreciated, net	2,825,383	(209,178)	-	2,616,205
Business-type activities capital assets, net	\$ 3,055,379	\$ (209,178)	\$ -	\$ 2,846,201
Depreciation/amortization expense was charged to functions as follows:				
Governmental activities:				
General government			\$ 1,146,827	
Public safety			1,811,182	
Highways and streets			1,665,073	
Health, welfare and sanitation			54,819	
Education and economic opportunity			51,390	
Recreation			56,878	
Total governmental activities depreciation/amortization expense			\$ 4,786,169	
Business-type activities:				
Landfill			\$ 209,178	
Total business-type activities depreciation expense			\$ 209,178	

## Note 7 – Long-Term Liabilities

The following schedule details the County's long-term liability and obligation activity for the year ended June 30, 2022:

Santa Cruz County  
Notes to Financial Statements  
June 30, 2022

	Balance July 1, 2021 <u>Restated*</u>	<u>Additions</u>	<u>Reductions</u>	Balance June 30, 2022	Due Within 1 Year
<b>Governmental activities</b>					
Pledged revenue obligations payable	\$ 38,470,000	\$ 9,170,000	\$ 3,475,000	\$ 44,165,000	\$ 3,480,000
Pledged revenue obligations Premium payable	3,478,947		332,118	3,146,829	332,118
Long-term loans payable	522,281		248,408	273,873	147,834
Financed purchases payable	178,284		178,284	-	
Leases payable	762,520	214,246	265,176	711,590	326,213
Net pension and OPEB liabilities	41,731,243		8,333,287	33,397,956	
Compensated absences payable	2,040,285	1,024,906	1,090,310	1,974,881	904,933
Estimated liabilities for claims and judgments	75,000			75,000	
Total governmental activities long-term liabilities	<u>\$ 87,258,560</u>	<u>\$ 10,409,152</u>	<u>\$ 13,922,583</u>	<u>\$ 83,745,129</u>	<u>\$ 5,191,098</u>
<b>Business-type activities</b>					
Financed purchases payable	\$ 182,238		\$ 47,026	\$ 135,212	\$ 49,001
Net pension and OPEB liabilities	584,593		102,525	482,068	
Compensated absences payable	60,146	\$ 21,605	20,142	61,609	22,165
Landfill closure and postclosure care costs payable	<u>2,252,705</u>	<u>237,382</u>		<u>2,490,087</u>	
Total business-type activities long-term liabilities	<u>\$ 3,079,682</u>	<u>\$ 258,987</u>	<u>\$ 169,693</u>	<u>\$ 3,168,976</u>	<u>\$ 71,166</u>

\* Due to the implementation of GASB Statement No. 87 for leases, the County's beginning liability balance was restated from fiscal year 2021. There was no impact to net position.

**Santa Cruz Pledged Revenue Obligations, Series 2021**—In December 2021, the County issued \$9,170,000 Series 2021 pledged revenue obligations with interest rates between 0.70 percent and 3.15 percent to make additional contributions of \$8,800,000 to fund a portion of the County's PSPRS unfunded actuarial liability. The pledged revenue obligations are generally noncallable, with interest payable semiannually.

**Pledged revenue refunding obligations payable**—The County has issued pledged revenue refunding obligations that are generally callable with interest payable semiannually. The Series 2020 pledged revenue refunding obligations of \$4,765,000 were issued to refund the remaining outstanding principal balance of \$4,795,000 relating to the U.S. Bank National Association series 2012 loan. The Series 2017-2 pledged revenue refunding obligations of \$3,675,000 were issued to refund the remaining outstanding principal balance of \$3,425,000 relating to the Greater Arizona Development Authority (GADA) loan for the 2008-1 project. The Series 2017 pledged revenue refunding obligations of \$29,515,000 were issued to refund the outstanding principal balance of \$32,045,000 relating to the GADA loan for the 2008-2 project. The Series 2016 pledged revenue refunding obligations of \$9,495,000 were issued to refund the outstanding principal balance of \$8,810,000 relating to the GADA loan for the 2008-1 project.

Santa Cruz County  
Notes to Financial Statements  
June 30, 2022

Pledged revenue obligations payable at June 30, 2022, were as follows:

Description	Original Amount Issued	Interest Rates	Maturities	Outstanding Principal June 30, 2022
Santa Cruz Pledged Revenue Obligations, Series 2021	\$ 9,170,000	0.7%-3.15%	2023-2038	\$ 8,615,000
Santa Cruz Pledged Revenue Refunding Obligations, Series 2020	4,765,000	2.25%	2023-2028	3,630,000
Santa Cruz Pledged Revenue Refunding Obligations, Series 2017-2	3,675,000	2.13%	2023-2026	1,845,000
Santa Cruz Pledged Revenue Refunding Obligations, Series 2017	29,515,000	4%-5%	2023-2031	20,850,000
Santa Cruz Pledged Revenue Refunding Obligations, Series 2016	9,495,000	2.25%-4%	2023-2038	<u>9,225,000</u>
				<u>\$44,165,000</u>

The following schedule details debt service requirements to maturity for the County's pledged revenue obligations payable at June 30, 2022:

Year Ending June 30	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2023	\$ 3,480,000	\$ 1,676,381
2024	3,580,000	1,571,700
2025	3,690,000	1,461,251
2026	3,825,000	1,325,046
2027	4,000,000	1,179,577
2028-2032	16,975,000	3,390,908
2033-2037	7,060,000	957,187
2038-2039	<u>1,555,000</u>	<u>48,756</u>
Total	<u>\$44,165,000</u>	<u>\$11,610,806</u>

For the series 2016, 2017-2, 2020, and 2021 pledged revenue obligations, the County has pledged a portion of its future general excise tax and state shared revenues toward the debt payments related to revenue refunding obligations. For fiscal year 2022, the County received general excise tax revenues of \$3,887,120 and state shared revenues net of other statutory claims of \$4,493,915 and the total principal and interest payments were \$50,000 and \$344,613 for the series 2016 revenue refunding obligations, \$460,000 and \$49,096 for the series 2017-2 revenue refunding obligations, \$560,000 and \$94,275 for the 2020 revenue refunding obligations, and \$555,000 and \$115,656 for the series 2021 revenue obligations. At June 30, 2022, future debt service requirements through final maturity at July 1, 2038, totaled \$29,447,306 consisting of \$23,315,000 for principal and \$6,132,306 for interest. Future principal and interest payments are expected to require 22 percent of pledged excise tax and state shared revenues.

For the series 2017 pledged revenue refunding obligations, the County has pledged the County's Jail District excise tax and the maintenance of effort payments from the County's



Santa Cruz County  
Notes to Financial Statements  
June 30, 2022

General Fund toward the debt payments. For fiscal year 2022, the County received Jail District excise tax revenues of \$3,887,021 and made maintenance of effort payments of \$3,893,964, and the total principal and interest payments were \$1,850,000 and \$1,077,247. At June 30, 2022, future pledged revenues through final maturity at July 1, 2031, totaled \$26,328,500 consisting of \$20,850,000 for principal and \$5,478,500 for interest. Future principal and interest payments are expected to require 38 percent of pledged County's Jail District excise tax revenue and the maintenance of effort payments from the County's General Fund.

**Long-term loans payable**—The County's long-term loans payable includes a loan agreement with Zions Bancorporation to match federal funds for the purchase and renovation of the CDBG building. In addition, the County has a loan agreement with J. P. Morgan Chase Bank, the 2018 equipment loan, to finance the County's multiple types of technology upgrades, new computers, additional server storage, court equipment and an animal control vehicle.

Long-term loans payable at June 30, 2022, were as follows:

Description	Interest Rates	Maturities	Outstanding Principal July 1, 2021	Issues	Retirements	Outstanding Principal June 30, 2022
CDBG loan	2.37%	2026	\$209,311		\$ 41,561	\$167,750
2018 equipment loan	3.47%	2023	<u>312,970</u>	-	<u>206,847</u>	<u>106,123</u>
			<u>\$522,281</u>	-	<u>\$248,408</u>	<u>\$273,873</u>

The following schedule details debt service requirements to maturity for the County's loans payable at June 30, 2022:

Year Ending June 30	Governmental Activities	
	Principal	Interest
2023	\$147,834	\$3,729
2024	41,862	2,739
2025	42,013	1,746
2026	<u>42,164</u>	<u>750</u>
Total	<u>\$273,873</u>	<u>\$8,964</u>

**Financed purchase**—The County has acquired construction equipment under a contract agreement at a total purchase price \$366,257. The carrying value of the asset acquired through financed purchase and its related accumulated depreciation is as follows:

	Business-Type Activities
Construction equipment	\$366,257
Less: accumulated depreciation	<u>232,656</u>
Carrying value	<u>\$133,601</u>

Santa Cruz County  
Notes to Financial Statements  
June 30, 2022

The following schedule details debt service requirements to maturity for the County's financed purchase at June 30, 2022:

Year Ending June 30	Business-Type Activities	
	Principal	Interest
2023	\$ 49,001	\$ 5,579
2024	51,060	3,521
2025	<u>35,151</u>	<u>1,409</u>
Total	<u>\$135,212</u>	<u>\$10,509</u>

**Leases**—The County has acquired some intangible right-to-use assets that include vehicles, printers and election equipment under various lease agreements. The vehicle leases contain a purchase option with a required reduced book value payment at the end of the lease term. The printer leases require only a monthly fixed payment and the related sales tax. The election equipment requires five fixed payments and the related sales tax. The total amount of lease assets and the related accumulated amortization are as follows:

The assets acquired through leases are as follows:

	Governmental Activities
Total intangible right-to-use lease assets	\$1,426,765
Less: accumulated amortization	<u>755,731</u>
Carrying value	<u>\$ 671,034</u>

The following schedule details minimum lease payments to maturity for the County's leases payable at June 30, 2022:

Year Ending June 30	Governmental Activities
	Principal
2023	\$326,213
2024	197,669
2025	117,739
2026	22,836
2027	<u>47,133</u>
Total leases payable	<u>\$711,590</u>

**Landfill closure and postclosure care costs**—State and federal laws and regulations require the County to place a final cover on its two landfill sites when it stops 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 in each period that the County operates the landfills. These costs will be paid from the Enterprise Fund.

Santa Cruz County  
Notes to Financial Statements  
June 30, 2022

The amount recognized each year is based on landfill capacity used at the end of each fiscal year. The \$2,490,087 reported as landfill closure and postclosure care liability at June 30, 2022, represents the cumulative amount reported to date based on the use of 52 percent and 57 percent of the estimated capacity of the Rio Rico Sanitary Landfill and Sonoita Elgin Landfill, respectively. The County will recognize the remaining estimated cost of closure and postclosure care of \$2,020,803 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 2022 and the actual cost may be lower or higher each year due to deflation or inflation, changes in technology, changes in materials or changes in regulations. The County expects to close Rio Rico Sanitary Landfill in 2037 and Sonoita Elgin Landfill in 2084.

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.

**Compensated absences**—Compensated absences are paid from various funds in the same proportion that those funds pay payroll costs. During fiscal year 2022, the County paid for compensated absences as follows: 58 percent from the General Fund, 11 percent from the Jail District Fund, 4 percent from the Road Fund, 1 percent from the American Rescue Plan Act Fund, 4 percent from the Health Services Fund, 21 percent from the Other Governmental Funds, and 1 percent from the Enterprise Fund.

Santa Cruz County  
Notes to Financial Statements  
June 30, 2022

Note 8 – Fund Balance Classifications of the Governmental Funds

The fund balance classifications of the governmental funds as of June 30, 2022, were as follows:

	<u>General Fund</u>	<u>Jail District Fund</u>	<u>Road Fund</u>	<u>Health Services Fund</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Fund balances:						
Nonspendable:						
Prepaid items	\$ 88,277	\$ 63,350		\$ 12,735	\$ 47,221	\$ 211,583
Total nonspendable	<u>88,277</u>	<u>63,350</u>		<u>12,735</u>	<u>47,221</u>	<u>211,583</u>
Restricted for:						
Capital projects					276,244	276,244
Education					1,077,974	1,077,974
Flood control					2,061,397	2,061,397
General government					387,368	387,368
Health				77,341	7,278	84,619
Judicial activities					3,273,494	3,273,494
Law enforcement		2,125,834			1,277,040	3,402,874
Public safety					16	16
Social services					130,344	130,344
Streets and highways			\$716,416			716,416
Sanitation					269,565	269,565
Other purposes					75,000	75,000
Total restricted		<u>2,125,834</u>	<u>716,416</u>	<u>77,341</u>	<u>8,835,720</u>	<u>11,755,311</u>
Assigned to:						
Capital projects					80,355	80,355
Education					14,291	14,291
Total assigned					<u>94,646</u>	<u>94,646</u>
Unassigned:	19,406,897			(1,191,518)	(738,098)	17,477,281
Total fund balances	<u>\$19,495,174</u>	<u>\$ 2,189,184</u>	<u>\$716,416</u>	<u>\$(1,101,442)</u>	<u>\$ 8,239,489</u>	<u>\$29,538,821</u>

Santa Cruz County  
Notes to Financial Statements  
June 30, 2022

Note 9 – 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. For these risks of loss, the County joined and is covered by 3 public entity risk pools: the Arizona Counties Property and Casualty Pool, the Arizona Counties Workers' Compensation Pool, and the Arizona Local Government Employee Benefit Trust. The County carries commercial insurance for all such risks of loss relating to the ownership of Nogales International Airport, and settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past 3 fiscal years.

The Arizona Counties Property and Casualty Pool is a public entity risk pool currently composed of 13 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; cyber security; 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 per occurrence for property claims and \$25,000 per occurrence for liability claims. The County is also responsible for any payments in excess of the maximum coverage of \$300 million per occurrence for property claims and \$15 million per occurrence for liability claims. However, lower limits apply to certain categories of losses. A county must participate in the pool at least 3 years after becoming a member; however, it may withdraw after the initial 3-year period.

The Arizona Counties Workers' Compensation Pool is a public entity risk pool currently composed of 13 member counties. The pool provides member counties with workers' compensation coverage, as law requires, 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 Local Government Employee Benefit Trust is a public entity risk pool currently composed of 9 member entities. The pool provides member entities with health, prescription, dental, vision, life, short-term disability, and accidental death benefits for the entities' employees and their dependents. The County is responsible for paying a premium based on enrolled employees and dependents and requires 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.

The Arizona Counties Property and Casualty Pool, the Arizona Counties Workers' Compensation Pool, and the Arizona Local Government Employee Benefit Trust receive independent audits annually and an audit by the Arizona Department of Insurance every 5 years. All pools accrue liabilities for losses that have been incurred but not reported. These liabilities are determined annually based on an independent actuarial valuation. If a pool were to become insolvent, the County would be assessed an additional contribution.

Santa Cruz County  
Notes to Financial Statements  
June 30, 2022

Note 10 – Pensions and Other Postemployment Benefits

The County contributes to the pension plans described below which are component units of the State of Arizona. The County also contributes to various other postemployment benefits (OPEB) plans. At June 30, 2022, the County reported the following aggregate amounts related to pension and OPEB for all plans to which it contributes:

Statement of net position and statement of activities	Governmental activities	Business- type activities	Total
Net pension and OPEB asset	\$ 1,295,464	\$ 9,888	\$ 1,305,352
Net pension and OPEB liabilities	33,397,956	482,068	33,880,024
Deferred outflows of resources related to pensions and OPEB	14,745,347	93,365	14,838,712
Deferred inflows of resources related to pensions and OPEB	7,657,238	138,261	7,795,499
Pension and OPEB expense	1,798,216	10,615	1,808,831

The County's accrued payroll and employee benefits includes \$94,594 of outstanding pension and OPEB contribution amounts payable to all plans for the year ended June 30, 2022. Also, the County reported \$12,233,626 of pension and OPEB contributions as expenditures in the governmental funds related to all plans to which it contributes.

The pension plans are described below and the OPEB plans are not further disclosed because of their relative insignificance to the County's financial statements.

A. Arizona State Retirement System

**Plan description**—County employees not covered by the other pension plans described below participate in the Arizona State Retirement System (ASRS). The ASRS administers a cost-sharing multiple-employer defined benefit pension plan. The Arizona State Retirement System Board governs the ASRS according to the provisions of A.R.S. Title 38, Chapter 5, Article 2. The ASRS issues a publicly available financial report that includes its financial statements and required supplementary information. The report is available on its website at [www.azasrs.gov](http://www.azasrs.gov).

**Benefits provided**—The ASRS provides retirement and survivor benefits. State statute establishes benefit terms. Retirement benefits are calculated on the basis of age, average monthly compensation, and service credit as follows:

ASRS	Retirement	
	Initial membership date:	
	Before July 1, 2011	On or after July 1, 2011
Years of service and age required to receive benefit	Sum of years and age equals 80 10 years, age 62 5 years, age 50* any years, age 65	30 years, age 55 25 years, age 60 10 years, age 62 5 years, age 50* any years, age 65

Santa Cruz County  
Notes to Financial Statements  
June 30, 2022

<b>ASRS</b>	<b>Retirement</b>	
	<b>Initial membership date:</b>	
	<b>Before July 1, 2011</b>	<b>On or after July 1, 2011</b>
Final average salary is based on	Highest 36 consecutive months of last 120 months	Highest 60 consecutive months of last 120 months
Benefit percent per year of service	2.1% to 2.3%	2.1% to 2.3%

\*With actuarially reduced benefits.

Retirement benefits for members who joined the ASRS prior to September 13, 2013, are subject to automatic cost-of-living adjustments based on excess investment earnings. Members with a membership date on or after September 13, 2013, are not eligible for cost-of-living adjustments. Survivor benefits are payable upon a member's death. For retired members, the retirement benefit option chosen determines the survivor benefit. For all other members, the beneficiary is entitled to the member's account balance that includes the member's contributions and employer's contributions, plus interest earned.

**Contributions**—In accordance with state statutes, annual actuarial valuations determine active member and employer contribution requirements. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. For the year ended June 30, 2022, statute required active ASRS members to contribute at the actuarially determined rate of 12.22 percent for retirement of the members' annual covered payroll, and statute required the County to contribute at the actuarially determined rate of 12.01 percent for retirement of the active members' annual covered payroll. In addition, the County was required by statute to contribute at the actuarially determined rate of 10.13 percent for retirement of annual covered payroll of retired members who worked for the County in positions that an employee who contributes to the ASRS would typically fill. The County's contributions to the pension plan for the year ended June 30, 2022, were \$1,267,261.

During fiscal year 2022, the County paid for ASRS pension contributions as follows: 58.1 percent from the general fund, 7.0 percent from the Road Fund, 5.0 percent from the Health Services Fund, 2.9 percent from the Jail District Fund, 24.6 percent from other governmental funds, and 2.4 percent from the Landfill Fund.

**Pension liability**—At June 30, 2022, the County reported a net pension liability of \$11,510,251 for its proportionate share of the ASRS' net pension liability. The net pension liability was measured as of June 30, 2021. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2020, to the measurement date of June 30, 2021. The pension liability as of June 30, 2021, reflect changes in actuarial assumptions based on the results of an actuarial experience study for the 5-year period ended June 30, 2020, including decreasing the discount rate from 7.5 percent to 7.0 percent and changing the projected salary increases from 2.7–7.2 percent to 2.9–8.4 percent.

Santa Cruz County  
Notes to Financial Statements  
June 30, 2022

The County's proportion of the net liability was based on the County's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2021. The County's proportion measured as of June 30, 2021, was 0.087600 percent, which was a decrease of 0.003400 from its proportion measured as of June 30, 2020.

**Pension expense and deferred outflows/inflows of resources**—For the year ended June 30, 2022, the County recognized pension expense for ASRS of \$482,274. At June 30, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<b>ASRS</b>	<b>Deferred outflows of resources</b>	<b>Deferred inflows of resources</b>
Differences between expected and actual experience	\$ 175,463	
Changes in assumptions or other inputs	1,498,151	
Net difference between projected and actual earnings on pension plan investments		\$3,646,852
Changes in proportion and differences between county contributions and proportionate share of contributions		447,691
County contributions subsequent to the measurement date	<u>1,267,261</u>	
Total	<u>\$2,940,875</u>	<u>\$4,094,543</u>

The \$1,267,261 reported as deferred outflows of resources related to ASRS pensions resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ASRS pensions will be recognized in pension expense as follows:

Year ending June 30	
2023	\$(237,563)
2024	(122,689)
2025	(803,944)
2026	(1,256,733)



Santa Cruz County  
Notes to Financial Statements  
June 30, 2022

**Actuarial assumptions**—The significant actuarial assumptions used to measure the total pension liability are as follows:

**ASRS**

Actuarial valuation date	June 30, 2020
Actuarial roll forward date	June 30, 2021
Actuarial cost method	Entry age normal
Investment rate of return	7.0%
Projected salary increases	2.9-8.4%
Inflation	2.3%
Permanent benefit increase	Included
Mortality rates	2017 SRA Scale U-MP

Actuarial assumptions used in the June 30, 2020, valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2020.

The long-term expected rate of return on ASRS pension plan investments was determined to be 7.0 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

ASRS	Target	Long-term expected
Asset class	allocation	geometric real rate of return
Equity	50%	4.90%
Fixed income - credit	20%	5.20%
Fixed income - interest rate sensitive	10%	0.70%
Real estate	<u>20%</u>	5.70%
Total	<u>100%</u>	

**Discount Rate**—At June 30, 2021, the discount rate used to measure the ASRS total pension liability was 7.0 percent, which was a decrease of 0.5 from the discount rate used as of June 30, 2020. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the ASRS Board's funding policy, which establishes the contractually required rate under Arizona statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Santa Cruz County  
Notes to Financial Statements  
June 30, 2022

**Sensitivity of the County’s proportionate share of the ASRS net pension liability to changes in the discount rate**—The following table presents the County’s proportionate share of the net pension liability calculated using the discount rate of 7.0 percent, as well as what the County’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.0 percent) or 1 percentage point higher (8.0 percent) than the current rate:

ASRS	1% Decrease (6.0%)	Current discount rate (7.0%)	1% Increase (8.0%)
County’s proportionate share of the net pension liability	\$18,104,661	\$11,510,251	\$6,012,338

**Pension plan fiduciary net position**—Detailed information about the pension plan’s fiduciary net position is available in the separately issued ASRS financial report.

**B. Public Safety Personnel Retirement System and Corrections Officer Retirement Plan**

**Plan descriptions**—County sheriff employees who are regularly assigned hazardous duty participate in the Public Safety Personnel Retirement System (PSPRS) or employees who became members on or after July 1, 2017, may participate in the Public Safety Personnel Defined Contribution Retirement Plan (PSPDCRP). The PSPRS administers agent and cost-sharing multiple-employer defined benefit pension plans. A 9-member board known as the Board of Trustees and the participating local boards govern the PSPRS according to the provisions of A.R.S. Title 38, Chapter 5, Article 4. Employees who were PSPRS members before July 1, 2017, participate in the agent plan, and those who became PSPRS members on or after July 1, 2017, participate in the cost-sharing plan (PSPRS Tier 3 Risk Pool) which is not further disclosed because of its relative insignificance to the County’s financial statements.

County detention officers and Administrative Office of the Courts (AOC) probation, surveillance, and juvenile detention officers participate in the Corrections Officer Retirement Plan (CORP) or the Public Safety Personnel Defined Contribution Retirement Plan (PSPDCRP). The CORP administers an agent multiple-employer defined benefit pension plan for county detention officers (agent plan), which was closed to new members as of July 1, 2018, and a cost-sharing multiple-employer defined benefit pension plan for AOC officers (cost-sharing plan). Employees who were CORP members before July 1, 2018, participate in CORP, and AOC probation and surveillance officers who became members on or after July 1, 2018, participate in CORP or PSPDCRP. Detention officers and juvenile detention officers who became members on or after July 1, 2018, participate in PSPDCRP. The PSPRS Board of Trustees and the participating local boards govern CORP according to the provisions of A.R.S. Title 38, Chapter 5, Article 6.

Santa Cruz County  
Notes to Financial Statements  
June 30, 2022

The PSPRS issues a publicly available financial report that includes financial statements and required supplementary information for the PSPRS and CORP plans. The report is available on the PSPRS website at [www.psprs.com](http://www.psprs.com).

**Benefits provided**—The PSPRS and CORP provide retirement, disability, and survivor benefits. State statute establishes benefit terms. Retirement, disability, and survivor benefits are calculated on the basis of age, average monthly compensation, and service credit as follows:

<b>PSPRS</b>	<b>Initial membership date:</b>	
	<b>Before January 1, 2012</b>	<b>On or after January 1, 2012 and before July 1, 2017</b>
<b>Retirement and disability</b>		
Years of service and age required to receive benefit	20 years of service any age 15 years of service age 62	25 years of service or 15 years of credited service, age 52.5
Final average salary is based on	Highest 36 consecutive months of last 20 years	Highest 60 consecutive months of last 20 years
Benefit percent		
Normal retirement	50% less 2.0% for each year of credited service less than 20 years OR plus 2.0% to 2.5% for each year of credited service over 20 years, not to exceed 80%	1.5% to 2.5% per year of credited service, not to exceed 80%
Accidental disability retirement	50% or normal retirement, whichever is greater	
Catastrophic disability retirement	90% for the first 60 months then reduced to either 62.5% or normal retirement, whichever is greater	
Ordinary disability retirement	Normal retirement calculated with actual years of credited service or 20 years of credited service, whichever is greater, multiplied by years of credited service (not to exceed 20 years) divided by 20	
<b>Survivor benefit</b>		
Retired members	80% to 100% of retired member's pension benefit	
Active members	80% to 100% of accidental disability retirement benefit or 100% of average monthly compensation if death was the result of injuries received on the job	

Santa Cruz County  
Notes to Financial Statements  
June 30, 2022

**CORP**

		<b>Initial membership date:</b>	
<b>Before January 1, 2012</b>		<b>On or after January 1, 2012 and before July 1, 2018</b>	<b>AOC probation and surveillance officers: On or after July 1, 2018</b>
<b>Retirement and disability</b>			
Years of service and age required to receive benefit	Sum of years and age equals 80 20 years, any age 10 years, age 62	25 years, age 52.5 10 years, age 62	10 years, age 52.5* 10 or more years, age 55
Final average salary is based on	Highest 36 consecutive months of last 10 years	Highest 60 consecutive months of last 10 years	
Benefit percent			
Normal retirement	2.0% to 2.5% per year of credited service, not to exceed 80%	2.5% per year of credited service, not to exceed 80%	1.25% to 2.25% per year of credited service, not to exceed 80%
Accidental disability retirement	50% or normal retirement if more than 20 years of credited service	50% or normal retirement if more than 25 years of credited service	
Total and permanent disability retirement	50% or normal retirement if more than 25 years of credited service		
Ordinary disability retirement	2.5% per year of credited service		
<b>Survivor benefit</b>			
Retired members	80% of retired member's pension benefit		
Active members	40% of average monthly compensation or 100% of average monthly compensation if death was the result of injuries received on the job. If there is no surviving spouse or eligible children, the beneficiary is entitled to 2 times the member's contributions.		

\*With actuarially reduced benefits

Retirement and survivor benefits are subject to automatic cost-of-living adjustments based on inflation. PSPRS also provides temporary disability benefits of 50 percent of the member's compensation for up to 12 months.

Santa Cruz County  
Notes to Financial Statements  
June 30, 2022

**Employees covered by benefit terms**—At June 30, 2022, the following employees were covered by the agent pension plans' benefit terms:

	<b>PSPRS Sheriff</b>	<b>CORP Detention</b>
Inactive employees or beneficiaries currently receiving benefits	26	6
Inactive employees entitled to but not yet receiving benefits	9	28
Active employees	<u>19</u>	<u>12</u>
Total	<u>54</u>	<u>46</u>

**Contributions**—State statutes establish the pension contribution requirements for active PSPRS and CORP employees. In accordance with State statutes, annual actuarial valuations determine employer contribution requirements for PSPRS and CORP pension benefits. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. Contribution rates for the year ended June 30, 2022, are indicated below. Rates are a percentage of active members' annual covered payroll.

	<b>Active member— pension</b>	<b>County— pension</b>
PSPRS Sheriff	7.65% – 9.05%	56.98%
CORP Detention	8.41	7.88
CORP AOC	8.41	35.48

In addition, statute required the County to contribute at the actuarially determined rate indicated below of annual covered payroll of retired members who worked for the County in positions that an employee who contributes to the PSPRS or CORP would typically fill and employees participating in the PSPRS Tier 3 Risk Pool and PSPDCRP members in addition to the County's required contributions to the PSPRS Tier 3 Risk Pool and PSPDCRP.

	<b>Pension</b>
PSPRS Sheriff	45.24%
CORP Detention	1.10

The County's contributions to the pension plans for the year ended June 30, 2022, were:

<b>PSPRS Sheriff</b>	<b>CORP Detention</b>	<b>CORP AOC</b>
\$9,873,500	\$22,775	\$365,538

During fiscal year 2022, the County paid for PSPRS and CORP pension contributions as follows: 74 percent from the General Fund, 13 percent from the Jail District Fund, and 13 percent from other governmental funds.

Santa Cruz County  
Notes to Financial Statements  
June 30, 2022

**Pension liability**—At June 30, 2022, the County reported the following net pension asset and liabilities:

	<b>Net Pension (Asset) Liability</b>
PSPRS Sheriff	\$10,120,831
CORP Detention	(188,008)
CORP AOC (County's proportionate share)	4,131,123

The net pension liabilities were measured as of June 30, 2021, and the total liability used to calculate the net liability was determined by an actuarial valuation as of that date.

**Pension actuarial assumptions**—The significant actuarial assumptions used to measure the total pension liability are as follows:

PSPRS and CORP—Pension	
Actuarial valuation date	June 30, 2021
Actuarial cost method	Entry age normal
Investment rate of return	7.3%
Wage inflation	3.5%
Price inflation	2.5%
Cost-of-living adjustment	1.75%
Mortality rates	PubS-2010 tables

Actuarial assumptions used in the June 30, 2021, valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2017.

The long-term expected rate of return on PSPRS and CORP pension plan investments was determined to be 7.3 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

<b>PSPRS and CORP Asset class</b>	<b>Target allocation</b>	<b>Long-term expected geometric real rate of return</b>
U.S. public equity	24%	4.08%
International public equity	16%	5.20%
Global private equity	20%	7.67%
Other assets (capital appreciation)	7%	5.43%
Core bonds	2%	0.42%
Private credit	20%	5.74%
Diversifying strategies	10%	3.99%
Cash - Mellon	<u>1%</u>	-0.31%
Total	<u>100%</u>	

Santa Cruz County  
Notes to Financial Statements  
June 30, 2022

**Pension discount rates**—At June 30, 2021, the discount rate used to measure the PSPRS and CORP total pension liabilities was 7.3 percent. The projection of cash flows used to determine the PSPRS and CORP discount rates assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between the actuarially determined contribution rate and the member rate. Based on those assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Changes in the Net Pension Liability**

<b>PSPRS Sheriff</b>	<b>Increase (decrease)</b>		
	<b>Total pension liability (a)</b>	<b>Plan fiduciary net position (b)</b>	<b>Net pension liability (a) – (b)</b>
Balances at June 30, 2021	<u>\$20,170,318</u>	<u>\$8,398,767</u>	<u>\$11,771,551</u>
Changes for the year:			
Service cost	275,291		275,291
Interest on the total pension liability	1,454,249		1,454,249
Differences between expected and actual experience in the measurement of the pension liability	(4,699)		(4,699)
Contributions—employer		919,250	(919,250)
Contributions—employee		117,017	(117,017)
Net investment income		2,350,303	(2,350,303)
Benefit payments, including refunds of employee contributions	(1,048,786)	(1,048,786)	
Administrative expense		(11,009)	11,009
Net changes	<u>676,055</u>	<u>2,326,775</u>	<u>(1,650,720)</u>
Balances at June 30, 2022	<u>\$20,846,373</u>	<u>\$10,725,542</u>	<u>\$10,120,831</u>

Santa Cruz County  
Notes to Financial Statements  
June 30, 2022

CORP Detention	Increase (decrease)		
	Total pension liability (a)	Plan fiduciary net position (b)	Net pension liability (a) – (b)
Balances at June 30, 2021	<u>\$2,787,441</u>	<u>\$2,498,808</u>	<u>\$288,633</u>
Changes for the year:			
Service cost	63,192		63,192
Interest on the total pension liability	201,512		201,512
Differences between expected and actual experience in the measurement of the pension liability	26,159		26,159
Contributions—employer		99,666	(99,666)
Contributions—employee		27,891	(27,891)
Net investment income		665,467	(665,467)
Benefit payments, including refunds of employee contributions	(180,386)	(180,386)	
Administrative expense		(3,099)	3,099
Other changes		<u>(22,421)</u>	<u>22,421</u>
Net changes	<u>110,477</u>	<u>587,118</u>	<u>(476,641)</u>
Balances at June 30, 2022	<u>\$2,897,918</u>	<u>\$3,085,926</u>	<u>\$(188,008)</u>

The County's proportion of the CORP AOC net pension liability was based on the County's actual contributions to the plan relative to the total of all participating counties' actual contributions for the year ended June 30, 2021. The County's proportion measured as of June 30, 2021, was 1.1128510 percent, which was a decrease of 0.0033460 from its proportion measured as of June 30, 2020.

**Sensitivity of the County's net pension liability to changes in the discount rate**—The following table presents the County's net pension liabilities calculated using the discount rate of 7.3 percent, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.3 percent) or 1 percentage point higher (8.3 percent) than the current rate:

	1% Decrease (6.3%)	Current discount rate (7.3%)	1% Increase (8.3%)
PSPRS Sheriff			
Net pension liability	\$12,864,925	\$10,120,831	\$7,880,881
CORP Detention			
Net pension liability (asset)	\$ 228,067	\$ (188,008)	\$ (520,102)
CORP AOC			
County's proportionate share of the net pension liability	\$ 5,590,235	\$ 4,131,123	\$2,935,821

**Pension plan fiduciary net position**—Detailed information about the pension plans' fiduciary net position is available in the separately issued PSPRS and CORP financial reports.



Santa Cruz County  
Notes to Financial Statements  
June 30, 2022

**Pension expense**—For the year ended June 30, 2022, the County recognized the following pension expense:

	<b>Pension expense</b>
PSPRS Sheriff	\$ 872,239
CORP Detention	(189,900)
CORP AOC (County's proportionate share)	279,075

**Pension deferred outflows/inflows of resources**—At June 30, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred outflows of resources</b>	<b>Deferred inflows of resources</b>
<b>PSPRS Sheriff</b>		
Differences between expected and actual experience	\$ 322,551	\$ 114,063
Changes of assumptions or other inputs	102,000	
Net difference between projected and actual earnings on pension plan investments		987,080
County contributions subsequent to the measurement date	<u>9,873,500</u>	
Total	<u>\$10,298,051</u>	<u>\$1,101,143</u>
<b>CORP Detention</b>		
Differences between expected and actual experience	\$19,620	\$123,420
Changes of assumptions or other inputs	16,908	
Net difference between projected and actual earnings on pension plan investments		296,502
County contributions subsequent to the measurement date	<u>22,775</u>	
Total	<u>\$59,303</u>	<u>\$419,922</u>

Santa Cruz County  
Notes to Financial Statements  
June 30, 2022

<b>CORP AOC</b>	<b>Deferred outflows of resources</b>	<b>Deferred inflows of resources</b>
Differences between expected and actual experience	\$394,280	\$ 121,131
Changes of assumptions or other inputs	84,726	
Net difference between projected and actual earnings on pension plan investments		666,928
Changes in proportion and differences between county contributions and proportionate share of contributions		369,693
County contributions subsequent to the measurement date	<u>365,538</u>	
Total	<u>\$844,544</u>	<u>\$1,157,752</u>

The amounts reported as deferred outflows of resources related to pensions resulting from county contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	<b>PSPRS Sheriff</b>	<b>CORP Detention</b>	<b>CORP AOC</b>
Year ending June 30			
2023	\$ (15,954)	\$(164,465)	\$(149,958)
2024	(63,877)	(54,749)	(87,816)
2025	(249,151)	(67,161)	(199,864)
2026	(347,610)	(97,019)	(241,108)

**PSPDCRP plan**—County sheriff employees, County detention officers, and AOC probation, surveillance, and juvenile detention officers who are not members of PSPRS or CORP participate in the PSPDCRP. The PSPDCRP is a defined contribution pension plan. The PSPRS Board of Trustees governs the PSPDCRP according to the provisions of A.R.S. Title 38, Chapter 5, Article 4.1. Benefit terms, including contribution requirements, are established by State statute.

For the year ended June 30, 2022, active PSPDCRP members were required by statute to contribute at least 9 percent (County sheriff employees) or 5 percent (County detention officers and AOC probation, surveillance, and juvenile detention officers) of the members' annual covered payroll, and the County was required by statute to contribute 9 percent or 5 percent, respectively, of active members' annual covered payroll to an individual employee account. Employees are immediately vested in their own contributions and the earnings on those contributions. Employees vest in a portion of the County's contributions each year as set forth in statute. The plan retains nonvested County contributions when forfeited because of employment terminations. For the year ended June 30, 2022, the County recognized pension expense of \$28,762.

Santa Cruz County  
Notes to Financial Statements  
June 30, 2022

C. Elected Officials Retirement Plan

**Plan description**—Elected officials and judges participate in the Elected Officials Retirement Plan (EORP), ASRS, or the Elected Officials Defined Contribution Retirement System (EODCRS). EORP administers a cost-sharing multiple-employer defined benefit pension plan for elected officials and judges who were members of the plan on December 31, 2013. This plan was closed to new members as of January 1, 2014. The PSPRS Board of Trustees governs the EORP according to the provisions of A.R.S. Title 38, Chapter 5, Article 3. The PSPRS issues a publicly available financial report that includes financial statements and required supplementary information for the EORP plans. The report is available on PSPRS’s website at [www.psprs.com](http://www.psprs.com).

**Benefits provided**—The EORP provides retirement, disability, and survivor benefits. State statute establishes benefit terms. Retirement, disability, and survivor benefits are calculated on the basis of age, average yearly compensation, and service credit as follows:

<b>EORP</b>	<b>Initial membership date:</b>	
	<b>Before January 1, 2012</b>	<b>On or after January 1, 2012</b>
<b>Retirement and disability</b>		
Years of service and age required to receive benefit	20 years any age 10 years age 62 5 years age 65 5 years any age* any years and age if disabled	10 years age 62 5 years age 65 any years and age if disabled
Final average salary is based on	Highest 36 consecutive months of last 10 years	Highest 60 consecutive months of last 10 years
Benefit percent		
Normal retirement	4% per year of service, not to exceed 80%	3% per year of service, not to exceed 75%
Disability retirement	80% with 10 or more years of service 40% with 5 to 10 years of service 20% with less than 5 years of service	75% with 10 or more years of service 37.5% with 5 to 10 years of service 18.75% with less than 5 years of service
<b>Survivor Benefit</b>		
Retired members	75% of retired member’s benefit	50% of retired member’s benefit
Active members and other inactive members	75% of disability retirement benefit	50% of disability retirement benefit

\* With reduced benefits of 0.25% for each month early retirement precedes the member’s normal retirement age, with a maximum reduction of 30%.

Santa Cruz County  
Notes to Financial Statements  
June 30, 2022

Retirement and survivor benefits are subject to automatic cost-of-living adjustments based on inflation. In addition, the Legislature may enact permanent one-time benefit increases after a Joint Legislative Budget Committee analysis of the increase's effects on the plan.

**Contributions**—State statutes establish active member and employer contribution requirements. Statute also appropriates \$5 million annually through fiscal year 2043 for the EORP from the State of Arizona to supplement the normal cost plus an amount to amortize the unfunded accrued liability and designates a portion of certain court fees for the EORP. For the year ended June 30, 2022, statute required active EORP members to contribute 7 or 13 percent of the members' annual covered payroll and the County to contribute at the actuarially determined rate of 61.43 percent of all active EORP members' annual covered payroll. Also, statute required the County to contribute 49.21 percent to EORP of the annual covered payroll of elected officials and judges who were ASRS members and 55.43 percent to EORP of the annual covered payroll of elected officials and judges who were EODCRS members, in addition to the County's required contributions to ASRS and EODCRS for these elected officials and judges. The County's contributions to the pension plan for the year ended June 30, 2022, were \$617,175.

During fiscal year 2022, the County paid for EORP pension contributions as follows: 95 percent from the General Fund and 5 percent from the Jail District Fund.

**Pension liability**—At June 30, 2022, the County reported a liability for its proportionate share of the EORP's net pension liability that reflected a reduction for the County's proportionate share of the State's appropriation for EORP. The amount the County recognized as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the County were as follows:

County's proportionate share of the EORP net pension liability	\$8,099,796
State's proportionate share of the EORP net pension liability associated with the County	<u>814,161</u>
Total	<u><u>\$8,913,957</u></u>

The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

The County's proportion of the net pension liability was based on the County's required contributions to the plan relative to the total of all participating employers' required contributions for the year ended June 30, 2021. The County's proportion measured as of June 30, 2021, was 1.3309720 percent, which was a decrease of 0.0085820 from its proportion measured as of June 30, 2020.

**Pension expense and deferred outflows/inflows of resources**—For the year ended June 30, 2022, the County recognized pension expense for EORP of \$509,395 and revenue of \$192,129 for the County's proportionate share of the State's appropriation to EORP and the

Santa Cruz County  
Notes to Financial Statements  
June 30, 2022

designated court fees. At June 30, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<b>EORP</b>	<b>Deferred outflows of resources</b>	<b>Deferred inflows of resources</b>
Differences between expected and actual experience		\$107,791
Net difference between projected and actual earnings on pension plan investments		412,673
Changes in proportion and differences between county contributions and proportionate share of contributions		28,427
County contributions subsequent to the measurement date	<u>\$617,175</u>	
Total	<u>\$617,175</u>	<u>\$548,891</u>

The \$617,175 reported as deferred outflows of resources related to EORP pensions resulting from county contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to EORP pensions will be recognized in pension expense as follows:

Year ending June 30	
2023	\$(220,943)
2024	(85,933)
2025	(101,494)
2026	(140,521)

**Actuarial assumptions**—The significant actuarial assumptions used to measure the total pension liability are as follows:

<b>EORP</b>	
Actuarial valuation date	June 30, 2021
Actuarial cost method	Entry age normal
Investment rate of return	7.3%
Wage inflation	3.75%
Price inflation	2.5%
Cost-of-living adjustment	1.75%
Mortality rates	PubG-2010 tables

Actuarial assumptions used in the June 30, 2021, valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2017.

The long-term expected rate of return on EORP pension plan investments was determined to be 7.3 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Santa Cruz County  
Notes to Financial Statements  
June 30, 2022

**EORP**

<b>Asset class</b>	<b>Target allocation</b>	<b>Long-term expected geometric real rate of return</b>
U.S. public equity	24%	4.08%
International public equity	16%	5.20%
Global private equity	20%	7.67%
Other assets (capital appreciation)	7%	5.43%
Core bonds	2%	0.42%
Private credit	20%	5.74%
Diversifying strategies	10%	3.99%
Cash - Mellon	<u>1%</u>	-0.31%
Total	<u>100%</u>	

**Discount rate**—At June 30, 2021, the discount rate used to measure the EORP total pension liability was 7.3 percent. The projection of cash flows used to determine the discount rates assumed that plan member contributions will be made at the current contribution rate, employer contributions will be made at the actuarially determined rates, and State contributions will be made as currently required by statute. Based on those assumptions, the plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the County's proportionate share of the EORP net pension liability to changes in the discount rate**—The following table presents the County's proportionate share of the net pension liability calculated using the discount rate of 7.3 percent, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.3 percent) or 1 percentage point higher (8.3 percent) than the current rate:

<b>EORP</b>	<b>1% Decrease (6.3%)</b>	<b>Current discount rate (7.3%)</b>	<b>1% Increase (8.3%)</b>
County's proportionate share of the net pension liability	\$9,307,297	\$8,099,796	\$7,063,478

**Pension plan fiduciary net position**—Detailed information about the pension plan's fiduciary net position is available in the separately issued EORP financial report.

**EODCRS plan**—Elected officials and judges that are not members of EORP or ASRS participate in the EODCRS. The EODCRS is a defined contribution pension plan. The PSPRS Board of Trustees governs the EODCRS according to the provisions of A.R.S. Title 38, Chapter 5, Article 3.1. Benefit terms, including contribution requirements, are established by state statute.

Santa Cruz County  
Notes to Financial Statements  
June 30, 2022

For the year ended June 30, 2022, active EODCRS members were required by statute to contribute 8 percent of the members' annual covered payroll, and the County was required by statute to contribute 6 percent of active members' annual covered payroll to an individual employee account. Employees are immediately vested in their own contributions and the County's contributions to the individual employee account and the earnings on those contributions. For the year ended June 30, 2022, the County recognized pension expense of \$18,137.

Note 11 – Interfund Balances and Activity

**Interfund receivables and payables**—Interfund balances at June 30, 2022, were as follows:

<b>Payable from</b>	<u><b>Payable to General Fund</b></u>
Health Services Fund	\$1,462,088
Other Governmental Funds	<u>915,792</u>
Total	<u><u>\$2,377,880</u></u>

The interfund balances resulted from time lags between the dates that interfund goods and services are provided or reimbursable expenditures occur and the dates payments are made.

**Interfund transfers**—Interfund transfers for the year ended June 30, 2022, were as follows:

	<u>Transfers to</u>						<u>Total</u>
	<u>General Fund</u>	<u>Jail District Fund</u>	<u>Road Fund</u>	<u>Health Services Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Landfill Fund</u>	
<b>Transfers from</b>							
General Fund		\$ 3,893,964		\$ 175,352	\$ 1,509,922		\$ 5,579,238
Road Fund					\$ 59		59
Health Services Fund	\$ 59,228						59,228
Nonmajor Governmental Funds	<u>29,720</u>		<u>\$ 7,500</u>		<u>140,276</u>	<u>527</u>	<u>178,023</u>
Total	<u><u>\$ 88,948</u></u>	<u><u>\$ 3,893,964</u></u>	<u><u>\$ 7,500</u></u>	<u><u>\$ 175,352</u></u>	<u><u>\$ 1,650,198</u></u>	<u><u>\$ 586</u></u>	<u><u>\$ 5,816,548</u></u>

The principal purpose of interfund transfers was to provide grant matches or to use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. The largest transfer made in FY 2022 was \$3,893,964 from General Fund to Jail District Fund for the maintenance of effort payment.

Santa Cruz County  
Notes to Financial Statements  
June 30, 2022

Note 12 – Subsequent Events

On October 18, 2022, the County received almost \$3.5 million from the federal Local Assistance and Tribal Consistency Fund. The County Board of Supervisors will perform a study and determine future projects for this funding.

On December 20, 2022, the County received \$3 million from the Arizona Department of Transportation for the Ruby Road bridge project. The County anticipates submitting an RFP for design on this project in fiscal year 2024.

On January 17, 2023, the County entered into a lease agreement with JP Morgan Chase in the amount of \$2 million at 4.39% per annum, to replace the County's main server primary backup unit, aging network switches, outdated departmental laptops, and the Sheriff's Office server. The lease agreement also includes expanding the Sheriff's Office server storage and improving countywide cybersecurity controls. The lease will be funded through the General Fund.

On August 1, 2023, the County received \$8.6 million from the Arizona Department of Transportation for the Ruby Road/Rio Rico Drive and Interstate 19 interchange. The County anticipates submitting an RFP for design on this project in fiscal year 2024.



Required Supplementary Information

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Santa Cruz County  
Required Supplementary Information  
Budgetary Comparison Schedule  
General Fund  
Year Ended June 30, 2022

	<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
<b>Revenues</b>			
Taxes	\$ 17,610,458	\$ 19,806,434	\$ 2,195,976
Intergovernmental	8,990,690	12,035,484	3,044,794
Licenses and permits	773,000	1,159,628	386,628
Charges for services	227,000	968,139	741,139
Fines and forfeits	482,000	498,569	16,569
Investment earnings	10,000	27,859	17,859
Rents	100,000	102,698	2,698
Miscellaneous	_____	61,055	61,055
Total revenues	\$ 28,193,148	\$ 34,659,866	\$ 6,466,718
<b>Expenditures</b>			
Current:			
General government			
Airport	547,500	37,746	509,754
Assessor	907,279	811,354	95,925
Board of Supervisors	7,586,840	3,696,692	3,890,148
Central Permits	64,124	53,560	10,564
Clerk of Superior Court	983,007	866,618	116,389
Constable #1	107,607	101,825	5,782
County Attorney	1,768,102	1,817,926	(49,824)
Elections	943,984	280,345	663,639
Finance	2,478,332	467,843	2,010,489
GIS	49,500	65,851	(16,351)
Grounds and Maintenance	2,680,910	1,779,658	901,252
Information Technology	1,921,665	1,391,371	530,294
Justice Court #1	852,666	981,917	(129,251)
Planning and Zoning	470,726	380,145	90,581
Recorder	375,954	375,206	748
Recorder - Election	211,058	181,290	29,768
Superior Court	1,920,649	1,582,345	338,304
Treasurer	547,891	647,568	(99,677)
Total general government	_____	_____	_____
	24,417,794	15,519,260	8,898,534

(Continued)

See accompanying notes to budgetary comparison schedules.

Santa Cruz County  
Required Supplementary Information  
Budgetary Comparison Schedule  
General Fund  
Year Ended June 30, 2022  
(Concluded)

	<b>Original and Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget</b>
Public safety			
Adult Probation	\$ 583,451	\$ 475,121	\$ 108,330
Juvenile Probation	54,876	51,000	3,876
Building Codes	219,949	275,655	(55,706)
Emergency Services	338,273	231,299	106,974
Sheriff's Office	5,005,084	5,881,326	(876,242)
Total public safety	6,201,633	6,914,401	(712,768)
Health, welfare and sanitation			
Public Fiduciary	3,837,113	2,905,918	931,195
Total health, welfare and sanitation	3,837,113	2,905,918	931,195
Education and economic opportunity			
School Superintendent	466,044	483,089	(17,045)
Total education and economic opportunity	466,044	483,089	(17,045)
Recreation			
Parks	599,846	361,225	238,621
Total recreation	599,846	361,225	238,621
Total expenditures	35,522,430	26,183,893	9,338,537
Excess (deficiency) of revenues over expenditures	(7,329,282)	8,475,973	15,805,255
Other financing sources (uses)			
Pledged revenue obligations proceeds		9,170,000	9,170,000
Payment to PSPRS		(8,800,000)	(8,800,000)
Transfers in		88,948	88,948
Transfers out	(5,888,585)	(5,579,238)	309,347
Total other financing sources (uses)	(5,888,585)	(5,120,290)	768,295
Net change in fund balance	(13,217,867)	3,355,683	16,573,550
Fund balance, July 1, 2021	13,217,867	16,139,491	2,921,624
Fund balance, June 30, 2022	\$ -	\$ 19,495,174	\$ 19,495,174

See accompanying notes to budgetary comparison schedules.

Santa Cruz County  
Required Supplementary Information  
Budgetary Comparison Schedule  
Jail District Fund  
Year Ended June 30, 2022

	<b>Original and Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget</b>
<b>Revenues</b>			
Taxes	\$ 2,400,000	\$ 3,887,021	\$ 1,487,021
Intergovernmental	735,347	196,370	(538,977)
Charges for services	1,000	7,498	6,498
Investment earnings		2,622	2,622
Miscellaneous		30	30
Total revenues	3,136,347	4,093,541	957,194
<b>Expenditures</b>			
Current:			
Public safety			
Juvenile Detention	1,731,213	1,497,762	233,451
Sheriff's Office	5,783,689	5,011,661	772,028
Health			
Environmental Health	838,250	867,650	(29,400)
Total expenditures	8,353,152	7,377,073	976,079
Excess (deficiency) of revenues over expenditures	(5,216,805)	(3,283,532)	1,933,273
<b>Other financing sources</b>			
Transfers in	3,893,981	3,893,964	(17)
Total other financing sources	3,893,981	3,893,964	(17)
Net change in fund balances	(1,322,824)	610,432	1,933,256
Fund balance, July 1, 2021	1,322,824	1,578,752	255,928
Fund balance, June 30, 2022	\$ -	\$ 2,189,184	\$ 2,189,184

See accompanying notes to budgetary comparison schedules.

Santa Cruz County  
 Budgetary Comparison Schedule  
 Road Fund  
 Year Ended June 30, 2022

	<b>Original and Final Budget Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget</b>
<b>Revenues</b>			
Intergovernmental	\$ 4,900,000	\$ 6,006,943	\$ 1,106,943
Charges for services		543,739	543,739
Investment earnings		2,025	2,025
Miscellaneous	100,000	200,365	100,365
Total Revenues	5,000,000	6,753,072	1,753,072
<b>Expenditures</b>			
Highways and streets	6,873,525	7,919,983	(1,046,458)
Total expenditures	6,873,525	7,919,983	(1,046,458)
Excess (deficiency) of revenues over expenditures	(1,873,525)	(1,166,911)	706,614
<b>Other financing sources (uses)</b>			
Transfers in	7,500	7,500	-
Transfers out	-	(59)	(59)
Total other financing sources (uses)	7,500	7,441	(59)
Net change in fund balance	(1,866,025)	(1,159,470)	706,555
Fund balance, July 1, 2021	1,866,025	1,875,886	9,861
Fund balance, June 30, 2022	\$ -	\$ 716,416	\$ 716,416

See accompanying notes to budgetary comparison schedules.

Santa Cruz County  
 Budgetary Comparison Schedule  
 Health Services Fund  
 Year Ended June 30, 2022

	<u>Original and Final Budget Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
<b>Revenues</b>			
Intergovernmental	\$ 2,284,781	\$ 1,052,776	\$ (1,232,005)
Charges for services	<u>175,000</u>	<u>252,678</u>	<u>77,678</u>
Total Revenues	<u>2,459,781</u>	<u>1,305,454</u>	<u>(1,154,327)</u>
<b>Expenditures</b>			
Health	<u>2,856,664</u>	<u>1,915,708</u>	<u>940,956</u>
Total expenditures	<u>2,856,664</u>	<u>1,915,708</u>	<u>940,956</u>
Excess (deficiency) of revenues over expenditures	(396,883)	(610,254)	(213,371)
<b>Other financing sources (uses)</b>			
Transfers in	365,369	175,352	(190,017)
Transfers out	<u>-</u>	<u>(59,228)</u>	<u>(59,228)</u>
Total other financing sources	<u>365,369</u>	<u>116,124</u>	<u>(249,245)</u>
Net change in fund balance	(31,514)	(494,130)	(462,616)
Fund balance, July 1, 2021	<u>31,514</u>	<u>(607,312)</u>	<u>(638,826)</u>
Fund balance, June 30, 2022	<u>\$ -</u>	<u>\$ (1,101,442)</u>	<u>\$ (1,101,442)</u>

See accompanying notes to budgetary comparison schedules.

Santa Cruz County  
 Budgetary Comparison Schedule  
 American Rescue Plan Act Fund  
 Year Ended June 30, 2022

	<u>Original and Final Budget Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
<b>Revenues</b>			
Intergovernmental	\$ 9,031,691	\$ 344,815	\$ (8,686,876)
Total Revenues	<u>9,031,691</u>	<u>344,815</u>	<u>(8,686,876)</u>
<b>Expenditures</b>			
General government	<u>13,547,537</u>	<u>344,815</u>	<u>13,202,722</u>
Total expenditures	<u>13,547,537</u>	<u>344,815</u>	<u>(13,202,722)</u>
Excess (deficiency) of revenues over expenditures	(4,515,846)	-	4,515,846
Fund balance, July 1, 2021	<u>4,515,846</u>	<u>-</u>	<u>(4,515,846)</u>
Fund balance, June 30, 2022	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to budgetary comparison schedules.



Santa Cruz County  
 Required Supplementary Information  
 Notes to Budgetary Comparison Schedules  
 June 30, 2022

Note 1 – Budgeting and Budgetary Control

A.R.S. requires the County to prepare and adopt a balanced budget annually for each governmental 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. A.R.S. prohibits 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. However, in the General Fund, Jail District Fund, and Road Fund the County records budgeted debt service expenditures by the expenditure function and department.

Expenditures may not legally exceed appropriations at the department level. In certain instances, transfers of appropriations between departments or from the contingency account to a department may be made upon the Board of Supervisors' approval.

Note 2 – Budgetary Basis of Accounting

The County's budget is prepared on a basis consistent with generally accepted accounting principles, except for the present value of lease agreement payments were not budgeted.

The following schedule reconciles the excess of revenues over expenditures from the Statement of Revenues, Expenditures, and Changes in Fund Balances to the budgetary comparison schedules:

	<b>General Fund</b>
Excess of revenues over expenditures from the Statement of Revenues, Expenditures, and Changes in Fund Balances	\$8,383,256
Present value of lease agreements	<u>92,717</u>
Excess of revenues over expenditures from the Budgetary comparison schedules	<u>\$8,475,973</u>

Santa Cruz County  
 Required Supplementary Information  
 Notes to Budgetary Comparison Schedules  
 June 30, 2022

Note 3 – Expenditures in Excess of Appropriations

For the year ended June 30, 2022, expenditures exceeded final budget amounts at the department/fund level (the legal level of budgetary control) as follows:

<b>Department/Fund</b>	<b>Excess</b>
County Attorney – General Fund	\$ 49,824
GIS – General Fund	16,351
Justice Court #1 – General Fund	129,251
Treasurer – General Fund	99,677
Building Codes – General Fund	55,706
Sheriff's Office – General Fund	876,242
School Superintendent – General Fund	17,045
Environmental Health – Jail District Fund	29,400
Public Works - Road Fund	1,046,458

The excesses were primarily the result of unexpected expenditures or expenditures made as a result of unanticipated revenues, or both. When departments exceed their annual budget, the County closely monitors departmental spending and discusses the overage with the departments in subsequent budget meetings with the County Manager and Finance.

Santa Cruz County  
Required Supplementary Information  
Schedule of the County's Proportionate Share of the Net Pension Liability  
Cost-Sharing Pension Plans  
June 30, 2022

**Arizona State Retirement System**

	Reporting Fiscal Year (Measurement Date)		
	2022 (2021)	2021 (2020)	2020 (2019)
County's proportion of the net pension liability	0.09%	0.09%	0.09%
County's proportionate share of the net pension liability	\$ 11,510,251	\$ 15,767,133	\$ 13,552,954
County's covered payroll	\$ 9,842,476	\$ 9,841,187	\$ 9,774,087
County's proportionate share of the net pension liability as a percentage of its covered payroll	116.94%	160.22%	138.66%
Plan fiduciary net position as a percentage of the total pension liability	78.58%	69.33%	73.24%

**Corrections Officer Retirement Plan—  
Administrative Office of the Courts**

	Reporting Fiscal Year (Measurement Date)		
	2022 (2021)	2021 (2020)	2020 (2019)
County's proportion of the net pension liability	1.11%	1.12%	1.23%
County's proportionate share of the net pension liability	\$ 4,131,123	\$ 5,331,704	\$ 5,177,840
County's covered payroll	\$ 1,315,433	\$ 1,332,860	\$ 1,434,369
County's proportionate share of the net pension liability as a percentage of its covered payroll	314.05%	400.02%	360.98%
Plan fiduciary net position as a percentage of the total pension liability	62.53%	50.07%	51.99%

**Elected Officials Retirement Plan**

	Reporting Fiscal Year (Measurement Date)		
	2022 (2021)	2021 (2020)	2020 (2019)
County's proportion of the net pension liability	1.33%	1.34%	1.36%
County's proportionate share of the net pension liability	\$ 8,099,796	\$ 9,041,475	\$ 9,016,702
State's proportionate share of the net pension liability associated with the County	814,161	859,320	847,477
Total	<u>\$ 8,913,957</u>	<u>\$ 9,900,795</u>	<u>\$ 9,864,179</u>
County's covered payroll	\$ 1,062,247	\$ 1,034,305	\$ 1,071,010
County's proportionate share of the net pension liability as a percentage of its covered payroll	762.52%	874.16%	841.89%
Plan fiduciary net position as a percentage of the total pension liability	36.28%	29.80%	30.14%

See accompanying notes to pension plan schedules.

**Reporting Fiscal Year  
(Measurement Date)**

<b>2019 (2018)</b>	<b>2018 (2017)</b>	<b>2017 (2016)</b>	<b>2016 (2015)</b>	<b>2015 (2014)</b>	<b>2014 through 2013</b>
0.10%	0.10%	0.10%	0.10%	0.10%	Information
\$ 13,815,384	\$ 16,043,834	\$ 16,145,847	\$ 15,579,144	\$ 14,450,456	not
\$ 9,801,915	\$ 9,686,112	\$ 9,670,325	\$ 9,180,476	\$ 8,829,998	available
140.95%	165.64%	166.96%	169.70%	163.65%	
73.40%	69.92%	67.06%	68.35%	69.49%	

**Reporting Fiscal Year  
(Measurement Date)**

<b>2019 (2018)</b>	<b>2018 (2017)</b>	<b>2017 (2016)</b>	<b>2016 (2015)</b>	<b>2015 (2014)</b>	<b>2014 through 2013</b>
1.27%	1.34%	1.35%	1.40%	1.54%	Information
\$ 4,588,245	\$ 5,393,615	\$ 3,800,084	\$ 3,396,680	\$ 3,453,182	not
\$ 1,475,242	\$ 1,450,648	\$ 1,530,360	\$ 1,554,981	\$ 1,656,220	available
311.02%	371.81%	248.31%	218.44%	208.50%	
53.72%	49.21%	54.81%	57.89%	58.59%	

**Reporting Fiscal Year  
(Measurement Date)**

<b>2019 (2018)</b>	<b>2018 (2017)</b>	<b>2017 (2016)</b>	<b>2016 (2015)</b>	<b>2015 (2014)</b>	<b>2014 through 2013</b>
1.30%	1.31%	1.25%	1.16%	1.21%	Information
\$ 8,208,402	\$ 15,968,592	\$ 11,842,355	\$ 9,101,181	\$ 8,082,842	not
1,406,457	3,314,207	2,445,138	2,837,369	2,478,274	available
\$ 9,614,859	\$ 19,282,799	\$ 14,287,493	\$ 11,938,550	\$ 10,561,116	
\$ 432,522	\$ 1,095,293	\$ 1,082,951	\$ 953,443	\$ 1,117,166	
1897.80%	1457.93%	1093.53%	954.56%	723.51%	
30.36%	19.66%	23.42%	28.32%	31.91%	

See accompanying notes to pension plan schedules.

Santa Cruz County  
Required Supplementary Information  
Schedule of Changes in the County's  
Net Pension Liability and Related Ratios  
Agent Pension Plans  
June 30, 2022

**PSPRS Sheriff**

	<b>Reporting Fiscal Year</b>		
	<b>(Measurement Date)</b>		
	<b>2022</b>	<b>2021</b>	<b>2020</b>
	<b>(2021)</b>	<b>(2020)</b>	<b>(2019)</b>
Total pension liability			
Service cost	\$ 275,291	\$ 291,160	\$ 320,099
Interest on the total pension liability	1,454,249	1,366,779	1,295,267
Changes of benefit terms			
Differences between expected and actual experience in the measurement of the pension liability	(4,699)	562,477	165,253
Changes of assumptions or other inputs			408,000
Benefit payments, including refunds of employee contributions	<u>(1,048,786)</u>	<u>(963,885)</u>	<u>(916,695)</u>
Net change in total pension liability	676,055	1,256,531	1,271,924
Total pension liability—beginning	<u>20,170,318</u>	<u>18,913,787</u>	<u>17,641,863</u>
Total pension liability—ending (a)	<u>\$ 20,846,373</u>	<u>\$ 20,170,318</u>	<u>\$ 18,913,787</u>
Adjustment to beginning of year		\$ (57,995)	\$ (8,849)
Plan fiduciary net position			
Contributions—employer	919,250	1,092,623	998,287
Contributions—employee	117,017	133,341	140,109
Net investment income	2,350,303	103,967	336,069
Benefit payments, including refunds of employee contributions	(1,048,786)	(963,885)	(916,695)
Hall-Parker settlement			
Administrative expense	(11,009)	(8,477)	(6,839)
Other changes	<u>-</u>	<u>-</u>	<u>-</u>
Net change in plan fiduciary net position	2,326,775	299,574	542,082
Plan fiduciary net position—beginning	<u>8,398,767</u>	<u>8,099,193</u>	<u>7,557,111</u>
Plan fiduciary net position—ending (b)	<u>\$ 10,725,542</u>	<u>\$ 8,398,767</u>	<u>\$ 8,099,193</u>
County's net pension liability—ending (a) – (b)	<u>\$ 10,120,831</u>	<u>\$ 11,771,551</u>	<u>\$ 10,814,594</u>
Plan fiduciary net position as a percentage of the total pension liability	51.45%	41.64%	42.82%
Covered payroll	\$ 1,939,336	\$ 2,145,350	\$ 1,935,258
County's net pension liability as a percentage of covered payroll	521.87%	548.70%	558.82%

See accompanying notes to pension plan schedules.

**Reporting Fiscal Year  
(Measurement Date)**

<b>2019 (2018)</b>	<b>2018 (2017)</b>	<b>2017 (2016)</b>	<b>2016 (2015)</b>	<b>2015 (2014)</b>	<b>2014 through 2013</b>
					Information not available
\$ 294,913	\$ 470,043	\$ 327,050	\$ 325,750	\$ 391,688	
1,320,496	1,175,945	1,175,348	1,137,080	942,459	
	209,446	208,272		355,803	
(1,228,063)	786,030	(714,623)	(182,980)	(152,819)	
	597,037	589,852		1,742,066	
(885,144)	(1,086,162)	(815,276)	(770,744)	(763,205)	
(497,798)	2,152,339	770,623	509,106	2,515,992	
18,139,661	15,987,322	15,216,699	14,707,593	12,191,601	
<u>\$ 17,641,863</u>	<u>\$ 18,139,661</u>	<u>\$ 15,987,322</u>	<u>\$ 15,216,699</u>	<u>\$ 14,707,593</u>	
\$ 1,059,925	\$ 917,590	\$ 838,463	\$ 512,953	\$ 519,566	
165,975	235,335	201,552	198,938	197,413	
446,564	780,239	38,727	213,595	732,556	
(885,144)	(1,086,162)	(815,276)	(770,744)	(763,205)	
(249,264)					
(8,103)	(7,304)	(5,973)	(5,585)	(5,899)	
(31,719)	79	(39,946)	(120,893)	-	
498,234	839,777	217,547	28,264	680,431	
7,058,877	6,219,100	6,001,553	5,973,289	5,292,858	
<u>\$ 7,557,111</u>	<u>\$ 7,058,877</u>	<u>\$ 6,219,100</u>	<u>\$ 6,001,553</u>	<u>\$ 5,973,289</u>	
<u>\$ 10,084,752</u>	<u>\$ 11,080,784</u>	<u>\$ 9,768,222</u>	<u>\$ 9,215,146</u>	<u>\$ 8,734,304</u>	
42.84%	38.91%	38.90%	39.44%	40.61%	
\$ 1,379,092	\$ 1,880,660	\$ 1,719,431	\$ 1,752,386	\$ 1,907,364	
731.26%	589.20%	568.11%	525.86%	457.93%	

See accompanying notes to pension plan schedules.

Santa Cruz County  
Required Supplementary Information  
Schedule of Changes in the County's  
Net Pension Liability and Related Ratios  
Agent Pension Plans  
June 30, 2022

**CORP Detention**

	<b>Reporting Fiscal Year (Measurement Date)</b>		
	<b>2022 (2021)</b>	<b>2021 (2020)</b>	<b>2020 (2019)</b>
Total pension liability			
Service cost	\$ 63,192	\$ 117,386	\$ 125,269
Interest on the total pension liability	201,512	215,072	211,146
Changes of benefit terms			
Differences between expected and actual experience in the measurement of the pension liability	26,159	(259,989)	(110,760)
Changes of assumptions or other inputs			67,631
Benefit payments, including refunds of employee contributions	<u>(180,386)</u>	<u>(227,665)</u>	<u>(157,417)</u>
Net change in total pension liability	110,477	(155,196)	135,869
Total pension liability—beginning	<u>2,787,441</u>	<u>2,942,637</u>	<u>2,806,768</u>
Total pension liability—ending (a)	<u>\$ 2,897,918</u>	<u>\$ 2,787,441</u>	<u>\$ 2,942,637</u>
Adjustment to beginning of year		\$ (21,512)	
Plan fiduciary net position			
Contributions—employer	99,666	33,252	69,700
Contributions—employee	27,891	33,910	63,182
Net investment income	665,467	72,525	128,771
Benefit payments, including refunds of employee contributions	(180,386)	(227,665)	(157,417)
Administrative expense	(3,099)	(2,807)	(2,998)
Other changes	<u>(22,421)</u>	<u>(82,670)</u>	<u>-</u>
Net change in plan fiduciary net position	587,118	(194,967)	101,238
Plan fiduciary net position—beginning	<u>2,498,808</u>	<u>2,693,775</u>	<u>2,592,537</u>
Plan fiduciary net position—ending (b)	<u>\$ 3,085,926</u>	<u>\$ 2,498,808</u>	<u>\$ 2,693,775</u>
County's net pension (asset)/liability—ending (a) – (b)	<u>\$ (188,008)</u>	<u>\$ 288,633</u>	<u>\$ 248,862</u>
Plan fiduciary net position as a percentage of the total pension liability	106.49%	89.65%	91.54%
Covered payroll	\$ 610,979	\$ 683,371	\$ 922,476
County's net pension (asset)/liability as a percentage of covered payroll	(30.77%)	42.24%	26.98%

See accompanying notes to pension plan schedules.

**Reporting Fiscal Year  
(Measurement Date)**

<b>2019 (2018)</b>	<b>2018 (2017)</b>	<b>2017 (2016)</b>	<b>2016 (2015)</b>	<b>2015 (2014)</b>	<b>2014 through 2013</b>
					Information not available
\$ 142,230	\$ 153,896	\$ 114,754	\$ 166,936	\$ 196,551	
209,663	188,110	188,573	191,011	164,952	
(139,462)	250,304	2,705		44,932	
(92,059)	(163,018)	(129,310)	(173,115)	(176,819)	
	58,851	99,299		289,789	
<u>(151,539)</u>	<u>(162,789)</u>	<u>(216,541)</u>	<u>(163,038)</u>	<u>(182,256)</u>	
(31,167)	325,354	59,480	21,794	337,149	
<u>2,837,935</u>	<u>2,512,581</u>	<u>2,453,101</u>	<u>2,431,307</u>	<u>2,094,158</u>	
<u>\$ 2,806,768</u>	<u>\$ 2,837,935</u>	<u>\$ 2,512,581</u>	<u>\$ 2,453,101</u>	<u>\$ 2,431,307</u>	
78,750	66,664	68,260	68,898	92,945	
79,126	77,867	73,036	83,854	107,243	
193,448	255,586	13,350	80,723	270,559	
(151,539)	(162,789)	(216,541)	(163,038)	(182,256)	
(3,339)	(2,636)	(2,288)	(2,361)	(2,128)	
<u>(51)</u>	<u>(15)</u>	<u>(31,564)</u>	<u>(19,426)</u>	<u>(5,345)</u>	
196,395	234,677	(95,747)	48,650	281,018	
<u>2,396,142</u>	<u>2,161,465</u>	<u>2,257,212</u>	<u>2,208,562</u>	<u>1,927,544</u>	
<u>\$ 2,592,537</u>	<u>\$ 2,396,142</u>	<u>\$ 2,161,465</u>	<u>\$ 2,257,212</u>	<u>\$ 2,208,562</u>	
<u>\$ 214,231</u>	<u>\$ 441,793</u>	<u>\$ 351,116</u>	<u>\$ 195,889</u>	<u>\$ 222,745</u>	
92.37%	84.43%	86.03%	92.01%	90.84%	
\$ 942,410	\$ 892,742	\$ 898,399	\$ 990,632	\$ 1,275,200	
22.73%	49.49%	39.08%	19.77%	17.47%	

See accompanying notes to pension plan schedules.



Santa Cruz County  
Required Supplementary Information  
Schedule of County Pension Contributions  
June 30, 2022

**Arizona State Retirement System**

	Reporting Fiscal Year			
	2022	2021	2020	2019
Statutorily required contribution	\$ 1,267,261	\$ 1,142,172	\$ 1,122,627	\$ 1,091,221
County's contributions in relation to the statutorily required contribution	<u>1,267,261</u>	<u>1,142,172</u>	<u>1,122,627</u>	<u>1,091,221</u>
County's contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 10,603,589	\$ 9,842,476	\$ 9,841,187	\$ 9,774,087
County's contributions as a percentage of covered payroll	11.95%	11.60%	11.41%	11.16%

**Corrections Officer Retirement Plan  
—Administrative Office of the Courts**

	Reporting Fiscal Year			
	2022	2021	2020	2019
Statutorily required contribution County's contributions	\$ 365,538	\$ 436,990	\$ 406,273	\$ 461,880
County's contributions in relation to the statutorily required contribution	<u>365,538</u>	<u>436,990</u>	<u>406,273</u>	<u>461,880</u>
County's contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 1,036,310	\$ 1,315,433	\$ 1,332,860	\$ 1,434,369
County's contributions as a percentage of covered payroll	35.27%	33.22%	30.48%	32.20%

**Elected Officials Retirement Plan**

	Reporting Fiscal Year			
	2022	2021	2020	2019
Statutorily required contribution County's contributions	\$ 617,175	\$ 609,590	\$ 607,616	\$ 692,665
County's contributions in relation to the statutorily required contribution	<u>617,175</u>	<u>609,590</u>	<u>607,616</u>	<u>614,925</u>
County's contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 77,740</u>
County's covered payroll	\$ 1,090,493	\$ 1,062,247	\$ 1,034,305	\$ 1,071,010
County's contributions as a percentage of covered payroll	56.60%	57.39%	58.75%	57.42%

**PSPRS Sheriff**

	Reporting Fiscal Year			
	2022	2021	2020	2019
Actuarially required contribution County's contributions	\$ 1,073,500	\$ 925,392	\$ 1,089,531	\$ 936,687
County's contributions in relation to the statutorily required contribution	<u>9,873,500</u>	<u>925,392</u>	<u>1,089,531</u>	<u>915,548</u>
County's contribution deficiency (excess)	<u>\$ (8,800,000)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,139</u>
County's covered payroll	\$ 2,063,886	\$ 1,939,336	\$ 2,145,350	\$ 1,935,258
County's contributions as a percentage of covered payroll	478.39%	47.72%	50.79%	47.31%

See accompanying notes to pension plan schedules.

Reporting Fiscal Year					
2018	2017	2016	2015	2014	2013
\$ 1,065,279	\$ 1,040,838	\$ 1,046,432	\$ 997,087	\$941,966	Information not available
<u>1,065,279</u>	<u>1,040,838</u>	<u>1,046,432</u>	<u>997,087</u>	<u>941,966</u>	
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
\$ 9,801,915	\$ 9,686,112	\$ 9,670,325	\$ 9,180,476	\$8,829,998	
10.87%	10.75%	10.82%	10.86%	10.67%	

Reporting Fiscal Year					
2018	2017	2016	2015	2014	2013
\$ 332,077	\$ 291,290	\$ 292,758	\$ 231,381	\$ 239,324	Information not available
<u>332,077</u>	<u>291,290</u>	<u>292,758</u>	<u>231,381</u>	<u>239,324</u>	
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
\$ 1,475,242	\$ 1,450,648	\$ 1,530,360	\$ 1,554,981	\$1,656,220	
22.51%	20.08%	19.13%	14.88%	14.45%	

Reporting Fiscal Year					
2018	2017	2016	2015	2014	2013
\$ 372,494	\$ 235,389	\$ 238,801	\$ 224,059	\$ 256,832	Information not available
<u>77,033</u>	<u>235,389</u>	<u>238,801</u>	<u>224,059</u>	<u>256,832</u>	
<u>\$ 295,461</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
\$ 432,522	\$ 1,095,293	\$ 1,082,951	\$ 953,443	\$1,117,166	
17.81%	21.49%	22.05%	23.50%	22.99%	

Reporting Fiscal Year					
2018	2017	2016	2015	2014	2013
\$ 916,460	\$ 808,120	\$ 764,136	\$ 499,255	\$ 519,566	Information not available
<u>688,335</u>	<u>808,120</u>	<u>764,136</u>	<u>499,255</u>	<u>519,566</u>	
<u>\$ 228,125</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
\$ 1,379,092	\$ 1,880,660	\$ 1,719,431	\$ 1,752,386	\$1,907,364	
49.91%	42.97%	44.44%	28.49%	27.24%	

See accompanying notes to pension plan schedules.

Santa Cruz County  
 Required Supplementary Information  
 Schedule of County Pension Contributions  
 June 30, 2022

**CORP Detention**

	Reporting Fiscal Year			
	2022	2021	2020	2019
Actuarially required contribution	\$ 22,775	\$ 36,769	\$ 34,218	\$ 68,481
County's contributions in relation to the statutorily required contribution	<u>22,775</u>	<u>36,769</u>	<u>34,218</u>	<u>68,481</u>
County's contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$752,932	\$ 610,979	\$ 683,371	\$ 922,476
County's contributions as a percentage of covered payroll	3.02%	6.02%	5.01%	7.42%

See accompanying notes to pension plan schedules.

Reporting Fiscal Year					
2018	2017	2016	2015	2014	2013
\$ 78,492	\$ 64,277	\$ 70,436	\$ 68,453	\$ 92,945	Information not available
<u>78,492</u>	<u>64,277</u>	<u>70,436</u>	<u>68,453</u>	<u>92,945</u>	
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
\$ 942,410	\$ 892,742	\$ 898,399	\$ 990,632	\$ 1,275,200	
8.33%	7.20%	7.84%	6.91%	7.29%	

See accompanying notes to pension plan schedules.

Santa Cruz County  
 Required Supplementary Information  
 Notes to Pension Plan Schedules  
 June 30, 2022

Note 1 – Actuarially Determined Contribution Rates

Actuarial determined contribution rates for PSPRS and CORP are calculated as of June 30 2 years prior to the end of the fiscal year in which contributions are made. The actuarial methods and assumptions used to establish the contribution requirements are as follows:

Actuarial cost method	Entry age normal
Amortization method	Level percent-of-pay, closed
Remaining amortization period as of the 2020 actuarial valuation	16 years
Asset valuation method	7-year smoothed market value; 80%/120% market corridor
Actuarial assumptions:	
Investment rate of return	In the 2019 actuarial valuation, the investment rate of return was decreased from 7.4% to 7.3%. In the 2017 actuarial valuation, the investment rate of return was decreased from 7.5% to 7.4%. In the 2016 actuarial valuation, the investment rate of return was decreased from 7.85% to 7.5%. In the 2013 actuarial valuation, the investment rate of return was decreased from 8.0% to 7.85%.
Projected salary increases	In the 2017 actuarial valuation, projected salary increases were decreased from 4.0%–8.0% to 3.5%–7.5% for PSPRS and from 4.0%–7.25% to 3.5%–6.5% for CORP. In the 2014 actuarial valuation, projected salary increases were decreased from 4.5%– 8.5% to 4.0%–8.0% for PSPRS and from 4.5%–7.75% to 4.0%–7.25% for CORP. In the 2013 actuarial valuation, projected salary increases were decreased from 5.0%–9.0% to 4.5%–8.5% for PSPRS and from 5.0%–8.25% to 4.5%–7.75% for CORP.

Santa Cruz County  
Required Supplementary Information  
Notes to Pension Plan Schedules  
June 30, 2022

Wage growth	In the 2017 actuarial valuation, wage growth was decreased from 4% to 3.5% for PSPRS and CORP. In the 2014 actuarial valuation, wage growth was decreased from 4.5% to 4.0% for PSPRS and CORP. In the 2013 actuarial valuation, wage growth was decreased from 5.0% to 4.5% for PSPRS and CORP.
Retirement age	Experience-based table of rates that is specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period July 1, 2006–June 30, 2011.
Mortality	In the 2019 actuarial valuation, changed to PubS-2010 tables. In the 2017 actuarial valuation, changed to RP-2014 tables, with 75% of MP-2016 fully generational projection scales. RP-2000 mortality table (adjusted by 105% for both males and females).

Note 2 – Factors that affect trends

Arizona courts have ruled that provisions of a 2011 law that changed the mechanism for funding permanent pension benefit increases and increased employee pension contribution rates were unconstitutional or a breach of contract because those provisions apply to individuals who were members as of the law's effective date. As a result, the PSPRS, CORP, CORP–AOC, and EORP changed benefit terms to reflect the prior mechanism for funding permanent benefit increases for those members and revised actuarial assumptions to explicitly value future permanent benefit increases. PSPRS and EORP also reduced those members' employee contribution rates. These changes are reflected in the plans' pension liabilities for fiscal year 2015 (measurement date 2014) for members who were retired as of the law's effective date and fiscal year 2018 (measurement date 2017) for members who retired or will retire after the law's effective date. These changes also increased the PSPRS-, CORP-, and CORP–AOC-required pension contributions beginning in fiscal year 2016 for members who were retired as of the law's effective date. These changes increased the PSPRS-, CORP-, and CORP–AOC-required contributions beginning in fiscal year 2019 for members who retired or will retire after the law's effective date. EORP-required contributions are not based on actuarial valuations, and therefore, these changes did not affect them. Also, the County refunded excess employee contributions to PSPRS and EORP members. PSPRS and EORP allowed the County to reduce its actual employer contributions for the refund amounts. As a result, the County's pension contributions were less than the actuarially or statutorily determined contributions for 2018 and 2019.

Santa Cruz County  
Required Supplementary Information  
Notes to Pension Plan Schedules  
June 30, 2022

The fiscal year 2019 (measurement date 2018) pension liabilities for EORP and CORP reflect the replacement of the permanent benefit increase (PBI) for retirees based on investment returns with a cost of living adjustment based on inflation. Also, the EORP liability and required pension contributions for fiscal year 2019 reflect a statutory change that requires the employer contribution rate to be actuarially determined. This change increased the discount rate used to calculate the liability thereby reducing the total pension liability.

Note 3 – Excess Contributions

On December 15, 2021, the County made additional contributions of \$8,800,000 for the County's Public Safety Personnel Retirement System to pay down its unfunded actuarial liability. Additional information on excess contributions can be found in Note 7 of the Notes to Financial Statements on page 42 of this report.

Combining and Individual  
Fund Statements and Schedules



Santa Cruz County  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2022

	Special Revenue Funds	Capital Projects Funds	Debt Service	Total Other Governmental Funds
<b>Assets</b>				
Cash and investments	\$ 8,878,394	\$ 431,599	\$ 517	\$ 9,310,510
Receivables (net of allowance for uncollectibles)				
Property taxes	183,743			183,743
Accounts receivable	40,961			40,961
Due from other governmental units	1,616,325			1,616,325
Prepaid items	47,221			47,221
Total assets	\$ 10,766,644	\$ 431,599	\$ 517	\$ 11,198,760
<b>Liabilities</b>				
Accounts payable	\$ 891,545	\$ 8,511		\$ 900,056
Accrued payroll and employee benefits	270,210			270,210
Due to other governments			\$ 4,610	4,610
Due to other funds	915,792			915,792
Total liabilities	2,077,547	8,511	4,610	2,090,668
<b>Deferred Inflows of Resources</b>				
Unavailable revenue - property taxes	137,116			137,116
Unavailable revenue - intergovernmental	731,131			731,131
Unavailable revenue - miscellaneous	356			356
Total deferred inflows of resources	868,603			868,603
<b>Fund Balances</b>				
Nonspendable	47,221			47,221
Restricted	8,484,476	351,244		8,835,720
Assigned	14,291	80,355		94,646
Unassigned	(725,494)	(8,511)	(4,093)	(738,098)
Total fund balance	7,820,494	423,088	(4,093)	8,239,489
 Total liabilities, deferred inflows of resources and fund balance	 \$ 10,766,644	 \$ 431,599	 \$ 517	 \$ 11,198,760

Santa Cruz County  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Nonmajor Governmental Funds  
Year Ended June 30, 2022

	<u>Special Revenue Funds</u>	<u>Capital Projects Funds</u>	<u>Debt Service</u>	<u>Total Other Governmental Funds</u>
<b>Revenues</b>				
Taxes	\$ 2,759,808		\$ 74	\$ 2,759,882
Intergovernmental	7,964,682	\$ 366,345		8,331,027
Charges for services	365,316			365,316
Fines and forfeits	398,990			398,990
Investment earnings	4,078	557	4	4,639
Donations	123,146			123,146
Miscellaneous	139,758	924	29	140,711
Total revenues	<u>11,755,778</u>	<u>367,826</u>	<u>107</u>	<u>12,123,711</u>
<b>Expenditures</b>				
General government	2,022,270	265,166		2,287,436
Public safety	6,517,613	8,511		6,526,124
Health, welfare and sanitation	970,613			970,613
Education and economic opportunity	2,968,483			2,968,483
Recreation		10,000		10,000
Debt Service				
Principal retirement	636,900		510,000	1,146,900
Interest and fiscal charges	95,253		395,959	491,212
Total expenditures	<u>13,211,132</u>	<u>283,677</u>	<u>905,959</u>	<u>14,400,768</u>
Excess (deficiency) of revenues over expenditures	<u>(1,455,354)</u>	<u>84,149</u>	<u>(905,852)</u>	<u>(2,277,057)</u>
<b>Other financing sources (uses)</b>				
Lease agreements	121,529			121,529
Transfers in	740,141	5,700	904,357	1,650,198
Transfers out	(178,023)			(178,023)
Total other financing sources (uses)	<u>683,647</u>	<u>5,700</u>	<u>904,357</u>	<u>1,593,704</u>
Net change in fund balance	(771,707)	89,849	(1,495)	(683,353)
Beginning fund balance (deficit)	<u>8,592,201</u>	<u>333,239</u>	<u>(2,598)</u>	<u>8,922,842</u>
Ending fund balance (deficit)	<u>\$ 7,820,494</u>	<u>\$ 423,088</u>	<u>\$ (4,093)</u>	<u>\$ 8,239,489</u>

Santa Cruz County  
Combining Balance Sheet  
Nonmajor Special Revenue Funds  
June 30, 2022

	<u>Flood Control District</u>	<u>Criminal Justice Enhancement</u>	<u>Homeland Security</u>	<u>WIOA</u>
<b>Assets</b>				
Cash and cash equivalents	\$ 2,300,325	\$ 2,295,994	\$ 2,912	\$ 50
Receivables (net of allowance for uncollectibles)				
Property taxes	183,743			
Accounts receivable		5,020		
Due from other governmental units		585,671	228,329	334,844
Prepaid items		3,831	1,667	6,567
Total assets	<u>\$ 2,484,068</u>	<u>\$ 2,890,516</u>	<u>\$ 232,908</u>	<u>\$ 341,461</u>
<b>Liabilities</b>				
Accounts payable	\$ 265,813	\$ 183,440	\$ 39,424	\$ 125,764
Accrued payroll and employee benefits	19,742	84,416	2,522	34,169
Due to other governments				
Due to other funds		316,422	226,236	128,878
Total liabilities	<u>285,555</u>	<u>584,278</u>	<u>268,182</u>	<u>288,811</u>
<b>Deferred Inflows of Resources</b>				
Unavailable revenue - property taxes	137,116			
Unavailable revenue - intergovernmental		321,044	147,752	108,144
Unavailable revenue - miscellaneous				
Total deferred inflows of resources	<u>137,116</u>	<u>321,044</u>	<u>147,752</u>	<u>108,144</u>
<b>Fund Balance</b>				
Nonspendable		3,831	1,667	6,567
Restricted	2,061,397	2,245,884	3,877	8,010
Assigned				
Unassigned		(264,521)	(188,570)	(70,071)
Total fund balance (deficit)	<u>2,061,397</u>	<u>1,985,194</u>	<u>(183,026)</u>	<u>(55,494)</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 2,484,068</u>	<u>\$ 2,890,516</u>	<u>\$ 232,908</u>	<u>\$ 341,461</u>

Juvenile Services	Probation Services	Retrieval Conversion	Animal Control	Other Special Revenue Funds	Total
\$ 394,589	\$ 972,319	\$ 789,640	\$ 7,256	\$ 2,115,309	\$ 8,878,394
					183,743
489	5,351	10,106	5,558	14,437	40,961
237,012	5,789	27,665	65,237	131,778	1,616,325
28,417	61		2,195	4,483	47,221
<u>\$ 660,507</u>	<u>\$ 983,520</u>	<u>\$ 827,411</u>	<u>\$ 80,246</u>	<u>\$ 2,266,007</u>	<u>\$ 10,766,644</u>
\$ 109,110	\$ 21,610	\$ 22,934	\$ 62,945	\$ 60,505	\$ 891,545
63,126	35,522		23,946	6,767	270,210
					-
162,518				81,738	915,792
<u>334,754</u>	<u>57,132</u>	<u>22,934</u>	<u>86,891</u>	<u>149,010</u>	<u>2,077,547</u>
					137,116
47,037		27,665	65,227	14,262	731,131
				356	356
<u>47,037</u>		<u>27,665</u>	<u>65,227</u>	<u>14,618</u>	<u>868,603</u>
					137,116
28,417	61		2,195	4,483	47,221
336,962	935,630	776,815	7,278	2,108,623	8,484,476
				14,291	14,291
<u>(86,663)</u>	<u>(9,303)</u>	<u>(3)</u>	<u>(81,345)</u>	<u>(25,018)</u>	<u>(725,494)</u>
<u>278,716</u>	<u>926,388</u>	<u>776,812</u>	<u>(71,872)</u>	<u>2,102,379</u>	<u>7,820,494</u>
<u>\$ 660,507</u>	<u>\$ 983,520</u>	<u>\$ 827,411</u>	<u>\$ 80,246</u>	<u>\$ 2,266,007</u>	<u>\$ 10,766,644</u>

Santa Cruz County  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Nonmajor Special Revenue Funds  
Year Ended June 30, 2022

	<u>Flood Control District</u>	<u>Criminal Justice Enhancement</u>	<u>Homeland Security</u>	<u>WIOA</u>
<b>Revenues</b>				
Taxes	\$ 2,759,808			
Intergovernmental		\$ 1,317,246	\$ 648,660	\$ 1,259,712
Charges for services		43,763		
Fines and forfeits		310,930		
Investment earnings	2,671	158		
Donations				
Miscellaneous	16			10,764
Total revenues	<u>2,762,495</u>	<u>1,672,097</u>	<u>648,660</u>	<u>1,270,476</u>
<b>Expenditures</b>				
General government		1,208,164		
Public safety	3,389,371	841,773	517,095	
Highways and streets				
Health, welfare and sanitation				
Education and economic opportunity				1,178,931
Debt Service				
Principal retirement	560,000	12,282		41,561
Interest and fiscal charges	94,275			718
Total expenditures	<u>4,043,646</u>	<u>2,062,219</u>	<u>517,095</u>	<u>1,221,210</u>
Excess (deficiency) of revenues over expenditures	<u>(1,281,151)</u>	<u>(390,122)</u>	<u>131,565</u>	<u>49,266</u>
<b>Other financing sources (uses)</b>				
Lease agreements		57,385		
Transfers in		155,739	2,783	30,193
Transfers out	(528)	(3)	(22,356)	(5,090)
Total other financing sources (uses)	<u>(528)</u>	<u>213,121</u>	<u>(19,573)</u>	<u>25,103</u>
Net change in fund balance	(1,281,679)	(177,001)	111,992	74,369
Beginning fund balance (deficit)	<u>3,343,076</u>	<u>2,162,195</u>	<u>(295,018)</u>	<u>(129,863)</u>
Ending fund balance (deficit)	<u>\$ 2,061,397</u>	<u>\$ 1,985,194</u>	<u>\$ (183,026)</u>	<u>\$ (55,494)</u>

Juvenile Services	Probation Services	Retrieval Conversion	Animal Control	Other Special Revenue Funds	Total
					\$ 2,759,808
\$ 1,943,082	\$ 873,974	\$ 34,970	\$ 370,298	\$ 1,516,740	7,964,682
16,776	88,124	109,590	43,778	63,285	365,316
		88,060			398,990
106	479	520		144	4,078
75,000			5,142	43,004	123,146
14	2		29,984	98,978	139,758
<u>2,034,978</u>	<u>962,579</u>	<u>233,140</u>	<u>449,202</u>	<u>1,722,151</u>	<u>11,755,778</u>
137,541		97,181		579,384	2,022,270
645,197	901,306			222,871	6,517,613
					-
			877,401	93,212	970,613
1,126,301				663,251	2,968,483
1,128			21,929		636,900
			260		95,253
<u>1,910,167</u>	<u>901,306</u>	<u>97,181</u>	<u>899,590</u>	<u>1,558,718</u>	<u>13,211,132</u>
124,811	61,273	135,959	(450,388)	163,433	(1,455,354)
13,539			50,605		121,529
2,725	2,153	230	355,257	191,061	740,141
<u>(31,179)</u>		<u>(107,674)</u>		<u>(11,193)</u>	<u>(178,023)</u>
<u>(14,915)</u>	<u>2,153</u>	<u>(107,444)</u>	<u>405,862</u>	<u>179,868</u>	<u>683,647</u>
109,896	63,426	28,515	(44,526)	343,301	(771,707)
<u>168,820</u>	<u>862,962</u>	<u>748,297</u>	<u>(27,346)</u>	<u>1,759,078</u>	<u>8,592,201</u>
<u>\$ 278,716</u>	<u>\$ 926,388</u>	<u>\$ 776,812</u>	<u>\$ (71,872)</u>	<u>\$ 2,102,379</u>	<u>\$ 7,820,494</u>

Santa Cruz County  
Combining Balance Sheet  
Nonmajor Capital Projects Funds  
June 30, 2022

	<u>Construction</u>	<u>Airport</u>	<u>Other</u>	<u>Total</u>
<b>Assets</b>				
Cash and investments	\$ 356,599		\$ 75,000	\$ 431,599
Due from other governmental units	<u>                    </u>	\$ -	<u>                    </u>	<u>                    </u>
Total assets	<u>\$ 356,599</u>	<u>\$ -</u>	<u>75,000</u>	<u>\$ 431,599</u>
<b>Liabilities</b>				
Accounts payable	\$ 8,511	\$ -	\$ -	\$ 8,511
Due to other funds	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total liabilities	<u>8,511</u>	<u>-</u>	<u>-</u>	<u>8,511</u>
<b>Deferred Inflows of Resources</b>				
Unavailable revenue - intergovernmental	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total deferred inflows of resources	<u>                    </u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balance</b>				
Restricted	276,244		75,000	351,244
Assigned	80,355			80,355
Unassigned	<u>(8,511)</u>	<u>                    </u>	<u>                    </u>	<u>(8,511)</u>
Total fund balance (deficit)	<u>348,088</u>	<u>-</u>	<u>75,000</u>	<u>423,088</u>
 Total liabilities, deferred inflows of resources and fund balance	 <u>\$ 356,599</u>	 <u>\$ -</u>	 <u>\$ 75,000</u>	 <u>\$ 431,599</u>

Santa Cruz County  
Combining Statement of Revenues, Expenditures, and Changes in  
Fund Balances  
Nonmajor Capital Projects Funds  
Year Ended June 30, 2022

	<u>Construction</u>	<u>Airport</u>	<u>Other</u>	<u>Total</u>
<b>Revenues</b>				
Intergovernmental		\$ 37,496	\$ 328,849	\$ 366,345
Investment earnings	\$ 557			557
Miscellaneous	924			924
Total revenues	<u>1,481</u>	<u>37,496</u>	<u>328,849</u>	<u>367,826</u>
<b>Expenditures</b>				
General government		21,317	243,849	265,166
Public safety	8,511			8,511
Recreation			10,000	10,000
Total expenditures	<u>8,511</u>	<u>21,317</u>	<u>253,849</u>	<u>283,677</u>
Excess (deficiency) of revenues over expenditures	<u>(7,030)</u>	<u>16,179</u>	<u>75,000</u>	<u>84,149</u>
<b>Other financing sources</b>				
Transfers in		402	5,298	5,700
Transfers out				-
Total other financing sources		<u>402</u>	<u>5,298</u>	<u>5,700</u>
Net change in fund balance	(7,030)	16,581	80,298	89,849
Beginning fund balance (deficit)	<u>355,118</u>	<u>(16,581)</u>	<u>(5,298)</u>	<u>333,239</u>
Ending fund balance (deficit)	<u>\$ 348,088</u>	<u>\$ -</u>	<u>\$ 75,000</u>	<u>\$ 423,088</u>



Schedule of Revenues, Expenditures, and Changes in Fund  
Balances—Budget and Actual

Nonmajor Special Revenue Funds

Santa Cruz County  
 Nonmajor Special Revenue Funds  
 Flood Control District Fund  
 Budgetary Comparison Schedule  
 Year Ended June 30, 2022

	<u>Original and Final Budget Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
<b>Revenues</b>			
Taxes	\$ 2,771,336	\$ 2,759,808	\$ (11,528)
Investment earnings		2,671	2,671
Miscellaneous		16	16
Total revenues	<u>2,771,336</u>	<u>2,762,495</u>	<u>(8,841)</u>
<b>Expenditures</b>			
Public safety	<u>6,265,673</u>	<u>4,043,646</u>	<u>2,222,027</u>
Total expenditures	<u>6,265,673</u>	<u>4,043,646</u>	<u>2,222,027</u>
Excess (deficiency) of revenues over expenditures	(3,494,337)	(1,281,151)	2,213,186
<b>Other financing uses</b>			
Transfers out	<u>                    </u>	<u>(528)</u>	<u>(528)</u>
Total other financing sources (uses)	<u>-</u>	<u>(528)</u>	<u>(528)</u>
Net change in fund balance	(3,494,337)	(1,281,679)	2,212,658
Fund balance (deficit), July 1, 2021	<u>3,494,337</u>	<u>3,343,076</u>	<u>(151,261)</u>
Fund balance (deficit), June 30, 2022	<u>\$ -</u>	<u>\$ 2,061,397</u>	<u>\$ 2,061,397</u>

Santa Cruz County  
 Nonmajor Special Revenue Funds  
 Criminal Justice Enhancement Fund  
 Budgetary Comparison Schedule  
 Year Ended June 30, 2022

	<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
<b>Revenues</b>			
Intergovernmental	\$ 1,343,002	\$ 1,317,246	\$ (25,756)
Charges for services	55,600	43,763	(11,837)
Fines and forfeits	305,749	310,930	5,181
Investment earnings	<u>305</u>	<u>158</u>	<u>(147)</u>
Total revenues	<u>1,704,656</u>	<u>1,672,097</u>	<u>(32,559)</u>
<b>Expenditures</b>			
Current:			
General government			
County Attorney	1,073,722	957,369	116,353
Clerk of the Superior Court	17,763		17,763
Justice Court	375,555	130,263	245,292
Superior Court	965,966	75,429	890,537
Public safety			
Juvenile Detention	115,655		115,655
Sheriff's Office	<u>1,499,002</u>	<u>841,773</u>	<u>657,229</u>
Total expenditures	<u>4,047,663</u>	<u>2,004,834</u>	<u>2,042,829</u>
Excess (deficiency) of revenues over expenditures	(2,343,007)	(332,737)	2,010,270
<b>Other financing sources (uses)</b>			
Transfer in	92,112	155,739	63,627
Transfer out	<u>          </u>	<u>(3)</u>	<u>(3)</u>
Total other financing sources (uses)	<u>92,112</u>	<u>155,736</u>	<u>63,624</u>
Net change in fund balance	(2,250,895)	(177,001)	2,073,894
Fund balance (deficit), July 1, 2021	<u>2,250,895</u>	<u>2,162,195</u>	<u>(88,700)</u>
Fund balance (deficit), June 30, 2022	<u>\$ -</u>	<u>\$ 1,985,194</u>	<u>\$ 1,985,194</u>

Santa Cruz County  
Nonmajor Special Revenue Funds  
WIOA Fund  
Budgetary Comparison Schedule  
Year Ended June 30, 2022

	<b>Original and Final Budget Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget</b>
<b>Revenues</b>			
Intergovernmental	\$ 3,149,210	\$ 1,259,712	\$ (1,889,498)
Miscellaneous	<u>10,000</u>	<u>10,764</u>	<u>764</u>
Total revenues	<u>3,159,210</u>	<u>1,270,476</u>	<u>(1,888,734)</u>
<b>Expenditures</b>			
Education and economic opportunity	<u>3,159,230</u>	<u>1,221,210</u>	<u>1,938,020</u>
Total expenditures	<u>3,159,230</u>	<u>1,221,210</u>	<u>1,938,020</u>
Excess (deficiency) of revenues over expenditures	(20)	49,266	49,286
<b>Other financing sources (uses)</b>			
Transfers in		30,193	30,193
Transfers out	<u>                    </u>	<u>(5,090)</u>	<u>(5,090)</u>
Total other financing sources (uses)	<u>                    </u>	<u>25,103</u>	<u>25,103</u>
Net change in fund balance	(20)	74,369	74,389
Fund balance (deficit), July 1, 2021	<u>20</u>	<u>(129,863)</u>	<u>(129,883)</u>
Fund balance (deficit), June 30, 2022	<u>\$ -</u>	<u>\$ (55,494)</u>	<u>\$ (55,494)</u>

Santa Cruz County  
 Nonmajor Special Revenue Funds  
 Homeland Security Fund  
 Budgetary Comparison Schedule  
 Year Ended June 30, 2022

	<u>Original and Final Budget Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
<b>Revenues</b>			
Intergovernmental	\$ 665,900	\$ 648,660	\$ (17,240)
Total revenues	<u>665,900</u>	<u>648,660</u>	<u>(17,240)</u>
<b>Expenditures</b>			
Public safety			
Emergency Management	54,163	41,409	12,754
Sheriff's Office	<u>620,241</u>	<u>475,686</u>	<u>144,555</u>
Total expenditures	<u>674,404</u>	<u>517,095</u>	<u>157,309</u>
Excess (deficiency) of revenues over expenditures	(8,504)	131,565	140,069
<b>Other financing sources (uses)</b>			
Transfers in		2,783	2,783
Transfers out		<u>(22,356)</u>	<u>(22,356)</u>
Total other financing uses		<u>(19,573)</u>	<u>(19,573)</u>
Net change in fund balance	(8,504)	111,992	120,496
Fund balance (deficit), July 1, 2021	<u>8,504</u>	<u>(295,018)</u>	<u>(303,522)</u>
Fund balance (deficit), June 30, 2022	<u>\$ -</u>	<u>\$ (183,026)</u>	<u>\$ (183,026)</u>

Santa Cruz County  
Nonmajor Special Revenue Funds  
Juvenile Services Fund  
Budgetary Comparison Schedule  
Year Ended June 30, 2022

	<u>Original and Final Budget Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
<b>Revenues</b>			
Intergovernmental	\$ 1,950,136	\$ 1,943,082	\$ (7,054)
Charges for service	1,930	16,776	14,846
Investment earnings	65	106	41
Donations		75,000	75,000
Miscellaneous	<u>89,300</u>	<u>14</u>	<u>(89,286)</u>
Total revenues	<u>2,041,431</u>	<u>2,034,978</u>	<u>(6,453)</u>
<b>Expenditures</b>			
General government			
Superior Court	136,734	137,541	(807)
Public safety			
Probation	879,910	645,197	234,713
Sherriff's Office	21,738		21,738
Education			
School Superintendent	<u>1,376,149</u>	<u>1,113,890</u>	<u>262,259</u>
Total expenditures	<u>2,414,531</u>	<u>1,896,628</u>	<u>517,903</u>
Excess (deficiency) of revenues over expenditures	(373,100)	138,350	511,450
<b>Other financing sources (uses)</b>			
Transfers in		2,725	2,725
Transfers out		<u>(31,179)</u>	<u>(31,179)</u>
Total other financing sources (uses)		<u>(28,454)</u>	<u>(28,454)</u>
Net change in fund balance	(373,100)	109,896	482,996
Fund balance (deficit), July 1, 2021	<u>373,100</u>	<u>168,820</u>	<u>(204,280)</u>
Fund balance (deficit), June 30, 2022	<u>\$ -</u>	<u>\$ 278,716</u>	<u>\$ 278,716</u>

Santa Cruz County  
 Nonmajor Special Revenue Funds  
 Probation Services Fund  
 Budgetary Comparison Schedule  
 Year Ended June 30, 2022

	<u>Original and Final Budget Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
<b>Revenues</b>			
Intergovernmental	\$ 804,126	\$ 873,974	\$ 69,848
Charges for service	76,050	88,124	12,074
Investment earnings	455	479	24
Miscellaneous	<u>          </u>	<u>2</u>	<u>2</u>
Total revenues	<u>880,631</u>	<u>962,579</u>	<u>81,948</u>
<b>Expenditures</b>			
Public safety	<u>1,796,186</u>	<u>901,306</u>	<u>894,880</u>
Total expenditures	<u>1,796,186</u>	<u>901,306</u>	<u>894,880</u>
Excess (deficiency) of revenues over expenditures	(915,555)	61,273	976,828
<b>Other financing sources</b>			
Transfers in	<u>2,099</u>	<u>2,153</u>	<u>54</u>
Total other financing sources	<u>2,099</u>	<u>2,153</u>	<u>54</u>
Net change in fund balance	(913,456)	63,426	976,882
Fund balance (deficit), July 1, 2021	<u>913,456</u>	<u>862,962</u>	<u>(50,494)</u>
Fund balance (deficit), June 30, 2022	<u>\$ -</u>	<u>\$ 926,388</u>	<u>\$ 926,388</u>

Santa Cruz County  
 Nonmajor Special Revenue Funds  
 Retrieval Conversion Fund  
 Budgetary Comparison Schedule  
 Year Ended June 30, 2022

	<u>Original and Final Budget Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
<b>Revenues</b>			
Intergovernmental	\$ 34,971	\$ 34,970	\$ (1)
Charges for services	65,000	109,590	44,590
Fines and forfeits	88,000	88,060	60
Investment earnings	<u>80</u>	<u>520</u>	<u>440</u>
Total revenues	<u>188,051</u>	<u>233,140</u>	<u>45,089</u>
<b>Expenditures</b>			
General government	<u>834,402</u>	<u>97,181</u>	<u>737,221</u>
Total expenditures	<u>834,402</u>	<u>97,181</u>	<u>737,221</u>
Excess (deficiency) of revenues over expenditures	(646,351)	135,959	782,310
<b>Other financing sources (uses)</b>			
Transfers in		230	230
Transfers out	<u>(92,112)</u>	<u>(107,674)</u>	<u>(15,562)</u>
Total other financing uses	<u>(92,112)</u>	<u>(107,444)</u>	<u>(15,332)</u>
Net change in fund balance	(738,463)	28,515	766,978
Fund balance (deficit), July 1, 2021	<u>738,463</u>	<u>748,297</u>	<u>9,834</u>
Fund balance (deficit), June 30, 2022	<u>\$ -</u>	<u>\$ 776,812</u>	<u>\$ 776,812</u>



Santa Cruz County  
 Nonmajor Special Revenue Funds  
 Animal Control Fund  
 Budgetary Comparison Schedule  
 Year Ended June 30, 2022

	<b>Original and Final Budget Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget</b>
<b>Revenues</b>			
Intergovernmental	\$ 362,325	\$ 370,298	\$ 7,973
Charges for services	54,945	43,778	(11,167)
Investment earnings	10,000	5,142	(4,858)
Donations	<u>29,984</u>	<u>29,984</u>	<u>29,984</u>
Total revenues	<u>427,270</u>	<u>449,202</u>	<u>21,932</u>
<b>Expenditures</b>			
Current:			
Health, welfare and sanitation	<u>721,936</u>	<u>848,985</u>	<u>(127,049)</u>
Total expenditures	<u>721,936</u>	<u>848,985</u>	<u>(127,049)</u>
Excess (deficiency) of revenues over expenditures	(294,666)	(399,783)	(105,117)
<b>Other financing sources</b>			
Transfers in	<u>282,426</u>	<u>355,257</u>	<u>72,831</u>
Total other financing sources	<u>282,426</u>	<u>355,257</u>	<u>72,831</u>
Net change in fund balance	(12,240)	(44,526)	(32,286)
Fund balance (deficit), July 1, 2021	<u>12,240</u>	<u>(27,346)</u>	<u>(39,586)</u>
Fund balance (deficit), June 30, 2022	<u>\$ -</u>	<u>\$ (71,872)</u>	<u>\$ (71,872)</u>

Santa Cruz County  
 Nonmajor Special Revenue Funds  
 Other Special Revenue Funds  
 Budgetary Comparison Schedule  
 Year Ended June 30, 2022

	<b>Original and Final Budget Amounts</b>	<b>Actual</b>	<b>Variance with Final Budget</b>
<b>Revenues</b>			
Intergovernmental	\$ 1,757,634	\$ 1,516,740	\$ (240,894)
Charges for services	33,650	63,285	29,635
Investment earnings	50	144	94
Donations		43,004	43,004
Miscellaneous	42,000	98,978	56,978
Total revenues	1,833,334	1,722,151	(111,183)
<b>Expenditures</b>			
General government	1,049,836	579,384	470,452
Public safety	714,451	222,871	491,580
Health, welfare and sanitation	368,909	93,212	275,697
Education and economic opportunity	1,799,445	663,251	1,136,194
Total expenditures	3,932,641	1,558,718	2,373,923
Excess (deficiency) of revenues over expenditures	(2,099,307)	163,433	2,262,740
<b>Other financing sources (uses)</b>			
Transfers in	198,500	191,061	(7,439)
Transfers out	(7,500)	(11,193)	(3,693)
Total other financing sources (uses)	191,000	179,868	(11,132)
Net change in fund balance	(1,908,307)	343,301	2,251,608
Fund balance (deficit), July 1, 2021	1,908,307	1,759,078	(149,229)
Fund balance (deficit), June 30, 2022	\$ -	\$ 2,102,379	\$ 2,102,379

Schedule of Revenues, Expenditures, and Changes in Fund  
Balances—Budget and Actual

Nonmajor Capital Projects Funds

Santa Cruz County  
 Budgetary Comparison Schedule  
 Capital Projects—Construction Fund  
 Year Ended June 30, 2022

	<b>Original and Final Budget Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget</b>
<b>Revenues</b>			
Investment earnings	\$ -	\$ 557	\$ 557
Miscellaneous	-	924	924
Total revenues	-	1,481	1,481
<b>Expenditures</b>			
General government	79,232		79,232
Public safety	273,184	8,511	264,673
Total expenditures	352,416	8,511	343,905
Excess (deficiency) of revenues over expenditures	(352,416)	(7,030)	345,386
Net change in fund balances	(352,416)	(7,030)	345,386
Fund balance (deficit), July 1, 2021	352,416	355,118	2,702
Fund balance (deficit), June 30, 2022	\$ -	\$ 348,088	\$ 348,088

Santa Cruz County  
 Budgetary Comparison Schedule  
 Capital Projects—Airport Fund  
 Year Ended June 30, 2022

	<u>Original and Final Budget Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
<b>Revenues</b>			
Intergovernmental	\$ 59,000	\$ 37,496	\$ (21,504)
Total Revenues	<u>59,000</u>	<u>37,496</u>	<u>(21,504)</u>
<b>Expenditures</b>			
General government	<u>65,600</u>	<u>21,317</u>	<u>44,283</u>
Total expenditures	<u>65,600</u>	<u>21,317</u>	<u>44,283</u>
Excess (deficiency) of revenues over expenditures	(6,600)	16,179	22,779
<b>Other financing sources</b>			
Transfers in	<u>          </u>	<u>402</u>	<u>402</u>
Total other financing sources	<u>          </u>	<u>402</u>	<u>402</u>
Net change in fund balance	(6,600)	16,581	23,181
Fund balance (deficit), July 1, 2021	<u>6,600</u>	<u>(16,581)</u>	<u>(23,181)</u>
Fund balance (deficit), June 30, 2022	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Santa Cruz County  
 Budgetary Comparison Schedule  
 Capital Projects—Other Funds  
 Year Ended June 30, 2022

	Original and Final Budget Amounts	Actual Amounts	Variance with Final Budget
<b>Revenues</b>			
Intergovernmental	\$ 2,037,552	\$ 328,849	\$ (1,708,703)
Total revenues	2,037,552	328,849	(1,708,703)
<b>Expenditures</b>			
General government	2,273,453	243,849	2,029,604
Public safety	_____	10,000	(10,000)
Total expenditures	2,273,453	253,849	2,019,604
Excess (deficiency) of revenues over expenditures	(235,901)	75,000	310,901
<b>Other financing sources</b>			
Transfers in	_____	5,298	5,298
Total other financing sources	_____	5,298	5,298
Net change in fund balance	(235,901)	80,298	316,199
Fund balance (deficit), July 1, 2021	235,901	(5,298)	(241,199)
Fund balance (deficit), June 30, 2022	\$ -	\$ 75,000	\$ 75,000

Schedule of Revenues, Expenditures, and Changes in Fund  
Balances—Budget and Actual

Nonmajor Debt Service Fund

Santa Cruz County  
Debt Service Fund  
Budgetary Comparison Schedule  
Year Ended June 30, 2022

	<u>Original and Final Budget Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
<b>Revenues</b>			
Taxes	\$ -	\$ 74	\$ 74
Investment earnings		4	4
Miscellaneous		29	29
Total revenues	<u>-</u>	<u>107</u>	<u>107</u>
<b>Expenditures</b>			
Debt service	<u>905,637</u>	<u>905,959</u>	<u>(322)</u>
Total expenditures	<u>905,637</u>	<u>905,959</u>	<u>(322)</u>
Excess (deficiency) of revenues over expenditures	(905,637)	(905,852)	(215)
<b>Other financing sources</b>			
Transfers in	<u>903,709</u>	<u>904,357</u>	<u>648</u>
Total other financing sources	<u>903,709</u>	<u>904,357</u>	<u>648</u>
Net change in fund balance	(1,928)	(1,495)	433
Fund balance (deficit), July 1, 2021	<u>1,928</u>	<u>(2,598)</u>	<u>(4,526)</u>
Fund balance (deficit), June 30, 2022	<u>\$ -</u>	<u>\$ (4,093)</u>	<u>\$ (4,093)</u>



## Fiduciary Funds

Santa Cruz County  
Combining Statement of Fiduciary Net Position  
Custodial Funds  
June 30, 2022

	<u>External Investment Pool</u>	<u>Other</u>		<u>Total Other</u>
		<u>Treasurer's Clearing</u>	<u>Non-County External Bank Accounts</u>	
<b>Assets</b>				
Cash and investments	\$ 38,251,380	\$ 4,386,419	\$ 1,296,191	\$ 5,682,610
Taxes receivable for other governments		<u>1,393,699</u>		<u>1,393,699</u>
Total assets	<u>38,251,380</u>	<u>5,780,118</u>	<u>1,296,191</u>	<u>7,076,309</u>
<b>Liabilities</b>				
Due to other governments		3,919,732		3,919,732
Due to others		<u>466,687</u>		<u>466,687</u>
Total liabilities		<u>4,386,419</u>		<u>4,386,419</u>
<b>Net position</b>				
Restricted for:				
Pool participants	38,251,380			
Individuals, organizations, and other governments		<u>1,393,699</u>	<u>1,296,191</u>	<u>2,689,890</u>
Total net position	<u>\$ 38,251,380</u>	<u>\$ 1,393,699</u>	<u>\$ 1,296,191</u>	<u>\$ 2,689,890</u>

Santa Cruz County  
Combining Statement of Changes in Fiduciary Net Position  
Custodial Funds  
Year Ended June 30, 2022

	External Investment Pool	Other		Total Other
		Treasurer's Clearing	Non-County External Bank Accounts	
<b>Additions:</b>				
Contributions from pool participants	\$ 135,942,651			
Property/sales tax collections for other governments		\$ 11,168,462		\$ 11,168,462
Collections from individuals			\$ 2,411,638	2,411,638
Investment earnings	11,020	885	48	933
Inmate collections			244,984	244,984
Other		3,568,575	11,418	3,579,993
Total additions	<u>135,953,671</u>	<u>14,737,922</u>	<u>2,668,088</u>	<u>17,406,010</u>
<b>Deductions:</b>				
Distributions to pool participants	138,410,105			
Beneficiary payments to individuals			942,445	942,445
Property/sales tax distributions to other governments		11,359,812		11,359,812
Administrative expense			141,623	141,623
Payments to inmates			103,626	103,626
Other		3,568,924	1,320,544	4,889,468
Total deductions	<u>\$ 138,410,105</u>	<u>14,928,736</u>	<u>2,508,238</u>	<u>17,436,974</u>
Net increase (decrease) in fiduciary net position	(2,456,434)	(190,814)	159,850	(30,964)
Net position, July 1, 2021	<u>40,707,814</u>	<u>1,584,513</u>	<u>1,136,341</u>	<u>2,720,854</u>
Net position, June 30, 2022	<u>\$ 38,251,380</u>	<u>\$ 1,393,699</u>	<u>\$ 1,296,191</u>	<u>\$ 2,689,890</u>

Statistical Section

## **FINANCIAL TRENDS:**

Financial trends schedules provide readers an understanding and assessment of government's financial position over time. This information is a source of historical and comparative data. Financial trends summarize for users an entity's economic direction and financial performance during a specified time period.

Santa Cruz County  
Net Position By Component  
Last Ten Fiscal Years  
(Amounts in Thousands)  
(Accrual Basis of Accounting)

	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<b>Governmental Activities</b>										
Net investment in capital assets	\$ 67,745	\$ 67,826	\$ 68,468	\$ 67,246	\$ 66,618	\$ 66,653	\$ 69,644	\$ 70,340	\$ 70,668	\$ 73,030
Restricted	14,136	15,065	12,444	12,104	15,063	13,255	9,756	7,711	9,515	9,190
Unrestricted	<u>(17,367)</u>	<u>(22,420)</u>	<u>(28,435)</u>	<u>(31,040)</u>	<u>(37,534)</u>	<u>(28,547)</u>	<u>(23,902)</u>	<u>(22,125)</u>	<u>9,783</u>	<u>10,951</u>
Total governmental activities net position	<u>64,514</u>	<u>60,471</u>	<u>52,477</u>	<u>48,310</u>	<u>44,147</u>	<u>51,361</u>	<u>55,498</u>	<u>55,926</u>	<u>89,966</u>	<u>93,171</u>
<b>Business-Type Activities</b>										
Net investment in capital assets	2,711	2,873	3,073	3,328	3,595	3,829	4,115	4,274	3,660	3,538
Unrestricted (deficit)	<u>4,940</u>	<u>4,541</u>	<u>3,147</u>	<u>2,092</u>	<u>1,399</u>	<u>(130)</u>	<u>(1,128)</u>	<u>(1,278)</u>	<u>(1,182)</u>	<u>(1,356)</u>
Total business-type activities net position (deficit)	<u>7,651</u>	<u>7,414</u>	<u>6,220</u>	<u>5,420</u>	<u>4,994</u>	<u>3,699</u>	<u>2,987</u>	<u>2,996</u>	<u>2,478</u>	<u>2,182</u>
<b>Primary Government</b>										
Net investment in capital assets	70,456	70,699	71,541	70,574	70,213	70,482	73,759	74,614	74,328	76,568
Restricted	14,136	15,065	12,444	12,104	15,063	13,255	9,756	7,711	9,515	9,190
Unrestricted	<u>(12,427)</u>	<u>(17,879)</u>	<u>(25,287)</u>	<u>(28,948)</u>	<u>(36,135)</u>	<u>(28,677)</u>	<u>(25,030)</u>	<u>(23,403)</u>	<u>8,601</u>	<u>9,595</u>
Total primary government net position	<u>\$ 72,165</u>	<u>\$ 67,885</u>	<u>\$ 58,698</u>	<u>\$ 53,730</u>	<u>\$ 49,141</u>	<u>\$ 55,060</u>	<u>\$ 58,485</u>	<u>\$ 58,922</u>	<u>\$ 92,444</u>	<u>\$ 95,353</u>

SOURCE: Annual Comprehensive Financial Report for the relevant year.

Santa Cruz County  
Changes in Net Position  
Last Ten Fiscal Years  
(Amounts in Thousands)  
(Accrual Basis of Accounting)

	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<b>Expenses</b>										
Governmental activities:										
General government	\$ 17,493	\$ 16,113	\$ 16,039	\$ 11,122	\$ 20,804	\$ 17,992	\$ 16,403	\$ 16,772	\$ 14,525	\$ 14,184
Public safety	16,728	16,774	15,379	14,656	19,498	15,862	14,854	16,431	16,043	15,420
Highways and streets	9,509	7,610	6,851	8,897	5,686	5,848	5,966	7,474	6,972	6,509
Health, welfare and sanitation	6,454	6,783	5,362	4,985	4,969	4,926	4,621	4,633	4,754	4,224
Education and economic opportunity	3,368	3,047	2,562	2,609	2,281	2,168	2,909	3,259	2,454	2,443
Recreation	423	301	417	302	263	267	202	152	165	139
Interest on long-term debt	1,873	1,432	1,658	1,747	1,967	3,089	3,141	2,810	2,899	2,983
Total governmental activities expenses	<u>55,848</u>	<u>52,060</u>	<u>48,268</u>	<u>44,318</u>	<u>55,468</u>	<u>50,152</u>	<u>48,096</u>	<u>51,531</u>	<u>47,812</u>	<u>45,902</u>
Business-type activities:										
Landfill	2,736	2,265	1,912	1,700	1,111	1,621	1,941	887	1,511	2,432
Total business-type activities expenses	<u>2,736</u>	<u>2,265</u>	<u>1,912</u>	<u>1,700</u>	<u>1,111</u>	<u>1,621</u>	<u>1,941</u>	<u>887</u>	<u>1,511</u>	<u>2,432</u>
Total primary government expenses	<u>58,584</u>	<u>54,325</u>	<u>50,180</u>	<u>46,018</u>	<u>56,579</u>	<u>51,773</u>	<u>50,037</u>	<u>52,418</u>	<u>49,323</u>	<u>48,334</u>
<b>Program Revenues</b>										
Governmental activities:										
Charges for services										
General government	3,235	2,654	2,377	2,866	2,472	2,146	2,161	2,412	2,569	3,201
Public safety	155	300	169	302	176	244	244	450	399	920
Highways and streets	544	-	-	-	-	-	-	-	-	-
Health, welfare and sanitation	342	278	236	221	223	178	188	156	174	157
Education and economic opportunity	14	-	-	-	78	85	26	73	128	13
Recreation	7	1	9	10	12	9	9	9	8	6
Operating grants and contributions	17,078	17,574	14,682	13,663	9,959	8,781	9,079	8,993	8,338	9,077
Capital grants and contributions	336	239	1,747	130	6,200	5,114	5,810	4,747	4,512	3,513
Total governmental activities program revenues	<u>21,711</u>	<u>21,046</u>	<u>19,220</u>	<u>17,192</u>	<u>19,120</u>	<u>16,557</u>	<u>17,517</u>	<u>16,840</u>	<u>16,128</u>	<u>16,887</u>
Business-type activities:										
Charges for services										
Landfill	2,971	3,454	2,673	2,075	2,298	2,326	2,062	1,993	1,600	1,269
Operating grants and contributions	-	-	-	-	-	-	-	-	94	-
Total business-type program revenues	<u>2,971</u>	<u>3,454</u>	<u>2,673</u>	<u>2,075</u>	<u>2,298</u>	<u>2,326</u>	<u>2,062</u>	<u>1,993</u>	<u>1,694</u>	<u>1,269</u>
Total primary government program revenues	<u>24,682</u>	<u>24,500</u>	<u>21,893</u>	<u>19,267</u>	<u>21,418</u>	<u>18,883</u>	<u>19,579</u>	<u>18,833</u>	<u>17,822</u>	<u>18,156</u>
<b>Net (expense) revenue</b>										
Governmental activities	(34,137)	(31,014)	(29,048)	(27,126)	(36,348)	(33,595)	(30,579)	(34,691)	(31,684)	(29,015)
Business-type activities	235	1,189	761	375	1,187	705	121	1,106	183	(1,163)
Total primary government activities net (expense) revenue	<u>(33,902)</u>	<u>(29,825)</u>	<u>(28,287)</u>	<u>(26,751)</u>	<u>(35,161)</u>	<u>(32,890)</u>	<u>(30,458)</u>	<u>(33,585)</u>	<u>(31,501)</u>	<u>(30,178)</u>

Santa Cruz County  
Changes in Net Position  
Last Ten Fiscal Years  
(Amounts in Thousands)  
(Accrual Basis of Accounting)  
(continued)

	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<b>General revenues and other changes in net position</b>										
Governmental activities:										
Taxes										
Property taxes	\$ 18,739	\$ 17,446	\$ 16,522	\$ 15,414	\$ 14,408	\$ 13,915	\$ 14,495	\$ 14,041	\$ 13,915	\$ 12,650
County general excise tax	3,887	4,860	3,061	2,686	2,526	2,578	2,654	2,504	2,685	2,596
County jail excise tax	3,887	4,860	3,061	2,683	2,525	2,569	2,654	2,504	2,685	2,594
Share of state sales taxes-general government	4,494	4,225	3,189	2,975	2,645	2,685	2,621	2,421	2,426	2,197
Share of state sales taxes-welfare	2,412	2,762	2,366	2,403	2,114	2,070	2,062	2,033	2,024	2,019
Payments in lieu of taxes	1,263	1,233	1,221	1,141	1,108	1,080	1,073	932	978	980
Vehicle lieu tax unrestricted	2,117	2,124	1,881	1,851	1,774	1,716	1,649	1,527	1,466	1,312
State appropriations	550	550	550	550	550	550	550	1,100	-	-
Share of state overweight permits	390	458	513	872	831	833	802	783	754	702
Unrestricted grants and contributions						63	433	522	506	592
Investment earnings (loss)	37	12	166	272	306	80	59	14	130	98
Miscellaneous	402	479	620	441	284	354	378	377	855	402
Capital contributions	2	3	3	-	-	-	256	-	29	39
Transfers		(5)	-	-	-	-	150	(2)	(109)	(22)
Gain on sale of capital assets			62	-	-	-	315	4	134	-
Loss on disposal	-	-	-	-	-	-	-	-	-	-
Total governmental activities	<u>38,180</u>	<u>39,007</u>	<u>33,215</u>	<u>31,288</u>	<u>29,071</u>	<u>28,493</u>	<u>30,151</u>	<u>28,760</u>	<u>28,478</u>	<u>26,159</u>
Business-type activities:										
Grants and contributions	-	-	-	-	-	-	-	-	-	-
Investment earnings	4	3	42	52	58	7	3	1	4	7
Miscellaneous					50	-	57	-	-	-
Transfers		5	-	-	-	-	-	2	109	22
Capital contributions	(2)	(3)	(3)	-	-	-	(190)	-	-	-
Total business-type activities	<u>2</u>	<u>5</u>	<u>39</u>	<u>52</u>	<u>108</u>	<u>7</u>	<u>(130)</u>	<u>3</u>	<u>113</u>	<u>29</u>
Total primary government	<u>38,182</u>	<u>39,012</u>	<u>33,254</u>	<u>31,340</u>	<u>29,179</u>	<u>28,500</u>	<u>30,021</u>	<u>28,763</u>	<u>28,591</u>	<u>26,188</u>
Changes in net position										
Governmental activities	4,043	7,993	4,167	4,162	(7,277)	(5,102)	(428)	(5,931)	(3,205)	(2,856)
Business-type activities	237	1,194	800	427	1,295	712	(9)	1,109	296	(1,134)
Total primary government	<u>\$ 4,280</u>	<u>\$ 9,187</u>	<u>\$ 4,967</u>	<u>\$ 4,589</u>	<u>\$ (5,982)</u>	<u>\$ (4,390)</u>	<u>\$ (437)</u>	<u>\$ (4,822)</u>	<u>\$ (2,909)</u>	<u>\$ (3,990)</u>

SOURCE: Annual Comprehensive Financial Report for the relevant year.



Santa Cruz County  
Fund Balances, Governmental Funds  
Last Ten Fiscal Years  
(Amounts in Thousands)  
(Modified Accrual Basis of Accounting)

		Fiscal Year									
		2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
General Fund											
	Nonspendable	\$ 88	\$ 59	\$ 99	\$ 47	\$ 45	\$ 48	\$ 46	\$ 95	\$ 51	\$ 49
	Restricted	-	-	-	-	-	-	-	-	-	-
	Assigned	-	-	-	-	-	-	-	-	-	-
	Unassigned	19,407	16,081	8,857	8,739	8,209	9,222	11,063	11,125	11,021	13,458
	Subtotal general fund	<u>\$ 19,495</u>	<u>\$ 16,140</u>	<u>\$ 8,956</u>	<u>\$ 8,786</u>	<u>\$ 8,254</u>	<u>\$ 9,270</u>	<u>\$ 11,109</u>	<u>\$ 11,220</u>	<u>\$ 11,072</u>	<u>\$ 13,507</u>
All other governmental funds											
	Special revenue funds (deficits)										
	Nonspendable	\$ 124	\$ 31	\$ 301	\$ 40	\$ 6	\$ 2	\$ 9	\$ 7	\$ 8	\$ 4
	Restricted	11,404	12,897	10,532	11,042	11,773	10,350	7,997	9,486	11,872	12,360
	Assigned	14	26	-	37	61	77	34	52	192	110
	Unassigned	(1,917)	(1,514)	(785)	(571)	(879)	(416)	(747)	(845)	(687)	(1,648)
	Capital projects funds (deficits)										
	Nonspendable	-	-	-	-	-	-	-	-	-	-
	Restricted	351	275	282	284	284	241	226	270	60	155
	Assigned	80	80	79	77	73	65	59	53	-	-
	Unassigned	(8)	(22)	(113)	(15)		(28)	(7)	(236)	-	-
	Debt Service unassigned	(4)	(3)	(1)	43	1	206	202	99	98	
	Total all other governmental funds	<u>\$ 10,044</u>	<u>\$ 11,770</u>	<u>\$ 10,295</u>	<u>\$ 10,937</u>	<u>\$ 11,319</u>	<u>\$ 10,497</u>	<u>\$ 7,773</u>	<u>\$ 8,886</u>	<u>\$ 11,543</u>	<u>\$ 10,981</u>

SOURCE: Annual Comprehensive Financial Report for the relevant year.

Santa Cruz County  
Changes in Fund Balances, Governmental Funds  
Last Ten Fiscal Years  
(Amounts in Thousands)  
(Modified Accrual Basis of Accounting)

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<b>Revenues:</b>										
Taxes	\$ 26,453	\$ 27,448	\$ 22,653	\$ 20,660	\$ 19,535	\$ 19,193	\$ 19,991	\$ 19,198	\$ 19,189	\$ 18,026
Intergovernmental	27,967	28,225	25,660	24,327	23,867	22,192	23,599	22,022	20,926	20,929
Licenses and permits	1,160	882	516	486	617	348	409	384	324	214
Charges for services	2,137	1,356	1,226	1,126	1,260	1,143	1,169	1,519	1,676	1,620
Fines and forfeits	898	887	941	1,680	1,084	1,172	1,050	1,197	1,278	2,464
Investment earnings	37	12	166	272	306	80	59	14	130	98
Donations	123									
Rents	103	109	109	106	40	42	39	42	37	45
Miscellaneous	402	479	626	438	244	309	342	337	817	357
Total revenues	<u>59,280</u>	<u>59,398</u>	<u>51,897</u>	<u>49,095</u>	<u>46,953</u>	<u>44,479</u>	<u>46,658</u>	<u>44,713</u>	<u>44,377</u>	<u>43,753</u>
<b>Expenditures:</b>										
Current:										
General government	17,253	15,281	17,768	14,667	15,099	15,173	15,091	13,379	13,840	13,605
Public safety	16,367	14,655	14,263	14,464	15,497	13,241	14,208	13,582	15,096	19,435
Highways and streets	7,911	5,751	7,321	7,667	5,221	3,952	4,543	6,816	4,872	3,707
Health, welfare and sanitation	6,653	6,773	5,418	5,064	4,966	4,991	4,710	4,625	4,738	4,230
Education and economic opportunity	3,447	3,012	2,732	2,893	2,183	2,002	2,779	3,132	2,421	2,404
Recreation	371	246	427	286	247	224	167	438	148	122
Debt service:										
Principal retirement	4,167	3,362	3,135	2,885	2,561	2,531	3,776	2,421	2,332	2,224
Interest and other charges	2,066	1,767	1,851	1,939	2,162	3,071	3,049	2,809	2,900	2,983
Total expenditures	<u>58,235</u>	<u>50,847</u>	<u>52,915</u>	<u>49,865</u>	<u>47,936</u>	<u>45,185</u>	<u>48,323</u>	<u>47,202</u>	<u>46,347</u>	<u>48,710</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,045</u>	<u>8,551</u>	<u>(1,018)</u>	<u>(770)</u>	<u>(983)</u>	<u>(706)</u>	<u>(1,665)</u>	<u>(2,489)</u>	<u>(1,970)</u>	<u>(4,957)</u>
<b>Other financing sources (uses):</b>										
Pledged revenue obligations proceeds	9,170	4,765			3,675	33,850	9,997			
Payment to debt refinancing escrow agent		(4,653)			(3,557)	(33,224)	(9,798)			
Payment to PSPRS	(8,800)									
Loan proceeds (net of discounts)				800	-	-	-	-	-	-
Proceeds from sales of capital assets			62	-	-	-	-	-	134	-
Lease agreements	214		485	118	672		93	-	-	326
Transfers in	5,816	5,627	6,148	5,330	4,987	5,328	5,982	5,187	7,077	3,759
Transfers out	(5,816)	(5,632)	(6,148)	(5,330)	(4,987)	(5,328)	(5,832)	(5,189)	(7,132)	(3,781)
Proceeds from long-term notes	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>584</u>	<u>107</u>	<u>547</u>	<u>918</u>	<u>790</u>	<u>626</u>	<u>442</u>	<u>(2)</u>	<u>79</u>	<u>304</u>
<b>Net change in fund balances</b>	<b>\$ 1,629</b>	<b>\$ 8,658</b>	<b>\$ (471)</b>	<b>\$ 148</b>	<b>\$ (193)</b>	<b>\$ (80)</b>	<b>\$ (1,223)</b>	<b>\$ (2,491)</b>	<b>\$ (1,891)</b>	<b>\$ (4,653)</b>
Debt service as a percentage of noncapital expenditures	10.70%	10.09%	9.42%	9.67%	9.85%	12.40%	14.12%	11.08%	11.29%	10.69%

SOURCE: Annual Comprehensive Financial Report for the relevant year

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 Earnings	Rents	Miscellaneous <sup>(2)</sup>	Total
2012-13 <sup>(1)</sup>	18,026,015	20,929,331	213,610	1,619,670	2,463,908	98,235	44,964	357,090	43,752,823
2013-14 <sup>(1)</sup>	19,188,991	20,925,579	324,466	1,675,691	1,277,530	130,325	37,437	816,763	44,376,782
2014-15 <sup>(1)</sup>	19,198,139	22,021,951	383,509	1,519,051	1,196,855	13,667	42,437	336,976	44,712,585
2015-16 <sup>(1)</sup>	19,990,913	23,598,765	408,765	1,169,039	1,049,694	59,353	39,177	341,966	46,657,672
2016-17 <sup>(1)</sup>	19,192,931	22,191,925	348,423	1,143,104	1,171,546	79,618	41,546	309,501	44,478,594
2017-18 <sup>(1)</sup>	19,534,949	23,866,791	617,078	1,260,440	1,083,814	306,022	39,999	244,197	46,953,290
2018-19 <sup>(1)</sup>	20,659,841	24,326,728	486,291	1,126,248	1,680,172	271,616	106,326	438,290	49,095,512
2019-20 <sup>(1)</sup>	22,653,275	25,660,119	515,694	1,225,855	940,873	166,176	108,807	625,829	51,896,628
2020-21 <sup>(1)</sup>	27,448,260	28,225,233	881,530	1,356,285	886,857	12,301	108,375	479,356	59,398,197
2021-22 <sup>(1)</sup>	26,453,337	27,967,415	1,159,628	2,137,370	897,559	37,145	102,698	525,307	59,280,459

NOTES:

<sup>(1)</sup> Includes the General Fund, Special Revenue Funds, Capital Projects Funds, and Debt Service Fund.

<sup>(2)</sup> Includes donations.

SOURCE: Basic Financial Statements

Santa Cruz County  
 General Government Revenues By Source  
 (As a Percentage of Total)  
 Last Ten Fiscal Years

Fiscal Year	Taxes	Intergovernmental Revenues	Licenses and Permits	Charges for Services	Fines and Forfeits	Investment Earnings	Rents	Miscellaneous	Total
2012-13 <sup>(1)</sup>	41.20	47.84	0.49	3.70	5.63	0.22	0.10	0.82	100.00
2013-14 <sup>(1)</sup>	43.24	47.16	0.73	3.78	2.88	0.29	0.08	1.84	100.00
2014-15 <sup>(1)</sup>	42.94	49.25	0.86	3.40	2.68	0.03	0.09	0.75	100.00
2015-16 <sup>(1)</sup>	42.85	50.58	0.88	2.50	2.25	0.13	0.08	0.73	100.00
2016-17 <sup>(1)</sup>	43.15	49.89	0.79	2.57	2.63	0.18	0.09	0.70	100.00
2017-18 <sup>(1)</sup>	41.61	50.83	1.31	2.68	2.31	0.65	0.09	0.52	100.00
2018-19 <sup>(1)</sup>	42.08	49.55	0.99	2.30	3.42	0.55	0.22	0.89	100.00
2019-20 <sup>(1)</sup>	43.65	49.44	1.00	2.36	1.81	0.32	0.21	1.21	100.00
2020-21 <sup>(1)</sup>	46.21	47.52	1.48	2.28	1.49	0.02	0.18	0.82	100.00
2021-22 <sup>(1)</sup>	44.62	47.18	1.96	3.61	1.51	0.06	0.17	0.89	100.00

NOTES:

<sup>(1)</sup> Includes the General Fund, Special Revenue Funds, Capital Projects Funds, and Debt Service Fund.

SOURCE: Basic Financial Statements

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
2012-13 <sup>(1)</sup>	13,604,846	19,433,945	3,706,853	4,230,295	2,404,393	122,428	5,207,220	48,709,980
2013-14 <sup>(1)</sup>	13,840,300	15,096,016	4,871,659	4,737,804	2,421,005	147,906	5,231,833	46,346,523
2014-15 <sup>(1)</sup>	13,378,702	13,581,726	6,816,505	4,624,765	3,131,769	437,707	5,230,166	47,201,340
2015-16 <sup>(1)</sup>	15,091,368	14,207,884	4,543,361	4,710,248	2,779,419	166,627	6,824,548	48,323,455
2016-17 <sup>(1)</sup>	15,172,848	13,241,269	3,952,178	4,990,896	2,002,195	223,449	5,601,698	45,184,533
2017-18 <sup>(1)</sup>	15,099,080	15,496,885	5,221,572	4,966,217	2,183,569	246,897	4,722,564	47,936,784
2018-19 <sup>(1)</sup>	14,666,994	14,463,511	7,666,701	5,063,688	2,893,451	286,013	4,824,592	49,864,950
2019-20 <sup>(1)</sup>	17,768,211	14,263,155	7,321,115	5,417,532	2,731,876	427,344	4,986,187	52,915,420
2020-21 <sup>(1)</sup>	15,281,480	14,655,069	5,751,203	6,772,623	3,012,334	245,934	5,128,214	50,846,857
2021-22 <sup>(1)</sup>	17,252,693	16,366,748	7,911,308	6,653,371	3,447,011	371,225	6,232,601	58,234,957

NOTES:

<sup>(1)</sup> Includes the General Fund, Special Revenue Funds, Capital Projects Funds, and Debt Service Fund. Expenditures reported as capital outlay are included.

SOURCE: Basic Financial Statements

Santa Cruz County  
 General Government Expenditures By Function  
 (As a Percentage of Total)  
 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
2012-13 <sup>(1)</sup>	27.93	39.90	7.61	8.68	4.94	0.25	10.69	100.00
2013-14 <sup>(1)</sup>	28.34	28.77	14.44	9.80	6.64	0.93	11.08	100.00
2014-15 <sup>(1)</sup>	28.36	28.00	14.39	9.81	6.64	0.93	11.87	100.00
2015-16 <sup>(1)</sup>	31.23	29.40	9.40	9.75	5.75	0.34	14.13	100.00
2016-17 <sup>(1)</sup>	33.58	29.30	8.75	11.04	4.43	0.5	12.4	100.00
2017-18 <sup>(1)</sup>	31.5	32.33	10.89	10.36	4.56	0.52	9.84	100.00
2018-19 <sup>(1)</sup>	29.41	29.01	15.38	10.15	5.80	0.57	9.68	100.00
2019-20 <sup>(1)</sup>	33.58	26.95	13.84	10.24	5.16	0.81	9.42	100.00
2020-21 <sup>(1)</sup>	30.05	28.82	11.31	13.32	5.92	0.49	10.09	100.00
2021-22 <sup>(1)</sup>	29.62	28.10	13.59	11.43	5.92	0.64	10.70	100.00

NOTES:

<sup>(1)</sup> Includes the General Fund, Special Revenue Funds, Capital Projects Funds, and Debt Service Fund. Expenditures reported as capital outlay are included.

SOURCE: Basic Financial Statements

## **REVENUE CAPACITY:**

Revenue capacity information is intended to assist users' understanding and assessment of the factors affecting a government's ability to generate own-source revenues. Intergovernmental Agreements and Property Taxes are the largest revenue sources for Santa Cruz County. Intergovernmental contributors include Federal and State Government Entities, Local Municipalities, and School Districts. Property Taxes are based on the annual assessment of property by Santa Cruz County's Assessor or the Arizona Department of Revenue.

Santa Cruz County  
Taxable Assessed Value and Estimated Actual Value of Property  
Last Ten Fiscal Years  
(Amounts in Thousands)

<b>Fiscal Year</b>	<b>Commercial Property</b>	<b>Residential Property</b>	<b>Vacant Land</b>	<b>Other</b>	<b>Taxable Net Assessed Value</b>	<b>Total Direct Tax Rate</b>	<b>Estimated Limited Value</b>	<b>Assessed Value as a Percentage of Limited Value</b>
2012-13	93,281	176,954	73,525	317	344,077	3.4858	3,154,273	10.91%
2013-14	87,089	160,104	65,464	297	312,954	4.2058	2,904,354	10.78%
2014-15	87,926	146,635	59,364	278	294,203	4.4765	2,770,291	10.62%
2015-16	86,930	144,969	55,977	263	288,139	4.6703	2,758,579	10.45%
2016-17	84,588	149,680	46,268	333	280,869	4.6703	2,746,137	10.23%
2017-18	87,135	153,817	46,468	348	287,768	4.6978	2,805,576	10.26%
2018-19	93,945	160,181	45,498	509	300,133	4.7578	2,911,356	10.31%
2019-20	99,941	169,325	44,809	533	314,608	4.8778	3,043,243	10.34%
2020-21	106,493	180,698	44,857	490	332,538	4.8778	3,202,965	10.38%
2021-22	109,154	188,594	45,534	514	343,796	4.9618	3,327,138	10.33%

SOURCES: Annual Budget, Abstract of the Assessment Roll published by Arizona Department of Revenue obtained through Assessor's Office



Santa Cruz County  
Property Tax Rates - Direct and Overlapping Governments  
Last Ten Fiscal Years  
(Per \$100 of Assessed Values)

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	Sonoita Elgin		
2012-13	2.8215	0.5643	0.1000	0.0000	3.2583	3.6475	3.2500	1.6500	1.9585	0.4717
2013-14	3.4215	0.6843	0.1000	0.0000	3.2902	3.7517	3.2500	1.9800	2.1265	0.5123
2014-15	3.6471	0.7294	0.1000	0.0000	3.4000	3.7769	3.2500	2.1000	2.1123	0.5089
2015-16	3.8086	0.7617	0.1000	0.0000	3.4302	3.8295	3.2500	2.1200	2.0977	0.5054
2016-17	3.8086	0.7617	0.1000	0.0000	3.5101	3.8217	3.2500	2.5000	2.0793	0.5010
2017-18	3.8315	0.7663	0.1000	0.0000	3.5000	3.7215	3.2500	2.6500	2.0234	0.4875
2018-19	3.8815	0.7763	0.1000	0.0000	3.4202	3.5744	3.2500	2.6500	1.9679	0.4741
2019-20	3.9815	0.7963	0.1000	0.0000	3.4214	3.6786	3.2500	2.7250	1.8953	0.4566
2020-21	3.9815	0.7963	0.1000	0.0000	3.3944	3.6786	3.2500	2.7200	1.8371	0.4426
2021-22	4.0515	0.8103	0.1000	0.0000	3.3673	3.6786	3.2500	2.7200	1.7694	0.4263

SOURCES: Annual budgets.

Santa Cruz County  
Property Tax Rates - Direct and Overlapping Governments -  
School Districts  
Last Ten Fiscal Years  
(Per \$100 of Assessed Values)

Fiscal Year	Patagonia Union High School	Elementary Schools			Santa Cruz Valley Unified #35	Nogales Unified #1
		Patagonia	Sonoita	Santa Cruz		
		#6	#25	#28		
2012-13	2.2503	3.1298	4.0675	4.5000	6.7238	5.1559
2013-14	2.1957	3.0708	4.0668	4.5000	6.2765	5.6064
2014-15	2.2462	3.6141	4.0605	5.5846	5.7221	5.8757
2015-16	2.3710	3.8950	4.0502	5.5846	5.7194	6.5549
2016-17	2.6348	4.6495	4.4995	5.5000	3.8639	6.8170
2017-18	2.5559	4.4603	4.6316	7.5051	4.3818	5.9517
2018-19	2.7060	4.3088	4.6271	7.4375	4.4237	5.9224
2019-20	2.7450	4.2363	4.6271	7.4375	4.3045	5.7075
2020-21	2.6230	4.0417	4.6050	7.4375	5.6789	5.9355
2021-22	2.5828	4.3445	4.6050	7.4375	5.7306	5.7311

SOURCES: Annual budgets.

Santa Cruz County  
Principal Property Taxpayers  
Last Ten Years  
(Amounts in Thousands)

Taxpayer	2022			2021			2020			2019			2018		
	Net Assessed Value	Rank	Percent of Total Net Assessed Primary Value	Net Assessed Value	Rank	Percent of Total Net Assessed Primary Value	Net Assessed Value	Rank	Percent of Total Net Assessed Primary Value	Net Assessed Value	Rank	Percent of Total Net Assessed Primary Value	Net Assessed Value	Rank	Percent of Total Net Assessed Primary Value
Unisource Energy Corporation *	20,827	1	5.55%	20,575	1	5.98%	19,143	1	5.56%	18,816	1	5.71%	17,937	1	5.63%
Qwest Corporation *	-	-	-	-	-	-	1,441	10	0.42%	1,580	8	0.48%	1,785	8	0.56%
Wal-Mart Stores, Inc.	2,456	5	0.65%	2,480	5	0.72%	2,418	6	0.70%	2,364	5	0.72%	2,341	5	0.73%
Delta Properties LLP	12,931	2	3.44%	13,060	2	3.79%	13,920	2	4.04%	11,088	2	3.36%	8,142	2	2.56%
Union Pacific Railroad	3,971	3	1.06%	3,626	3	1.05%	2,956	3	0.86%	3,135	3	0.95%	3,262	3	1.02%
Mariposa Shopping Center LP *	1,895	7	0.50%	1,949	8	0.57%	2,612	5	0.76%	2,355	6	0.71%	2,210	7	0.69%
Tubac Management Co, LLC	1,498	9	0.40%	1,558	10	0.45%	1,517	9	0.44%	1,471	10	0.45%	1,487	8	0.47%
Nogales Plaza Shopping Center LP	-	-	-	-	-	-	-	-	-	-	-	-	1,341	10	0.42%
SOAC Properties Corporation	1,552	8	0.41%	1,575	9	0.46%	1,525	8	0.44%	1,481	9	0.45%	2,307	6	0.72%
Alta Real Estate LLC	2,101	6	0.56%	2,131	6	0.62%	2,057	7	0.60%	1,987	7	0.60%	-	-	-
Vatere LLC	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rio Rico Properties	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Crisantes Properties, LLC	3,423	4	0.91%	3,365	4	0.98%	2,650	4	0.77%	2,487	4	0.75%	2,478	4	0.78%
Rio Rico Utilities	1,306	10	0.35%	-	-	-	-	-	-	-	-	-	-	-	-
Title Security Agency of Arizona	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Acacia Land & Storage LLC	-	-	-	2,041	7	0.59%	-	-	-	-	-	-	-	-	-
<b>Total</b>	<u>51,960</u>		13.83%	<u>52,360</u>		15.21%	<u>50,239</u>		14.59%	<u>46,764</u>		14.19%	<u>43,290</u>		13.59%

\* Name Changed

\*\* FY16-FY18 Percent of Total Net Assessed Value is based on the Limited Cash Value (Primary Rates) as per A.R.S. §42-13301 - §42-13304

Sources: Santa Cruz County Assessor's Office & Arizona Department of Revenue, Central Information Services

Santa Cruz County  
Principal Property Taxpayers  
Last Ten Years  
(Amounts in Thousands)

Taxpayer	2017			2016			2015			2014			2013		
	Net Assessed Value	Rank	Percent of Total Net Assessed Primary Value	Net Assessed Value	Rank	Percent of Total Net Assessed Primary Value	Net Assessed Value	Rank	Percent of Total Net Assessed Secondary Value	Net Assessed Value	Rank	Percent of Total Net Assessed Secondary Value	Net Assessed Value	Rank	Percent of Total Net Assessed Secondary Value
Unisource Energy Corporation *	19,014	1	6.14%	18,276	1	5.76%	17,956	1	5.54%	16,987	1	5.00%	16,670	1	4.44%
Qwest Corporation *	1,777	8	0.57%	1,892	6	0.60%	1,936	6	0.60%	1,929	5	0.57%	2,112	7	0.56%
Wal-Mart Stores, Inc.	2,152	5	0.69%	2,101	5	0.66%	2,235	5	0.69%	2,546	3	0.75%	2,270	5	0.60%
Delta Properties LLP	5,619	2	1.81%	4,837	2	1.52%	4,800	2	1.48%	5,770	2	1.70%	6,178	2	1.64%
Union Pacific Railroad	3,147	3	1.02%	2,521	3	0.79%	2,454	4	0.76%	2,498	4	0.73%	2,040	8	0.54%
Mariposa Shopping Center LP *	2,062	7	0.67%	2,197	4	0.69%	2,599	3	0.80%	1,745	6	0.51%	2,326	4	0.62%
Tubac Management Co, LLC	1,372	9	0.44%	1,385	10	0.44%	1,555	7	0.48%	1,744	7	0.51%	1,679	9	0.45%
Nogales Plaza Shopping Center LP	1,234	10	0.40%	1,472	8	0.46%	1,276	10	0.39%	-	-	-	-	-	-
SOAC Properties Corporation	2,095	6	0.68%	1,453	9	0.46%	1,543	8	0.48%	1,578	8	0.46%	-	-	-
Alta Real Estate	-	-	-	-	-	-	-	-	-	-	0	0.00%	-	-	-
Vatere LLC	-	-	-	-	-	-	-	-	-	-	-	-	2,591	3	0.69%
Rio Rico Properties	-	-	-	-	-	-	-	-	-	-	-	-	2,245	6	0.60%
Crisantes Properties, LLC	2,158	4	0.70%	1,596	7	0.50%	1,468	9	0.45%	1,433	10	0.42%	1,609	10	0.43%
Rio Rico Utilities	-	-	-	-	-	-	-	-	-	1,462	9	0.43%	-	-	-
Title Security Agency of Arizona	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<u><u>40,630</u></u>		13.11%	<u><u>37,730</u></u>		11.88%	<u><u>37,822</u></u>		11.68%	<u><u>37,692</u></u>		11.08%	<u><u>39,720</u></u>		10.57%

\*Name Changed  
Source: Santa Cruz County Assessor's Office

Santa Cruz County  
Property Tax Levies and Collections  
Last Ten Years

Fiscal Year	Primary Property Taxes	Secondary Property Total	Total Property Tax Levy	Property Taxes Collected Within Fiscal Year if Levy			Percent of Levy	Subsequent Taxes Collected	Total Tax Collections To Date	Percent of Levy	Outstanding Delinquent Taxes Receivable <sup>(1)</sup>
				Primary	Secondary	Total					
2012-13	10,425,390	2,329,282	12,754,672	10,424,958	2,399,481	12,824,439	100.55	849,087 <sup>(2)</sup>	13,673,526	107.20	1,620,796
2013-14	11,576,873	2,473,562	14,050,435	10,103,854	2,329,991	12,433,845	88.49	240,177 <sup>(3)</sup>	12,674,022	90.20	1,652,912
2014-15	11,707,247	2,472,680	14,179,927	11,116,222	2,396,504	13,512,726	95.29	34,655 <sup>(4)</sup>	13,547,381	95.54	1,538,693
2015-16	12,087,325	2,494,180	14,581,505	11,420,682	2,412,240	13,832,922	94.87	31,329 <sup>(5)</sup>	13,864,251	95.08	1,317,553
2016-17	11,800,370	2,435,549	14,235,919	11,883,376	2,459,923	14,343,299	100.75	123,571 <sup>(6)</sup>	14,466,870	101.62	1,169,024
2017-18	12,208,404	2,515,130	14,723,534	11,492,755	2,373,785	13,866,540	94.18	62,865 <sup>(7)</sup>	13,929,405	94.61	1,108,672
2018-19	12,795,193	2,655,843	15,451,036	12,518,283	2,589,205	15,107,488	97.78	103,565 <sup>(8)</sup>	15,211,053	98.45	1,159,618
2019-20	13,707,528	2,839,287	16,546,815	13,467,481	2,820,594	16,288,075	98.44	56,077 <sup>(9)</sup>	16,344,152	98.78	1,193,683
2020-21	14,423,657	2,992,929	17,416,586	14,178,942	2,938,779	17,117,721	98.28	194,872 <sup>(10)</sup>	17,312,593	99.40	1,169,944
2021-22	15,210,458	3,146,764	18,357,222	14,936,013	3,083,037	18,019,050	98.16	156,923 <sup>(11)</sup>	18,175,973	99.01	1,157,288

136

NOTES:

- <sup>(1)</sup> Amount was obtained from applicable years' financial statements and represents primary and secondary county tax levies receivable, net of uncollectible as of fiscal year-end.
- <sup>(2)</sup> Subsequent Taxes Collected as of September 30, 2013.
- <sup>(3)</sup> Subsequent Taxes Collected as of September 30, 2014.
- <sup>(4)</sup> Subsequent Taxes Collected as of September 15, 2015.
- <sup>(5)</sup> Subsequent Taxes Collected as of September 26, 2016.
- <sup>(6)</sup> Subsequent Taxes Collected as of September 30, 2017.
- <sup>(7)</sup> Subsequent Taxes Collected as of September 30, 2018.
- <sup>(8)</sup> Subsequent Taxes Collected as of September 30, 2019.
- <sup>(9)</sup> Subsequent Taxes Collected as of September 30, 2020.
- <sup>(10)</sup> Subsequent Taxes Collected as of September 30, 2021.
- <sup>(11)</sup> Subsequent Taxes Collected as of September 30, 2022.

Source: Annual Budget

Santa Cruz County  
 Assessed and Estimated Actual Value of Taxable Property  
 Last Ten Fiscal Years  
 (Amounts in Thousand)

Fiscal Year	Net Assessed Value	Estimated Actual Value	Ratio of Net Assessed to Estimate Actual Value
2012-13 Primary	369,498	3,154,273	11.71
2012-13 Secondary	375,670	3,199,700	11.74
2013-14 Primary	338,357	2,904,354	11.65
2013-14 Secondary	339,878	2,918,828	11.64
2014-15 Primary	320,999	2,770,291	11.59
2014-15 Secondary	323,844	2,794,839	11.59
2015-16 Primary	317,371	2,758,579	11.50
2015-16 Secondary	322,650	2,808,000	11.49
2016-17 Primary	309,835	2,746,137	11.28
2016-17 Secondary	333,858	2,891,790	11.55
2017-18 Primary	318,626	2,805,576	11.36
2017-18 Secondary	344,939	2,976,561	11.59
2018-19 Primary	329,646	2,911,356	11.32
2018-19 Secondary	372,808	3,218,402	11.58
2019-20 Primary	344,279	3,043,243	11.31
2019-20 Secondary	384,032	3,318,789	11.57
2020-21 Primary	362,253	3,202,965	11.31
2020-21 Secondary	407,489	3,529,589	11.54
2021-22 Primary	375,296	3,327,138	11.28
2021-22 Secondary	419,921	3,638,544	11.54

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

## **DEBT CAPACITY:**

Debt capacity information is intended to assist users' understanding and assessment of a government's debt burden and ability to issue debt. Understanding debt capacity allows users to assess an entity's economic condition.

Santa Cruz County  
Ratio of Outstanding Debt by Type  
To Personal Income and Per Capita  
Last Ten Years  
(Dollar Amounts in Thousands)

Fiscal Year	Governmental Activities			Business-Type Activities		Total Primary Government	Personal Income	Percentage of Personal Income	Population	Debt Per Capita
	Pledged Revenue Obligations	Financed Purchases & Leases Payable*	Capital Leases & Installment Purchase Contracts	Long-Term Loans Payable	Financed Purchases & Leases Payable*					
2011-2012	-	1,159	62,790	-	63,949	1,201,845 <sup>(1)</sup>	5.32%	48,724	1,312	
2012-2013	-	1,261	60,790	-	62,051	1,220,160 <sup>(1)</sup>	5.09%	49,200	1,261	
2013-2014	-	1,009	58,710	-	59,719	1,289,709 <sup>(1)</sup>	4.63%	49,816	1,199	
2014-2015	-	748	56,550	675	57,973	1,358,316 <sup>(1)</sup>	4.27%	50,495	1,148	
2015-2016	9,989	581	44,225	718	55,513	1,418,082 <sup>(1)</sup>	3.91%	50,999	1,089	
2016-2017	43,777	425	9,845	617	54,664	1,500,331 <sup>(1)</sup>	3.64%	51,728	1,057	
2017-2018	45,385	1,037	5,655	312	52,389	1,635,361 <sup>(1)</sup>	3.20%	52,455	0.999	
2018-2019	42,898	939	5,941	271	50,049	1,708,952 <sup>(1)</sup>	2.93%	53,136	0.942	
2019-2020	40,356	1,132	5,308	227	47,023	1,780,728 <sup>(1)</sup>	2.64%	53,742	0.875	
2020-2021	41,949	810	313	182	43,254	1,853,738 <sup>(1)</sup>	2.33%	54,340	0.796	
2021-2022	47,312	712	274	135	48,433	2,044,673 <sup>(1)</sup>	2.37%	54,928	0.882	

SOURCE: Basic Financial Statements  
Demographic Statistics-Economic Indicators

\*The County implemented GASB 87 in fiscal year 2022, accordingly, capital leases & installment purchase contracts were only applied to fiscal years prior to 2022.

<sup>(1)</sup> Projected Estimate



Santa Cruz County  
 Computation of Direct and Overlapping Debt  
 Governmental Activities, Debt Outstanding  
 June 30, 2022  
 (Amounts in Thousands)

<u>Governmental Unit</u>	Net Debt Outstanding	Percent Applicable to Santa Cruz	Amount Applicable to Santa Cruz
<b>Other Debt</b>			
Santa Cruz County - Governmental Financed Purchases & Leases Payable	712	100	712
Santa Cruz County - Loans Payable	274	100	274
Santa Cruz County – Governmental Pledged Revenue Obligations	47,312	100	47,312

NOTE: Overlapping governments are those that coincide with the geographic boundaries of the County. All overlapping governments are 100% within the County's boundaries. This schedule estimates the portion of the outstanding debt borne by the residents and businesses of Santa Cruz County. When considering the County's ability to issue and repay long-term debt, the process should recognize the entire debt burden by the residents and businesses therein. However, this does not imply that every taxpayer is a resident of each government and therefore is responsible for the repayment of debt of each overlapping government.

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

Santa Cruz County  
 Legal Debt Margin  
 Last Ten Years  
 (Dollar Amounts in Thousands)

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
<b>Assessed Value</b>	\$375,670	\$339,878	\$323,844	\$322,650	\$333,858	\$344,939	\$372,808	\$384,032	\$407,489	\$419,921
<b>Legal Debt Margin</b>										
Debt Limit (15% of assessed value)	56,351	50,982	48,577	48,398	50,079	51,741	55,921	57,605	61,123	62,988
Debt applicable to limit:										
General obligation bonds	-	-	-	-	-	-	-	-	-	-
Less: Net Position reserved for repayment of general obligation bonds	<u>553</u>	<u>(98)</u>	<u>(99)</u>	<u>(202)</u>	<u>(206)</u>	<u>(1)</u>	<u>(43)</u>	<u>1</u>	<u>1</u>	<u>1</u>
Total net debt applicable to the limit	<u>553</u>	<u>(98)</u>	<u>(99)</u>	<u>(202)</u>	<u>(206)</u>	<u>(1)</u>	<u>(43)</u>	<u>1</u>	<u>1</u>	<u>1</u>
Legal Debt Limit Margin	<u>553</u>	<u>(98)</u>	<u>(99)</u>	<u>(202)</u>	<u>(206)</u>	<u>(1)</u>	<u>(43)</u>	<u>1</u>	<u>1</u>	<u>1</u>
Total net debt applicable to the limit as a percentage of debt limit	(0.40)%	(0.98)%	(0.19)%	(0.20)%	(0.42)%	0.00%	(0.08)%	0.00%	0.00%	0.00%

Source: Assessed and Estimated Actual Value of Taxable Property and Basic Financial Statements

Santa Cruz County  
Pledged Revenue Coverage  
Last Ten Fiscal Years

**Pledged Revenue Obligations**  
**PSPRS Pension Series 2021**  
**Courthouse Series 2016 and 2017 and Flood Control Series 2020**

Fiscal Year	Revenues <sup>(1)</sup>	Debt Service		Coverage
		Principal	Interest	
2013	4,792,800	295,000	1,054,014	2.85
2014	5,110,986	305,000	1,029,048	3.03
2015	4,926,041	680,000	1,003,097	2.93
2016	5,274,692	710,000	784,859	3.53
2017	5,262,751	775,000	789,328	3.36
2018	5,171,365	860,000	653,464	3.42
2019	5,661,398	900,000	640,997	3.67
2020	6,250,684	925,000	614,337	4.06
2021	9,392,782	1,065,000	482,710	6.07
2022	8,381,036	1,625,000	603,641	3.76

**Jail Series 2017 Pledged Revenue Refunding Obligations**

Fiscal Year	Jail District Revenues <sup>(2)</sup>	Less: Expenditures	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2013	6,273,665	5,542,070	731,595	1,370,000	1,878,306	0.23
2014	7,093,279	5,211,356	1,881,923	1,425,000	1,823,506	0.58
2015	6,129,524	4,286,321	1,843,203	1,480,000	1,766,506	0.57
2016	6,247,859	4,431,585	1,816,274	1,540,000	1,707,306	0.56
2017	6,603,367	4,571,067	2,032,300	1,600,000	1,645,649	0.63
2018	6,034,144	4,813,398	1,220,746	1,640,000	1,290,178	0.42
2019	6,102,428	4,855,768	1,246,660	1,675,000	1,250,250	0.43
2020	7,232,185	4,584,804	2,647,381	1,725,000	1,200,000	0.91
2021	8,644,999	4,971,624	3,673,375	1,775,000	1,148,250	1.26
2022	7,780,985	4,443,139	3,337,846	1,850,000	1,077,247	1.14

SOURCES: Basic financial statements and debt retirement schedules.

<sup>(1)</sup> Includes excise tax revenues and state shared revenues, net of statutory claims.

<sup>(2)</sup> Includes Jail District excise tax revenues plus beginning fund balance and transfers in. Fund Balance represents unexpended pledged revenues and transfers in represents maintenance of effort payments made by the County.

## **DEMOGRAPHIC AND ECONOMIC INFORMATION:**

Demographic and economic information provides users an understanding of certain aspects of the environment and conditions in which a government operates. It provides comparative financial statement data over time and across governments.

This information helps readers assess a government's condition by providing knowledge on community expansion, population, changes in personal income, and unemployment. This data is useful to readers who assess economic condition.

Santa Cruz County  
Demographic Statistics-Economic Indicators  
Last Ten Years

Year	Population	Per Capita Income	Personal Income	School Enrollment	Civilian Labor	Unemployment Rate
2013	49,200	24,800 <sup>(1)</sup>	1,220,160 <sup>(1)</sup>	10,719 <sup>(2)</sup>	17,917	17.3
2014	49,819	25,890 <sup>(1)</sup>	1,289,709 <sup>(1)</sup>	11,009 <sup>(3)</sup>	17,328	15.2
2015	50,495	26,900 <sup>(1)</sup>	1,358,316 <sup>(1)</sup>	10,885 <sup>(4)</sup>	19,907	11.0
2016	50,999	27,806 <sup>(1)</sup>	1,418,082 <sup>(1)</sup>	10,830 <sup>(5)</sup>	19,700	10.5
2017	51,728	29,004 <sup>(1)</sup>	1,500,331 <sup>(1)</sup>	10,998 <sup>(6)</sup>	19,272	9.7
2018	52,455	31,176 <sup>(1)</sup>	1,635,361 <sup>(1)</sup>	11,397 <sup>(7)</sup>	18,779	8.5
2019	53,136	32,162 <sup>(1)</sup>	1,708,952 <sup>(1)</sup>	11,050 <sup>(8)</sup>	19,315	9.0
2020	53,742	33,135 <sup>(1)</sup>	1,780,728 <sup>(1)</sup>	11,211 <sup>(9)</sup>	18,760	13.6
2021	54,340	34,117 <sup>(1)</sup>	1,853,738 <sup>(1)</sup>	10,400 <sup>(10)</sup>	19,478	12.0
2022	54,928	37,225 <sup>(1)</sup>	2,044,673 <sup>(1)</sup>	10,380 <sup>(11)</sup>	19,067	8.0

NOTES:

- (1) Projected Estimate.
- (2) School enrollment as of June 30, 2013.
- (3) School enrollment as of June 30, 2014.
- (4) School enrollment as of September 30, 2015.
- (5) School enrollment as of September 30, 2016.
- (6) School enrollment as of June 30, 2017.
- (7) School enrollment as of September 30, 2018.
- (8) School enrollment as of September 30, 2019.
- (9) School enrollment as of September 30, 2020.
- (10) School enrollment as of June 30, 2021.
- (11) School enrollment as of June 9, 2022.

SOURCES: Annual reports of the Superintendent of Public Instruction; Bureau of Economic Analysis-United States Department of Commerce; Arizona Economic indicators Fall Edition, published by University of Arizona

Santa Cruz County  
Principal Employers  
Last Ten Years

145

Employer	2022			2021			2020			2019			2018		
	Employees	Rank	Percent of Total Work Force	Employees	Rank	Percent of Total Work Force	Employees	Rank	Percent of Total Work Force	Employees	Rank	Percent of Total Work Force	Employees	Rank	Percent of Total Work Force
Nogales Unified School District #1	522	1	3.00%	560	1	3.00%	560	1	3.00%	556	1	2.90%	559	1	3.00%
US Border Patrol*	N/A	-	0.00%	N/A	-	0.00%	N/A	-	0.00%	N/A	-	0.00%	N/A	-	0.00%
Super Wal-Mart	357	5	1.90%	357	5	1.90%	357	4	1.90%	357	4	1.80%	384	4	2.00%
US Customs and Border Protection*	N/A	-	0.00%	N/A	-	0.00%	N/A	-	0.00%	N/A	-	0.00%	N/A	-	0.00%
Santa Cruz County	394	3	2.10%	403	3	2.10%	395	2	2.10%	400	2	2.10%	394	3	2.10%
Santa Cruz Valley Unified School District #35	406	2	2.30%	416	2	2.30%	428	3	2.30%	396	3	2.10%	401	2	2.10%
City of Nogales	265	6	1.40%	261	6	1.40%	255	6	1.40%	280	6	1.40%	296	6	1.60%
Carondelet Health Network - Holy Cross Hospital	146	8	0.90%	146	8	0.90%	176	7	0.90%	174	7	0.90%	174	8	0.90%
Mariposa Community Health Center, Inc.	387	4	1.70%	383	4	1.70%	325	5	1.70%	322	5	1.70%	298	5	1.60%
Tubac Golf Resort	169	7	0.90%	169	7	0.90%	169	8	0.90%	169	8	0.90%	199	7	1.10%
<b>Total</b>	<b>2,646</b>		<b>14.20%</b>	<b>2,695</b>		<b>14.20%</b>	<b>2,665</b>		<b>14.20%</b>	<b>2,654</b>		<b>13.80%</b>	<b>2,705</b>		<b>14.40%</b>
<b>Total Work Force</b>	<b>18,634</b>			<b>19,478</b>			<b>18,760</b>			<b>19,315</b>			<b>18,779</b>		

Employer	2017			2016			2015			2014			2013		
	Employees	Rank	Percent of Total Work Force	Employees	Rank	Percent of Total Work Force	Employees	Rank	Percent of Total Work Force	Employees	Rank	Percent of Total Work Force	Employees	Rank	Percent of Total Work Force
Nogales Unified School District #1	563	3	2.90%	567	2	2.90%	563	2	2.80%	567	2	3.30%	603	2	3.40%
US Border Patrol*	623	1	3.20%	651	1	3.30%	670	1	3.40%	716	1	4.10%	735	1	4.10%
Super Wal-Mart	380	6	2.00%	398	4	2.00%	430	4	2.20%	421	4	2.40%	487	3	2.70%
US Customs and Border Protection*	616	2	3.20%	440	3	2.20%	457	3	2.30%	490	3	2.80%	470	4	2.60%
Santa Cruz County	412	4	2.10%	331	6	1.70%	309	6	1.60%	400	6	2.30%	411	5	2.30%
Santa Cruz Valley Unified School District #35	383	5	2.00%	389	5	2.00%	386	5	1.90%	434	5	2.50%	401	6	2.20%
City of Nogales	294	7	1.50%	300	7	1.50%	269	7	1.40%	295	7	1.70%	288	7	1.60%
Carondelet Health Network - Holy Cross Hospital	167	10	0.90%	170	10	0.90%	178	10	0.90%	172	10	1.00%	217	9	1.20%
Mariposa Community Health Center, Inc.	288	8	1.50%	262	8	1.30%	248	8	1.20%	242	8	1.40%	237	8	1.30%
Tubac Golf Resort	187	9	1.00%	176	9	0.90%	190	9	1.00%	192	9	1.10%	N/A	N/A	N/A
<b>Total</b>	<b>3,913</b>		<b>20.30%</b>	<b>3,684</b>		<b>18.70%</b>	<b>3,700</b>		<b>18.70%</b>	<b>3,929</b>		<b>22.70%</b>	<b>3,849</b>		<b>21.40%</b>
<b>Total Work Force</b>	<b>19,272</b>			<b>19,700</b>			<b>19,907</b>			<b>17,328</b>			<b>17,917</b>		

Sources: www.azeconomy.org/data/santa-cruz-county; phone call & e-mail surveys to local employees

\* Organization(s) did not disclose information requested due to employee safety concerns

Santa Cruz County  
Employment Statistics  
Last Ten Years

Type of Employment	2022		2021		2020		2019		2018	
	Employees	Percent of Total	Employees	Percent of Total	Employees	Percent of Total	Employees	Percent of Total	Employees	Percent of Total
Goods-Producing	650	4.96%	550	4.42%	550	4.58%	809	6.25%	675	5.32%
Trade, Transportation, and Utilities	5,500	41.99%	5,350	42.97%	5,100	42.50%	5,410	41.83%	5,575	43.90%
Other Private Service-Producing	3,350	25.57%	2,800	22.49%	2,650	22.1%	3,007	23.3%	2,925	23.0%
Federal Government	1,775	13.55%	1,900	15.26%	1,725	14.4%	1,598	12.4%	1,550	12.2%
State Government	<u>1,825</u>	<u>13.93%</u>	<u>1,850</u>	<u>14.86%</u>	<u>1,975</u>	<u>16.5%</u>	<u>2,109</u>	<u>16.3%</u>	<u>1,975</u>	<u>15.6%</u>
	<u>13,100</u>	<u>100.0%</u>	<u>12,450</u>	<u>100.0%</u>	<u>12,000</u>	<u>100.0%</u>	<u>12,933</u>	<u>100.0%</u>	<u>12,700</u>	<u>100.0%</u>

Type of Employment	2017		2016		2015		2014		2013	
	Employees	Percent of Total	Employees	Percent of Total	Employees	Percent of Total	Employees	Percent of Total	Employees	Percent of Total
Goods-Producing	793	6.23%	704	5.30%	700	5.3%	600	4.7%	625	5.0%
Trade, Transportation, and Utilities	5,334	41.91%	5,618	42.31%	5,950	44.8%	5,550	43.0%	5,300	42.7%
Other Private Service-Producing	2,945	23.1%	3,196	24.1%	3,025	22.8%	2,925	22.7%	2,600	20.9%
Federal Government	1,569	12.3%	1,623	12.2%	1,650	12.4%	1,750	13.6%	1,800	14.5%
State Government	<u>2,087</u>	<u>16.4%</u>	<u>2,137</u>	<u>16.1%</u>	<u>1,950</u>	<u>14.7%</u>	<u>2,075</u>	<u>16.1%</u>	<u>2,100</u>	<u>16.9%</u>
	<u>12,728</u>	<u>100.0%</u>	<u>13,278</u>	<u>100.0%</u>	<u>13,275</u>	<u>100.0%</u>	<u>12,900</u>	<u>100.0%</u>	<u>12,425</u>	<u>100.0%</u>

Sources: Arizona Economic Indicators Fall Edition, published by the University of Arizona-Economic and Business Research [www.workforce.az.gov/currentemployment-statistics](http://www.workforce.az.gov/currentemployment-statistics)

Santa Cruz County  
Demographic Statistics-  
Sales, Construction, and Bank Deposits  
Last Ten Years  
(Dollar Amounts in Thousands)

Year	Sales <sup>(1)</sup>		Construction Awards	Number of Dwelling Units Awarded	Bank Deposits
	Construction	Retail Trade			
2013	61,454	303,458	12,602	259	908,522
2014	58,457	323,635	28,540	278	753,881
2015	41,929	323,169	38,758	388	847,350
2016	33,807	340,372	36,358	436	918,691
2017	29,427	327,751	26,767	384	862,837
2018	34,990	319,906	59,249	377	866,395
2019	33,835	339,042	41,289	343	886,113
2020	81,538	341,342	44,091	429	1,064,350
2021	410,578	332,873	80,239	594	1,060,734
2022	88,374	416,290	127,584	749	1,415,075

NOTE:

(1) Information reported for fiscal years ended June 30.

SOURCES: Arizona Department of Revenue Annual Report.

Report of building or zoning permits issued and local public construction.

Federal Deposit Insurance Corporation Web site.



## **OPERATING INFORMATION:**

Operating information provides contextual information about a government's operations and resources. Examples of operating information include basic information on the capital resources used during government operations; and service information that helps evaluate the entity's size. This allows users to understand and assess a government's economic condition when using financial information.

Santa Cruz County  
Employees by Function  
Last Ten Years

Fiscal Year	Governmental Activities							Business-Type Activities	Total Employees in all Functions
	General Government	Public Safety	Highways and Streets	Health and Welfare	Recreation	Education and Economic Opportunity	Total	Sanitation Landfill Enterprise	
2012-13	164	136	28	18	1	16	363	13	376
2013-14	165	119	30	16	1	16	347	14	361
2014-15	162	114	27	17	1	18	339	10	349
2015-16	162	102	27	18	1	15	325	9	334
2016-17	176	109	25	16	1	15	342	7	349
2017-18	172	105	23	19	1	16	336	5	341
2018-19	181	102	20	20	3	20	346	5	351
2019-20	169	98	20	18	3	23	331	6	337
2020-21	164	99	19	15	2	24	323	6	329
2021-22	173	79	16	16	2	30	316	6	322

SOURCE: Santa Cruz County: Salary Vacation & Comp-Time Report

Santa Cruz County  
Operating Indicators  
Last Ten Fiscal Years

<b>YEAR OF INCORPORATION:</b>	1899
<b>FORM OF GOVERNMENT:</b>	Body political county of State of Arizona Pursuant to Arizona Revised Statutes
<b>AREA:</b>	1,246 Square miles

FOI

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<b>MILES OF STREETS</b>										
Paved	429.90	434.00	433.00	430.00	428.00	411.00	430.00	405.47	405.47	425.38
Unpaved	276.30	259.00	258.00	278.00	390.00	312.40	389.00	331.52	331.52	316.64
<b>REGISTERED VOTERS</b>										
Democrat	32,190	31,201	29,796	28,742	27,764	26,805	24,866	26,784	26,023	25,023
Democrat	47.24%	49.27%	50.52%	50.16%	51.11%	50.86%	51.89%	47.86%	49.32%	53.90%
Republican	17.00%	16.83%	16.91%	16.40%	16.62%	16.06%	16.84%	15.56%	15.99%	17.64%
<b>NUMBER OF JUDICIAL COURTS</b>										
Superior Court Department	2	1	1	1	1	1	1	1	1	1
Justice of Peace Courts	1	1	1	1	2	2	2	2	2	2
<b>FLOOD PROTECTION</b>										
Flood Control District	1	1	1	1	1	1	1	1	1	1
Number of Employees	4	6	4	3	4	10	7	6	6	6
<b>SHERIFF PROTECTION</b>										
Number of Stations	4	4	4	4	4	4	4	4	3	3
Number of Employees	76	81	79	84	81	111	77	91	96	119
Major Crimes	71	71	103	134	134	170	170	206	76	207
Vehicular Patrol Units	36	36	36	36	36	27	33	33	16	25
<b>SANITARY LANDFILLS</b>										
Number of Landfills	2	2	1	1	1	1	1	1	2	2
<b>NUMBER OF PARKS</b>										
County-owned Parks	4	4	4	4	4	4	4	4	4	4

SOURCE: Santa Cruz County Departments: Public Works, Recorders, Court Administration, Flood Control District, Sheriff, Landfill Enterprise, Recreation

Santa Cruz County  
Capital Assets Used in the Operation of Governmental Funds  
Last Ten Fiscal Years  
(Amounts in Thousands)

	2022	2021	2020	2019	2018
<b>Governmental funds capital assets</b>					
Infrastructure	\$ 87,756	\$ 87,756	\$ 86,788	\$ 85,124	\$ 84,576
Land	22,352	22,352	22,352	22,352	22,347
Buildings	74,595	74,595	74,595	74,595	74,595
Improvements other than buildings	6,431	6,430	6,425	6,376	6,347
Construction equipment and vehicles	12,339	13,078	12,871	12,309	12,350
Furniture and equipment	13,493	13,038	12,681	12,406	12,218
Construction in progress	-	-	919	142	79
Right-to-use lease assets					
Construction Equipment and Vehicles	755				
Furniture and Equipment	671	-	-	-	-
Total governmental funds capital assets	<u>\$ 218,392</u>	<u>\$ 217,249</u>	<u>\$ 216,631</u>	<u>\$ 213,304</u>	<u>\$ 212,512</u>
<b>Investments in governmental funds capital assets by source</b>					
General Fund	\$ 21,629	\$ 20,875	\$ 20,718	\$ 20,031	\$ 19,990
Special Revenue Funds*	135,300	134,921	134,463	133,286	132,471
Capital Projects Funds	61,266	61,248	61,248	59,789	59,789
Capital Contributions	197	205	202	198	262
Total governmental funds capital assets	<u>\$ 218,392</u>	<u>\$ 217,249</u>	<u>\$ 216,631</u>	<u>\$ 213,304</u>	<u>\$ 212,512</u>
	2017	2016	2015	2014	2013
<b>Governmental funds capital assets</b>					
Infrastructure	\$ 83,229	\$ 81,390	\$ 81,457	\$ 79,346	\$ 79,271
Land	22,347	22,347	22,343	22,343	22,343
Buildings	74,595	74,594	73,963	73,963	73,963
Improvements other than buildings	6,326	6,326	3,802	3,267	3,206
Construction equipment and vehicles	12,015	11,791	10,661	9,636	9,760
Furniture and equipment	11,514	11,113	11,251	11,097	11,452
Construction in progress	70	1,547	1,316	2,664	3,969
Total governmental funds capital assets	<u>\$ 210,096</u>	<u>\$ 209,108</u>	<u>\$ 204,793</u>	<u>\$ 202,316</u>	<u>\$ 203,964</u>
<b>Investments in governmental funds capital assets by source</b>					
General Fund	\$ 19,736	\$ 19,147	\$ 18,720	\$ 18,148	\$ 18,589
Special Revenue Funds	131,638	131,594	129,474	127,566	128,738
Capital Projects Funds	58,441	58,079	56,598	56,599	56,637
Capital Contributions	281	288	1	3	-
Total governmental funds capital assets	<u>\$ 210,096</u>	<u>\$ 209,108</u>	<u>\$ 204,793</u>	<u>\$ 202,316</u>	<u>\$ 203,964</u>

SOURCE: Annual Comprehensive Financial Report for the relevant year