

**SANTA CRUZ COUNTY, ARIZONA**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE  
FISCAL YEAR ENDED JUNE 30, 2004**

**BOARD OF SUPERVISORS**

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MEMBER  
DISTRICT #1**

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VICE CHAIRMAN  
DISTRICT #2**

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CHAIRMAN  
DISTRICT #3**

**COUNTY MANAGER**

**GREG LUCERO**

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

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

**SENIOR ACCOUNTANT  
MAYRA OCHOA**

**SANTA CRUZ COUNTY**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FISCAL YEAR ENDED JUNE 30, 2004**

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# BOARD OF SUPERVISORS SANTA CRUZ COUNTY

Manuel Ruiz  
District 1

Robert Damon  
District 2

John Maynard  
District 3

November 19, 2004

The Honorable Board of Supervisors  
Santa Cruz County, Arizona

I am pleased to submit, in accordance with state statutes, Santa Cruz County's (the County) Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2004. This report has been prepared in conformity with U.S. generally accepted accounting principles (GAAP) as prescribed in pronouncements of the Governmental Accounting Standards Board (GASB). 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.

The CAFR is presented in three sections:

- The *Introductory Section* includes this transmittal letter, the Certificate of Achievement for Excellence in Financial Reporting, and the County's organizational chart.
- The *Financial Section* includes the independent auditors report, Management's Discussion and Analysis (MD&A), audited basic financial statements (government-wide and fund statements), notes to the financial statements, required supplemental schedules, supporting statements and schedules necessary to fairly present the financial position and the results of operations of the County in conformity with U.S. GAAP.
- The *Statistical Section* includes selected financial and demographic information.

This report includes all funds of the County. The County provides a full range of services, including law enforcement and public safety, health care, sanitation, and 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. Santa Cruz County encompasses approximately 1,250 square miles and has roughly 40,000 people. The neighboring community of Nogales, Sonora, Mexico has grown to an estimated population of 350,000.

Santa Cruz County is divided into three supervisorial districts. Each district elects a member to the Board of Supervisors to serve a four-year term. The Chair is selected by the Board from among its members. The Board establishes the policies 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 connects Canada, the United States, and Mexico. The County's location at the U.S. and Mexican border provides excellent opportunities in shipping and distribution, retail trade, manufacturing and tourism. The County has been a trading center for Northern Mexico since the 1880s. Over 75,000 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 1,200 trucks pass swiftly through Santa Cruz County's state-of-the-art commercial port, carrying approximately 70% of the winter produce consumed in the U.S. and Canada in a normal year. Santa Cruz County's produce industry is anchored by over 250 brokers, distributors and warehouses.

The County's economy was negatively affected by the tragic events of September 11 as increased border security slowed commercial trucking at the Ports of Entry and deterred shoppers from Mexico. Three years later, trade and commerce at the border has stabilized as shoppers and custom brokers have adjusted to security measures. The economy has shown signs it is rebounding and business is improving. Unfortunately, because the local economy is so closely tied to "produce", it is a seasonal business, therefore, the County continues to suffer from extremely high unemployment and poverty rates.

The State of Arizona's dismal financial situation over the past three years has forced the County to work closely with the State Legislature to minimize and, at times, reduce the County's share in the cost of state-mandated programs. Continued cost shifting maneuvers by the State Legislature have resulted in the development of contingency plans, such as a reduction in force, to reduce the County's expenditures.

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

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## Major Initiatives

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Through federal funding the Arizona Department of Transportation has initiated the development of the Nogales CyberPort Project. In today's border security environment, ports-of-entry have increased levels of enforcement and inspection with limited capacity, financially as well as physically, to accommodate significant increases in trade. The goal of this project is to define a new concept model for a coordinated, seamless, flexible and integrated system for the safe, secure and efficient movement of trade. The first phase of the CyberPort Project was completed in June 2003 with the completion of the CyberPort Concept Study. Four additional studies are required before the completion of the Project, and they include: Trade Flow Study, Logistical Analysis, Assessment of Legal Issues, and Mariposa Facility CyberPort Assessment. To comply with state mandates regarding growth, the County adopted a new Comprehensive Land Use Plan on June 29, 2004. The document includes sections related to water resources and the cost of development, as well as circulation and land use classifications and will guide development in the County for the next ten years.

The County added over 22 acres of recreation land to its park system in 2004. The Robert Damon Recreation Complex includes baseball/soccer fields, a restroom/concession building and exercise trail. Construction was funded through a combination of Community Development Block Grant and Arizona Heritage Grant funding.

The County completed a major airport improvement project during the year that included development of the runway safety area on the southbound approach and widening and overlay of the entire runway. Security fencing is also in place now. These projects are funded mostly through various state and federal grants. With plans for a new cargo apron, the County anticipates that revenues at the airport will increase from landing and aircraft parking fees.

The events of September 11, 2001, brought a significant increase in the level of federal funding for local emergency management activities and, as a border community, Santa Cruz County has benefited from this new national focus. In this fiscal year, Emergency Management has utilized its funding to address the needs that were identified in the local risk assessment conducted in prior years. These needs include equipment, training and planning activities and several exercises to include a state-wide full-scale exercise.

The Santa Cruz County Office of Emergency Management was awarded almost \$1.6 million this past year. With these funds a communications project was initiated that will take several years to complete. Much needed equipment was purchased for first responders in the County. A binational, full-scale exercise was also conducted with over 1,000 participants from local, state, and federal agencies from both the United States and Mexico.

The County's geographic information system (GIS) has continued to develop over the past year with training for technical and management staff providing new levels of proficiency. Data development, rectification and quality assurance tasks have progressed throughout the year. Additionally, the County acquired a comprehensive digital aerial photograph that is being used by a number of departments.

The 1904 Courthouse in Nogales has become the center of community-based partnerships, offering services to residents of Santa Cruz County. Santa Cruz County Workforce Development, Santa Cruz County Schools Department and Literacy Volunteers of Santa Cruz County have partnered to provide English as a Second Language, GED preparation, job search seminars, computer lab with high-speed internet connectivity and other "One-Stop" services. With nearly 13,000 visits between July 2003 and June 2004 the prospect for continued growth in services for Santa Cruz County residents is promising.



The Annex at the 1904 Courthouse underwent extensive renovation during this past year. Santa Cruz County Workforce Development received two grants, one from the U.S. Department of Labor, Work Incentive Grant, and another from the State of Arizona Rehabilitative Services to provide work-related services and trainings to individuals with disabilities. Upon completion of the renovations, an Assistive Technology Lab with four stations was installed, along with a training room with eight computers and work spaces for four staff members. New staff was also added to the program, which included two Disability Program Navigators, a Transportation Coordinator, and a Data Specialist.

The Old Tucson Road Safety Improvement Project is part of the Southeast Arizona Governments Organization (SEAGO) five year transportation improvement program funded through the Federal Highway Administration. The improvements consist of widening and resurfacing the existing road throughout the length of the project to a new roadway width of 40 feet. A three-lane configuration is projected for the intersections of South River Road and Monte Vista Drive and possibly other intersections as needed to facilitate traffic movements. As a part of the project, the Potrero Creek Bridge will be replaced with a structure meeting current load standards. Construction is anticipated to begin in late January 2005 with completion in August 2005. The project's estimated cost is \$2.8 million.

The Tubac Drainage project is located within the Village of Tubac. The proposed project addresses a number of drainage issues within the village that have been identified in a previous drainage study. The scope of work regards several alternatives identified in the Tubac Village Drainage Study as follows: the Tubac Low Water Crossing, the Calle Baca/Plaza Road Improvement, reconstruction of Calle Solares, and reconstruction of Camino Otero at Burell Street. These improvements range from removing and replacing existing pavement to installing multiple culverts and drainage swales. The project is estimated at \$148,500.

The Chula Vista Project is a federally funded, three-part flood control plan formulated and recommended in the "Feasibility Report and Environmental Assessment." The purpose of this project is to provide flood protection up to the 100-year future condition event for the Chula Vista community located about 4 miles north of the U.S./Mexico boundary. The project consists of increasing the channel capacity and realigning of the Nogales Wash prior to the Chula Vista Subdivision. The project is currently estimated to cost \$13 million with the Santa Cruz County share being between \$1.5 and \$2.5 million. Construction is anticipated to begin in September/October of 2005.

The Calle Azulejo Flood Control Project is currently a county-funded project. The project will consist of the construction of a retention/detention basin and the reconstruction of a segment of road to reduce and handle flood waters in the Rio Rico Villas #13 Subdivision in Rio Rico, Arizona, approximately seven miles north of the City of Nogales. Original design of the subdivision in the 1960s failed to take into account the flow of flood waters through the subdivision and stopped a drainage channel in the middle of the subdivision with no outlet for the flows. Over the years, monsoon storms have caused flooding within the area, with the latest events occurring on the 13<sup>th</sup> and 15<sup>th</sup> of August 2004 when more than a dozen homes were flooded on both days. The project is currently estimated to cost \$205,000, not including engineering design. Construction is anticipated to begin in the fall of 2005.

The South River Road Revegetation and Bank Protection Project is a grant-funded project to install two lines of Kilner Jacks in the Santa Cruz River, adjacent to South River Road, approximately 2.5 miles to the northeast of the City of Nogales. Storms in October 2000 resulted in minor flooding along the Santa Cruz River. Debris from dead vegetation within the channel resulted in a dam that redirected flows into the western bank at a high angle, resulting in the loss of nearly 800 feet of South River Road. The project is designed to provide additional protection for the road both in the area of the washout as well as the adjacent reach immediately upstream and downstream of the site. The project is estimated to cost \$140,000 with the project partially funded by a State of Arizona Grant for \$80,000, the remainder being the responsibility of the Santa Cruz County Flood Control District. Construction is anticipated to begin in January 2005.

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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 U.S. 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 Auditor's report on the financial statements of the governmental 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 financial assistance, the County is required to have an annual audit under the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. OMB 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. The Single Audit Report is issued separately from this report and has not been completed for the fiscal year ended June 30, 2004, as of this date.

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, whose Board of Directors is the County's Board of Supervisors, are blended and reported as a special revenue fund of the primary government.

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## Awards and Acknowledgements

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Awards: The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Santa Cruz County for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2003. This was the 14<sup>th</sup> consecutive year that Santa Cruz County has received this prestigious award. The Certificate of Achievement is a prestigious national award that recognizes conformance with the highest standards of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to the GFOA Certificate of Achievement program standards. The CAFR must satisfy both U.S. generally accepted accounting principles and applicable legal requirements.

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

Acknowledgments: The preparation of this report on a timely basis could not be accomplished without the efficient and dedicated services of the Finance Department. I would 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, the County Manager, and the Deputy County Manager for their interest and support in planning and conducting the financial operations of the County in a responsible manner.

Respectfully submitted,

Jennifer K. St. John, CPA  
Administrative Services Director

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Santa Cruz County,  
Arizona

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2003

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



*Nancy L. Zielle*

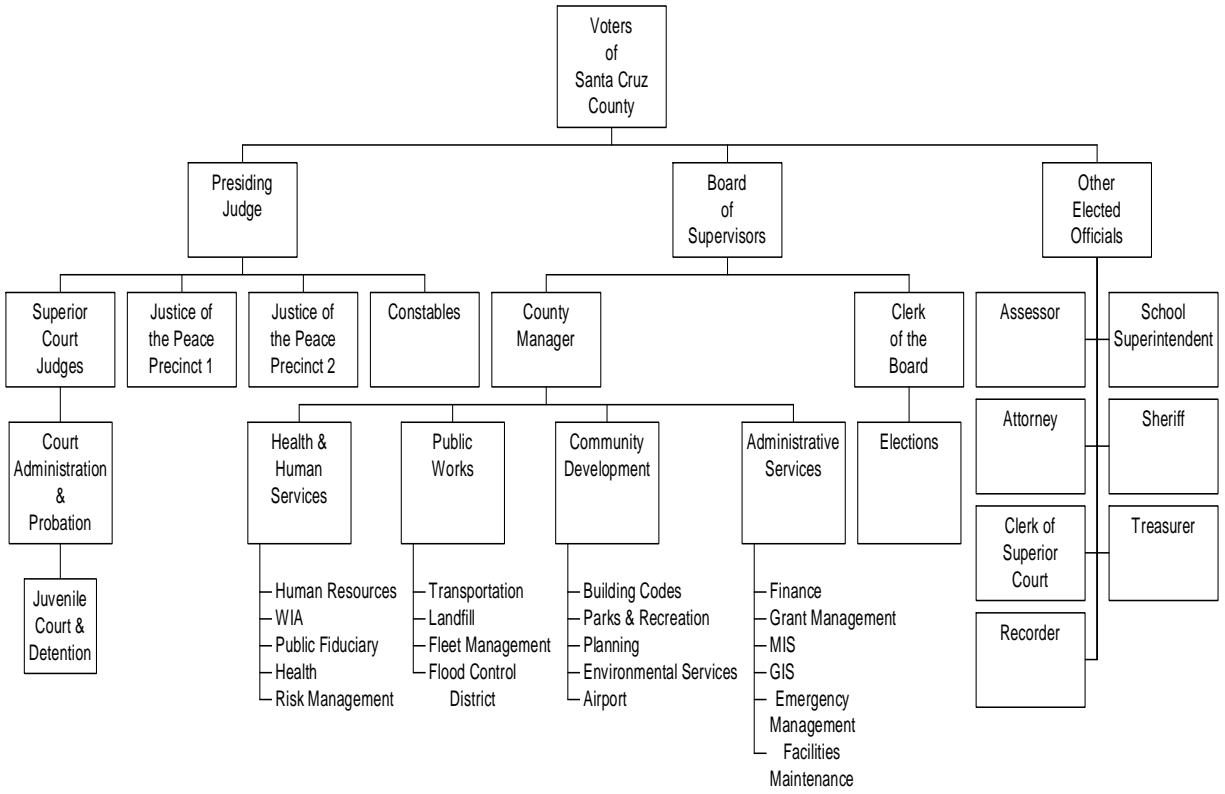
President

*Jeffrey R. Enow*

Executive Director

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# Santa Cruz County Organizational Chart



## **FINANCIAL SECTION**



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

**DEBRA K. DAVENPORT, CPA**  
AUDITOR GENERAL

**WILLIAM THOMSON**  
DEPUTY AUDITOR GENERAL

## **Independent Auditors' Report**

Members of the Arizona State Legislature

The Board of Supervisors of  
Santa Cruz County, Arizona

We have audited the accompanying 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, 2004, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

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 Santa Cruz County as of June 30, 2004, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with U.S. generally accepted accounting principles.

As described in Note 2, the County reclassified landfill activities previously reported in the General Fund to the Enterprise Fund, which constitutes a change in reporting entity.

The Management's Discussion and Analysis on pages 3 through 13, the Schedule of Agent Retirement Plans' Funding Progress on page 50, and the Budgetary Comparison Schedules on pages 51 through 58 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.



Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and individual fund statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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

In accordance with *Government Auditing Standards*, we will also issue our report on our consideration of the County's internal control over financial reporting and 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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Debbie Davenport  
Auditor General

November 19, 2004

## Santa Cruz County Management's Discussion and Analysis

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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.

### Financial Highlights

- At June 30, 2004, the assets of the County exceeded liabilities by \$30,499,272 (net assets). Of this amount, \$7,664,824 (unrestricted net assets) may be used to meet ongoing obligations to citizens and creditors, \$2,124,891 is restricted for specific purposes (restricted net assets), and \$20,709,557 is invested in capital assets, net of related debt.
- The County's total net assets as reported in the Statement of Activities increased by \$5,605,031.
- At June 30, 2004, total assets were \$40,716,013 compared to \$34,554,185 at June 30, 2003. This is a \$6,161,828 or 17.8% increase over the prior fiscal year.
- At June 30, 2004, the governmental funds reported combined fund balances of \$12,454,605 or an increase in fund balance of \$1,427,049, as restated, in comparison with the prior year.
- At June 30, 2004, unreserved fund balance for the general fund was \$8,838,584, approximately 49% 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 finances, in a manner similar to private-sector businesses.

The *Statement of Net Assets* presents information on all County assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets 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 assets changed during the most recent fiscal year. All changes in net assets 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 expenditures 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).

## **Santa Cruz County Management's Discussion and Analysis**

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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 unit included in the County's basic financial statements is the Santa Cruz County Flood Control District.

*The government-wide financial statements can be found on pages 16-17 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 categories: *governmental funds*, *proprietary funds*, and *fiduciary funds*.

*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 balance 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 balance for the General, Road, Criminal Justice Enhancement, WIA, and Airport 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 18-21 of this report.*

## **Santa Cruz County Management's Discussion and Analysis**

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**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 22-24 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 25-26 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 27-47 of this report.

**Required supplementary information** presents budgetary comparison schedules for the General, Road, Criminal Justice Enhancement, and WIA funds of the County. It also includes a schedule of agent retirement plans' funding progress. Required supplementary information can be found on pages 50-58 of this report.

### **Government-wide Financial Analysis**

During the current fiscal year, the County established an Enterprise Fund (i.e., Business-type Activities) to account for activities relating to the county landfills that were previously accounted for in the General Fund (i.e., Governmental Activities). The County has not restated prior periods for purposes of providing the comparative data for the Management's Discussion and Analysis (MD&A). Therefore, only 2004 information is presented for the Business-type Activities. However, in future years, when prior-period information is available, a comparative analysis of the County's Business-type Activities will be presented. Furthermore, for a more meaningful comparison, the County's analysis is based on the Total 2004 and Governmental Activities 2003 columns.

## Santa Cruz County Management's Discussion and Analysis

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### Net Assets

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the County, at June 30, 2004, assets exceeded liabilities by \$30,499,272.

#### Statement of Net Assets June 30, 2004 and 2003

	Governmental Activities <u>2004</u>	Business-Type Activities <u>2004</u>	Total <u>2004</u>	Governmental Activities <u>2003</u>
Current and other assets	\$17,317,446	\$ 270,068	\$17,587,514	\$14,805,173
Capital assets	20,104,945	3,023,554	23,128,499	19,749,012
Total assets	<u>37,422,391</u>	<u>3,293,622</u>	<u>40,716,013</u>	<u>34,554,185</u>
Current and other liabilities	2,620,345	44,898	2,665,243	1,423,151
Long-term liabilities	3,848,522	3,702,976	7,551,498	8,236,793
Total liabilities	<u>6,468,867</u>	<u>3,747,874</u>	<u>10,216,741</u>	<u>9,659,944</u>
Net assets				
Invested in capital assets, net of related debt	18,316,662	2,392,895	20,709,557	16,487,795
Restricted net assets	2,124,891		2,124,891	2,288,913
Unrestricted net assets (deficits)	10,511,971	(2,847,147)	7,664,824	6,117,533
Total net assets (deficits)	<u>\$30,953,524</u>	<u>\$ (454,252)</u>	<u>\$30,499,272</u>	<u>\$24,894,241</u>

The largest portion (\$20,709,557 or 68%) of the County's net assets reflects the investment in capital assets (e.g., land, buildings, machinery and equipment and construction in progress), less accumulated depreciation and related debt used to acquire those assets still outstanding. 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, since the capital assets themselves will not be used to liquidate these liabilities.

Restricted net assets (\$2,124,891 or 7%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (\$7,664,824 or 25%) may be used to meet the government's ongoing obligations to the citizens and creditors.

At the end of the current fiscal year, the County as a whole reported positive balances in all three categories of net assets.

## **Santa Cruz County Management's Discussion and Analysis**

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The following provides an explanation of assets and liabilities that changed significantly over the prior year:

- Current and other assets – the \$2.8 million increase was primarily the result of the County increasing its cash reserves through the budgeting process to establish a three-month operating reserve.
- Capital assets – the increase of \$3.4 million was mainly due to significant construction activity that occurred during the past year involving state and federal funding for major airport improvement projects at the Nogales International Airport and the completion of a County recreational complex. Additional information on the County's capital assets can be found in Note 6 of the Notes to Financial Statements on pages 36 and 37 of this report.
- Current and other liabilities – the \$1.2 million increase was primarily due to significant increases in accounts payables at June 30, 2004 relating to capital outlay expenditures recorded in the Airport Fund.
- Long-term liabilities – the decrease of \$0.7 million was primarily attributable to payments made by the County during the year to reduce the debt service requirements relating to general obligation bonds and capital lease obligations. Additional information on the County's long-term liabilities can be found in Note 7 of the Notes to Financial Statements on pages 38 - 41 of this report.

# Santa Cruz County Management's Discussion and Analysis

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## Changes in Net Assets

The following table indicates the changes in net assets for governmental and business-type activities:

Statement of Activities  
For the Years Ended June 30, 2004 and 2003

	Governmental Activities	Business-Type Activities	Total	Governmental Activities
	2004	2004	2004	2003
Revenues:				
Program revenues:				
Charges for services	\$ 3,997,904	\$1,829,006	\$ 5,826,910	\$ 4,955,201
Operating grants and contributions	12,706,698		12,706,698	11,322,828
Capital grants and contributions	2,817,734		2,817,734	100,152
General revenues:				
Property taxes	10,043,657		10,043,657	9,819,543
Share of state sales taxes	5,595,442		5,595,442	5,828,156
Payments in lieu of taxes	620,674		620,674	591,316
Grants and contributions not restricted to specific programs	572,794		572,794	550,035
Investment income	212,222	6,340	218,562	(113,151)
Miscellaneous	59,594	13,101	72,695	51,705
Total revenues	<u>36,626,719</u>	<u>1,848,447</u>	<u>38,475,166</u>	<u>33,105,785</u>
Expenses:				
General government	11,809,528		11,809,528	10,129,266
Public safety	6,821,837		6,821,837	5,758,114
Highways and streets	4,635,811		4,635,811	3,408,878
Health, welfare and sanitation	3,527,367		3,527,367	4,935,446
Education and economic opportunity	4,432,292		4,432,292	3,999,363
Recreation	208,726		208,726	153,514
Interest on long-term debt	84,270		84,270	107,631
Landfill		1,350,304	1,350,304	
Total expenses	<u>31,519,831</u>	<u>1,350,304</u>	<u>32,870,135</u>	<u>28,492,212</u>
Change in net assets	5,106,888	498,143	5,605,031	4,613,573
Net assets (deficit)—beginning, as restated	25,846,636	(952,395)	24,894,241	20,280,668
Net assets (deficit)—ending	<u>\$30,953,524</u>	<u>\$ (454,252)</u>	<u>\$30,499,272</u>	<u>\$24,894,241</u>

Explanations for the significant changes in the revenues and expenses for the government-wide financial statements can be found on pages 10 and 11 of this report.

# **Santa Cruz County**

## **Management's Discussion and Analysis**

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### Governmental Activities

#### **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, 2004, the County's governmental funds reported combined fund balances of \$12,454,605, an increase of \$1,427,049, as restated, in comparison with the prior year. Approximately 95% of the combined fund balances, \$11,858,228, constitutes unreserved fund balance, which is available to meet the County's current and future needs. The remainder of fund balance is reserved, indicating that it is not available for new spending because it has been committed for debt service expenditures.

The General Fund is the County's primary operating fund. At the end of the current fiscal year, unreserved fund balance of the General Fund was \$8,838,584. Unreserved fund balance represents 49% of total General Fund expenditures. This ratio indicates a strong fund balance position in comparison to expenditures.

During the fiscal year, the fund balance of the County's General Fund increased by \$1,430,277 due largely to the implementation of a county policy that requires a three-month operating reserve. In addition, assessed valuation, new construction, and prior years' property tax collections increased over the prior fiscal year.

The Road Fund's balance decreased by \$361,261 over the prior fiscal year. A key factor in this decrease is that the state shifted mandates as a result of September 11.

The increases in fund balance in the Criminal Justice Enhancement Fund, WIA, and Other Governmental Funds of \$239,308, \$129,907, and \$341,562, respectively, are due to increases in federal and state funding, and more timely reimbursements from federal and state grants.

The Airport Fund's balance decreased \$352,744 from the prior fiscal year. The Airport Fund received additional federal and state funding during the current fiscal year which increased expenditures. However, due to the nature of the airport projects, reimbursement was not requested nor received, creating an overall decrease in this fund's balance.



## Santa Cruz County Management's Discussion and Analysis

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The following table presents the amount of governmental revenues from various sources as well as the increases or decreases from the prior year.

<i>Revenues by Source</i>	FY 2003-04		FY 2002-03		Increase/(Decrease)	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Change
Taxes	\$11.7	32%	\$11.0	34%	\$0.7	6%
Intergovernmental	21.3	58	16.7	52	4.6	28
Licenses and permits	.9	3	.7	2	0.2	29
Charges for services	1.4	4	2.7	8	(1.3)	(48)
Fines and forfeits	1.1	3	1.0	3	0.1	10
Investment income	.2	0	(0.1)	0	.3	>100
Miscellaneous	.2	0	.2	1		0
<b>Totals</b>	<b>\$36.8</b>	<b>100%</b>	<b>\$32.2</b>	<b>100%</b>	<b>\$4.6</b>	<b>14</b>

The following provides an explanation of revenues, by source, that changed significantly over the prior year:

- Taxes – the increase of \$700 thousand was primarily due to the collection of prior years' property taxes and a slight increase in the assessed property valuation.
- Intergovernmental – the \$4.6 million dollar increase is due largely to new federal and state grants. Homeland security and education grants make up the largest portion of new funding during this fiscal year.
- Charges for Services – the \$1.3 million decrease is due to the creation of the County's landfill operations as an Enterprise Fund during the current fiscal year. Therefore, these revenues are now captured in the Enterprise Fund rather than the governmental funds.

## Santa Cruz County Management's Discussion and Analysis

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The following table presents governmental expenditures by function compared to prior year amounts.

<i>Expenditures by Function</i>	FY 2003-04		FY 2002-03		Increase/(Decrease)	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Change
General government	\$12.1	34%	\$ 9.9	33%	\$2.2	22%
Public safety	6.7	19	5.7	19	1.0	18
Highways and streets	4.7	13	3.7	12	1.0	27
Health, welfare and sanitation	3.6	10	4.9	16	(1.3)	(26)
Education and economic opportunity	4.4	12	4.0	13	0.4	10
Recreation	.2	1	.2	1	0.0	0
Capital outlay	3.1	9	1.1	4	2.0	>100
Debt service	.6	2	.6	2	0.0	0
<b>Totals</b>	<b>\$35.4</b>	<b>100%</b>	<b>\$30.1</b>	<b>100%</b>	<b>\$5.3</b>	<b>17%</b>

The overall increase in expenditures from the prior year is due to the increase in salaries and capital outlay during the current fiscal year. After September 11, the County froze salaries and capital outlay in an effort to present a balanced budget and absorb the costs shifted to the County from the State. Now that the economy appears to have stabilized, the County is addressing its salary and capital outlay needs that were frozen for the past two fiscal years.

The decrease in expenditures for health, welfare and sanitation is due to the creation of an Enterprise Fund to account for the County's landfill activities. These expenditures are now captured as business-type activities rather than governmental activities.

### General Fund Budgetary Highlights

The County did not amend the fiscal year 2003-04 adopted budget. General Fund actual expenditures were over \$5 million under the adopted budget and actual revenues exceeded estimated revenues by \$1.9 million. The County conservatively estimated revenues, and actual revenues were not as adversely impacted by the current economic conditions as originally believed. Also, the County reduced the expenditures in anticipation of reduced revenues. The only department that substantially exceeded its departmental expenditure budget was the Elections Office. The Elections Office exceeded its budget by \$215 thousand due to unanticipated, state-mandated purchase of new election equipment. The County has subsequently been reimbursed by the State for this equipment. The County does not anticipate any effects on its liquidity or future services.

# Santa Cruz County Management's Discussion and Analysis

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## Capital Assets and Debt Administration

### Capital Assets

The County's investment in capital assets as of June 30, 2004, amounted to \$23.1 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements other than buildings, construction equipment and vehicles, furniture and equipment, construction in progress and infrastructure. The County's investment in capital assets increased by 17 percent from the prior period. Major capital asset events during the current fiscal year included the following:

- Land increased by \$900 thousand primarily due to the creation of a County-owned recreational park.
- Construction in progress increased by \$2.1 million primarily due to an increase in federal and state funding for various airport improvement projects.

	Capital Assets (Net of depreciation) (In Millions)				
	Governmental Activities 2004	Business- Type Activities 2004	Total 2004	Governmental Activities 2003	Percent of Change
Land	\$ 6.6	\$ .2	\$ 6.8	\$ 5.9	15%
Buildings	6.1	.2	6.3	6.5	(3)
Improvements other than buildings	1.9	1.8	3.7	3.7	0
Construction equipment and vehicles	1.7	.8	2.5	2.4	4
Furniture and equipment	1.0		1.0	0.9	11
Construction in progress	2.4		2.4	0.3	>100
Infrastructure	0.4		0.4		>100
Totals	<u>\$20.1</u>	<u>\$3.0</u>	<u>\$23.1</u>	<u>\$19.7</u>	17

Additional information on the County's capital assets can be found in Note 6 of the Notes to Financial Statements on pages 36 and 37 of this report.

## **Santa Cruz County Management's Discussion and Analysis**

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### Long-Term Debt

At June 30, 2004, the County had total long-term debt outstanding of \$3,034,970. This amount consists of general obligation bonds (\$1.0 million), capital leases (\$1.4 million), and long-term notes (\$616 thousand). The County made all scheduled debt payments totaling \$1.1 million and entered into new lease agreements totaling \$124 thousand. There were no changes to the County's credit ratings or debt limitations during the current fiscal year.

Additional information on the County's long-term debt can be found in Note 7 of the Notes to Financial Statements on pages 38 – 41 of this report.

### **Economic Factors and Next Year's Budget**

- The volatility of the current economic climate has generated significant uncertainty in forecasting future financial activity. The County faces a less-than-favorable economic environment due to the budget deficit at the state level. State-shared revenues are expected to be less than prior year's while the County's contributions to state programs such as AHCCCS and ALTCS continue to rise. This dismal situation led the County to develop contingency plans, such as a reduction in force, to help offset rising costs and less revenue.
- Unemployment rates continue to reach all-time highs exceeding 15% this past year. Recovery from the recession will likely track behind national levels due to a limited employment base.
- Property tax revenues are expected to increase due to increases in assessed valuation and new construction. Building permit revenues have also increased significantly with the upsurge in housing starts.
- Sales tax revenues remain largely unaffected by national trends due to vigorous cross border trade.
- The County's contribution to the state retirement system is expected to increase by 45% beginning July 1, 2005.

### **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.

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## **BASIC FINANCIAL STATEMENTS**

# SANTA CRUZ COUNTY

## STATEMENT OF NET ASSETS JUNE 30, 2004

	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Cash and cash equivalents	\$ 11,137,093	\$ 118,450	\$ 11,255,543
Property taxes receivable (net of allowances for uncollectibles)	1,383,224		1,383,224
Due from other governmental units	4,685,053	133,637	4,818,690
Accounts receivable	71,675	17,981	89,656
Prepaid items	40,401		40,401
Capital assets:			
Nondepreciable	8,949,386	229,996	9,179,382
Depreciable (net)	11,155,559	2,793,558	13,949,117
Total assets	<u>37,422,391</u>	<u>3,293,622</u>	<u>40,716,013</u>
<b>Liabilities</b>			
Accounts payable	2,291,784	35,914	2,327,698
Accrued payroll and employee benefits	328,561	8,984	337,545
Noncurrent liabilities:			
Due within 1 year	1,557,456	253,939	1,811,395
Due in more than 1 year	2,291,066	3,449,037	5,740,103
Total liabilities	<u>6,468,867</u>	<u>3,747,874</u>	<u>10,216,741</u>
<b>Net Assets</b>			
Invested in capital assets, net of related debt	18,316,662	2,392,895	20,709,557
Restricted for:			
Highways and streets	1,418,869		1,418,869
Capital projects	30,580		30,580
Debt service	675,442		675,442
Unrestricted (deficit)	10,511,971	(2,847,147)	7,664,824
Total net assets (deficit)	<u>\$ 30,953,524</u>	<u>\$ (454,252)</u>	<u>\$ 30,499,272</u>

See accompanying notes to financial statements

# SANTA CRUZ COUNTY

## STATEMENT OF ACTIVITIES YEAR ENDED JUNE 30, 2004

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Functions/Programs</b>							
Governmental activities:							
General government	\$ 11,809,528	\$ 2,087,213	\$ 3,558,848	\$ 1,918,974	\$ (4,244,493)		\$ (4,244,493)
Public safety	6,821,837	1,240,941	1,213,974		(4,366,922)		(4,366,922)
Highways and streets	4,635,811	45	3,962,051		(673,715)		(673,715)
Health, welfare and sanitation	3,527,367	544,650	581,417		(2,401,300)		(2,401,300)
Education and economic opportunity	4,432,292	117,531	3,390,408		(924,353)		(924,353)
Recreation	208,726	7,524		898,760	697,558		697,558
Interest on long-term debt	84,270				(84,270)		(84,270)
Total governmental activities	<u>31,519,831</u>	<u>3,997,904</u>	<u>12,706,698</u>	<u>2,817,734</u>	<u>(11,997,495)</u>		<u>(11,997,495)</u>
Business-type activities:							
Landfill	1,350,304	1,829,006				\$ 478,702	478,702
Total business-type activities	<u>1,350,304</u>	<u>1,829,006</u>				<u>478,702</u>	<u>478,702</u>
Total primary government	<u>\$ 32,870,135</u>	<u>\$ 5,826,910</u>	<u>\$ 12,706,698</u>	<u>\$ 2,817,734</u>	<u>(11,997,495)</u>	<u>478,702</u>	<u>(11,518,793)</u>
<b>General revenues:</b>							
Taxes:							
Property taxes					10,043,657		10,043,657
Share of State sales taxes					5,595,442		5,595,442
Payments in lieu of taxes					620,674		620,674
Grants and contributions not restricted to specific programs					572,794		572,794
Investment earnings					212,222	6,340	218,562
Miscellaneous					59,594	13,101	72,695
Total general revenues					<u>17,104,383</u>	<u>19,441</u>	<u>17,123,824</u>
Changes in net assets					5,106,888	498,143	5,605,031
<b>Net assets (deficit) - July 1, 2003, as restated</b>					<u>25,846,636</u>	<u>(952,395)</u>	<u>24,894,241</u>
<b>Net assets (deficit) - June 30, 2004</b>					<u>\$ 30,953,524</u>	<u>\$ (454,252)</u>	<u>\$ 30,499,272</u>

See accompanying notes to financial statements



**SANTA CRUZ COUNTY**

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2004**

	General Fund	Road Fund	Criminal Justice Enhancement Fund	WIA Fund	Airport Fund	Other Governmental Funds	Total
<b>Assets</b>							
Cash and cash equivalents	\$ 5,841,089	\$ 1,451,458	\$ 527,092	\$ 23,691	\$ 56,170	\$ 3,237,593	\$ 11,137,093
Property taxes receivable (net of allowances for uncollectibles)	1,085,387					297,837	1,383,224
Due from other governmental units	617,532	306,988	702,082	947,996	1,386,844	723,611	4,685,053
Due from other funds	2,508,203						2,508,203
Accounts receivable	62,097	120	425	40		8,993	71,675
Prepaid items	40,338		63				40,401
<b>Total assets</b>	<b>\$ 10,154,646</b>	<b>\$ 1,758,566</b>	<b>\$ 1,229,662</b>	<b>\$ 971,727</b>	<b>\$ 1,443,014</b>	<b>\$ 4,268,034</b>	<b>\$ 19,825,649</b>
<b>Liabilities and Fund Balances</b>							
<b>Liabilities:</b>							
Accounts payable	\$ 325,906	\$ 220,227	\$ 26,145	\$ 213,215	\$ 1,143,517	\$ 362,774	\$ 2,291,784
Accrued payroll and employee benefits	196,285	23,625	20,956	12,941		74,754	328,561
Due to other funds			684,122	929,184	271,915	622,982	2,508,203
Deferred revenue	793,871		368,012	196,396	411,487	472,730	2,242,496
<b>Total liabilities</b>	<b>1,316,062</b>	<b>243,852</b>	<b>1,099,235</b>	<b>1,351,736</b>	<b>1,826,919</b>	<b>1,533,240</b>	<b>7,371,044</b>
<b>Fund Balances:</b>							
<b>Reserved for:</b>							
Debt service						596,377	596,377
<b>Unreserved, reported in:</b>							
General fund	8,838,584						8,838,584
Special Revenue funds (deficit)		1,514,714	130,427	(380,009)		2,146,138	3,411,270
Capital Projects funds (deficits)					(383,905)	(7,721)	(391,626)
<b>Total fund balances (deficits)</b>	<b>8,838,584</b>	<b>1,514,714</b>	<b>130,427</b>	<b>(380,009)</b>	<b>(383,905)</b>	<b>2,734,794</b>	<b>12,454,605</b>
<b>Total liabilities and fund balances</b>	<b>\$ 10,154,646</b>	<b>\$ 1,758,566</b>	<b>\$ 1,229,662</b>	<b>\$ 971,727</b>	<b>\$ 1,443,014</b>	<b>\$ 4,268,034</b>	<b>\$ 19,825,649</b>

See accompanying notes to financial statements

# SANTA CRUZ COUNTY

## RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET ASSETS GOVERNMENTAL FUNDS JUNE 30, 2004

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**Total fund balances - governmental funds (page 18)** \$ 12,454,605

Amounts reported for governmental activities in the Statement of Net Assets 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 \$30,903,829 and the accumulated depreciation is \$10,798,884. 20,104,945

Some of the county's property tax receivables and due from other governmental units are not available to pay for current-period expenditures and, therefore, are deferred in the funds. 2,242,496

Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.

Compensated absences payable	\$ (1,369,211)	
General obligation bonds payable	(1,040,000)	
Obligations under capital leases	(748,283)	
Long-term notes payable	(616,028)	
Estimated liabilities for claims and judgments	(75,000)	(3,848,522)

**Net assets of governmental activities (page 16)** \$ 30,953,524

**SANTA CRUZ COUNTY**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2004**

	General Fund	Road Fund	Criminal Justice Enhancement Fund	WIA Fund	Airport Fund	Other Governmental Funds	Total
<b>Revenues</b>							
Taxes	\$ 9,603,505					\$ 2,093,874	\$ 11,697,379
Intergovernmental	7,769,805	\$ 3,450,006	\$ 1,388,659	\$ 2,061,771	\$ 1,779,402	4,874,084	21,323,727
Licenses and permits	878,249						878,249
Charges for services	688,531	45	26,659			670,126	1,385,361
Fines and forfeits	680,099		247,833			143,386	1,071,318
Investment income	87,466	22,299	68,046			34,411	212,222
Rents	2,593					30,000	32,593
Miscellaneous	60,579	5,104	24,699	37,188		47,442	175,012
Total revenues	19,770,827	3,477,454	1,755,896	2,098,959	1,779,402	7,893,323	36,775,861
<b>Expenditures</b>							
Current:							
General government	9,385,048		716,342			1,959,502	12,060,892
Public safety	5,186,792		880,792			615,222	6,682,806
Highways and streets		3,846,215				908,958	4,755,173
Health, welfare and sanitation	2,245,461					1,324,395	3,569,856
Education and economic opportunity	1,149,690			1,969,052		1,311,614	4,430,356
Recreation	206,567						206,567
Capital outlay			51,132		2,187,543	891,349	3,130,024
Debt service:							
Principal						480,000	480,000
Interest and other charges						84,270	84,270
Total expenditures	18,173,558	3,846,215	1,648,266	1,969,052	2,187,543	7,575,310	35,399,944
Excess (deficiency) of revenues over expenditures	1,597,269	(368,761)	107,630	129,907	(408,141)	318,013	1,375,917
<b>Other financing sources (uses):</b>							
Capital lease agreements			51,132				51,132
Transfers in	217,889	7,500	80,546		55,397	336,508	697,840
Transfers out	(384,881)					(312,959)	(697,840)
Total other financing sources (uses)	(166,992)	7,500	131,678		55,397	23,549	51,132
Net change in fund balances	1,430,277	(361,261)	239,308	129,907	(352,744)	341,562	1,427,049
Fund balances (deficits), July 1, 2003, as restated	7,408,307	1,875,975	(108,881)	(509,916)	(31,161)	2,393,232	11,027,556
Fund balances (deficits), June 30, 2004	\$ 8,838,584	\$ 1,514,714	\$ 130,427	\$ (380,009)	\$ (383,905)	\$ 2,734,794	\$ 12,454,605

# 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, 2004

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**Net change in fund balances - total governmental funds (page 20)** \$ 1,427,049

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 expense.

Capital outlays and current-year capital lease acquisitions	\$ 4,495,906	
Less: current-year depreciation	<u>1,263,470</u>	3,232,436

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 nets assets differs from the  
change in fund balance by the book value of the capital assets sold. (20,486)

Some expenses in the Statement of Activities do not require the use of current financial  
resources and, therefore, are not reported as expenditures in the governmental funds.

Change in compensated absences	(156,807)
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The issuance of long-term debt (e.g., bonds, leases) provides current financial resources  
to the governmental funds, while the repayment of the principal on long-term debt  
consumes the current financial resources of the governmental funds. Neither  
transaction, however, has any effect on net assets.

Debt incurred:		
Capital lease financing	(51,132)	
Principal repayments:		
General obligation bonds payable	480,000	
Long-term notes payable	167,498	
Obligations under capital leases	<u>177,472</u>	773,838

Collections of deferred revenues in the governmental funds exceeded revenues reported in the Statement of Activities.	<u>(149,142)</u>
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**Change in net assets of governmental activities (page 17)** \$ 5,106,888

# SANTA CRUZ COUNTY

## STATEMENT OF NET ASSETS PROPRIETARY FUNDS JUNE 30, 2004

	Business-Type Activites - Enterprise Fund <u>Landfill</u>
<b>Assets</b>	
Current assets:	
Cash and cash equivalents	\$ 118,450
Due from other governmental units	133,637
Accounts receivable	17,981
Total current assets	<u>270,068</u>
Noncurrent assets:	
Capital assets:	
Nondepreciable	229,996
Depreciable (net)	<u>2,793,558</u>
Total noncurrent assets	<u>3,023,554</u>
Total assets	<u>3,293,622</u>
<b>Liabilities</b>	
Current liabilities:	
Accounts payable	35,914
Accrued payroll and employee benefits	8,984
Obligations under capital leases - current portion	232,018
Landfill closure and postclosure care costs payable - current portion	5,100
Compensated absences payable - current portion	16,821
Total current liabilities	<u>298,837</u>
Noncurrent liabilities:	
Obligations under capital leases	398,641
Landfill closure and postclosure care costs payable	3,031,219
Compensated absences payable	19,177
Total noncurrent liabilities	<u>3,449,037</u>
Total liabilities	<u>3,747,874</u>
<b>Net Assets</b>	
Invested in capital assets, net of related debt	2,392,895
Unrestricted (deficit)	<u>(2,847,147)</u>
Deficit	<u>\$ (454,252)</u>

See accompanying notes to financial statements

# SANTA CRUZ COUNTY

## STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS PROPRIETARY FUNDS YEAR ENDED JUNE 30, 2004

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	Business-Type Activities - Enterprise Fund <u>Landfill</u>
<b>Operating revenues</b>	
Landfill fees	\$ 1,829,006
Miscellaneous	4,485
Total operating revenues	<u>1,833,491</u>
<b>Operating expenses</b>	
Personal services	466,850
Professional services	28,581
Supplies	107,787
Utilities	25,250
Repairs and maintenance	125,326
Recycling program	61,029
Insurance	43,661
Landfill closure and postclosure care costs	164,694
Depreciation	204,354
Other	91,767
Total operating expenses	<u>1,319,299</u>
Operating income	<u>514,192</u>
<b>Nonoperating revenues (expenses)</b>	
Investment income	6,340
Other revenue	8,616
Interest expense on capital leases	<u>(31,005)</u>
Total nonoperating expenses	<u>(16,049)</u>
Increase in net assets	498,143
Deficit, July 1, 2003, as restated	<u>(952,395)</u>
Deficit, June 30, 2004	<u>\$ (454,252)</u>

See accompanying notes to financial statements

# SANTA CRUZ COUNTY

## STATEMENT OF CASH FLOWS PROPRIETARY FUNDS YEAR ENDED JUNE 30, 2004

	Business-Type Activities - Enterprise Fund Landfill
<b>Cash flows from operating activities</b>	
Receipts from customers	\$ 1,718,259
Payments to suppliers and providers of goods and services	(515,946)
Payments to employees	(459,988)
Net cash provided by operating activities	<u>742,325</u>
<b>Cash flows from capital and related financing activities</b>	
Purchases of capital assets	(290,506)
Principal paid on capital leases	(308,704)
Interest paid on capital leases	(31,005)
Net cash used for capital and related financing activities	<u>(630,215)</u>
<b>Cash flows from investing activities</b>	
Interest received on investments	6,340
Net cash provided by investing activities	<u>6,340</u>
 Net increase in cash and cash equivalents	 118,450
 Cash and cash equivalents, July 1, 2003	
 Cash and cash equivalents, June 30, 2004	 <u>\$ 118,450</u>
 Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 514,192
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	204,354
Changes in assets and liabilities:	
Increase in:	
Accounts payable	4,627
Accrued payroll and employee benefits	3,886
Compensated absences payable	2,977
Due from other governmental units	(116,970)
Landfill closure and post closure care costs payable	164,694
Decrease in:	
Accounts receivable	1,737
Due to other funds	(37,172)
Net cash provided by operating activities	<u>\$ 742,325</u>
 Noncash investing, capital, and noncapital financing activities:	
Acquisition of assets under capital lease agreements	\$ 72,769

See accompanying notes to financial statements

# SANTA CRUZ COUNTY

## STATEMENT OF FIDUCIARY NET ASSETS FIDUCIARY FUNDS JUNE 30, 2004

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	Investment Trust Funds	Agency Funds
<b>Assets</b>		
Cash and cash equivalents	\$ 4,447,708	\$ 1,477,413
Investments	<u>6,757,325</u>	
Total assets	<u>11,205,033</u>	<u>\$ 1,477,413</u>
<b>Liabilities</b>		
Due to other governmental units		\$ 640,502
Deposits held for others		<u>836,911</u>
Total liabilities		<u>\$ 1,477,413</u>
<b>Net Assets</b>		
Held in trust for investment participants	<u>\$ 11,205,033</u>	

See accompanying notes to financial statements



# SANTA CRUZ COUNTY

## STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS FIDUCIARY FUNDS YEAR ENDED JUNE 30, 2004

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	<u>Investment Trust Funds</u>
<b>Additions</b>	
Contributions from participants	\$ 104,044,945
Income on investments	541,020
Total additions	<u>104,585,965</u>
<b>Deductions</b>	
Distributions to participants	<u>105,926,310</u>
Total deductions	<u>105,926,310</u>
Change in net assets	(1,340,345)
Net assets - July 1, 2003	<u>12,545,378</u>
Net assets - June 30, 2004	<u><u>\$ 11,205,033</u></u>

See accompanying notes to financial statements

# SANTA CRUZ COUNTY

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2004

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

#### A. Reporting Entity

The County is a general purpose local government that is governed by a separately elected board of three county supervisors. 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 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 combined financial statements to emphasize they are legally separate from the County. The blended component unit discussed below has a June 30 year-end. The County has no discretely presented component units.

The following describes the County's component unit:

Component Unit	Description; Criteria for Inclusion	Reporting Method	For Separate Financial Statements
Santa Cruz County Flood Control District	A tax-levying district that provides flood control systems; County board of supervisors serves as board of directors	Blended	Not available

#### 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 usefulness of the information.

**Government-wide statements**—provide information about the primary government (the County) and its component units. The statements include a statement of net assets and a statement of activities. These statements report the financial activities of the overall government, except for fiduciary activities. They also distinguish between the governmental and business-type activities of the County. 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.

# SANTA CRUZ COUNTY

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2004

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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, 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 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 investment income, result from transactions in which the parties do not exchange equal values. Revenues generated by ancillary activities are also reported as nonoperating revenues. Operating expenses include the cost of services, administrative expenses, and depreciation on capital assets. Other expenses, such as interest expense, are considered to be 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 other funds.

*The Road Fund* accounts for monies from specific revenue sources that are restricted for road maintenance and operations and for pavement preservation.

# SANTA CRUZ COUNTY

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2004

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*The Criminal Justice Enhancement Fund* accounts for various public safety and criminal justice programs that provide crime prevention, criminal apprehension, and prosecution.

*The Workforce Investment Act (WIA) Fund* accounts for federal programs to help educate and train low-income youth and adults to improve the quality of the workforce.

*The Airport Fund* accounts for Federal Aviation Administration grant monies, with matching state and county monies to be spent for airport safety and capacity improvements at the Nogales International Airport.

The County reports the following major enterprise fund:

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

The County reports the following fund types:

*The Investment Trust Funds* accounts for pooled assets held and invested by the County Treasurer on behalf of the County's departments and other governmental entities.

*The Agency Funds* account for assets held by the County as an agent for the State and various local governments, and for property taxes collected and distributed to the State, local school districts, and special districts.

### **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.

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 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. 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 post-closure 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 capital lease agreements are reported as other financing sources.

# SANTA CRUZ COUNTY

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2004

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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 assets available to finance the program. The County applies grant resources to such programs before using general revenues.

The County's business-type activities and enterprise fund follows FASB Statements and Interpretations issued on or before November 30, 1989; Accounting Principles Board Opinions; and Accounting Research Bulletins, unless those pronouncements conflict with GASB pronouncements. The County has chosen the option not to follow FASB Statements and Interpretations issued after November 30, 1989.

### **D. Cash and Investments**

The County considers only those highly liquid investments with a maturity of 3 months or less when purchased to be cash equivalents.

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 time of purchase are stated at amortized cost. All other investments are stated at fair value.

### **E. Inventories and Prepaid Items**

Inventories of the governmental and proprietary funds consist of expendable supplies held for consumption and are recorded at the time of purchase as expenditures/expenses in the funds from which the purchases were made, and because the amounts on hand at June 30, 2004, were immaterial, they are not included in the Statement of Net Assets or the Balance Sheet.

The County uses the consumption method to record certain payments to vendors that reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

### **F. Property Tax Calendar**

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

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

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

# SANTA CRUZ COUNTY

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2004

---

### G. Capital Assets

Capital assets are reported at actual cost. Donated assets are reported at estimated fair value at the time received.

Capitalization thresholds (the dollar values above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets reported in the government-wide and proprietary funds are as follows:

	<b>Capitalization Threshold</b>	<b>Depreciation Method</b>	<b>Estimated Useful Life</b>
Land	\$10,000	N/A	N/A
Buildings	10,000	Straight line	15-40 years
Improvements other than buildings	10,000	Straight line	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	35 years

### H. Investment Income

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

### I. Compensated Absences

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

Employees may accumulate up to 240 hours of vacation depending on years of service, but any vacation hours in excess of the maximum amount that are unused at year-end are forfeited. Upon termination of employment, all unused and unforfeited vacation benefits are paid to employees. Accordingly, vacation benefits are accrued as a liability in the financial statements.

# SANTA CRUZ COUNTY

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2004

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Employees may accumulate an unlimited number of sick leave hours. Generally sick leave benefits provide for ordinary sick pay and are cumulative but are forfeited upon termination of employment. However, for employees who terminate with a minimum of five years of continuous service and have accumulated sick leave hours in excess of 240 hours, sick leave benefits do vest and, therefore, are accrued. Such eligible terminating employees are compensated for actual sick leave at a percentage in proportion to years of service provided.

### NOTE 2 – BEGINNING BALANCES RESTATED

Effective July 1, 2003, the County established an enterprise fund to account for the financial activities relating to the County landfills. Activities relating to these landfills were previously accounted for in the General Fund and the restatement increased beginning fund balances of the General Fund by \$37,172. In addition, the capital assets, net of accumulated depreciation, and long-term liabilities at July 1, 2003, were restated for those capital assets and long-term liabilities that were transferred to the Enterprise Fund. The reconciliation below summarizes the differences between General Fund fund balance as of June 30, 2003, as previously reported, and the net assets as of July 1, 2003, reported in the government-wide Statement of Activities:

	General Fund	Governmental Activities	Business-Type Activities (Enterprise Fund)
Fund balance as of June 30, 2003	\$7,371,135		
Reclassification of landfills activities from General Fund to Enterprise Fund	<u>37,172</u>		
Fund balance as of June 30, 2003, as Restated	<u>\$7,408,307</u>		
Net assets of governmental and business-type activities as of June 30, 2003		\$24,894,241	
Reclassification of landfills capital assets, net of accumulated depreciation, from governmental to business-type activities		(2,856,017)	\$ 2,856,017
Reclassification of landfills long-term liabilities from governmental to business-type activities		3,771,240	(3,771,240)
Reclassification of landfills activities from General Fund to Enterprise Fund		<u>37,172</u>	<u>(37,172)</u>
Net assets (deficit) as of July 1, 2003, as restated		<u>\$25,846,636</u>	<u>\$ (952,395)</u>

# SANTA CRUZ COUNTY

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2004

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### NOTE 3 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

At June 30, 2004, the following funds reported deficits in fund balances:

<u>Fund</u>	<u>Deficit</u>
<b>Governmental Funds</b>	
Recreation	\$ 7,721
Exercises	275,461
Law Library	1,215
Animal Control	12,527
WIA	380,009
Airport	383,905
<b>Enterprise fund</b>	
Landfill	454,252

These deficits resulted from operations during the year, but are expected to be corrected through normal operations in fiscal year 2004-2005 or through transfers from the General Fund.

### NOTE 4 – DEPOSITS AND INVESTMENTS

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

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

*Deposits* – At June 30, 2004, the investment pool had cash on hand of \$247,614. The carrying amount of the investment pool's total cash in bank was \$3,989,400, and the bank balance was \$6,416,408. Of the bank balance, \$100,000 was covered by federal depository insurance and \$6,316,408 was covered by collateral held by the pledging financial institution's trust department or agent in the County's name.



# SANTA CRUZ COUNTY

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2004

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*Investments* – At June 30, 2004, the investments in the County Treasurer’s investment pool consisted of the following:

	<b>Fair Value</b>
Investment in State Treasurer’s investment pool	\$ 4,322,619
U.S. government securities	<u>6,757,325</u>
Total	<u><u>\$11,079,944</u></u>

The State Board of Investment provides oversight for the State Treasurer’s pools, and the Local Government Investment Pool Advisory Committee provides consultation and advice to the Treasurer. The fair value of a participant’s position in the pool approximates the value of that participant’s pool shares. Those shares are not identified with specific investments and are not subject to custodial credit risk. All other investments were uninsured or unregistered with securities held by the counterparty’s trust department or agent in the County’s name.

**Other Deposits** – At June 30, 2004, non-pooled cash on hand was \$4,545. The carrying amount of the County’s total nonpooled cash in bank was \$1,477,711, and the bank balance was \$3,132,669. Of the bank balance, \$717,575 was covered by federal depository insurance and \$2,415,094 was covered by collateral held by the pledging financial institution’s trust department or agent in the County’s name.

**Other Investments** – At June 30, 2004, the County’s nonpooled investments consisted of the following:

	<b>Fair Value</b>
Investment in State Treasurer’s investment pool	<u>\$7,138,775</u>

# SANTA CRUZ COUNTY

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2004

---

A reconciliation of cash and investments to amounts shown as cash and cash equivalents on the Statement of Net Assets follows:

Cash and investments:

	<b>County Treasurer's Investment Pool</b>	<b>Other</b>	<b>Total</b>
Cash on hand	\$ 247,614	\$ 4,545	\$ 252,159
Carrying amount of deposits	3,989,400	1,477,711	5,467,111
Reported amount of investments	11,079,944	7,138,775	18,218,719
<b>Total</b>	<b>\$ 15,316,958</b>	<b>\$ 8,621,031</b>	<b>\$ 23,937,989</b>

Statement of Net Assets:

	<b>Total Primary Governments</b>	<b>Total Fiduciary Funds</b>	<b>Total</b>
Cash and cash equivalents	\$ 11,255,543	\$ 5,925,121	\$ 17,180,664
Investments		6,757,325	6,757,325
<b>Total</b>	<b>\$ 11,255,543</b>	<b>\$ 12,682,446</b>	<b>\$ 23,937,989</b>

### NOTE 5 – DUE FROM OTHER GOVERNMENTAL UNITS

Amounts due from other governmental units at June 30, 2004, in the General Fund include \$333,752 in sales taxes and \$115,850 in auto lieu tax from the State of Arizona. Amounts due from other governmental units in the Road Fund include \$306,988 in highway user taxes from the State of Arizona. Amounts due from other governmental units in the Enterprise Fund include \$133,637 due from the City of Nogales and Patagonia for landfill fees. Amounts due from other governmental units in the Criminal Justice Enhancement Fund, WIA Fund, Airport Fund, and Other Governmental Funds include, \$702,082, \$947,996, \$1,386,844, and \$537,895 respectively, from federal reimbursement grants. The remaining balances results from various grants and contracts with other governmental units and interest due on investments held by the State Treasurer.

# SANTA CRUZ COUNTY

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2004

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### NOTE 6 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2004, was as follows:

	Balance July 1, 2003, as restated	Increases	Decreases	Balance June 30, 2004
<b>Governmental activities:</b>				
Capital assets not being depreciated:				
Land	\$ 5,703,395	\$ 892,709		\$ 6,596,104
Construction in progress (estimated cost to complete \$6,986,500)	319,186	3,369,810	\$ 1,335,714	2,353,282
Total capital assets not being depreciated	<u>6,022,581</u>	<u>4,262,519</u>	<u>1,335,714</u>	<u>8,949,386</u>
Capital assets being depreciated:				
Buildings	10,208,843	94,100		10,302,943
Improvements other than buildings	2,429,575			2,429,575
Construction equipment and vehicles	5,879,931	574,628	213,093	6,241,466
Furniture and equipment	2,113,092	457,368	33,006	2,537,454
Infrastructure		443,005		443,005
Total	<u>20,631,441</u>	<u>1,569,101</u>	<u>246,099</u>	<u>21,954,443</u>
Less accumulated depreciation for:				
Buildings	3,865,811	257,574		4,123,385
Improvements other than buildings	511,693	60,739		572,432
Construction equipment and vehicles	4,113,552	631,386	192,607	4,552,331
Furniture and equipment	1,269,971	310,177	33,006	1,547,142
Infrastructure		3,594		3,594
Total	<u>9,761,027</u>	<u>1,263,470</u>	<u>225,613</u>	<u>10,798,884</u>
Total capital assets being depreciated, net	<u>10,870,414</u>	<u>305,631</u>	<u>20,486</u>	<u>11,155,559</u>
Governmental activities capital assets, net	<u>\$ 16,892,995</u>	<u>\$ 4,568,150</u>	<u>\$ 1,356,200</u>	<u>\$ 20,104,945</u>

# SANTA CRUZ COUNTY

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2004

	Balance July 1, 2003, as restated	Increases	Decreases	Balance June 30, 2004
<b>Business-type activities:</b>				
Capital assets not being depreciated:				
Land	\$ 229,996			\$ 229,996
Total capital assets not being depreciated	<u>229,996</u>			<u>229,996</u>
Capital assets being depreciated:				
Buildings	246,067			246,067
Improvements other than buildings	1,912,771	\$ 124,847		2,037,618
Construction equipment and vehicles	1,457,730	247,044		1,704,774
Total	<u>3,616,568</u>	<u>371,891</u>		<u>3,988,459</u>
Less accumulated depreciation for:				
Buildings	54,518	6,152		60,670
Improvements other than buildings	155,774	48,996		204,770
Construction equipment and vehicles	780,255	149,206		929,461
Total	<u>990,547</u>	<u>204,354</u>		<u>1,194,901</u>
Total capital assets being depreciated, net	<u>2,626,021</u>	<u>167,537</u>		<u>2,793,558</u>
Business-type activities capital assets, net	<u>\$ 2,856,017</u>	<u>\$ 167,537</u>		<u>\$ 3,023,554</u>

Effective July 1, 2003, the County established an enterprise fund relating to the County's landfills, and the beginning balances have been restated to reflect the change.

Depreciation expense was charged to functions as follows:

Governmental Activities:	
General government	\$ 490,391
Public safety	376,340
Highways and streets	323,965
Health, welfare and sanitation	39,142
Education and economic opportunity	31,473
Recreation	2,159
Total governmental activities depreciation expense	<u>\$ 1,263,470</u>
Business-Type Activities:	
Landfills	\$ 204,354
Total business-type activities depreciation expense	<u>\$ 204,354</u>

# SANTA CRUZ COUNTY

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2004

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### NOTE 7 – LONG-TERM LIABILITIES

The following schedule details the County's long-term liability and obligation activity for the year ended June 30, 2004:

	Balance July 1, 2003, as restated	Additions	Reductions	Balance June 30, 2004	Due within 1 year
<b>Governmental activities</b>					
General obligation bonds payable	\$ 1,520,000		\$ 480,000	\$ 1,040,000	\$ 510,000
Obligations under capital leases	874,623	\$ 51,132	177,472	748,283	216,201
Long-term notes payable	783,526		167,498	616,028	169,486
Compensated absences payable	1,212,404	828,014	671,207	1,369,211	661,769
Estimated liabilities for claims and judgments	75,000			75,000	
<b>Governmental activities long-term liabilities</b>	<u>\$ 4,465,553</u>	<u>\$ 879,146</u>	<u>\$ 1,496,177</u>	<u>\$ 3,848,522</u>	<u>\$ 1,557,456</u>
<b>Business-type activities</b>					
Obligations under capital leases	\$ 866,594	\$ 72,769	\$ 308,704	\$ 630,659	\$ 232,018
Compensated absences payables	33,021	26,639	23,662	35,998	16,821
Landfill closure and postclosure care costs payable	2,871,625	172,494	7,800	3,036,319	5,100
<b>Business-type activities long-term liabilities</b>	<u>\$ 3,771,240</u>	<u>\$ 271,902</u>	<u>\$ 340,166</u>	<u>\$ 3,702,976</u>	<u>\$ 253,939</u>

Effective July 1, 2003, the County established an enterprise fund relating to the County's landfills, and the beginning balances have been restated to reflect the change.

# SANTA CRUZ COUNTY

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2004

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**Bonds**—The County’s bonded debt consists of general obligation bonds that generally are noncallable with interest payable semiannually. Bond proceeds primarily pay for acquiring or constructing capital facilities. The County repays general obligation bonds from voter-approved property taxes. The original amount of general obligation bonds issued in prior years was \$5,415,000.

Bonds outstanding at June 30, 2004, were as follows:

Description	Original Amount	Maturity Ranges	Interest Ranges	Outstanding Principal
Series 1993	\$5,415,000	2005-2006	5.40%-5.60%	\$1,040,000

The following schedule details debt service requirements to maturity for the County’s bonds payable at June 30, 2004:

Year Ending June 30	Governmental Activities	
	Principal	Interest
2005	\$ 510,000	\$ 57,730
2006	530,000	29,680
Total	<u>\$ 1,040,000</u>	<u>\$ 87,410</u>

**Obligations under capital leases**—The County has acquired a building, furniture and equipment, and construction equipment and vehicles under the provisions of various long-term lease agreements classified as capital leases for accounting purposes because they provide for a bargain purchase option or a transfer of ownership by the end of the lease term.

The assets acquired through capital leases are as follows:

	Governmental Activities	Business-Type Activities
Buildings	\$ 310,000	
Furniture and equipment	361,703	
Construction equipment and vehicles	1,979,239	\$ 813,547
Less: accumulated depreciation	(1,870,039)	(264,848)
Carrying value	<u>\$ 780,903</u>	<u>\$ 548,699</u>

# SANTA CRUZ COUNTY

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2004

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The following schedule details debt service requirements to maturity for the County's obligations under capital leases at June 30, 2004:

<u>Year Ending June 30</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
2005	\$ 242,821	\$ 256,510
2006	239,273	167,998
2007	186,285	227,344
2008	99,974	13,794
2009	35,400	13,794
Total minimum lease payments	803,753	679,440
Less amount representing interest	(55,470)	(48,781)
Present value of net minimum lease payments	<u>\$ 748,283</u>	<u>\$ 630,659</u>

**Long-term notes payable**—The County has long-term notes payable that consist of agreements for emergency road repairs and the development of air park infrastructure at a total price of \$1,064,215. The future minimum payments required under the contracts at June 30, 2004, including interest varying from 3.11 to 5.20 percent, are as follows:

The following schedule details debt service requirements to maturity for the County's Long-term notes payable at June 30, 2004:

<u>Year Ending June 30</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2005	\$ 169,486	\$ 23,609
2006	171,580	17,467
2007	102,611	11,310
2008	46,106	8,073
2009	48,550	5,628
2010-2013	77,695	3,573
Total	<u>\$ 616,028</u>	<u>\$ 69,660</u>

# SANTA CRUZ COUNTY

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2004

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**Landfill closure and postclosure care costs**—State and federal laws and regulations require the County to place a final cover on its three 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 landfill stops accepting waste, the County reports a portion of these closure and postclosure care costs in each operating period even though actual payouts will not occur until the landfill is closed. These costs will be paid from the Enterprise Fund.

The amount recognized each year is based on landfill capacity used at the end of each fiscal year. The \$3,036,319 reported as landfill closure and postclosure care liability at June 30, 2004, represents the cumulative amount reported to date based on the use of 61 percent of the estimated capacity of the landfill. The County will recognize the remaining estimated cost of closure and postclosure care of \$2,306,281 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 2004. The County closed one landfill in 1994 and expects to close the remaining two landfills in 2016 and 2058, and the actual cost may be higher due to inflation, changes in technology, or changes in regulations.

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.

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

**Compensated absences and claims and judgments**—Compensated absences are paid from various funds in the same proportion that those funds pay payroll costs. Claims and judgments are generally paid from the fund that accounts for the activity that gave rise to the claim. During fiscal year 2004, the County paid for compensated absences as follows: 59 percent from the General Fund, 7 percent from the Road Fund, 7 percent from the Criminal Justice Enhancement Fund, 4 percent from the WIA Fund, 3 percent from the Enterprise Fund and 20 percent from other funds.



# SANTA CRUZ COUNTY

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2004

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### NOTE 8 – RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County carries commercial insurance for risks of loss relating to the ownership of Nogales International Airport, and settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years. Other risks of loss are covered by the County's participation in the Arizona Counties Property and Casualty Pool and the Arizona Counties Workers' Compensation Pool, which are described below, and the Arizona Local Government Employee Benefit Trust, which is described on page 41.

The Arizona Counties Property and Casualty Pool is a public entity risk pool currently composed of 11 member counties. The pool provides member counties catastrophic loss coverage for risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters; and provides risk management services. Such coverage includes all defense costs as well as the amount of any judgment or settlement. The County is responsible for paying a premium based on its exposure in relation to the exposure of the other participants, and a deductible of \$5,000 for each occurrence. The County is also responsible for any payments in excess of the maximum coverage of \$100 million per occurrence for property claims and \$10 million per occurrence for liability claims. 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. If the pool were to become insolvent, the County would be assessed an additional contribution.

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

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

### NOTE 9 – RETIREMENT PLANS

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

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

# SANTA CRUZ COUNTY

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2004

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

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

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

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

**ASRS**

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

**PSPRS, CORP, AND EORP**

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

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

**Cost-Sharing Plans** – For the year ended June 30, 2004, active ASRS members and the County were each required by statute to contribute at the actuarially determined rate of 5.70 percent (5.2 percent retirement and 0.5 percent long-term disability) of the members' annual covered payroll. The County's contributions to ASRS for the years ended June 30, 2004, 2003, and 2002 were \$491,109, \$188,934, and \$189,558, respectively, which were equal to the required contributions for the year.

# SANTA CRUZ COUNTY

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2004

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In addition, active EORP members were required by statute to contribute 7 percent of the members' annual covered payroll. The County was required to remit a designated portion of court docket fees plus additional contributions of 6 percent of the members' annual covered payroll, as determined by actuarial valuation. The County's contributions to EORP for the year ended June 30, 2004, was \$51,883 which was equal to the required contributions for the year. The County had no required contributions to EORP for the years ended June 30, 2003 and June 30, 2002.

*Agent Plans* – For the year ended June 30, 2004, active PSPRS members were required by statute to contribute 7.65 percent of the members' annual covered payroll, and the County was required to contribute at the actuarially determined rate of 14.21 percent. Active CORP members were required by statute to contribute 8.5 percent of the members' annual covered payroll, and the County was required to contribute at the actuarially determined rate of 2.00 percent.

**Annual Pension Cost** – The County's pension cost for the two agent plans for the year ended June 30, 2004, and related information follows:

	PSPRS	CORP
Contribution rates:		
County	14.21%	2%
Plan members	7.65%	8.5%
Annual pension cost	\$201,629	\$9,476
Contributions made	\$201,629	\$9,476

The current-year annual required contributions for both the PSPRS and CORP were determined as part of their June 30, 2002, actuarial valuations using the entry-age actuarial cost method. The actuarial assumptions included (a) 9 percent investment rate of return and (b) projected salary increases ranging from 6.5 percent to 9.5 percent per year. Both (a) and (b) included an inflation component of 5.5 percent. The assumptions did not include cost-of-living adjustments. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a 4-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at June 30, 2002, was 20 years.

# SANTA CRUZ COUNTY

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2004

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

Plan	Year Ended June 30	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
PSPRS	2004	\$201,629	100.0%	\$0
	2003	141,693	100.0	0
	2002	177,405	100.0	0
CORP	2004	\$9,476	100.0%	\$0
	2003	7,723	100.0	0
	2002	7,572	100.0	0

### NOTE 10 – INTERFUND BALANCES AND ACTIVITY

**Interfund receivables and payables** — Interfund balances at June 30, 2004, were as follows:

	<u>Payable to</u> General Fund
<b>Payable from</b>	
Criminal Justice	
Enhancement Fund	\$ 684,122
WIA Fund	929,184
Airport Fund	271,915
Other Governmental Funds	<u>622,982</u>
Total governmental funds	<u><u>\$2,508,203</u></u>

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

# SANTA CRUZ COUNTY

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2004

**Interfund transfers**— Interfund transfers for the year ended June 30, 2004, were as follows:

	Transfer to					Total
	General Fund	Road Fund	Criminal Justice Enhancement Fund	Airport Fund	Other Governmental Funds	
<b>Transfer from</b>						
General Fund			\$ 5,597	\$ 55,397	\$ 323,887	\$ 384,881
Other Governmental Funds	\$ 217,889	\$ 7,500	74,949		12,621	312,959
Total governmental funds	\$ 217,889	\$ 7,500	\$ 80,546	\$ 55,397	\$ 336,508	\$ 697,840

The principal purpose of interfund transfers was to provide grant matches or to transfer unrestricted revenues collected in the General Fund to finance expenditures in various programs accounted for in other funds in accordance with budgetary authorizations.

### NOTE 11 – Condensed Financial Statements of County Treasurer’s Investment Pool

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

The County Treasurer’s investment pool is not registered with the Securities and Exchange Commission as an investment company and there is no regulatory oversight of its operations. The 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.

Details of each major investment classification follow.

Investment Type	Principal	Interest Rate	Maturities	Fair Value
State Treasurer’s Investment Pool	\$4,322,619	No stated interest rate	No stated maturity	\$4,322,619
U.S. Government Securities	6,757,325	1.90- 4.25%	12/05-12/07	6,757,325

# SANTA CRUZ COUNTY

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2004

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

**Statement of Net Assets:**

Assets	\$ 15,316,958
Liabilities	
Net assets	<u>\$ 15,316,958</u>

Net assets held in trust for:

Internal participants	\$ 4,304,339
External participants	11,012,619
Total net assets held in trust	<u>\$ 15,316,958</u>

**Statement of Changes in Net Assets:**

Total additions	\$ 137,922,396
Total deductions	139,175,933
Net decrease	<u>(1,253,537)</u>
Net assets held in trust:	
July 1, 2003	16,570,495
June 30, 2004	<u>\$ 15,316,958</u>

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**REQUIRED SUPPLEMENTARY  
INFORMATION**



## SANTA CRUZ COUNTY

### REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF AGENT RETIREMENT PLANS' FUNDING PROGRESS JUNE 30, 2004

#### Public Safety Personnel Retirement System

Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (b)	Funding (Liability) Excess (a-b)	Funded Ratio (a/b)	Annual Covered Payroll (c)	Unfunded Liability as Percentage of Covered Payroll ([a-b]/c)
June 30, 2004	\$ 4,300,555	\$ 6,061,462	\$ (1,760,907)	70.9 %	\$ 1,570,793	112.1 %
June 30, 2003	4,281,102	5,618,218	(1,337,116)	76.2	1,159,807	115.3
June 30, 2002	4,208,233	4,995,933	(787,700)	84.2	1,350,664	58.3

#### Corrections Officer Retirement Plan

Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (b)	Funding (Liability) Excess (a-b)	Funded Ratio (a/b)	Annual Covered Payroll (c)	Unfunded Liability as Percentage of Covered Payroll ([a-b]/c)
June 30, 2004	\$ 1,239,425	\$ 661,943	\$ 577,482	187.2 %	\$ 456,666	N/A
June 30, 2003	1,227,649	582,221	645,428	210.9	395,222	N/A
June 30, 2002	1,186,507	556,382	630,125	213.3	382,580	N/A

**SANTA CRUZ COUNTY**

**BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
YEAR ENDED JUNE 30, 2004**

	<b>Original and Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget</b>
<b>Revenues:</b>			
Taxes	\$ 9,369,398	\$ 9,603,505	\$ 234,107
Intergovernmental	6,620,272	7,769,805	1,149,533
Licenses and permits	600,000	878,249	278,249
Charges for services	623,854	688,531	64,677
Fines and forfeits	575,000	680,099	105,099
Investment income	50,000	87,466	37,466
Rents		2,593	2,593
Miscellaneous	10,000	60,579	50,579
Total revenues	17,848,524	19,770,827	1,922,303
<b>Expenditures:</b>			
Current:			
General Government:			
Adult Probation	544,688	379,721	164,967
Airport	137,725	101,828	35,897
Assessor	607,892	559,651	48,241
Board of Supervisors	3,443,781	1,795,515	1,648,266
Clerk of Superior Court	654,166	596,480	57,686
County Attorney	1,474,350	801,994	672,356
Elections	86,952	302,494	(215,542)
Finance	991,929	552,627	439,302
Grounds and Maintenance	916,420	989,640	(73,220)
Information Technology	158,761	186,124	(27,363)
Justice Court	741,966	652,437	89,529
Planning and Zoning	304,914	299,995	4,919
Public Fiduciary	187,265	189,589	(2,324)
Recorder	319,633	279,767	39,866
Superior Court	1,816,659	1,315,685	500,974
Treasurer	361,270	381,501	(20,231)
Total general government	12,748,371	9,385,048	3,363,323
Public Safety:			
Constable	39,850	61,629	(21,779)
Building Codes	304,525	327,023	(22,498)
Emergency Services	927,290	134,970	792,320
Juvenile Detention	535,748	564,323	(28,575)
Sheriff	4,954,295	4,082,125	872,170
Constable # 2	16,518	16,722	(204)
Total public safety	6,778,226	5,186,792	1,591,434

(Continued)

See accompanying notes to budgetary comparison schedules

# SANTA CRUZ COUNTY

## BUDGETARY COMPARISON SCHEDULE GENERAL FUND YEAR ENDED JUNE 30, 2004 (Concluded)

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Health, Welfare and Sanitation:			
Long-Term Care Services	\$ 1,834,836	\$ 1,653,338	\$ 181,498
Medical Indigent	583,932	583,723	209
Mental Health Services	88,000	8,400	79,600
Total health, welfare and sanitation	<u>2,506,768</u>	<u>2,245,461</u>	<u>261,307</u>
Education and Economic Opportunity:			
Drug Education	55,628	60,533	(4,905)
School Superintendent	1,221,298	1,089,157	132,141
Total education and economic opportunity	<u>1,276,926</u>	<u>1,149,690</u>	<u>127,236</u>
Recreation - Parks	212,556	206,567	5,989
Total expenditures	<u>23,522,847</u>	<u>18,173,558</u>	<u>5,349,289</u>
Excess (deficiency) of revenues over expenditures	<u>(5,674,323)</u>	<u>1,597,269</u>	<u>7,271,592</u>
<b>Other financing sources (uses):</b>			
Transfers in	194,727	217,889	23,162
Transfers out	(687,690)	(384,881)	302,809
Total other financing sources (uses)	<u>(492,963)</u>	<u>(166,992)</u>	<u>325,971</u>
Net change in fund balance	(6,167,286)	1,430,277	7,597,563
Fund balance, July 1, 2003, as restated	<u>6,167,286</u>	<u>7,408,307</u>	<u>1,241,021</u>
Fund balance, June 30, 2004	<u>\$</u>	<u>\$ 8,838,584</u>	<u>\$ 8,838,584</u>

See accompanying notes to budgetary comparison schedules

**SANTA CRUZ COUNTY**

**BUDGETARY COMPARISON SCHEDULE  
ROAD FUND  
YEAR ENDED JUNE 30, 2004**

	<b>Original and Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget</b>
<b>Revenues:</b>			
Intergovernmental	\$ 3,155,346	\$ 3,450,006	\$ 294,660
Charges for services		45	45
Investment income		22,299	22,299
Miscellaneous		5,104	5,104
<b>Total revenues</b>	<b>3,155,346</b>	<b>3,477,454</b>	<b>322,108</b>
<b>Expenditures:</b>			
Current:			
Highways and streets – Road	3,568,551	3,846,215	(277,664)
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(413,205)</b>	<b>(368,761)</b>	<b>44,444</b>
<b>Other financing sources:</b>			
Transfers in	7,500	7,500	
<b>Net change in fund balance</b>	<b>(405,705)</b>	<b>(361,261)</b>	<b>44,444</b>
Fund balance, July 1, 2003	405,705	1,875,975	1,470,270
<b>Fund balance, June 30, 2004</b>	<b>\$</b>	<b>\$ 1,514,714</b>	<b>\$ 1,514,714</b>

See accompanying notes to budgetary comparison schedules

# SANTA CRUZ COUNTY

## BUDGETARY COMPARISON SCHEDULE CRIMINAL JUSTICE ENHANCEMENT FUND YEAR ENDED JUNE 30, 2004

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
<b>Revenues:</b>			
Intergovernmental	\$ 1,133,292	\$ 1,388,659	\$ 255,367
Charges for services	26,700	26,659	(41)
Fines and forfeits	153,500	247,833	94,333
Investment income		68,046	68,046
Miscellaneous		24,699	24,699
Total revenues	1,313,492	1,755,896	442,404
<b>Expenditures:</b>			
Current:			
General government:			
County Attorney	730,909	694,042	36,867
Clerk of Superior Court	1,173		1,173
Superior Court	264,790		264,790
Probation Department	22,836	22,300	536
Total general government	1,019,708	716,342	303,366
Public safety:			
Sheriff	920,363	865,332	55,031
Nogales Police	23,000		23,000
Metro Task Force	10,500	6,246	4,254
Other Agencies	150	9,214	(9,064)
Total public safety	954,013	880,792	73,221
Total expenditures	1,973,721	1,597,134	376,587
Excess (deficiency) of revenues over expenditures	(660,229)	158,762	818,991
<b>Other financing sources (uses):</b>			
Transfers in	194,480	80,546	(113,934)
Transfers out	(35,554)		35,554
Total other financing sources (uses)	158,926	80,546	(78,380)
Net change in fund balance	(501,303)	239,308	740,611
Fund balance, July 1, 2003	501,303	(108,881)	(610,184)
Fund balance, June 30, 2004	\$	\$ 130,427	\$ 130,427

See accompanying notes to budgetary comparison schedules

**SANTA CRUZ COUNTY**

**BUDGETARY COMPARISON SCHEDULE**

**WIA FUND**

**YEAR ENDED JUNE 30, 2004**

	<b>Original and Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget</b>
<b>Revenues:</b>			
Intergovernmental	\$ 1,537,630	\$ 2,061,771	\$ 524,141
Miscellaneous		37,188	37,188
Total revenues	<u>1,537,630</u>	<u>2,098,959</u>	<u>561,329</u>
<b>Expenditures:</b>			
Current:			
Education and Economic Opportunity:			
WIA Youth-In-School	256,685	244,533	12,152
WIA Youth-Out-of-School	109,793	114,187	(4,394)
WIA	1,211,375	1,610,332	(398,957)
Total expenditures	<u>1,577,853</u>	<u>1,969,052</u>	<u>(391,199)</u>
Excess (deficiency) of revenues over expenditures	<u>(40,223)</u>	<u>129,907</u>	<u>170,130</u>
Fund balance, July 1, 2003	<u>40,223</u>	<u>(509,916)</u>	<u>(550,139)</u>
Fund balance, June 30, 2004	<u><u>\$</u></u>	<u><u>\$ (380,009)</u></u>	<u><u>\$ (380,009)</u></u>

See accompanying notes to budgetary comparison schedules

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# SANTA CRUZ COUNTY

## REQUIRED SUPPLEMENTARY INFORMATION NOTES TO BUDGETARY COMPARISON SCHEDULES JUNE 30, 2004

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### Note 1 – Budgeting and Budgetary Control

A.R.S. require 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. prohibit expenditures or liabilities in excess of the amounts budgeted.

Expenditures may not legally exceed appropriations at the department level. In certain instances, transfers or 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 net minimum lease payments which is 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 schedule:

	<b>Criminal Justice Enhancement Fund</b>
Excess of revenues over expenditures from the Statement of Revenues, Expenditures, and Changes in Fund Balances	\$ 107,630
Present value of net minimum capital lease payments	<u>51,132</u>
Excess of revenues over expenditures from the budgetary comparison schedules	<u>\$ 158,762</u>



# SANTA CRUZ COUNTY

## REQUIRED SUPPLEMENTARY INFORMATION NOTES TO BUDGETARY COMPARISON SCHEDULES JUNE 30, 2004

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### Note 3 – Expenditures in Excess of Appropriations

For the year ended June 30, 2004, expenditures exceeded final budget amounts at the department level (the legal level of budgetary control) as follows:

<u>Fund/Department</u>	<u>Excess</u>
General Fund:	
Grounds and Maintenance	\$ 73,220
Information Technology	27,363
Public Fiduciary	2,324
Treasurer	20,231
Elections	215,542
Building Codes	22,498
Juvenile Detention	28,575
Constable # 2	204
Constable	21,779
Drug Education	4,905
Road Fund:	
Road	277,664
Criminal Justice Enhancement Fund:	
Other Agencies	9,064
WIA Fund:	
WIA-Youth Out-of-School	4,394
WIA	398,957

The excesses were primarily the result of unexpected expenditures or expenditures made as a result of unanticipated revenues, or both.

**COMBINING AND INDIVIDUAL  
FUND STATEMENTS AND SCHEDULES**

# SANTA CRUZ COUNTY

## COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS JUNE 30, 2004

	Special Revenue Funds	Capital Projects Fund	Debt Service Fund	Total
<b>Assets</b>				
Cash and cash equivalents	\$ 2,670,080		\$ 567,513	\$ 3,237,593
Property taxes receivable (net of allowance for uncollectible)	190,854		106,983	297,837
Due from other governmental units	541,454	\$ 181,211	946	723,611
Accounts receivable	8,993			8,993
Total assets	<u>\$ 3,411,381</u>	<u>\$ 181,211</u>	<u>\$ 675,442</u>	<u>\$ 4,268,034</u>
<b>Liabilities and Fund Balances</b>				
Liabilities:				
Accounts payable	\$ 362,774			\$ 362,774
Accrued payroll and employee benefits	74,754			74,754
Due to other funds	444,769	\$ 178,213		622,982
Deferred revenue	382,946	10,719	\$ 79,065	472,730
Total liabilities	<u>1,265,243</u>	<u>188,932</u>	<u>79,065</u>	<u>1,533,240</u>
Fund Balances:				
Reserved for:				
Debt Service			596,377	596,377
Unreserved	2,146,138	(7,721)		2,138,417
Total fund balances	<u>2,146,138</u>	<u>(7,721)</u>	<u>596,377</u>	<u>2,734,794</u>
Total liabilities and fund balances	<u>\$ 3,411,381</u>	<u>\$ 181,211</u>	<u>\$ 675,442</u>	<u>\$ 4,268,034</u>

# SANTA CRUZ COUNTY

## COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS YEAR ENDED JUNE 30, 2004

	Special Revenue Funds	Capital Projects Fund	Debt Service Fund	Total
<b>Revenues</b>				
Taxes	\$ 1,337,445		\$ 756,429	\$ 2,093,874
Intergovernmental	3,975,324	\$ 898,760		4,874,084
Charges for services	670,126			670,126
Fines and forfeits	143,386			143,386
Investment income	25,245		9,166	34,411
Rents	30,000			30,000
Miscellaneous	47,442			47,442
Total revenues	<u>6,228,968</u>	<u>898,760</u>	<u>765,595</u>	<u>7,893,323</u>
<b>Expenditures</b>				
Current:				
General government	1,959,502			1,959,502
Public safety	615,222			615,222
Highways and streets	908,958			908,958
Health, welfare and sanitation	1,324,395			1,324,395
Education and economic opportunity	1,311,614			1,311,614
Capital outlay		891,349		891,349
Debt Service:				
Principal retirement			480,000	480,000
Interest and other charges			84,270	84,270
Total expenditures	<u>6,119,691</u>	<u>891,349</u>	<u>564,270</u>	<u>7,575,310</u>
Excess of revenues over expenditures	<u>109,277</u>	<u>7,411</u>	<u>201,325</u>	<u>318,013</u>
<b>Other financing sources (uses):</b>				
Transfers in	336,508			336,508
Transfers out	(312,959)			(312,959)
Total other financing sources (uses)	<u>23,549</u>			<u>23,549</u>
Net change in fund balances	132,826	7,411	201,325	341,562
Fund balances, July 1, 2003	2,013,312	(15,132)	395,052	2,393,232
Fund balances, June 30, 2004	<u>\$ 2,146,138</u>	<u>\$ (7,721)</u>	<u>\$ 596,377</u>	<u>\$ 2,734,794</u>

# SANTA CRUZ COUNTY

## COMBINING BALANCE SHEET NONMAJOR SPECIAL REVENUE FUNDS JUNE 30, 2004

	<u>Animal Control</u>	<u>Probation Services</u>	<u>Health Services</u>	<u>Flood</u>
<b>Assets</b>				
Cash and cash equivalents		\$ 330,663	\$ 140,616	\$ 1,351,238
Property taxes receivable (net of allowance for uncollectible)				190,854
Due from other governmental units		10,356	96,316	7,470
Accounts receivable	\$ 161	733		
Total assets	<u>\$ 161</u>	<u>\$ 341,752</u>	<u>\$ 236,932</u>	<u>\$ 1,549,562</u>
<b>Liabilities and fund balances</b>				
Liabilities:				
Accounts payable	\$ 7,054	\$ 3,960	\$ 62,524	\$ 129,139
Accrued payroll and employee benefits	5,634	16,314	7,682	6,662
Due to other funds		8,789	71,958	
Deferred revenue			38,137	143,562
Total liabilities	<u>12,688</u>	<u>29,063</u>	<u>180,301</u>	<u>279,363</u>
Fund balances:				
Unreserved	<u>(12,527)</u>	<u>312,689</u>	<u>56,631</u>	<u>1,270,199</u>
Total fund balances	<u>(12,527)</u>	<u>312,689</u>	<u>56,631</u>	<u>1,270,199</u>
Total liabilities and fund balances	<u>\$ 161</u>	<u>\$ 341,752</u>	<u>\$ 236,932</u>	<u>\$ 1,549,562</u>

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<b>Juvenile Services</b>	<b>Jail Enhancement</b>	<b>Retrieval Conversion</b>	<b>Other</b>	<b>Total</b>
\$ 182,697	\$ 76,983	\$ 362,048	\$ 225,835	\$ 2,670,080
				190,854
85,557		1	341,754	541,454
	2,730	5,369		8,993
<u>\$ 268,254</u>	<u>\$ 79,713</u>	<u>\$ 367,418</u>	<u>\$ 567,589</u>	<u>\$ 3,411,381</u>
\$ 62,555	\$ 5,327	\$ 3,373	\$ 88,842	\$ 362,774
32,482	1,066	440	4,474	74,754
79,146			284,876	444,769
			201,247	382,946
<u>174,183</u>	<u>6,393</u>	<u>3,813</u>	<u>579,439</u>	<u>1,265,243</u>
94,071	73,320	363,605	(11,850)	2,146,138
<u>94,071</u>	<u>73,320</u>	<u>363,605</u>	<u>(11,850)</u>	<u>2,146,138</u>
<u>\$ 268,254</u>	<u>\$ 79,713</u>	<u>\$ 367,418</u>	<u>\$ 567,589</u>	<u>\$ 3,411,381</u>

# SANTA CRUZ COUNTY

## COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR SPECIAL REVENUE FUNDS YEAR ENDED JUNE 30, 2004

	Animal Control	Probation Services	Health Services	Flood
<b>Revenues:</b>				
Taxes				\$1,271,267
Intergovernmental	\$ 195,094	\$ 762,200	\$ 480,430	26,045
Charges for services	30,251	95,139	233,033	
Fines and forfeits				
Investment income	10	4,002	1,595	11,618
Rents				
Miscellaneous	386	1,860		
Total revenues	<u>225,741</u>	<u>863,201</u>	<u>715,058</u>	<u>1,308,930</u>
<b>Expenditures:</b>				
Current:				
General government		829,430		
Public safety				
Highways and streets				908,958
Health, welfare and sanitation	389,739		804,973	
Education and economic opportunity				
Total expenditures	<u>389,739</u>	<u>829,430</u>	<u>804,973</u>	<u>908,958</u>
Excess (deficiency) of revenues over expenditures	<u>(163,998)</u>	<u>33,771</u>	<u>(89,915)</u>	<u>399,972</u>
<b>Other financing sources (uses):</b>				
Transfers in	133,723	14,740	111,030	
Transfers out		(6,397)	(766)	(217,123)
Total other financing sources (uses)	<u>133,723</u>	<u>8,343</u>	<u>110,264</u>	<u>(217,123)</u>
Net change in fund balances	(30,275)	42,114	20,349	182,849
Fund balances, July 1, 2003	17,748	270,575	36,282	1,087,350
Fund balances, June 30, 2004	<u>\$ (12,527)</u>	<u>\$ 312,689</u>	<u>\$ 56,631</u>	<u>\$ 1,270,199</u>

<b>Juvenile Services</b>	<b>Jail Enhancement</b>	<b>Retrieval Conversion</b>	<b>Other</b>	<b>Total</b>
\$ 66,178				\$ 1,337,445
1,847,271	\$ 145,468	\$ 55,850	\$ 462,966	3,975,324
26,112	221	85,447	199,923	670,126
		143,386		143,386
1,878	518	3,925	1,699	25,245
			30,000	30,000
5,089	40,107			47,442
<u>1,946,528</u>	<u>186,314</u>	<u>288,608</u>	<u>694,588</u>	<u>6,228,968</u>
796,557		176,188	157,327	1,959,502
	196,482		418,740	615,222
				908,958
			129,683	1,324,395
1,060,864	35,308		215,442	1,311,614
<u>1,857,421</u>	<u>231,790</u>	<u>176,188</u>	<u>921,192</u>	<u>6,119,691</u>
89,107	(45,476)	112,420	(226,604)	109,277
7,309		781	68,925	336,508
(1,223)		(74,949)	(12,501)	(312,959)
<u>6,086</u>		<u>(74,168)</u>	<u>56,424</u>	<u>23,549</u>
95,193	(45,476)	38,252	(170,180)	132,826
(1,122)	118,796	325,353	158,330	2,013,312
<u>\$ 94,071</u>	<u>\$ 73,320</u>	<u>\$ 363,605</u>	<u>\$ (11,850)</u>	<u>\$ 2,146,138</u>



# SANTA CRUZ COUNTY

## COMBINING BALANCE SHEET NONMAJOR CAPITAL PROJECTS FUND JUNE 30, 2004

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	<u>Recreation</u>
<b>Assets</b>	
Due from other governmental units	<u>\$ 181,211</u>
Total assets	<u><u>\$ 181,211</u></u>
<b>Liabilities and fund balances</b>	
Liabilities:	
Due to other funds	\$ 178,213
Deferred revenue	<u>10,719</u>
Total liabilities	<u><u>188,932</u></u>
Fund balances:	
Unreserved	<u>(7,721)</u>
 Total liabilities and fund balance	 <u><u>\$ 181,211</u></u>

This fund was titled Community Development Block Grant in the June 2003 CAFR.

# SANTA CRUZ COUNTY

## COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR CAPITAL PROJECTS FUND YEAR ENDED JUNE 30, 2004

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	<u>Recreation</u>
<b>Revenues:</b>	
Intergovernmental	<u>\$ 898,760</u>
<b>Expenditures:</b>	
Capital outlay	<u>891,349</u>
Excess of revenues over expenditures	7,411
Fund balances, July 1, 2003, as restated	<u>(15,132)</u>
Fund balances, June 30, 2004	<u><u>\$ (7,721)</u></u>

# SANTA CRUZ COUNTY

## COMBINING BALANCE SHEET NONMAJOR DEBT SERVICE FUND JUNE 30, 2004

---

	<u>Debt Service</u>
<b>Assets</b>	
Cash and cash equivalents	\$ 567,513
Property taxes receivable (net of allowance for uncollectible)	106,983
Due from other governmental units	<u>946</u>
Total assets	<u><u>\$ 675,442</u></u>
 <b>Liabilities and fund balance</b>	
Liabilities:	
Deferred revenue	\$ 79,065
Fund balance:	
Reserved for debt service	<u>596,377</u>
Total liabilities and fund balance	<u><u>\$ 675,442</u></u>

# SANTA CRUZ COUNTY

## COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR DEBT SERVICE FUND YEAR ENDED JUNE 30, 2004

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	<b>Debt Service</b>
<b>Revenues:</b>	
Taxes	\$ 756,429
Investment income	9,166
Total revenues	<u>765,595</u>
<b>Expenditures:</b>	
Debt Service:	
Principal retirement	480,000
Interest and other charges	84,270
Total expenditures	<u>564,270</u>
Excess of revenues over expenditures	<u>201,325</u>
Fund balances, July 1, 2003	<u>395,052</u>
Fund balances, June 30, 2004	<u><u>\$ 596,377</u></u>

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**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
BALANCES – BUDGET AND ACTUAL**

**NONMAJOR SPECIAL REVENUE FUNDS**

# SANTA CRUZ COUNTY

## ANIMAL CONTROL – SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL YEAR ENDED JUNE 30, 2004

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
<b>Revenues:</b>			
Intergovernmental	\$ 200,000	\$ 195,094	\$ (4,906)
Charges for services	15,000	30,251	15,251
Investment income		10	10
Miscellaneous		386	386
Total revenues	<u>215,000</u>	<u>225,741</u>	<u>10,741</u>
<b>Expenditures:</b>			
Current:			
Health, welfare and sanitation – Animal Control	375,240	389,739	(14,499)
Excess (deficiency) of revenues over expenditures	<u>(160,240)</u>	<u>(163,998)</u>	<u>(3,758)</u>
<b>Other financing sources:</b>			
Transfers in	158,385	133,723	(24,662)
Net change in fund balance	<u>(1,855)</u>	<u>(30,275)</u>	<u>(28,420)</u>
Fund balance, July 1, 2003	<u>1,855</u>	<u>17,748</u>	<u>15,893</u>
Fund balance, June 30, 2004	<u>\$</u>	<u>\$ (12,527)</u>	<u>\$ (12,527)</u>

# SANTA CRUZ COUNTY

## PROBATION SERVICES – SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL YEAR ENDED JUNE 30, 2004

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
<b>Revenues:</b>			
Intergovernmental	\$ 676,816	\$ 762,200	\$ 85,384
Charges for services	65,000	95,139	30,139
Investment income		4,002	4,002
Miscellaneous		1,860	1,860
Total revenues	741,816	863,201	121,385
<b>Expenditures:</b>			
Current:			
General government - Probation	1,060,847	829,430	231,417
Excess (deficiency) of revenues over expenditures	(319,031)	33,771	352,802
<b>Other financing sources (uses):</b>			
Transfers in	2,688	14,740	12,052
Transfers out		(6,397)	(6,397)
Total other financing sources (uses)	2,688	8,343	5,655
Net change in fund balance	(316,343)	42,114	358,457
Fund balance, July 1, 2003	316,343	270,575	(45,768)
Fund balance, June 30, 2004	\$	\$ 312,689	\$ 312,689



# SANTA CRUZ COUNTY

## HEALTH SERVICES – SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL YEAR ENDED JUNE 30, 2004

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
<b>Revenues:</b>			
Intergovernmental	\$ 204,399	\$ 480,430	\$ 276,031
Charges for services	100,000	233,033	133,033
Investment income		1,595	1,595
Total revenues	304,399	715,058	410,659
<b>Expenditures:</b>			
Current:			
Health, welfare and sanitation:			
Environmental Health	404,939	581,167	(176,228)
Sexually Transmitted Diseases Program	5,000	4,680	320
Nutrition	12,750	12,750	
Women, Infants, and Children	25,807	25,807	
Immunization	27,816	27,816	
Tuberculosis	74,377	116,257	(41,880)
Human Immunodeficiency Virus (HIV) Testing	40,279	36,496	3,783
Total expenditures	590,968	804,973	(214,005)
Excess (deficiency) of revenues over expenditures	(286,569)	(89,915)	196,654
<b>Other financing sources (uses):</b>			
Transfers in	140,923	111,030	(29,893)
Transfers out		(766)	(766)
Total other financing sources (uses)	140,923	110,264	(30,659)
Net change in fund balance	(145,646)	20,349	165,995
Fund balance, July 1, 2003	145,646	36,282	(109,364)
Fund balance, June 30, 2004	\$	\$ 56,631	\$ 56,631

# SANTA CRUZ COUNTY

## FLOOD – SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL YEAR ENDED JUNE 30, 2004

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
<b>Revenues:</b>			
Taxes	\$ 1,287,798	\$ 1,271,267	\$ (16,531)
Intergovernmental		26,045	26,045
Investment income		11,618	11,618
Total revenues	1,287,798	1,308,930	21,132
<b>Expenditures:</b>			
Current:			
Highways and streets:			
Flood District	2,172,555	908,958	1,263,597
Total expenditures	2,172,555	908,958	1,263,597
Excess (deficiency) of revenues over expenditures	(884,757)	399,972	1,284,729
<b>Other financing uses:</b>			
Transfers out	(217,123)	(217,123)	
Net change in fund balance	(1,101,880)	182,849	1,284,729
Fund balance, July 1, 2003	1,101,880	1,087,350	(14,530)
Fund balance, June 30, 2004	\$	\$ 1,270,199	\$ 1,270,199

# SANTA CRUZ COUNTY

## JUVENILE SERVICES – SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL YEAR ENDED JUNE 30, 2004

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
<b>Revenues:</b>			
Taxes	\$ 70,418	\$ 66,178	\$ (4,240)
Intergovernmental	1,340,541	1,847,271	506,730
Charges for services	15,000	26,112	11,112
Investment income		1,878	1,878
Miscellaneous		5,089	5,089
Total revenues	1,425,959	1,946,528	520,569
<b>Expenditures:</b>			
Current:			
General government:			
Superior Court	48,220	34,883	13,337
Probation	833,639	761,674	71,965
Total general government	881,859	796,557	85,302
Education and economic opportunity - School Superintendent	747,668	1,060,864	(313,196)
Total expenditures	1,629,527	1,857,421	(227,894)
Excess (deficiency) of revenues over expenditures	(203,568)	89,107	292,675
<b>Other financing sources (uses):</b>			
Transfers in		7,309	7,309
Transfers out		(1,223)	(1,223)
Total other financing sources (uses)		6,086	6,086
Net change in fund balance	(203,568)	95,193	298,761
Fund balance, July 1, 2003	203,568	(1,122)	(204,690)
Fund balance, June 30, 2004	\$	\$ 94,071	\$ 94,071

**SANTA CRUZ COUNTY**

**JAIL ENHANCEMENT – SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2004**

	<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
<b>Revenues:</b>			
Taxes	\$ 23,633		\$ (23,633)
Intergovernmental	120,000	\$ 145,468	25,468
Charges for services	15,000	221	(14,779)
Investment income		518	518
Miscellaneous	16,000	40,107	24,107
Total revenues	<u>174,633</u>	<u>186,314</u>	<u>11,681</u>
<b>Expenditures:</b>			
Current:			
Public safety - Sheriff	199,842	196,482	3,360
Education and economic opportunity - School Superintendent	<u>66,165</u>	<u>35,308</u>	<u>30,857</u>
Total expenditures	<u>266,007</u>	<u>231,790</u>	<u>34,217</u>
Excess (deficiency) of revenues over expenditures	<u>(91,374)</u>	<u>(45,476)</u>	<u>45,898</u>
Fund balance, July 1, 2003	<u>91,374</u>	<u>118,796</u>	<u>27,422</u>
Fund balance, June 30, 2004	<u>\$</u>	<u>\$ 73,320</u>	<u>\$ 73,320</u>

# SANTA CRUZ COUNTY

## RETRIEVAL CONVERSION – SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL YEAR ENDED JUNE 30, 2004

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
<b>Revenues:</b>			
Intergovernmental	\$ 25,000	\$ 55,850	\$ 30,850
Charges for services	68,000	85,447	17,447
Fines and forfeits	118,750	143,386	24,636
Investment income		3,925	3,925
Total revenues	211,750	288,608	76,858
<b>Expenditures:</b>			
Current:			
General government:			
Assessor	91,394	50,130	41,264
Justice Court #1	93,880	31,670	62,210
Justice Court #2	5,528		5,528
Superior Court	95,913	29,250	66,663
Clerk of Superior Court	76,946	6,227	70,719
Recorder	63,821	58,911	4,910
Total expenditures	427,482	176,188	251,294
Excess (deficiency) of revenues over expenditures	(215,732)	112,420	328,152
<b>Other financing sources (uses):</b>			
Transfers in		781	781
Transfers out	(128,785)	(74,949)	53,836
Total other financing sources (uses)	(128,785)	(74,168)	54,617
Net change in fund balance	(344,517)	38,252	382,769
Fund balance, July 1, 2003	344,517	325,353	(19,164)
Fund balance, June 30, 2004	\$	\$ 363,605	\$ 363,605

**SANTA CRUZ COUNTY**

**CHILD SUPPORT AND VISITATION – SCHEDULE OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2004**

	<b>Original and Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget</b>
<b>Revenues:</b>			
Charges for services	\$ 1,900	\$ 1,704	\$ (196)
Investment income		400	400
Total revenues	<u>1,900</u>	<u>2,104</u>	<u>204</u>
<b>Expenditures:</b>			
Current:			
General government – Superior Court	<u>36,194</u>	<u>2,670</u>	<u>33,524</u>
Excess (deficiency) of revenues over expenditures	<u>(34,294)</u>	<u>(566)</u>	<u>33,728</u>
Fund balance, July 1, 2003	<u>34,294</u>	<u>33,075</u>	<u>(1,219)</u>
Fund balance, June 30, 2004	<u><u>\$</u></u>	<u><u>\$ 32,509</u></u>	<u><u>\$ 32,509</u></u>

**SANTA CRUZ COUNTY**

**TAXPAYERS' INFORMATION – SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2004**

	<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
<b>Revenues:</b>			
Charges for services	\$ 6,550	\$ 11,734	\$ 5,184
Investment income		88	88
Fines and forfeits	100		(100)
Total revenues	<u>6,650</u>	<u>11,822</u>	<u>5,172</u>
<b>Expenditures:</b>			
Current:			
General government – Treasurer	<u>14,087</u>	<u>8,873</u>	<u>5,214</u>
Excess (deficiency) of revenues over expenditures	<u>(7,437)</u>	<u>2,949</u>	<u>10,386</u>
Fund balance, July 1, 2003	<u>7,437</u>	<u>7,333</u>	<u>(104)</u>
Fund balance, June 30, 2004	<u><u>\$</u></u>	<u><u>\$ 10,282</u></u>	<u><u>\$ 10,282</u></u>

**SANTA CRUZ COUNTY**

**EMERGENCY PLANNING GRANT – SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2004**

	<b>Original and Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget</b>
<b>Revenues:</b>			
Intergovernmental	\$ 39,393	\$ 39,393	
<b>Expenditures:</b>			
Current:			
Public Safety – Emergency Services	42,753	32,071	\$ 10,682
Excess (deficiency) of revenues over expenditures	(3,360)	7,322	10,682
Fund balance, July 1, 2003	3,360	3,359	(1)
Fund balance, June 30, 2004	\$	\$ 10,681	\$ 10,681



**SANTA CRUZ COUNTY**

**LOCAL EMERGENCY PLAN COMMITTEE '02 – SCHEDULE OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2004**

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
<b>Revenues:</b>			
Intergovernmental	\$ 11,965	\$ 8,712	\$ (3,253)
<b>Expenditures:</b>			
Current:			
Public safety – Emergency Services	27,875	10,981	16,894
Excess (deficiency) of revenues over expenditures	(15,910)	(2,269)	13,641
<b>Other financing uses:</b>			
Transfers out		(5,001)	(5,001)
Net change in fund balance	(15,910)	(7,270)	8,640
Fund balance, July 1, 2003	15,910	7,271	(8,639)
Fund balance, June 30, 2004	\$	\$ 1	\$ 1

# SANTA CRUZ COUNTY

## EXERCISES – SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL YEAR ENDED JUNE 30, 2004

	<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
<b>Revenues:</b>			
Intergovernmental	<u>\$ 1,360,455</u>	<u>\$ 91,194</u>	<u>\$ (1,269,261)</u>
<b>Expenditures:</b>			
Current:			
Public safety – Emergency Services	<u>1,360,455</u>	<u>366,006</u>	<u>994,449</u>
Excess (deficiency) of revenues over expenditures	<u></u>	<u>(274,812)</u>	<u>(274,812)</u>
Fund balance, July 1, 2003	<u></u>	<u>(649)</u>	<u>(649)</u>
Fund balance, June 30, 2004	<u><u>\$</u></u>	<u><u>\$ (275,461)</u></u>	<u><u>\$ (275,461)</u></u>

**SANTA CRUZ COUNTY**

**DOMESTIC PREP HAZARDOUS MATERIAL TRAINING – SCHEDULE OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2004**

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
<b>Revenues:</b>			
Investment income		\$ 7	\$ 7
<b>Expenditures:</b>			
Current:			
Public safety – Emergency Services	\$ 622	567	55
Excess (deficiency) of revenues over expenditures	(622)	(560)	62
Fund balance, July 1, 2003	622	578	(44)
Fund balance, June 30, 2004	\$	\$ 18	\$ 18

**SANTA CRUZ COUNTY**

**CASE MANAGEMENT – SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2004**

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
<b>Revenues:</b>			
Intergovernmental	\$ 78,590	\$ 85,384	\$ 6,794
Investment income		945	945
Total revenues	<u>78,590</u>	<u>86,329</u>	<u>7,739</u>
<b>Expenditures:</b>			
Current:			
Health, welfare and sanitation – Medical Assistance	<u>141,351</u>	<u>65,255</u>	<u>76,096</u>
Excess (deficiency) of revenues over expenditures	<u>(62,761)</u>	<u>21,074</u>	<u>83,835</u>
Fund balance, July 1, 2003	<u>62,761</u>	<u>76,002</u>	<u>13,241</u>
Fund balance, June 30, 2004	<u><u>\$</u></u>	<u><u>\$ 97,076</u></u>	<u><u>\$ 97,076</u></u>

**SANTA CRUZ COUNTY**

**SCHOOL FOREST FEES – SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2004**

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
<b>Revenues:</b>			
Intergovernmental	\$ 87,014	\$ 80,602	\$ (6,412)
Investment income		719	719
Total revenues	<u>87,014</u>	<u>81,321</u>	<u>(5,693)</u>
<b>Expenditures:</b>			
Current:			
Education and economic opportunity – School Superintendent	<u>130,770</u>	<u>75,024</u>	<u>55,746</u>
Excess (deficiency) of revenues over expenditures	<u>(43,756)</u>	<u>6,297</u>	<u>50,053</u>
<b>Other financing uses:</b>			
Transfers out	<u>(7,500)</u>	<u>(7,500)</u>	
Net change in fund balance	<u>(51,256)</u>	<u>(1,203)</u>	<u>50,053</u>
Fund balance, July 1, 2003	<u>51,256</u>	<u>50,874</u>	<u>(382)</u>
Fund balance, June 30, 2004	<u>\$</u>	<u>\$ 49,671</u>	<u>\$ 49,671</u>

# SANTA CRUZ COUNTY

## LAW LIBRARY – SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL YEAR ENDED JUNE 30, 2004

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
<b>Revenues:</b>			
Charges for services	\$ 15,000	\$ 18,145	\$ 3,145
Investment income		(7)	(7)
Total revenues	<u>15,000</u>	<u>18,138</u>	<u>3,138</u>
<b>Expenditures:</b>			
Current:			
General Government – Superior Court	<u>15,520</u>	<u>20,467</u>	<u>(4,947)</u>
Deficiency of revenues under expenditures	<u>(520)</u>	<u>(2,329)</u>	<u>(1,809)</u>
<b>Other financing sources:</b>			
Transfers in		<u>4,421</u>	<u>4,421</u>
Net change in fund balance	<u>(520)</u>	<u>2,092</u>	<u>2,612</u>
Fund balance, July 1, 2003	<u>520</u>	<u>(3,307)</u>	<u>(3,827)</u>
Fund balance, June 30, 2004	<u>\$</u>	<u>\$ (1,215)</u>	<u>\$ (1,215)</u>

**SANTA CRUZ COUNTY**

**OLD COURTHOUSE – SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2004**

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
<b>Revenues:</b>			
Intergovernmental	\$ 91,675	\$ 50,788	\$ (40,887)
Investment income		(526)	(526)
Rents	30,000	30,000	
Total revenues	<u>121,675</u>	<u>80,262</u>	<u>(41,413)</u>
<b>Expenditures:</b>			
Current:			
General government – Old Courthouse	<u>247,390</u>	<u>125,317</u>	<u>122,073</u>
Excess (deficiency) of revenues over expenditures	<u>(125,715)</u>	<u>(45,055)</u>	<u>80,660</u>
<b>Other financing sources:</b>			
Transfers in	<u>125,715</u>	<u>59,504</u>	<u>(66,211)</u>
Net change in fund balance	<u>                    </u>	<u>14,449</u>	<u>14,449</u>
Fund balance, July 1, 2003	<u>                    </u>	<u>(15,889)</u>	<u>(15,889)</u>
Fund balance, June 30, 2004	<u>\$</u>	<u>\$ (1,440)</u>	<u>\$ (1,440)</u>

**SANTA CRUZ COUNTY**

**WASTE TIRE GRANT – SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2004**

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
<b>Revenues:</b>			
Intergovernmental	\$ 65,000	\$ 90,376	\$ 25,376
Investment income		73	73
Total revenues	<u>65,000</u>	<u>90,449</u>	<u>25,449</u>
<b>Expenditures:</b>			
Current:			
Health, welfare and sanitation – Rio Rico Landfill	<u>65,000</u>	<u>64,428</u>	<u>572</u>
Excess of revenues over expenditures		<u>26,021</u>	<u>26,021</u>
Fund balance, July 1, 2003		<u>(907)</u>	<u>(907)</u>
Fund balance, June 30, 2004	<u>\$</u>	<u>\$ 25,114</u>	<u>\$ 25,114</u>



# SANTA CRUZ COUNTY

## LITERACY COORDINATOR – SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL YEAR ENDED JUNE 30, 2004

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
<b>Revenues:</b>			
Charges for services	\$ 134,700	\$ 168,340	\$ 33,640
<b>Expenditures:</b>			
Current:			
Education and economic opportunity – School Superintendent	134,700	140,418	(5,718)
Excess of revenues over expenditures		27,922	27,922
Fund balance, July 1, 2003		(851)	(851)
Fund balance, June 30, 2004	\$	\$ 27,071	\$ 27,071

# SANTA CRUZ COUNTY

## CITIZEN CORPS CERTIFICATION GRANT – SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL YEAR ENDED JUNE 30, 2004

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
<b>Revenues:</b>			
Intergovernmental	\$ 4,504	\$ 16,517	\$ 12,013
<b>Expenditures:</b>			
Current:			
Public Safety – Emergency Services	10,945	9,115	1,830
Excess (deficiency) of revenues over expenditures	(6,441)	7,402	13,843
Fund balance, July 1, 2003	6,441	6,441	
Fund balance, June 30, 2004	\$	\$ 13,843	\$ 13,843

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**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
BALANCES – BUDGET AND ACTUAL**

**MAJOR CAPITAL PROJECTS FUND**

**SANTA CRUZ COUNTY**

**AIRPORT – SCHEDULE OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2004**

	<b>Original and Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget</b>
<b>Revenues:</b>			
Intergovernmental	\$ 2,132,178	\$ 1,779,402	\$ (352,776)
<b>Expenditures:</b>			
Current:			
Capital Outlay - Airport	2,191,398	2,187,543	3,855
Excess (deficiency) of revenues over expenditures	(59,220)	(408,141)	(348,921)
<b>Other financing sources:</b>			
Transfers in	54,671	55,397	726
Net change in fund balance	(4,549)	(352,744)	(348,195)
Fund balance, July 1, 2003	4,549	(31,161)	(35,710)
Fund balance, June 30, 2004	\$	\$ (383,905)	\$ (383,905)

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
BALANCES – BUDGET AND ACTUAL**

**NONMAJOR CAPITAL PROJECTS FUND**

# SANTA CRUZ COUNTY

## RECREATION – SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL YEAR ENDED JUNE 30, 2004

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
<b>Revenues:</b>			
Intergovernmental	\$ 495,803	\$ 898,760	\$ 402,957
<b>Expenditures:</b>			
Current:			
Capital outlay	495,803	891,349	(395,546)
Excess of revenues over expenditures		7,411	7,411
Net change in fund balance		7,411	7,411
Fund balance, July 1, 2003, as restated		(15,132)	(15,132)
Fund balance, June 30, 2004	\$	\$ (7,721)	\$ (7,721)

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
BALANCES – BUDGET AND ACTUAL**

**NONMAJOR DEBT SERVICE FUND**



# SANTA CRUZ COUNTY

## DEBT SERVICE – SCHEDULE OF REVENUES, EXPENDITURES, AND EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL YEAR ENDED JUNE 30, 2004

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
<b>Revenues:</b>			
Property taxes	\$ 767,728	\$ 756,429	\$ (11,299)
Investment income		9,166	9,166
Total revenues	767,728	765,595	(2,133)
<b>Expenditures:</b>			
Debt Service:			
Principal retirement	480,000	480,000	
Interest and other charges	630,768	84,270	546,498
Total expenditures	1,110,768	564,270	546,498
Excess (deficiency) of revenues over expenditures	(343,040)	201,325	544,365
Fund balance, July 1, 2003	343,040	395,052	52,012
Fund balance, June 30, 2004	\$	\$ 596,377	\$ 596,377

# **INVESTMENT TRUST AND AGENCY FUNDS**

# SANTA CRUZ COUNTY

## COMBINING STATEMENT OF FIDUCIARY NET ASSETS INVESTMENT TRUST FUNDS

June 30, 2004

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	Treasurer's Investment Pool	Individual Investment Accounts	Total
<b>Assets</b>			
Cash and cash equivalents	\$ 4,255,294	\$ 192,414	\$ 4,447,708
Investments	6,757,325		6,757,325
Total assets	<u>\$ 11,012,619</u>	<u>\$ 192,414</u>	<u>\$ 11,205,033</u>
<b>Net Assets</b>			
Held in trust for investment participants	<u>\$ 11,012,619</u>	<u>\$ 192,414</u>	<u>\$ 11,205,033</u>

# SANTA CRUZ COUNTY

## COMBINING STATEMENT OF FIDUCIARY NET ASSETS

### AGENCY FUNDS

June 30, 2004

---

	<u>Property Tax Collection</u>	<u>Fire District</u>	<u>Special Purpose</u>	<u>Total</u>
<b>Assets</b>				
Cash and cash equivalents	<u>\$ 671,453</u>	<u>\$ 80,806</u>	<u>\$ 725,154</u>	<u>\$ 1,477,413</u>
<b>Liabilities</b>				
Due to other governmental units	\$ 559,696	\$ 80,806		\$ 640,502
Deposits held for others	111,757		\$ 725,154	836,911
Total liabilities	<u>\$ 671,453</u>	<u>\$ 80,806</u>	<u>\$ 725,154</u>	<u>\$ 1,477,413</u>

# SANTA CRUZ COUNTY

## COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS

### INVESTMENT TRUST FUNDS

YEAR ENDED JUNE 30, 2004

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	Treasurer's Investment Pool	Individual Investment Accounts	Total
<b>Additions</b>			
Contributions by participants	\$ 103,922,911	\$ 122,034	\$ 104,044,945
Interest on investments	537,944	3,076	541,020
Total additions	<u>104,460,855</u>	<u>125,110</u>	<u>104,585,965</u>
<b>Deductions</b>			
Distributions to participants	<u>105,804,046</u>	<u>122,264</u>	<u>105,926,310</u>
Change in net assets	(1,343,191)	2,846	(1,340,345)
Net assets - July 1, 2003	<u>12,355,810</u>	<u>189,568</u>	<u>12,545,378</u>
Net assets - June 30, 2004	<u>\$ 11,012,619</u>	<u>\$ 192,414</u>	<u>\$ 11,205,033</u>

# SANTA CRUZ COUNTY

## COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

### AGENCY FUNDS

YEAR ENDED JUNE 30, 2004

	Balance July 1, 2003	Additions	Deletions	Balance June 30, 2004
<b>Property Tax Collection:</b>				
Assets				
Cash and cash equivalents	\$ 726,733	\$ 2,656,398	\$ 2,711,678	\$ 671,453
Liabilities				
Due to other governmental units	\$ 522,926	\$ 2,656,398	\$ 2,619,628	\$ 559,696
Deposits held for others	203,807		92,050	111,757
Total liabilities	\$ 726,733	\$ 2,656,398	\$ 2,711,678	\$ 671,453
<b>Fire District:</b>				
Assets				
Cash and cash equivalents	\$ 76,369	\$ 159,223	\$ 154,786	\$ 80,806
Liabilities				
Due to other governmental units	\$ 76,369	\$ 159,223	\$ 154,786	\$ 80,806
<b>Special Purpose:</b>				
Assets				
Cash and cash equivalents	\$ 653,321	\$ 76,865	\$ 5,032	\$ 725,154
Liabilities				
Deposits held for others	\$ 653,321	\$ 76,865	\$ 5,032	\$ 725,154
<b>Total - All Agency Funds</b>				
Assets				
Cash and cash equivalents	\$ 1,456,423	\$ 2,892,486	\$ 2,871,496	\$ 1,477,413
Liabilities				
Due to other governmental units	\$ 599,295	\$ 2,815,621	\$ 2,774,414	\$ 640,502
Deposits held for others	857,128	76,865	97,082	836,911
Total Liabilities	\$ 1,456,423	\$ 2,892,486	\$ 2,871,496	\$ 1,477,413

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**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL  
FUNDS**



# SANTA CRUZ COUNTY

## CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS COMPARATIVE SCHEDULE BY SOURCE JUNE 30, 2004 and 2003

	<u>2004</u>	<u>2003, as restated</u>
<b>Governmental funds capital assets:</b>		
Infrastructure	\$ 443,005	
Land	6,596,104	\$ 5,703,395
Buildings	10,302,943	10,208,843
Improvements other than buildings	2,429,575	2,429,575
Construction equipment and vehicles	6,241,466	5,879,931
Furniture and equipment	2,537,454	2,113,092
Construction in progress	2,353,282	319,186
Total governmental funds capital assets	<u>\$ 30,903,829</u>	<u>\$ 26,654,022</u>
<b>Investments in governmental funds capital assets by source:</b>		
General Fund	\$ 11,744,491	\$ 11,422,600
Special Revenue Funds	4,904,159	4,025,935
Capital Projects Funds	14,255,179	11,205,487
Total governmental funds capital assets	<u>\$ 30,903,829</u>	<u>\$ 26,654,022</u>

**SANTA CRUZ COUNTY**

**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS  
SCHEDULE BY FUNCTION AND ACTIVITY  
JUNE 30, 2004**

Function and Activity	Land	Buildings	Improvements Other than Buildings	Construction Equipment and Vehicles	Furniture and Equipment	Construction in Progress	Infrastructure	Total
General government	\$3,809,821	\$ 8,008,487	\$ 1,977,715	\$ 578,705	\$ 1,454,569	\$ 2,018,367	\$ 443,005	\$ 18,290,669
Public safety		1,819,253		1,476,431	835,576			4,131,260
Highways and streets	967,443	240,702	451,860	3,871,564	71,572	334,915		5,938,056
Health, welfare and sanitation		148,149		218,724	72,457			439,330
Recreation	1,818,840	86,352		7,660	8,453			1,921,305
Education				88,382	94,827			183,209
<b>Total</b>	<u>\$6,596,104</u>	<u>\$10,302,943</u>	<u>\$ 2,429,575</u>	<u>\$ 6,241,466</u>	<u>\$ 2,537,454</u>	<u>\$ 2,353,282</u>	<u>\$ 443,005</u>	<u>\$ 30,903,829</u>

# SANTA CRUZ COUNTY

## CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY YEAR ENDED JUNE 30, 2004

Function and Activity	Governmental Funds Capital Assets			Governmental Funds Capital Assets June 30, 2004
	July 1, 2003 as restated	Additions	Deductions	
General government	\$ 15,737,022	\$ 3,414,654	\$ 861,007	\$ 18,290,669
Public safety	4,016,478	293,153	178,371	4,131,260
Highways and streets	4,443,332	2,012,395	517,671	5,938,056
Health, welfare and sanitation	382,213	81,881	24,764	439,330
Recreation	1,921,305			1,921,305
Education	153,672	29,537		183,209
Total governmental funds capital assets	<u>\$ 26,654,022</u>	<u>\$ 5,831,620</u>	<u>\$ 1,581,813</u>	<u>\$ 30,903,829</u>

## **STATISTICAL SECTION**

# 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
1994-95 <sup>(1)</sup>	\$ 6,151,768	\$ 3,592,542	\$ 3,154,229	\$ 3,225,382	\$ 1,595,039	\$ 462,952	\$ 571,031	\$ 18,752,943
1995-96 <sup>(2)</sup>	6,621,311	3,588,249	2,809,036	3,311,230	1,457,323	137,413	567,886	18,492,448
1996-97 <sup>(2)</sup>	7,388,349	3,891,295	2,360,871	3,988,960	2,056,895	96,128	567,971	20,350,469
1997-98 <sup>(2)</sup>	7,804,516	4,112,307	2,417,027	4,509,819	2,415,599	96,840	567,505	21,923,613
1998-99 <sup>(2)</sup>	8,327,949	4,262,875	2,715,266	4,626,194	2,142,245	95,889	565,326	22,735,744
1999-00 <sup>(2)</sup>	8,777,360	4,943,688	3,251,114	4,773,391	2,216,010	375,407	557,975	24,894,945
2000-01 <sup>(3)</sup>	9,681,412	5,162,176	4,811,564	4,771,920	2,068,935	142,964	564,931	27,203,902
2001-02 <sup>(3)</sup>	10,758,141	5,428,538	4,754,708	4,850,726	3,303,198	152,015	564,656	29,811,982
2002-03 <sup>(3)</sup>	9,868,573	5,746,799	3,651,617	4,946,608	4,037,183	150,626	562,631	28,964,037
2003-04 <sup>(3)</sup>	12,060,892	6,682,806	4,755,173	3,569,856	4,430,356	206,567	564,270	32,269,920

### NOTES:

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

SOURCE: Basic financial statements

# SANTA CRUZ COUNTY

## GENERAL GOVERNMENT REVENUES BY SOURCE LAST TEN FISCAL YEARS

Fiscal Year	Taxes	Intergovernmental Revenues	Licenses and Permits	Charges for Services	Fines and Forfeits	Investment Income	Rents	Contributions and Miscellaneous	Total
1994-95 <sup>(1)</sup>	\$ 5,531,492	\$ 11,336,950	\$ 185,482	\$ 702,880	\$ 743,524	\$ 192,633	\$ 21,233	\$ 183,435	\$ 18,897,629
1995-96 <sup>(2)</sup>	6,076,136	11,082,776	183,081	923,863	535,166	192,820	11,200	119,322	19,124,364
1996-97 <sup>(2)</sup>	6,520,323	11,753,973	224,964	954,759	606,083	171,874	8,475	94,253	20,334,704
1997-98 <sup>(2)</sup>	6,792,874	12,540,779	247,856	1,096,579	590,423	201,704	8,425	99,902	21,578,542
1998-99 <sup>(2)</sup>	8,151,288	13,045,484	415,161	1,373,323	884,693	208,715	8,400	147,217	24,234,281
1999-00 <sup>(2)</sup>	8,393,625	13,781,349	416,327	1,465,321	769,863	263,859	8,400	384,856	25,483,600
2000-01 <sup>(3)</sup>	9,089,430	15,480,611	380,183	1,702,029	837,359	299,608	0	331,851	28,121,071
2001-02 <sup>(3)</sup>	10,149,300	18,771,323	463,603	1,711,073	812,058	185,369	14,524	163,291	32,270,541
2002-03 <sup>(3)</sup>	11,047,960	16,727,344	648,236	2,678,823	965,193	(113,151)	30,000	237,327	32,221,732
2003-04 <sup>(3)</sup>	11,697,379	21,323,727	878,249	1,385,361	1,071,318	212,222	32,593	175,012	36,775,861

### NOTES:

- (1) Includes General, Special Revenue and Debt Service Funds. For financial reporting, the Private Industry Council was blended with the County's Special Revenue Funds prior to fiscal year 1995-96.
- (2) Includes the General Fund, Special Revenue Funds, Debt Service Fund and the Private Industry Council (discretely presented component unit).
- (3) Includes the General Fund, Special Revenue Funds, and Debt Service Fund.

SOURCE: Basic financial statements

# SANTA CRUZ COUNTY

## PROPERTY TAX LEVIES AND COLLECTIONS LAST TEN FISCAL YEARS

Fiscal Year	Primary Property Taxes	Secondary Property Taxes				Total Property Tax Levy	Property Taxes Collected			Percent of Levy	Outstanding Delinquent Taxes Receivable (2)
		Flood Control	Fire District	Debt Service Fund	Total		Primary	Secondary	Total (1)		
1994-95	\$ 4,179,207	\$ 600,000	\$ 161,982	\$ 519,948	\$ 1,281,930	\$ 5,461,137	\$ 3,900,351	\$ 1,257,792	\$ 5,158,143	94.45%	\$ 732,421
1995-96	4,210,914	592,495	168,643	530,216	1,291,354	5,502,268	4,193,902	1,285,475	5,479,377	99.58	614,250
1996-97	4,402,897	603,914	170,855	537,169	1,311,938	5,714,835	4,277,572	1,296,505	5,574,077	97.54	725,396
1997-98	4,875,688	316,021	173,898	546,734	1,036,653	5,912,341	4,722,448	1,061,559	5,784,007	97.83	724,881
1998-99	5,770,881	645,590	181,072	564,354	1,391,016	7,161,897	5,406,241	1,311,885	6,718,126	93.80	910,369
1999-00	6,019,737	684,849	190,411	593,509	1,468,769	7,488,506	5,831,139	1,430,038	7,261,177	96.96	860,219
2000-01	6,404,168	718,592	201,652	628,549	1,548,793	7,952,961	6,081,744	1,477,337	7,559,081	95.05	849,620
2001-02	7,014,033	1,159,128	224,373	699,372	2,082,873	9,096,906	6,646,502	1,919,407	8,565,909	94.16	1,187,156
2002-03	7,637,148	1,230,454	235,056	732,668	2,198,178	9,835,326	6,857,507	1,980,608	8,838,115	89.86	1,663,463
2003-04	8,039,398	1,287,798	246,303	767,728	2,301,829	10,341,227	7,634,314	2,025,959	9,660,273	93.42	1,383,224

**NOTES:**

- (1) Property taxes collected include both current year levy collections and outstanding delinquent taxes receivable collections.
- (2) 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.

SOURCE: Annual budgets

# SANTA CRUZ COUNTY

## ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY LAST TEN FISCAL YEARS (Amounts in Thousands)

Fiscal Year	Net Assessed Value	Estimated Actual Value	Ratio of Net Assessed To Estimated Actual Value
1994-95 Primary	\$ 157,801	\$ 1,062,099	14.86 %
1994-95 Secondary	161,983	1,094,348	14.80
1995-96 Primary	160,482	1,108,966	14.47
1995-96 Secondary	170,493	1,182,774	14.41
1996-97 Primary	166,241	1,168,892	14.22
1996-97 Secondary	170,855	1,209,992	14.12
1997-98 Primary	171,167	1,214,648	14.09
1997-98 Secondary	173,898	1,240,400	14.02
1998-99 Primary	177,639	1,270,596	13.98
1998-99 Secondary	181,072	1,298,822	13.94
1999-00 Primary	185,297	1,371,767	13.51
1999-00 Secondary	190,410	1,418,095	13.43
2000-01 Primary	197,130	1,458,893	13.51
2000-01 Secondary	201,652	1,495,744	13.48
2001-02 Primary	215,903	1,590,882	13.57
2001-02 Secondary	224,373	1,660,243	13.51
2002-03 Primary	228,063	1,701,682	13.40
2002-03 Secondary	235,056	1,755,656	13.39
2003-04 Primary	240,075	1,791,502	13.40
2003-04 Secondary	246,303	1,838,350	13.40

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



# SANTA CRUZ COUNTY

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

Fiscal Year	Santa Cruz County				Fire Districts			State of Arizona	Education Assistance
	County-Wide	Flood Control District	Fire District	Debt Service	Tubac	Rio Rico	Nogales Suburban		
1994-95	\$ 2.6485	\$ 0.4501	\$ 0.1000	\$ 0.3211	\$ 1.3350	\$ 1.4077	\$ 3.8193	\$ 3.3300	\$ 0.5300
1995-96	2.6485	0.4119	0.1000	0.3144	1.3135	1.4860	3.7322	3.3300	0.5300
1996-97	2.6485	0.4119	0.1000	0.3144	1.6585	1.6336	3.8800	2.2000	0.5300
1997-98	2.8485	0.2119	0.1000	0.3144	1.9184	1.7708	3.8813	2.2000	0.5300
1998-99	3.2487	0.4115	0.1000	0.3117	1.8427	1.9152	3.8330	2.2000	0.5300
1999-00	3.2487	0.4115	0.1000	0.3117	2.6168	2.0979	3.8073	2.1654	0.5217
2000-01	3.2487	0.4115	0.1000	0.3117	2.6085	2.2117	3.8154	2.1265	0.5123
2001-02	3.2487	0.6115	0.1000	0.3117	2.5901	2.2035	3.6850	2.0647	0.4974
2002-03	3.3487	0.6115	0.1000	0.3117	2.6142	2.2627	3.6657	2.0296	0.4889
2003-04	3.3487	0.6115	0.1000	0.3117	2.6231	2.7677	3.6621	1.9583	0.4717

SOURCE: Annual budgets

# SANTA CRUZ COUNTY

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

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Fiscal Year	Patagonia Union High School #20	Elementary Schools			Santa Cruz Valley Unified #35	Nogales Unified #1
		Patagonia #6	Sonoita #25	Santa Cruz #28		
1994-95	\$ 6.2419	\$ 3.5588	\$ 7.3243	\$ 9.4262	\$ 8.1751	\$ 7.0130
1995-96	4.6601	2.9953	8.5457	9.4440	8.0921	7.1635
1996-97	3.9142	2.7792	7.6880	8.2032	8.0759	7.2044
1997-98	4.4567	2.7792	7.6897	8.8124	9.5308	7.0218
1998-99	4.4559	2.7758	7.6881	8.3102	9.2809	7.1452
1999-00	4.4549	2.7709	7.3342	8.3102	9.2809	6.7444
2000-01	4.4009	2.9293	7.1844	8.8315	9.1006	7.4978
2001-02	4.4347	3.7098	7.0119	8.5546	8.0142	6.8810
2002-03	3.5614	3.9804	6.1064	8.2479	7.5792	6.8164
2003-04	3.5633	4.9468	6.1031	8.1364	7.1726	7.0520

SOURCE: Annual budgets

# SANTA CRUZ COUNTY

## PRINCIPAL TAXPAYERS

JUNE 30, 2004

(Amounts in Thousands)

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Taxpayer	Estimated 2004 Secondary Assessed Valuation	Percent of County's 2004 Secondary Assessed Valuation
Tucson Electric Power Co	\$ 12,239	4.97%
Qwest Corporation	5,744	2.33
Delta Properties LLP	4,391	1.78
Wal-Mart Stores, Inc	3,648	1.48
Vatere LLC	2,506	1.02
Union Pacific Railroad	1,925	0.78
Rio Rico Properties	1,810	0.73
Mariposa Mall Investors LLC	1,578	0.64
Edwards/PCF-Nogales LLC	1,118	0.45
PFC - Torrance LLC	1,118	0.45
Total	<u>\$ 36,077</u>	<u>14.63%</u>

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

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

# SANTA CRUZ COUNTY

## COMPUTATION OF LEGAL DEBT MARGIN

JUNE 30, 2004

(Amounts in Thousands)

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Secondary assessed valuation	<u>\$ 246,303</u>
Legal debt limitation <sup>(1)</sup>	\$ 36,945
Deduct bond outstanding	<u>(1,040)</u>
Legal debt margin	<u>\$ 35,905</u>

### NOTE:

<sup>(1)</sup> Legal debt limit is 15% of secondary assessed valuation.

SOURCE: Annual budget  
Basic financial statements

# SANTA CRUZ COUNTY

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

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Fiscal Year	Population	Secondary Assessed Value	Gross Bonded Debt	Debt Service Monies Available for Principal	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
1994-95	34,325	\$161,983	\$4,630	\$110	\$4,520	0.03	0.13
1995-96	35,325	170,493	4,305	75	4,230	0.02	0.12
1996-97	36,525	170,855	3,960	58	3,902	0.02	0.11
1997-98	37,750	173,898	3,595	55	3,540	0.02	0.09
1998-99	39,000	181,072	3,215	27	3,188	0.02	0.08
1999-00	39,325	190,410	2,825	66	2,759	0.01	0.07
2000-01	39,325	201,652	2,410	134	2,276	0.01	0.06
2001-02	39,840	224,373	1,975	253	1,722	0.01	0.04
2002-03	40,890	235,056	1,520	360	1,160	0.01	0.03
2003-04	41,350	246,303	1,040	480	560	0.00	0.01

SOURCE: Annual budget  
Debt retirement schedule

# SANTA CRUZ COUNTY

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

(Amounts in Thousands)

Fiscal Year	Principal	Interest	Total Debt Service	Total General Government Expenditures	Ratio of Debt Service to Total General Government Expenditures
1994-95 <sup>(1)</sup>	\$310	\$261	\$571	\$6,152	0.09
1995-96 <sup>(2)</sup>	325	241	566	6,621	0.09
1996-97 <sup>(2)</sup>	345	223	568	7,388	0.08
1997-98 <sup>(2)</sup>	365	203	568	7,805	0.07
1998-99 <sup>(2)</sup>	380	185	565	8,328	0.07
1999-00 <sup>(2)</sup>	390	168	558	8,777	0.06
2000-01 <sup>(3)</sup>	415	150	565	9,681	0.06
2001-02 <sup>(3)</sup>	435	130	565	10,758	0.05
2002-03 <sup>(3)</sup>	455	108	563	9,869	0.06
2003-04 <sup>(3)</sup>	480	84	564	12,061	0.05

### NOTES:

- (1) Includes General, Special Revenue and Debt Service Funds. For financial reporting, the Private Industry Council was blended with the County's Special Revenue Funds prior to fiscal year 1995-96.
- (2) Includes the General Fund, Special Revenue Funds, Debt Service Fund and the Private Industry Council (discretely presented component unit).
- (3) Includes the General Fund, Special Revenue Funds, and Debt Service Fund.

SOURCE: Basic financial statements

# SANTA CRUZ COUNTY

## COMPUTATION OF DIRECT AND OVERLAPPING DEBT

JUNE 30, 2004

(Amounts in Thousands)

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<b>Jurisdiction</b>	<b>Net Debt Outstanding</b>	<b>Percent Applicable to Santa Cruz</b>	<b>Amount Applicable to Santa Cruz</b>
Santa Cruz County	\$ 1,040	100%	\$ 1,040
School District	8,795	100	8,795

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

# SANTA CRUZ COUNTY

## DEMOGRAPHIC STATISTICS LAST TEN YEARS

Year	Population	Per Capita Income	School Enrollment	Civilian Labor Force	Unemployment Rate
1995	34,325	\$ 13,572	8,480 <sup>(2)</sup>	15,180	19.6%
1996	35,325	14,282	8,794 <sup>(3)</sup>	15,440	25.6
1997	36,525	15,009	9,083 <sup>(4)</sup>	14,220	20.7
1998	37,750	15,938	8,913 <sup>(5)</sup>	14,225	17.7
1999	39,000	16,496	9,085 <sup>(6)</sup>	12,900	16.7
2000	39,325	17,373	9,434 <sup>(7)</sup>	12,525	13.5
2001	39,325	17,964	9,324 <sup>(8)</sup>	13,425	7.6
2002	39,840	N/A <sup>(1)</sup>	10,288 <sup>(9)</sup>	13,225	9.1
2003	40,890	N/A <sup>(1)</sup>	10,171 <sup>(10)</sup>	14,475	12.4
2004	41,350	N/A <sup>(1)</sup>	10,528 <sup>(11)</sup>	15,025	11.9

### NOTES:

- (1) Information not available.
- (2) School enrollment as of May 15, 1995.
- (3) School enrollment as of April 8, 1996.
- (4) School enrollment as of January 31, 1997.
- (5) School enrollment as of June 30, 1998.
- (6) School enrollment as of June 9, 1999.
- (7) School enrollment as of June 9, 2000.
- (8) School enrollment as of June 9, 2001.
- (9) School enrollment as of January 31, 2002.
- (10) School enrollment as of November 5, 2003.
- (11) School enrollment as of August 25, 2004

SOURCES: Annual reports of the Superintendent of Public Instruction; Bureau of Economic Analysis – United States Department of Commerce; Arizona Workforce Informer website.



## SANTA CRUZ COUNTY

### DEMOGRAPHIC STATISTICS – INTERNATIONAL BORDER CROSSING LAST TEN YEARS

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Year	Persons			Vehicles
	United States Citizens	Aliens	Total	
1995	2,779,444	11,244,419	14,023,863	3,543,690
1996	2,914,902	10,252,094	13,166,996	3,632,280
1997	2,904,345	11,104,174	14,008,519	3,831,323
1998	2,958,124	11,712,371	14,670,495	3,958,508
1999	2,842,501	11,652,432	14,494,933	4,449,626
2000	3,146,755	12,715,067	15,861,822	4,840,233
2001	2,845,166	11,243,340	14,088,506	4,847,408
2002	2,792,955	11,609,578	14,402,533	4,227,673
2003	1,842,655	7,718,452	9,561,107	2,459,531
2004	3,150,402	13,955,605	17,106,007	3,722,759

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

# SANTA CRUZ COUNTY

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

Year	Sales <sup>(1)</sup>		Construction		Bank Deposits	Assessed Property Value		
	Construction	Retail Trade	Construction Awards	Number of Dwelling Units Awarded		Commercial	Residential	Non-taxable
1995	\$ 45,756	\$ 218,010	\$ 48,695	455	\$ 454,785	\$ 60,914	\$ 47,460	\$ 12,168
1996	38,428	230,057	49,245	503	459,441	59,162	50,111	13,233
1997	35,217	252,331	41,833	539	512,695	60,332	54,063	14,637
1998	42,153	276,794	49,712	536	566,682	62,106	57,621	17,631
1999	57,409	281,140	50,940	556	626,795	62,593	62,368	16,845
2000	47,377	313,267	68,637	528	528,395	65,390	69,595	20,847
2001	46,129	333,886	49,005	319	565,385	69,126	75,764	21,516
2002	46,895	342,025	40,939	379	571,175	66,852	83,148	22,635
2003	53,167	357,472	58,470	446	598,614	70,753	91,491	23,836
2004	70,471	389,224	72,466	794	713,000	73,813	97,412	24,460

### NOTES:

<sup>(1)</sup> Information reported for fiscal year ended June 30.

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

# SANTA CRUZ COUNTY

## EMPLOYMENT STATISTICS

JUNE 30, 2004

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<u>Type of Employment</u>	<u>Employees</u>	<u>Percent of Total</u>
Goods-producing	1,350	10.7%
Trade, Transportation, and Utilities	5,100	40.3
Other Private Service-Producing	2,825	22.3
Federal Government	1,175	9.3
State Government	<u>2,200</u>	<u>17.4</u>
	<u><u>12,650</u></u>	<u><u>100.0%</u></u>

SOURCE: Arizona Economic Indicators as of Fall 2004, published by the University of Arizona – Economic and Business Research Program.

# SANTA CRUZ COUNTY

## MISCELLANEOUS STATISTICAL DATA YEAR ENDED JUNE 30, 2004

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<b>YEAR OF INCORPORATION</b>	1899
<b>FORM OF GOVERNMENT</b>	Body politic county of State of Arizona Pursuant to Arizona Revised Statutes
<b>AREA</b>	1,246 square miles
<b>MILES OF STREETS:</b>	
Paved	398.34
Unpaved	329.33
<b>REGISTERED VOTERS</b>	19,332
Democrat	58.76%
Republican	20.51%
<b>NUMBER OF FIDUCIAL COURTS:</b>	
Superior Court Department	1
Justice of Peace Courts	2
<b>FLOOD PROTECTION:</b>	
Flood control district	1
Number of employees	9
<b>SHERIFF PROTECTION:</b>	
Number of stations	4
Number of employees	79
Major crimes	215
Vehicular patrol units	22
<b>SANITARY LANDFILLS:</b>	
Number of landfills	2
<b>NUMBER OF PARKS:</b>	
Neighborhood parks	7