

COUNTY OF SANTA CRUZ, CALIFORNIA
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures,
and Changes in Fund Balances to the Government-wide Statement of Activities -
Governmental Activities
Year Ended June 30, 2003

Net Change in Fund Balances - Total Governmental Funds		\$ (13,067,709)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlay 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. This is the amount by which capital outlays exceeded depreciation in the current period.		
Expenditures for general capital assets and other related capital assets adjustment	\$ 6,980,116	
Less current year depreciation	<u>(4,672,220)</u>	2,307,896
In the statement of activities, only the gain (loss) on sale of assets is reported, whereas in the governmental funds, the proceeds from the sale increase the financial resources. Thus, the change in net assets differs from the change in fund balance by the cost of the asset sold, net of related accumulated depreciation.		
		(586,872)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
		156,119
Other financing source/use in the funds increases/decreases long-term liabilities in the statement of net assets.		
Proceeds from refunding bonds	(8,377,728)	
Premium on long-term debt	(192,196)	
Debt issue cost and advance refunding deferred charges	<u>467,510</u>	(8,102,414)
Repayments of debt principal is an expenditure in the governmental funds, but the repayment reduces the long-term liabilities in the statement of net assets.		
Principal repayments		
Tax allocation bonds	2,020,000	
Refunding certificates of participation	465,000	
Lease revenue refunding bonds	2,044,686	
Revenue bonds	290,000	
CHFFA	130,129	
Notes payable	285,546	
Capital leases	262,585	
Local assessment bonds	35,000	
Refunded 1987 refunding certificates of participation	3,565,000	
Refunded 1996 lease revenue bonds	<u>2,435,912</u>	11,533,858
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Change in accrued interest payable	511,598	
Change in compensated absences	<u>(887,899)</u>	(376,301)
Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue (expenses) of certain activities of the internal service funds is reported with governmental activities.		
		(4,877,270)
Transfer of Internal service funds activities to Business-type activities.		
		1,316,863
Change in amount of unavailable revenues deferred for governmental funds not recognized as revenue under the accrual method of government-wide statements. Prior year deferral was received in the current year and additional deferral was made unavailable at year end.		
		<u>1,103,758</u>
Change in Net Assets of Governmental Activities		\$ (10,592,072)

The notes to the basic financial statements are an integral part of this statement.