

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
June 30, 2002

Net Change in Fund Balances - Total Governmental Funds \$ 3,462,932

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, infrastructure, and other related capital assets adjustment	\$ 5,898,887	
Less current year depreciation	<u>(4,389,004)</u>	1,509,883

Proceeds from debt issues are an other financing source in the funds, but a debt issue increases long-term liabilities in the statement of net assets. (11,900,000)

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	1,790,000	
Certificates of participation	885,000	
Lease revenue refunding bonds	1,090,000	
Lease revenue bonds	194,873	
Revenue bonds	275,000	
CHFFA	307,697	
Notes payable	269,512	
Capital leases	291,850	
Local assessment bonds	<u>95,000</u>	5,198,932

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. (3,632,088)

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 compensated absences (1,291,112)

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. (1,589,543)

Transfer of Internal service funds activities to Business-type activities. 365,595

Deferred revenue of governmental funds not recognized as revenue under the accrual method of government-wide statements. (532,188)

Change in Net Assets of Governmental Activities **\$ (8,407,589)**