

**SANTA CRUZ COUNTY
REDEVELOPMENT AGENCY
(A component unit of the County of Santa Cruz, California)**

AUDIT REPORT

FOR THE YEAR ENDED JUNE 30, 2006

SANTA CRUZ COUNTY REDEVELOPMENT AGENCY

June 30, 2006

Table of Contents

	<u>Page</u>
INDEPENDENT AUDITOR’S REPORT	1-2
MANAGEMENT’S DISCUSSION AND ANALYSIS (Required Supplementary Information)	3-9
BASIC FINANCIAL STATEMENTS	
Government-Wide Financial Statements	
Statement of Net Assets	10
Statement of Activities	11
Fund Financial Statements	
Balance Sheet – Governmental Funds	12
Reconciliation of the Governmental Fund Balance Sheet to the Government-Wide Statement of Net Assets – Governmental Activities	13
Statement of Revenues, Expenditures, and Changes in Fund Fund Balance – Governmental Funds	14
Reconciliation of the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balance to the Government-Wide Statement of Activities – Governmental Activities	15
Notes to the Basic Financial Statements	16-39
REQUIRED SUPPLEMENTARY INFORMATION (Other than MD & A)	
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual:	
Tax Increment Fund	40-41
Administration Fund	42-43
Capital Project Fund	44-45
LMIH Project Fund	46-47
Notes to Required Supplementary Information	48
ANNUAL REPORT OF FINANCIAL TRANSACTIONS TO STATE CONTROLLER	
Combining Balance Sheet	49-50
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	51
OTHER REPORTS	
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Basic Financial Statements Performed in accordance with <i>Government Auditing Standards</i>	52-53