County of Placer, California

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2007
(amounts expressed in thousands)

Net change in fund balances - total governmental funds (page 25)	$ 77,826
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 outlay	48,898
Donated capital assets	12,343
Depreciation expense	(11,162)
The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, donations, disposals) is to decrease net assets.	(445)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the fund.	(1,408)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when the debt is first issue, whereas these amounts are deferred and amortized in the statement of activities.	
Capital lease financing	(251)
Issuance of long-term debt	(25,750)
Premium (discount) on refunding debt	99
Bond issuance costs	1,090
Principal repayments on long-term debt	1,573
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.	
Compensated absences	(1,356)
Amortization of bond issuance costs	(202)
Accrued interest payable	(949)
Internal service funds are used by management to charge the costs of telecommunications, countywide technology projects, fleet, reprographics, mail, records management, self insurance and dental and vision insurance. The net expense of certain activities of the Internal Service Funds are reported with governmental activities.	3,413
Change in net assets of governmental activities (page 19)	$ 103,719

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