

# COUNTY OF SANTA CRUZ, CALIFORNIA

## Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Government-Wide Statement of Activities - Governmental Activities For the Year Ended June 30, 2005

<b>Net change to fund balance - total governmental funds</b>	\$	(9,444,021)
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
<p>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.</p>		
Expenditures for general capital assets, infrastructure, and other related capital assets adjustments	27,723,065	
Less current year depreciation	<u>(13,966,199)</u>	13,756,866
<p>Other financing source/use in the funds increases/decreases long-term liabilities in the statement of net assets.</p>		
Proceeds from refunding bonds	(10,580,000)	
Payment to refunded escrow agent	11,590,000	
Discount on long-term debt	67,249	
Debt issue costs	<u>334,720</u>	1,411,969
<p>Repayments of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.</p>		
<p>Principal repayments:</p>		
Tax allocation bonds	2,675,000	
Refunding certificates of participation	1,145,000	
Certificates of participation	585,000	
Lease revenue bonds	720,000	
Lease revenue refunding bonds	1,319,319	
Revenue bonds	325,000	
CHFFA	148,854	
Notes payable	326,703	
Capital leases	183,734	
Local assessment bonds	<u>40,000</u>	7,468,610
<p>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.</p>		
Amortization of bond premium/discount and bond issuance costs	841	
Change in accrued interest payable	234,229	
Change in compensated absences	<u>(863,956)</u>	(628,886)
<p>Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of certain activities of the internal service funds is reported with governmental activities.</p>		
		(2,798,434)
<p>Transfer of internal service funds to business-type activities.</p>		
		125,552
<p>Change in amount of unavailable revenue 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.</p>		
		<u>3,406</u>
<b>Change in net assets of governmental activities</b>	<b>\$</b>	<b><u>9,895,062</u></b>

The accompanying notes are an integral part of these financial statements.