

The governmental funds Balance Sheet includes a reconciliation between fund balances – total governmental funds and net position – governmental activities as reported in the government-wide Statement of Net Position. The difference in fund balances of \$2,199,121 is due to the long-term economic focus of the Statement of Net Position versus the short-term economic focus of the governmental funds. The components of the difference are described below.

Total Fund Balances - Governmental Funds	\$	1,886,587
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Capital assets used in the operations of the County are not reported in the governmental funds financial statements because governmental funds focus on current financial resources. Such assets must be included in the Statement of Net Position for purposes of government-wide reporting. These capital assets consist of:

Land	813,921	
Structures and Improvements	1,179,760	
Equipment	270,954	
Software	88,154	
Infrastructure	1,420,800	
Land Use Rights	3,770	
Construction/Software in Progress	189,925	
Accumulated Depreciation/Amortization	<u>(1,301,434)</u>	2,665,850

Other assets used in governmental activities do not consume current financial resources and therefore, are not reported in the governmental funds:

Prepaid Costs	105,900	
Unamortized Bond Issuance Cost	<u>1,978</u>	107,878

Internal service funds primarily serve governmental funds and consequently the assets and liabilities of internal service funds are incorporated as part of governmental activities for purposes of government-wide financial reporting. In addition, the cumulative internal balance resulting from current year's and last year's allocation of internal service funds to business-type activities are also reported in the Statement of Net Position.

(6,183)

Under the modified accrual basis of accounting, revenue cannot be recognized until it is available to liquidate liabilities of the current period; under accrual accounting, revenue must be recognized as soon as it is earned, regardless of its availability. Deferred revenue is eliminated in the government-wide financial statements.

Deferred Revenue		221,105
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Reconciliation of the Governmental Funds Balance Sheet  
to the Statement of Net Position  
(Dollar Amounts in Thousands)

Uncollected property taxes related to prior years are recorded as deferred revenue in governmental funds. Likewise, property taxes levied in prior years are recorded as revenues in the current fiscal year as they are collected. These deferred revenues should not be included in the government-wide Statement of Net Position as they relate to prior periods and were recognized as revenues in prior years.

6,789

Governmental funds report only those liabilities that are expected to be liquidated with current available financial resources. Thus, governmental funds typically do not report any liability for the unmatured portion of long-term debt or any liability that does not consume current available financial resources. However, all liabilities must be reported in the government-wide financial statements. The adjustment to reduce net position for the unmatured long-term liabilities on the Statement of Net Position consists of the following:

Bonds and COPs Payable, Net	(231,892)	
SARI Line Loans Payable	(59,892)	
Teeter Notes Payable	(43,486)	
Compensated Employee Absences Payable	(173,134)	
Capital Lease Obligations Payable	(67,353)	
Arbitrage Rebate Payable	(471)	
Interest Payable on Bonds	(2,901)	
Interest Accreted on Capital Appreciation Bonds	(110,084)	
Estimated Liability - Litigation and Claims	(150,000)	
County's Net Pension Asset for the Extra-Help Employees' Defined Benefit Retirement Plan	1,090	(838,123)

Governmental Accounting Standards Board (GASB) Statement No. 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions" requires an employer to record a net Other Postemployment Benefits (OPEB) obligation (asset) for the difference between the annual required contribution (ARC) and the amounts actually contributed to the OPEB Plan. In FY 2012-13, the County contributed more than the ARC to the Retiree Medical Trust, increasing the net OPEB asset reported on the Statement of Net Position.

41,805

Net Position of Governmental Activities

\$ 4,085,708