

**Reconciliation of Changes in Fund Balances of Governmental  
Funds to the Statement of Activities  
For the Year Ended June 30, 2012**

Net change in fund balance - total governmental funds (page C-9) \$ (38,311,916)

Amounts reported for the governmental activities in the Statement of Activities (page C-3) 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. This is the amount by which depreciation and net gains and losses on retirements exceeded capital outlays in the current period. (See Note II.B) (13,161,658)

Revenues in the Statement of Activities that do not provide current financial resources are reported as deferred revenues in the funds. (6,014,745)

Decrease in accrued interest receivable. (97,598)

Revenues in the Statement of Activities from other long-term receivables that do not provide current resources are not reported in the funds. (189,404)

Changes in amounts payable to schools from receivables not available in the funds. (3,845,547)

Expenditures recorded under the purchases method that apply to a future period are reported as prepaid expenses in the Statement of Net Assets. The net change in prepaid is an adjustment to expenses in the current period. (47,246)

Increase in interest payable on long-term debt. (2,248,796)

Change in fair value of derivatives 5,024,854

The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while 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 cost, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items. (See Note II.B) 122,028,057

Changes in other long-term liabilities other than internal service funds. (See Note II.B) 5,663,961

Unfunded contributions to the pension trust fund are reported as a reduction to the net pension asset in the Statement of Net Assets. (3,275,603)

Internal service funds are used by management to charge the costs of central services to individual funds. The net income of certain activities of internal service funds is reported with governmental activities. 910,209

Change in net assets of governmental activities (page C-3) \$ 66,434,568

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