

Sample County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets
June 30, 2007

Amounts reported for governmental activities in the statement of net assets (Exhibit A) are different because:

Total fund balances - balance sheet - governmental funds (Exhibit C-1)		\$ 9,717,179
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 4,643,032	
Add: construction in progress	711,888	
Add: building and improvements net of accumulated depreciation	2,951,837	
Add: other capital assets net of accumulated depreciation	2,259,846	
Add: infrastructure net of accumulated depreciation	<u>17,402,814</u>	27,969,417
(2) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		747,990
(3) Internal service funds are used by management to charge the cost of workers' compensation and employee dental benefits to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.		720,064
(4) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: notes payable	\$ (5,430,503)	
Less: other loans payable	(15,975,293)	
Less: capital leases payable	(78,822)	
Less: bonds payable	(21,621,744)	
Add: deferred amount on refunding	1,047,433	
Add: deferred charges - debt issuance costs	832,439	
Less: landfill closure/postclosure care costs	(894,520)	
Less: compensated absences payable	(355,658)	
Less: accrued interest on bonds, notes, other loans payable, and capital leases	(198,981)	
Less: other deferred revenue - premium on debt	<u>(422,689)</u>	<u>(43,098,338)</u>
Net assets of governmental activities (Exhibit A)		<u>\$ (3,943,688)</u>

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