

CLARK COUNTY, WASHINGTON
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
To the Statement of Activities*
For the Year Ended December 31, 2006

Net change in fund balances as shown on Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balance:	\$ 11,812,675
Governmental funds report capital outlays as expenditures and proceeds from the sale of capital assets as revenues. In the Statement of Activities the cost of those assets is capitalized and depreciated over the period of the asset's useful life. When capital assets are disposed of the difference between original cost and depreciation, and the proceeds, are booked as a gain or (loss) on the sale. This entry takes into account the differences in how capital costs are treated between the Statement of Activities and the governmental fund statements.	27,166,423
The County receives contributions in the form of capital assets from developers and other donors. Because capital assets are not reported in governmental funds, neither are such contributions. Government-Wide Statements report capital assets in the Statement of Net Assets, and any contributions are reported in the Statement of Activities. This is the value of those capital contributions during the year.	23,155,861
Internal service fund expenses are allocated to other funds. The net expense of certain internal service fund activities is reported with governmental activities on the Statement of Activities.	887,929
The issuance of long-term debt (e.g. bonds) provides current financial resources to governmental funds, while the repayment of principal on long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. This entry is the net effect of these differences in the treatment of long-term debt issuance and payments.	6,377,662
Governmental funds report revenue in the current period for revenues deferred in prior periods since they were not available financing sources at the time. Government-wide statements record revenues at the time they are earned. This amount accounts for the change in deferred revenues during 2006.	1,738,722
Governmental funds do not report interest in a joint venture where the government's participation is intended to assist in the provision of services, as is the case with the County's investment in the Clark Regional Emergency Services Agency. However, the equity interest is reported in the Statement of Net Assets.	690,434
Some expenses reported in the statement of activities do not require the use of current financial resources, and accordingly, are not reported as expenditures in governmental funds.	(985,075)
Change in net assets, as reflected on the Statement of Activities	\$ 70,844,631

*Additionally, there is a difference of \$22,501,453 between the prior period adjustment shown on the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds and the Statement of Activities. This difference is accounted for by road systems which were contributed by developers in prior years, which were not captured in the financial statements until 2006.

See accompanying notes to the financial statements