

**STATE OF ALASKA**  
**Reconciliation of the Change in Fund Balances to the Statement of Activities**  
**Governmental Funds**  
**For the Fiscal Year Ended June 30, 2012**  
**(Stated in Thousands)**

**STATEMENT 1.14**

**Net Change in Fund Balances - Total Governmental Funds** \$ 3,688,273

Amounts reported for governmental activities in the Statement of Activities 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 as depreciation expense. Primarily this is the amount by which capital outlays exceeded depreciation in the current period (Note 5).

Capital outlay	413,981	
Depreciation expense	<u>(337,509)</u>	76,472

Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue of the internal service funds is reported in governmental activities in the Statement of Revenues, Expenses, and Changes in Fund Net Assets (Statement 1.22).

Net current year revenue		13,165
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Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the fund. (74,452)

Bond and other debt proceeds provide current financial resources to governmental funds; however, issuing debt increases long-term liabilities in the Statement of Net Assets. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets.

Refunding bond proceeds	(237,397)	
Accrued interest	2,190	
Repayment of bond principal	94,820	
Payment to refunded bond escrow agent	237,509	
Amortization of bond issue costs	<u>(88)</u>	97,034

Some capital additions were financed through capital leases. In the governmental funds, a capital lease arrangement is considered a source of financing, but in the statement of net assets, the lease obligation is reported as a liability. (10,277)

Certain expenditures are reported in the funds. However, they either increase or decrease long-term liabilities reported on the Statement of Net Assets and have been eliminated from the Statement of Activities.

Claims and judgments	(23,298)	
Compensated absences	(8,840)	
Pollution remediation	(34,067)	
Capital lease payments	43,397	
Pension obligation	(49)	
Other post employment benefits	<u>(469)</u>	(23,326)

**Change in Net Assets of Governmental Activities** \$ 3,766,889

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