

City of Boise, Idaho  
 Reconciliation of the Statement of Revenues, Expenditures,  
 and Changes in Fund Balances of Governmental Funds  
 to the Statement of Activities (continued)  
 For the Fiscal Year Ended September 30, 2006  
 (amounts expressed in thousands)

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances--total governmental funds	\$ 18,170
Net revenues (expenses) of certain internal service funds is included with governmental activities.	614
Some of the City's taxes will be collected after year end, but, are not available soon enough for the current period's expenditure's and therefore are reported as deferred revenue in the funds. The amount represents the net change in deferred revenue.	(151)
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 (\$7,327) exceeded capital outlay (\$7,531) in the current period.	204
The net effect of various transactions involving capital assets (i.e., sales and donations) is to increase net assets. (Note II)	22,264
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 costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount represents the net effect of these differences in the treatment of long-term debt and related items. (Note II)	983
Interest expense in the Statement of Activities differ from the amount reported in governmental funds. Additional accrued interest was calculated for bonds and notes payable, and the difference arising from the advance refunding and is being amortized (added to interest expense for the year). This amount represents the net change in accrued interest.	(188)

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Compensated absences reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. This amount represents the net change in compensated absences.

(80)

Change in net assets of governmental activities

\$ 41,816

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