

City of Flint

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds To the Statement of Activities For the Year Ended June 30, 2002

Net change in fund balances - total governmental funds \$ 590,247

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

Receipts on certain long term receivables were recognized as revenue in the governmental funds in the current year when received in cash. These revenues were recognized as of June 30, 2001 as the government wide statements do not defer revenues received on long term receivables. The effect of these revenues is reflected in the beginning balance of net assets on the government wide financial statements. (2,194,401)

Governmental funds report capital outlay as expenditures. However in the statement of activities the cost of these assets is allocated over their useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period. 5,374,235

The issuance of long term debt provides current financial resources to the governmental funds. However, on the statement of net assets, debt proceeds are recorded as a liability when received and do not have any effect on net assets. (1,172,000)

The payment of principal on long term debt consumes the current financial resources of the governmental funds. However, on the statement of net assets, repayments of principal are recorded as a reduction to long term debt payable and do not have any effect on net assets. 3,517,447

Expenses recorded on the statement of changes in net assets for the accrual of compensated absences do not consume the current financial resources of the funds and, therefore, are not reported as expenditures in the governmental funds. 1,022,076

The activities of the internal service funds are considered part of governmental activities on the statement of changes in net assets but are not reported in the funds. The internal services funds had a net income of \$498,296 for the year ended June 30, 2002 and that net income is included in the statement of changes in net assets of governmental activities. 498,296

Changes in net assets of governmental activities \$ 7,635,900