

MUNICIPALITY OF SALEM
Reconciliation of the Governmental funds Balance Sheet to the Statement of Net Assets
December 31, 2011

Total Fund Balances - Governmental Funds	<u>1,390,347.96</u>
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	<u>1,701,171.87</u>
Long-term liabilities, including bonds payable and accrued leave payable are not due and payables in the current period and therefore are not reported in the funds.	<u>(11,137.50)</u>
Assets such as taxes receivable (delinquent) and special assessment receivables (current, delinquent and deferred) are not available to pay for current period expenditures and therefore are deferred in the funds.	<u>11,491.23</u>
Internal service funds are used by management to charge the costs of activities, such as insurance, to individual funds. The assets and liabilities of internal service funds are included in governmental activities in the statement of net assets.	<u>0.00</u>
Net Assets- Governmental Activities	<u><u>3,091,873.56</u></u>