

MUNICIPALITY OF SALEM
Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances to the Statement of Activities
For the Year Ended December 31, 2011

Net Change in Fund Balances - Total Governmental Funds	<u>464,099.83</u>
Amounts reported for governmental activities in the statement of activities are different because:	
This amount represents capital asset purchases which are reported as expenditures on the fund financial statements but increase assets on the government wide statements.	<u>35,124.11</u>
This amount represents the current year depreciation expense reported in the statement of activities which is not reported on the fund financial statements because it does not require the use of current financial resources.	<u>(78,667.61)</u>
In the statement of activities, gains \$ _____ and losses \$ _____ on disposal of capital assets are reported, whereas, in the governmental funds, the proceeds \$ _____ from the disposal of capital assets are reflected, regardless of whether a gain or loss is realized. (+gains, -losses, -proceeds=amount)	<u>(10,336.80)</u>
The receipt of donated capital assets is not reported on the fund statements, but is reported as a program revenue on the government wide statements.	<u>0.00</u>
Payment of principal on long-term debt is an expenditure in the governmental funds but the payment reduces long-term liabilities in the statement of net assets.	<u>0.00</u>
G.O Bond	\$ _____
Revenue Bond	\$ _____
Sp. Assess. Bond	\$ _____
Other Long-Term	\$ _____
The issuance of long-term debt is an other financing source in the fund statements but an increase in long-term liabilities on the government wide statements.	<u>0.00</u>
G.O. Bond	\$ _____
Revenue Bond	\$ _____
Sp. Assess. Bond	\$ _____
Other Long-Term	\$ _____
The fund financial statement governmental fund property tax accruals differ from the government wide statement property tax accruals in that the fund financial statements require the amounts to be "available".	<u>2,117.18</u>
Governmental funds report special assessments as revenue when "available", but the statement of activities includes the full amount of special assessments as revenue upon completion of the project at the point when an enforceable legal claim arises.	<u>(3,015.00)</u>
Governmental funds recognize expenditures for amounts of compensated absences actually paid to employees with current financial resources during the fiscal year. Amounts of compensated absences earned by employees are not recognized in the funds. In the statement of activities, expenses for these benefits are recognized when the employees earn leave credits.	<u>572.89</u>
Vacation Leave	\$ <u>572.89</u>
Sick Leave	\$ _____
Other Leave Types	\$ _____
(To arrive at the totals add amount earned and deduct amounts taken, hence, "change in" balance for the year, increase (decrease))	
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (e.g., accrued interest revenue)	<u>_____</u>
Some expenses 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. (e.g., accrued interest expense)	<u>(_____)</u>
Internal service funds are used by management to charge the costs of certain activities, such as insurance to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities.	<u>_____</u>
Supplies acquired are an expenditure on the fund statements when purchased but are expensed on the statement of activities when consumed. This amount represents the "change in" inventory of supplies. Increase (decrease)	<u>(3,625.59)</u>
Change in Net Assets of Governmental Activities	<u><u>406,269.01</u></u>