

City of Midland, Michigan

Governmental Funds Reconciliation of Balance Sheet to the Statement of Net Assets June 30, 2008

Fund Balance - Total Governmental Funds	\$ 35,878,424
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 governmental funds. Those assets consist of capital assets, less accumulated depreciation	76,631,933
Investments in joint ventures are not financial resources and therefore are not reported in the governmental funds	305,957
Internal Service Funds are included as part of governmental activities:	
Net assets of all Internal Service Funds	\$ 19,697,993
Less allocation to business-type activities	<u>(3,624,401)</u>
Total	16,073,592
Some of the City's receivables will not be collected soon enough after year end to be available to pay for the current period's expenditures and therefore are reported as deferred revenue in the funds - Due from other governmental units - State revenue-sharing and grant funds	683,688
Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and therefore are not reported in the governmental funds. All liabilities, both current and long-term, are reported in the statement of net assets:	
Capital lease payable	(983,651)
Property tax appeal reserve, net	(36,301,726)
Compensated absences	(3,623,233)
Less internal service compensated absences	<u>206,335</u>
Total long-term liabilities	<u>(40,702,275)</u>
Net Assets - Governmental Activities	<u>\$ 88,871,319</u>