

City of Columbus, Ohio

Exhibit 3.1

Reconciliation of the Balance Sheet to the Statement of Net Assets
 Governmental Funds
 December 31, 2001
 (amounts expressed in thousands)

Total **fund balances** for governmental funds (Exhibit 3) \$ 441,195

Total **net assets** reported for governmental activities in the statement of net assets is different because:

Capital assets used in governmental activities (excluding internal service fund capital assets) are not financial resources and therefore are not reported in the funds. Those assets consist of:

Land	165,036	
Buildings, net of \$85,139 accumulated depreciation	190,475	
Improvements other than buildings, net of \$37,649 accumulated depreciation	81,758	
Machinery and equipment, net of \$123,465 accumulated depreciation	87,847	
Infrastructure, net of \$166,664 accumulated depreciation	688,546	
Total capital assets (See Note F)		1,213,662

Internal services funds (see Exhibit 5) are used by the City to account for the financing of goods or services provided by one department or agency to other City departments or agencies, generally on a cost reimbursement basis. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets. Internal service fund net assets are:

24,381

City income tax revenue related to 2001 (and prior tax years) will be collected beyond the 60 day period used to record revenue in the fund statements. Revenue and a corresponding receivable for this amount are included in the government-wide statements.

63,784

State shared revenue appropriated during the State of Ohio's fiscal year ended June 30, 2002 will be collected by the City in calendar year 2002. Revenue and a corresponding receivable for the amount appropriated but not received by December 31, 2001 are included in the government-wide statements.

38,591

Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities - both current and long-term - are reported in the statement of net assets. Also, during the year the City issued some new debt and refunded some of its existing debt. The amount of the old bonds has been reported as a fund liability because the proceeds on the new bonds were received prior to year end, while the old debt was not paid until January 1, 2002. The deferred amount on refunding and premium received on the refunding were reported in the governmental fund when the debt was issued, whereas these amounts are deferred and amortized, over the remaining life of the new debt, as an adjustment to interest expense in the statement of activities.

Balances at December 31, 2001 are:

Accrued wages and benefits		(2,963)
Accrued interest on bonds		(5,927)
Due to other governments		(1,500)
Compensated absences		(51,130)
Capital lease	(3,460)	
Bonds and notes payable	(764,089)	
Unamortized deferred amount on refunding	1,010	
Unamortized premiums	(2,849)	
Total long-term liabilities (see Note G)		(769,388)

Total **net assets** of governmental activities (Exhibit 1) \$ 950,705

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