

City of Columbus, Ohio

Exhibit 4.1

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
to the Statement of Activities
Governmental Funds
For the Year Ended December 31, 2001
(amounts expressed in thousands)

Net change in fund balances - total governmental funds (Exhibit 4)	\$ (84,066)
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets, which meet capitalization requirements, is allocated over their estimated useful lives and reported as depreciation expense. This amount includes the adjustment for capital outlay expenditures capitalized (\$116,018 of total capital outlay of \$118,733 met the capitalization requirements) offset by depreciation expense (\$51,309) in the current period. In addition, the City had donated infrastructure of \$21,097 in 2001 which is not reported in the governmental funds.	85,806
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	283
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of premiums and deferred amount on refundings when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The amount is the net effect of these differences in the treatment of long-term debt and related items.	52,335
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.	(4,699)
Net losses of certain activities of internal service funds are reported with governmental activities.	7,887
Changes in net assets of governmental activities (Exhibit 2)	<u>\$ 57,546</u>

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