

CITY OF LAFOLLETTE

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2018

Changes in Fund Balances - Governmental Funds \$ (1,674,255)

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlay as expenditures. However, in the statement of activities the cost of those assets in excess of the City's capitalization policy is capitalized and reported over their useful lives as depreciation expense.

Current Year Capital Outlay Capitalized	844,856
Current Year Depreciation Expense on Capitalized Assets	(890,081)

Governmental funds report long-term debt borrowings as revenue and principal payments on long-term debt as expenditures. However, in the statement of activities the payments are reflected as a reduction in the liability for long-term debt. Governmental funds also report interest expense in the period it is paid. However, in the statement of activities interest expense is recorded on the accrual basis of accounting in the period to which the interest relates.

Current Year Principal Payments Shown as Expenditures	289,000
Current Year Difference in Interest Expense Between Amounts Paid vs. Accrued	(2,527)

Governmental funds report contributions to the pension plan as expenditures. However, in the statement of activities pension expense is reflected based on the actuarially computed expense amount.

164,903

Expense from net Other Post Retirement Employment Benefits (OPEB) of \$72,532 is recognized in the statement of activities but does not represent a current use of resources. Current year OPEB benefit payments of \$113,666 are expenditures in the governmental funds but recognized as deferred inflows of resources in the statement of net position.

(41,131)

Change in Net Position - Governmental Activities \$ (1,309,235)