

**STATE OF SOUTH DAKOTA**  
**RECONCILIATION OF THE CHANGE IN FUND BALANCES OF GOVERNMENTAL**  
**FUNDS TO THE STATEMENT OF ACTIVITIES**  
**For the Fiscal Year Ended June 30, 2002**  
**(Expressed in Thousands)**

**Net Change in Fund Balances - Total Governmental Funds** \$ 11,425

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

Capital Outlays are reported as expenditures in governmental funds. However, in the statement of activities, the cost of capital assets is allocated over the useful lives as depreciation expense. In the current period, these amounts are:

Capital Outlay	136,808	
Depreciation Expense	<u>(61,664)</u>	
Excess of Depreciation Expense Over Capital Outlay		75,144

The net effect of various miscellaneous transactions involving capital assets, including sales, donations and trade-ins is to decrease net assets. (29,075)

Repayment of long-term debt is reported as an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. In the current year, these amounts consist of:

Bond Principal Retirement	11,428	
Capital Lease Payments	<u>1,242</u>	
Total Long-Term Debt Repayment		12,670

Internal service funds are used by management to charge costs of certain activities to individual funds. The net revenue of certain activities of internal service funds is reported in governmental activities. 469

Because some revenues will not be collected until several months after the state's fiscal year ends, they are not considered 'available' revenues and are deferred in the funds. Deferred revenues decreased by this amount this year. 67

Some items 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. These activities consist of:

Net (Increase) Decrease in Accrued Interest	(496)	
(Increase) Decrease in Compensated Absences	(3,186)	
(Increase) Decrease in Workers Compensation	<u>198</u>	
Total Additional Expenditures		<u>(3,484)</u>

**Change in Net Assets of Governmental Activities** \$ 67,216

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