

CITY OF MONTEREY
 Reconciliation of the
 GOVERNMENTAL FUNDS -- BALANCE SHEET
 with the
 STATEMENT OF NET ASSETS
 JUNE 30, 2006

Total fund balances (deficits) reported on the governmental funds balance sheet	\$ 4,264,339
<p>Amounts reported for Governmental Activities in the Statement of Net Assets are different from those reported in the Governmental Funds above because of the following:</p>	
CAPITAL ASSETS	
Capital assets used in Governmental Activities are not current assets or financial resources and therefore are not reported in the Governmental Funds.	81,035,363
ALLOCATION OF INTERNAL SERVICE FUND NET ASSETS	
<p>Internal service funds are not governmental funds. However, they are used by management to charge the costs of certain activities, such as insurance and central services and maintenance to individual governmental funds. The net current assets of the Internal service funds are therefore included in Governmental Activities in the following line items in the Statement of Net Assets.</p>	
Cash and investments	10,656,696
Restricted cash and cash equivalents	659,582
Accounts and interest receivable	103,618
Capital assets	3,045,746
Accounts payable and accrued liabilities	(7,626,069)
Long-term debt	(446,039)
ACCRUAL OF NON-CURRENT REVENUES AND EXPENSES	
Deferred revenue is recognized on the Governmental Fund balance sheet because they do not meet the criteria for availability. However, this criteria is not applicable on the Statement of Activities.	51,237,391
LONG TERM ASSETS AND LIABILITIES	
<p>The assets and liabilities below are not due and payable in the current period and therefore are not reported in the Funds:</p>	
Long-term debt	(12,298,082)
Compensated absences	(1,781,653)
<u>NET ASSETS OF GOVERNMENTAL ACTIVITIES</u>	<u>\$ 128,850,892</u>

See accompanying notes to financial statements