

CITY OF MONTEREY  
 Reconciliation of the  
 GOVERNMENTAL FUNDS -- BALANCE SHEET  
 with the  
 STATEMENT OF NET ASSETS  
 JUNE 30, 2004

Total fund balances (deficits) reported on the governmental funds balance sheet	\$ (6,225,029)
<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>	
<b>CAPITAL ASSETS</b>	
Capital assets used in Governmental Activities are not current assets or financial resources and therefore are not reported in the Governmental Funds.	79,285,774
<b>ALLOCATION OF INTERNAL SERVICE FUND NET ASSETS</b>	
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.	
Cash and investments	8,318,296
Restricted cash and cash equivalents	555,154
Accounts and interest receivable	128,098
Capital assets	3,668,510
Accounts payable and accrued liabilities	(7,533,805)
Long-term debt	(599,850)
<b>ACCRUAL OF NON-CURRENT REVENUES AND EXPENSES</b>	
Revenues which are deferred on the fund balance sheets because they are not available currently are taken into revenue in the Statement of Activities.	59,711,053
<b>LONG TERM ASSETS AND LIABILITIES</b>	
The assets and liabilities below are not due and payable in the current period and therefore are not reported in the Funds:	
Long-term debt	(16,251,851)
Compensated absences	(1,739,096)
	(17,990,947)
<b>NET ASSETS OF GOVERNMENTAL ACTIVITIES</b>	<b>\$ 119,317,254</b>

See accompanying notes to financial statements