

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

Total fund balances reported on the governmental funds balance sheet \$78,925,999

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:

CAPITAL ASSETS

Capital assets net of accumulated depreciation used in Governmental Activities are not current assets or financial resources and therefore are not reported in the Governmental Funds. 1,820,017,015

ALLOCATION OF INTERNAL SERVICE FUND NET ASSET

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	4,193,502
Accrued interest	44,065
Accounts receivable	26,722
Inventory	242,390
Capital assets, net	3,937,101
Accounts payable	(408,953)
Leave benefits	(139,818)
Deposits	(48,400)
Claims payable	(714,029)
Internal balances	2,563,105

ACCRUAL OF NON-CURRENT REVENUES AND EXPENSES

Revenues which are deferred on the Fund Balance Sheets because they are not available currently are taken into revenue in the Statement of Activities. 624,299

LONG-TERM ASSETS AND LIABILITIES

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	(24,788,395)
Interest payable	(398,815)
Non-current portion of compensated absences	(2,245,902)

NET ASSETS OF GOVERNMENTAL ACTIVITIES: \$1,881,829,886

See accompanying notes to financial statements