

CITY OF SANTA CLARITA

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS

June 30, 2006

Fund balances - total governmental funds \$ 100,276,231

Amounts reported for governmental activities in the Statement of Net Assets are different because:

Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds. Those assets consist of:

Land	\$ 72,109,140	
Construction in progress	52,196,756	
Site improvements, net of \$3,495,888 accumulated depreciation	8,584,441	
Building and improvements, net of \$9,780,855 accumulated depreciation	32,998,473	
Equipment, net of \$3,919,391 accumulated depreciation	1,736,503	
Infrastructure, net of \$2,296,133 accumulated depreciation	<u>69,713,119</u>	
Total capital assets used in governmental activities		237,338,432

Debt issuance costs are reported as an expenditure in the governmental funds in the year that the costs are incurred. On the government-wide statements, such costs are reported as deferred charges and amortized over the life of the debt. Unamortized deferred charges at June 30, 2006 are: 826,173

Certain receivables will be collected after year-end, but are not available soon enough to pay for current-period expenditures, and therefore are offset by deferred revenue in the funds. On the government-wide statements, this deferred revenue has been recognized as income. The deferred revenue amount at June 30, 2006 is: 6,110,996

Internal Service funds are used by management to charge the costs of self-insurance and capital replacements to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Assets. 15,055,265

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds. Interest on long-term debt is not accrued in governmental funds. Balances at June 30, 2006 are:

Accrued interest on long-term debt		(235,936)
Certificates of participation	\$ (18,410,000)	
Capital leases payable	(60,479)	
Loans payable	(5,028,997)	
Compensated absences	<u>(1,574,478)</u>	
Total long-term liabilities		<u>(25,073,954)</u>

Net assets of governmental activities \$ 334,297,207

See independent auditors' report and notes to basic financial statements.