

# CITY OF CYPRESS

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

June 30, 2011

Fund Balances of Governmental Funds	\$ 105,286,514
Amounts reported for governmental activities in the Statement of Net Assets differ from the amounts reported in the Balance Sheet for governmental activities due to the following:	
Capital assets of governmental activities are not financial resources and, therefore, are not reported in the governmental funds. Except for the internal service fund amount of \$2,432,666 which is reported below, the capital assets were equal to the following amount.	156,815,716
Interest expenditures are recognized when due, and therefore, accrued interest payable is not recorded in the governmental funds.	(74,794)
Long-term note receivables (net of an allowance for uncollectibility) and amounts borrowed by the State are not current available resources and, therefore, are offset by a deferred revenue amount equal to the receivable in the governmental funds.	2,136,988
Long-term liabilities are not reported in the governmental funds.	(3,145,000)
Internal service funds are used by management to charge the costs of certain activities (including central services, employee benefits, liability insurance, and workers compensation insurance) to individual funds. The assets and liabilities of the internal service funds are included in the Statement of Net Assets.	<u>24,711,298</u>
Net Assets of Governmental Activities	<u>\$ 285,730,722</u>

See Independent Auditors' Report and Notes to the Basic Financial Statements.