

**Warren County School District**  
**Reconciliation of the Governmental Funds Balance Sheet**  
**To the Statement of Net Assets**  
**June 30, 2006**

|   |   |    |                   |
|---|---|----|-------------------|
| Total fund balances - governmental funds  |   | \$ | 7,944,444         |
| Amounts reported for governmental activities in the statement of net assets are different because:  |   |    |                   |
| Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. The cost of assets is \$81,269,927, and the accumulated depreciation is \$37,804,333 |   |    | 43,465,594        |
| Property taxes receivable will be collected this year, but are not available soon enough to pay for the current period's expenditures, and therefore are deferred in the funds.   |   |    | 2,348,619         |
| Allowance for doubtful accounts - taxes receivable  |   |    | (107,172)         |
| Long-term liabilities, including bonds payable, are not due and payable in the current period, and therefore are not reported as liabilities in the funds. Long-term liabilities at year end consist of:                        |   |    |                   |
|   | Bonds payable   | \$ | (31,510,000)      |
|   | Deferred amount on refunding (net)                          |    | 77,927            |
|   | Bond discount (net)   |    | 38,090            |
|   | Accrued interest on the bonds                               |    | (307,982)         |
|   | Compensated absences  |    | (1,198,356)       |
|   |   |    | (32,900,321)      |
| Other:  |   |    |                   |
|   | Earned income tax receivable from self-employed individuals |    | 544,887           |
|   | Rental subsidy receivable                                   |    | 60,384            |
| TOTAL NET ASSETS - GOVERNMENTAL ACTIVITIES  |   | \$ | <u>21,356,435</u> |

The accompanying notes are an integral part of these statements.