

Warren County School District
Reconciliation of the Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balance
To the Statement of Activities
For the Year Ended June 30, 2006

Total net change in fund balances - governmental funds	\$ (312,724)
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Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeds capital outlays in the period.

Depreciation expense	\$ (2,570,693)	
Capital outlays	<u>3,246,478</u>	675,785

The proceeds from the sale of fixed assets are recorded as revenue in the governmental funds. However, in the statement of activities, only the gain on the sale is recognized as revenue.	(69,436)
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Because some property taxes will not be collected for several months after the District's fiscal year ends, they are not considered as "available" revenues in the governmental funds. Deferred tax revenues increased by this amount this year.	125,438
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Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	2,065,000
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Amortization of bond discount and deferred amount on refunding	(9,668)
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Other:

Change in self-employment taxes receivable	274,941
Change in rental reimbursement receivable	(2,207)
Change in allowance for doubtful accounts	(7,145)
Change in compensated absences	96,869
Change in accrued interest payable	<u>13,657</u>

Change in net assets of governmental activities	<u>\$ 2,850,510</u>
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The accompanying notes are an integral part of these statements.