

BOYERTOWN AREA SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the year ended June 30, 2007

Net change in fund balances - total governmental funds	\$ 614,689
Amounts reported for governmental activities in the statement of net assets 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 and reported as depreciation expense. This is the amount by which capital outlays exceeds depreciation in the current period.	1,105,669
The net effect of various transactions involving capital assets (ie., sales, trade ins, and contributions) is to decrease net assets.	(29,388)
Because some taxes will not be collected for several months after the District's fiscal year ends, they are not considered "available" revenues in the governmental funds. Deferred tax revenue decreased by this amount this year.	(406,257)
Repayment of bond and note principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	3,220,000
Repayment of capital lease obligations is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	310,207
In the statement of activities, certain operating expenses - compensated absences and special termination benefits - are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used.	(81,725)
The Internal Service Fund was used by management to pay the costs of being self-insured for worker's compensation and dental coverage in prior years. The assets and liabilities of the Internal Service Fund are included in the governmental activities in the statement of net assets.	41,551
The issuance of long-term debt (e.g. bonds) provides current financial resources to governmental funds. This transaction has no impact on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. These amounts represent the related activity of the current period.	
Amortization of issuance costs	(31,401)
Amortization of bond premium / discount	49,971
Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.	112,221
Change in net assets of governmental activities	<u>\$ 4,905,537</u>

The accompanying notes are an integral part of the financial statements