

# **Bangor Public Schools**

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**Financial Report  
with Supplemental Information  
June 30, 2009**

# Bangor Public Schools

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## Contents

<b>Independent Auditor's Report</b>	1-2
<b>Management's Discussion and Analysis</b>	3-10
<b>Basic Financial Statements</b>	
Government-wide Financial Statements:	
Statement of Net Assets	11
Statement of Activities	12
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet	13
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets	14
Statement of Revenue, Expenditures, and Changes in Fund Balances	15
Reconciliation of the Statement of Revenue, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	16
Fiduciary Funds - Statement of Fiduciary Assets and Liabilities	17
Notes to Financial Statements	18-29
<b>Required Supplemental Information</b>	30
Budgetary Comparison Schedule - General Fund	31
<b>Other Supplemental Information</b>	32
Nonmajor Governmental Funds:	
Combining Balance Sheet	33
Combining Statement of Revenue, Expenditures, and Changes in Fund Balances	34
Schedule of Bonded Indebtedness	35
<b>Federal Awards Supplemental Information</b>	Issued Under Separate Cover

## Independent Auditor's Report

To the Board of Education  
Bangor Public Schools

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Bangor Public Schools (the "School District") as of and for the year ended June 30, 2009, which collectively comprise the School District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Bangor Public Schools' management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Bangor Public Schools as of June 30, 2009 and the respective changes in financial position and cash flows, where applicable, for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis and budgetary comparison schedules, as identified in the table of contents, are not a required part of the basic financial statements but are supplemental information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management, regarding the methods of measurement and presentation of the required supplemental information. However, we did not audit the information and express no opinion on it.

To the Board of Education  
Bangor Public Schools

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Bangor Public Schools' basic financial statements. The accompanying other supplemental information, as identified in the table of contents, is not a required part of the basic financial statements. The other supplemental information is presented for the purpose of additional analysis. The other supplemental information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

In accordance with *Government Auditing Standards*, we have also issued a report under separate cover dated November 10, 2009 on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide opinions on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

*Plante & Moran, PLLC*

November 10, 2009

# Bangor Public Schools

## Management's Discussion and Analysis

This section of Bangor Public Schools' (the "School District") annual financial report presents our discussion and analysis of the School District's financial performance during the year ended June 30, 2009. Please read it in conjunction with the School District's financial statements, which immediately follow this section.

### Using this Annual Report

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Bangor Public Schools financially as a whole. The district-wide financial statements provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. The fund financial statements provide the next level of detail. For governmental activities, these statements tell how services were financed in the short term as well as what remains for future spending. The fund financial statements look at the School District's operations in more detail than the district-wide financial statements by providing information about the School District's most significant fund - the General Fund - with all other funds presented in one column as nonmajor funds. The remaining statement, the statement of fiduciary assets and liabilities, presents financial information about activities for which the School District acts solely as an agent for the benefit of students and parents.

Management's Discussion and Analysis (MD&A)  
(Required Supplemental Information)

### Basic Financial Statements

District-wide Financial Statements      Fund Financial Statements

Notes to the Basic Financial Statements

(Required Supplemental Information)

Budgetary Information for Major Funds

Other Supplemental Information

### ***Reporting the School District as a Whole - District-wide Financial Statements***

One of the most important questions asked about the School District is, "As a whole, what is the School District's financial condition as a result of the year's activities?" The statement of net assets and the statement of activities, which appear first in the School District's financial statements, report information on the School District as a whole and its activities in a way that helps you answer this question. We prepare these statements to include all assets and liabilities, using the accrual basis of accounting, which is similar to the accounting used by most private sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

# Bangor Public Schools

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## Management's Discussion and Analysis (Continued)

These two statements report the School District's net assets - the difference between assets and liabilities, as reported in the statement of net assets - as one way to measure the School District's financial health or financial position. Over time, increases or decreases in the School District's net assets - as reported in the statement of activities - are indicators of whether its financial health is improving or deteriorating. The relationship between revenues and expenses is the School District's operating results. However, the School District's goal is to provide services to our students, not to generate profits as commercial entities do. One must consider many other nonfinancial factors, such as the quality of the education provided and the safety of the schools, to assess the overall health of the School District.

The statement of net assets and the statement of activities report the governmental activities for the School District, which encompass all of the School District's services, including instruction, support services, community services, athletics, and food services. Property taxes, unrestricted state aid (foundation allowance revenue), and state and federal grants finance most of these activities.

### ***Reporting the School District's Most Significant Funds - Fund Financial Statements***

The School District's fund financial statements provide detailed information about the most significant funds - not the School District as a whole. Some funds are required to be established by state law and by bond covenants. However, the School District establishes other funds to help it control and manage money for particular purposes (the Hot Lunch Fund is an example) or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money (such as Debt Service Funds). The governmental funds of the School District use the following accounting approach:

Governmental funds - All of the School District's services are reported in governmental funds. Governmental fund reporting focuses on showing how money flows into and out of funds and the balances left at year end that are available for spending. They are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the operations of the School District and the services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the School District's programs. We describe the relationship between governmental activities (reported in the statement of net assets and the statement of activities) and governmental funds in a reconciliation.

# Bangor Public Schools

## Management's Discussion and Analysis (Continued)

### *The School District as Trustee - Reporting the School District's Fiduciary Responsibilities*

The School District is the trustee, or fiduciary, for its student activity funds. All of the School District's fiduciary activities are reported in a separate statement of fiduciary assets and liabilities. We exclude these activities from the School District's other financial statements because the School District cannot use these assets to finance its operations. The School District is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

### The School District as a Whole

Recall that the statement of net assets provides the perspective of the School District as a whole. Table I provides a summary of the School District's net assets as of June 30, 2009 and 2008:

TABLE I	Governmental Activities	
	June 30	
	2009	2008
	(in millions)	
<b>Assets</b>		
Current and other assets	\$ 3.2	\$ 3.7
Capital assets	10.8	11.3
Total assets	14.0	15.0
<b>Liabilities</b>		
Current liabilities	1.7	2.0
Long-term liabilities	7.4	7.4
Total liabilities	9.1	9.4
<b>Net Assets</b>		
Invested in capital assets - Net of related debt	3.4	3.7
Restricted	0.2	0.2
Unrestricted	1.3	1.7
Total net assets	<u>\$ 4.9</u>	<u>\$ 5.6</u>

# Bangor Public Schools

## Management's Discussion and Analysis (Continued)

The above analysis focuses on the net assets (see Table 1). The change in net assets of the School District's governmental activities is discussed below (see Table 2). The School District's net assets were \$4.9 million at June 30, 2009. Capital assets, net of related debt totaling \$3.4 million, compares the original cost, less depreciation, of the School District's capital assets to long-term debt used to finance the acquisition of those assets. The debt will be repaid from property taxes levied for 2004 bonds, state funds, and unrestricted resources as the debt service comes due. Restricted net assets, which are not significant, are reported separately to show legal constraints from debt covenants and enabling legislation that limit the School District's ability to use those net assets for day-to-day operations. The remaining amount of net assets (\$1.3 million) was unrestricted.

The \$1.3 million in unrestricted net assets of governmental activities represents the accumulated results of all past years' operations. The unrestricted net assets balance enables the School District to meet working capital and cash flow requirements as well as to provide for future uncertainties. The operating results of the General Fund will have a significant impact on the change in unrestricted net assets from year to year.

The results of this year's operations for the School District as a whole are reported in the statement of activities (see Table 2), which shows the changes in net assets for fiscal years ended June 30:

TABLE 2

	Governmental Activities	
	2009	2008
	(in millions)	
<b>Revenue</b>		
Program revenue:		
Charges for services	\$ 0.2	\$ 0.2
Operating grants and contributions	2.6	2.6
General revenue:		
Property taxes	1.6	1.6
State foundation allowance	7.8	8.7
Other	0.6	0.1
Total revenue	12.8	13.2

# Bangor Public Schools

## Management's Discussion and Analysis (Continued)

TABLE 2 (Continued)

	Governmental Activities	
	2009	2008
	(in millions)	
<b>Functions/Program Expenses</b>		
Instruction	\$ 7.6	\$ 8.2
Support services	4.5	4.4
Athletics	0.3	0.3
Food services	0.7	0.7
Interest on long-term debt	0.3	0.3
Depreciation (unallocated)	0.1	0.1
Total functions/program expenses	13.5	14.0
<b>Decrease in Net Assets</b>	(0.7)	(0.8)
<b>Net Assets - Beginning of year</b>	5.6	6.4
<b>Net Assets - End of year</b>	<u>\$ 4.9</u>	<u>\$ 5.6</u>

As reported in the statement of activities, the cost of all of our governmental activities this year was \$13.5 million. Certain activities were partially funded from those who benefited from the programs (\$0.2 million) or by other governments and organizations that subsidized certain programs with grants and contributions (\$2.6 million). We paid for the remaining “public benefit” portion of our governmental activities with \$1.6 million in taxes, \$7.8 million in state foundation allowance, and with our other revenues, i.e., interest and general entitlements.

The School District experienced a decrease in net assets. Key reasons for this decrease in net assets were increased health and retirement costs, continued increases in utility and fuel costs, the loss of students, and state aid not keeping up with the cost of inflation. The reduction in net assets was anticipated.

As discussed above, the net cost shows the financial burden that was placed on the State and the School District’s taxpayers by each of these functions. Since property taxes for operations and unrestricted state aid constitute the vast majority of School District operating revenue sources, the Board of Education and administration must annually evaluate the needs of the School District and balance those needs with state-prescribed available unrestricted resources.

### The School District’s Funds

As we noted earlier, the School District uses funds to help it control and manage money for particular purposes. Looking at funds helps the reader consider whether the School District is being accountable for the resources taxpayers and others provide to it and may provide more insight into the School District’s overall financial health.

# **Bangor Public Schools**

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## **Management's Discussion and Analysis (Continued)**

As the School District completed this year, the governmental funds reported a combined fund balance of \$1.4 million, which is a decrease of \$0.4 million from last year. The primary reason for this decrease is as follows:

Our Special Revenue Funds showed a decrease of approximately \$10,000. This was due to higher than expected food costs, a reduction of student enrollment which resulted in fewer meals being served, a large number of snow days when no meals were served, and higher personnel costs. The General Fund showed a decrease of \$0.4 million. Most of the decrease was due to a reduction in students and increased health, retirement, and utility costs. The General Fund also had reductions in certain federal grants compared to the previous year and had to supplement some of the programs this year. Durant debt obligations are funded by annual state appropriation, and no fund balance exists at year end. General Fund fund balance is available to fund costs related to allowable school operating purposes. Debt Service Funds fund balances are reserved since they can only be used to pay debt service obligations.

### **General Fund Budgetary Highlights**

Over the course of the year, the School District revises its budget as it attempts to deal with unexpected changes in revenues and expenditures. State law requires that the budget be amended to ensure that expenditures do not exceed appropriations. The final amendment to the budget was actually adopted just before year end. A schedule showing the School District's original and final budget amounts, compared with amounts actually paid and received, is provided in required supplemental information of these financial statements.

There were revisions made to the 2008-2009 General Fund original budget, although not significant in total. Budgeted revenues were reduced for the reduction of our student count and a reduction of federal grants. Due to Bangor Public Schools receiving federal stimulus funds after the final budget was adopted, the federal revenues were actually higher than the previous year. This was not something the School District could control as the State of Michigan reduced the state aid and increased the federal aid at the end of the school year.

Budgeted expenditures remained constant.

# Bangor Public Schools

## Management's Discussion and Analysis (Continued)

### Capital Assets and Debt Administration

#### *Capital Assets*

As of June 30, 2009, the School District had \$10.8 million invested in a broad range of capital assets, including land, buildings, vehicles, furniture, and equipment, net of accumulated depreciation. This amount represents a net decrease (including additions, disposals, and depreciation) of approximately \$0.5 million, or 4.4 percent, from last year.

	2009	2008
Land	\$ 116,632	\$ 116,632
Buildings and building improvements	18,184,053	18,184,053
Transportation	1,108,837	1,030,249
Furniture and equipment	103,988	103,988
Technology	613,021	714,198
Total capital assets	20,126,531	20,149,120
Less accumulated depreciation	9,288,277	8,818,431
Net capital assets	<u>\$ 10,838,254</u>	<u>\$ 11,330,689</u>

This year's decrease was partially due to fewer additions, increased depreciation and a reduction that was made to the beginning from the amount in technology for the year ended June 30, 2009.

#### *Debt*

At the end of this year, the School District had \$7.2 million in bonds outstanding versus \$7.4 million in the previous year. Those bonds consisted of the following:

	2009	2008
General obligation bonds	<u>\$ 7,185,807</u>	<u>\$ 7,432,649</u>

The State limits the amount of general obligation debt that schools can issue to 15 percent of the assessed value of all taxable property within the School District's boundaries. If the School District issues "qualified debt," i.e., debt backed by the State of Michigan, such obligations are not subject to this debt limit. The School District's outstanding unqualified general obligation debt of \$7.2 million is significantly below this statutorily imposed limit.

Other obligations include accrued vacation pay, sick leave, and retirement incentives. We present more detailed information about our long-term liabilities in the notes to the financial statements.

# **Bangor Public Schools**

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## **Management's Discussion and Analysis (Continued)**

### **Economic Factors and Next Year's Budgets and Rates**

Our elected officials and administration consider many factors when setting the School District's 2009-2010 fiscal year budget. One of the most important factors affecting the budget is our student count. The state foundation revenue is determined by multiplying the blended student count by the foundation allowance per pupil. The blended count for the 2009-2010 fiscal year is 25 percent and 75 percent of the February 2009 and September 2009 student counts, respectively. The 2009-2010 budget was adopted in June 2009, based on an estimate of students that will be enrolled in September 2009. Approximately 69 percent of total General Fund revenue is from the foundation allowance. Under state law, the School District cannot assess additional property tax revenue for general operations. As a result, School District funding is heavily dependent on the State's ability to fund local school operations. Based on early enrollment data at the start of the 2009-2010 school year, we anticipate that the fall student count will be close to the estimates used in creating the 2009-2010 budget. Once the final student count and related per pupil funding are validated, state law requires the School District to amend the budget if actual School District resources are not sufficient to fund original appropriations.

Since the School District's revenue is heavily dependent on state funding and the health of the State's School Aid Fund, the actual revenue received depends on the State's ability to collect revenues to fund its appropriation to school districts. The State periodically holds a revenue-estimating conference to estimate revenues. If a future revenue-estimating conference determines funds are not sufficient to fund the appropriation, the legislature must revise the appropriation, or proration of state aid will occur. The impact on the School District of the State's potential revenue shortfall is not known.

# Bangor Public Schools

## Statement of Net Assets June 30, 2009

	Primary Government Governmental Activities
<b>Assets</b>	
Cash and investments (Note 3)	\$ 998,890
Receivables (Note 4)	2,184,192
Due from fiduciary fund (Note 6)	706
Inventories	7,873
Prepaid costs and other assets	580
Capital assets - Net (Note 5)	<u>10,838,254</u>
Total assets	14,030,495
<b>Liabilities</b>	
Accounts payable	266,324
Accrued payroll-related liabilities	1,068,888
State aid anticipation note (Note 10)	297,150
Other accrued liabilities	50,738
Noncurrent liabilities (Note 7):	
Due within one year	369,240
Due in more than one year	<u>7,079,938</u>
Total liabilities	<u>9,132,278</u>
<b>Net Assets</b>	
Invested in capital assets - Net of related debt	3,463,979
Restricted:	
Debt service	190,470
Capital projects	5
Unrestricted	<u>1,243,763</u>
Total net assets	<u><u>\$ 4,898,217</u></u>

# Bangor Public Schools

## Statement of Activities Year Ended June 30, 2009

Functions/Programs	Program Revenues			Governmental
	Expenses	Charges for Services	Operating Grants and Contributions	Activities Net (Expense) Revenue and Changes in Net Assets
Primary government - Governmental activities:				
Instruction	\$ 7,632,586	\$ -	\$ 2,083,868	\$ (5,548,718)
Support services	4,486,004	12,925	-	(4,473,079)
Athletics	260,151	33,059	-	(227,092)
Food services	676,148	135,322	537,541	(3,285)
Community services	10,506	-	-	(10,506)
Interest	344,802	-	58,051	(286,751)
Depreciation expense (unallocated)	59,641	-	-	(59,641)
Total primary government	<b>\$ 13,469,838</b>	<b>\$ 181,306</b>	<b>\$ 2,679,460</b>	(10,609,072)
General revenues:				
Taxes:				
Property taxes, levied for general purposes				1,134,660
Property taxes, levied for debt service				511,936
State aid not restricted to specific purposes				7,810,295
Federal sources - Unrestricted				477,962
Interest and investment earnings				26,377
Loss on the disposal of capital assets				(80,942)
Other				31,425
Total general revenues				<u>9,911,713</u>
<b>Change in Net Assets</b>				(697,359)
<b>Net Assets - Beginning of year</b>				<u>5,595,576</u>
<b>Net Assets - End of year</b>				<b><u>\$ 4,898,217</u></b>

# Bangor Public Schools

## Governmental Funds Balance Sheet June 30, 2009

	General Fund	Nonmajor Funds	Total Governmental Funds
<b>Assets</b>			
Cash and cash equivalents (Note 3)	\$ 782,616	\$ 216,274	\$ 998,890
Receivables (Note 4)	2,182,944	1,248	2,184,192
Due from other funds (Note 6)	-	20,815	20,815
Inventories	-	7,873	7,873
Prepaid costs and other assets	580	-	580
	<u>580</u>	<u>-</u>	<u>580</u>
Total assets	<u><b>\$ 2,966,140</b></u>	<u><b>\$ 246,210</b></u>	<u><b>\$ 3,212,350</b></u>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Accounts payable	\$ 264,257	\$ 2,067	\$ 266,324
Accrued payroll-related liabilities	1,067,659	1,229	1,068,888
State aid anticipation note	297,150	-	297,150
Due to other funds (Note 6)	12,386	7,723	20,109
Deferred revenue (Note 4)	180,754	-	180,754
	<u>180,754</u>	<u>-</u>	<u>180,754</u>
Total liabilities	1,822,206	11,019	1,833,225
<b>Fund Balances</b>			
Reserved:			
Capital projects (bonded)	-	5	5
Debt service	-	190,470	190,470
Inventories	-	7,873	7,873
Unreserved - Undesignated, reported in:			
General Fund	1,143,934	-	1,143,934
Special Revenue Funds	-	36,843	36,843
	<u>1,143,934</u>	<u>36,843</u>	<u>1,180,777</u>
Total fund balances	1,143,934	235,191	1,379,125
Total liabilities and fund balances	<u><b>\$ 2,966,140</b></u>	<u><b>\$ 246,210</b></u>	<u><b>\$ 3,212,350</b></u>

# Bangor Public Schools

## Governmental Funds Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets June 30, 2009

**Fund Balance Reported in Governmental Funds** \$ 1,379,125

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 are not reported in the funds:

Cost of capital assets	\$ 20,126,531	
Accumulated depreciation	<u>(9,288,277)</u>	10,838,254

Long-term liabilities are not due and payable in the current period and are not reported in the governmental funds:

Bonds payable including premium and deferred charges	(7,374,275)	
Compensated absences	<u>(74,903)</u>	(7,449,178)

Accrued interest payable is not included as a liability in governmental funds (50,738)

Other long-term assets are not available to pay current period expenditures; therefore, they are deferred in the governmental funds 180,754

**Net Assets of Governmental Activities** **\$ 4,898,217**

# Bangor Public Schools

## Governmental Funds Statement of Revenue, Expenditures, and Changes in Fund Balances Year Ended June 30, 2009

	General Fund	Nonmajor Funds	Total Governmental Funds
<b>Revenue</b>			
Local sources	\$ 1,238,082	\$ 647,622	\$ 1,885,704
State sources	8,702,029	87,186	8,789,215
Federal sources	1,720,799	508,406	2,229,205
Interdistrict sources	105,372	-	105,372
Total revenue	11,766,282	1,243,214	13,009,496
<b>Expenditures</b>			
Current:			
Instruction	7,673,254	-	7,673,254
Support services	4,379,405	142	4,379,547
Food services	-	676,148	676,148
Interfund reimbursement	(8,750)	8,750	-
Debt service:			
Principal	60,961	246,841	307,802
Interest	25,643	322,835	348,478
Other	-	256	256
Capital outlay	144,061	-	144,061
Total expenditures	12,274,574	1,254,972	13,529,546
<b>Excess of Expenditures Over Revenue</b>	(508,292)	(11,758)	(520,050)
<b>Other Financing Sources -</b>			
Proceeds from debt issued	78,588	-	78,588
<b>Net Change in Fund Balances</b>	(429,704)	(11,758)	(441,462)
<b>Fund Balances - Beginning of year</b>	1,573,638	246,949	1,820,587
<b>Fund Balances - End of year</b>	<b>\$ 1,143,934</b>	<b>\$ 235,191</b>	<b>\$ 1,379,125</b>

# Bangor Public Schools

## Governmental Funds Reconciliation of the Statement of Revenue, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities Year Ended June 30, 2009

**Net Change in Fund Balances - Total Governmental Funds** \$ (441,462)

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures; however, in the statement of activities, these costs are allocated over their estimated useful lives as depreciation:

Depreciation expense	\$ (490,081)	
Capitalized capital outlay	<u>78,588</u>	(411,493)

Governmental funds report proceeds from sale of assets as revenue; in the statement of activities, these are recorded net of carrying value of the disposed assets (80,942)

Revenue is reported in the statement of activities when earned; they are not reported in the funds until collected or collectible within 60 days of year end (156,075)

Bond proceeds provide financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of activities (78,588)

Repayment of bond principal is an expenditure in the governmental funds, but not in the statement of activities (where it reduces long-term debt) 307,802

Interest expense is recorded in the statement of activities when incurred; it is not reported in governmental funds until paid 3,932

Compensated absences, as well as retirement incentives, are recorded when earned in the statement of activities. In the current year, more was paid out than was earned 159,467

**Change in Net Assets of Governmental Activities** \$ (697,359)

# Bangor Public Schools

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## Fiduciary Funds Statement of Fiduciary Assets and Liabilities June 30, 2009

	<u>Agency Funds</u>
<b>Assets</b>	
Cash and investments (Note 3)	\$ 89,629
Receivables	<u>1,205</u>
Total assets	<b><u>\$ 90,834</u></b>
<b>Liabilities</b>	
Accounts payable	\$ 2,416
Due to student activities	87,712
Due to other funds	<u>706</u>
Total liabilities	<b><u>\$ 90,834</u></b>

# Bangor Public Schools

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## Notes to Financial Statements June 30, 2009

### Note I - Summary of Significant Accounting Policies

The accounting policies of Bangor Public Schools (the "School District") conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The following is a summary of the significant accounting policies used by the School District:

#### **Reporting Entity**

The School District is governed by an elected seven-member Board of Education. The accompanying financial statements have been prepared in accordance with criteria established by the Governmental Accounting Standards Board for determining the various governmental organizations to be included in the reporting entity. These criteria include significant operational financial relationships that determine which of the governmental organizations are a part of the School District's reporting entity, and which organizations are legally separate, component units of the School District. Based on the application of the criteria, the School District does not contain any component units.

#### **District-wide and Fund Financial Statements**

The district-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. All of the School District's district-wide activities are considered governmental activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenue includes (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes, intergovernmental payments, and other items not properly included among program revenues are reported instead as general revenue.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the district-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

### Note I - Summary of Significant Accounting Policies (Continued)

#### Measurement Focus, Basis of Accounting, and Financial Statement Presentation

**District-wide Financial Statements** - The district-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants, categorical aid, and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

As a general rule, the effect of interfund activity has been eliminated from the district-wide financial statements.

Amounts reported as program revenue include (1) charges to customers or applicants for goods, services, or privileges provided and (2) operating grants and contributions. Internally dedicated resources are reported as general revenue rather than as program revenue. Likewise, general revenue includes all taxes and unrestricted state aid.

**Fund Financial Statements** - Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the School District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, unrestricted state aid, intergovernmental grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period. All other revenue items are considered to be available only when cash is received by the School District.

Fiduciary fund statements are also reported using the economic resources measurement focus and the accrual basis of accounting.

The School District reports the following major governmental fund:

The General Fund is the School District's primary operating fund. It accounts for all financial resources of the School District, except those required to be accounted for in another fund.

### Note I - Summary of Significant Accounting Policies (Continued)

Additionally, the School District reports the following fund types:

The Special Revenue Fund is used to account for the proceeds of specific revenue sources that are restricted to expenditures for food service activities. Any operating deficit generated by these activities is the responsibility of the General Fund.

The 2004 Capital Projects Fund is used to record bond proceeds, related investment income, and disbursement of invoices specifically designated for various improvements at the elementary school. The fund will operate until the purpose for which it was created is accomplished.

The School District maintains two governmental Debt Service Funds, which account for property tax and other revenue legally restricted for payment of long-term debt.

The Student Activities Agency Fund is maintained to record the transactions of student groups for school and school-related purposes. The funds are segregated and held in the trust for the students.

#### **Assets, Liabilities, and Net Assets or Equity**

**Cash and Investments** - Cash includes cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired. Investments are stated at fair value.

**Receivables and Payables** - In general, outstanding balances between funds are reported as "due to/from other funds." Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "advances to/from other funds."

All trade and property tax receivables are shown net of an allowance for uncollectible amounts. The School District considers all receivables to be fully collectible; accordingly, no allowance for uncollectible amounts is recorded. Property taxes are assessed as of December 31 and the related property taxes become a lien on December 1 of the following year. Taxes are considered delinquent on March 1 of the following year. At this time, penalties and interest are assessed and the total obligation is added to the county tax rolls.

**Inventories and Prepaid Costs** - Inventories are valued at cost, on a first-in, first-out basis. Inventories of governmental funds are recorded as expenditures when consumed. Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid costs in both government-wide and fund financial statements.

# Bangor Public Schools

## Notes to Financial Statements June 30, 2009

### Note 1 - Summary of Significant Accounting Policies (Continued)

**Capital Assets** - Capital assets, which include land, buildings, equipment, and vehicles, are reported in the applicable governmental column in the district-wide financial statements. Capital assets are defined by the School District as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Costs of normal repair and maintenance that do not add to the value or materially extend asset life are not capitalized. The School District does not have infrastructure-type assets.

Buildings, equipment, and vehicles are depreciated using the straight-line method over the following useful lives:

Buildings and building additions	20 to 50 years
Buses and other vehicles	5 to 10 years
Furniture and other equipment	5 to 10 years

**Compensated Absences and Retirement Incentives** - The liability for compensated absences reported in the district-wide financial statements consists of earned but unused accumulated sick and incentive days leave benefits. The liability for retirement incentives reported in the district-wide financial statements consists of payments due to individuals who were eligible and elected to accept the incentive offer. A liability for these amounts is reported in governmental funds as it comes due for payment.

**Long-term Obligations** - In the district-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net assets. The face amount of debt issued is reported as other financing sources.

**Fund Equity** - In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

**Comparative Data** - Comparative data is not included in the School District's financial statements.

### Note 2 - Stewardship, Compliance, and Accountability

**Budgetary Information** - Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America and state law for the General Fund and all Special Revenue Funds, with the exception of classification of other financing sources and uses, and the classification of certain expenditures. All annual appropriations lapse at fiscal year end.

### **Note 2 - Stewardship, Compliance, and Accountability (Continued)**

The budget document presents information by fund and function. The legal level of budgetary control adopted by the governing body (i.e., the level at which expenditures may not legally exceed appropriations) is the function level. State law requires the School District to have its budget in place by July 1. Expenditures in excess of amounts budgeted are a violation of Michigan law. State law permits districts to amend their budgets during the year. During the year, the budget was amended in a legally permissible manner, which did not result in a significant change in the budgeted amounts.

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year end, if any, are reported as reservations of fund balances and do not constitute expenditures or liabilities because the goods or services have not been received as of year end; the commitments will be reappropriated and honored during the subsequent year.

### **Note 3 - Deposits and Investments**

State statutes and the School District's investment policy authorize the School District to make deposits in the accounts of federally insured banks, credit unions, and savings and loan associations that have offices in Michigan. The School District is allowed to invest in U.S. Treasury or agency obligations, U.S. government repurchase agreements, bankers' acceptances, commercial paper rated prime at the time of purchase that matures not more than 270 days after the date of purchase, mutual funds, and investment pools that are composed of authorized investment vehicles. The School District's deposits are in accordance with statutory authority.

The School District has designated two banks for the deposit of its funds.

**Custodial Credit Risk of Bank Deposits** - Custodial credit risk is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. The School District's investment policy requires that financial institutions be evaluated and only those with an acceptable risk level are used for the School District's deposits for custodial credit risk. At year end, the School District's deposit balance of \$799,126 had \$326,372 of bank deposits (certificates of deposit, checking, and savings accounts) that were uninsured and uncollateralized. The School District believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all deposits. As a result, the School District evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

# Bangor Public Schools

## Notes to Financial Statements June 30, 2009

### Note 3 - Deposits and Investments (Continued)

**Custodial Credit Risk of Investments** - Custodial credit risk is the risk that, in the event of the failure of the counterparty, the School District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The School District’s policy for custodial credit risk states that custodial credit risk will be minimized by limiting investments to the types of securities allowed by state law, and by pre-qualifying the financial institutions, broker/dealers, intermediaries, and advisors with which the School District will do business using the criteria established in the investment policy. The School District does not have any investments with custodial credit risk as of year end.

**Interest Rate Risk** - Interest rate risk is the risk that the value of investments will decrease as a result of a rise in interest rates. The School District’s investment policy restricts investment maturities to within two years of the date of purchase for investments other than commercial paper, which can only be purchased with a 270-day maturity. The School District’s policy minimizes interest rate risk by requiring the assessment of risks of the investments held and reporting of such risks to the board for evaluation.

**Credit Risk** - State law limits investments in commercial paper to the top two ratings issued by nationally recognized statistical rating organizations. The School District’s investment policy does not further limit its investment choices.

At year end, the maturities of investments and the credit quality ratings of debt securities (other than the U.S. government) are as follows:

Investment	Fair Value	Maturities	Rating	Rating Organization
Michigan Liquid Asset Fund	\$ 440,763	N/A	AAAm	S&P

**Concentration of Credit Risk** - The School District places no limit on the amount the School District may invest in any one issuer. The School District’s policy minimizes concentration of credit risk by requiring assessment of risks of the investments held and reporting of such risks to the board for evaluation.

**Foreign Currency Risk** - Foreign currency risk is the risk that an investment denominated in the currency of a foreign country could reduce its U.S. dollar value as a result of changes in foreign currency exchange rates. State law and the School District’s policy prohibit investment in foreign currency.

# Bangor Public Schools

## Notes to Financial Statements June 30, 2009

### Note 4 - Receivables

Receivables as of year end for the School District's individual major funds and the nonmajor funds in the aggregate are as follows:

	<u>General Fund</u>	<u>Nonmajor Funds</u>	<u>Total</u>	<u>Agency Fund</u>
Accounts receivable:	\$ -	\$ 1,248	\$ 1,248	\$ 1,205
Due from other governmental units	<u>2,182,944</u>	<u>-</u>	<u>2,182,944</u>	<u>-</u>
Total receivables	<u>\$ 2,182,944</u>	<u>\$ 1,248</u>	<u>\$ 2,184,192</u>	<u>\$ 1,205</u>

Governmental funds report deferred revenue in connection with receivables for revenue that is not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received but not yet earned. At the end of the current fiscal year, the various components of deferred revenue are as follows:

	<u>Unavailable</u>	<u>Unearned</u>
Grant payments not considered available to liquidate liabilities of the current period	<u>\$ 180,754</u>	<u>\$ -</u>

# Bangor Public Schools

## Notes to Financial Statements June 30, 2009

### Note 5 - Capital Assets

Capital asset activity of the School District's activities was as follows:

<b>Governmental Activities</b>	Balance July 1, 2008	Additions/ Transfers	Disposals/ Transfers	Balance June 30, 2009
Capital assets not being depreciated -				
Land	\$ 116,632	\$ -	\$ -	\$ 116,632
Capital assets being depreciated:				
Buildings and improvements	18,184,053	-	-	18,184,053
Furniture and equipment	103,988	-	-	103,988
Buses	1,030,249	78,588	-	1,108,837
Technology	714,198	-	101,177	613,021
Subtotal	20,032,488	78,588	101,177	20,009,899
Accumulated depreciation:				
Buildings and improvements	7,615,823	359,761	-	7,975,584
Furniture and equipment	84,268	3,907	-	88,175
Buses	655,029	81,858	-	736,887
Technology	463,311	44,555	20,235	487,631
Subtotal	8,818,431	490,081	20,235	9,288,277
Net capital assets being depreciated	11,214,057	(411,493)	80,942	10,721,622
Net capital assets	<u>\$ 11,330,689</u>	<u>\$ (411,493)</u>	<u>\$ 80,942</u>	<u>\$ 10,838,254</u>

Depreciation expense was charged to activities of the School District as follows:

Governmental activities:	
Instruction	\$ 330,227
Support services	89,707
Community services	10,506
Unallocated	59,641
Total governmental activities	<u>\$ 490,081</u>

# Bangor Public Schools

## Notes to Financial Statements June 30, 2009

### Note 6 - Interfund Receivables, Payables, and Transfers

The composition of interfund balances is as follows:

Receivable Fund	Payable Fund	Amount
Nonmajor funds	General Fund	\$ 12,386
Nonmajor funds	Nonmajor funds	7,723
Nonmajor funds	Activity	706
Total		<u>\$ 20,815</u>

Interfund balances represent routine and temporary cash flow differences until amounts can be transferred from the appropriate fund investment or cash account.

### Note 7 - Long-term Debt

The School District issues bonds, notes, and other contractual commitments to provide for the acquisition and construction of major capital facilities and the acquisition of certain equipment. General obligation bonds are direct obligations and pledge the full faith and credit of the School District. Notes and installment purchase agreements are also general obligations of the School District. Other long-term obligations include compensated absences and termination benefits.

Long-term debt activity can be summarized as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental Activities</b>					
Bonds	\$ 7,432,649	\$ -	\$ 246,841	\$ 7,185,808	\$ 227,173
Notes and installment purchases	170,840	78,588	60,961	188,467	67,164
Total bonds and notes	7,603,489	78,588	307,802	7,374,275	294,337
Employee compensated absences	73,736	1,167	-	74,903	74,903
Retirement incentives	160,634	-	160,634	-	-
Total governmental activities	<u>\$ 7,837,859</u>	<u>\$ 79,755</u>	<u>\$ 468,436</u>	<u>\$ 7,449,178</u>	<u>\$ 369,240</u>

# Bangor Public Schools

## Notes to Financial Statements June 30, 2009

### Note 7 - Long-term Debt (Continued)

Annual debt service requirements to maturity for the above bonds and note obligations are as follows:

Years Ending June 30	Governmental Activities		
	Principal	Interest	Total
2010	\$ 294,337	\$ 307,434	\$ 601,771
2011	303,142	296,595	599,737
2012	282,332	286,014	568,346
2013	280,131	276,261	556,392
2014	274,333	266,150	540,483
2015-2019	1,550,000	1,165,452	2,715,452
2020-2024	1,955,000	812,262	2,767,262
2025-2029	2,435,000	336,380	2,771,380
Total	\$ 7,374,275	\$ 3,746,548	\$ 11,120,823

### Governmental Activities

General obligation bonds consist of the following:

\$123,036 Durant Non-Plaintiff bonds due in variable principal installments through 2013; interest at 4.76%	\$ 30,808
\$7,910,000 2004 School Building and Site serial bonds due in annual installments of \$220,000 to \$515,000 through May 2029; interest at 3.0% to 4.5%	7,155,000
Total bonded debt	<u>\$ 7,185,808</u>

**Durant Non-Plaintiff Bond** - Included in governmental activities general obligation bonds is the Durant Non-Plaintiff Bond. Annual total payments (principal and interest) associated with this bond are funded by the State of Michigan via specifically appropriated state aid and will not require any School District debt levy or utilization of any other School District financial resources.

# Bangor Public Schools

## Notes to Financial Statements June 30, 2009

### Note 7 - Long-term Debt (Continued)

Notes and installment purchases consist of the following:

Date	Original Amount	Due Date	Interest Rate	Remaining to Maturity	
				Interest	Principal
February 2006	\$ 128,524	April 2011	3.99%	\$ 1,967	\$ 50,492
February 2007	125,500	February 2012	4.14%	4,064	70,151
September 2008	78,588	September 2013	4.20%	6,352	67,824
Total	<u>\$ 332,612</u>			<u>\$ 12,383</u>	<u>\$ 188,467</u>

### Note 8 - Risk Management

The School District is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries (workers' compensation), as well as medical benefits provided to employees. The School District has purchased commercial insurance for property loss, torts, errors and omissions, dental, vision, and certain employees' health insurance, and participates in the SET-SEG risk pool for claims relating to employee injuries (workers' compensation) and certain employees' health insurance. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

The shared-risk pool program in which the School District participates operates as a common risk-sharing management program for school districts in Michigan; member premiums are used to purchase commercial excess insurance coverage and to pay member claims in excess of deductible amounts.

### Note 9 - Defined Benefit Pension Plan and Postemployment Benefits

**Plan Description** - The School District participates in the Michigan Public School Employees' Retirement System (MPERS), a statewide, cost-sharing, multiple-employer defined benefit public employee retirement system governed by the State of Michigan that covers substantially all employees of the School District. The system provides retirement, survivor, and disability benefits to plan members and their beneficiaries. The system also provides postemployment healthcare benefits to retirees and beneficiaries who elect to receive those benefits.

The Michigan Public School Employees' Retirement System issues a publicly available financial report that includes financial statements and required supplemental information for the pension and postemployment healthcare plans. That report is available on the web at <http://www.michigan.gov/orsschools>, or by writing to the Office of Retirement System at 7150 Harris Drive, P.O. Box 30171, Lansing, MI 48909.

### **Note 9 - Defined Benefit Pension Plan and Postemployment Benefits (Continued)**

**Pension Benefits** - Employer contributions to the pension system result from the implementing effects of the School Finance Reform Act. Under these procedures, each school district is required to contribute the full actuarial funding contribution amount to fund pension benefits. The employer contribution rate was 10.17 percent of covered payroll for the period from July 1, 2008 through September 30, 2008 and 9.73 percent for the period from October 1, 2008 through June 30, 2009. Basic plan members make no contributions, but member investment plan members contribute at rates ranging from 3 percent to 4.3 percent of gross wages, or up to 6.4 percent of gross wages for members entering the MIP Plus plan on or after July 1, 2008. The School District's required and actual contributions to the plan for the years ended June 30, 2009, 2008, and 2007 were \$662,462, \$752,320, and \$841,518, respectively.

**Postemployment Benefits** - Under the MPSERS Act, all retirees participating in the MPSERS pension plan have the option of continuing health, dental, and vision coverage through MPSERS. Retirees electing this coverage contribute an amount equivalent to the monthly cost for Part B Medicare and 10 percent of the monthly premium amount for the health, dental, and vision coverage at the time of receiving the benefits. The MPSERS board of trustees annually sets the employer contribution rate to fund the benefits on a pay-as-you-go basis. Participating employers are required to contribute at that rate. The employer contribution rate was 6.55 percent of covered payroll for the period from July 1, 2008 through September 30, 2008 and 6.81 percent for the period from October 1, 2008 through June 30, 2009. The School District's required and actual contributions to the plan for retiree healthcare benefits for the years ended June 30, 2009, 2008, and 2007 were \$454,432, \$472,680, and \$508,482, respectively.

### **Note 10 - State Aid Anticipation Note**

In August 2008, the School District borrowed \$2,200,000 in a state aid anticipation note. The note bears interest at 1.63 percent and is due August 20, 2009. At June 30, 2009, the School District has accrued interest of \$30,849 on this note.

The School District has cash on deposit totaling \$1,933,699 with a bank for repayment of the \$2,200,000 state aid anticipation note. The deposits are invested in guaranteed investment contracts, which will mature on August 20, 2009. The liability recorded at year end includes the principal balance, plus accrued interest, net of cash on deposit, totaling \$297,150.

### **Note 11 - Subsequent Events**

In August 2009, the School District borrowed \$1,300,000 at 2.895 percent annual interest and \$1,250,000 at 1.627 percent annual interest on state aid anticipation notes. The notes, plus interest, are due August 20, 2010.

## **Required Supplemental Information**

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# Bangor Public Schools

## Required Supplemental Information Budgetary Comparison Schedule - General Fund Year Ended June 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Final Budget</u>
<b>Revenue</b>				
Local and other sources	\$ 1,424,038	\$ 1,393,632	\$ 1,426,137	\$ 32,505
State sources	9,657,073	9,169,024	8,702,029	(466,995)
Federal sources	1,528,869	1,450,706	1,725,454	274,748
Total revenue	12,609,980	12,013,362	11,853,620	(159,742)
<b>Expenditures - Current</b>				
Instruction:				
Basic program	5,802,076	5,737,590	5,763,176	25,586
Added needs	2,145,780	1,824,866	1,777,803	(47,063)
Total instruction	7,947,856	7,562,456	7,540,979	(21,477)
Support services:				
Pupil	320,361	351,325	369,533	18,208
Instructional staff	392,277	380,401	368,105	(12,296)
General administration	461,357	415,465	361,331	(54,134)
School administration	833,952	879,393	872,522	(6,871)
Business	377,763	384,197	352,900	(31,297)
Operations and maintenance	1,272,053	1,191,520	1,153,018	(38,502)
Pupil transportation services	725,078	662,149	620,631	(41,518)
Central	320,503	319,817	314,837	(4,980)
Total support services	4,703,344	4,584,267	4,412,877	(171,390)
Athletics	267,968	270,305	260,151	(10,154)
Community services	1,000	-	-	-
Other	69,487	69,487	69,317	(170)
Total expenditures	12,989,655	12,486,515	12,283,324	(203,191)
<b>Net Change in Fund Balance</b>	(379,675)	(473,153)	(429,704)	43,449
<b>Fund Balance - Beginning of year</b>	1,573,638	1,573,638	1,573,638	-
<b>Fund Balance - End of year</b>	<u>\$ 1,193,963</u>	<u>\$ 1,100,485</u>	<u>\$ 1,143,934</u>	<u>\$ 43,449</u>

## **Other Supplemental Information**

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# Bangor Public Schools

## Other Supplemental Information Combining Balance Sheet Nonmajor Governmental Funds June 30, 2009

	Special Revenue Funds	Debt Service Funds		Capital Projects Fund	Total Nonmajor Governmental Funds
	Hot Lunch Fund	2004 Debt Fund	Durant		
<b>Assets</b>					
Cash and investments	\$ 17,826	\$ 196,705	\$ -	\$ 1,743	\$ 216,274
Receivables	1,248	-	-	-	1,248
Due from other funds	20,815	-	-	-	20,815
Inventories	7,873	-	-	-	7,873
	<u>\$ 47,762</u>	<u>\$ 196,705</u>	<u>\$ -</u>	<u>\$ 1,743</u>	<u>\$ 246,210</u>
Total assets					
<b>Liabilities and Fund Balances</b>					
<b>Liabilities</b>					
Accounts payable	\$ 1,817	\$ 250	\$ -	\$ -	\$ 2,067
Accrued payroll-related liabilities	1,229	-	-	-	1,229
Due to other funds	-	5,985	-	1,738	7,723
	<u>3,046</u>	<u>6,235</u>	<u>-</u>	<u>1,738</u>	<u>11,019</u>
Total liabilities					
<b>Fund Balances</b>					
Reserved:					
Capital projects	-	-	-	5	5
Debt service	-	190,470	-	-	190,470
Inventories	7,873	-	-	-	7,873
Unreserved, reported in -					
Unreserved fund balance - Special Revenue Funds	36,843	-	-	-	36,843
	<u>44,716</u>	<u>190,470</u>	<u>-</u>	<u>5</u>	<u>235,191</u>
Total fund balances					
Total liabilities and fund balances	<u>\$ 47,762</u>	<u>\$ 196,705</u>	<u>\$ -</u>	<u>\$ 1,743</u>	<u>\$ 246,210</u>

# Bangor Public Schools

## Other Supplemental Information Combining Statement of Revenue, Expenditures, and Changes in Fund Balances Nonmajor Governmental Funds Year Ended June 30, 2009

	Special Revenue Funds	Debt Service Funds		Capital Projects Fund	Total Nonmajor Governmental Funds
	Hot Lunch Fund	2004 Debt Fund	Durant		
<b>Revenue</b>					
Local sources	\$ 135,682	\$ 511,940	\$ -	\$ -	\$ 647,622
State sources	29,135	-	58,051	-	87,186
Federal sources	508,406	-	-	-	508,406
	<u>673,223</u>	<u>511,940</u>	<u>58,051</u>	<u>-</u>	<u>1,243,214</u>
<b>Total revenue</b>					
<b>Expenditures</b>					
Current:					
Support services - Pupil transportation services	142	-	-	-	142
Food services	676,148	-	-	-	676,148
Interfund reimbursement	8,750	-	-	-	8,750
Debt service:					
Principal	-	204,999	41,842	-	246,841
Interest	-	306,626	16,209	-	322,835
Other	-	256	-	-	256
	<u>685,040</u>	<u>511,881</u>	<u>58,051</u>	<u>-</u>	<u>1,254,972</u>
<b>Total expenditures</b>					
<b>Net Change in Fund Balances</b>	(11,817)	59	-	-	(11,758)
<b>Fund Balances - Beginning of year</b>	56,533	190,411	-	5	246,949
<b>Fund Balances - End of year</b>	<u>\$ 44,716</u>	<u>\$ 190,470</u>	<u>\$ -</u>	<u>\$ 5</u>	<u>\$ 235,191</u>

# Bangor Public Schools

## Other Supplemental Information Schedule of Bonded Indebtedness Year Ended June 30, 2009

<u>June 30</u>	<u>Durant Principal</u>	<u>2004 Debt Fund Principal</u>
2010	\$ 7,173	\$ 220,000
2011	7,515	230,000
2012	7,872	240,000
2013	8,248	255,000
2014	-	270,000
2015	-	280,000
2016	-	295,000
2017	-	310,000
2018	-	325,000
2019	-	340,000
2020	-	355,000
2021	-	370,000
2022	-	390,000
2023	-	410,000
2024	-	430,000
2025	-	450,000
2026	-	470,000
2027	-	490,000
2028	-	510,000
2029	-	515,000
Total principal	<b><u>\$ 30,808</u></b>	<b><u>\$ 7,155,000</u></b>
Principal payments due	May 15	May 1
Interest payments due	May 15	May 1 and November 1
Interest rate	4.76%	3.00% to 4.50%
Original issue	<b><u>\$ 123,036</u></b>	<b><u>\$ 7,910,000</u></b>