

**Bridgeport-Spaulding Community School District**

**Bridgeport, Michigan**

**Annual Financial Statements  
and  
Auditors' Report**

**June 30, 2012**

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**Bridgeport-Spaulling Community School District**  
**Members of the Board of Education and Administration**  
**June 30, 2012**

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Members of the Board of Education

Michael Gall – President

Martha Sageman – Vice President

RaeAnn Cronk – Treasurer

Robert Lange - Secretary

Andrea LaBean – Trustee

Marvin Morris – Trustee

Joanie Williams – Trustee

Administration

Gloria Rubis – Superintendent

Dawn Bennett – Business & Payroll Manager



3023 Davenport  
Saginaw, MI 48602  
Phone (989) 793-9830 / (800) 968-0010  
Fax (989) 793-0186

## Independent Auditors' Report

To the Board of Education  
Bridgeport-Spaulding Community School District  
Bridgeport, Michigan

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Bridgeport-Spaulding Community School District as of and for the year ended June 30, 2012, which collectively comprise the School District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Bridgeport-Spaulding Community School District's 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 Bridgeport-Spaulding Community School District as of June 30, 2012, and the respective changes in financial position for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated October 27, 2012, on our consideration of the Bridgeport-Spaulding Community 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 and other matters. 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 an opinion 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.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information identified in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Bridgeport-Spaulding Community School District's financial statements as a whole. The accompanying other supplemental information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and, other than the prior year information, was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

We also have previously audited, in accordance with auditing standards generally accepted in the United States, Bridgeport-Spaulding Community Schools' financial statements for the year ended June 30, 2011, which are not presented with the accompanying financial statements. In our report dated November 2, 2011, we expressed unqualified opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information. That audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Bridgeport-Spaulding Community Schools' financial statements as a whole. The 2011 information in the comparative statements is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2011 financial statements. The information has been subjected to the auditing procedures applied in the audit of those financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2011 information in the comparative statements is fairly stated in all material respects in relation to the financial statements from which they have been derived.

*Yeo & Yeo, P.C.*

Saginaw, Michigan  
October 27, 2012

## ADMINISTRATION'S DISCUSSION AND ANALYSIS



Bridgeport-Spaulding Community School District  
Administration's Discussion and Analysis  
For Fiscal Year Ended June 30, 2012

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The Administration's Discussion and Analysis, a requirement of GASB 34, is intended to be the Bridgeport-Spaulding Schools Administration's discussion and analysis of the financial results for the fiscal year ended June 30, 2012.

Generally accepted accounting principles (GAAP) according to GASB 34 requires the reporting of two types of financial statements: District Wide Financial Statements and Fund Financial Statements.

**Fund Financial Statements:**

The fund level financial statements are reported on a modified accrual basis. Only those assets that are "measurable" and "currently available" are reported. Liabilities are recognized to the extent that they are normally expected to be paid with current financial resources.

The fund statements are formatted to comply with the legal requirements of the Michigan Department of Education's "Accounting Manual." In the State of Michigan, the District's major instructional and instructional support activities are reported in the General Fund. Additional activities are reported in their relevant funds including: School Service (Special Revenue), Debt Service, Capital Projects and various trust and agency accounts.

In the fund financial statements, purchased capital assets are reported as expenditures in the year of acquisition. No asset is reported. The issuance of debt is recorded as a financial resource. The current year's payments of principal and interest on long-term obligations are recorded as expenditures. Future year's debt obligations are not recorded.

**District Wide Financial Statements:**

The District wide financial statements are full accrual basis statements. They report all of the District's assets and liabilities, both short and long term, regardless if they are "currently available" or not. For example, assets that are restricted for use in the Debt Funds solely for the payment of long term principal or interest are grouped with restricted net assets of the General Fund. Capital assets and long-term obligations of the District are reported in the Statement of Net Assets of the District wide financial statements.





Bridgeport-Spaulding Community School District  
Administration's Discussion and Analysis  
For Fiscal Year Ended June 30, 2012

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**Summary of Net Assets:**

The following summarizes the net assets at June 30, 2011 and 2012.

**Net Assets Summary**

	<u>2011</u>	<u>2012</u>
<b>Assets</b>		
Current assets	\$ 5,555,802	\$ 4,457,564
Capital assets	35,262,616	35,270,536
Less: Accumulated depreciation	<u>18,865,251</u>	<u>19,575,371</u>
Capital assets, net book value	<u>16,397,365</u>	<u>15,695,165</u>
<b>Total assets</b>	<u>21,953,167</u>	<u>20,152,729</u>
<b>Liabilities</b>		
Current liabilities	6,142,405	6,628,047
Long-term liabilities	<u>9,064,897</u>	<u>7,954,440</u>
<b>Total liabilities</b>	<u>15,207,302</u>	<u>14,582,487</u>
<b>Net Assets</b>		
Invested in capital assets, net of related debt	7,430,468	7,778,397
Restricted	479,433	455,917
Unrestricted	<u>(1,164,036)</u>	<u>(2,664,072)</u>
<b>Total net assets</b>	<u>\$ 6,745,865</u>	<u>\$ 5,570,242</u>



Bridgeport-Spaulding Community School District  
Administration's Discussion and Analysis  
For Fiscal Year Ended June 30, 2012

**Analysis of Financial Position:**

During fiscal year ended June 30, 2012, the District's net assets decreased by \$1,175,623. A few of the significant factors affecting net assets during the year are discussed below:

**A. General Fund Operations**

The District expenditures from General Fund operations exceeded revenues by \$1,606,884 for the fiscal year ended June 30, 2012. See the section entitled Results of Operations, below for further discussion of General Fund operations.

**B. Debt, Principal Payments**

The District made principal payments on bonded, long-term debt obligations that reduced the amount of the districts long-term liabilities as follows:

	Principal			Balance June 30, 2012
	Balance June 30, 2011	Proceeds	Payments	
Durant Bonds	\$ 196,897	\$ -	\$ 165,129	\$ 31,768
2002 School Improvement Bonds	7,020,000	-	6,240,000	780,000
2009 School Facilities Bonds	1,750,000	-	100,000	1,650,000
2011 School Improvement Refunding Bonds	-	5,530,000	75,000	5,455,000
<b>Total long-term bond obligations</b>	<b>\$ 8,966,897</b>	<b>\$ 5,530,000</b>	<b>\$ 6,580,129</b>	<b>\$ 7,916,768</b>



Bridgeport-Spaulding Community School District  
Administration's Discussion and Analysis  
For Fiscal Year Ended June 30, 2012

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**C. Net Capital Assets**

The District's net capital assets decreased by \$ 702,200 during the fiscal year. This can be summarized as follows:

	<b>Balance June 30, 2011</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance June 30, 2012</b>
Capital Assets	\$ 35,262,616	\$ 7,920	\$ -	\$ 35,270,536
Less: accumulated depreciation	(18,865,251)	(710,120)	-	(19,575,371)
Net capital assets	\$ 16,397,365	\$ (702,200)	\$ -	\$ 15,695,165



Bridgeport-Spaulding Community School District  
Administration's Discussion and Analysis  
For Fiscal Year Ended June 30, 2012

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**Results of Operations:**

For the fiscal years ended June 30, 2011 and 2012, the District wide results of operations were:

	<u>2011</u>	<u>2012</u>
<b>Revenues</b>		
General Revenues	\$ 11,762,941	\$ 11,507,532
<b>Program revenues</b>		
Operating Grants and Contributions	3,893,392	4,206,862
Charges for Services	<u>162,578</u>	<u>156,374</u>
<b>Total Revenues</b>	4,055,970	4,363,236
<b>Expenses</b>		
Instruction	10,235,749	10,141,660
Support services	5,581,325	5,495,576
Food service	922,773	908,442
Interest on long-term debt	514,693	498,035
Other	<u>4,952</u>	<u>2,678</u>
<b>Total Expenses</b>	<u>17,259,492</u>	<u>17,046,391</u>
<b>Increase (Decrease) Net Assets</b>	(1,440,581)	(1,175,623)
<b>Beginning Net Assets</b>	<u>8,186,446</u>	<u>6,745,865</u>
<b>Ending Net Assets</b>	<u>\$ 6,745,865</u>	<u>\$ 5,570,242</u>



Bridgeport-Spaulding Community School District  
Administration's Discussion and Analysis  
For Fiscal Year Ended June 30, 2012

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**1. State of Michigan Unrestricted Aid (Net State Foundation Grant)**

The State of Michigan aid, unrestricted, is determined with the following variables:

- a. State of Michigan State Aid Act per student foundation allowance
- b. Student Enrollment – Blended at 90 percent of current year's October count and 10 percent of prior year's February count
- c. The District's non-homestead levy

**Per Student, Foundation Allowance:**

Annually, the State of Michigan establishes the per student foundation allowance. The Bridgeport-Spaulding Community School District foundation allowance was \$7,053 per student for the 2011-12 school year. The foundation allowance was reduced by \$583 per student by the State of Michigan from the prior year.

**Student Enrollment:**

The District's student enrollment blended count for 2011-12 was 1,450 students. The blended count for 2011-2012 is 10% of the February 2011 and 90% of October 2011. The District's enrollment decreased from the prior school year's student count. The following summarizes fall student enrollments in the past five years:

Fiscal Year	Student FTE	FTE Change from Prior Year
2011-2012	1,450	3
2010-2011	1,447	-90
2009-2010	1,537	-182
2008-2009	1,719	-154
2007-2008	1,873	-172

Subsequent to year-ended June 30, 2012 preliminary student enrollments for 2012–2013 indicate that enrollments may increase by about 35 students from 2011-2012. The stability in the students enrollment from 2010-2011 to 2011-2012 was primarily due to the school board decision to allow open enrollment for schools of choice students.



Bridgeport-Spaulling Community School District  
Administration's Discussion and Analysis  
For Fiscal Year Ended June 30, 2012

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**2. Property Taxes levied for General Operations (General Fund Non-Homestead Taxes)**

The District levies mills of property taxes for operations (General Fund) on Non-Homestead Properties. Under Michigan law, the taxes are based on the taxable valuation of properties. Annually, the taxable valuation increase in property values is capped at the rate of the prior year's CPI increase or 5 percent, whichever is less. At the time of sale, a property taxable valuation is readjusted to the State Equalized Value, which is, theoretically, 50 percent of the market value.

The District's non-homestead property revenue for the 2011-2012 fiscal year was \$1,317,323. The non-homestead tax levy decreased by 3.54% percent over the prior year.

The following summarizes the District's non-homestead levy the past five years:

<b>Fiscal Year</b>	<b>Non-Homestead Tax Levy</b>	<b>% Change from Prior Year</b>
2011-2012	1,317,323	-3.54
2010-2011	1,365,657	-3.72
2009-2010	1,418,437	1.65
2008-2009	1,395,346	-11.09
2007-2008	1,569,474	4.68



Bridgeport-Spaulding Community School District  
Administration's Discussion and Analysis  
For Fiscal Year Ended June 30, 2012

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**3. General Fund Activity**

The District expenditures from General Fund operations exceeded revenues by \$1,606,884 for the fiscal year ended June 30, 2012.

Because of all the uncertainties in our economy and at the state level, this loss in revenues is attributed to the dramatic decline in our State Aid and the loss of Federal funds.

**4. Debt Fund Property and Industrial Facility In Lieu of Taxes**

The District's debt fund levy, which is used to pay the principal and interest on bond obligations, is based on the taxable valuation of all properties: homestead and non-homestead. In addition, the District collects IFT (Industrial Facilities Taxes) In Lieu of Taxes that are essentially taxed at 50 percent of the regular tax rate.

For 2011-2012 the District's debt millage levy was 5.02 that generated revenues of \$1,285,045.

**5. Food Sales to Students and Adults (School Lunch Program)**

The District's food and milk sales to students and adults increased by approximately \$6,480 to \$869,078 from the prior school year. Neither school lunch or milk prices were increased during the year. However, the district did initiate a Universal Breakfast and Lunch program district wide.

The total revenues Food Service operations exceeded total expenditures for the year by \$650 in the food services fund.



Bridgeport-Spaulding Community School District  
Administration's Discussion and Analysis  
For Fiscal Year Ended June 30, 2012

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**Original vs. Final Budget:**

The Uniform Budget Act of the State of Michigan requires that the local Board of Education approve the original budget for the upcoming fiscal year prior to July 1, the start of the fiscal year.

As a matter of practice, Bridgeport-Spaulding Community School District amends its budget during the school year. For fiscal year June 30, 2012 the budget was amended in March 2012. The June 2012 budget amendment was the final budget for the fiscal year.

**Change from Original to Final Budget**

**General Fund Revenues:**

Total Revenues Original Budget	\$ 12,517,889
Total Revenues Final Budget	13,389,562
Increase in Budgeted Revenues	871,673
Percent Increase	6.96%

The final revenue budget reflects the following changes from the original budget:

- Increase in State Aid due to having more students than were projected at the Budget Hearing

**General Fund Expenditures:**

Total Expenditures Original Budget	\$ 15,226,698
Total Expenditures Final Budget	15,278,630
Increase in Budgeted Expenditures	51,932
Percent Increase	0.03%

There were no significant expenditure changes in activity for the year.





Bridgeport-Spaulding Community School District  
Administration's Discussion and Analysis  
For Fiscal Year Ended June 30, 2012

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**Contacting the District's Financial Management**

This financial report is designed to provide our citizens and taxpayers with a general overview of the District's finances and to show the School District's accountability for the funds it receives. If you have questions about this report or need additional information, contact the Business Office, Bridgeport-Spaulding Community School District.

## BASIC FINANCIAL STATEMENTS

**Bridgeport-Spaulding Community School District**  
**Statement of Net Assets**  
**June 30, 2012**

	Governmental Activities
<b>Assets</b>	
Cash	\$ 2,015,810
Taxes receivable	65
Accounts receivable	30,672
Due from other governmental units	2,293,131
Inventory	17,224
Investments	50,842
Prepaid items	49,820
Capital assets not being depreciated	70,000
Capital assets - net of accumulated depreciation	15,625,165
Total assets	20,152,729
 <b>Liabilities</b>	
Accounts payable	154,583
State aid anticipation note payable	4,950,000
Payroll deductions and withholdings	13,640
Accrued expenditures	697,409
Accrued salaries payable	812,415
Noncurrent liabilities	
Due within one year	1,231,768
Due in more than one year	6,722,672
Total liabilities	14,582,487
 <b>Net assets</b>	
Invested in capital assets, net of related debt	7,778,397
Restricted for:	
Debt service	279,143
Capital projects	23,676
Food service	153,098
Unrestricted deficit	(2,664,072)
Total net assets	\$ 5,570,242

See Accompanying Notes to Financial Statements

**Bridgeport-Spaulding Community School District**  
**Statement of Activities**  
**For the Year Ended June 30, 2012**

	Program Revenues				
Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets	
<b>Functions/Programs</b>					
Governmental activities					
Instruction	\$ 10,141,660	\$ -	\$ 3,087,433	\$ -	\$ (7,054,227)
Supporting services	5,495,576	100,090	306,043	-	(5,089,443)
Food services	908,442	56,284	813,386	-	(38,772)
Community services	2,678	-	-	-	(2,678)
Interest on long-term debt	498,035	-	-	-	(498,035)
<b>Total governmental activities</b>	<b>\$ 17,046,391</b>	<b>\$ 156,374</b>	<b>\$ 4,206,862</b>	<b>\$ -</b>	<b>(12,683,155)</b>
General revenues					
Property taxes, levied for general purposes					1,306,932
Property taxes, levied for debt service					1,273,479
State aid - unrestricted					8,528,618
Interest and investment earnings					1,765
Other					370,995
Extraordinary item, insurance recoveries					25,743
Total general revenues					11,507,532
Change in net assets					(1,175,623)
Net assets - beginning					6,745,865
<b>Net assets - ending</b>					<b>\$ 5,570,242</b>

See Accompanying Notes to Financial Statements

**Bridgeport-Spaulling Community School District**  
**Governmental Funds**  
**Balance Sheet**  
**June 30, 2012**

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets</b>			
Cash	\$ 1,822,614	\$ 193,196	\$ 2,015,810
Taxes receivable	-	65	65
Accounts receivable	20,085	-	20,085
Due from other funds	19,942	192,918	212,860
Due from other governmental units	2,189,636	103,495	2,293,131
Inventory	-	17,224	17,224
Investments	50,842	-	50,842
<b>Total assets</b>	<b>\$ 4,103,119</b>	<b>\$ 506,898</b>	<b>\$ 4,610,017</b>
<b>Liabilities and fund balance</b>			
<b>Liabilities</b>			
Accounts payable	\$ 130,181	\$ 24,402	\$ 154,583
State aid anticipation note payable	4,950,000	-	4,950,000
Due to other funds	192,918	9,355	202,273
Payroll deductions and withholdings	13,640	-	13,640
Accrued expenditures	497,826	-	497,826
Accrued salaries payable	812,415	-	812,415
Deferred revenue	67,358	-	67,358
<b>Total liabilities</b>	<b>6,664,338</b>	<b>33,757</b>	<b>6,698,095</b>
<b>Fund balance</b>			
Non-spendable			
Inventory	-	17,224	17,224
Restricted for:			
Debt service	-	279,143	279,143
Capital projects	-	23,676	23,676
Food service	-	153,098	153,098
Unassigned deficit	(2,561,219)	-	(2,561,219)
<b>Total fund balance (deficit)</b>	<b>(2,561,219)</b>	<b>473,141</b>	<b>(2,088,078)</b>
<b>Total liabilities and fund balance</b>	<b>\$ 4,103,119</b>	<b>\$ 506,898</b>	<b>\$ 4,610,017</b>

See Accompanying Notes to Financial Statements

**Bridgeport-Spaulling Community School District**  
**Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets**  
**June 30, 2012**

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<b>Total fund balances for governmental funds</b>	\$ (2,088,078)
Total net assets for governmental activities in the statement of net assets is different because:	
Certain receivables are not available to pay for current period expenditures and, therefore, are deferred in the funds.	
Other revenue	67,358
Prepaid items used in governmental activities are reported on the purchase method in the funds.	49,820
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	
Capital assets not being depreciated	70,000
Capital assets - net of accumulated depreciation	15,625,165
Certain liabilities are not due and payable in the current period and are not reported in the funds.	
Accrued interest	(43,740)
Incurred but not reported benefit claims	(155,843)
Long-term liabilities applicable to governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities.	
Compensated absences	(125,000)
Bonds payable	<u>(7,829,440)</u>
<b>Net assets of governmental activities</b>	<b><u>\$ 5,570,242</u></b>

See Accompanying Notes to Financial Statements

**Bridgeport-Spaulding Community School District**  
**Governmental Funds**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**For the Year Ended June 30, 2012**

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues</b>			
Local sources	\$ 1,547,045	\$ 1,338,880	\$ 2,885,925
State sources	10,205,972	269,926	10,475,898
Federal sources	1,549,464	767,080	2,316,544
Interdistrict sources	99,300	-	99,300
	<u>13,401,781</u>	<u>2,375,886</u>	<u>15,777,667</u>
<b>Expenditures</b>			
Current			
Education			
Instruction	9,617,366	-	9,617,366
Supporting services	5,191,467	-	5,191,467
Food services	-	869,078	869,078
Community services	2,678	-	2,678
Capital outlay	32,544	-	32,544
Debt service			
Principal	-	1,270,128	1,270,128
Interest and other expenditures	-	311,473	311,473
Bond issuance costs	-	115,206	115,206
Payment to bond refunding escrow agent	-	142,000	142,000
	<u>14,844,055</u>	<u>2,707,885</u>	<u>17,551,940</u>
Excess (deficiency) of			
Deficiency of revenues over expenditures	<u>(1,442,274)</u>	<u>(331,999)</u>	<u>(1,774,273)</u>

See Accompanying Notes to Financial Statements

**Bridgeport-Spaulling Community School District**  
**Governmental Funds**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**For the Year Ended June 30, 2012**

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Other financing sources (uses)</b>			
Proceeds from refinancing debt	\$ -	\$ 5,565,455	\$ 5,565,455
Payment to bond refunding escrow agent	-	(5,450,249)	(5,450,249)
Insurance recoveries	25,743	-	25,743
Transfers in	-	190,353	190,353
Transfers out	(190,353)	-	(190,353)
Total other financing sources (uses)	(164,610)	305,559	140,949
Net change in fund balance	(1,606,884)	(26,440)	(1,633,324)
Fund balance (deficit)- beginning	(954,335)	499,581	(454,754)
<b>Fund balance (deficit) - ending</b>	<b>\$ (2,561,219)</b>	<b>\$ 473,141</b>	<b>\$ (2,088,078)</b>

See Accompanying Notes to Financial Statements



**Bridgeport-Spaulling Community 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, 2012**

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**Net change in fund balances - Total governmental funds** \$ (1,633,324)

Total change in net assets reported for governmental activities in the statement of activities is different because:

Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.

Operating grants 67,358

Governmental funds report capital outlays 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.

Depreciation expense (710,120)

Capital outlay 7,920

Expenses are recorded when incurred in the statement of activities.

Interest 88,109

Benefit claims (106,023)

Compensated absences (27,000)

Bond and note proceeds and capital leases are reported as financing sources in the governmental funds and thus contribute to the change in fund balance. In the statement of net assets, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of 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.

Proceeds from issuance of bonds (5,565,455)

Repayments of long-term debt 1,270,129

Repayments to bond refunding escrow agent 5,450,249

Amortization of bond premium and deferred refunding (17,466)

**Change in net assets of governmental activities** **\$ (1,175,623)**

See Accompanying Notes to Financial Statements

**Bridgeport-Spaulding Community School District**  
**Fiduciary Funds**  
**Statement of Fiduciary Net Assets**  
**June 30, 2012**

	Private Purpose Trust Funds	Agency Funds
<b>Assets</b>		
Cash	\$ 40,678	\$ 90,351
Investments	76,784	-
Total assets	117,462	\$ 90,351
<b>Liabilities</b>		
Due to other funds	-	\$ 10,587
Due to agency fund activities	-	79,764
Total liabilities	-	\$ 90,351
<b>Net assets</b>		
Reserved for scholarships and loans	117,462	
<b>Total net assets</b>	<b>\$ 117,462</b>	

See Accompanying Notes to Financial Statements

**Bridgeport-Spaulding Community School District**  
**Fiduciary Funds**  
**Statement of Changes in Fiduciary Net Assets**  
**For the Year Ended June 30, 2012**

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	<u>Private Purpose Trust Funds</u>
<b>Additions</b>	
Local sources	\$ 13,017
Interest and investment earnings	<u>836</u>
Total additions	<u>13,853</u>
<b>Deductions</b>	
Scholarships	<u>28,750</u>
Change in net assets	(14,897)
Net assets - beginning	<u>132,359</u>
<b>Net assets - ending</b>	<u><u>\$ 117,462</u></u>

See Accompanying Notes to Financial Statements

**Bridgeport-Spaulling Community School District**  
**Notes to Financial Statements**  
**June 30, 2012**

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**Note 1 - Summary of Significant Accounting Policies**

The accounting policies of the Bridgeport-Spaulling Community School District (School District) conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The following is a summary of the School District's significant accounting policies:

**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. The School District has no component units.

**District-wide Financial Statements**

The School District's basic financial statements include both district-wide (reporting for the district as a whole) and fund financial statements (reporting the School District's major funds). The district-wide financial statements categorize all nonfiduciary activities as either governmental or business type. All of the School District's activities are classified as governmental activities.

The statement of net assets presents governmental activities on a consolidated basis, using the economic resources measurement focus and accrual basis of accounting. This method recognizes all long-term assets and receivables as well as long-term debt and obligations. The School District's net assets are reported in three parts (1) invested in capital assets, net of related debt, (2) restricted net assets, and (3) unrestricted net assets. The School District first utilizes restricted resources to finance qualifying activities.

The statement of activities reports both the gross and net cost of each of the School District's functions. The functions are also supported by general government revenues (property taxes and certain intergovernmental revenues). The statement of activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function. Operating grants include operating-specific and discretionary (either operating or capital) grants.

The net costs (by function) are normally covered by general revenue (property taxes, state sources and federal sources, interest income, etc.). The School District does not allocate indirect costs. In creating the district-wide financial statements the School District has eliminated interfund transactions.

The district-wide focus is on the sustainability of the School District as an entity and the change in the School District's net assets resulting from current year activities.

**Fund Financial Statements**

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.

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

**Bridgeport-Spauling Community School District**  
**Notes to Financial Statements**  
**June 30, 2012**

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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 government.

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

The School District reports the following major governmental fund:

General Fund – The General Fund is used to record the general operations of the School District pertaining to education and those operations not required to be provided for in other funds.

Additionally, the School District reports the following fund types:

Special Revenue Funds – Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted to expenditures for specified purposes. The School District’s Special Revenue Fund is the Food Service Fund. Operating deficits generated by these activities are generally transferred from the General Fund.

Capital Projects Fund – The Capital Projects Fund is used to record bond proceeds or other revenue and the disbursements of invoices specifically designated for acquiring new school sites, building, equipment, and for remodeling and repairs. This fund is kept open until the purpose for which the fund was created has been accomplished.

Debt Service Funds – Debt Service Funds are used to record tax, interest, and other revenue and the payment of interest, principal, and other expenditures on long-term debt.

Fiduciary Funds – Fiduciary Funds are used to account for assets held by the School District in a trustee capacity or as an agent. The Trust Funds are funds entrusted to the School District for scholarship awards and loans and the principal and interest of the trust may be spent. The Agency Fund is custodial in nature (assets equal liabilities) and does not involve the measurement of results of operations. This fund is used to record the transactions of student groups for school and school-related purposes.

**Assets, Liabilities and Equity**

Receivables and Payables – Generally, outstanding amounts owed between funds are classified as “due from/to other funds”. These amounts are caused by transferring revenues and expenses between funds to get them into the proper reporting fund. These balances are paid back as cash flow permits.

All trade and property tax receivables are shown net of an allowance for uncollectible amounts. The School District considers all accounts receivable to be fully collectible; accordingly, no allowance for uncollectible amounts is recorded.

Property taxes collected are based upon the approved tax rate for the year of levy. For the fiscal year ended June 30, 2012, the rates are as follows per \$1,000 of assessed value.

General Fund	
Non principal residence exemption	18.0000
Commercial personal property	6.0000
Debt Service Funds	5.0200

**Bridgeport-Spaulling Community School District**  
**Notes to Financial Statements**  
**June 30, 2012**

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School property taxes are assessed and collected in accordance with enabling state legislation by cities and townships within the School District's boundaries. The School District's entire tax roll lies within the Townships of Bridgeport and Spaulding.

The property tax levy runs from July 1 to June 30. Property taxes become a lien on the first day of the levy year and are due on or before September 14 or February 14. Collections are forwarded to the School District as collected by the assessing municipalities. Real property taxes uncollected as of March 1 are purchased by the County of Saginaw and remitted to the School District by May 15.

Investments – Investments are stated at fair value based on a quoted market price. Certificates of deposit are stated at cost which approximates fair value.

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 rather than when purchased.

Certain payments to vendors reflect costs applicable to future fiscal years. For such payments in governmental funds the School District follows the consumption method, and they therefore are capitalized as prepaid items.

Capital Assets – Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated fair market value at the date of donation. The School District defines capital assets as assets with an initial individual cost in excess of \$5,000. Costs of normal repair and maintenance that do not add to the value or materially extend asset lives are not capitalized. The School District does not have infrastructure assets. Buildings, equipment, and vehicles are depreciated using the straight-line method over the following useful lives:

Buildings and additions	20-50 years
Site improvements	10-20 years
Equipment and furniture	5-10 years
Buses and other vehicles	5-10 years

Compensated Absences – Sick days are earned by employees at a prorated rate at 12 to 15 days per year. A maximum of 60 to 125 sick days may be accumulated by an employee. Terminating employees who meet certain service requirements are paid for accumulated sick days to a maximum number of days at a rate determined by their job category.

Vacation days are earned by various employee groups at various rates.

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.

In the School District's fund financial statements, the face amount of debt issued is reported as other financing sources.

Fund Equity – In the fund financial statements, governmental funds report fund balance in the following categories:

Non-spendable – assets that are not available in a spendable form.

Restricted – amounts that are legally imposed or otherwise required by external parties to be used for a specific purpose.

Committed – amounts constrained on use imposed by the District's highest level of decision-making, its board of education. A fund balance commitment may be established, modified, or rescinded by a resolution of the board of education.

**Bridgeport-Spauling Community School District**  
**Notes to Financial Statements**  
**June 30, 2012**

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Assigned – amounts intended to be used for specific purposes, as determined by the Board of Education. The board of education has granted the Superintendent the authority to assign funds. Residual amounts in governmental funds other than the general fund are automatically assigned by their nature.

Unassigned – all other resources; the remaining fund balances after non-spendable, restrictions, commitments and assignments. When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District's policy is to consider restricted funds spent first.

When an expenditure is incurred for purposes for which committed, assigned, or unassigned amounts could be used, the District's policy is to consider the funds to be spent in the following order: (1) committed, (2) assigned, (3) unassigned.

**Eliminations and Reclassifications**

In the process of aggregating data for the statement of net assets and the statement of activities, some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the "grossing up" effect on assets and liabilities within the governmental activities column.

**Upcoming Accounting and Reporting Changes**

The Government Accounting Standards Board has issued Statements 63 and 65, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position and Items Previously Reported as Assets and Liabilities*. The new standards provide guidance for reporting deferred outflows of resources, deferred inflows of resources and net position in a statement of financial position and related disclosures. These statements will be adopted for the fiscal year ending June 30, 2013.

The Government Accounting Standards Board has also issued *Statements 67, Financial Reporting for Pension Plans and 68 Accounting and Financial Reporting for Pensions*. Statement 67 changes how public employee pension plans calculate and report their total pension liability. Statement 68 requires governments participating in public employee pension plans to recognize their portion of the long-term obligation for the pension benefits as a liability and to measure the annual costs of the pension benefits. The effect of these changes has not been determined. Statement 67 is effective for the year ending June 30, 2014 and Statement 68 is effective for the year ending June 30, 2015.

**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 and Special Revenue Funds. All annual appropriations lapse at fiscal year end, thereby cancel all encumbrances. These appropriations are reestablished at the beginning of the year.

The budget document presents information by fund and function. The legal level of budgetary control adopted by the governing body is the function level. State law requires the School District to have its budget in place by July 1. A district is not considered in violation of the law if reasonable procedures are in use by the School District to detect violations.

The Superintendent is authorized to transfer budgeted amounts between functions within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the Board of Education.

Budgeted amounts are as originally adopted or as amended by the Board of Education throughout the year.

**Bridgeport-Spauling Community School District**  
**Notes to Financial Statements**  
**June 30, 2012**

**Excess of Expenditures Over Appropriations**

During the year, the School District incurred expenditures in certain budgetary funds which were in excess of the amounts appropriated as follows:

Function	Final Budget	Amount of Expenditures	Budget Variances
General Fund			
Supporting services			
Instructional staff	\$ 341,882	\$ 346,012	\$ 4,130
General administration	287,622	295,896	8,274
Operations and maintenance	1,506,418	1,535,188	28,770
Central	256,499	269,959	13,460
Athletics	226,266	243,827	17,561
Capital outlay	-	32,544	32,544

**Note 3 - Deposits and Investments**

The School District's deposits and investments were reported in the basic financial statements in the following categories:

	Governmental Activities	Fiduciary Funds	Total Primary Government
Cash	\$ 2,015,810	\$ 131,029	\$ 2,146,839
Investments	50,842	76,784	127,626
	<u>\$ 2,066,652</u>	<u>\$ 207,813</u>	<u>\$ 2,274,465</u>

The breakdown between deposits and investments for the School District is as follows:

Deposits (checking, savings accounts, money markets, certificates of deposit)	\$ 2,223,303
Investments in securities, mutual funds, and similar vehicles	50,842
Petty cash and cash on hand	320
Total	<u>\$ 2,274,465</u>

As of year end, the District had the following investments:

Investment	Fair Value	Maturities	Rating	Rating Organization
Michigan Liquid Asset Fund - MAX	\$ 50,842	6 months average	AAAm	Standard and Poor's

*Interest rate risk* – In accordance with its investment policy, the District manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to less than 6 months.

*Credit risk* – 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 an office 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.

*Concentration of credit risk* – The District has no policy that would limit the amount that may be invested with any one issuer.



**Bridgeport-Spaulling Community School District**  
**Notes to Financial Statements**  
**June 30, 2012**

*Custodial credit risk – deposits* – In the case of deposits, this is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk. As of year end, \$ 989,809 of the District's bank balance of \$ 2,436,698 was exposed to custodial credit risk because it was uninsured and uncollateralized.

*Custodial credit risk – investments* – For an investment, this is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of year end, none of the district's investments were exposed to custodial credit risk.

**Note 4 - Capital Assets**

A summary of the changes in governmental capital assets is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental activities</b>				
Capital assets not being depreciated				
Land	\$ 70,000	\$ -	\$ -	\$ 70,000
Capital assets being depreciated				
Buildings and additions	34,271,806	-	-	34,271,806
Equipment and furniture	157,209	7,920	-	165,129
Buses and other vehicles	763,601	-	-	763,601
Total capital assets being depreciated	35,192,616	7,920	-	35,200,536
Less accumulated depreciation				
Buildings and additions	18,119,181	678,213	-	18,797,394
Equipment and furniture	122,305	3,985	-	126,290
Buses and other vehicles	623,765	27,922	-	651,687
Total accumulated depreciation	18,865,251	710,120	-	19,575,371
Net capital assets being depreciated	16,327,365	(702,200)	-	15,625,165
Net capital assets	<u>\$ 16,397,365</u>	<u>\$ (702,200)</u>	<u>\$ -</u>	<u>\$ 15,695,165</u>

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

<b>Governmental activities</b>	
Instruction	\$ 435,612
Support services	235,144
Food services	39,364
Total governmental activities	<u>\$ 710,120</u>

**Bridgeport-Spauling Community School District**  
**Notes to Financial Statements**  
**June 30, 2012**

**Note 5 - Interfund Receivable and Payable and Transfers**

Individual interfund receivable and payable balances at year end were:

Due From Fund	Due to Fund	Amount
General	Nonmajor	\$ 9,355
Nonmajor	General	192,918
General	Agency	10,587
		<u>\$ 212,860</u>

The outstanding balances between funds result mainly from the time lag between the dates that transactions are recorded in the accounting system and payments between funds are made.

Management does not anticipate individual interfund balances to remain outstanding for periods in excess of one year.

Interfund transfers consist of the following:

	<b>Transfers Out</b>
	General Fund
	Fund
<b>Transfers in</b>	
Other governmental funds	<u>\$ 190,353</u>

A transfer of \$190,353 from the General Fund to the Debt Service Fund was made to cover interest payment on the facilities bond.

**Note 6 – Deferred Revenue**

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:

	Unavailable
Grant and categorical aid payments received prior to meeting all eligibility requirements	<u>\$ 67,358</u>

**Note 7 - State Aid Anticipation Note**

The School District issues state aid anticipation notes in advance of state aid collections, depositing the proceeds in the General Fund. These notes are necessary because the School District receives state aid from October through the following August for its fiscal year ending June 30<sup>th</sup>.

Short-term debt activity for the year was as follows:

	Beginning Balance	Proceeds	Repayments	Ending Balance
State aid anticipation note	<u>\$ 4,200,000</u>	<u>\$ 4,950,000</u>	<u>\$ 4,200,000</u>	<u>\$ 4,950,000</u>

**Note 8 - 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. Other long-term obligations include compensated absences, claims and judgments, termination benefits, and certain risk liabilities.

**Bridgeport-Spauling Community School District**  
**Notes to Financial Statements**  
**June 30, 2012**

Long-term obligation activity is summarized as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amount Due Within One Year
Government obligation bonds	\$ 8,770,000	\$ 5,530,000	\$ 6,415,000	\$ 7,885,000	\$ 1,200,000
Other bonds	196,897	-	165,129	31,768	31,768
Compensated absences	98,000	27,000		125,000	-
Premium on bonds	-	35,455	5,909	29,546	-
Deferred amount on refunding	-	(140,249)	(23,375)	(116,874)	-
<b>Total</b>	<b>\$ 9,064,897</b>	<b>\$ 5,452,206</b>	<b>\$ 6,562,663</b>	<b>\$ 7,954,440</b>	<b>\$ 1,231,768</b>

General obligation bonds payable at year end, consists of the following:

\$12,575,000 serial bond due in annual installments of \$1,015,000 to \$1,430,000 through May 1, 2017, interest at 5.000% to 5.500%	\$ 780,000
\$1,950,000 serial bond due in annual installments of \$100,000 to \$200,000 through May 1, 2024, interest at 4.750% to 5.500%	1,650,000
\$5,530,000 serial bond due in annual installments of \$320,000 to \$1,390,000 through May 1, 2017, interest at 2.000% to 3.000%	<u>5,455,000</u>
<b>Total general obligation bonded debt</b>	<b><u>\$ 7,885,000</u></b>

Future principal and interest requirements for bonded debt are as follows:

	Principal	Interest	Total
<b>Year Ending June 30,</b>			
2013	\$ 1,200,000	\$ 221,928	\$ 1,421,928
2014	1,275,000	210,778	1,485,778
2015	1,350,000	176,652	1,526,652
2016	1,430,000	134,402	1,564,402
2017	1,510,000	100,852	1,610,852
2018-2022	740,000	229,380	969,380
2023-2026	380,000	31,900	411,900
<b>Total</b>	<b><u>\$ 7,885,000</u></b>	<b><u>\$ 1,105,892</u></b>	<b><u>\$ 8,990,892</u></b>

The general obligation bonds are payable from the Debt Service Funds. As of year end, the fund had a balance of \$279,143 to pay this debt. Future debt and interest will be payable from future tax levies.

Other bonds consist of the following:

\$473,955 Durant Refunding serial bonds due in annual installments through May 15, 2013; interest 4.76% due annually	<u>\$ 31,768</u>
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The Durant bond obligations issued by PA 142 are payable solely from and are secured solely by an assignment by each School District of certain categorical State School Aid payments. The State Legislature has no obligation to make such appropriations. In the event the Legislature fails to appropriate funds, the School District is under no obligation for repayment of the debt obligation issued by PA 142.

**Bridgeport-Spauling Community School District**  
**Notes to Financial Statements**  
**June 30, 2012**

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Future principal and interest requirements for the Durant bonds are as follows:

	Principal	Interest	Total
<b>Year Ending June 30,</b> 2013	\$ 31,768	\$ 1,512	\$ 33,280

Long-term interest and other expenditures for the fiscal year in the Debt Service Funds were \$311,473.

**Advance Refunding**

On August 19, 2011, the School District issued general obligation bonds of \$ 5,530,000 (par value) with an interest rate of 2.00% to 3.00% to advance refund serial bonds with an interest rate of 4.50% to 5.50% and a par value of \$5,310,000. The general obligation bonds were issued at a premium and after paying issuance costs of \$63,329, the net proceeds were \$5,530,000. The net proceeds from the issuance of the general obligation bonds were deposited with an escrow agent to provide debt service payments. The advance refunding met the requirements of an in-substance debt defeasance and the term bonds were removed from the School District's financial statements.

As a result of the advance refunding, the School District reduced its total debt service requirements by \$358,707, which resulted in economic gain of \$330,679.

The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$140,249. This amount is reported in the accompanying statement of net assets as a reduction of bonds payable and is being charged to activities through fiscal year 2017.

**Compensated Absences**

Accrued compensated absences at year end, consists of \$77,000 of vacation hours earned and vested and \$48,000 in accrued sick time benefits. The entire vested amount is considered long-term as the amount expended each year is expected to be offset by sick time earned for the year. For governmental activities, compensated absences are primarily liquidated by the general fund.

**Defeased Debt**

In prior years, the School District has defeased various bonds issued by creating separate irrevocable trust funds. New debt has been issued and the net proceeds of each refunding were placed in separate escrow accounts and invested in securities of the U.S. Government and its agencies. The investments and fixed earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the refunded bonds are considered to be defeased. Accordingly, the trust account assets and liability for the defeased bonds are not included in the School District's financial statements.

The final payment date is May 1, 2017. As of year end, the amount of defeased debt outstanding but removed from the School District's financial statements is \$5,075,000.

**Operating Lease**

The School District has a non-cancelable operating lease for buses. Total cost for the lease was \$32,544 for the year ended June 30, 2012.

**Bridgeport-Spauling Community School District**  
**Notes to Financial Statements**  
**June 30, 2012**

The future minimum lease payments for this lease are as follows:

Year ending June 30,	
2013	\$ 32,544
2014	32,544
	\$ 65,088

**Note 9 - Risk Management**

The School District is exposed to various risks of loss related to property loss, torts, errors and omissions, employee injuries (workers' compensation) and certain medical benefits provided to employees.

The School District has purchased commercial insurance for errors and omissions and malpractice. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in the past three fiscal years.

The School District participates in a public entity risk pool through the School Employers Group. With the exception of unemployment and employee medical claims, as described below, this program provides substantially all the insurance needs of the School District. The possibility of additional liabilities in excess of current year contributions exists, however, since the amounts are indeterminable and believed to be immaterial, no contingent liabilities or assets have been recognized on the School District's financial statements.

The School District is subject to the Michigan Employment Security Act and has elected to pay unemployment claims on a direct self-insured basis. Under this method, the School District must reimburse the Employment Commission for all benefits charged against the School District. The School District had \$13,640 unemployment compensation expense for the year. No provision has been made for possible future claims.

The School District is self-insured for employee medical claims through Michigan Employee Health Insurance Pool (MiEHIP). The School District became self-insured during 2012.

The School District estimates the liability for employee medical claims that have been incurred through the end of the fiscal year, including both those claims that have been reported as well as those that have not yet been reported. These estimates are recorded in the district-wide statement.

The change in the employee medical benefits estimated liability for the past fiscal year is as follows:

Estimated liability at the beginning of the year	\$ -
Estimated claims incurred including changes in estimates	403,552
Claim payments	(247,709)
Estimated liability end of year	\$ 155,843

As of June 30, 2012, the prepaid reserve capitalization amount for MiEHIP was \$49,820.

**Note 10 – Pension Plans and Post Employment Benefits**

**Plan Description**

The School District has a defined benefit pension plan covering substantially all employees. The plan is operated by the State of Michigan's Public School Employees Retirement System (MPSERS), which is a cost-sharing multiple-employer public employee retirement system (PERS).

The pension plan provides retirement, survivor and disability benefits to plan members and their beneficiaries.

MPSERS operates within the Michigan Department of Technology, Management and Budget, Office of Retirement Systems who has the authority to establish and amend benefit provisions. The Michigan Department of Technology, Management and Budget issues a

**Bridgeport-Spauling Community School District**  
**Notes to Financial Statements**  
**June 30, 2012**

publicly available financial report that includes financial statements and required supplementary information for MPSERS. The report provides information for the plan as a whole and information helpful for understanding the scale of the information presented relative to the School. That report may be obtained by writing Office of Retirement Services, P.O. Box 30171, Lansing, Michigan 48909-7671 or calling 800-381-5111 or on the web at <http://www.michigan.gov/orsschools>.

In 2010 MPSERS created a new Pension Plus plan. All Michigan public school employees who begin work on or after July 1, 2010, are enrolled in the Pension Plus plan. The Pension Plus plan includes two components: (a) a defined benefit pension component, and (b) a defined contribution savings component.

**Funding Policy**

The School is required by the School Finance Reform Act to contribute to MPSERS an actuarially determined percentage of payroll for all participating employees. The School's actual contributions match the required contributions. Additionally, employees participating in the Member Investment Plan contributed 3% to 6.4% of their covered wages through payroll deduction. In addition to retirement benefits, a portion of the total MPSERS contribution is allocated to cover health, dental and vision benefits. The following table discloses pertinent information relative to MPSERS pension funding for the three-year period beginning July 1, 2009 through June 30, 2012.

	2012	2011	2010
Funding percentage range	10.66 - 15.96%	8.63 - 12.16%	9.73 - 10.13%
Total payroll	\$ 8,119,480	\$ 8,045,274	\$ 8,585,510
Total covered payroll	8,012,134	7,943,999	8,496,325
School contributions	1,205,075	946,928	851,811
Employee MIP contributions	511,048	459,223	277,820
Tax deferred payment program	40,184	42,622	56,618

**Defined Contribution Savings Plan**

For the Pension Plus savings plan, participants are automatically enrolled and 2% of their pay is withheld and deposited into the account. Participants may elect to not contribute, or may elect to increase their personal contribution up to the annual limits established by the IRS. The District matches 50 percent of the employee contributions into the Pension Plus savings plan, up to 1 percent. Participants opting to not contribute receive no employer matching contribution. Contributions by the District and participants during the year ended June 30, 2012, were:

	School District	Participants
Contributions to the Pension Plus Savings Plan	\$ 658	\$ 1,316

**Post Employment Benefits**

In addition to the pension benefits described above, the School Finance Reform Act requires the School District to provide post-retirement health care, dental, and vision benefits for retirees and beneficiaries through Michigan Public School Employees Retirement System (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 care, dental and vision coverage at the time of receiving the benefits. The School's actual contributions match the required contributions.

The following table discloses pertinent information relative to MPSERS post employment benefits funding for the three-year period beginning July 1, 2009 through June 30, 2012:

	2012	2011	2010
Funding percentage range	8.50%	6.81 - 8.50%	6.81%
School post employment benefits contributions	\$ 681,031	\$ 614,843	\$ 578,600

**Bridgeport-Spaulding Community School District**  
**Notes to Financial Statements**  
**June 30, 2012**

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**Note 11 - Contingent Liabilities**

Amounts received or receivable from grantor agencies are subjected to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of costs which may be disallowed by the grantor cannot be determined at this time although the School District expects such amounts, if any, to be immaterial. A separate report on federal compliance has been issued for the year June 30, 2012.

## REQUIRED SUPPLEMENTAL INFORMATION



**Bridgeport-Spaulding Community School District**  
**Required Supplemental Information**  
**Budgetary Comparison Schedule - General Fund**  
**For the Year Ended June 30, 2012**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Over (Under) Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Local sources	\$ 1,615,000	\$ 1,606,642	\$ 1,547,045	\$ (59,597)
State sources	9,410,765	9,953,300	10,205,972	252,672
Federal sources	1,312,124	1,425,495	1,549,464	123,969
Interdistrict sources	180,000	404,125	99,300	(304,825)
<b>Total revenues</b>	<u>12,517,889</u>	<u>13,389,562</u>	<u>13,401,781</u>	<u>12,219</u>
<b>Expenditures</b>				
Instruction				
Basic programs	6,958,161	6,823,939	6,732,003	(91,936)
Added needs	3,024,533	2,898,355	2,885,363	(12,992)
Supporting services				
Pupil	710,638	685,638	633,815	(51,823)
Instructional staff	307,296	341,882	346,012	4,130
General administration	287,622	287,622	295,896	8,274
School administration	860,686	856,686	853,310	(3,376)
Business	528,902	426,602	322,529	(104,073)
Operations and maintenance	1,369,184	1,506,418	1,535,188	28,770
Pupil transportation services	543,259	719,128	690,931	(28,197)
Central	256,499	256,499	269,959	13,460
Athletics	-	226,266	243,827	17,561
Community services	16,000	22,215	2,678	(19,537)
Capital outlay	-	-	32,544	32,544
<b>Total expenditures</b>	<u>14,862,780</u>	<u>15,051,250</u>	<u>14,844,055</u>	<u>(207,195)</u>
Deficiency of revenues over expenditures	<u>(2,344,891)</u>	<u>(1,661,688)</u>	<u>(1,442,274)</u>	<u>219,414</u>

**Bridgeport-Spaulding Community School District**  
**Required Supplemental Information**  
**Budgetary Comparison Schedule - General Fund**  
**For the Year Ended June 30, 2012**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Over (Under) Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Other financing sources (uses)</b>				
Insurance recoveries	\$ -	\$ -	\$ 25,743	\$ 25,743
Transfers out	<u>(363,918)</u>	<u>(227,380)</u>	<u>(190,353)</u>	<u>37,027</u>
Total other financing sources (uses)	<u>(363,918)</u>	<u>(227,380)</u>	<u>(164,610)</u>	<u>62,770</u>
Net change in fund balance	(2,708,809)	(1,889,068)	(1,606,884)	282,184
Fund balance - beginning	<u>(954,335)</u>	<u>(954,335)</u>	<u>(954,335)</u>	<u>-</u>
<b>Fund balance (deficit) - ending</b>	<u>\$ (3,663,144)</u>	<u>\$ (2,843,403)</u>	<u>\$ (2,561,219)</u>	<u>\$ 282,184</u>

## OTHER SUPPLEMENTAL INFORMATION

**Bridgeport-Spaulding Community School District**  
**Other Supplemental Information**  
**Nonmajor Governmental Funds**  
**Combining Balance Sheet**  
**June 30, 2012**

	Special Revenue Fund <u>Food Service</u>	Debt Service Fund	Capital Projects Fund	Total Nonmajor Governmental Funds
<b>Assets</b>				
Cash	\$ 61,347	\$ 98,818	\$ 33,031	\$ 193,196
Taxes receivable	-	65	-	65
Due from other funds	1,092	191,826	-	192,918
Due from other governmental units	103,495	-	-	103,495
Inventory	<u>17,224</u>	<u>-</u>	<u>-</u>	<u>17,224</u>
<b>Total assets</b>	<b><u>\$ 183,158</u></b>	<b><u>\$ 290,709</u></b>	<b><u>\$ 33,031</u></b>	<b><u>\$ 506,898</u></b>
<b>Liabilities and fund balance</b>				
Liabilities				
Accounts payable	\$ 12,836	\$ 11,566	\$ -	\$ 24,402
Due to other funds	<u>-</u>	<u>-</u>	<u>9,355</u>	<u>9,355</u>
Total liabilities	<u>12,836</u>	<u>11,566</u>	<u>9,355</u>	<u>33,757</u>
Fund balance				
Nonspendable				
Inventory	17,224	-	-	17,224
Restricted for:				
Debt service	-	279,143	-	279,143
Capital projects	-	-	23,676	23,676
Food service	<u>153,098</u>	<u>-</u>	<u>-</u>	<u>153,098</u>
Total fund balance	<u>170,322</u>	<u>279,143</u>	<u>23,676</u>	<u>473,141</u>
<b>Total liabilities and fund balance</b>	<b><u>\$ 183,158</u></b>	<b><u>\$ 290,709</u></b>	<b><u>\$ 33,031</u></b>	<b><u>\$ 506,898</u></b>

**Bridgeport-Spaulding Community School District**  
**Other Supplemental Information**  
**Nonmajor Governmental Funds**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**For the Year Ended June 30, 2012**

	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total Nonmajor Governmental Funds
	Food Service			
<b>Revenues</b>				
Local sources	\$ 56,342	\$ 1,282,450	\$ 88	\$ 1,338,880
State sources	46,306	223,620	-	269,926
Federal sources	767,080	-	-	767,080
Total revenues	<u>869,728</u>	<u>1,506,070</u>	<u>88</u>	<u>2,375,886</u>
<b>Expenditures</b>				
Food services	869,078	-	-	869,078
Debt service				
Principal	-	1,270,128	-	1,270,128
Interest and other expenditures	-	311,473	-	311,473
Bond issuance costs	-	115,206	-	115,206
Payment to bond refunding escrow agent	-	142,000	-	142,000
Total expenditures	<u>869,078</u>	<u>1,838,807</u>	<u>-</u>	<u>2,707,885</u>
Excess (deficiency) of revenues over expenditures	<u>650</u>	<u>(332,737)</u>	<u>88</u>	<u>(331,999)</u>
<b>Other financing sources</b>				
Proceeds from refinancing debt	-	5,565,455	-	5,565,455
Payment to bond refunding escrow agent	-	(5,450,249)	-	(5,450,249)
Transfers in	-	190,353	-	190,353
Total other financing sources (uses)	<u>-</u>	<u>305,559</u>	<u>-</u>	<u>305,559</u>
Net change in fund balance	650	(27,178)	88	(26,440)
Fund balance - beginning	<u>169,672</u>	<u>306,321</u>	<u>23,588</u>	<u>499,581</u>
<b>Fund balance - ending</b>	<u>\$ 170,322</u>	<u>\$ 279,143</u>	<u>\$ 23,676</u>	<u>\$ 473,141</u>

**Bridgeport-Spaulding Community School District**  
**Other Supplemental Information**  
**General Fund**  
**Comparative Balance Sheet**  
**June 30, 2012**

	2012	2011
<b>Assets</b>		
Cash	\$ 1,822,614	\$ 571,164
Accounts receivable	20,085	325
Due from other funds	19,942	296,290
Due from other governmental units	2,189,636	2,248,876
Inventory	-	15,370
Investments	50,842	1,975,949
<b>Total assets</b>	<b>\$ 4,103,119</b>	<b>\$ 5,107,974</b>
<b>Liabilities and fund balance</b>		
<b>Liabilities</b>		
Accounts payable	\$ 130,181	\$ 198,603
State aid anticipation note payable	4,950,000	4,200,000
Due to other funds	192,918	92,461
Payroll deductions and withholdings	13,640	-
Accrued expenditures	497,826	446,035
Accrued salaries payable	812,415	1,125,210
Deferred revenue	67,358	-
Total liabilities	6,664,338	6,062,309
<b>Fund balance</b>		
Non-spendable		
Inventory	-	15,370
Unassigned	(2,561,219)	(969,705)
Total fund balance (deficit)	(2,561,219)	(954,335)
<b>Total liabilities and fund balance</b>	<b>\$ 4,103,119</b>	<b>\$ 5,107,974</b>

**Bridgeport-Spaulling Community School District**  
**Other Supplemental Information**  
**General Fund**  
**Schedule of Revenues Compared to Prior Year**  
**For the Year Ended June 30, 2012**

	<u>2012</u> Actual	<u>2011</u> Actual
<b>Revenue from local sources</b>		
Property tax levy	\$ 1,306,932	\$ 1,379,017
Tuition	-	3,719
Earnings on investments	1,506	8,980
Student activities	25,537	45,593
Other local revenues	<u>213,070</u>	<u>167,297</u>
Total revenues from local sources	<u>1,547,045</u>	<u>1,604,606</u>
<b>Revenues from state sources</b>		
Grants - unrestricted	8,528,618	8,994,732
Grants - restricted	<u>1,677,354</u>	<u>1,129,345</u>
Total revenues from state sources	<u>10,205,972</u>	<u>10,124,077</u>
<b>Revenues from federal sources</b>		
Grants	<u>1,549,464</u>	<u>1,911,690</u>
<b>Interdistrict sources</b>		
ISD collected millage	95,373	41,900
Other	<u>3,927</u>	<u>111,849</u>
Total interdistrict sources	<u>99,300</u>	<u>153,749</u>
<b>Other financing sources</b>		
Insurance recoveries	25,743	11,648
Proceeds from sale of capital assets	<u>-</u>	<u>1,100</u>
Total other financing sources	<u>25,743</u>	<u>12,748</u>
<b>Total revenue and other financing sources</b>	<u><u>\$ 13,427,524</u></u>	<u><u>\$ 13,806,870</u></u>

**Bridgeport-Spaulding Community School District**  
**Other Supplemental Information**  
**General Fund**  
**Schedule of Expenditures Compared to Prior Year**  
**For the Year Ended June 30, 2012**

	<u>2012</u> Actual	<u>2011</u> Actual
<b>Basic program - elementary</b>		
Salaries	\$ 1,400,707	\$ 1,628,117
Employee benefits	894,280	998,076
Purchased services	67,332	80,085
Supplies and materials	23,375	27,964
Total elementary	<u>2,385,694</u>	<u>2,734,242</u>
<b>Basic program - middle school</b>		
Salaries	1,130,752	1,137,270
Employee benefits	702,367	614,612
Purchased services	44,957	30,189
Supplies and materials	9,340	5,781
Other	-	2,750
Total middle school	<u>1,887,416</u>	<u>1,790,602</u>
<b>Basic program - high school</b>		
Salaries	1,179,507	1,170,769
Employee benefits	758,174	700,269
Purchased services	71,547	74,599
Supplies and materials	28,788	22,144
Other	99,292	62,583
Total high school	<u>2,137,308</u>	<u>2,030,364</u>
<b>Basic program - pre-school</b>		
Salaries	163,036	161,411
Employee benefits	93,995	88,905
Purchased services	2,950	3,812
Supplies and materials	93	7,335
Total pre-school	<u>260,074</u>	<u>261,463</u>
<b>Basic program - summer school</b>		
Salaries	24,160	32,981
Employee benefits	7,240	7,585
Purchased services	2,231	3,733
Supplies and materials	27,880	20,547
Total summer school	<u>61,511</u>	<u>64,846</u>



**Bridgeport-Spaulding Community School District**  
**Other Supplemental Information**  
**General Fund**  
**Schedule of Expenditures Compared to Prior Year**  
**For the Year Ended June 30, 2012**

	<u>2012</u> Actual	<u>2011</u> Actual
<b>Added needs - special education</b>		
Salaries	\$ 1,247,037	\$ 1,220,715
Employee benefits	738,224	694,044
Purchased services	14,444	19,716
Supplies and materials	2,993	1,805
Other	<u>107,795</u>	<u>156,852</u>
Total special education	<u>2,110,493</u>	<u>2,093,132</u>
<b>Added needs - compensatory education</b>		
Salaries	326,221	264,248
Employee benefits	173,262	142,249
Purchased services	107,606	9,214
Supplies and materials	<u>68,378</u>	<u>225,355</u>
Total compensatory education	<u>675,467</u>	<u>641,066</u>
<b>Added needs - career and technical education</b>		
Salaries	60,121	60,121
Employee benefits	39,241	37,543
Purchased services	<u>41</u>	<u>865</u>
Total career and technical education	<u>99,403</u>	<u>98,529</u>
<b>Pupil - guidance services</b>		
Salaries	103,611	100,283
Employee benefits	62,037	78,889
Purchased services	-	589
Supplies and materials	<u>-</u>	<u>714</u>
Total guidance services	<u>165,648</u>	<u>180,475</u>

**Bridgeport-Spaulding Community School District**  
**Other Supplemental Information**  
**General Fund**  
**Schedule of Expenditures Compared to Prior Year**  
**For the Year Ended June 30, 2012**

	<u>2012</u> Actual	<u>2011</u> Actual
<b>Pupil - psychological services</b>		
Employee benefits	\$ -	\$ 431
Supplies and materials	137	-
Other	<u>53,089</u>	<u>52,580</u>
Total psychological services	<u>53,226</u>	<u>53,011</u>
<b>Pupil - speech services</b>		
Salaries	53,073	71,411
Employee benefits	37,358	40,682
Supplies and materials	289	952
Other	<u>108,305</u>	<u>107,266</u>
Total speech services	<u>199,025</u>	<u>220,311</u>
<b>Pupil - social work services</b>		
Salaries	96,143	78,472
Employee benefits	39,833	48,222
Purchased services	253	530
Supplies and materials	<u>478</u>	<u>491</u>
Total social work services	<u>136,707</u>	<u>127,715</u>
<b>Pupil - other support services</b>		
Salaries	45,627	45,337
Employee benefits	14,226	12,059
Purchased services	<u>19,356</u>	<u>13,523</u>
Total other pupil support services	<u>79,209</u>	<u>70,919</u>
<b>Instructional staff - improvement of education</b>		
Salaries	19,274	6,570
Employee benefits	2,296	1,622
Purchased services	<u>31,150</u>	<u>3,097</u>
Total improvement of education	<u>52,720</u>	<u>11,289</u>

**Bridgeport-Spaulding Community School District**  
**Other Supplemental Information**  
**General Fund**  
**Schedule of Expenditures Compared to Prior Year**  
**For the Year Ended June 30, 2012**

	<u>2012</u> Actual	<u>2011</u> Actual
<b>Instructional staff - educational media services</b>		
Salaries	\$ 33,588	\$ 34,229
Employee benefits	20,778	16,238
Purchased services	-	317
Supplies and materials	<u>49,828</u>	<u>3,328</u>
Total educational media services	<u>104,194</u>	<u>54,112</u>
<b>Instructional staff - supervision and direction of instructional staff</b>		
Salaries	71,626	75,531
Employee benefits	25,508	25,260
Purchased services	1,006	1,476
Supplies and materials	1,168	1,129
Other	<u>89,790</u>	<u>88,937</u>
Total supervision and direction of instructional staff	<u>189,098</u>	<u>192,333</u>
<b>General administration - board of education</b>		
Salaries	2,560	1,220
Purchased services	61,716	53,007
Supplies and materials	1,641	62
Other	<u>7,578</u>	<u>6,621</u>
Total board of education	<u>73,495</u>	<u>60,910</u>
<b>General administration - executive administration</b>		
Salaries	141,640	141,640
Employee benefits	75,383	70,247
Purchased services	3,173	3,685
Supplies and materials	1,162	518
Other	<u>1,043</u>	<u>2,795</u>
Total executive administration	<u>222,401</u>	<u>218,885</u>

**Bridgeport-Spaulding Community School District**  
**Other Supplemental Information**  
**General Fund**  
**Schedule of Expenditures Compared to Prior Year**  
**For the Year Ended June 30, 2012**

	<u>2012</u> Actual	<u>2011</u> Actual
<b>School administration - office of the principal</b>		
Salaries	\$ 491,428	\$ 491,791
Employee benefits	352,886	310,452
Purchased services	2,324	2,417
Supplies and materials	2,724	10,405
Other	3,948	5,844
Total office of the principal	<u>853,310</u>	<u>820,909</u>
<b>School administration - other</b>		
Salaries	-	90
Employee benefits	-	26
Total other school administration	<u>-</u>	<u>116</u>
<b>Business - fiscal services</b>		
Salaries	75,397	136,320
Employee benefits	60,168	206,596
Purchased services	29,731	5,040
Supplies and materials	2,664	1,320
Other	3,780	1,079
Total fiscal services	<u>171,740</u>	<u>350,355</u>
<b>Business - internal services</b>		
Salaries	6,545	8,160
Employee benefits	8,023	10,251
Purchased services	5,556	13,420
Supplies and materials	-	200
Total internal services	<u>20,124</u>	<u>32,031</u>
<b>Business - other</b>		
Employee benefits	23,311	50,208
Purchased services	354	368
Other	107,000	108,058
Total other business	<u>130,665</u>	<u>158,634</u>

**Bridgeport-Spaulding Community School District**  
**Other Supplemental Information**  
**General Fund**  
**Schedule of Expenditures Compared to Prior Year**  
**For the Year Ended June 30, 2012**

	<u>2012</u> Actual	<u>2011</u> Actual
<b>Operations and maintenance - operating building services</b>		
Salaries	\$ 405,445	\$ 408,166
Employee benefits	339,293	338,576
Purchased services	242,755	263,987
Supplies and materials	<u>506,488</u>	<u>530,994</u>
Total operating building services	<u>1,493,981</u>	<u>1,541,723</u>
<b>Operations and maintenance - security services</b>		
Salaries	2,647	15,781
Employee benefits	1,255	5,527
Purchased services	<u>37,305</u>	<u>24,841</u>
Total security services	<u>41,207</u>	<u>46,149</u>
<b>Pupil transportation services</b>		
Salaries	361,518	364,968
Employee benefits	137,953	135,598
Purchased services	63,639	86,611
Supplies and materials	127,198	121,387
Other	<u>623</u>	<u>599</u>
Total transportation services	<u>690,931</u>	<u>709,163</u>
<b>Central - staff/personnel services</b>		
Salaries	48,400	48,400
Employee benefits	33,234	39,227
Purchased services	3,626	3,613
Supplies and materials	455	715
Other	<u>541</u>	<u>146</u>
Total staff/personnel services	<u>86,256</u>	<u>92,101</u>
<b>Central - support services technology</b>		
Salaries	45,000	46,948
Employee benefits	32,082	22,296
Purchased services	29,433	24,945
Supplies and materials	27,128	3,999
Other	<u>41,441</u>	<u>55,176</u>
Total support services technology	<u>175,084</u>	<u>153,364</u>

**Bridgeport-Spaulding Community School District**  
**Other Supplemental Information**  
**General Fund**  
**Schedule of Expenditures Compared to Prior Year**  
**For the Year Ended June 30, 2012**

	<u>2012</u> Actual	<u>2011</u> Actual
<b>Central - pupil accounting</b>		
Other	\$ 8,619	\$ 9,021
<b>Community services - community activities</b>		
Purchased services	1,953	4,418
Supplies and materials	<u>725</u>	<u>534</u>
Total community activities	<u>2,678</u>	<u>4,952</u>
<b>Capital outlay</b>		
Pupil transportation services	<u>32,544</u>	<u>34,333</u>
<b>Athletics activities</b>		
Salaries	109,166	53,683
Employee benefits	11,288	10,781
Purchased services	106,270	131,644
Supplies and materials	13,976	9,832
Other	<u>3,127</u>	<u>2,325</u>
Total athletic activities	<u>243,827</u>	<u>208,265</u>
<b>Other financing uses</b>		
Transfers out	<u>190,353</u>	<u>194,853</u>
<b>Total expenditures and other financing uses</b>	<u>\$ 15,034,408</u>	<u>\$ 15,260,173</u>

**Bridgeport-Spauling Community School District**  
**Other Supplemental Information**  
**Schedule of Outstanding Bonded Indebtedness**  
**June 30, 2012**

Date of issue: 1999  
Original amount of issue: \$473,955  
Purpose of issue: Durant

Interest Rate	Year	Annual Maturity May 1st	Interest Payment May 1st	Total Fiscal Year Requirements
4.760%	2013	\$ 31,768	\$ 1,512	\$ 33,280

Date of issue: 2002  
Original amount of issue: \$ 12,575,000  
Purpose of issue: Building and Site

Interest Rate	Year	Annual Maturity May 1st	Semi-annual Interest Payments		Total Fiscal Year Requirements
			November 1st	May 1st	
5.000%	2013	\$ 780,000	\$ 19,500	\$ 19,500	\$ 819,000

Date of issue: 2009  
Original amount of issue: \$ 1,950,000  
Purpose of issue: School Facilities

Interest Rate	Year	Annual Maturity May 1st	Semi-annual Interest Payments		Total Fiscal Year Requirements
			November 1st	May 1st	
4.750%	2013	\$ 100,000	\$ 42,926	\$ 42,926	\$ 185,852
4.750%	2014	100,000	40,551	40,551	181,102
4.750%	2015	100,000	38,176	38,176	176,352
5.000%	2016	110,000	35,801	35,801	181,602
5.000%	2017	120,000	33,051	33,051	186,102
5.000%	2018	130,000	30,051	30,051	190,102
5.150%	2019	135,000	26,801	26,801	188,602
5.250%	2020	150,000	23,325	23,325	196,650
5.500%	2021	155,000	19,387	19,387	193,774
5.500%	2022	170,000	15,125	15,125	200,250
5.500%	2023	180,000	10,450	10,450	200,900
5.500%	2024	200,000	5,500	5,500	211,000
		<u>\$ 1,650,000</u>	<u>\$ 321,144</u>	<u>\$ 321,144</u>	<u>\$ 2,292,288</u>

**Bridgeport-Spaulding Community School District**  
**Other Supplemental Information**  
**Schedule of Outstanding Bonded Indebtedness**  
**June 30, 2012**

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Date of issue: 2011  
Original amount of issue: \$ 5,530,000  
Purpose of issue: Refunding 2002 Bonds - Building and Site

Interest Rate	Year	Annual Maturity May 1st	Semi-annual Interest Payments		Total Fiscal Year Requirements
			November 1st	May 1st	
2.000%	2013	\$ 320,000	\$ 68,038	\$ 68,038	\$ 456,076
2.500%	2014	1,175,000	64,838	64,838	1,304,676
3.000%	2015	1,250,000	50,150	50,150	1,350,300
2.125%	2016	1,320,000	31,400	31,400	1,382,800
2.500%	2017	<u>1,390,000</u>	<u>17,375</u>	<u>17,375</u>	<u>1,424,750</u>
		<u>\$ 5,455,000</u>	<u>\$ 231,801</u>	<u>\$ 231,801</u>	<u>\$ 5,918,602</u>