

## ELKTON PIGEON BAY PORT LAKER SCHOOLS

### LONG-TERM DEBT

In prior years, the District defeased certain general obligation bonds by placing the proceeds of the new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account, assets and liabilities for the defeased bonds are not included in the District's financial statements. At June 30, 2018, \$4,485,000 of the bonds outstanding are considered defeased.

The District issued general obligation bonds to provide funds for the construction and improvement of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the District. Long-term obligations currently outstanding are as follows:

2015 general obligation school technology and bus bonds due in annual installments of \$195,000 starting May 1, 2016 through May 1, 2019 with interest at 0.95% to 1.85%. The bond issue is not to exceed \$2,650,000. Bonds issued in 2015-2016 amounted to \$780,000.	\$ 195,000
2015 general obligation refunding bonds due in annual installments of \$475,000 to \$640,000 starting May 1, 2016 through May 1, 2025 with interest at 2.00% to 4.00%.	4,080,000
Premium on bond refunding	420,829
<b>Total general obligation bonds</b>	<u>4,695,829</u>
Capital lease for copiers due in monthly installments of \$1,450 starting March 2015 through March 2020 with 0% interest.	29,000
Obligation under contract for compensated absences	228,191
<b>Total general long-term debt</b>	<u>\$4,953,020</u>

Interest expense (all funds) for the year ended June 30, 2018 was approximately \$221,000. General fund interest expense is included in support services.

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### LONG-TERM DEBT

The annual requirements to amortize the long-term debt as of June 30, 2018, including interest are as follows:

Years ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 732,400	\$ 166,808	\$ 899,208
2020	551,600	142,400	694,000
2021	560,000	120,800	680,800
2022	585,000	98,400	683,400
2023	605,000	75,000	680,000
2024-2025	<u>1,270,000</u>	<u>76,400</u>	<u>1,346,400</u>
Subtotal	4,304,000	679,808	4,983,808
Premium on bond refunding	420,829	-	420,829
Obligation under contract for compensated absences	228,191	-	228,191
<b>Total general long-term debt and interest</b>	<u>\$ 4,953,020</u>	<u>\$ 679,808</u>	<u>\$ 5,632,828</u>

The following is a summary of the changes in the long-term debt during the year ended June 30, 2018:

	<u>2017</u>	<u>ADDITIONS</u>	<u>REDUCTIONS</u>	<u>2018</u>	<u>DUE WITHIN ONE YEAR</u>
2015 sinking fund general obligation bonds	\$ 610,000	\$ -	\$ 610,000	\$ -	\$ -
2015 refunding general obligation bonds	4,580,000	-	500,000	4,080,000	520,000
Premium on bond refunding	483,954	-	63,125	420,829	63,124
2015 technology and bus bonds	390,000	-	195,000	195,000	195,000
Capital lease - Copiers	46,400	-	17,400	29,000	11,600
Compensated absences	216,716	11,475	-	228,191	-
<b>Totals</b>	<u>\$6,327,070</u>	<u>\$ 11,475</u>	<u>\$ 1,385,525</u>	<u>\$ 4,953,020</u>	<u>\$ 789,724</u>