

ECORSE PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

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. Other long-term obligations include a school bond fund loan, compensated absences and Durant bonds.

Long-term obligation activity can be summarized as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities					
Bonds	\$ 26,500,000	\$ -	\$ 1,700,000	\$ 24,800,000	\$ 1,725,000
Other Obligations					
School Bond Loan Fund	21,628,540	942,449	-	22,570,989	-
School Loan Revolving Fund	13,542,847	3,462,991	-	17,005,838	-
US Steel Tax Tribunal Judgment	3,291,273	-	2,283,785	1,007,488	1,007,488
Compensated Absences	455,900	-	190,445	265,455	-
Durant Bonds	115,405	-	115,405	-	-
Industrial Facilities Tax Payable	1,658,646	-	1,658,646	-	-
Total Other Obligations	<u>40,692,611</u>	<u>4,405,440</u>	<u>4,248,281</u>	<u>40,849,770</u>	<u>1,007,488</u>
Total	<u>\$ 67,192,611</u>	<u>\$ 4,405,440</u>	<u>\$ 5,948,281</u>	<u>\$ 65,649,770</u>	<u>\$ 2,732,488</u>

Governmental Activities

General obligation bonds consist of the following:

2005 Refunding Bonds Totaling \$33,000,000 due in Annual Installments
of \$75,000 to \$1,775,000 Through May 1, 2027; Interest Ranging
From 3.50% to 5.25% \$ 24,800,000

Annual debt service requirements to maturity for the above governmental bond obligations are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	1,725,000	1,271,062	2,996,062
2015	1,775,000	1,184,812	2,959,812
2016	1,775,000	1,096,062	2,871,062
2017	1,775,000	1,007,312	2,782,312
2018	1,775,000	918,562	2,693,562
2019-2023	8,875,000	3,234,938	12,109,938
2024-2027	7,100,000	914,126	8,014,125
	<u>\$ 24,800,000</u>	<u>\$ 9,626,875</u>	<u>\$ 34,426,874</u>