

MOUNT VERNON INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
YEAR ENDED AUGUST 31, 2015

Long-Term Obligations

Long-Term Obligation Activity

Long-term obligation activities for the year were as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental Activities:					
Bonds Payable	\$ 30,785,000	\$ -	\$ 1,355,000	\$ 29,430,000	\$ 1,400,000
Unamortized Premium (Discount)	233,197	-	13,324	219,873	-
Capital Lease Payable	13,611	-	6,588	7,023	7,023
<b>Total Governmental Activities</b>	<b>\$ 31,031,808</b>	<b>\$ -</b>	<b>\$ 1,374,912</b>	<b>\$ 29,656,896</b>	<b>\$ 1,407,023</b>

Bonds

The District has issued various series of general obligation bonds to fund facility construction and improvements. Bonds mature at various times with varying rates of interest. The bonds issued require the District to levy an ad valorem tax annually to retire the current maturities.

The following issues are outstanding at year end:

Description	Interest Rate	Original Amount	Outstanding Balance
Unlimited Tax School Building Bonds, Series 2009	4.37%	\$ 20,500,000	\$ 15,940,000
Unlimited Tax School Building Bonds, Series 2014	3.20%	14,000,000	13,490,000
<b>Total</b>			<b>\$ 29,430,000</b>

Maturity requirements on bonded debt at year end are as follows:

Year Ending August 31	Principal	Interest	Total Requirements
2016	\$ 1,400,000	\$ 1,095,606	\$ 2,495,606
2017	1,455,000	1,046,731	2,501,731
2018	1,505,000	993,631	2,498,631
2019	1,550,000	948,366	2,498,366
2020	1,605,000	895,200	2,500,200
2021 - 2025	11,665,000	3,704,894	15,369,894
2026 - 2030	9,415,000	1,535,950	10,950,950
2031 -2031	835,000	121,075	956,075
<b>Totals</b>	<b>\$ 29,430,000</b>	<b>\$ 10,341,453</b>	<b>\$ 39,771,453</b>

Debt – Bond Covenants

There are a number of limitations and restrictions contained in the general obligation bond indentures. The District appears to be in compliance with all significant limitations and restrictions as of year end.

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 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 YEAR ENDED AUGUST 31, 2015

Long-Term Obligations (Continued)

Capital Leases

The District is obligated under certain leases accounted for as capital leases. The leases recorded here meet the criteria of a capital lease as defined by Statement of Financial Accounting Standard No. 13, "Accounting for Leases," which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee.

The following schedule lists personal property leased:

<u>Description</u>	<u>Implicit Interest Rate</u>	<u>Original Property Value</u>
Ford Motor Credit - 2013 Ford Police Interceptor	6.60%	\$ 26,835

The lease terms are for 48 months. The terms call for annual payments over the life of the lease.

Commitments under capitalized lease agreements for facilities and equipment provide for minimum future lease payments at year end are as follows:

<u>Year Ending August 31</u>	<u>Total Requirements</u>
2016	\$ 7,487
Total Minimum Lease Payment	\$ 7,487
Less Amount Representing Interest	(464)
Present Value of Net Minimum Lease Payments	<u>\$ 7,023</u>