

7. LONG-TERM DEBT

The following is a summary of debt transactions of the District for the year ended June 30, 2016:

	Original Issue	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities						
General obligation bonds						
Refunding serial bonds (2007) due in annual installments of \$950,000 to \$1,345,000 through May 1, 2024; interest from 4% to 5%	21,250,000	11,185,000	-	(1,300,000)	9,885,000	1,295,000
Building and site bonds (2010) due in annual installments of \$425,000 to \$2,050,000 through May 1, 2030; interest from 2% to 5%	20,275,000	18,150,000	-	(425,000)	17,725,000	450,000
Refunding serial bonds (2010) due in annual installments of \$460,000 to \$490,000 through May 1, 2022; interest from 3.25% to 4%	5,260,000	3,330,000	-	(475,000)	2,855,000	470,000
Refunding serial bonds (2012) due in annual installments of \$850,000 to \$1,990,000 through May 1, 2029; interest from 3% to 5%	21,745,000	20,895,000	-	(1,025,000)	19,870,000	1,135,000
Refunding serial bonds (2015) due in annual installments of \$1,540,000 to \$3,510,000 through May 1, 2025; interest from 4% to 5%	25,055,000	25,055,000	-	(1,540,000)	23,515,000	1,895,000
Building and site bonds (2015) due in annual installments of \$400,000 to \$4,325,000 through May 1, 2035; interest from 4% to 5%	38,250,000	38,250,000	-	(400,000)	37,850,000	650,000
Notes payable						
Water and sewer special assessments due to Holland Charter Township. The assessments require annual payments of principal and interest at rates of 8%.	Various	30,749	-	(4,997)	25,752	4,998
Note payable to The Apple Financial for purchase of I-pads (2013). This note requires annual payments of principal and interest of \$148,852 at 2.40%, due July 17, 2016.	516,700	287,319	-	(141,956)	145,363	145,363
Compensated absences payable		108,384	-	(1,101)	107,283	-
Special termination benefits payable		770,212	375,832	(391,472)	754,572	233,907
Total Governmental Activities		<u>\$ 118,061,664</u>	<u>\$ 375,832</u>	<u>\$ (5,704,526)</u>	<u>\$ 112,732,970</u>	<u>\$ 6,279,268</u>

General Obligation Bonds

The School District issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities.

Special Termination Benefits

Special Termination Benefits are offered to members of the Zeeland Education Association as an incentive/severance pay. The schedule of benefits is outlined in the negotiated contract between Zeeland School Board and Zeeland Education Association. The benefits and payments can be scheduled over one to seven years and are reflected as expenditures when granted. The estimated liability for future payments is recorded as a non-current liability in the government-wide statement of net position.

Summary of Total Outstanding Debt

The annual requirements to service the total debt outstanding, including both principal and interest, are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016 - 2017	\$ 6,279,268	\$ 5,098,508	\$ 11,377,776
2017 - 2018	6,470,041	4,849,245	11,319,286
2018 - 2019	6,176,425	4,565,945	10,742,370
2019 - 2020	6,457,719	4,280,496	10,738,215
2020 - 2021	6,681,634	3,990,986	10,672,620
2021 - 2026	35,245,600	15,076,883	50,322,483
2026 - 2031	28,315,000	8,024,569	36,339,569
2031 - 2035	17,000,000	2,137,498	19,137,498
	<u>112,625,687</u>	<u>48,024,130</u>	<u>160,649,817</u>
Accrued compensated absences	107,283	-	107,283
	<u>\$ 112,732,970</u>	<u>\$ 48,024,130</u>	<u>\$ 160,757,100</u>