

NOTES TO FINANCIAL STATEMENTS - Continued

**NOTE E - INVESTMENTS IN CAPITAL ASSETS**

Investments in capital assets consist of the following:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Buildings	\$ 6,040,755	\$ -	\$ -	\$ 6,040,755
Building improvements	18,242,458	5,478	-	18,247,936
Machinery and equipment	3,491,263	-	-	3,491,263
Software	17,882	-	-	17,882
Furniture and fixtures	1,513,350	-	-	1,513,350
Vehicles	<u>1,169,391</u>	<u>-</u>	<u>-</u>	<u>1,169,391</u>
Total depreciable assets	30,475,099	5,478	-	30,480,577
Less accumulated depreciation	(18,786,454)	(1,017,349)	-	(19,803,803)
Land	94,249	-	-	94,249
Construction-in-process	<u>310,280</u>	<u>2,467,343</u>	<u>-</u>	<u>2,777,623</u>
Total capital assets, net	<u>\$ 12,093,174</u>	<u>\$ 1,455,472</u>	<u>\$ -</u>	<u>\$ 13,548,646</u>

Depreciation expense was charged to the function in the statement of activities, as follows:

Unallocated	<u>\$ 1,017,349</u>
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**NOTE F - LONG-TERM LIABILITIES**

Changes in long-term debt during the year ended June 30, 2022 were as follows:

	<u>Beginning Balance</u>	<u>New Debt</u>	<u>Payments</u>	<u>Ending Balance</u>	<u>Current Portion</u>
General obligation bonds	\$19,560,000	\$ -	\$ (900,000)	\$18,660,000	\$ 1,200,000
Lease agreement liability	14,985	-	(10,446)	4,539	4,539
Unamortized bond premium	3,208,590	-	(110,641)	3,097,949	110,641
Accumulated leave liability	<u>405,292</u>	<u>41,751</u>	<u>-</u>	<u>447,043</u>	<u>-</u>
Total long-term debt	<u>\$23,188,867</u>	<u>\$ 41,751</u>	<u>\$(1,021,087)</u>	<u>\$22,209,531</u>	<u>\$ 1,315,180</u>

Payments on the general obligation bonds are made by the Debt Service Funds. Payments on the plow truck lease are made by the General Fund. The plow truck's gross cost and accumulated depreciation recorded under the lease is \$30,466 and \$18,279 at June 30, 2022, respectively. The accumulated leave liability will be liquidated primarily by the General Fund.

NOTES TO FINANCIAL STATEMENTS - Continued

At June 30, 2022, the School District's long-term debt consisted of the following:

<b>2017 School Improvement Bonds</b> ; due in annual installments of \$100,000 through May 2024; interest rate of 2.1%-2.45%.	\$ 200,000
<b>2021 School Building and Site Bonds</b> ; due in annual installments of \$220,000 to \$1,100,000 through May 2050; interest rate of 4.00%.	18,460,000
<b>2019 Plow Truck Lease</b> ; due in monthly installments of \$921 through October 2022; including interest at a rate of 5.90%	4,539
Unamortized bond premium	3,097,949
Accumulated leave liability	<u>447,043</u>
Total long-term debt	<u><u>\$22,209,531</u></u>

Total annual requirements to amortize the general obligation bonds and lease outstanding as of June 30, 2022, are as follows:

Years Ending June 30,	Principal	Interest
2023	\$ 1,204,539	\$ 743,167
2024	100,000	696,850
2025	220,000	694,400
2026	225,000	685,600
2027	225,000	676,600
Thereafter	<u>16,690,000</u>	<u>9,596,600</u>
	<u><u>\$18,664,539</u></u>	<u><u>\$13,093,217</u></u>

Interest expense for the year ended June 30, 2022 was \$761,878, and interest paid for the year ended June 30, 2022 was \$854,845.

***Accumulated Leave Liability***

Employees of the School District accumulate earned but unused compensated sick leave days, as specified by the bargaining units' contract. 50% of sick leave is accrued when incurred for non-teachers and 40% for teachers. Upon either resignation or retirement, the employees are compensated at daily rates specified in the bargaining units' contracts.