

Wichita Area Technical College

Notes to Financial Statements

June 30, 2016 and 2015

Note 6: Long-term Debt

The following is a summary of long-term debt transactions for the College for the years ended June 30, 2016 and 2015:

	2016				
	Beginning Balance	Additions	Payments	Ending Balance	Current Portion
Capitalized lease obligations (A)	\$ 141,310	\$ -	\$ (45,385)	\$ 95,925	\$ 47,082
	2015				
	Beginning Balance	Additions	Payments	Ending Balance	Current Portion
Notes payable (B)	\$ 500,000	\$ -	\$ (500,000)	\$ -	\$ -
Capitalized lease obligations (A)	-	191,980	(50,670)	141,310	45,385
Total long-term debt	\$ 500,000	\$ 191,980	\$ (550,670)	\$ 141,310	\$ 45,385

- (A) The College entered into a lease-purchase agreement with De Lage Landen Public Finance LLC on July 1, 2014, with a maturity date of July 15, 2017. Payments of \$50,670, including effective interest at 3.74%, are due annually.
- (B) The College entered into an agreement with Cowley County Community College (Cowley) on January 16, 2008, that transferred rights of the Southside Education Center's (SSEC) assets along with Cowley's interest in its FAA license for the Aviation Tech Center and the rights to the curriculum. This agreement took effect on July 1, 2008, with total consideration given in the amount of \$5,000,000 and payments due in installments over the next three years. During the year ended June 30, 2010, the debt repayment schedule was renegotiated, extending it with final payment due during 2015. This note was paid in full in 2015.

Future principal and interest payments are as follows:

Year Ending June 30,	Total to be Paid	Principal	Interest
2017	\$ 50,670	\$ 47,082	\$ 3,588
2018	50,670	48,843	1,827
	\$ 101,340	\$ 95,925	\$ 5,415