

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 as of June 30, 2016 and 2015:

	2016				
	Beginning Balance	Additions	Payments	Ending Balance	Current Portion
Capitalized lease obligations (A)	\$ 141,310	\$ 141,310	\$ (145,000)	\$ 141,310	\$ 141,310
	2015				
	Beginning Balance	Additions	Payments	Ending Balance	Current Portion
Notes payable (B)	\$ 500,000	\$ -	\$ (500,000)	\$ -	\$ -
Capitalized lease obligations (A)	-	141,310	(50,670)	141,310	14,286
Total long-term debt	\$ 500,000	\$ 141,310	\$ (550,670)	\$ 141,310	\$ 14,286

- (A) The College entered into a lease-purchase agreement with a local LLC on July 1, 2014, with a term of 60 months and an effective interest at 3.747% and due annually.
- (B) The College entered into an agreement with Cowley Cowley Group, LLC on January 16, 2008, that transferred to the College certain assets along with Cowley's interest in its FAA license for the Aviation Tech Center and the rights to use the same. The College received a loan of \$5,000,000 given in the amount of \$5,000,000 and payments due in installments over the next five years. During the year ended June 30, 2010, the debt was extended with final payment due during 2015. This debt was paid in full in 2009.

Future principal and interest payments are as follows:

Year Ending June 30,	Total to be Paid		
	Principal	Interest	
2017	\$ 50,670	\$ 47,002	\$ 3,800
2018	50,670	48,843	1,827
	<u>\$ 101,340</u>	<u>\$ 95,845</u>	<u>\$ 5,627</u>