

**III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS Cont'd**

**F. BONDS AND LONG-TERM NOTES PAYABLE**

Bonded indebtedness of the District is reflected in the General Long-Term Debt Account Group. Current requirements for principal and interest expenditures are accounted for in the Debt Service Fund.

A summary of changes in general long-term debt for the year ended August 31, 2016 is as follows:

	Beginning Balances	Additions	Retirements/ Payments	Ending Balance	Due Within One Year
Governmental activities:					
Bonds Payable:					
General obligation bonds	\$17,103,415	\$ 7,435,000	\$ 9,298,415	\$15,240,000	\$ 770,000
Add: Premium on bonds	947,173	631,093	467,574	1,110,692	
Accretion on CAB	1,053,508	-	1,053,508	-	
Compensated Absences	798,870	-	425,400	373,470	
Total governmental activities	<u>\$19,902,966</u>	<u>\$ 8,066,093</u>	<u>\$11,244,897</u>	<u>\$16,724,162</u>	<u>\$ 770,000</u>

During the year ended August 31, 2016, the district issued refunding bonds in the amount of \$7,345,000 with coupon rates ranging from 2.00% to 4.00%. There are a number of limitations and restrictions contained in the general obligation bond indenture. Management has indicated that the District is in compliance with all significant limitations and restrictions at August 31, 2016.

Debt service requirements for bonds are as follows:

Year Ending August 31	Principal	Interest	Total
2017	770,000	519,650	1,289,650
2018	820,000	489,375	1,309,375
2019	850,000	454,400	1,304,400
2020	885,000	418,100	1,303,100
2021-2024	2,325,000	1,418,250	3,743,250
2025-2029	5,640,000	1,102,875	6,742,875
2030-2032	3,950,000	217,875	4,167,875
	<u>\$15,240,000</u>	<u>\$ 4,620,525</u>	<u>\$19,860,525</u>

**G. DEFINED BENEFIT PENSION PLAN**

**Plan Description.** Vidor Independent School District participates in a cost-sharing multiple-employer defined benefit pension that has a special funding situation. The plan is administered by the Teacher Retirement System of Texas (TRS). It is a defined benefit pension plan established and administered in accordance with the Texas Constitution, Article XVI, Section 67 and Texas Government Code, Title 8, Subtitle C. The pension trust fund is a qualified pension trust under Section 401(a) of the Internal Revenue Code. The Texas Legislature establishes benefits and contribution rates within the guidelines of the Texas Constitution. The pension's Board of Trustees does not have the authority to establish or amend benefit terms. All employees of public, state-supported educational institutions in Texas who are employed for one-half or more of the standard work load and who are not exempted from membership under Texas Government Code, Title 8, Section 822.002 are covered by the system.