Rankin County Hospital District

Annual Financial Report on Debt Obligations

Long-term Obligations

The following is a summary of long-term obligation transactions for the District for the years ended September 30:

	2014				
	Beginning Balance	Additions	Deductions	Ending Balance	Current Portion
Long-term debt:					
Bonds payable					
Series 2014	$ -	$ 14,685,000	$ -	$ 14,685,000	$ 415,000
Series 2013	-	10,000,000	-	10,000,000	391,000
Bond premium, net	-	362,021	14,481	347,540	-
Capital lease obligations	166,873	-	88,825	78,048	57,169
Total long-term debt	$ 166,873	$ 25,047,021	$ 103,306	$ 25,110,588	$ 863,169

	2013				
	Beginning Balance	Additions	Deductions	Ending Balance	Current Portion
Long-term debt:					
Capital lease obligations	$ 643,123	$ -	$ 476,250	$ 166,873	$ 88,825

Bonds Payable - Series 2013 and Series 2014

On December 15, 2013, the District issued $10,000,000 of Series 2013 Combination Tax and Revenue Bonds, of which $111,000 was used to fund the cost of issuance and was expensed in 2014. The remaining $9,889,000 was deposited to the project fund. Principal payments commenced in December 2014 and are due in annual installments through December 2033. The interest rate ranges from 0.76% to 4.54% and is payable semiannually beginning on June 15, 2014 through the maturity date.

On June 2, 2014, the District issued $14,685,000 of Series 2014 Combination Tax and Revenue Bonds, of which $297,021 was used to fund the cost of issuance and was expensed in 2014. The remaining $14,387,979 was deposited to the project fund. Principal payments commenced in August 2015 and are due in annual installments through August 2034. The interest rate ranges from 4.00% to 4.25% and is payable annually beginning on August 1, 2015 through maturity date. The Series 2014 Combination Tax and Revenue Bonds were issued at a premium of $362,021 and the unamortized premium at September 30,2014 is $347,540.

The bond issuances constitute a direct obligation of the District, payable form an secured by the levy and collection of an ad valorem tax levied for the benefit of the District, within the limits prescribed by law, on all taxable property located within the District and any revenues or funds available to the District for its public purpose.

The debt service requirments as of September 30, 2014, are as follows:

Year Ending September 30,	Principal	Interest	Total
2015	$ 806,000	$ 1,000,432	$ 1,806,432
2016	914,000	891,720	1,805,720
2017	937,000	868,391	1,805,391
2018	960,000	843,762	1,803,762
2019	991,000	814,531	1,805,531
2020-2024	5,472,000	3,541,444	9,013,444

2025-2029	6,584,000	2,429,473	9,013,473
2030-2034	8,021,000	996,339	9,017,339
	$ 24,685,000	$ 11,386,092	$ 36,071,092

Capital Lease Obligations

The District is obligated under leases for equipment that are accounted for as capital leases. Assets under capital leases at September 30,2014 and 2013, totaled $377,540, respectively, net of accumulated depreciation of $182,557 and $163,390, respectively. The following is a schedule by year of future minimum lease payments under the capital lease including interest at rates of 4% to 11% together with the present value of the future minimum lease payments as of September 30, 2014:

Year Ending September 30,	
2015	$ 59,182
2016	21,084
Total minimum lease payments	80,266
Less amount representing interest	2,218
Present value of future minimum lease payments	$ 78,048

Rating

The Bonds have been rated "A2" by Moody's. An explanation of the significance of such rating may be obtained from Moody's. The rating reflects only the view of Moody's, and none of the District, the Finanacial Advisor and the Underwriters makes any representation as to the appropriateness of the rating. There can be no assurance that such rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely Moody's, if in the judgement of Moody's, circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Bonds.