Notes to Financial Statements

The College has some property that was financed through the issuance of bonds by the State of Michigan Building Authority (SBA). The SBA bonds are secured by a pledge of rentals to be received from the State of Michigan pursuant to a lease agreement entered into among the SBA, the State of Michigan, and the College. During the lease term, the SBA will hold title to the property, the State of Michigan will make all lease payments to the SBA, and the College will be responsible for all operating and maintenance costs. At the expiration of the lease, the SBA will transfer the title of the buildings to the College. The cost and accumulated depreciation for these facilities are included in the accompanying statements of net position.

7. LONG-TERM DEBT OBLIGATIONS

Long-term debt obligation activity related to bonds payable for the year ended June 30, 2026:

	Balance July 1, 2025	Additions	Reductions	Balance June 30, 2026	Current Portion
Bond payable					
2019 General Obligation, Limited Bond	$ 11,995,000	$ -	$ (675,000)	$ 11,320,000	$ 700,000
2017 General Obligation, Limited Bond	3,700,000	-	(245,000)	3,455,000	255,000
2015 General Obligation, Unlimited Bond	2,990,000	-	(250,000)	2,740,000	260,000
Total bonds payable	**18,685,000**	**-**	**(1,170,000)**	**17,515,000**	**1,215,000**
Deferred amounts					
Series 2019 Unamortized Bond Premium	618,119	-	(44,152)	573,967	44,152
Series 2017 Unamortized Bond Premium	269,859	-	(22,489)	247,370	22,489
Series 2015 Unamortized Bond Premium	110,083	-	(11,008)	99,075	11,008
Total long-term debt obligations	**$ 19,683,061**	**$ -**	**$ (1,247,649)**	**$ 18,435,412**	**$ 1,292,649**

Notes to Financial Statements

Long-term obligation activity for the year ended June 30, 2025 was as follows:

	Balance July 1, 2024	Additions	Reductions	Balance June 30, 2025	Current Portion
Bond payable					
2019 General Obligation, Limited Bond	$ 12,645,000	$ -	$ (650,000)	$ 11,995,000	$ 675,000
2017 General Obligation, Limited Bond	3,940,000	-	(240,000)	3,700,000	245,000
2015 General Obligation, Limited Bond	2,805,000	-	(2,805,000)	-	-
2015 General Obligation, Unlimited Bond	3,230,000	-	(240,000)	2,990,000	250,000
Total bonds payable	**22,620,000**	**-**	**(3,935,000)**	**18,685,000**	**1,170,000**
Deferred amounts					
Series 2019 Unamortized Bond Premium	662,270	-	(44,151)	618,119	44,152
Series 2017 Unamortized Bond Premium	292,348	-	(22,489)	269,859	22,489
Series 2015 Unamortized Bond Premium	226,251	-	(116,168)	110,083	11,008
Total long-term debt obligations	**$ 23,800,869**	**$ -**	**$ (4,117,808)**	**$ 19,683,061**	**$ 1,247,649**

Bond principal and interest are payable from the proceeds of ad valorem taxes levied on all taxable properties in the College's taxing district without limitation as to rate or amount.

2019 General Obligation, Limited Bond

In November 2019, the College issued $15,000,000 of 2019 community college facilities general obligation limited bonds for the purpose of erecting, furnishing and equipping a College facility; erecting additions to, remodeling, furnishing and refurnishing and equipping and re-equipping a site. The bonds bear interest ranging from 2.875 to 4.00 percent and require annual principal payments ranging from $650,000 to $1,040,000 through 2039.

2017 General Obligation, Limited Bond

In November 2017, the College issued $5,200,000 of 2017 community college facilities general obligation limited bonds for the purpose of funding the expansion of the Health Sciences Education and Training Center. The bonds bear interest at 4.00 percent and require annual principal payments ranging from $240,000 to $380,000 through 2037.

2015 General Obligation, Limited Bond

In May 2015, the College issued $4,415,000 of 2015 community college facilities general obligation limited bonds for the purpose of funding the construction of a new Health Sciences Education and Training Center. The bonds bear interest at 4.00 percent and require annual principal payments ranging from $205,000 to $305,000 through 2035. In 2025, the College made additional payments and repaid the bond in full.

2015 General Obligation, Unlimited Bond

In May 2015, the College issued $5,025,000 of 2015 community college facilities general obligation unlimited bonds for the purpose of funding the construction of a new Health Sciences Education and Training Center. The bonds bear interest at 4.00 percent and require annual principal payments ranging from $240,000 to $355,000 through 2035.

Debt Maturity

Total principal and interest maturities on the bond obligations are as follows as of June 30:

	Debt Obligations		
Year Ending June 30,	**Principal**	**Interest**	**Total**
2027	$ 1,215,000	$ 600,781	$ 1,815,781
2028	1,265,000	551,581	1,816,581
2029	1,315,000	500,381	1,815,381
2030	1,370,000	447,181	1,817,181
2031	1,425,000	395,881	1,820,881
2032-2036	7,515,000	1,208,003	8,723,003
2037-2039	3,410,000	152,738	3,562,738
Totals	**$ 17,515,000**	**$ 3,856,546**	**$ 21,371,546**