

MID MICHIGAN COLLEGE

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.

LONG-TERM OBLIGATIONS

Long-term obligation activity for the year ended June 30, 2023, was as follows:

	Balance July 1, 2022	Additions	Reductions	Balance June 30, 2023	Current Portion
Bond payable					
2020 Community College Facilities Bonds	\$ 5,915,000	\$ -	\$ (330,000)	\$ 5,585,000	\$ 330,000
Deferred amounts					
Unamortized bond premium	87,356	-	(4,853)	82,503	4,853
Total long-term obligations	\$ 6,002,356	\$ -	\$ (334,853)	\$ 5,667,503	\$ 334,853

Long-term obligation activity for the year ended June 30, 2022, was as follows:

	Balance July 1, 2021	Additions	Reductions	Balance June 30, 2022	Current Portion
Bond payable					
2020 Community College Facilities Bonds	\$ 6,245,000	\$ -	\$ (330,000)	\$ 5,915,000	\$ 330,000
Deferred amounts					
Unamortized bond premium	92,209	-	(4,853)	87,356	4,853
Total long-term obligations	\$ 6,337,209	\$ -	\$ (334,853)	\$ 6,002,356	\$ 334,853

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.

2020 General Obligation, Limited Bond

In February 2020, the College issued \$6,575,000 of 2020 community college facilities general obligation limited bonds for the Harrison campus renovation. The bonds bear interest ranging from 2.00 to 2.25 percent and require semi-annual payments of \$330,000 through 2040.

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Debt Maturity

Total principal and interest maturities on the bond obligations as of June 30, 2023 are as follows:

Year Ending June 30,	Debt Obligations		
	Principal	Interest	Total
2024	\$ 330,000	\$ 110,850	\$ 440,850
2025	330,000	104,250	434,250
2026	330,000	97,650	427,650
2027	325,000	91,100	416,100
2028	330,000	84,550	414,550
2029-2033	1,640,000	324,150	1,964,150
2034-2038	1,650,000	158,926	1,808,926
2039-2040	650,000	14,625	664,625
Totals	\$ 5,585,000	\$ 986,101	\$ 6,571,101