

Muskegon Community College
NOTES TO FINANCIAL STATEMENTS
 June 30, 2019

NOTE E—LONG-TERM OBLIGATIONS

Summary of Long-Term Obligations

The following is a summary of long-term obligations activity for the College for the year ended June 30, 2019.

	<u>Balance</u> <u>July 1, 2018</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2019</u>	<u>Due Within</u> <u>One Year</u>
Public placement debt					
General obligation bonds	\$ 35,575,000	\$ -	\$ 1,740,000	\$ 33,835,000	\$ 1,785,000
Net premium (discount)	1,092,098	-	67,367	1,024,731	-
Compensated absences	3,104,886	1,314,034	1,045,109	3,373,811	843,452
	<u>\$ 39,771,984</u>	<u>\$ 1,314,034</u>	<u>\$ 2,852,476</u>	<u>\$ 38,233,542</u>	<u>\$ 2,628,452</u>

The general obligation bonds are secured by future state aid and property tax revenues of the College. If the College defaults, the bonds are callable.

	<u>Interest Rate</u>	<u>Date of Maturity</u>	<u>Balance</u>
Public placement debt:			
General obligation bonds			
2013 Community College Facility Bonds	3 - 5%	May 2038	\$ 8,500,000
2014 Community College Facility Bonds	2.25 - 4%	May 2039	12,215,000
2016 Refunding Bonds	2 - 3%	May 2025	3,760,000
2017 College Facility Bonds	3 - 3.125%	Nov 2037	9,360,000
			<u>\$ 33,835,000</u>

Annual debt service requirements to maturity for debt outstanding as of June 30, 2019 follow:

<u>Year Ending</u> <u>June 30,</u>	<u>Public Placement Debt</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 1,785,000	\$ 1,193,172	\$ 2,978,172
2021	1,820,000	1,149,410	2,969,410
2022	1,870,000	1,100,459	2,970,459
2023	1,920,000	1,048,972	2,968,972
2024	1,815,000	990,222	2,805,222
2025-2029	7,660,000	4,095,010	11,755,010
2030-2034	8,555,000	2,673,270	11,228,270
2035-2039	8,410,000	926,751	9,336,751
	<u>\$ 33,835,000</u>	<u>\$ 13,177,266</u>	<u>\$ 47,012,266</u>