

Muskegon Community College
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

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, 2021.

	<u>Balance</u> <u>July 1, 2020</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2021</u>	<u>Due Within</u> <u>One Year</u>
Public placement debt					
General obligation bonds	\$ 32,050,000	\$ -	\$ 1,820,000	\$ 30,230,000	\$ 1,870,000
Net premium (discount)	957,364	-	67,367	889,997	-
Compensated absences	3,703,409	1,361,169	1,869,635	3,194,943	798,736
	<u>\$ 36,710,773</u>	<u>\$ 1,361,169</u>	<u>\$ 3,757,002</u>	<u>\$ 34,314,940</u>	<u>\$ 2,668,736</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	4-5%	May 2038	\$ 7,885,000
2014 Community College Facility Bonds	2.5-4%	May 2039	11,360,000
2016 Refunding Bonds	2-3%	May 2025	2,435,000
2017 College Facility Bonds	3-3.125%	May 2037	8,550,000
			<u>\$ 30,230,000</u>

Annual debt service requirements to maturity for debt outstanding as of June 30, 2021 follow:

<u>Year Ending</u> <u>June 30,</u>	<u>Public Placement Debt</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 1,870,000	\$ 1,100,460	\$ 2,970,460
2023	1,920,000	1,048,972	2,968,972
2024	1,815,000	990,222	2,805,222
2025	1,865,000	932,222	2,797,222
2026	1,370,000	867,672	2,237,672
2027-2031	7,655,000	3,548,610	11,203,610
2032-2036	9,220,000	2,016,735	11,236,735
2037-2039	4,515,000	329,792	4,844,792
	<u>\$ 30,230,000</u>	<u>\$ 10,834,685</u>	<u>\$ 41,064,685</u>