Notes to Financial Statements

7. LEASES

The College is involved in one lease agreement as a lessee that qualifies as a long-term lease agreement. Below is a summary of the nature of this agreement. The agreement qualifies as intangible, right-to-use assets and not financed purchases, as the College will not own the assets at the end of the contract terms and the noncancelable terms of the agreements surpass one year. The present values are discounted using an interest rate of 5.64 percent based on the lease's implicit interest rate.

Asset Type	Remaining Term of Agreement
Equipment	4 years

Detailed information regarding the assets acquired and disposed through June 30, 2026 can be referenced in Note 6. Detailed information regarding the liability activity during the year can be referenced in Note 9.

The net present value of future minimum payments as of June 30, 2026, were as follows:

Year Ended June 30	Principal	Interest	Total
2027	$ 39,059	$ 7,531	$ 46,590
2028	41,327	5,263	46,590
2029	43,726	2,864	46,590
2030	30,703	364	31,067
	$ 154,815	**$ 16,022**	**$ 170,837**

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8. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

The College is involved in nine arrangements that qualify as long-term subscription-based information technology arrangements ("SBITA"). Below is a summary of the nature of these arrangements. These arrangements qualify as intangible, right-to-use subscription assets as the College has the control of the right to use another party's IT software and the noncancelable term of the arrangement surpasses one year. The present values are discounted using interest rates ranging from 5.00 to 5.50 percent based on the College's incremental borrowing rate at the SBITA's date of implementation.

Asset Type	Remaining Term of Arrangements
Software	1 to 4 years

Detailed information regarding the assets acquired and disposed through June 30, 2026 can be referenced in Note 6. Detailed information regarding the liability activity during the year can be referenced in Note 9.

The net present value of future minimum payments as of June 30, 2026, were as follows:

Year Ended June 30	Principal	Interest	Total
2027	$ 743,520	$ 152,773	$ 896,293
2028	808,239	118,883	927,122
2029	724,112	77,877	801,989
2030	798,044	40,915	838,959
	$ 3,073,915	**$ 390,448**	**$ 3,464,363**

9. LONG-TERM OBLIGATIONS

The College issues bonds, notes and other contractual commitments to provide for the acquisition, construction and improvement of major capital facilities and for the acquisition of certain equipment. General obligation bonds are direct obligations and pledge the full faith and credit of the College. 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.

The following is a summary of long-term obligations activity for the College for the year ended June 30, 2026:

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	Balance July 1, 2025	Additions	Reductions	Balance June 30, 2026	Current Portion
Public placement debt					
Bonds payable					
2017 College Facility Bonds	$ 6,775,000	$ -	$ 475,000	$ 6,300,000	$ 490,000
2024 Refunding Bonds	14,385,000	-	750,000	13,635,000	790,000
Total bonds payable	**21,160,000**	**-**	**1,225,000**	**19,935,000**	**1,280,000**
Deferred bond premiums					
2017 College Facility Bonds	153,980	-	12,319	141,661	12,318
2024 Refunding Bonds	1,895,166	-	137,000	1,758,166	137,000
Total public placement debt	**23,209,146**	**-**	**1,374,319**	**21,834,827**	**1,429,318**
Lease obligations	191,726	-	36,911	154,815	39,059
Subscription obligations	896,996	3,468,847	1,291,928	3,073,915	743,520
Total long-term obligations	**$ 24,297,868**	**$ 3,468,847**	**$ 2,703,158**	**$ 25,063,557**	**$ 2,211,897**

2017 College Facility Bonds

In November 2017, the College issued $9,750,000 of 2017 College Facility Bonds to finance the construction, renovation, furnishing, and equipping of College facilities and site improvements. The bonds are secured by the College's limited tax full faith and credit pledge and mature through May 1, 2037, with interest rates ranging from 3.00 to 3.125 percent. Bonds maturing on or after May 1, 2028 are callable at the College's option beginning May 1, 2027.

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2024 Refunding Bonds

In February 2024, the College issued $15,100,000 of 2024 Refunding Bonds to currently refund portions of its outstanding 2013 and 2014 Community College Facility Bonds and to pay related issuance costs. The bonds are secured by the College's unlimited tax full faith and credit pledge and mature through May 1, 2039, with a fixed interest rate of 5.00 percent. Bonds maturing on or after May 1, 2035 are subject to optional redemption beginning May 1, 2034.

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

Year Ended June 30	Principal	Interest	Total
2027	$ 1,280,000	$ 871,581	$ 2,151,581
2028	1,335,000	817,381	2,152,381
2029	1,395,000	760,731	2,155,731
2030	1,455,000	701,381	2,156,381
2031	1,515,000	639,331	2,154,331
2032-2036	8,655,000	2,162,606	10,817,606
2037-2039	4,300,000	367,031	4,667,031
Total	**$ 19,935,000**	**$ 6,320,042**	**$ 26,255,042**

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