

Note 7 - Long-term Obligations

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

	July 1, 2022	Additions	Reductions	June 30, 2023	Current Portion
Bonds Payable					
2014 Community College Improvement Bonds	\$ 4,400,000	\$ -	\$ (150,000)	\$ 4,250,000	\$ 175,000
2017 Community College Improvement Bonds	10,265,000	-	(525,000)	9,740,000	520,000
2019 Community College Improvement Bonds	5,400,000	-	(195,000)	5,205,000	215,000
Total bonds payable	20,065,000	-	(870,000)	19,195,000	910,000
Unamortized Bond Premium	863,269	-	(48,737)	814,532	48,736
Subscription Liabilities	-	1,245,819	(424,468)	821,351	479,056
Total long-term obligations	<u>\$ 20,928,269</u>	<u>\$ 1,245,819</u>	<u>\$ (1,343,205)</u>	<u>\$ 20,830,883</u>	<u>\$ 1,437,792</u>

Note 7 - Long-term Obligations (Continued)

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

	July 1, 2021	Additions	Reductions	June 30, 2022	Current Portion
Bonds Payable					
2014 Community College Improvement Bonds	\$ 4,550,000	\$ -	\$ (150,000)	\$ 4,400,000	\$ 150,000
2017 Community College Improvement Bonds	10,795,000	-	(530,000)	10,265,000	525,000
2019 Community College Improvement Bonds	5,595,000	-	(195,000)	5,400,000	195,000
Total bonds payable	20,940,000	-	(875,000)	20,065,000	870,000
Unamortized Bond Premium	912,005	-	(48,736)	863,269	48,736
Total long-term obligations	<u>\$ 21,852,005</u>	<u>\$ -</u>	<u>\$ (923,736)</u>	<u>\$ 20,928,269</u>	<u>\$ 918,736</u>

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

Community College Improvement Bonds, 2014 - The College issued \$5,000,000 of 3.00 to 3.75 percent General Obligation - Limited Tax Bonds. The bonds are insured, payable from tax revenue of the College, callable at a premium, and mature in amounts ranging from \$100,000 to \$375,000 beginning 2018 through 2039. Proceeds from this issuance were used for the purpose of paying a portion of the cost of renovating and re-equipping two existing college classroom buildings.

Community College Improvement Bonds, 2017 - The College issued \$12,250,000 of 2.00 to 4.00 percent General Obligation - Limited Tax Bonds. The bonds are insured, payable from tax revenue of the College, callable at a premium, and mature in amounts ranging from \$490,000 to \$780,000 beginning 2019 through 2039. Proceeds from this issuance were for the purpose of advance refunding a portion of the 2008 Community College Improvement Bonds. The bonds were sold at a premium of \$130,018. The bond refunding resulted in a capitalized loss on defeasance of \$603,240. The capital loss is being amortized and recognized at \$27,214 for the years ended June 30, 2023 and 2022, respectively. The refunding resulted in a total reduction of future debt service of \$1,990,561, with a net present value reduction of \$1,412,805.

Community College Improvement Bonds, 2019 - The College issued \$5,885,000 of 4.00 percent General Obligation - Limited Tax Bonds. The bonds are insured, payable from tax revenue of the College, callable at a premium, and mature in amounts ranging from \$95,000 to \$435,000 beginning 2020 through 2040. Proceeds from this issuance were for the purpose of advance refunding a portion of the 2009 Community College Build America Bonds. The bonds were sold at a premium of \$886,000. The bond refunding resulted in a capitalized loss on defeasance of \$260,911. The capital loss is being amortized and recognized at \$12,625 for the years ended June 30, 2023 and 2022, respectively. The refunding resulted in a total reduction of future debt service of \$1,441,701, with a net present value reduction of \$1,176,747.

Subscription Liabilities – The College has recognized a subscription liability for the right to use vendors' information technology software through various long-term contracts. The liability is measured at an initial amount based on the present value of payments expected to be made during the subscription period.

Note 7 - Long-term Obligations (Continued)

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

Years Ending June 30	Debt Obligations			Subscription Liabilities		
	Principal	Interest	Total	Principal	Interest	Total
2024	\$ 910,000	\$ 713,650	\$ 1,623,650	\$ 479,056	\$ 11,879	\$ 490,935
2025	955,000	679,000	1,634,000	259,462	4,773	264,235
2026	1,000,000	642,550	1,642,550	82,833	862	83,695
2027	990,000	604,550	1,594,550	-	-	-
2028	1,035,000	565,950	1,600,950	-	-	-
2029-2033	5,670,000	2,265,119	7,935,119	-	-	-
2034-2038	6,650,000	1,167,969	7,817,969	-	-	-
2039-2040	1,985,000	93,912	2,078,912	-	-	-
Total	\$ 19,195,000	\$ 6,732,700	\$ 25,927,700	\$ 821,351	\$ 17,514	\$ 838,865

For the years ended June 30, 2023 and 2022, interest expense was \$732,502 and \$765,969, respectively.