

# NORTH CENTRAL MICHIGAN COLLEGE

## Notes to Financial Statements

### 6. 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
<b>Bonds payable</b>					
Series 2017	\$ 3,065,000	\$ -	\$ (355,000)	\$ 2,710,000	\$ 365,000
<b>Other long-term obligations</b>					
Accrued employee benefits payable	180,326	-	(8,330)	171,996	10,000
<b>Total long-term obligations</b>	<b>\$ 3,245,326</b>	<b>\$ -</b>	<b>\$ (363,330)</b>	<b>\$ 2,881,996</b>	<b>\$ 375,000</b>

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
<b>Bonds payable</b>					
Series 2017	\$ 3,410,000	\$ -	\$ (345,000)	\$ 3,065,000	\$ 355,000
<b>Other long-term obligations</b>					
Accrued employee benefits payable	167,107	19,618	(6,399)	180,326	10,000
<b>Total long-term obligations</b>	<b>\$ 3,577,107</b>	<b>\$ 19,618</b>	<b>\$ (351,399)</b>	<b>\$ 3,245,326</b>	<b>\$ 365,000</b>

#### College Building and Site and Refunding Bonds, Series 2017

At June 30, 2023, general obligation bonds totaling \$2,710,000 were outstanding with an interest rate of 2.198 percent. Principal payments are due annually in May with payments for the upcoming year of \$365,000. Interest payments are due semiannually in May and November over the remaining life of the bonds with amounts ranging from approximately \$30,000 to \$4,500. These bonds are insured and mature in 2030.

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Future debt service requirements on bonds payable for years ending after June 30, 2023 are as follows:

Year Ending June 30,	Debt Obligations		
	Principal	Interest	Total
2024	\$ 365,000	\$ 59,566	\$ 424,566
2025	370,000	51,543	421,543
2026	380,000	43,411	423,411
2027	385,000	35,058	420,058
2028	395,000	26,596	421,596
2029-2030	815,000	26,926	841,926
<b>Totals</b>	<b>\$ 2,710,000</b>	<b>\$ 243,099</b>	<b>\$ 2,953,099</b>

Interest expense was \$101,693 and \$86,251 for the years ended June 30, 2023 and 2022, respectively.

### 7. NET POSITION CLASSIFICATIONS

#### Net Investment in Capital Assets

The following is a summary of the net investment in capital assets as of June 30:

	2023	2022
Capital assets, not being depreciated/amortized	\$ 2,049,057	\$ 1,784,651
Capital assets, being depreciated/amortized	31,947,386	31,835,154
Deferred charge on refunding	89,337	100,504
Subscription-based IT arrangement liabilities	(530,306)	(586,588)
Accounts payable related to the acquisition of capital assets	(497,819)	(136,400)
Long-term obligations - current portion	(365,000)	(355,000)
Long-term obligations - noncurrent portion	(2,345,000)	(2,710,000)
<b>Total net investment in capital assets</b>	<b>\$ 30,347,655</b>	<b>\$ 29,932,321</b>