

NORTH CENTRAL MICHIGAN COLLEGE

Notes to Financial Statements

6. LONG-TERM OBLIGATIONS

Long-term obligation activity for the year ended June 30, 2024, was as follows:

	Balance July 1, 2023	Additions	Reductions	Balance June 30, 2024	Current Portion
Bonds payable					
Series 2017	\$ 2,710,000	\$ -	\$ (365,000)	\$ 2,345,000	\$ 370,000
Series 2024	-	6,010,000	-	6,010,000	-
Total bonds payable	2,710,000	6,010,000	(365,000)	8,355,000	370,000
Deferred amounts					
Unamortized bond premium	-	489,561	-	489,561	-
Other long-term obligations					
Accrued employee benefits payable	171,996	23,477	-	195,473	10,000
Total long-term obligations	\$ 2,881,996	\$ 6,523,038	\$ (365,000)	\$ 9,040,034	\$ 380,000

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

College Building and Site and Refunding Bonds, Series 2017

At June 30, 2024, general obligation bonds totaling \$2,345,000 were outstanding with an interest rate of 2.198 percent. Principal payments are due annually in May with payments for the upcoming year of \$370,000. 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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College Building and Site Bonds, Series 2024

At June 30, 2024, general obligation bonds totaling \$6,010,000 were outstanding with an interest rate of 5.000 percent. Principal payments are due annually in May beginning in fiscal year 2026. Interest payments are due semiannually in May and November over the remaining life of the bonds with amounts ranging from approximately \$150,000 to \$13,000. These bonds are insured and mature in 2044.

Future debt service requirements on bonds payable for years ending after June 30, 2024 are as follows:

Year Ending June 30,	Debt Obligations		
	Principal	Interest	Total
2025	\$ 370,000	\$ 311,142	\$ 681,142
2026	480,000	343,911	823,911
2027	490,000	330,558	820,558
2028	505,000	316,846	821,846
2029	515,000	302,664	817,664
2030-2034	1,740,000	1,294,262	3,034,262
2035-2039	1,870,000	885,500	2,755,500
2040-2044	2,385,000	369,500	2,754,500
Totals	\$ 8,355,000	\$ 4,154,382	\$ 12,509,382

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:

	2024	2023
Capital assets, not being depreciated/amortized	\$ 1,603,889	\$ 2,049,057
Capital assets, being depreciated/amortized	32,696,076	31,947,386
Deferred charge on refunding	75,203	89,337
Subscription-based IT arrangement liabilities - current	(174,781)	(230,555)
Subscription-based IT arrangement liabilities - noncurrent	(115,290)	(299,751)
Accounts payable related to the acquisition of capital assets	(498,446)	(497,819)
Long-term obligations - current	(370,000)	(365,000)
Long-term obligations - noncurrent	(8,474,561)	(2,345,000)
Total net investment in capital assets	\$ 24,742,090	\$ 30,347,655