6. LONG-TERM OBLIGATIONS

Long-term obligation activity for the year ended June 30, 2026, was as follows:

	Balance July 1, 2025	Additions	Reductions	Balance June 30, 2026	Current Portion
Bonds payable					
Series 2017	$ 1,975,000	$ -	$ (380,000)	$ 1,595,000	$ 385,000
Series 2024	6,010,000	-	(100,000)	5,910,000	105,000
Total bonds payable	7,985,000	-	(480,000)	7,505,000	490,000
Direct borrowings					
Land contract	-	1,500,000	(2,994)	1,497,006	18,605
Subtotal	7,985,000	1,500,000	(482,994)	9,002,006	508,605
Deferred amounts					
Unamortized bond premium	489,561	-	(24,478)	465,083	24,478
Total long-term obligations	**$ 8,474,561**	**$ 1,500,000**	**$ (507,472)**	**$ 9,467,089**	**$ 533,083**

Long-term obligation activity for the year ended June 30, 2025, was as follows:

	Balance July 1, 2024	Additions	Reductions	Balance June 30, 2025	Current Portion
Bonds payable					
Series 2017	$ 2,345,000	$ -	$ (370,000)	$ 1,975,000	$ 380,000
Series 2024	6,010,000	-	-	6,010,000	100,000
Total bonds payable	8,355,000	-	(370,000)	7,985,000	480,000
Deferred amounts					
Unamortized bond premium	489,561	-	-	489,561	24,478
Total long-term obligations	**$ 8,844,561**	**$ -**	**$ (370,000)**	**$ 8,474,561**	**$ 504,478**

College Building and Site and Refunding Bonds, Series 2017

At June 30, 2026, general obligation bonds totaling $1,595,000 were outstanding with an interest rate of 2.198 percent. Principal payments are due annually in May with payments for the upcoming year of $385,000. 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.

Notes to Financial Statements

College Building and Site Bonds, Series 2024

At June 30, 2026, general obligation bonds totaling $5,910,000 were outstanding with an interest rate of 5.000 percent. Principal payments are due annually in May with payments for the upcoming year of $105,000. 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.

Land Contract

At June 30, 2026, the College had a land contract outstanding totaling $1,497,006 with an interest rate of 6.000 percent. Principal payments are due monthly with payments for the upcoming year totaling $18,605. Interest and principal are payable in monthly installments of $8,993 over the remaining term of the agreement. The land contract matures in 2029, at which time any remaining unpaid principal and accrued interest become due.

Future debt service requirements on bonds payable and the land contract for years ending after June 30, 2026 are as follows:

	Debt Obligations		
Year Ending June 30,	**Principal**	**Interest**	**Total**
2027	$ 508,605	$ 419,872	$ 928,477
2028	524,752	405,013	929,765
2029	1,973,649	360,770	2,334,419
2030	530,000	288,262	818,262
2031	280,000	273,250	553,250
2032-2036	1,625,000	1,141,250	2,766,250
2037-2041	2,060,000	694,000	2,754,000
2042-2044	1,500,000	152,500	1,652,500
Totals	**$ 9,002,006**	**$ 3,734,917**	**$ 12,736,923**

Notes to Financial Statements

7. COMPENSATED ABSENCES

The following is a summary of the changes in compensated absences (including current portion) of the College for the years ended June 30, 2026 and 2025:

	Balance July 1, 2025	Additions	Deductions	Balance June 30, 2026	Due Within One Year
Compensated absences	$ 621,584	$ 146,380	$ -	$ 767,964	$ 409,970

	Balance July 1, 2024	Additions	Deductions	Balance June 30, 2025	Due Within One Year
Compensated absences	$ 710,116	$ -	$ (88,532)	$ 621,584	$ 323,100

The change reported above for compensated absences is the net change for the year.

8. NET POSITION CLASSIFICATIONS

Net Investment in Capital Assets

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

	2026	2025
Capital assets, not being depreciated/amortized	$ 14,737,626	$ 4,329,265
Capital assets, being depreciated/amortized	31,810,724	31,075,209
Unspent bond proceeds	4,971,057	5,684,349
Deferred charge on refunding	46,935	61,069
Subscription-based IT arrangement liabilities - current	-	(114,951)
Accounts payable related to the acquisition of capital assets	(773,710)	(431,285)
Long-term obligations - current	(533,083)	(504,478)
Long-term obligations - noncurrent	(8,934,006)	(7,970,083)
Total net investment in capital assets	**$ 41,325,543**	**$ 32,129,095**

During 2026 and 2025, the College reclassified $4,971,057 and $5,684,349 of unspent bond proceeds, respectively, from restricted expendable net position to net investment in capital assets, resulting in a corresponding increase to net investment in capital assets and decrease to restricted expendable net position.