

MONTCALM COMMUNITY COLLEGE

Notes to Financial Statements

6. DEBT

Debt activity for the year ended June 30, 2022, was as follows:

	Balance July 1, 2021	Additions	Reductions	Balance June 30, 2022	Current Portion
2017 bonds payable	\$ 2,305,000	\$ -	\$ 290,000	\$ 2,015,000	\$ 285,000
2021 bonds payable	-	5,600,000	255,000	5,345,000	225,000
Bond premium on 2021 bonds payable	-	357,660	17,883	339,777	17,883
Note payable - direct borrowing	93,918	-	93,918	-	-
Total	\$ 2,398,918	\$ 5,957,660	\$ 656,801	\$ 7,699,777	\$ 527,883

Debt activity for the year ended June 30, 2021, was as follows:

	Balance July 1, 2020	Additions	Reductions	Balance June 30, 2021	Current Portion
2017 bonds payable	\$ 2,570,000	\$ -	\$ 265,000	\$ 2,305,000	\$ 290,000
Note payable - direct borrowing	232,023	-	138,105	93,918	93,918
Total	\$ 2,802,023	\$ -	\$ 403,105	\$ 2,398,918	\$ 383,918

The note payable was unsecured and required payments of \$11,845 per month through February 2022 at a rate of 2.39%. The note payable was repaid during the year ended June 30, 2022.

2017 Bonds payable include general obligation limited tax obligations to be repaid from the General Fund of the College, require principal payments ranging from \$80,000 to \$310,000 and are due annually through 2031. Interest is payable semiannually in May and November at a rate of 2.19%.

2021 Bonds payable include general obligation limited tax obligations to be repaid from the General Fund of the College, require principal payments ranging from \$255,000 to \$350,000 and are due annually through 2041. Interest is payable semiannually in May and November at a rate of 4.00% through May 2029 and 2.00% from May 2030 through May 2041. The bond premium associated with this issue is being amortized using the straight line method over the term of the bond.