

Washtenaw Community College
Long-term Debt Obligations

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

	<u>Beginning</u> <u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending</u> <u>Balance</u>	<u>Current</u> <u>Portion</u>
March 2015, Refunding Bonds	\$ 5,535,000	\$ -	\$ 1,020,000	\$ 4,515,000	\$ 1,065,000
Bond Premium on 2015 Refunding Bonds	223,131	-	79,698	143,433	62,689
Total Bonds Payable	5,758,131	-	1,099,698	4,658,433	1,127,689
Capital lease obligations*		556,489	31,614	524,875	99,164
SBITA liabilities*	1,824,631	495,971	909,462	1,411,140	680,058
Total	\$ 7,582,762	\$ 1,052,460	\$ 2,040,774	\$ 6,594,448	\$ 1,906,911

Bond Defeasance

In March 2015, the College issued \$12,785,000 of Refunding Bonds, Series 2015 with an average interest rate of 3.76% which, in conjunction with a debt service fund contribution, were used to refund \$1,965,000 of outstanding Refunding Bonds, Series 2005B and advance refund \$11,535,000 and Facilities Bonds, Series 2006, with average interest rates of 3.95% and 4.44%, respectively. The net proceeds of \$13,990,731 (after payment of \$109,090 in underwriting fees and other issuance costs), plus an additional \$293,236 of prior debt retirement fund monies, were used to purchase U.S. treasury securities which were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the original bonds. As a result, the bonds are considered to be defeased and the liability for the bonds has been removed from the College's long-term obligations. In prior years, the College defeased certain other bonds. At June 30, 2023, \$4,855,000 of bonds outstanding are considered defeased.

General Obligation Bonds

At June 30, 2023, general obligation bonds totaling \$4,515,000 were outstanding with interest rates varying from 2.5% of 4.00% percent. Principal payments are due annually in April with the payment for the upcoming year of \$1,065,000. Interest payments are due semiannually in April and October of \$81,338 each. These bonds are insured and mature in varying amounts through 2027.

Total principal and interest maturities on the general obligation bonds for years succeeding June 30, 2022 are summarized as follows:

<u>Year</u>	<u>Debt Obligations</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	1,065,000	162,675	1,227,675
2025	1,105,000	120,075	1,225,075
2026	1,150,000	75,875	1,225,875
2027	1,195,000	29,875	1,224,875
	\$ 4,515,000	\$ 388,500	\$ 4,903,500

***Capital Lease and SBITA Liabilities**

See Footnote 6 in the 2023 Annual Financial Statements for additional information on the Capital Lease agreement and Subscription-based Information Technology Arrangement (SBITA) liabilities.