

MONTCALM COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

6. DEBT

Debt activity for the year ended June 30, 2016, was as follows:

	Balance July 1, 2015	Additions	Reductions	Balance June 30, 2016	Current Portion
Bonds payable	\$ 3,600,000	\$ -	\$ 200,000	\$ 3,400,000	\$ 200,000
Note payable	<u>875,180</u>	<u>-</u>	<u>132,910</u>	<u>742,270</u>	<u>115,179</u>
Total	<u>\$ 4,475,180</u>	<u>\$ -</u>	<u>\$ 332,910</u>	<u>\$ 4,142,270</u>	<u>\$ 315,179</u>

Debt activity for the year ended June 30, 2015, was as follows:

	Balance July 1, 2014	Additions	Reductions	Balance June 30, 2015	Current Portion
Bonds payable	\$ 3,775,000	\$ -	\$ 175,000	\$ 3,600,000	\$ 200,000
Note payable	<u>994,852</u>	<u>-</u>	<u>119,672</u>	<u>875,180</u>	<u>122,563</u>
Total	<u>\$ 4,769,852</u>	<u>\$ -</u>	<u>\$ 294,672</u>	<u>\$ 4,475,180</u>	<u>\$ 322,563</u>

The unsecured note payable requires payments of \$11,845 per month through February 2022 at a rate of 2.39%.

The 2007 general obligation limited tax obligations, which are to be repaid from the General Fund of the College, require principal payments ranging from \$125,000 to \$175,000 and are due annually through 2027. Interest is payable semiannually in April and October at rates which vary from 3.650% to 4.05%. The outstanding balance on these obligations was \$1,750,000 and \$1,875,000 as of June 30, 2016 and 2015, respectively.

The 2012 general obligation limited tax obligations, which are to be repaid from the General Fund of the College, require principal payments ranging from \$75,000 to \$150,000 and are due annually through 2031. Interest is payable semiannually in April and October at rates which vary from 2.00% to 3.125%. The outstanding balance on these obligations was \$1,650,000 and \$1,725,000 as of June 30, 2016 and 2015, respectively.