

MONTCALM COMMUNITY COLLEGE

Notes to Financial Statements

6. DEBT (INCLUDING SUBSEQUENT EVENT)

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

	Balance July 1, 2020	Additions	Reductions	Balance June 30, 2021	Current Portion
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

Debt activity for the year ended June 30, 2020, was as follows:

	Balance July 1, 2019	Additions	Reductions	Balance June 30, 2020	Current Portion
Bonds payable	\$ 2,840,000	\$ -	\$ 270,000	\$ 2,570,000	\$ 265,000
Note payable - direct borrowing	366,869	-	134,846	232,023	138,104
Total	\$ 3,206,869	\$ -	\$ 404,846	\$ 2,802,023	\$ 403,104

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

Bonds payable comprised of 2017 general obligation limited tax obligations are 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%.