

June 30, 2024 and 2023

Note 6 - Debt

Long-term debt activity for the years ended June 30, 2024 and 2023 was as follows:

	Balance July 1, 2023	Additions	Deductions	Balance June 30, 2024	Current Portion
2013 College Building and Site General Obligation Limited Tax	\$ 75,000	\$ -	\$ 75,000	\$ -	\$ -
2014 College Building and Site General Obligation Limited Tax	250,000	-	250,000	-	-
2018 College Building and Site General Obligation Limited Tax	12,675,000	-	3,050,000	9,625,000	3,125,000
2021 College Refunding Bonds	16,660,000	-	105,000	16,555,000	855,000
Unamortized bond premium	220,835	-	10,956	209,879	10,956
Subscription arrangements	780,808	-	223,225	557,583	333,431
Total long-term debt	<u>\$ 30,661,643</u>	<u>\$ -</u>	<u>\$ 3,714,181</u>	<u>\$ 26,947,462</u>	<u>\$ 4,324,387</u>
	Balance July 1, 2022	Additions	Deductions	Balance June 30, 2023	Current Portion
2013 College Building and Site Refunding Bonds, General Obligations Limited Tax	\$ 100,000	\$ -	\$ 100,000	\$ -	\$ -
2013 College Building and Site General Obligation Limited Tax	150,000	-	75,000	75,000	75,000
2014 College Building and Site General Obligation Limited Tax	485,000	-	235,000	250,000	250,000
2018 College Building and Site General Obligation Limited Tax	15,650,000	-	2,975,000	12,675,000	3,050,000
2021 College Refunding Bonds	16,660,000	-	-	16,660,000	105,000
Unamortized bond premium	242,747	-	21,912	220,835	10,956
Subscription arrangements	-	1,060,283	279,475	780,808	304,313
Total	<u>\$ 33,287,747</u>	<u>\$ 1,060,283</u>	<u>\$ 3,686,387</u>	<u>\$ 30,661,643</u>	<u>\$ 3,795,269</u>

Bond principal and interest are payable from the proceeds of ad valorem taxes levied on all taxable property in the district without limitation as to rate or amount.

Note 6 - Debt (Continued)

2021 College Refunding Bonds

Bonds issued in the amount of \$16,660,000 were used to advance refund \$3,090,000 of the 2013 Refunding Bonds, \$3,420,000 of the 2013 College Building and Site Bonds, and \$8,875,000 of the 2014 College Building and Site Bonds. The bonds mature in varying amounts through 2022, with interest charged semiannually on March 1 and September 1. Interest rates range from 2.00 percent to 2.75 percent. The bonds were sold at a premium of \$244,573. In conjunction with the issuance, the College established an irrevocable trust with an escrow agent to provide for future debt service payments on the advance refunded bonds until they are callable. As a result, the bonds are considered in substance defeased, and \$15,110,000 in liability for the bonds has been removed from the statement of net position. The bond refunding resulted in a capitalized loss on defeasance of \$1,224,490. The capital loss is being amortized and recognized over the period of repayment of the new debt and has a balance of \$1,050,869 and \$1,105,697 at June 30, 2024 and 2023, respectively.

2018 College Building and Site Bonds

Bonds issued in the amount of \$20,000,000 were used to fund erecting, furnishing, and equipping college facilities and additions thereto. The bonds mature in varying amounts beginning on May 1, 2021 through May 1, 2027, with interest charged semiannually on May 1 and November 1. Interest rates range from 2.35 percent to 2.95 percent, with an effective rate of 2.64 percent.

2014 College Building and Site Bonds

Bonds issued in the amount of \$10,435,000 were used to liquidate the outstanding 2013 Bond Anticipation Note, as well as to provide funding for the completion of the student residence hall. These bonds are payable from general revenue, maturing serially through September 1, 2043, with interest due semiannually on March 1 and September 1. Interest-only payments were required until September 1, 2016. Interest rates range from 3.0 percent to 5.0 percent, with an effective rate of 4.16 percent. Upon issuance of the 2021 Refunding Bonds, \$8,875,000 of the bonds for the periods 2024 through 2043 is considered defeased.

2013 College Building and Site Bonds

Bonds issued in the amount \$3,565,000 were used to fund the construction costs of a student activity center and other campus improvements. The bonds mature serially through September 1, 2044, with interest due semiannually on March 1 and September 1. Interest rates range from 4.0 percent to 5.0 percent, with an effective rate of 4.31 percent. Upon issuance of the 2021 Refunding Bonds, \$3,420,000 of the bonds for the periods 2022 through 2031 has been called.

The balance on the bonds considered in substance defeased as of June 30, 2024 and 2023 was \$0 and \$11,890,000, respectively, as the balance was called in 2023.

Subscription Arrangements

The College has recognized a subscription liability for the right to use vendors' information technology software through various long-term contracts. The liability is measured at an initial amount based on the present value of payments expected to be made during the subscription period.

June 30, 2024 and 2023

Note 6 - Debt (Continued)

Total principal and interest requirements on debt obligations as of June 30, 2024 are as follows:

Years Ending June 30	Principal	Interest	Total
2025	\$ 4,313,431	\$ 652,331	\$ 4,965,762
2026	4,273,603	538,722	4,812,325
2027	4,180,548	425,710	4,606,258
2028	880,000	310,805	1,190,805
2029	880,000	293,205	1,173,205
2030-2034	4,155,000	1,202,098	5,357,098
2035-2039	3,790,000	798,100	4,588,100
2040-2044	4,265,000	295,318	4,560,318
Total	\$ 26,737,582	\$ 4,516,289	\$ 31,253,871

Note 7 - Functional Expense

The College reports its expenses by natural class versus functional class. The tables below show expense by functional area as follows:

Year Ended June 30, 2024

	Instruction	Information Technology	Public Service	Academic Support	Student Services	Institutional Support
Salaries and benefits	\$ 9,113,772	\$ 1,518,351	\$ 1,792	\$ 2,844,509	\$ 3,375,960	\$ 3,566,108
Professional services	1,516,577	149,692	-	227,364	404,365	1,525,660
Supplies and materials	369,323	59,570	35	205,267	177,053	71,104
Travel, communications, and miscellaneous	296,319	441,026	-	159,454	1,255,256	908,443
Rent, utilities, and insurance	848	-	-	682	94,432	852
Small capital equipment	26,030	1,271	-	1,618	111	65
Depreciation	-	337,722	-	-	-	-
Total	\$ 11,322,869	\$ 2,507,632	\$ 1,827	\$ 3,438,894	\$ 5,307,177	\$ 6,072,232
	Maintenance of Plant	Capital/Debt Service	Auxiliary	Total Unrestricted	Grants	Total
Salaries and benefits	\$ 1,079,544	\$ -	\$ 1,216,127	\$ 22,716,163	\$ 1,220,427	\$ 23,936,590
Professional services	1,576,095	-	1,179,417	6,579,170	163,169	6,742,339
Supplies and materials	32,111	-	38,198	952,661	140,863	1,093,524
Travel, communications, and miscellaneous	261,761	-	62,073	3,384,332	1,126,092	4,510,424
Rent, utilities, and insurance	1,252,183	-	455,570	1,804,567	330	1,804,897
Small capital equipment	4,758	-	6,371	40,224	189,120	229,344
Depreciation	-	4,952,322	-	5,290,044	-	5,290,044
Total	\$ 4,206,452	\$ 4,952,322	\$ 2,957,756	\$ 40,767,161	\$ 2,840,001	\$ 43,607,162