Note 7 - Capital Assets (Continued)

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

	Beginning Balance	Additions	Transfers/ Disposals	Ending Balance
Depreciable assets:				
Building and building improvements	$ 241,722,942	$ 27,542,781	$ -	$ 269,265,723
Furniture, fixtures, and equipment	39,200,781	3,335,399	(61,049)	42,475,131
Total depreciable assets	280,923,723	30,878,180	(61,049)	311,740,854
Nondepreciable assets:				
Land and improvements	7,043,534	-	-	7,043,534
Construction in progress	20,972,180	8,849,764	(20,972,180)	8,849,764
Total nondepreciable assets	28,015,714	8,849,764	(20,972,180)	15,893,298
Total depreciable and nondepreciable assets	308,939,437	39,727,944	(21,033,229)	327,634,152
Less accumulated depreciation:				
Building and building improvements	(99,102,250)	(5,792,443)	-	(104,894,693)
Furniture, fixtures, and equipment	(32,311,877)	(1,744,971)	60,992	(33,995,856)
Total accumulated depreciation	(131,414,127)	(7,537,414)	60,992	(138,890,549)
Capital assets - Net	$ 177,525,310			$ 188,743,603

At June 30, 2023, there was approximately $1.9 million in constuction commitments outstanding in connection with ongoing capital projects.

Note 8 - Long-term Obligations

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

	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Bonds Payable					
Series bonds, 2020 series	$ 18,285,000	$ -	$ 1,755,000	$ 16,530,000	$ 1,760,000
Series bonds, 2019 series	5,285,000	-	680,000	4,605,000	700,000
Series bonds, 2012 series	205,000	-	205,000	-	-
Other Long-term Liabilities					
Unamortized bond premium	603,823	-	91,875	511,948	91,692
Accrued employee leave	4,650,161	2,824,032	2,688,798	4,785,395	1,915,000
Michigan job training grants	125,659	130,000	50,000	205,659	-
Total	$ 29,154,643	$ 2,954,032	$ 5,470,673	$ 26,638,002	$ 4,466,692

Note 8 - Long-term Obligations (Continued)

Long-term obligation activity during the year ended June 30, 2022 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Bonds Payable					
Series bonds, 2020 series	$ 18,285,000	$ -	$ -	$ 18,285,000	$ 1,755,000
Series bonds, 2019 series	5,940,000	-	655,000	5,285,000	680,000
Series bonds, 2018 series	1,275,000	-	1,275,000	-	-
Series bonds, 2013 series	365,000	-	365,000	-	-
Series bonds, 2012 series (Facilities)	900,000	-	900,000	-	-
Series bonds, 2012 series	405,000	-	200,000	205,000	205,000
Other Long-term Liabilities					
Unamortized bond premium	783,429	-	179,606	603,823	91,692
Accrued employee leave	5,150,491	1,805,054	2,305,384	4,650,161	1,860,064
Michigan job training grants	55,659	80,000	10,000	125,659	-
Total	$ 33,159,579	$ 1,885,054	$ 5,889,990	$ 29,154,643	$ 4,591,756

Series Bonds, 2020 Refunding - The College issued $18,285,000 in general obligation bonds (2020 Series Bonds) with an average interest rate of 1.44 percent. The 2020 Series Bonds were issued to refund $16,810,000 outstanding of 2012 Series Facilities Bonds with an average interest rate of 3.39 percent. In conjunction with the issuance, the College established an irrevocable trust with an escrow agent to provide for future debt service payments on the 2012 Series Facilities Bonds. As a result, the 2012 Series Facilities Bonds are considered to be defeased, $16,810,000 in liability for the bonds was removed from the statement of net position, and the transaction has been treated as a noncash financing activity in the statement of cash flows. The defeased bonds were fully called in 2022. The principal and interest on the 2020 Series Bonds are paid primarily from property tax levies. The bonds bear interest ranging from .42 percent to 1.90 percent and have remaining annual maturities ranging from $1,760,000 to $1,940,000. The bonds mature in 2032.

Series Bonds, 2019 Refunding - The College issued $7,080,000 in general obligation bonds (2019 Series Bonds) with an average interest rate of 2.57 percent. The 2019 Series Bonds were issued to refund $7,850,000 outstanding of 2009 Series Bonds with an average interest rate of 3.88 percent. In conjunction with the issuance, the College established an irrevocable trust with an escrow agent to provide for future debt service payments on the 2009 Series Bonds. As a result, the 2009 Series Bonds are considered to be defeased, $7,850,000 in liability for the bonds was removed from the statement of net position, and the transaction has been treated as a noncash financing activity in the statement of cash flows. Defeased debt that remains on the 2009 Series Bonds was $5,025,000 at June 30, 2023. The principal and interest on the 2019 Series Bonds are paid primarily from property tax levies. The bonds bear interest ranging from 5.99 percent to 6.50 percent and have remaining annual maturities ranging from $750,000 to $900,000. The bonds mature in 2029.

Note 8 - Long-term Obligations (Continued)

Series Bonds, 2018 Refunding - The College issued $5,305,000 in general obligation bonds (2018 Series Bonds) with an average interest rate of 2.26 percent. The 2018 Series Bonds were issued to refund $5,260,000 outstanding of 2008 Series Bonds with an average interest rate of 5.0 percent. In conjunction with the issuance, the College established an irrevocable trust with an escrow agent to provide for future debt service payments on the 2008 Series Bonds. As a result, the 2008 Series Bonds were considered to be defeased, $5,260,000 in liability for the bonds was removed from the statement of net position, and the transaction has been treated as a noncash financing activity in the statement of cash flows. The principal and interest on the 2018 Series Bonds are paid primarily from property tax levies. The bonds matured in 2022.

Series Bonds, 2013 - The College issued $4,830,000 in general obligation bonds (2013 Series Bonds) with an average interest rate of 2.16 percent. The 2013 Series Bonds were issued to refund $4,915,000 outstanding of 2003 Series Bonds with an average interest rate of 5.27 percent. In conjunction with the issuance, the College established an irrevocable trust with an escrow agent to provide for future debt service payments on the 2003 Series Bonds. As a result, the 2003 Series Bonds were considered to be defeased, and the liability for the bonds was removed from the statement of net position. The principal and interest on the 2013 Series Bonds are paid primarily from property tax levies. The bonds matured in 2022.

Series Bonds, 2012 (Facilities) - The College issued $26,645,000 in general obligation limited tax bonds (2012 Series Bonds) with an average interest rate of 3.39 percent. The funds are being used for renovating, refurnishing, and re-equipping existing college facilities, acquiring and installing enhanced technology and technology infrastructure, and purchasing or expanding building and other facilities. The principal and interest on the 2012 Series Bonds are paid from a facilities maintenance fee assessed to students based on contact hour enrolled. The bonds matured in 2022.

Series Bonds, 2012 Refunding - The College issued $4,365,000 in general obligation bonds (2012 Series Bonds) with an average interest rate of 3.79 percent. The 2012 Series Bonds were issued to refund $4,400,000 of the $10,195,000 outstanding of 2003 Series Bonds with an average interest rate of 4.81 percent. In conjunction with the issuance, the College established an irrevocable trust with an escrow agent to provide for future debt service payments on the 2003 Series Bonds. As a result, the 2003 Series Bonds were considered to be partially defeased, and $4,400,000 in liability for the bonds was removed from the statement of net position. The principal and interest on the 2012 Series Bonds are paid primarily from property tax levies. The bonds bear interest at rates of 3.75 percent and have remaining annual maturities of $205,000. The bonds matured in 2023.

Note 8 - Long-term Obligations (Continued)

Total principal and interest maturities on the bonds payable as of June 30, 2023 are as follows:

Years Ending June 30	Debt Obligations Principal	Interest	Total
2024	$ 2,460,000	$ 451,372	$ 2,911,372
2025	2,500,000	405,672	2,905,672
2026	2,535,000	355,401	2,890,401
2027	2,585,000	298,712	2,883,712
2028	2,635,000	238,143	2,873,143
2029-2032	8,420,000	384,145	8,804,145
Total	$ 21,135,000	$ 2,133,445	$ 23,268,445

Cash Paid for Interest - Cash paid for interest was approximately $484,000 and $482,000 for the years ended June 30, 2023 and 2022, respectively.

Michigan Job Training Grants - During 2010, the College became involved in the Michigan New Jobs Training Program. The Michigan New Jobs Training Program was created by State of Michigan Public Acts 359 and 360 of 2008 and provides the ability for community college districts to enter into agreements with employers to (1) provide education and training to workers in order to create new jobs and (2) to establish a funding mechanism to pay for the education and training. In connection with this program, the College has entered into agreements with various local employers for the purpose of establishing projects to educate and train certain persons employed in new jobs. The local employers prepay training costs to the College and the College subsequently issues noninterest-bearing revenue bonds payable to the employers equal to the prepayments. The employer remits state income tax withholdings for these new employees directly to the College. The College then remits these withholdings back to the employer on a quarterly basis to reimburse the company for the costs of training, thus reducing bonds payable. As of June 30, 2023 and 2022, the College has outstanding bonds payable to various employers of $205,658 and $125,659, respectively. The bonds mature at various dates through 2030.

Accrued Employee Leave - The College provides termination benefits upon departure from the College resulting from unused sick time and years of service and defined by each respective labor contract and administrative policy under the vesting method. Under the vesting method, the liability is accrued for employees based on the amount eligible and certain assumptions are used to determine probability of reaching the criteria required for eligibility. Included in the current portion of the accrual is earned but not used vacation and amounts to be provided to employees that will be retiring in the upcoming fiscal year.