Note 6 - Long-term Liabilities

Long-term debt activity for the years ended June 30, 2025 and 2024 was as follows:

	Balance July 1, 2024	Additions	Deductions	Balance June 30, 2025	Current Portion
2018 College Building and Site General Obligation Limited Tax	$ 9,625,000	$ -	$ 3,125,000	$ 6,500,000	$ 3,200,000
2021 College Refunding Bonds	16,555,000	-	855,000	15,700,000	860,000
Unamortized bond premium	209,879	-	10,956	198,923	10,956
Subscription arrangements	557,583	213,918	340,600	430,901	257,770
Total long-term debt	$ 26,947,462	$ 213,918	$ 4,331,556	$ 22,829,824	$ 4,328,726

	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	$ 30,661,643	$ -	$ 3,714,181	$ 26,947,462	$ 4,324,387

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.

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 2043, 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 $996,041 and $1,050,869 at June 30, 2025 and 2024, 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.

Note 6 - Long-term Liabilities (Continued)

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.

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.

Total principal and interest requirements on debt obligations as of June 30, 2025 are as follows:

Years Ending June 30	Principal	Interest	Total
2026	$ 4,317,770	$ 546,655	$ 4,864,425
2027	4,226,628	431,729	4,658,357
2028	923,000	314,863	1,237,863
2029	917,603	295,602	1,213,205
2030	935,900	276,172	1,212,072
2031-2035	3,980,000	1,119,849	5,099,849
2036-2040	3,880,000	709,161	4,589,161
2041-2044	3,450,000	191,100	3,641,100
Total	$ 22,630,901	$ 3,885,131	$ 26,516,032