Note 6 - Long-term Liabilities

Long-term debt activity for the years ended June 30, 2026 and 2025 was as follows:

	Balance July 1, 2025	Additions	Deductions	Balance June 30, 2026	Current Portion
2018 College Building and Site General Obligation Limited Tax	$ 6,500,000	$ -	$ 3,200,000	$ 3,300,000	$ 3,300,000
2021 College Refunding Bonds	15,700,000	-	860,000	14,840,000	870,000
Unamortized bond premium	198,923	-	10,956	187,967	10,956
Subscription arrangements	430,901	355,805	307,720	478,986	146,318
Total long-term debt	$ 22,829,824	$ 355,805	$ 4,378,676	$ 18,806,953	$ 4,327,274

	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

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 $941,213 and $996,041 at June 30, 2026 and 2025, 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.

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.

Note 6 - Long-term Liabilities (Continued)

Total principal and interest requirements on debt obligations as of June 30, 2026 are as follows:

Years Ending June 30	Principal	Interest	Total
2027	$ 4,316,318	$ 442,510	$ 4,758,828
2028	992,390	322,282	1,314,672
2029	967,933	300,613	1,268,546
2030	989,275	279,114	1,268,389
2031	958,070	257,987	1,216,057
2032-2036	3,805,000	1,039,816	4,844,816
2037-2041	3,975,000	614,696	4,589,696
2042-2044	2,615,000	108,343	2,723,343
Total	$ 18,618,986	$ 3,365,361	$ 21,984,347