

MID MICHIGAN COLLEGE

Notes to Financial Statements

The College has some property that was financed through the issuance of bonds by the State of Michigan Building Authority (SBA). The SBA bonds are secured by a pledge of rentals to be received from the State of Michigan pursuant to a lease agreement entered into among the SBA, the State of Michigan, and the College. During the lease term, the SBA will hold title to the property, the State of Michigan will make all lease payments to the SBA, and the College will be responsible for all operating and maintenance costs. At the expiration of the lease, the SBA will transfer the title of the buildings to the College. The cost and accumulated depreciation for these facilities are included in the accompanying statements of net position.

6. LONG-TERM OBLIGATIONS

Long-term obligation activity for the year ended June 30, 2024, was as follows:

	Balance July 1, 2023	Additions	Reductions	Balance June 30, 2024	Current Portion
Bond payable					
2020 Community College Facilities Bonds	\$ 5,585,000	\$ -	\$ (330,000)	\$ 5,255,000	\$ 330,000
Deferred amounts					
Unamortized bond premium	82,503		(4,853)	77,650	4,853
Total long-term obligations	\$ 5,667,503	\$ -	\$ (334,853)	\$ 5,332,650	\$ 334,853

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

	Balance July 1, 2022	Additions	Reductions	Balance June 30, 2023	Current Portion
Bond payable					
2020 Community College Facilities Bonds	\$ 5,915,000	\$ -	\$ (330,000)	\$ 5,585,000	\$ 330,000
Deferred amounts					
Unamortized bond premium	87,356		(4,853)	82,503	4,853
Total long-term obligations	\$ 6,002,356	\$ -	\$ (334,853)	\$ 5,667,503	\$ 334,853

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

2020 General Obligation, Limited Bond

In February 2020, the College issued \$6,575,000 of 2020 community college facilities general obligation limited bonds for the Harrison campus renovation. The bonds bear interest ranging from 2.00 to 2.25 percent and require semi-annual payments of \$325,000 to \$330,000 through 2040.

MID MICHIGAN COLLEGE

Notes to Financial Statements

Debt Maturity

Total principal and interest maturities on the bond obligations as of June 30, 2024 are as follows:

Year Ending June 30,	Debt Obligations		
	Principal	Interest	Total
2025	\$ 330,000	\$ 104,250	\$ 434,250
2026	330,000	97,650	427,650
2027	325,000	91,100	416,100
2028	330,000	84,550	414,550
2029	330,000	77,950	407,950
2030-2034	1,640,000	291,350	1,931,350
2035-2039	1,645,000	124,745	1,769,745
2040	325,000	3,656	328,656
Totals	\$ 5,255,000	\$ 875,251	\$ 6,130,251

7. RETIREMENT PLANS

Defined Benefit Plan

Plan Description

The Michigan Public School Employees' Retirement System (the "System" or "MPSERS") is a cost-sharing, multiple employer, state-wide, defined benefit public employee retirement plan governed by the State of Michigan (the "State") originally created under Public Act 136 of 1945, recodified and currently operating under the provisions of Public Act 300 of 1980, as amended. Section 25 of this act establishes the board's authority to promulgate or amend the provisions of the System. The board consists of twelve members - eleven appointed by the Governor and the State Superintendent of Instruction, who serves as an ex-officio member.

The System's pension plan was established by the State to provide retirement, survivor and disability benefits to public school employees. In addition, the System's health plan provides all retirees with the option of receiving health, prescription drug, dental and vision coverage under the Michigan Public School Employees' Retirement Act (1980 PA 300 as amended).

The System is administered by the Office of Retirement Services (ORS) within the Michigan Department of Technology, Management & Budget. The Department Director appoints the Office Director, with whom the general oversight of the System resides. The State Treasurer serves as the investment officer and custodian for the System.

The System's financial statements are available at the ORS website at www.michigan.gov/orsschools.