

**Washtenaw Community College
Long-Term Debt Obligations**

Long-term obligation activity during the year ended June 30, 2015 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
March 14, 2005B Refunding Bonds	\$ 2,575,000	\$ -	\$ 2,575,000	\$ -	\$ -
July 25, 2006, Building and Site Bonds	13,090,000	-	12,295,000	795,000	795,000
March 2015, Refunding Bonds	-	12,785,000	-	12,785,000	570,000
Bond Discount on 2005B Refunding Bonds	(12,727)	-	(12,727)	-	-
Bond Discount on 2006 Building and Site Bonds	(130,650)	-	(130,650)	-	-
Bond Premium on 2015 Refunding Bonds	-	1,314,821	56,525	1,258,296	206,792
Capital lease obligations	145,411	-	145,411	-	-
Total	<u>\$ 15,667,034</u>	<u>\$ 14,099,821</u>	<u>\$ 14,815,509</u>	<u>\$ 14,838,296</u>	<u>\$ 1,571,792</u>

Bond Defeasance

In March 2015, the College issued \$12,785,000 of Refunding Bonds, Series 2015 with an average interest rate of 3.76% which, in conjunction with a debt service fund contribution, were used to refund \$1,965,000 of outstanding Refunding Bonds, Series 2005B and advance refund \$11,535,000 of Facilities Bonds, Series 2006, with average interest rates of 3.95% and 4.44%, respectively. The net proceeds of \$13,990,731 (after payment of \$109,090 in underwriting fees and other issuance costs), plus an additional \$293,236 of prior debt retirement fund monies, were used to purchase U.S. treasury securities which were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the original bonds. As a result, the bonds are considered to be defeased and the liability for the bonds has been removed from the College's long-term obligations. In prior years, the College defeased certain other bonds. At June 30, 2015, \$15,440,000 of bonds outstanding are considered defeased.

The refunding and advanced refunding reduced total debt service payments by \$1,505,041.

General Obligation Bonds

At June 30, 2015, general obligation bonds totaling \$13,580,000 were outstanding with interest rates varying from 2.5% percent to 4.25% percent. Principal payments are due annually in April with payments for the upcoming year ranging from \$570,000 to \$795,000. Interest payments are due semiannually in April and October ranging from \$16,900 to \$274,000. These bonds are insured and mature in varying amounts through 2027.

At June 30, 2014, general obligation bonds totaling \$15,665,000 were outstanding with interest rates varying from 3.75 percent to 4.50 percent. Principal payments are due annually in April with payments for the upcoming year ranging from \$610,000 to \$795,000. Interest payments are due semiannually in April and October ranging from \$50,000 to \$287,000. These bonds are insured and mature in varying amounts through 2027.

Total principal and interest maturities on the general obligation bonds for years succeeding June 30, 2015 are summarized as follows:

Year	Debt Obligations		
	Principal	Interest	Total
2016	\$ 1,365,000	\$ 554,678	\$ 1,919,678
2017	1,455,000	470,675	1,925,675
2018	1,515,000	412,475	1,927,475
2019	870,000	351,875	1,221,875
2020	910,000	317,075	1,227,075
2021 - 2025	5,120,000	1,009,775	6,129,775
2026 - 2027	<u>2,345,000</u>	<u>105,750</u>	<u>2,450,750</u>
Totals	<u>\$13,580,000</u>	<u>\$ 3,222,303</u>	<u>\$16,802,303</u>