Ferris State University
Debt Service Obligations
Years ended June 30, 2023 and 2022

5. Long-term Liabilities

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

	Beginning Balance	Additions	Deductions	Ending Balance	Current Portion
General Revenue Refunding Bonds, Series 2020A	$ 4,600,000	$ -	$ -	$ 4,600,000	$ -
Unamortized bond premium	758,907	-	58,377	700,530	58,378
General Revenue Refunding Bonds, Series 2019A	31,005,000	-	2,420,000	28,585,000	2,540,000
Unamortized bond premium	5,253,910	-	309,053	4,944,857	309,054
General Revenue Refunding Bonds, Series 2016	49,865,000	-	2,495,000	47,370,000	2,310,000
Unamortized bond premium	6,841,714	-	360,090	6,481,624	360,091
General Revenue Refunding Bonds, Series 2014B	2,110,000	-	410,000	1,700,000	430,000
Unamortized bond premium	301,948	-	60,390	241,558	60,390
General Revenue Bonds, Series 2014A	9,920,000	-	420,000	9,500,000	435,000
Unamortized bond premium	289,913	-	17,053	272,860	17,053
General Revenue Refunding Bonds, Series 2012	5,315,000	-	465,000	4,850,000	475,000
Unamortized bond premium	272,829	-	27,282	245,547	27,283
Total bonds and notes payable	116,534,221	-	7,042,245	109,491,976	7,022,249
Other liabilities:					
Accrued sick leave	8,566,466	-	30,511	8,535,955	-
Accrued interest payable (bonds)	1,173,152	-	65,538	1,107,614	1,107,614
Total	$ 126,273,839	$ -	$ 7,138,294	$ 119,135,545	$ 8,129,863

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

	Beginning Balance	Additions	Deductions	Ending Balance	Current Portion
General Revenue Refunding Bonds, Series 2020A	$ 4,600,000	$ -	$ -	$ 4,600,000	$ -
Unamortized bond premium	817,285	-	58,377	758,907	58,378
General Revenue Refunding Bonds, Series 2019A	33,305,000	-	2,300,000	31,005,000	2,420,000
Unamortized bond premium	5,562,964	-	309,053	5,253,910	309,054
General Revenue Refunding Bonds, Series 2016	52,240,000	-	2,375,000	49,865,000	2,495,000
Unamortized bond premium	7,201,805	-	360,090	6,841,714	360,091
General Revenue Refunding Bonds, Series 2014B	2,505,000	-	395,000	2,110,000	410,000
Unamortized bond premium	362,338	-	60,389	301,948	60,390
General Revenue Bonds, Series 2014A	10,330,000	-	410,000	9,920,000	420,000
Unamortized bond premium	306,966	-	17,053	289,913	17,053
General Revenue Refunding Bonds, Series 2012	5,765,000	-	450,000	5,315,000	465,000
Unamortized bond premium	300,112	-	27,282	272,829	27,283
Total bonds and notes payable	123,296,470	-	6,762,249	116,534,221	7,042,249
Other liabilities:					
Accrued sick leave	9,100,807	-	534,341	8,566,466	-
Accrued interest payable (bonds)	1,240,439	-	67,287	1,173,152	1,173,151
Total	$ 133,637,716	$ -	$ 7,363,877	$ 126,273,839	$ 8,215,400

For further details, please see the annual financial reports.

5. Long-term Liabilities (continued)

General Revenue Refunding Bonds, Series 2020A

The University issued $4,600,000 of General Revenue Refunding Bonds. The outstanding balance carries an interest rate of 5.00 percent. A rating of "A1" was assigned by Moody's and "A+" by Standards and Poors. The bonds are payable from general revenues of the University, callable at a premium, and mature in varying amounts through 2035. Proceeds from the issuance along with University fundraising reserves of $4,290,853 were used to refund the Federal Building Capital Lease, Series 2010A of $9,845,000. The refunding decreased the University's total debt service payments by approximately $3,460,000. The refunding results in net present value savings of $1,833,000 over the life of the bonds.

General Revenue Refunding Bonds, Series 2019A

The University issued $34,655,000 of General Revenue Refunding Bonds. The outstanding balance carries interest rates of 4.00 percent to 5.00 percent. A rating of "A1" was assigned to these bonds by Moody's and an "A+" rating by Standard and Poors. The bonds are payable from general revenues of the University and callable at par starting in year ten, and mature in varying amounts through 2040. Proceeds from the issuance were used to advance refund a portion of General Revenue Refunding Bonds, Series 2008 and for construction projects on campus. Projects include the construction of the Center for Athletic Performance; upgraded housing for information technology staff and equipment; upgraded Kendall College of Art and Design heating and ventilation system; renovation of Miller Residence Hall; and other miscellaneous projects. The refunding was done to take advantage of lower interest rates and to reduce debt payments. The refunding resulted in a net present value benefit of $1,330,000 over the life of the bonds; a deferred outflow of resources of approximately $1,420,000; and a total cash flow savings of $1,327,000.

General Revenue Refunding Bonds, Series 2016

The University issued $56,150,000 of General Revenue Refunding Bonds. The outstanding balance carries interest rates of 3.00 percent to 5.00 percent. A rating of "A1" was assigned to these bonds by Moody's and an "A" rating by Standard and Poors. The bonds are payable from general revenues of the University and callable at par starting in year ten, and mature in varying amounts through 2042. Proceeds from the issuance were used to advance refund a portion of General Revenue Refunding Bonds, Series 2009 and for construction projects on campus. Projects include the construction and furnishing of the North Hall, a new 402 bed residence hall; renovation of the Student Recreational Center; and other miscellaneous projects. The refunding was done to take advantage of lower interest rates and to reduce debt payments. The refunding resulted in a net present value benefit of $4,236,000 over the life of the bonds; a deferred outflow of resources of approximately $3,400,000; and a total cash flow savings of $5,622,000.

5. Long-term Liabilities (continued)

General Revenue Refunding Bonds, Series 2014B

The University issued $12,880,000 of General Revenue Refunding Bonds. The outstanding balance carries an interest rate of 4.00 percent. A rating of "A1" was assigned to these bonds by Moody's. The bonds are payable from general revenues of the University and callable at par starting in year ten, and mature in varying amounts through 2027. Proceeds from the issuance were used to refund General Revenue Refunding Bonds, Series 2005. The refunding was done to take advantage of lower interest rates and to reduce debt payments. The refunding resulted in a net present value benefit of $1,746,000 over the life of the bonds; a deferred outflow of resources of approximately $560,000; and a total cash flow savings of $2,000,000.

General Revenue Bonds, Series 2014A

The University issued $12,570,000 of General Revenue Bonds. The outstanding balance carries interest rates of 3.00 percent to 4.00 percent. A rating of "A1" was assigned to these bonds by Moody's. The bonds are payable from general revenues of the University, callable at par, and mature in varying amounts through 2039. Proceeds from the issuance were used to finance a portion of the University Center project. The University Center located in the center of campus, serves as a gathering place for the campus community and a home for its commuter students. The center includes dining options, the Ferris Bookstore, the University Center Art Gallery, community areas, meeting rooms, and offices.

General Revenue Refunding Bonds, Series 2012

The University issued $13,750,000 of General Revenue Refunding Bonds. The outstanding balance carries interest rates of 2.500 percent to 3.375 percent. A rating of "A" was assigned to these bonds by Standard & Poor's. The bonds are payable from general revenues of the University, callable at par, and mature in varying amounts through 2032. Proceeds from the issuance were used to refund General Revenue Bonds, Series 2001 of $8,940,000 and General Revenue Bonds, Series 2002 in the amount of $4,810,000. The refunding was done in order to reduce debt payments. The refunding decreased the University's total debt service payments by approximately $2,800,000. The refunding resulted in a net present value benefit of $2,218,000 over the life of the bonds; a deferred outflow of resources of approximately $80,000; and a total cash flow savings of $3,451,000.