

Ferris State University  
Notes to Financial Statements

**5. Long-term Liabilities**

Long-term obligation activity for the year ended June 30, 2025 was as follows:

	Beginning Balance	Additions	Deductions	Ending Balance	Current Portion
General Revenue Refunding Bonds, Series 2025	\$ -	42,785,000	\$ -	\$ 42,785,000	\$ -
Unamortized bond premium	-	3,826,230	153,049	3,673,181	153,049
General Revenue Refunding Bonds, Series 2020A	4,600,000	-	1,000,000	3,600,000	-
Unamortized bond premium	642,153	-	58,378	583,775	58,378
General Revenue Refunding Bonds, Series 2019A	26,045,000	-	2,645,000	23,400,000	2,770,000
Unamortized bond premium	4,635,804	-	309,054	4,326,750	309,054
General Revenue Refunding Bonds, Series 2016	45,060,000	-	2,185,000	42,875,000	2,310,000
Unamortized bond premium	6,121,534	-	360,090	5,761,444	360,090
General Revenue Refunding Bonds, Series 2014B	1,270,000	-	435,000	835,000	460,000
Unamortized bond premium	181,169	-	60,390	120,779	60,390
General Revenue Bonds, Series 2014A	9,065,000	-	8,595,000	470,000	470,000
Unamortized bond premium	255,805	-	255,805	-	-
General Revenue Refunding Bonds, Series 2012	4,375,000	-	490,000	3,885,000	505,000
Unamortized bond premium	218,263	-	27,283	190,980	27,283
Total bonds and notes payable	102,469,728	46,611,230	16,574,048	132,506,910	7,483,243
Other liabilities:					
Accrued sick leave	7,701,446	-	253,538	7,447,908	-
Accrued interest payable (bonds)	1,029,960	-	166,850	863,110	863,110
Total	\$ 111,201,134	\$46,611,230	\$ 16,994,436	\$ 140,817,928	\$ 8,346,353

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

	Beginning Balance	Additions	Deductions	Ending Balance	Current Portion
General Revenue Refunding Bonds, Series 2020A	\$ 4,600,000	\$ -	\$ -	\$ 4,600,000	\$ 1,000,000
Unamortized bond premium	700,530	-	58,377	642,153	58,377
General Revenue Refunding Bonds, Series 2019A	28,585,000	-	2,540,000	26,045,000	2,645,000
Unamortized bond premium	4,944,857	-	309,053	4,635,804	309,053
General Revenue Refunding Bonds, Series 2016	47,370,000	-	2,310,000	45,060,000	2,185,000
Unamortized bond premium	6,481,625	-	360,091	6,121,534	360,091
General Revenue Refunding Bonds, Series 2014B	1,700,000	-	430,000	1,270,000	435,000
Unamortized bond premium	241,559	-	60,390	181,169	60,390
General Revenue Bonds, Series 2014A	9,500,000	-	435,000	9,065,000	450,000
Unamortized bond premium	272,859	-	17,054	255,805	17,054
General Revenue Refunding Bonds, Series 2012	4,850,000	-	475,000	4,375,000	490,000
Unamortized bond premium	245,546	-	27,283	218,263	27,283
Total bonds and notes payable	109,491,976	-	7,022,248	102,469,728	8,037,248
Other liabilities:					
Accrued sick leave	8,535,955	-	834,509	7,701,446	-
Accrued interest payable (bonds)	1,107,614	-	77,655	1,029,960	1,029,960
Total	\$ 119,135,545	\$ -	\$ 7,934,412	\$ 111,201,134	\$ 9,067,208

For further details, please see the [Annual Financial Reports](#)

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**5. Long-term Liabilities (continued)**

**General Revenue Refunding Bonds, Series 2025**

The University issued \$42,785,000 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 2050. Proceeds from the issuance were used to advance refund a portion of General Revenue Refunding Bonds, Series 2014A, in the amount of \$8,268,878. Remaining proceeds are reserved for the construction of the new Dawg House residence hall. The refunding results in net present value savings of \$290,475 over the life of the bonds.

**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

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**5. Long-term Liabilities (continued)**

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.

**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. \$8,268,878 of Bond Series 2014A was refunded in the issuance of Bond Series 2025. The remaining principal balance of \$470,000 is to be paid in Fiscal Year 2026.

**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.