

# GLEN OAKS COMMUNITY COLLEGE

## Notes to Financial Statements

On August 8, 2024, the College entered into a capital outlay project management agreement with the United States Department of Agriculture. This agreement provides funding up to an authorized amount of \$7,700,000 to be used for capital additions, renovations, or improvements to the College. Under this agreement the College received \$822,803 during fiscal year 2025, which is recorded as a reduction of the receivable on the statement of net position. See Note 4.

### 6. LONG-TERM OBLIGATIONS

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

|                            | Balance<br>July 1, 2024 | Additions           | Reductions          | Balance<br>June 30, 2025 | Current<br>Portion |
|----------------------------|-------------------------|---------------------|---------------------|--------------------------|--------------------|
| <i>Direct borrowings</i>   |                         |                     |                     |                          |                    |
| USDA loan -<br>Series 2016 | \$ 5,364,000            | \$ -                | \$ (178,000)        | \$ 5,186,000             | \$ 182,000         |
| USDA loan -<br>Series 2024 | -                       | 7,700,000           | (143,000)           | 7,557,000                | 148,000            |
| <b>Totals</b>              | <b>\$ 5,364,000</b>     | <b>\$ 7,700,000</b> | <b>\$ (321,000)</b> | <b>\$ 12,743,000</b>     | <b>\$ 330,000</b>  |

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

|                            | Balance<br>July 1, 2023 | Additions | Reductions   | Balance<br>June 30, 2024 | Current<br>Portion |
|----------------------------|-------------------------|-----------|--------------|--------------------------|--------------------|
| <i>Direct borrowings</i>   |                         |           |              |                          |                    |
| USDA loan -<br>Series 2016 | \$ 5,538,000            | \$ -      | \$ (174,000) | \$ 5,364,000             | \$ 178,000         |

#### USDA Loans

In September 2016, the College obtained a Community College Facilities Loan from the United States Department of Agriculture in an amount not to exceed \$6.5 million, which was used to fund the construction costs of the student housing, which was completed during fiscal year 2018. The loan matures serially through fiscal year 2047, with principal payments ranging from \$155,000 to \$297,000 due each December 1. Interest is charged at 2.375% and is payable semi-annually.

In August 2024, the College obtained a Community College Facilities Loan from the United States Department of Agriculture in an amount not to exceed \$7.7 million, which is being used to fund the South Side renovation projects. The loan matures serially through fiscal year 2054, with principal payments ranging from \$143,000 to \$415,000 due each June 1. Interest is charged at 3.750% and is payable annually. The proceeds from the loan are provided to the College on a reimbursement basis. As of June 30, 2025, approximately \$823,000 was reimbursed to the College for renovation costs.

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Total principal and interest maturities on the direct borrowing obligation as of June 30, 2025 are as follows:

| Year Ending June 30 | Direct Borrowing Obligation |                     |                      |
|---------------------|-----------------------------|---------------------|----------------------|
|                     | Principal                   | Interest            | Total                |
| 2026                | \$ 330,000                  | \$ 410,783          | \$ 740,783           |
| 2027                | 341,000                     | 401,006             | 742,006              |
| 2028                | 351,000                     | 390,908             | 741,908              |
| 2029                | 362,000                     | 380,467             | 742,467              |
| 2030                | 372,000                     | 369,706             | 741,706              |
| 2031-2035           | 2,036,000                   | 1,674,938           | 3,710,938            |
| 2036-2040           | 2,366,000                   | 1,349,743           | 3,715,743            |
| 2041-2045           | 2,750,000                   | 968,839             | 3,718,839            |
| 2046-2050           | 2,259,000                   | 529,816             | 2,788,816            |
| 2051-2054           | 1,576,000                   | 150,375             | 1,726,375            |
| <b>Totals</b>       | <b>\$ 12,743,000</b>        | <b>\$ 6,626,581</b> | <b>\$ 19,369,581</b> |

## 7. COMPENSATED ABSENCES

The following is a summary of the changes in compensated absences (including current portion) of the College for the year ended:

|                         | Balance<br>July 1,<br>2024 | Additions  | Deductions   | Balance<br>June 30,<br>2025 | Due Within<br>One Year |
|-------------------------|----------------------------|------------|--------------|-----------------------------|------------------------|
| Compensated<br>absences | \$ 338,277                 | \$ 916,698 | \$ (311,032) | \$ 943,943                  | \$ 248,870             |
|                         |                            |            |              |                             |                        |
|                         | Balance<br>July 1,<br>2023 | Additions  | Deductions   | Balance<br>June 30,<br>2024 | Due Within<br>One Year |
| Compensated<br>absences | \$ 357,193                 | \$ 461,079 | \$ (479,995) | \$ 338,277                  | \$ 204,635             |