

# GAVILAN JOINT COMMUNITY COLLEGE DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2017

Bond premium (net of accumulated amortization) of \$115,692 is capitalized and will be amortized over the term of the Bond.

The following is a schedule of the future payments for the 2016 Lease Revenue Bonds:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018		\$ 200,325	\$ 200,325
2019	\$ 240,000	200,325	440,325
2020	250,000	193,125	443,125
2021	255,000	185,625	440,625
2022	265,000	177,975	442,975
2023-2027	1,405,000	795,125	2,200,125
2028-2032	1,565,000	639,313	2,204,313
2033-2037	1,795,000	410,850	2,205,850
2038-2040	1,640,000	124,950	1,764,950
	<u>\$ 7,415,000</u>	<u>\$ 2,927,613</u>	<u>\$ 10,342,613</u>

On May 1, 2017, the District entered into an agreement with the California Community College Finance Authority (Authority) to finance the acquisition, construction and installation of solar photovoltaic systems on the District campus. The funding is through the U.S. Department of Energy for the Clean Renewable Energy Bonds (CREB). The Authority has agreed to assist the District with the financing of the Bonds by entering into a lease/leaseback arrangement. Through CREB, the District elected to treat the lease as "Specified Tax Credit Bonds" and will be eligible to receive direct payment from the federal government of a refundable credit equal to the lesser of the interest payment on the lease or 70% of the tax credit rate applicable to the lease of the lease payments. The Bonds mature through May 2037 and bear interest rate of 4.2% per annum on the basis of a 360-day year of twelve 30 day months. There is no bond premium or discount with this agreement.

The following is a schedule of the future payments for the Lease Agreement with the Authority:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018		\$ 64,741	\$ 64,741
2019	\$ 189,000	68,657	257,657
2020	206,000	66,601	272,601
2021	224,000	64,361	288,361
2022	243,000	61,927	304,927
2023-2027	1,546,000	265,452	1,811,452
2028-2032	1,837,000	174,206	2,011,206
2037	2,255,000	68,311	2,323,311
	<u>\$ 6,500,000</u>	<u>\$ 834,256</u>	<u>\$ 7,334,256</u>