

Presque Isle Academy II

Notes to Financial Statements

June 30, 2021

NOTE 7 - LONG-TERM DEBT

The Academy issues bonds, notes, and other contractual commitments to provide for the acquisition and construction of major capital facilities and the acquisition of certain equipment. General Obligation Bonds are direct obligations and pledge the full faith and credit of the Academy.

The following is a summary of long-term debt transactions for the year ended June 30, 2021:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Notes	\$ -	\$ 42,958	\$ 1,179	\$ 41,779	\$ 7,837
Bond obligations	34,062	-	25,493	8,569	8,569
Total governmental activities	\$ 34,062	\$ 42,958	\$ 26,672	\$ 50,348	\$ 16,406

The annual requirement to amortize long-term debt outstanding, as of June 30, 2021, follows:

Year ended June 30,	Governmental Activities		
	Principal	Interest	Total
2022	\$ 16,406	\$ 1,976	\$ 18,382
2023	8,238	1,510	9,748
2024	8,660	1,088	9,748
2025	9,103	645	9,748
2026	7,941	183	8,124
Totals	\$ 50,348	\$ 5,402	\$ 55,750

Long-term bond obligations were comprised of the following:

Vehicle Retail Installment Contract payable to Ford Motor Credit Company, LLC, collateralized by a vehicle, due in monthly installments through 2026. Interest of 5%, the monthly payments are \$812.	\$ 41,779
School Building and Site Bonds, Series 2011 Dated October 28, 2011, amount issued \$219,000, maturing through 2022, interest rate 3.75%, monthly payment \$2,195	8,569
Total	\$ 50,348

NOTE 8 - RISK MANAGEMENT

The Academy is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries (workers' compensation), as well as medical benefits provided to employees. The Academy has purchased commercial insurance for all claims. Settled claims relating to the commercial insurance did not exceed the amount of insurance coverage in any of the past three fiscal years.