

Presque Isle Academy II

Notes to Financial Statements

June 30, 2018

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, 2018:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bond obligations	\$ 105,048	\$ -	\$ 22,784	\$ 82,264	\$ 23,653

The annual requirement to amortize long-term debt outstanding, as of June 30, 2018, follows:

Year ended June 30,	Governmental Activities		
	Principal	Interest	Total
2019	\$ 23,653	\$ 2,687	\$ 26,340
2020	24,549	1,791	26,340
2021	25,493	847	26,340
2022	8,569	65	8,634
Totals	\$ 82,264	\$ 5,390	\$ 87,654

Long-term bond obligations were comprised of the following:

School Building and Site Bonds, Series 2011 Dated October 28, 2011, amount issued \$219,000, maturing through 2022, interest rate 3.75%, monthly principal payment \$2,195	\$ 82,264
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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.