

SAGINAW PREPARATORY ACADEMY
 NOTES TO THE FINANCIAL STATEMENTS

NOTE 5--Long-Term Debt

At June 30, 2012, \$3,195,000 in Certificates of Participation were outstanding. This debt was retired during the 2013 fiscal year.

At June 30, 2013 the Academy's long-term debt consists of \$3,210,000 in Limited Obligation Revenue Refunding Bonds, bearing interest at rates between 3.472% and 5.0%. The obligations require semi-annual interest payment due on December 1 and June 1, and an annual payment of principal due on June 1. The debt is collateralized by a mortgage on the Academy's facility. Twenty percent of the Academy's unrestricted state aid revenue is allowed to be used for debt service on the certificates. At June 30, 2013, the Academy had not exceeded the allowed twenty percent.

Following is a summary of changes in long-term debt of the Academy:

	Balance July 1, 2012	Additions	Retirements	Balance June 30, 2013	Current Portion
Governmental Activities					
Certificates of Participation	\$ 3,195,000	\$ -	\$ 3,195,000	\$ -	\$ -
Limited Obligation Revenue Refunding Bonds	-	3,260,000	50,000	3,210,000	150,000
Totals	<u>\$ 3,195,000</u>	<u>\$ 3,260,000</u>	<u>\$ 3,245,000</u>	<u>\$ 3,210,000</u>	<u>\$ 150,000</u>

Annual debt service requirements to maturity for the above governmental activity are as follows:

Year Ended	Principal	Interest	Total
2014	\$ 150,000	\$ 147,900	\$ 297,900
2015	155,000	143,400	298,400
2016	160,000	138,362	298,362
2017	170,000	132,762	302,762
2018	170,000	126,388	296,388
2019-2023	995,000	501,788	1,496,788
2024-2028	1,245,000	234,250	1,479,250
2029	165,000	8,250	173,250
Totals	<u>\$ 3,210,000</u>	<u>\$ 1,433,100</u>	<u>\$ 4,643,100</u>

Governmental Activities

Limited Obligation Revenue Refunding

Bonds of the following:

2012 Issue \$3,260,000 Serial and term certificate due in annual installments of \$50,000 to \$275,000 through June 1, 2029; interest at 3.472% to 5.0%

\$ 3,210,000

Interest expense for the year on all debt totaled \$201,940.