

**THE GREENSPIRE SCHOOL
NOTES TO FINANCIAL STATEMENTS**

NOTE 5 - NOTE PAYABLE

During the year ended June 30, 2020, the Academy paid off the note payable in full.

Balance June 30, 2019	Additions	Deletions	Balance June 30, 2020
\$ 119,995	\$ -	\$ (119,995)	\$ -

NOTE 6 - LONG-TERM OBLIGATIONS

The following is a summary of long-term obligations for the Academy for the year ended June 30, 2020.

	Notes from Direct Borrowings and Direct Placements			Total
	Construction Loan	Land Contract	Energy Efficiency Loan	
Balance June 30, 2019	\$ 974,935	\$ 378,904	\$ -	\$ 1,353,839
Additions	-	-	7,480	7,480
Deletions	(26,890)	(14,754)	(873)	(42,517)
Balance June 30, 2020	948,045	364,150	6,607	1,318,802
Due within one year	25,670	12,992	1,496	40,158
Due in more than one year	\$ 922,375	\$ 351,158	\$ 5,111	\$ 1,278,644

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NOTE 6 - LONG-TERM OBLIGATIONS (continued)

Long-term obligations at June 30, 2020 is comprised of the following issues:

Notes from Direct Borrowings and Direct Placements:

Construction Loan - March 2019 mortgage with the original amount of \$982,000 to be paid in monthly installments of \$6,522 including interest through March 15, 2024 with an interest rate of 5.00%. The remaining portion will be due upon the maturity. \$ 948,045

Land Contract - July 2013 purchase of land and improvements. Loan due in monthly installments of \$2,375 including interest through July 1, 2038 with an interest rate of 4.00%. 364,150

Energy Efficiency Loan - November 2019 energy efficiency project. Loan due in monthly installments of \$125 through November 5, 2024 with 0% interest rate. 6,607

Total general long-term obligations \$ 1,318,802

The Academy's outstanding notes from direct borrowings and direct placements related to governmental activities of \$1,318,802 contains provisions that in an event of default, either by (1) unable to make principal or interest payments (2) false or misrepresentation is made to the lender (3) become insolvent or make an assignment for the benefit of its creditors (4) if the lender at any time in good faith believes that the prospect of payment of any indebtedness is impaired. Upon the occurrence of any default event, the outstanding amounts, including accrued interest become immediately due and payable.

The annual requirements to amortize long-term obligations outstanding as of June 30, 2020 are as follows:

Year Ending June 30,	Notes from Direct Borrowings and Direct Placements						Total
	Building Mortgage		Land Contract		Energy Efficiency Loan		
	Principal	Interest	Principal	Interest	Principal	Interest	
2021	\$ 25,670	\$ 47,577	\$ 12,992	\$ 13,135	\$ 1,496	\$ -	\$ 100,870
2022	32,241	46,018	14,727	13,776	1,496	-	108,258
2023	33,914	44,345	15,327	13,176	1,496	-	108,258
2024	856,220	32,140	15,952	12,551	1,496	-	918,359
2025	-	-	16,602	11,901	623	-	29,126
2026 - 2030	-	-	93,728	48,788	-	-	142,516
2031 - 2035	-	-	114,448	28,068	-	-	142,516
2036 - 2039	-	-	80,374	5,030	-	-	85,404
	<u>\$ 948,045</u>	<u>\$ 170,080</u>	<u>\$ 364,150</u>	<u>\$ 146,425</u>	<u>\$ 6,607</u>	<u>\$ -</u>	<u>\$ 1,635,307</u>

Interest expense for the year ended June 30, 2020 was approximately \$70,000.