

**THE GREENSPIRE SCHOOL
NOTES TO FINANCIAL STATEMENTS**

NOTE 4 - INTERGOVERNMENTAL RECEIVABLES

Receivables at June 30, 2021 consist of the following:

State aid - Michigan Department of Education	\$ 197,622
Federal	56,367
Other	<u>70,405</u>
	<u><u>\$ 324,394</u></u>

Amounts due from other governmental units include amounts due from federal, state, and local sources for various projects and programs. No allowance for doubtful accounts is considered necessary.

NOTE 5 - NOTE PAYABLE - STATE AID ANTICIPATION NOTE

At June 30, 2021, the Academy has one outstanding state aid anticipation note in the amount of \$185,000, which has an interest rate of 3.85% and matures April 21, 2022. Proceeds of the note were used to fund school operations. The note is secured by the full faith and credit of the Academy as well as pledged state aid. In an event of a default on the note, the state may impose a penalty interest rate and at the state's discretion, accelerate the repayment terms. Activity for the year ended June 30, 2021 is as follows:

<u>Balance</u> <u>June 30, 2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2021</u>
<u>\$ 130,000</u>	<u>\$ 185,000</u>	<u>\$ (130,000)</u>	<u>\$ 185,000</u>

NOTE 6 - LONG-TERM OBLIGATIONS

The following is a summary of long-term obligations for the Academy for the year ended June 30, 2021.

	<u>Notes from Direct Borrowings and Direct</u> <u>Placements</u>			<u>Total</u>
	<u>Construction</u> <u>Loan</u>	<u>Land Contract</u>	<u>Energy</u> <u>Efficiency</u> <u>Loan</u>	
Balance June 30, 2020	\$ 948,045	\$ 364,150	\$ 6,607	\$ 1,318,802
Deletions	<u>(33,562)</u>	<u>(14,244)</u>	<u>(1,496)</u>	<u>(49,302)</u>
Balance June 30, 2021	914,483	349,906	5,111	1,269,500
Due within one year	<u>32,646</u>	<u>14,727</u>	<u>1,496</u>	<u>48,869</u>
Due in more than one year	<u><u>\$ 881,837</u></u>	<u><u>\$ 335,179</u></u>	<u><u>\$ 3,615</u></u>	<u><u>\$ 1,220,631</u></u>

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NOTE 6 - LONG-TERM OBLIGATIONS (continued)

Long-term obligations at June 30, 2021 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.	\$ 914,483
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%.	349,906
Energy Efficiency Loan - November 2019 energy efficiency project. Loan due in monthly installments of \$125 through November 5, 2024 with 0% interest rate.	<u>5,111</u>
Total general long-term obligations	<u><u>\$ 1,269,500</u></u>

The Academy's outstanding notes from direct borrowings and direct placements related to governmental activities of \$1,269,500 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, 2021 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	
2022	\$ 32,646	\$ 45,613	\$ 14,727	\$ 13,776	\$ 1,496	\$ -	\$ 108,258
2023	34,340	43,919	15,327	13,176	1,496	-	108,258
2024	847,497	31,806	15,952	12,551	1,496	-	909,302
2025	-	-	16,602	11,901	623	-	29,126
2026	-	-	17,279	11,225	-	-	28,504
2027 - 2031	-	-	97,548	44,968	-	-	142,516
2032 - 2036	-	-	119,112	23,404	-	-	142,516
2037 - 2039	-	-	53,359	2,289	-	-	55,648
	<u>\$ 914,483</u>	<u>\$ 121,338</u>	<u>\$ 349,906</u>	<u>\$ 133,290</u>	<u>\$ 5,111</u>	<u>\$ -</u>	<u>\$ 1,524,128</u>

Interest expense for the year ended June 30, 2021 was \$61,416.