

Bonds face Value	\$110,000
Bond Issuance Value	\$114,065
Premium on the bond	\$4,065
Interst Rate of Bond	12%
Effective interest rate	11%

Year	Interest Payment	Interst Expense	Premium amortization	Premium Unamortized balance	Bond Payable
0	0	0	0	\$4,065	\$114,065
1	\$13,200	12547.15	\$653	\$3,412	\$113,412
2	\$13,200	12475.34	\$725	\$2,687	\$112,687
3	\$13,200	12395.62	\$804	\$1,883	\$111,883
4	\$13,200	12307.14	\$893	\$990	\$110,990
5	\$13,200	12208.93	\$990	\$0	\$110,000
	\$66,000	61934.18	\$4,066		