

**DELAWARE COUNTY EDUCATIONAL FACILITIES AUTHORITY  
DELAWARE COUNTY, OKLAHOMA**

**ANNUAL FINANCIAL STATEMENTS  
AND ACCOMPANYING  
INDEPENDENT AUDITOR'S REPORTS**

**FOR THE FISCAL YEAR ENDED  
JUNE 30, 2022**

**Delaware County Educational Facilities Authority**  
**Board of Trustees**  
**June 30, 2022**

Doug Smith  
Steve Odle  
Charles Marts  
Barbara Barnes  
Susan Duncan

Chairman  
Trustee  
Trustee  
Secretary  
Treasurer

**Delaware County Educational Facilities Authority**  
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## **INDEPENDENT AUDITOR'S REPORT**

August 15, 2024

To the Board of Commissioners  
Delaware County Educational Facilities Authority  
Delaware County, Oklahoma

### **OPINION**

We have audited the accompanying financial statements of the Delaware County Educational Facilities Authority (the "Authority"), a discretely presented component unit of Delaware County, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Delaware County Educational Facilities Authority as of June 30, 2022, and the changes in the net position and its cash flows for the year then ended in accordance with principles generally accepted in the United States of America.

### **BASIS FOR OPINION**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in Government Auditing Standards (Government Auditing Standards), issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements sections of our report. We are required to be independent of Spring River Mental Health & Wellness and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **RESPONSIBILITIES OF MANAGEMENT FOR THE FINANCIAL STATEMENTS**

Management is responsible for the preparation, and fair presentation, of these financial statements, in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control, relevant to the preparation, and fair presentation, of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### **AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of The Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about The Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

#### **Other Matters**

##### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, on pages 5-8, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Government Accounting Standards Board, who considers it to be an essential part of financial reporting, for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information, in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion, or provide any assurance, on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### **Emphasis of Matter**

As discussed in Note A, the financial statements present only the Delaware County Educational Facilities Authority, and do not purport to, and do not, present fairly the financial position of the Delaware County, Oklahoma, as of June 30, 2022, the changes in its financial position, or, where applicable, its cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

#### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated August 15, 2024, on our consideration of the Authority's internal control over financial reporting, and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting, and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting, or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*, in considering the Authority's internal control over financial reporting, and compliance.

Very truly yours,



**OBER & LITTLEFIELD, CPAS, PLLC**  
MIAMI, OKLAHOMA



**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER  
MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

To the Board of Commissioners  
Delaware County Educational Facilities Authority

We have audited, in accordance with the auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the business-type activities of Delaware County Educational Facilities Authority, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Delaware County Educational Facilities Authority's basic financial statements, and have issued our report thereon dated August 15, 2024.

**Report on Internal Control over Financial Reporting**

In planning, and performing, our audit, we considered the Authority's internal control over financial reporting as a basis for designing our auditing procedures, for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over financial reporting.

*A deficiency in internal control* exists when the design, or operation, of a control does not allow management, or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses, or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Delaware County Educational Facilities Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct, and material, effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance, or other matters, that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control, and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control, or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards*, in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Very truly yours,

A handwritten signature in cursive script that reads "Ober & Littlefield, PLLC".

**OBER & LITTLEFIELD, CPAs, PLLC**  
MIAMI, OKLAHOMA

August 15, 2024

**Delaware County Educational Facilities Authority  
Schedule of Findings and Responses  
For the Year Ended June 30, 2022**

No Findings.



**Delaware County Educational Facilities Authority**  
**Statement of Net Position**  
**For the Year Ended June 30, 2022**

**ASSETS**

## Current Assets

Cash and Cash Equivalents, Unrestricted	\$ 5,638.50
Rent Receivable, Restricted	2,000.00
Lease Purchase Receivable, Current Portion	4,259,507.76
Total Current Assets	<u>4,267,146.26</u>

## Noncurrent Assets

Cash and Cash Equivalents, Restricted	48,916.39
Accrued Interest Receivable	325,101.62
Lease Purchase Receivable, net of Current Portion	2,890,466.65
Capital Lease Assets	17,073,622.59
Total Noncurrent Assets	<u>20,338,107.25</u>

## Total Assets

24,605,253.51

**LIABILITIES**

## Current Liabilities

Accrued Interest Payable	105,795.84
Bonds Payable, Current Portion	4,425,000.00
Total Current Liabilities	<u>4,530,795.84</u>

## Long Term Liabilities

Bonds Payable, net of Current Portion	<u>2,820,000.00</u>
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## Total Liabilities

7,350,795.84

**DEFERRED INFLOWS**

Deferred Lease Purchase Revenue	<u>16,190,000.00</u>
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**NET POSITION**

Invested in Capital Assets, net of Related Debt	9,828,622.59
Restricted Net Position	(8,769,803.42)
Unrestricted Net Position	5,638.50
Total Net Position	<u>\$ 1,064,457.67</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

**Delaware County Educational Facilities Authority**  
**Statement of Revenues, Expenses and Changes in Net Position**  
**For the Year Ended June 30, 2022**

Operating Revenues	
Rental Income	\$ 6,000.00
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Operating Expenses	
Trustee Fees	(7,500.00)
Professional Fees	(7,024.00)
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Total Operating Expenses	(14,524.00)
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Net Income (Loss) From Operations	(8,524.00)
	<hr/>
Non Operating Revenue (Expense)	
Interest Income	117,868.33
Interest Expense	(318,862.52)
	<hr/>
Total Non Operating Revenue (Expense)	(200,994.19)
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Net Income (Loss)	(209,518.19)
Net Position, Beginning of Year	1,273,975.86
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Net Position, End of Year	\$ 1,064,457.67
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The accompanying Notes to the Financial Statements are an integral part of this statement.

**Delaware County Educational Facilities Authority**  
**Statement of Cash Flows**  
**For the Year Ended June 30, 2022**

**Cash Flows from Operating Activities**

Cash Inflows:

Payments Received from Schools	\$ 6,000.00
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Cash Outflows:

Payments for Goods and Services	(14,524.00)
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Net Cash Provided (Used) by Operating Activities	(8,524.00)
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**Cash Flows from Capital and Related Financing Activities**

Principal Lease Purchase Payment from Schools	307,647.73
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Debt Service on Bonds Payable, Principal	(295,000.00)
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Debt Service on Bonds Payable, Interest	(321,812.52)
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Net Cash Provided (Used) for Capital and Related Financing Activities	(309,164.79)
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**Cash Flows from Investing Activities**

Interest Received from Investments	102,932.77
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<b>Net Cash Inflow (Outflow) from All Activities</b>	(214,756.02)
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Cash and Cash Equivalents at Beginning of Year	269,310.91
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<b>Cash and Cash Equivalents at End of Year</b>	<b>\$ 54,554.89</b>
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**Cash and Cash Equivalents**

Restricted Cash and Cash Equivalents	\$ 48,916.39
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Unrestricted Cash and Cash Equivalents	5,638.50
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<b>Cash and Cash Equivalents at End of Year</b>	<b>\$ 54,554.89</b>
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**Reconciliation of Operating Income (Loss) to Net Cash  
Provided by Operating Activities**

Net Operating Income (Loss)	\$ (8,524.00)
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Net Cash Provided by Operating Activities	\$ (8,524.00)
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The accompanying Notes to the Financial Statements are an integral part of this statement.

**Delaware County Educational Facilities Authority**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2022**

The following notes to the financial statements are an integral part of Delaware County Educational Facilities Authority's financial statements.

**I. Summary of Significant Accounting Policies**

Delaware County Educational Facilities Authority, Jay, Oklahoma (the Authority) was established as a Trust for the use and benefit of the Beneficiary for the public purposes hereinafter set forth, under the provisions of Title 60, Oklahoma Statutes 2001, Sections 176 to 180.4, inclusive, as amended and supplemented, the Oklahoma Trust Act and other applicable statutes and laws of the State of Oklahoma. The Authority is to assist the Beneficiary in making the most efficient use of all their economic resources and powers to lessen the burden on government and to stimulate educational growth and development; promote the educational wellbeing of the Beneficiary by improving available resources. The Authority is to conduct all business related to providing the necessary educational facilities and/or services; to plan, establish, develop, construct, finance, enlarge, remodel, acquire, improve, make alterations, extend, maintain, equip, operate, lease, furnish and regulate any facilities related to any of the foregoing, and if desired, to lease such facilities and to operate the same in connection therewith, and to do, perform, own, acquire, construct or engage in or finance any other enterprise or activity, project or facility to such extent and in such manner as now is or may be considered a proper and lawful function of public trust entities within the State of Oklahoma. The Authority began operation on May 26, 2009. The Authority is exempt from federal and state income taxes.

On June 17, 2015, the Board of Trustees of the Authority approved the Delaware County Educational Facilities Authority Educational Facilities Lease Revenue Bonds, Series 2015 (Kansas Public Schools Project) between the Authority and BancFirst (the Trustee) providing for the issuance of Revenue Bonds in the aggregate principal amount of \$4,500,000 less bond issuance costs of \$89,750.00 and bond discounts of \$116,598.35.

On July 1, 2015, the Board of Trustees of the Authority approved the Delaware County Educational Facilities Authority Educational Facilities Lease Revenue Bonds, Series 2015 (Grove Public Schools Project) between the Authority and BancFirst (the Trustee) providing for the issuance of Revenue Bonds in the aggregate principal amount of \$11,690,000, sold at a premium of \$1,384,526.55 less bond issuance costs of \$308,149.11, and an underwriter's discount of \$116,900.

The accounting policies of the Authority conform to generally accepted accounting principles applicable to governmental units. The Authority complies with generally accepted accounting principles and applies all relevant Government Accounting Standards Board (GASB) pronouncements. In addition, the Authority applies Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. The Authority has elected not to follow FASB pronouncements issued since that date.

**A. Financial Reporting Entity**

The Authority complies with GASB Statement No. 14, "*The Financial Reporting Entity*." This statement establishes standards for defining and reporting on the financial reporting entity. It defines component units as legally separate organizations for which the elected officials of the primary government are financially accountable and other organizations for which the nature and significance of their relationship with a primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The Authority considered all potential component units in determining what organizations should be included in the financial statements. Based on these criteria, there are no component units to include in the Authority's financial statements.

**Delaware County Educational Facilities Authority**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2022**

**I. Summary of Significant Accounting Policies (continued)**

**B. Measurement Focus, Basis of Accounting and Basis of Presentation – Fund Accounting**

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with Generally Accepted Accounting Principles (GAAP) promulgated in the United States of America. The accounting and financial reporting treatment is accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and liabilities associated with the operation are included on the statement of net position. The operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net position.

Financial activity is accounted for on the flow of economic resources measurement focus using the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. The Authority complies with generally accepted accounting principles and applies all relevant Government Accounting Standards Board (GASB) pronouncements.

In addition, the Authority applies Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. The Authority has elected not to follow FASB pronouncements issued since that date.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Authority's enterprise fund is rental income from the Kansas Public School District. Operating expenses for enterprise funds include trustee fees and amortization expense. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**C. Assets, Liabilities, Net Position and Revenues**

**1. Cash and Cash Equivalents**

For purposes of the statement of cash flows, the Authority considers all cash on hand, demand deposits, and highly liquid investments, with an original maturity of three months or less when purchased, to be cash and cash equivalents.

**2. Fair Value of Financial Instruments**

The Authority's financial statements include cash and investments. The Authority's estimates of the fair value of all financial instruments do not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying statement of net position. The carrying amount of these financial instruments approximates fair value because of the short maturity of these instruments.

**3. Restricted Assets**

Restricted assets include investments of the proprietary fund that are legally restricted as to their use. Financial requirements of the bond indentures require that funds be held in a bond fund which is comprised of the reserve account, debt service account, and improvement account. Under the terms and provisions of the indenture, these funds are maintained with the Trustee bank and are not subject to lien or attachment by any other creditors. These funds are to be maintained so long as the bonds are outstanding.

**Delaware County Educational Facilities Authority  
Notes to the Financial Statements  
For the Year Ended June 30, 2022**

**I. Summary of Significant Accounting Policies (continued)**

**C. Assets, Liabilities, Net Position and Revenues (continued)**

**4. Rent Receivable**

The Authority receives semi-annual rent payments from Kansas Public Schools and Grove Public Schools in the amount of \$2,000. Rent receivable is accrued from March 1 to June 30.

**5. Capital Assets**

Capital Assets are comprised of Improvements to Facilities. Therefore, there were no increase in capital assets.

**6. Accrued Interest**

Interest payments on the Kansas Public Schools 2015 Series Bond and the Grove Public Schools 2015 Series Bonds are due semi-annually on March 1 and September 1 each year until maturity. Interest payable is accrued from March 1 through June 30 on all bonds.

**7. Long-Term Obligations**

Long-term debt is reported as a liability in the Authority's statement of net position.

**8. Deferred Revenue**

The Authority entered into a lease agreement with Kansas Public Schools in June 2015. The 2015 Bond Series proceeds are for the construction of a new event center/storm shelter. The gain or loss will not be recognized on the project until the lease obligation is fulfilled, and title is transferred to the school.

The Authority entered into a lease agreement with Grove Public Schools in July 2015. The 2015 Bond Series proceeds are for the construction of a new Performance Arts Center. The gain or loss will not be recognized on the project until the lease obligation is fulfilled, and title is transferred to the school.

**9. Equity Classifications**

Equity is classified as Net Position and displayed in three components:

- a. *Invested in capital assets, net of related debt* – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
- b. *Restricted Net Position* – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. *Unrestricted Net Position* – All other net positions that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

**Delaware County Educational Facilities Authority**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2022**

**I. Summary of Significant Accounting Policies (continued)**

**C. Assets, Liabilities, Net Position and Revenues (continued)**

**10. Use of Estimates**

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**II. Stewardship, Compliance and Accountability**

**A. Budgetary Information**

Stewardship, compliance, and accountability are key concepts in defining the responsibilities of the Delaware County Educational Facilities Authority. The use of budgets and monitoring of equity status facilitate the Authority's compliance with legal requirements. The Authority did not prepare a budget for the 2021 fiscal year.

**III. Detailed Notes Concerning the Funds**

**A. Cash**

*Custodial Credit Risk – Deposits.* Custodial credit risk is the risk that in the event of a bank failure, the Authority's deposits may not be returned to it. The Authority's cash deposits, including interest-bearing certificates of deposit, are maintained in financial institutions. As of June 30, 2022, none of the Authority's deposits were exposed to custodial credit risk.

*Interest rate risk:* This is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The Authority does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

*Repurchase agreements:* The Authority is invested in the Goldman Sachs Financial Square Federal Fund. According to the Financial Square Federal Fund holdings report, a portion of the investments are subject to repurchase agreements. The Authority's investments are collateralized by Treasury securities; however, current and future holdings are subject to risk.

**Delaware County Educational Facilities Authority**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2022**

**III. Detailed Notes Concerning the Funds (continued)**

**B. Capital Assets**

	Balance June 30, 2021	Additions	Disposals	Balance June 30, 2022
Capital Lease Assets				
Kansas Schools	\$ 4,280,513.71	\$ -	\$ -	\$ 4,280,513.71
Grove Schools	12,793,108.88	-	-	12,793,108.88
Net Capital Assets	<u>\$ 17,073,622.59</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,073,622.59</u>

**C. Long-Term Debt**

The Authority issued bonds in the amount of \$4,500,000 on June 17, 2015 in conjunction with an agreement with the Kansas Public School District. Interest on the bonds is payable March 1<sup>st</sup> and September 1<sup>st</sup> at varying rates. The Authority has a total of (14) principal payments, beginning September 1, 2017.

Remaining debt service requirements for the Kansas Public Schools 2015 Series Bonds are as follows:

Year Ended June 30,	Principal	Interest	Total Requirements
2023	\$ 300,000.00	\$ 106,637.52	\$ 406,637.52
2024	310,000.00	97,487.52	407,487.52
2025	315,000.00	87,915.64	402,915.64
2026	330,000.00	77,631.26	407,631.26
2027	345,000.00	65,584.38	410,584.38
2028-2031	1,520,000.00	120,900.02	1,640,900.02
Total	<u>\$ 3,120,000.00</u>	<u>\$ 556,156.34</u>	<u>\$ 3,676,156.34</u>

The Authority issued bonds in the amount of \$11,690,000 on July 1, 2015 in conjunction with an agreement with the Grove Public School District. Interest on the bonds is payable March 1<sup>st</sup> and September 1<sup>st</sup> at varying rates. The Authority had a total of (4) principal payments, beginning September 1, 2017.

Remaining debt service requirements for the Grove Public Schools 2015 Series Bonds are as follows:

Year Ended June 30,	Principal	Interest	Total Requirements
2023	<u>\$ 4,125,000.00</u>	<u>\$ 103,125.00</u>	<u>\$ 4,228,125.00</u>



**Delaware County Educational Facilities Authority**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2022**

**III. Detailed Notes Concerning the Funds (continued)**

**D. Changes in Long-Term Debt**

Long-term debt consists of bonds payable. The following is a summary of the changes in long-term debt of the Authority for the fiscal year.

<u>Bond Payable</u>	<u>Balance June 30, 2021</u>	<u>Payments</u>	<u>Balance June 30, 2022</u>	<u>Due within One Year</u>
Series 2015- Kansas Schools	\$ 3,415,000.00	\$ 295,000.00	\$ 3,120,000.00	\$ 300,000.00
Series 2015- Grove Schools	4,125,000.00	-	4,125,000.00	4,125,000.00
	<u>\$ 7,540,000.00</u>	<u>\$ 295,000.00</u>	<u>\$ 7,245,000.00</u>	<u>\$ 4,425,000.00</u>

**E. Lease Purchase Agreement (Sub Lease)**

The Authority has an agreement with the Kansas Public Schools to lease the event center/storm shelter. The Authority has an agreement with the Grove Public Schools to lease the Performing Arts Center. Future minimum rental commitments for operating leases as of June 30, 2022, are as follows:

<u>Year Ended June 30,</u>	<u>Kansas Public Schools</u>	<u>Grove Public Schools</u>
2023	\$ 3,000.00	\$ 1,500.00
2024	3,000.00	-
2025	3,000.00	-
2026	3,000.00	-
2027	3,000.00	-
2028-2031	10,500.00	-
Total	<u>\$ 25,500.00</u>	<u>\$ 1,500.00</u>

The rent is due in equal semi-annual installments on or before September 1 and March 1.

**Delaware County Educational Facilities Authority**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2022**

**III. Detailed Notes Concerning the Funds (continued)**

**F. Capital Lease Agreement (Ground Lease)**

The Authority has entered into an agreement to lease the event center/storm shelter to Kansas Public Schools. The Authority has also entered into an agreement to lease the Performing Arts Center to Grove Public Schools. Such agreements are, in substance, purchases (capital lease) and are reported as capital lease receivables.

The following schedule presents future minimum lease payments to be received from Kansas Public Schools, as of June 30, 2022:

June 30,	Principal	Interest	Total Requirements
2023	\$ 316,654.76	\$ 93,895.24	\$ 410,550.00
2024	325,925.50	84,624.50	410,550.00
2025	335,258.96	75,291.04	410,550.00
2026	345,283.07	65,266.93	410,550.00
2027	355,391.96	55,158.04	410,550.00
2028-2031	1,528,607.16	113,592.84	1,642,200.00
Total	<u>\$ 3,207,121.41</u>	<u>\$ 487,828.59</u>	<u>\$ 3,694,950.00</u>

The following schedule presents future minimum lease payments to be received from Grove Public Schools, as of June 30, 2022:

June 30,	Principal	Interest	Total Requirements
2023	<u>\$ 3,942,853.00</u>	<u>\$ 269,297.00</u>	<u>\$ 4,212,150.00</u>

The Authority leases the event center/storm shelter to the Kansas Public Schools at an interest rate of 2.846%. The terms of the lease commenced on June 1, 2015 and extend to September 1, 2030 under the terms of the indenture and so long thereafter as long as any Bond shall remain outstanding and unpaid. Upon fulfilling the lease obligation, the Authority agrees to execute and deliver to the Kansas Public Schools a deed or bill of sale, as appropriate, to convey legal title to the event center/storm shelter.

The Authority leases the Performing Arts Center to the Grove Public Schools at an interest rate of 3.258%. The terms of the lease commenced on July 1, 2015 and extend to September 1, 2022 under the terms of the indenture and so long thereafter as long as any Bond shall remain outstanding and unpaid. Upon fulfilling the lease obligation, the Authority agrees to execute and deliver to the Grove Public Schools a deed or bill of sale, as appropriate, to convey legal title to the event center/storm shelter.

**Delaware County Educational Facilities Authority**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2022**

**IV. Other Information**

**A. Economic Dependence**

During the fiscal year ended June 30, 2022, the Authority reported lease revenues of \$6,000 pursuant to its lease agreement with the Kansas Public Schools, Kansas, Oklahoma, and the Grove Public Schools, Grove, Oklahoma. This amount represents 100% of the Authority's total operating revenues.

**B. Subsequent Events**

Management has evaluated subsequent events through the date of this report, which is the date the financial statements were available to be issued and have determined that no additional information needs to be added to the financial statements.

**V. Prior Period Adjustment**

Beginning Net Position was reduced to account for a payment made by Kansas Public School being short by \$550.00 in FY 2019.