

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

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

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2023**

Delaware County Educational Facilities Authority
Board of Trustees
June 30, 2023

David Poindexter
Jake Callihan
David Beck
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, 2023, 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, 2023**

No findings.

Delaware County Educational Facilities Authority
Statement of Net Position
For the Year Ended June 30, 2023

ASSETS

Current Assets

Cash and Cash Equivalents, Unrestricted	\$ 17,901.50
Rent Receivable, Restricted	2,000.00
Lease Purchase Receivable, Current Portion	325,925.50
Total Current Assets	<u>345,827.00</u>

Noncurrent Assets

Cash and Cash Equivalents, Restricted	9,055,258.25
Accrued Interest Receivable	383,975.42
Lease Purchase Receivable, net of Current Portion	11,929,541.15
Capital Lease Assets	4,760,448.02
Total Noncurrent Assets	<u>26,129,222.84</u>

Total Assets

26,475,049.84

LIABILITIES

Current Liabilities

Accrued Interest Payable	190,129.17
Bonds Payable, Current Portion	310,000.00
Total Current Liabilities	<u>500,129.17</u>

Long Term Liabilities

Bonds Payable, net of Current Portion	11,875,000.00
Total Liabilities	<u>12,375,129.17</u>

DEFERRED INFLOWS

Deferred Lease Purchase Revenue	<u>13,865,000.00</u>
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NET POSITION

Invested in Capital Assets, net of Related Debt	(7,424,551.98)
Restricted Net Position	7,641,571.15
Unrestricted Net Position	17,901.50
Total Net Position	<u>\$ 234,920.67</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, 2023

Operating Revenues	
Rental Income	\$ 6,000.00
Apportionment from County	40,588.84
Total Operating Revenues	<u>46,588.84</u>
Operating Expenses	
Trustee Fees	(11,375.05)
Professional Fees	(4,847.00)
Total Operating Expenses	<u>(16,222.05)</u>
Net Income (Loss) From Operations	<u>30,366.79</u>
Non Operating Revenue (Expense)	
Interest Income	651,345.83
Premium on Bond Issue	378,159.15
Loss on Sale of Asset	(1,103,108.88)
Interest Expense	(464,486.82)
Bond Issuance Costs	(260,192.50)
Distribution of Residual Income	(61,620.57)
Total Non Operating Revenue (Expense)	<u>(859,903.79)</u>
Net Income (Loss)	(829,537.00)
Net Position, Beginning of Year	<u>1,064,457.67</u>
Net Position, End of Year	<u><u>\$ 234,920.67</u></u>

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, 2023

Cash Flows from Operating Activities

Cash Inflows:

Payments Received from Schools	\$ 6,000.00
Payments Received from County	40,588.84

Cash Outflows:

Payments for Goods and Services	(16,222.05)
Net Cash Provided (Used) by Operating Activities	<u>30,366.79</u>

Cash Flows from Capital and Related Financing Activities

Principal Lease Purchase Payment from Schools	4,259,507.76
Debt Service on Bonds Payable, Principal	(4,425,000.00)
Debt Service on Bonds Payable, Interest	(380,153.49)
Proceeds from Bonds	9,743,159.15
Bond Issuance Costs	(260,192.50)
Purchase of Capital Lease Assets-Construction in Progress	(479,934.31)
Residual Income to School	(61,620.57)
Net Cash Provided (Used) for Capital and Related Financing Activities	<u>8,395,766.04</u>

Cash Flows from Investing Activities

Interest Received from Investments	<u>592,472.03</u>
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Net Cash Inflow (Outflow) from All Activities 9,018,604.86

Cash and Cash Equivalents at Beginning of Year 54,554.89

Cash and Cash Equivalents at End of Year \$ 9,073,159.75

Cash and Cash Equivalents

Restricted Cash and Cash Equivalents	\$ 9,055,258.25
Unrestricted Cash and Cash Equivalents	17,901.50

Cash and Cash Equivalents at End of Year \$ 9,073,159.75

**Reconciliation of Operating Income (Loss) to Net Cash
Provided by Operating Activities**

Net Operating Income (Loss)	<u>\$ 30,366.79</u>
Net Cash Provided by Operating Activities	<u><u>\$ 30,366.79</u></u>

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, 2023

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.

On October 1, 2022, the Board of Trustees of the Authority approved the Delaware County Educational Facilities Authority Educational Facilities Lease Revenue Bonds, Series 2022 (Jay Public Schools Project) between the Authority and BancFirst (the Trustee) providing for the issuance of Revenue Bonds in the aggregate principal amount of \$9,365,000, sold at a premium of \$378,159.15 less bond issuance costs of \$260,192.50.

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.

Delaware County Educational Facilities Authority
Notes to the Financial Statements
For the Year Ended June 30, 2023

I. Summary of Significant Accounting Policies (continued)

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.

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 & Jay Public School Districts. 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.

**Delaware County Educational Facilities Authority
Notes to the Financial Statements
For the Year Ended June 30, 2023**

I. Summary of Significant Accounting Policies (continued)

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

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.

4. Rent Receivable

The Authority receives semi-annual rent payments from Kansas Public Schools and Jay 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 Jay Public Schools 2022 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 of loss will not be recognized on the project until the lease obligation is fulfilled, and title is transferred to the school. The title was transferred in FY 2022-2023.

Delaware County Educational Facilities Authority
Notes to the Financial Statements
For the Year Ended June 30, 2023

I. Summary of Significant Accounting Policies (continued)

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

8. Deferred Revenue(continued)

The Authority entered into a lease agreement with Jay Public Schools in October 2022. The 2022 Bond Series proceeds are for the construction of a new Lower Elementary Cafeteria, HS Science Building Wing and Fieldhouse. The gain of 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.”

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 2022 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, 2023, none of the Authority's deposits were exposed to custodial credit risk.

Delaware County Educational Facilities Authority
Notes to the Financial Statements
For the Year Ended June 30, 2023

III. Detailed Notes Concerning the Funds (continued)

A. Cash (continued)

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.

B. Capital Assets

	Balance June 30, 2022	Additions	Disposals	Balance June 30, 2023
Capital Lease Assets				
Kansas Schools	\$ 4,280,513.71	\$ -	\$ -	\$ 4,280,513.71
Grove Schools	12,793,108.88	-	(12,793,108.88)	-
Jay Schools	-	479,934.31	-	479,934.31
Net Capital Assets	<u>\$ 17,073,622.59</u>	<u>\$ 479,934.31</u>	<u>\$ (12,793,108.88)</u>	<u>\$ 4,760,448.02</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 1st and September 1st 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
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	355,000.00	52,021.88	407,021.88
2029-2031	1,165,000.00	68,878.14	1,233,878.14
Total	<u>\$ 2,820,000.00</u>	<u>\$ 449,518.82</u>	<u>\$ 3,269,518.82</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 1st and September 1st at varying rates. This bond was paid off in the 2022-2023 fiscal year.

Delaware County Educational Facilities Authority
Notes to the Financial Statements
For the Year Ended June 30, 2023

III. Detailed Notes Concerning the Funds (continued)

C. Long-Term Debt (continued)

The Authority issued bonds in the amount of \$9,365,000 on October 1, 2022 in conjunction with an agreement with the Jay Public School District. Interest on the bonds is payable March 1st and September 1st at varying rates. The Authority has a total of (2) principal payments, beginning March 1, 2023.

Remaining debt service requirements for the Jay Public Schools 2022 Series Bonds are as follows:

Year Ended				
June 30,	Principal	Interest	Total Requirements	
2024	\$ -	\$ 468,250.00	\$ 468,250.00	
2025	3,985,000.00	368,625.00	\$ 4,353,625.00	
2026	-	269,000.00	\$ 269,000.00	
2027	-	269,000.00	\$ 269,000.00	
2028	-	269,000.00	\$ 269,000.00	
2029-2030	5,380,000.00	403,500.00	\$ 5,783,500.00	
	<u>\$ 9,365,000.00</u>	<u>\$ 2,047,375.00</u>	<u>\$ 11,412,375.00</u>	

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.

	Balance June 30, 2022	Proceeds	Payments	Balance June 30, 2023	Due within One Year
Bond Payable					
Series 2015- Kansas Schools	\$ 3,120,000.00	\$ -	\$ 300,000.00	\$ 2,820,000.00	\$ 310,000.00
Series 2015- Grove Schools	4,125,000.00	-	4,125,000.00	-	-
Series 2022- Jay Schools	-	9,365,000.00	-	9,365,000.00	-
	<u>\$ 7,245,000.00</u>	<u>\$ 9,365,000.00</u>	<u>\$ 4,425,000.00</u>	<u>\$ 12,185,000.00</u>	<u>\$ 310,000.00</u>

Delaware County Educational Facilities Authority
Notes to the Financial Statements
For the Year Ended June 30, 2023

III. Detailed Notes Concerning the Funds (continued)

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 Jay Public Schools to lease the stadium. Future minimum rental commitments for operating leases as of June 30, 2023, are as follows:

Year Ended June 30,	<u>Kansas Public Schools</u>	<u>Jay Public Schools</u>
2024	\$ 3,000.00	\$ 3,000.00
2025	3,000.00	3,000.00
2026	3,000.00	3,000.00
2027	3,000.00	3,000.00
2028	3,000.00	3,000.00
2029-2031	7,500.00	4,500.00
Total	<u>\$ 22,500.00</u>	<u>\$ 19,500.00</u>

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

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 improved school sites to Jay 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, 2023:

Year Ended June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
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	365,796.80	44,753.20	410,550.00
2029-2031	1,162,810.36	68,839.64	1,231,650.00
Total	<u>\$ 2,890,466.65</u>	<u>\$ 393,933.35</u>	<u>\$ 3,284,400.00</u>

Delaware County Educational Facilities Authority
Notes to the Financial Statements
For the Year Ended June 30, 2023

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

The following schedule presents future minimum lease payments to be received from Jay Public Schools, as of June 30, 2023:

Year Ended			
June 30,	Principal	Interest	Total Requirements
2024	\$ -	\$ 468,250.00	\$ 468,250.00
2025	3,985,000.00	368,625.00	4,353,625.00
2026	-	269,000.00	269,000.00
2027	-	269,000.00	269,000.00
2028	-	269,000.00	269,000.00
2029-2030	5,380,000.00	403,500.00	5,783,500.00
Total	<u>\$ 9,365,000.00</u>	<u>\$ 2,047,375.00</u>	<u>\$ 11,412,375.00</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 Stadium to the Jay Public Schools at an interest rate of 3.00%. The terms of the lease commenced on March 1, 2023 and extend to September 1, 2029 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 Jay Public Schools a deed or bill of sale, as appropriate, to convey legal title to the Lower Elementary Cafeteria, HS Science Building Wing and Fieldhouse.

IV. Other Information

A. Economic Dependence

During the fiscal year ended June 30, 2023, the Authority reported lease revenues of \$6,000 pursuant to its lease agreement with the Kansas Public Schools, Kansas, Oklahoma, and the Jay Public Schools, Jay, 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.