

Rogers County Educational Facilities Authority
Claremore, Oklahoma

Independent Auditor's Report
and Financial Statements

June 30, 2023

Rogers County Educational Facilities Authority

Rogers County, Oklahoma

June 30, 2023

Table of Contents

	<u>Page</u>
Independent Auditor's Report	1
Report on Internal Control over Financial Reporting and on Compliance Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards	3
<i>Financial Statements:</i>	
Statement of Financial Position	4
Statement of Revenues, Expenses, and Changes in Fund Net Assets	5
Statement of Cash Flows	6
Notes to the Financial Statements	7
Schedule of Audit Findings	19



Independent Auditor's Report

Board of Trustees
Rogers County Educational Facilities Authority

Opinions

We have audited the accompanying financial statements of Rogers 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 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 respective financial position of Rogers County Educational Facilities Authority, as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Rogers County Educational Facilities Authority 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 opinions.

Management's Responsibility 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 Rogers County Educational Facilities Authority ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibility 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 opinions. 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 and *Government 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 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.

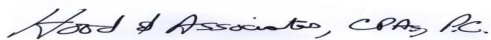
In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- 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 Rogers County Educational Facilities 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 Rogers County Educational Facilities 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 Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 7, 2023, on our consideration of the Rogers County Educational Facilities 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 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 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 Rogers County Educational Facilities Authority internal control over financial reporting and compliance.



Hood & Associates CPAs, PC

December 7, 2023



Report on Internal Control Over Financial Reporting and on Compliance Based on an Audit of Financial Statements
Performed in Accordance with Government Auditing Standards

Board of Directors
Rogers 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 Rogers 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 Rogers County Educational Facilities Authority's basic financial statements, and have issued our report thereon dated December 7, 2023.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Rogers County Educational Facilities Authority's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Rogers County Educational Facilities Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of Rogers County Educational Facilities Authority's internal control.

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 the 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 may exist that have not been identified.

Compliance

As part of obtaining reasonable assurance about whether the Rogers County Educational Facilities Authority's financial statements are free of 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 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.

Hood & Associates, CPAs, PC.

Hood & Associates CPAs, PC
December 7, 2023

HOOD & ASSOCIATES CPAS, PC

www.hoodcpas.com

Rogers County Educational Facilities Authority

Statement of Financial Position

June 30, 2023

ASSETS

Current Assets

Cash and Cash Equivalents, Restricted	\$ 38,530,115
Deposits with Third Party	108,490
Rent Receivable	4,500
Lease Purchase Receivable, current portion	7,507,700
Total Current Assets	<u>46,150,805</u>

Noncurrent Assets

Lease Purchase Receivable, net of current portion	50,635,300
Construction in Progress	64,950,049
Total Noncurrent Assets	<u>115,585,349</u>

Total Assets	<u>161,736,154</u>
--------------	--------------------

LIABILITIES

Current Liabilities

Accrued Interest Payable	887,838
Bonds Payable, current portion	1,892,000
Total Current Liabilities	<u>2,779,838</u>

Long Term Liabilities

Bonds Payable, net of current portion	56,251,000
---------------------------------------	------------

Total Liabilities	<u>59,030,838</u>
-------------------	-------------------

DEFERRED INFLOWS OF RESOURCES

Deferred Lease Purchase	<u>103,635,000</u>
-------------------------	--------------------

NET POSITION

Net Investment in Capital Assets	6,807,049
Restricted	(7,736,733)

Total Net Position	<u>\$ (929,684)</u>
--------------------	---------------------

The accompanying notes are an integral part of these financial statements.

Rogers County Educational Facilities Authority
Statement of Revenues, Expenses and Changes in Fund Net Position
For the Year Ended June 30, 2023

Operating Revenues	
Rental Income	\$ 12,546
Operating Expenses	
Professional Fees	50,919
Trustee Expense	20,167
Supplies	185
Total Operating Expenses	71,270
Net Income (Loss) From Operations	(58,725)
Non Operating Revenue (Expense)	
Interest Lease Payment from School	1,356,902
Federal Interest Subsidy	(3,546)
Investment Earnings	997,720
Residual Funds to School	(10,952)
Bond Premium	3,230,169
Bond Costs	(727,175)
Transfers In/(Out)	75,802
Interest Expense	(2,139,812)
Total Non-Operating Revenue (Expense)	2,779,107
Net Income (Loss)	2,720,382
Net Position, Beginning of Year	(3,650,066)
Net Position, End of Year	\$ (929,684)

The accompanying notes are in integral part of these financial statements.

Rogers 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 \$ 12,546

Cash Outflows:

Trustee Fees (20,167)

Professional Fees (50,919)

Other (185)

Net Cash Provided (Used) by Operating Activities (58,725)

Cash Flows from Non Capital Financing Activities

Transfers in (out) 75,802

Residual funds to schools (10,952)

Net Cash Provided (Used) by Non Capital Financing Activities 64,849

Cash Flows from Capital and Related Financing Activities

Principal Lease Purchase Payment from School 22,986,750

Interest Lease Purchase Payment from School 1,356,902

Proceeds from Federal Interest Subsidy 58,656

Debt Service on Bonds Payable, Principal (22,986,750)

Debt Service on Bonds Payable, Interest (1,938,432)

Purchase of Capital Assets-Construction in Progress (1,180,601)

Proceeds from Bonds 38,380,169

Bond Costs (727,175)

Net Cash Provided (Used) by Capital and Related Financing Activities 35,949,519

Cash Flows from Investing Activities

Interest Received from Investments 997,720

Net Cash Inflow (Outflow) from All Activities 36,953,363

Cash and Cash Equivalents at Beginning of Year 1,685,242

Cash and Cash Equivalents at End of Year \$ 38,638,605

Cash and Cash Equivalents

Cash and Cash Equivalents - restricted \$ 38,530,115

Cash Held By Others 108,490

Cash and Cash Equivalents at End of Year \$ 38,638,605

Reconciliation of Operating Income (Loss) to Net Cash

Provided by Operating Activities

Net Operating Income (Loss) \$ (58,725)

Decrease in Accounts Receivable -

Decrease in Accounts Payable -

Net Cash Provided (Used) by Operating Activities \$ (58,725)

The accompanying notes are an integral part of these financial statements.

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

I. Summary of Significant Accounting Policies

Rogers County Educational Facilities Authority, Claremore, 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 Trust 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, increasing meaningful job opportunities, promoting entrepreneurship and capital investment. The Trust 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 alternations, 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 June 21, 2010. The Authority is exempt from federal and state income taxes.

On August 1, 2014, the Board of Trustees of the Authority approved the Rogers County Educational Facilities Authority Educational Facilities Lease Revenue Bonds, Catoosa Public Schools Project Series 2014, between the Authority and Bank of Oklahoma (the Trustee) providing for the issuance of Revenue Bonds in the aggregate principal amount of \$31,150,000.

On September 1, 2018, the Board of Trustees of the Authority approved the Rogers County Educational Facilities Authority Educational Facilities Lease Revenue Bonds, Verdigris Public Schools Project Series 2018, between the Authority and Bank of Oklahoma (the Trustee) providing for the issuance of Revenue Bonds in the aggregate principal amount of \$11,030,000.

On January 1, 2020, the Board of Trustees of the Authority approved the Rogers County Educational Facilities Authority Educational Facilities Lease Revenue Bonds, Oologah-Talala Public Schools Project Series 2020, between the Authority and BancFirst (the Trustee) providing for the issuance of Revenue Bonds in the aggregate principal amount of \$7,335,000.

On October 24, 2019, the Board of Trustees of the Authority approved the Rogers County Educational Facilities Authority Lease Financing Series 2019, Claremore Public Schools Project, between the Authority and UMB Bank (the Trustee) providing for the issuance of Revenue Bonds in the aggregate principal amount of \$17,265,000.

Rogers County Educational Facilities Authority

Notes to Financial Statements
For the Year Ended June 30, 2023

I. Summary of Significant Accounting Policies (continued)

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. 61, “*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. Basis of Presentation

The Authority’s fund is an enterprise fund. Enterprise funds are proprietary funds used to account for business-like activities provided to the general public. These activities are financed primarily by user charges and the measurement of financial activity focuses on net income measurement similar to the private sector.

C. Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe *which* transactions are recorded within the various financial statements. Basis of accounting refers to *when* transactions are recorded regardless of the measurement focus applied.

The proprietary funds utilize an “*economic resources*” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net position.

All proprietary funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

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 rent and lease payments charged to the Catoosa, Oologah-Talala and Justus-Tiawah School Districts. Operating expenses for enterprise funds include the cost of administrative expenses and professional fees. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Rogers County Educational Facilities Authority

Notes to Financial Statements
For the Year Ended June 30, 2023

I. Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities, Net Position and Revenues

1. Cash and Cash Equivalents

For purposes of the statement of cash flows, the Trust 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 balance sheet. 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 indenture 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 Catoosa Public Schools, Oologah-Talala, Justus-Tiawah and Verdigris Public Schools in the amount of \$1,500 from each school.

5. Capital Assets

Construction in progress expenditures during the year were \$1,180,601 which will be added to capital assets. The Authority has no depreciable assets.

6. Accrued Interest

Interest payments on the Oologah-Talala Series 2010A bonds are subsidized by the Federal government. The interest subsidy payments are received 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. Oologah-Talala is responsible for any difference between the semi-annual interest payment and what is received from the Federal government.

7. Long-Term Obligations

Long-term debt is reported as a liability in the Authority's balance sheet. Bond discounts, as well as issuance costs, are expensed in the current period and reported as an expense on the Authority's balance sheet.

Rogers County Educational Facilities Authority

Notes to Financial Statements
For the Year Ended June 30, 2023

I. Summary of Significant Accounting Policies (continued)

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

8. Deferred Lease Purchase

The Authority entered into a lease agreement with Catoosa, Oologah-Talala, Justus-Tiawah and Verdigris Public Schools. The bond proceeds are used to complete construction and building improvements throughout the Districts. The additions and improvements are being sold to the Catoosa, Oologah-Talala, Justus-Tiawah and Verdigris Public Schools through a lease agreement.

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 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 position that do not meet the definition of “restricted” or “net investment in capital assets.”

10. Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions 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. 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.

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.

Rogers County Educational Facilities Authority

Notes to Financial Statements
For the Year Ended June 30, 2023

II. Detailed Notes Concerning the Funds (continued)

B. Long-Term Debt

Catoosa Public Schools:

The Authority issued building bonds in the amount of \$35,150,000 on September 1, 2022. Interest on the bonds is payable March 1st and September 1st at 5%. The Authority has bi-annual and tri-annual principal payments, beginning September 1, 2024.

Debt service requirements for the 2022 Series Bonds are as follows:

Year Ended June 30,	Principal	Interest	Total Requirements
2024	\$ -	\$ 1,757,500	\$ 1,757,500
2025	4,310,000	1,649,750	5,959,750
2026	-	1,542,000	1,542,000
2027	7,760,000	1,348,000	9,108,000
2028	-	1,154,000	1,154,000
2029	-	1,154,000	1,154,000
2030	9,935,000	905,625	10,840,625
2031	-	657,250	657,250
2032	-	657,250	657,250
2033	13,145,000	328,625	13,473,625
	<u>\$ 35,150,000</u>	<u>\$ 11,154,000</u>	<u>\$ 46,304,000</u>

Verdigris Public Schools:

The Authority issued building bonds in the amount of \$11,030,000 on September 1, 2018. Interest on the bonds is payable March 1st and September 1st. The Authority has annual principal payments, beginning September 1, 2020.

Debt service requirements for the 2018 Series Bonds are as follows:

Year Ended June 30,	Principal	Interest	Total Requirements
2024	\$ -	\$ 244,800	\$ 244,800
2025	6,120,000	1,224,800	7,344,800
	<u>\$ 6,120,000</u>	<u>\$ 1,469,600</u>	<u>\$ 7,589,600</u>

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

II. Detailed Notes Concerning the Funds (continued)

C. Long-Term Debt (continued)

Oologah-Talala Public Schools:

The Authority issued building bonds in the amount of \$7,335,000 on January 1, 2020. Interest on the bonds is payable annually on September 1st at varying rates. The Authority has annual principal payments, beginning September 1, 2020.

Debt service requirements for the 2020 Series Bonds are as follows:

Year Ended June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
2024	\$ 1,080,000	\$ 193,400	\$ 1,273,400
2025	1,160,000	150,200	1,310,200
2026	1,250,000	103,800	1,353,800
2027	1,345,000	53,800	1,398,800
	<u>\$ 4,835,000</u>	<u>\$ 501,200</u>	<u>\$ 5,336,200</u>

Claremore Public Schools:

The Authority issued building bonds in the amount of \$17,265,000 on October 24, 2019. Interest on the bonds is payable annually on September 1st at varying rates. The Authority has annual principal payments, beginning August 20, 2020.

Debt service requirements for the 2019 Series Bonds are as follows:

Year Ended June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
2024	\$ 812,000	\$ 264,836	\$ 1,076,836
2025	1,404,000	246,972	1,650,972
2026	2,016,000	216,084	2,232,084
2027	2,369,000	171,732	2,540,732
2028	1,460,000	119,614	1,579,614
2029	1,792,000	87,494	1,879,494
2030	2,185,000	48,070	2,233,070
	<u>\$ 12,038,000</u>	<u>\$ 1,154,802</u>	<u>\$ 13,192,802</u>

Rogers County Educational Facilities Authority

Notes to Financial Statements
For the Year Ended June 30, 2023

II. Detailed Notes Concerning the Funds (continued)

B. Long-Term Debt (continued)

Total of All Schools:

Year Ended June 30,	Principal	Interest	Total Requirements
2024	\$ 1,892,000	\$ 2,460,536	\$ 4,352,536
2025	12,994,000	3,271,722	16,265,722
2026	3,266,000	1,861,884	5,127,884
2027	11,474,000	1,573,532	13,047,532
2028	1,460,000	1,273,614	2,733,614
2029	1,792,000	1,241,494	3,033,494
2030	12,120,000	953,695	13,073,695
2031	-	657,250	657,250
2032	-	657,250	657,250
2033	13,145,000	328,625	13,473,625
	<u>\$ 58,143,000</u>	<u>\$ 14,279,602</u>	<u>\$ 72,422,602</u>

Rogers County Educational Facilities Authority

Notes to Financial Statements
For the Year Ended June 30, 2023

II. Detailed Notes Concerning the Funds (continued)

C. 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
Oologah-Talala 2010A	\$ 6,270,250	\$ -	\$ 6,270,250	\$ -	\$ -
Oologah-Talala 2020	5,845,000	-	1,010,000	4,835,000	1,080,000
Catoosa 2022	-	35,150,000	-	35,150,000	-
Verdigris 2018	8,850,000	-	2,730,000	6,120,000	-
Claremore PS 2019	14,191,000	-	2,153,000	12,038,000	812,000
Bonds Payable	<u>\$ 35,156,250</u>	<u>\$ 35,150,000</u>	<u>\$ 12,163,250</u>	<u>\$ 58,143,000</u>	<u>\$ 1,892,000</u>

D. Lease Purchase Agreement (Sub Lease)

The Authority has a commitment with the Oologah-Talala Public Schools to lease the additions and improvements to the school buildings. Future minimum rental commitments for operating leases as of June 30, 2023, are as follows:

The rent is due in equal semi-annual installments on or before the 1st of September and March, ending September 1, 2027.

Year Ended June 30,	Rent
2024	\$ 3,000
2025	3,000
2026	3,000
2027	1,500
Total	<u>\$ 10,500</u>

Rogers County Educational Facilities Authority

Notes to Financial Statements
For the Year Ended June 30, 2023

II. Detailed Notes Concerning the Funds (continued)

D. Lease Purchase Agreement (Sub Lease) (continued)

The Authority has a commitment with the Verdigris Public Schools to lease the additions and improvements to the school buildings. Future minimum rental commitments for operating leases as of June 30, 2023 are as follows:

Year Ended June 30,	Rent
2024	\$ 3,000
2025	1,500
Total	<u>\$ 4,500</u>

The Authority has a commitment with the Catoosa Public Schools to lease the additions and improvements to the school buildings. Future minimum rental commitments for operating leases as of June 30, 2023, are as follows:

The rent is due in equal semi-annual installments on or before the 1st of September and March, ending September 1, 2033.

Year Ended June 30,	Rent
2024	\$ 3,000
2025	3,000
2026	3,000
2027	3,000
2028	3,000
2029	3,000
2030	3,000
2031	3,000
2032	3,000
2033	1,500
Total	<u>\$ 28,500</u>

Rogers County Educational Facilities Authority

Notes to Financial Statements
For the Year Ended June 30, 2023

II. Detailed Notes Concerning the Funds (continued)

D. Lease Purchase Agreement (Sub Lease) (continued)

Total rent due from all Schools are as follows:

Year Ended June 30,	<u>Rent</u>
2024	\$ 9,000
2025	7,500
2026	6,000
2027	4,500
2028	3,000
2029	3,000
2030	3,000
2031	3,000
2032	3,000
2033	1,500
Total	<u>\$ 43,500</u>

E. Capital Lease Agreement (Ground Lease)

The Authority has entered into an agreement to lease the additions and improvement to the school buildings. Such agreements are, in substance, purchase (capital leases) and are reported as capital lease obligations. Upon fulfilling the lease obligation, the Authority agrees to execute and deliver to the School a deed or bill of sale, as appropriate, to convey legal title to the additions and improvements to the school buildings.

Oologah-Talala Public Schools:

The following schedule presents future minimum lease payments for the Series 2020 Bond as of June 30, 2023:

Year Ended June 30,	<u>Total Requirements</u>
2024	\$ 1,257,000
2025	1,291,650
2026	1,331,250
2027	1,370,850
Total	<u>\$ 5,250,750</u>

Rogers County Educational Facilities Authority

Notes to Financial Statements
For the Year Ended June 30, 2023

II. Detailed Notes Concerning the Funds (continued)

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

Verdigris Public Schools:

The following schedule presents future minimum lease payments for the Series 2018 Bond as of June 30, 2023:

Year Ended June 30,	<u>Total Requirements</u>
2025	\$ 6,250,700
Total	<u>\$ 6,250,700</u>

Catoosa Public Schools:

The following schedule presents future minimum lease payments for the Series 2022 Bond as of June 30, 2023:

Year Ended June 30,	<u>Total Requirements</u>
2024	\$ -
2025	7,577,223
2026	-
2027	11,499,641
2028	-
2029	-
2030	12,209,144
2031	-
2032	-
2033	13,483,251
Total	<u>\$ 44,769,259</u>

Total lease payments from all Schools are as follows:

Year Ended June 30,	<u>Total Requirements</u>
2024	\$ 1,257,000
2025	15,119,573
2026	1,331,250
2027	12,870,491
2028	-
2029	-
2030	12,209,144
2031	-
2032	-
2033	13,483,251
Total	<u>\$ 56,270,709</u>

Rogers County Educational Facilities Authority
Notes to Financial Statements
June 30, 2023

II. Other Information

A. Economic Dependence

During the fiscal year ended June 30, 2023, the Authority reported rental lease revenues of \$12,545.50 pursuant to its lease agreement with the Catoosa, Oologah-Talala, Justus-Tiawah and Verdigris. 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.

C. Contingent Liabilities

The governing board of the Authority is not aware of any pending or threatened legal actions against it. However, any such actions would probably be covered by insurance.

Rogers County Educational Facilities Authority

Schedule of Audit Findings

June 30, 2023

A. PRIOR YEAR AUDIT FINDINGS

NONE

B. CURRENT YEAR AUDIT FINDINGS

Compliance

NONE

Internal Control Over Financial Reporting

NONE

C. Questioned Costs

NONE