

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORTS
BECKHAM COUNTY
EDUCATIONAL FACILITIES AUTHORITY
SAYRE, OKLAHOMA
JUNE 30, 2022**

**BECKHAM COUNTY EDUCATIONAL FACILITIES AUTHORITY
SAYRE, OKLAHOMA
JUNE 30, 2022**

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Performed in Accordance with Government Auditing Standards



BRITTON, KUYKENDALL, & MILLER
CERTIFIED PUBLIC ACCOUNTANTS

JAMES M. KUYKENDALL
RICK D. MILLER

204 E. FRANKLIN - P.O. BOX 507
WEATHERFORD, OK 73096
580-772-3596
FAX 580-772-3085

INDEPENDENT AUDITOR'S REPORT

To the Trustees of
Beckham County Educational Facilities Authority
Sayre, Oklahoma 73662

Opinions

We have audited the accompanying modified cash basis financial statements of the business-type activities, each major fund, and the aggregate remaining fund information of the Beckham County Educational Facilities Authority, Sayre, Oklahoma, a component unit of Beckham County, State of Oklahoma, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Beckham County Educational Facilities 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 modified cash basis financial position of the business-type activities, each major fund, and the aggregate remaining fund information of Beckham County Educational Facilities Authority, Sayre, Oklahoma, as of and for the year ended June 30, 2022, and the respective changes in modified cash basis financial position, and where applicable, cash flows thereof for the year then ended in accordance with the modified cash basis of accounting described in Note 1.

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 Beckham County Educational Facilities Authority, Sayre, Oklahoma, 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.

Emphasis of Matter-Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Responsibility of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash basis of accounting described in Note 1, and for determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for 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 financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Beckham County Educational Facilities Authority, Sayre, Oklahoma's 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 thereafter.

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 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 Beckham County Educational Facilities Authority, Sayre, Oklahoma'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 Beckham County Educational Facilities Authority, Sayre, Oklahoma'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 October 6, 2023, on our consideration of Beckham County Educational Facilities Authority, Sayre, Oklahoma'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 Beckham County Educational Facilities Authority, Sayre, Oklahoma'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 Beckham County Educational Facilities Authority, Sayre, Oklahoma's internal control over financial reporting and compliance.

Britton, Kuykendall & Miller

BRITTON, KUYKENDALL & MILLER
Certified Public Accountants

Weatherford, Oklahoma
October 6, 2023

**BECKHAM COUNTY EDUCATIONAL
FACILITIES AUTHORITY
STATEMENT OF NET POSITION - MODIFIED CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2022**

ASSETS

Current Assets

Cash and Cash Equivalents

\$ 9,232.00

Investments

Total Current Assets

9,232.00

Noncurrent Assets

0.00

Total Assets

\$ 9,232.00**LIABILITIES**

Current Liabilities:

\$ 0.00

NET POSITION

Unrestricted

9,232.00

Total Net Position

\$ 9,232.00

**BECKHAM COUNTY EDUCATIONAL
FACILITIES AUTHORITY
STATEMENT OF REVENUES AND EXPENSES
AND CHANGES IN NET POSITION - MODIFIED CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2022**

Operating revenues:

Acceptance Fees	\$ 0.00
Other	3,390.00
Total operating revenues	<u>3,390.00</u>

Operating expenses:

Professional Services	0.00
Other Operating costs	0.00
Total operating expenses	<u>0.00</u>

Net Operating Income (Loss) from Operations	<u>3,390.00</u>
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Nonoperating Revenue (Expense):

Interest income	0.00
Total nonoperating revenue (expense)	<u>0.00</u>

Change in Net Position	<u>3,390.00</u>
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Net Assets Beginning of Year	<u>5,842.00</u>
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Net Assets End of Year	<u>\$ 9,232.00</u>
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**BECKHAM COUNTY EDUCATIONAL
FACILITIES AUTHORITY
STATEMENT OF CASH FLOWS - MODIFIED CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2022**

Cash Flows From Operating Activities:

Cash Received From Bond Customers	\$ 0.00
Other Cash Receipts	3,390.00
Cash Payments for Professional Services	0.00
Cash Payments for Office Expenses	<u>0.00</u>
Net Cash Provided (Used) by Operating Activities	<u>3,390.00</u>

Cash Flows From Non-Capital and Related Financing Activities:

Transfers to Other Funds	<u>0.00</u>
Net Cash Provided (Used) by Non-Capital Financing Activities	<u>0.00</u>

Cash Flows From Investing Activities:

Investment Income Received	<u>0.00</u>
Net Cash Provided (Used) by Investing Activities	<u>0.00</u>

Net Increase in Cash and Cash Equivalents 3,390.00

Beginning Cash and Cash Equivalents 5,842.00

Ending Cash and Cash Equivalents \$ 9,232.00

Reconciliation of Operating Income to Net Income**Provided from Operating Activities:**

Operating Income	\$ 3,390.00
Adjustments to Reconcile Operating Income to Net Cash	<u>0.00</u>
Net Cash Provided (Used) by Operating Activities	<u><u>\$ 3,390.00</u></u>

BECKHAM COUNTY EDUCATIONAL FACILITIES AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

Note 1 – Summary of Significant Accounting Policies

As discussed further in Note 1-C., these financial statements are presented on the modified cash basis of accounting. The modified cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note.

A. Financial Reporting Entity

Beckham County Educational Facilities Authority, a public trust, created September 10, 2012, for the benefit of Beckham County, Oklahoma, and an agency of the State of Oklahoma. The Authority was created under provisions of Title 60, Oklahoma Statutes 2011, Sections 176 to 180.4 by a Declaration of Trust to furnish the Beneficiary with services and facilities, promote local industrial development, provide cultural and educational activities and facilities, and to assist in financing and constructing other facilities, all for the benefit of the County. The Authority accomplishes its mission through various educational development trusts. The Authority is empowered to borrow money and to pledge assets, properties and revenue as security against its borrowings. The Authority has no taxing power and is not legally required to adopt a budget. Budgetary comparison schedule is not presented.

Beckham County Educational Facilities Authority generally does not acquire any assets or incur any liability when it issues bonds for eligible entities. Pursuant to the respective trust indentures governing each project, the notes or bonds payable of each project do not constitute a debt, liability, or moral obligation of the Authority, the State of Oklahoma, any political subdivision thereof, or personal obligations of the trustee's of the Authority. It may earn and collect administrative fees however and must be informed of the unpaid balances. If however Beckham County Educational Facilities Authority manages the assets and liabilities and does not assign them, the assets and liabilities would be recognized. In the long term debt information section additional information discloses the outstanding obligation, which the authority has facilitated.

BECKHAM COUNTY EDUCATIONAL FACILITIES AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

A. Financial Reporting Entity - Continued

The accompanying financial statements include all functions and activities over which the Authority exercises financial accountability. Beckham County Educational Facilities Authority is a component unit of the governmental entity of Beckham County, Oklahoma. Beckham County's financial information is not presented in these financial statements. Beckham County financial audits are readily obtainable at, www.sai.ok.gov, the State Auditor's website.

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 refers to how transactions are recorded within the various financial statements. Basis of accounting refers to when transactions are recorded regardless of the measurement focus applied.

The Authority's financial statements use the economic resources measurement focus and the modified cash basis of accounting. Revenues are recognized when they are received and expenses are recorded when paid. If the Authority utilized the basis of accounting recognized as generally accepted in the United States, the financial statements would use the accrual basis of accounting. Under this basis of accounting, revenue would be recognized when earned and expenses would be recorded when the liability is incurred or economic asset used.

D. Assets, Liabilities and Net Position

Cash & Cash Equivalents

For the purposes of the statement of cash flows, the Authority considers all cash on hand, demand deposit accounts, interest bearing checking accounts and time deposit accounts including certificates of deposit with maturities of three months or less to be cash and cash equivalents.

Notes Payable - Notes Payable to be repaid from the authority resources are reported as liabilities in the balance sheet. The Authority had no notes payable as of the balance sheet date.

BECKHAM COUNTY EDUCATIONAL FACILITIES AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

D. Assets, Liabilities and Net Position (continued)

Net Position – Net Position is divided into three components:

a. *Net Investment in Capital Assets* – 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 attributed to the acquisition, construction, or improvements of those assets.

b. *Restricted net position* – Consists of net assets with constraints placed on the use either by 1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments, or 2) law through constitutional provisions or enabling legislation.

c. *Unrestricted net position* – All other net assets that do not meet the definition of “restricted” or “net investment in capital assets.”

It is the Authority’s policy to first use restricted net position prior to the use of unrestricted net position when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

E. Revenues and Expenses

Operating and Non-operating Revenues - Operating revenues are considered those whose cash flows are related to operating activities, while revenues related to financing, capital and investing activities are reported as non-operating.

Expenses - The Authority reports expenses relating to the use of economic resources.

F. Estimates

Certain estimates are made in the preparation of the financial statements, such as estimated lives for capital assets depreciation. Estimates are based on management’s best judgments and may vary from actual results.

G. Income Taxes

As a political subdivision of the State of Oklahoma, the Beckham County Educational Facilities Authority is exempt from federal and state income taxes.

BECKHAM COUNTY EDUCATIONAL FACILITIES AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

Note 2 – Detailed Notes on Transaction Classes/Accounts

A. Cash and Investments

Deposits and Investments - The Authority does not have a written investment policy that limits its investment choices. Investments are in compliance with Oklahoma statutes.

Custodial Credit Risk - 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 does not have a written policy for custodial risk. However, the Authority's balances did not exceed the \$250,000 FDIC insurance level during the fiscal year.

B. Restricted Assets

The Authority does not have any restricted assets

C. Capital Assets

The Authority does not have any capital assets to present

D. Long-Term Debt

BCEFA- Conduit Debt – The Beckham County Educational Facilities Authority has the following conduit debt outstanding at June 30, 2022, in the form of Lease Revenue Bonds:

	<u>Original Issue</u>	<u>Outstanding June 30, 2022</u>
BCEFA - Merritt Public Schools (2012)	\$ 5,220,000.00	\$ 2,080,000.00
BCEFA - Merritt Public Schools (2015)	7,590,000.00	5,560,000.00
BCEFA – Elk City Public Schools (2020)	<u>12,185,000.00</u>	<u>12,027,000.00</u>
Total	\$ <u>24,995,000.00</u>	\$ <u>19,667,000.00</u>

BECKHAM COUNTY EDUCATIONAL FACILITIES AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

D. Long-Term Debt - continued

This debt is considered non-commitment debt to the Authority since debt payments are made solely by listed entities. Payments are made directly by the entities to the trustee banks. In the event of default by the schools, the Authority has no obligation, in substance, to make any payments on the debt since the note receivable, financing agreements and mortgages on the property with the school are the only security for the debt. As a result of the non-commitment determination, the Authority's indebtedness and related receivables from the schools are not recorded in the financial statements. All rent/lease acquisition payments are current as well as bond and interest payments.

The following is a summary of debt transactions of the Authority for the year ended June 30, 2022

	Payable at July 1, 2021	Additions	Retirements	Balance at June 30, 2022
Series 2012 Bond - Merritt	\$ 2,520,000	\$ 0	\$ (440,000)	\$ 2,080,000
Series 2015 Bond - Merritt	5,955,000		(395,000)	5,560,000
Series 2015 Bond -Elk City	1,110,000	0	(1,110,000)	0
Series 2020 Bond -Elk City	12,185,000	0	(158,000)	12,027,000
	<u>\$ 21,770,000</u>	<u>\$ 0</u>	<u>\$ (2,103,000)</u>	<u>\$ 19,667,000</u>

The annual debt service requirements to retire the following bonds are:

2012 Series Bond - Merritt

Year ending June 30	Principal	Interest	Totals
2023	\$ 470,000	\$ 56,738	\$ 526,738
2024	500,000	42,187	542,187
2025	535,000	26,328	561,328
2026	575,000	8,984	583,984
Total	<u>\$ 2,080,000</u>	<u>\$ 134,237</u>	<u>\$ 2,214,237</u>

The interest paid on these bonds during the current fiscal year was \$70,388.

BECKHAM COUNTY EDUCATIONAL FACILITIES AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

D. Long-Term Debt - continued

2015 Series Bond - Merritt

<u>Year ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2023	\$ 420,000	\$ 151,437	\$ 571,437
2024	455,000	141,309	596,309
2025	480,000	129,906	609,906
2026	515,000	113,606	628,606
2027	1,155,000	88,147	1,243,147
2028-2029	<u>2,535,000</u>	<u>75,794</u>	<u>2,610,794</u>
Total	\$ <u>5,560,000</u>	\$ <u>700,199</u>	\$ <u>6,260,199</u>

The interest paid on these bonds during the current fiscal year was \$160,113.

2015 Series Bond – Elk City

<u>Year ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2023	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>
Total	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>

The interest paid on these bonds during the current fiscal year was \$32,746.

BECKHAM COUNTY EDUCATIONAL FACILITIES AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

D. Long-Term Debt - continued

2020 Series Bond – Elk City

<u>Year ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2023	\$ 1,265,000	\$ 234,526	\$ 1,499,526
2024	1,335,000	209,859	1,544,859
2025	1,406,000	183,827	1,589,827
2026	1,483,000	156,409	1,639,409
2027	1,562,000	127,491	1,689,491
2028-2029	3,378,000	161,928	3,539,928
2030	<u>1,598,000</u>	<u>31,161</u>	<u>1,629,161</u>
Total	\$ <u>12,027,000</u>	\$ <u>1,105,201</u>	\$ <u>13,132,201</u>

The interest paid on these bonds during the current fiscal year was \$153,785.

BECKHAM COUNTY EDUCATIONAL FACILITIES AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

E. Capital Leases

As stated in Note A, one of the primary purposes of the Authority is developing educational facilities. The Authority has, in the course of fulfilling this responsibility, entered into a lease purchase agreements with two school districts in Beckham County, Oklahoma. The Authority provides a means to finance construction of school buildings.

The District(s) will be responsible for repaying the interest and principal payments due on the bonds. The proceeds from the bond issue are held by a trustee bank for use by the District. Interest earnings on the funds held by the trustee bank may be used to make interest payments on the bonds. Money held by the trustee bank are not reported in the statement of net assets.

The Authority and the District have entered into a Ground Lease Agreement and a Sublease Agreement covering lease/rental payments on the improvements involved. Rental payments are made to the trustee bank to retire the bond issue. The Sublease Agreement(s) for Merritt Public Schools provides for the Authority to receive as additional rent the sum of 1/10th of 1% of the amount of the outstanding principal of the bonds as of each annual anniversary date of the Sublease to defray the administrative and audit cost of the Authority. The additional rental payment referred to above is the only gain the Authority anticipates. The Authority will not otherwise profit from the bond issue and improvements. The improvements will become the property of the District(s).

Outstanding lease purchase agreements are as follows:

The Authority sold its \$5,220,000, Beckham County Educational Facilities Authority, Educational Facilities Lease Revenue Bonds (Merritt Public Schools), Series 2012 dated September 1, 2012 for the purpose of assisting Independent School District No. 2, Beckham County, Oklahoma (the District) in improvement of school sites.

The schedule of rental payments is as follows:

Year ending June 30	Merritt Lease purchase Payment	Merritt Rental Payment	Total Payments
2023	\$ 529,350	\$ 3,000	\$ 532,350
2024	544,200	3,000	547,200
2025	564,000	3,000	567,000
2026	578,850	1,500	580,350
	<u>\$ 2,216,400</u>	<u>\$ 10,500</u>	<u>\$ 2,226,900</u>

BECKHAM COUNTY EDUCATIONAL FACILITIES AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

E. Capital Leases – continued

The Authority sold its \$7,590,000, Beckham County Educational Facilities Authority, Educational Facilities Lease Revenue Bonds (Merritt Public Schools), Series 2015 dated September 30, 2015 for the purpose of assisting Independent School District No. 2, Beckham County, Oklahoma (the District) in improvement of school sites.

The schedule of rental payments is as follows:

Year ending June 30	Merritt Lease purchase Payment	Merritt Rental Payment	Total Payments
2023	\$ 579,150	\$ 3,000	\$ 582,150
2024	598,950	3,000	601,950
2025	613,800	3,000	616,800
2026	633,600	3,000	636,600
2027	1,247,100	3,000	1,250,100
2028-2029	<u>2,613,000</u>	<u>4,500</u>	<u>2,617,500</u>
	<u>\$ 6,285,600</u>	<u>\$ 19,500</u>	<u>\$ 6,305,100</u>

The Authority sold its \$17,412,000, Beckham County Educational Facilities Authority, Educational Facilities Lease Revenue Bonds (Elk City Public Schools), Series 2015 dated September 29, 2015 for the purpose of assisting Independent School District No. 2, Beckham County, Oklahoma (the District) in improvement of school sites.

The Authority refinanced the 2015 issue on December 22, 2020 with a Series 2020 Bond in the amount of \$12,185,000.

BECKHAM COUNTY EDUCATIONAL FACILITIES AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

E. Capital Leases – continued

The schedule of rental payments is as follows:

Year ending June 30	Elk City Lease purchase Payment	Total Payments
2023	\$ 1,499,526	\$ 1,499,526
2024	1,544,859	1,544,859
2025	1,589,827	1,589,827
2026	1,639,409	1,639,409
2027	1,689,491	1,689,491
2028-2029	3,539,928	3,539,928
2030	1,629,161	1,629,161
	<u>\$ 13,132,201</u>	<u>\$ 13,132,201</u>

BECKHAM COUNTY EDUCATIONAL FACILITIES AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

Note 3 - Risk Management

The Authority is exposed to various risks of loss related to torts, errors and omissions. At this time the Authority carries no surety bonds or other types of insurance. As the Authority has no capital assets it carries no property insurance.

Note 4 - Commitments and Contingencies

The Authority is not involved with any legal proceedings, which normally occur in the course of governmental operations at this time. While legal proceedings cannot be foreseen, the Authority feels that any settlement or judgment would not have a material effect on the financial condition of the Authority.

The Authority is dependent upon repayment of debt solely from the beneficiary of the debt issues. If the beneficiary defaulted on the payments it would not have a significant impact on the Authority's financial condition. Conduit debt is non-recourse debt.

Note 5 – Subsequent Events

Management has evaluated subsequent events through October 6, 2023, 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.

REPORTS ON INTERNAL CONTROL AND ON COMPLIANCE
OF
BECKHAM COUNTY EDUCATIONAL FACILITIES AUTHORITY
SAYRE, OKLAHOMA



BRITTON, KUYKENDALL, & MILLER
CERTIFIED PUBLIC ACCOUNTANTS

JAMES M. KUYKENDALL
RICK D. MILLER

204 E. FRANKLIN - P.O. BOX 507
WEATHERFORD, OK 73096
580-772-3596
FAX 580-772-3085

**INDEPENDENT AUDITOR'S 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 Trustees
Beckham County Educational Facilities Authority
Sayre, Oklahoma 73662

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, each major fund, and the aggregate remaining fund information of Beckham County Educational Facilities Authority, Sayre, Oklahoma, as of and for the year ended June 30, 2022 and the related notes to the financial statements, which collectively comprise Beckham County Educational Facilities Authority, Sayre, Oklahoma's basic financial statements, and have issued our report thereon dated October 6, 2023. Our report on the financial statements disclosed, that, as described in Note 1 to the financial statements, the Authority prepares its financial statements on a modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Beckham County Educational Facilities Authority, Sayre, Oklahoma's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Beckham County Educational Facilities Authority, Sayre, Oklahoma's internal control. Accordingly, we do not express an opinion on the effectiveness of Beckham County Educational Facilities Authority, Sayre, Oklahoma'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 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 were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Beckham County Educational Facilities Authority, Sayre, Oklahoma'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 financial statements. 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

This 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.

Britton, Kuykendall & Miller

BRITTON, KUYKENDALL AND MILLER
Certified Public Accountants

Weatherford, Oklahoma
October 6, 2023