

**Financial Statements and Reports of
Independent Certified Public Accountant
Craig County Educational
Facilities Authority
Vinita, Oklahoma
June 30, 2022**



124 SOUTH MAIN, MIAMI, OK 74354
22 S. ADAIR STREET, PRYOR, OKLAHOMA 74361
918-542-4401 OFFICE

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

Lowell Walker	Chairman
Hugh Gordon	Member
Dan Peetom	Member
Tammy Malone	Secretary
Lisa Washam	Treasurer

Craig County Educational Facilities Authority
Table of Contents

Independent Auditor's Report	1-2
Reports Required by <i>Government Auditing Standards</i> :	
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	3-4
Schedule of Findings and Responses	5
Basic Financial Statements:	
Statement of Net Position	6
Statement of Revenues, Expenses and Changes in Net Position	7
Statement of Cash Flows	8
Notes to the Financial Statements	9-15



INDEPENDENT AUDITOR'S REPORT

February 29, 2024

To the Board of Trustees
Craig County Educational Facilities Authority
Craig County, Oklahoma

Report on the Financial Statements

We have audited the accompanying financial statements of the Craig County Educational Facilities Authority (the "Authority"), an enterprise fund, a component unit of Craig County, Oklahoma, 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.

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* issued by the Comptroller General of the United States (*Government Auditing Standards*). 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 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements, based on our audit. 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. Those standards require that we plan, and perform, the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts, and disclosures, in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control, relevant to the entity's preparation, and fair presentation, of the financial statements, 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used, and the reasonableness of significant accounting estimates made, by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient, and appropriate, to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note A, the financial statements present only the Craig County Educational Facilities Authority, and do not purport to, and do not, present fairly the financial position of the Craig 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 Matters

Required Supplementary Information

Management has omitted the management's discussion and analysis and budgetary comparison information that accounting principles generally accepted in the United States of America require to be presented, to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 29, 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 Trustees
Craig 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 enterprise fund of the Craig County Educational Facilities Authority, a component unit of the county of Craig, Oklahoma, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Craig County Educational Facilities Authority's basic financial statements, and have issued our report thereon dated February 29, 2024.

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 may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Craig 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

February 29, 2024

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

2022-1 Budget Requirement (Repeat Finding)

Criteria:

Oklahoma statute 60 O.S § 175 requires public trusts to file annually with their respective beneficiaries, copies of financial documents and reports sufficient to demonstrate the fiscal activity of such trust, including, but not limited to, budgets, financial reports, bond indentures, and audits.

Condition:

Craig County Educational Facilities Authority did not create a budget for the year ended June 30, 2022.

Effect:

Without an annual budget Craig County Educational Facilities Authority and the County of Craig, the beneficiary, do not have all of the information necessary to monitor the financial management of the Authority.

Cause:

The Authority was aware of the requirement to create a budget, but no budget was prepared.

Recommendation:

The Authority should create a budget at least once a year.

Craig Co. Educational Facilities Authority
Statement of Net Position
June 30, 2022

ASSETS

Current Assets

Cash and Cash Equivalents, Restricted	\$ 3,898,915.32
Deposits with Third Party	64,304.00
Rent Receivable	2,000.00
Lease Purchase Receivable, current portion	2,465,000.00
Total Current Assets	<u>6,430,219.32</u>

Noncurrent Assets

Lease Purchase Receivable, net of current portion	13,895,000.00
Accrued Interest Receivable	430,278.78
Improvements to Facilities	10,127,300.92
Construction in Progress	7,638,901.32
Total Noncurrent Assets	<u>32,091,481.02</u>

Total Assets

38,521,700.34

LIABILITIES

Current Liabilities

Accrued Interest Payable	271,508.33
Bonds Payable, current portion	2,465,000.00
Total Current Liabilities	<u>2,736,508.33</u>

Long Term Liabilities

Bonds Payable, net of current portion	<u>13,895,000.00</u>
Total Liabilities	<u>16,631,508.33</u>

DEFERRED INFLOWS OF RESOURCES

Deferred Lease Purchase	<u>22,030,000.00</u>
-------------------------	----------------------

NET POSITION

Invested in Capital Assets	1,406,202.24
Restricted	(1,546,010.23)
Total Net Position	<u>\$ (139,807.99)</u>

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

Craig Co. Educational Facilities Authority
Statement of Revenues, Expenses and Changes in Fund Net Position
For the Year Ended June 30, 2022

Operating Revenues	
Rental Income	\$ 6,000.00
	<u> </u>
Operating Expenses	
Trustee Expense	(10,499.96)
Professional Fees	(2,500.00)
Total Operating Expenses	<u>(12,999.96)</u>
Net Income (Loss) From Operations	<u>(6,999.96)</u>
Non Operating Revenue (Expense)	
Investment Earnings	391,749.41
Interest Expense	(710,706.42)
Total Non-Operating Revenue (Expense)	<u>(318,957.01)</u>
Net Income (Loss)	(325,956.97)
Net Position, Beginning of Year	186,148.98
Net Position, End of Year	<u>\$ (139,807.99)</u>

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

Craig Co. Educational Facilities Authority
Statement of Cash Flows
For the Year Ended June 30, 2022

Cash Flows from Operating Activities

Cash Inflows:

Payments Received from Customers	\$ 6,000.00
----------------------------------	-------------

Cash Outflows:

Trustee Fees	(10,499.96)
--------------	-------------

Professional Fees	(2,500.00)
-------------------	------------

Net Cash Provided (Used) by Operating Activities	<u>(6,999.96)</u>
--	-------------------

Cash Flows from Capital and Related Financing Activities

Lease Purchase Payment from School	845,000.00
------------------------------------	------------

Debt Service Bonds Payable, Principal	(845,000.00)
---------------------------------------	--------------

Debt Service on Bonds Payable, Interest	(648,689.62)
---	--------------

Purchase of Capital Assets-Construction in Progress	(6,781,504.19)
---	----------------

Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(7,430,193.81)</u>
--	-----------------------

Cash Flows from Investing Activities

Interest Received from Investments	<u>248,208.43</u>
------------------------------------	-------------------

Net Cash Inflow (Outflow) from All Activities	(7,188,985.34)
--	----------------

Cash and Cash Equivalents at Beginning of Year	<u>11,152,204.66</u>
--	----------------------

Cash and Cash Equivalents at End of Year	<u><u>\$ 3,963,219.32</u></u>
---	-------------------------------

Cash and Cash Equivalents

Restricted Cash and Cash Equivalents	<u>3,963,219.32</u>
--------------------------------------	---------------------

Cash and Cash Equivalents at End of Year	<u><u>\$ 3,963,219.32</u></u>
---	-------------------------------

Reconciliation of Operating Income (Loss) to Net Cash

Provided by Operating Activities

Net Operating Income (Loss)	<u>\$ (6,999.96)</u>
-----------------------------	----------------------

Net Cash Provided (Used) by Operating Activities	<u><u>\$ (6,999.96)</u></u>
--	-----------------------------

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

**Craig Co. Educational Facilities Authority
Notes to the Financial Statements
For the Year Ended June 30, 2022**

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

I. Summary of Significant Accounting Policies

Craig County Educational Facilities Authority, Vinita, 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 July 23, 2012. The Authority is exempt from federal and state income taxes.

On August 1, 2012, the Board of Trustees of the Authority approved the Craig County Educational Facilities Authority Educational Facilities Lease Revenue Bonds, Series 2012 between the Authority and Bank of Oklahoma (the Trustee) providing for the issuance of Revenue Bonds in the aggregate principal amount of \$6,285,000 less the bond issuance costs of \$184,341.25 and a discount of \$22,161.35.

On April 1, 2016, the Board of Trustees and the Authority approved the Craig County Educational Facilities Authority Educational Facilities Lease Revenue Bonds, Series 2016 between the Authority and the Bank of Oklahoma (the Trustee) providing for the issuance of Revenue Bonds in the aggregate principal amount of \$3,715,000 with a premium of \$75,690.10 and bond issuance costs of \$110,665.67.

On November 1, 2020, the Board of Trustees and the Authority approved the Craig County Educational Facilities Authority Educational Facilities Lease Revenue Bonds, Series 2020 between the Authority and Bancfirst (the Trustee) providing for the issuance of Revenue Bonds in the aggregate principal amount of \$12,030,000 with bond issuance costs of \$238,055.00.

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

A. Financial Reporting Entity

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

**Craig Co. Educational Facilities Authority
Notes to the Financial Statements
For the Year Ended June 30, 2022**

I. Summary of Significant Accounting Policies (continued)

A. Financial Reporting Entity (continued)

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 the 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 assessed at an interest rate of 1.684% charged to the Vinita School District. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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.

**Craig Co. Educational Facilities Authority
Notes to the Financial Statements
For the Year Ended June 30, 2022**

I. Summary of Significant Accounting Policies (continued)

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

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 restricted to the use described by the bond indenture, sublease and ground lease agreements.

4. Rent Receivable

The Authority receives semi-annual rent payments from Vinita Public Schools in the amount of \$3,000.

5. Capital Assets

The construction was completed in 2019 for the 2012 Series Bonds. The construction for the 2016 Series Bonds was completed in 2021. The construction for the 2020 Series Bonds is expected to be completed in 2023. At that time the Construction in Progress becomes Improvement to Facilities, the "Lease Purchase Asset" and will remain on the Authority's books until the Lease obligations are fulfilled. The Authority has no depreciable assets.

6. Accrued Interest

Interest payments on the 2012 Series Bonds and 2016 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 these two bonds.

Interest payments on the 2020 Series Bonds are due annually on September 1 each year until maturity. Interest payable is accrued from September 1 through June 30 on this bond.

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.

8. Deferred Lease Purchase

The Authority entered into two lease agreements with Vinita Public Schools. The 2012 Bond Series proceeds were used to complete the construction of the new classroom wing at Hall Halsell Elementary School, as well as to reroof and make improvements to Hall Halsell Elementary School, Will Rogers Elementary School, Ewing Halsell Middle School, and Vinita High School. The 2016 Bond Series proceeds are being used to construct and improve the athletic facilities. The additions and improvements are being sold to the Vinita Public Schools through a lease agreement.

The Authority entered into a lease agreement with Ketchum Public Schools. The 2020 Bond Series proceeds were used to construct a new Ketchum Middle School, make improvements at Ketchum High School, a classroom addition and other improvements at Ketchum Elementary school, and improvements at Ketchum Warrior Stadium.

Craig Co. Educational Facilities Authority
Notes to the Financial Statements
For the Year Ended June 30, 2022

I. Summary of Significant Accounting Policies (continued)

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

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 “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 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 are maintained in financial institutions. As of June 30, 2022, none of the Authority’s deposits were exposed to custodial credit risk.

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

Craig Co. Educational Facilities Authority
Notes to the Financial Statements
For the Year Ended June 30, 2022

II. Detailed Notes Concerning the Funds (continued)

B. Capital Assets

Capital asset activity for the year was as follows:

	Balance June 30, 2021	Additions	Disposals	Balance June 30, 2022
Improvements to Facilities				
2012 Bond	\$ 6,423,520.33	\$ -	\$ -	\$ 6,423,520.33
2016 Bond	3,703,780.59	-	-	3,703,780.59
Construction in Progress				
2020 Bond	857,397.13	6,781,504.19	-	7,638,901.32
Net Capital Assets	<u>\$ 10,984,698.05</u>	<u>\$ 6,781,504.19</u>	<u>\$ -</u>	<u>\$ 17,766,202.24</u>

C. Long-Term Debt

The Authority issued bonds in the amount of \$6,285,000.00 on August 1, 2012. Interest on the bonds is payable March 1st and September 1st at varying rates. The Authority has a total of (5) principal payments, beginning September 1, 2014. Remaining Debt service requirements for the 2012 Series Bonds are as follows:

Year Ended June 30,	Principal	Interest	Total Requirements
2023	<u>\$ 1,590,000.00</u>	<u>\$ 17,887.50</u>	<u>\$ 1,607,887.50</u>

The Authority issued bonds in the amount of \$3,715,000.00 on April 1, 2016. Interest on the bonds is payable March 1st and September 1st at varying rates. The Authority has a total of (5) principal payments, beginning September 1, 2018. Remaining Debt service requirements for the 2016 Series Bonds are as follows:

Year Ended June 30,	Principal	Interest	Total Requirements
2023	\$ 65,000.00	\$ 107,000.00	\$ 172,000.00
2024	-	106,350.00	106,350.00
2025	3,520,000.00	53,175.00	3,573,175.00
Total	<u>\$ 3,585,000.00</u>	<u>\$ 266,525.00</u>	<u>\$ 3,851,525.00</u>

Craig Co. Educational Facilities Authority
Notes to the Financial Statements
For the Year Ended June 30, 2022

II. Detailed Notes Concerning the Funds (continued)

C. Long-Term Debt (continued)

The Authority issued bonds in the amount of \$12,030,000.00 on November 1, 2020. The bond has an interest rate of 2.400% for 11 years. Payments are made annually, beginning September 1, 2021. Remaining Debt service requirements for the 2020 Series Bonds are as follows:

Year Ended June 30,	Principal	Interest	Total Requirements
2023	\$ 810,000.00	\$ 268,440.00	\$ 1,078,440.00
2024	690,000.00	249,000.00	939,000.00
2025	710,000.00	232,440.00	942,440.00
2026	1,310,000.00	215,400.00	1,525,400.00
2027	1,115,000.00	183,960.00	1,298,960.00
2028-2032	6,550,000.00	502,800.00	7,052,800.00
Total	<u>\$ 11,185,000.00</u>	<u>\$ 1,652,040.00</u>	<u>\$ 12,837,040.00</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, 2021	Proceeds	Payments	Balance June 30, 2022	Due within One Year
Vinita 2012 Series	\$ 1,590,000.00	\$ -	\$ -	\$ 1,590,000.00	\$ 1,590,000.00
Vinita 2016 Series	3,585,000.00	-	-	3,585,000.00	65,000.00
Ketchum 2020 Series	12,030,000.00	-	845,000.00	11,185,000.00	810,000.00
Bonds Payable	<u>\$ 17,205,000.00</u>	<u>-</u>	<u>845,000.00</u>	<u>16,360,000.00</u>	<u>\$ 2,465,000.00</u>

E. Lease Purchase Agreement (Sub Lease)

The Authority has a commitment with the Vinita Public Schools to lease the additions and improvements to the school buildings for each of the lease agreements. Future minimum rental commitments for operating leases as of June 30, 2022 are as follows:

The rent is due in equal semi-annual installments on or before the first day of September and March ending September 1, 2024.

Year Ended June 30,	Rent
2023	\$ 4,500.00
2024	3,000.00
2025	1,500.00
Total	<u>\$ 9,000.00</u>

Craig Co. Educational Facilities Authority
Notes to the Financial Statements
For the Year Ended June 30, 2022

II. Detailed Notes Concerning the Funds (continued)

F. 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 obligations, the Authority agrees to execute and deliver to the Schools a deed or bill of sale, as appropriate, to convey legal title to the additions and improvements to the school buildings.

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

Year Ended June 30,	Principal	Interest	Total Requirements
2023	\$ 1,655,000.00	\$ 124,887.50	\$ 1,779,887.50
2025	3,520,000.00	159,525.00	3,679,525.00
Total	<u>\$ 5,175,000.00</u>	<u>\$ 284,412.50</u>	<u>\$ 5,459,412.50</u>

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

Year Ended June 30,	Principal	Interest	Total Requirements
2023	\$ 810,000.00	\$ 283,625.00	\$ 1,093,625.00
2024	690,000.00	263,375.00	953,375.00
2025	710,000.00	246,125.00	956,125.00
2026	1,310,000.00	228,375.00	1,538,375.00
2027	1,115,000.00	195,625.00	1,310,625.00
2028-2032	6,550,000.00	539,750.00	7,089,750.00
Total	<u>\$ 11,185,000.00</u>	<u>\$ 1,756,875.00</u>	<u>\$ 12,941,875.00</u>

III. Other Information

A. Economic Dependence

During the fiscal year ended June 30, 2022, the Authority reported lease revenues of \$6,000 pursuant to its lease agreement with the Vinita Public Schools, Vinita, 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.