

**Craig County Governmental
Building Authority**

Vinita, Oklahoma

ANNUAL FINANCIAL STATEMENTS
AND ACCOMPANYING
INDEPENDENT AUDITOR'S REPORTS

FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2021

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**Craig County Governmental Building Authority
Board of Trustees**

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

Craig County Governmental Building Authority
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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Craig County Governmental Building Authority

Report on the Financial Statements

We have audited the accompanying financial statements of the Craig County Governmental Building Authority, enterprise fund, a component unit of Craig County, Oklahoma, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

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. 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 a Matter

As discussed in Note I, the financial statements present only the Craig County Governmental Building Authority and do not purport to, and do not present fairly the financial position of the County of Craig, Oklahoma, as of December 31, 2021, and the changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the enterprise fund activities of the Craig County Governmental Building Authority, as of December 31, 2021, in accordance with accounting principles generally accepted in the United States of America.

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 Governmental 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 May 17, 2022, 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 to describe the scope of our testing of internal controls over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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.

A handwritten signature in black ink that reads "David Clanin CPA PLLC". The signature is written in a cursive, flowing style.

David Clanin CPA PLLC
May 17, 2022

Reports Required by *Government Auditing Standards*

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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 Board of Trustees
Craig County Governmental Building Authority

We have audited 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, the financial statements of the enterprise fund of the Craig County Governmental Building Authority, a component unit of the County of Craig, Oklahoma, as of and for the year ended December 31, 2021, and the related notes to the financial statements which collectively comprise the Craig County Governmental Building Authority's financial statements, and have issued our report thereon dated May 17, 2022. The Craig County Governmental Building Authority did not present the Management's Discussion and Analysis and Budgetary Comparison Schedule that accounting principles generally accepted in the United States of America require to supplement, although not to be part of, the basic financial statements.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Craig County Governmental Building Authority's internal control over financial reporting (internal control) to determine the 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 the Craig County Governmental Building Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of Craig County Governmental Building 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 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 the Craig County Governmental Building 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 an instance of noncompliance or other matters that are required to be reported under Government Auditing Standards and which are described in the accompanying schedule of findings and responses as item 2021-1 (Repeat Finding).

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 Authority'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 Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

 CPA PLLC

May 17, 2022

**Craig County Governmental Building Authority
Schedule of Findings and Responses
For the Year Ended December 31, 2021**

2021-1 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 Governmental Building Authority did not create a budget for the year ended December 31, 2021.

Effect:

Without an annual budget Craig County Governmental Building 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 County Governmental Building Authority
Statement of Net Position
December 31, 2021

ASSETS

Current Assets

Cash and Cash Equivalents, Unrestricted	\$ 1,687,845.09
Rent Receivable	226,337.83
U.S. Treasuries, Restricted	777,953.38
Total Current Assets	<u>2,692,136.30</u>

Capital Assets

Land	127,150.00
Property, Plant & Equipment, net of accumulated depreciation	8,532,555.25
Total Capital Assets	<u>8,659,705.25</u>

Total Assets	<u><u>11,351,841.55</u></u>
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LIABILITIES

Current Liabilities

Accrued Interest Payable	202,362.00
Current Portion of Bonds Payable	790,000.00
Total Current Liabilities	<u>992,362.00</u>

Long Term Liabilities

Bonds Payable, net of Current Portion	7,829,818.28
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Total Liabilities	<u><u>8,822,180.28</u></u>
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NET POSITION

Net Investment in Capital Assets	39,886.97
Restricted	777,953.38
Unrestricted	1,711,820.92

Total Net Position	<u><u>\$ 2,529,661.27</u></u>
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The accompanying Notes to the Financial Statements are an integral part of this statement.

Craig County Governmental Building Authority
Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended December 31, 2021

Operating Revenues	
Rent	\$ 877,486.28
	<hr/>
Operating Expenses	
Depreciation	353,167.73
Office Supplies	27.85
Trustee Fees	3,250.08
Total Operating Expenses	<hr/> 356,445.66 <hr/>
Net Income (Loss) from Operations	<hr/> 521,040.62 <hr/>
Non Operating Revenue (Expense)	
Interest Income	3,536.63
Interest Expense	(518,642.48)
Bond Costs	(500.00)
Total Non Operating Revenue (Expense)	<hr/> (515,605.85) <hr/>
Net Income (Loss)	5,434.77
Net Position, Beginning of Year	2,524,226.50
Net Position, End of Year	<hr/> \$ 2,529,661.27 <hr/> <hr/>

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

Craig County Governmental Building Authority
Statement of Cash Flows
For the Year Ended December 31, 2021

Cash Flows from Operating Activities

Cash Inflows:

Payments Received from Customers	\$ 848,179.12
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Cash Outflows:

Office Supplies	(27.85)
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Trustee Fees	(3,250.08)
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Net Cash Provided (Used) by Operating Activities	844,901.19
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Cash Flows from Capital and Related Financing Activities

Principal Payments on Bonds	(326,772.59)
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Interest Payments on Bonds	(511,689.91)
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Bond Costs	(500.00)
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Net Cash Provided (Used) for Capital and Related Financing Activities	(838,962.50)
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Cash Flows from Investing Activities

Interest Received from Investments	3,536.63
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Net Cash Inflow (Outflow) from All Activities	9,475.32
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Cash and Cash Equivalents at Beginning of Year	2,456,323.15
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Cash and Cash Equivalents at End of Year	\$ 2,465,798.47
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Cash and Cash Equivalents	\$ 1,687,845.09
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Restricted U.S. Treasuries	777,953.38
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Cash and Cash Equivalents at End of Year	\$ 2,465,798.47
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**Reconciliation of Operating Income (Loss) to Net Cash
Provided by Operating Activities**

Net Operating Income (Loss)	\$ 521,040.62
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Depreciation	353,167.73
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(Increase)/Decrease in Rent Receivable	(29,307.16)
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Net Cash Provided (Used) by Operating Activities	\$ 844,901.19
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The accompanying Notes to the Financial Statements are an integral part of this statement.

Craig County Governmental Building Authority
Notes to the Financial Statements
For the Year Ended December 31, 2021

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

I. Summary of Significant Accounting Policies

The Craig County Governmental Building Authority (Authority) was established as a public trust under and pursuant to the laws of the State of Oklahoma (generally, but not exclusively, Title 60, Oklahoma Statutes 2001, Sections 176-180.3, inclusive, as amended and supplemented, and the Oklahoma Trust Act) on behalf of the County of Craig, Oklahoma naming the County as the beneficiary. The trust is to furnish and supply to the inhabitants, owners, and occupants of property, and to industrial, commercial and mercantile establishments and enterprises within the corporate limits of Craig County, State of Oklahoma, and to the beneficiary and any other governmental agencies or endeavors, services and facilities for the conservation and implementation of the public health, safety and welfare. The trust is to conduct all business related to providing necessary physical facilities and/or services; to provide funds to acquire, hold, construct, install, equip, repair, enlarge, furnish, maintain and operate properties and to conduct all business necessary for normal operations of the Authority.

A. Financial Reporting Entity

The Authority complies with GASB Statement No. 14, as amended by 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.

The Authority is a component unit of Craig County, Oklahoma and will be included in Craig County's basic financial statements.

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

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.

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.

Craig County Governmental Building Authority
Notes to the Financial Statements
For the Year Ended December 31, 2021

I. Summary of Significant Accounting Policies (continued)

B. Measurement Focus, Basis of Accounting and Basis of Presentation – Fund Accounting (continued)

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 payments. 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.

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.

C. Assets, Liabilities, Net Assets and Revenues

1. Cash and Cash Equivalents

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

2. Fair Value of Financial Instruments

The Authority's financial statements include cash and investments. The Authority's estimate of the fair value of all financial instruments does 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. Long-Term Obligations

Long-term debt is reported as a liability in the Authority's balance sheet. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as "other noncurrent assets" and amortized over the term of the related debt also using the straight-line method.

Craig County Governmental Building Authority
Notes to the Financial Statements
For the Year Ended December 31, 2021

I. Summary of Significant Accounting Policies (continued)

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

4. Capital Assets

The capital assets are recorded at cost. Donated capital assets are reported at estimated fair market value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

All reported capital assets are depreciated on the straight-line basis over the estimated useful lives ranging from five to sixty years. The Authority currently does not have a capitalization policy.

5. Equity Classifications

Equity is classified as Net Position and displayed in 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 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 and regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. *Unrestricted Net Position* --- All other Net Positions that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

6. Revenues

Craig County began levying a one cent sales tax on February 1, 2003 pursuant to the Order of the Board of Commissioners and approved by the voters of Craig County. The sales tax was approved solely for the purpose of acquiring, constructing, equipping, operating and maintaining a new county courthouse and correctional facilities (the Facilities) and paying the principal and interest on indebtedness incurred by the Authority for such purposes. The sales tax will be collected through December 31, 2022 at a rate of one cent and thereafter will be reduced to a one-fourth cent levy until repealed.

On May 11, 2010, the voters of Craig County approved to extent and renew the three-fourths of one percent to expires on January 1, 2023 until July 1, 2040. The purpose of the extended sales tax is to pay for acquiring, constructing, equipping, repairing, renovating, operating, and maintaining County community centers facilities of Craig County, Oklahoma; to pay the principal and interest on indebtedness incurred on behalf of said County by the Authority for such purpose.

The County, pursuant to a resolution of the Board of County Commissioners will appropriate the proceeds of the sales tax to the Authority; however, this resolution is subject to repeal and the sales tax is subject to non-appropriation. The sales tax received by the Authority shall constitute gross revenues of the Authority available to pay principal of and interest on the bonds. The indenture securing the bonds creates a first lien on the gross revenues.

Craig County Governmental Building Authority
Notes to the Financial Statements
For the Year Ended December 31, 2021

I. Summary of Significant Accounting Policies (continued)

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

6. Revenues (continued)

The Authority entered into a lease of the Facilities to the County, as lessee, for a term extending to June 30, 2003, renewable at the option of the County for successive one-year terms. The consideration for the lease is the payment by the County to the Authority of sums sufficient to satisfy all obligations of the Authority under the indenture securing the bonds and to pay the costs of making repairs to the Facilities and insuring the Facilities against loss. The sums appropriated and paid over to the Authority by the County representing the sales tax shall be credited to the County's obligations under the lease.

2008 Bond Series

The State of Oklahoma previously appropriated funds in the amount of \$3,300,000 to the County for the purpose of constructing the Facilities. In addition to the aforesaid funds, the County subsequently determined that additional funds in the amount of \$500,000 were needed to complete the project. A portion of the proceeds of the Series 2008 Bonds were utilized to complete the construction of the Facilities. Upon completion of the Facilities, the Authority will lease the Facilities to ROCMND Area Youth Services, Inc. ("Youth Services") which is a non-profit corporation which serves the juvenile detention needs of Rogers, Ottawa, Craig, Mayes, Nowata and Delaware Counties.

In addition, Youth Services contracts with other counties throughout the State of Oklahoma to provide juvenile detention services. The lease payments paid to the Authority by Youth Services, along with any other available funds of the Authority if needed, will be utilized to pay principal of and interest on the Series 2008 Bonds. The Series 2008 Bonds are not secured by the aforesaid lease or any payments derived there from.

2010 Bond Series

This Bond is one of an issue of The Craig County Governmental Building Authority Sales Tax Revenue Bonds Series 2010, issued by the Authority under the date of September 15, 2010, in registered form in the aggregated principal amount of \$ 3,127,895.70, ratably secured under an Indenture denominated "The Craig County Governmental Building Authority Series 2010 Revenue Bond Indenture" dated September 1, 2010. The purpose of this Bond is for the Craig County Community Building and is funded by the proceeds of the three-fourths of one percent (3/4%) sales tax and two percent (2%) use levied by the County of Craig. The Bond Issue empowers the Authority to institute, furnish, provide and supply, in the County and territory with reasonable proximity, physical facilities, improvements and services for the furtherance of public purposes and to acquire, construct, install, operate and maintain any properties needful for executing the foregoing purposes.

Craig County Governmental Building Authority
Notes to the Financial Statements
For the Year Ended December 31, 2021

I. Summary of Significant Accounting Policies (continued)

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

6. Revenues (continued)

2015 Bond Series

This Bond is the Craig County Governmental Building Authority Sales Tax Revenue Refunding Bonds Series 2015, issued by the Authority under the date of December 1, 2015, in registered form in the aggregated principal amount of \$ 5,235,000.00, ratably secured under an indenture denominated “The Craig County Governmental Building Authority Series 2015 Revenue Bond Indenture” dated December 1, 2015. The purpose of this bond is to refund the Sales Tax Revenue Refunding Bonds Series 2006 of the Authority, dated March 1, 2006 (the “Series 2006 Bonds”), to refinance indebtedness incurred to provide funds for the acquisition, construction, and equipment of the County courthouse and correctional jail facilities and properties

7. 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 certain reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

II. Stewardship, Compliance and Accountability

Stewardship, compliance, and accountability are key concepts in defining the responsibilities of the Craig County Governmental Building Authority. The use of budgets and monitoring of equity status facilitate the Authority's compliance with legal requirements. The Authority was not in compliance with State statute 60 O.S § 175 regarding the preparation of a budget.

III. Detailed Notes Concerning Funds

A. Deposits and Investments

State statutes govern the Authority's investment policy. Permissible investments include direct obligations of the United States Government and Agencies; certificates of deposit of savings and loan associations, and bank and trust companies; and savings accounts or savings certificates of savings and loan associations and trust companies. Collateral is required for demand deposits and certificates of deposit for all amounts not covered by federal deposit insurance. Investments are stated at cost. The Authority invests entirely in certificates of deposit and U.S. Treasury Securities.

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 and U.S. Treasury Securities, are maintained in financial institutions. As of December 31, 2021, none of Authority's deposits were exposed to custodial credit risk.

Craig County Governmental Building Authority
Notes to the Financial Statements
For the Year Ended December 31, 2021

III. Detailed Notes Concerning Funds (continued)

A. Deposits and Investments (continued)

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

Repurchase agreements: The Authority is invested in Goldman Sachs Financial Square Treasury Instruments Fund and Federated Government Obligations Tax-Managed Funds. According to the GS Financial Square Treasury Instruments Fund holdings report, none of the investments are subject to repurchase agreements. However, according to the Federated Government Obligations Fund portfolio report, 51.4% of the investments are subject to repurchase agreements. The Authority's investments are collateralized by Treasury securities and, therefore, current and future earnings are subject to risk.

Money Market Funds: The Authority's investment in Federated Government Obligations Tax-Managed Funds. According to the Federated Government Obligations Tax-Managed Fund portfolio, 12.0% are invested in short-term government securities; 51.4 % are invested in funds with repurchase agreements; and 24.9% are invested in U.S. Treasury securities. An investment in money market funds is neither insured nor guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although money market funds seek to preserve the value of an investment at \$1.00 per share, it is possible to lose money by investing in these funds.

B. Changes in Capital Assets

Capital asset activity for the year was as follows:

	Balance December 31, 2020	Additions	Disposals	Balance December 31, 2021
Non-depreciable asset:				
Land	\$ 127,150.00	\$ -	\$ -	\$ 127,150.00
Depreciable asset:				
Building	13,150,219.91	-	-	13,150,219.91
Equipment	4,300.00	-	-	4,300.00
Total Depreciable asset	13,154,519.91	-	-	13,154,519.91
Accumulated Depreciation	(4,268,796.93)	(353,167.73)	-	(4,621,964.66)
	8,885,722.98	(353,167.73)	-	8,532,555.25
Net Capital Assets	\$ 9,012,872.98	\$ (353,167.73)	\$ -	\$ 8,659,705.25

Craig County Governmental Building Authority
Notes to the Financial Statements
For the Year Ended December 31, 2021

III. Detailed Notes Concerning Funds (continued)

C. Rent Receivable

Following is an aged schedule of rent receivable as of December 31, 2021:

0-30 days	31-60 days	Total
<u>\$108,877.62</u>	<u>\$117,460.21</u>	<u>\$226,337.83</u>

D. Long-Term Debt

General obligation bonds are direct obligations and pledge the full faith and credit of the Authority. General obligation bonds currently outstanding are:

Purpose	Rate	Face Amount	Carrying Amount
Revenue Bonds - 2008	6.50%	\$ 350,000.00	\$ 350,000.00
Capital Appreciation Bonds - 2010	N/A	13,080,000.00	6,739,818.28
Revenue Bonds - 2015	VAR	1,530,000.00	1,530,000.00
		<u>\$ 14,960,000.00</u>	<u>\$ 8,619,818.28</u>

2008 First Mortgage Revenue Bonds

The Authority issued bonds in the amount of \$645,000.00 on November 1, 2008. Interest on the bonds is payable May 1st and November 1st at 6.50%. The bonds were issued to institute, furnish, provide and supply, in the County and in territory in reasonable proximity thereto, juvenile detention facilities and to acquire, construct, install, operate and maintain any properties needful for executing foregoing purposes. Payments are made on the bonds by the Craig County Juvenile Detention Center.

Debt service requirements for the 2008 Series Bonds are as follows:

Year Ended December 31,	Rate	Principal	Interest	Total Requirements
2022	6.50%	\$ 35,000.00	\$ 22,750.00	\$ 57,750.00
2023	6.50%	35,000.00	20,475.00	55,475.00
2024	6.50%	40,000.00	18,200.00	58,200.00
2025	6.50%	40,000.00	15,600.00	55,600.00
2026	6.50%	45,000.00	# 13,000.00	# 58,000.00
2027-2028		155,000.00	17,225.00	172,225.00
		<u>\$ 350,000.00</u>	<u>\$ 107,250.00</u>	<u>\$ 457,250.00</u>

Craig County Governmental Building Authority
Notes to the Financial Statements
For the Year Ended December 31, 2021

III. Detailed Notes Concerning the Funds (Continued)

D. Long-Term Debt (continued)

Sales Tax Revenue Series 2010 Capital Appreciation Bond

The Sales Tax Revenue Bonds Series 2010 is dated September 15, 2010, in the amount of \$3,127,895.70. The bond is payable in annual installments beginning August 1, 2024 at a variable interest rate. The bond was issued to institute, furnish, provide and supply, in the County and territory with reasonable proximity, physical facilities, improvements and services for the furtherance of public purposes and to acquire, construct, install, operate and maintain any properties needful for executing the foregoing purposes.

The bonds are being issued as Capital Appreciation Bonds (CAB's). The bonds accrete in value beginning on September 15, 2010. A Capital Appreciation Bond is a municipal security on which the investment return on an initial principal (\$3,127,895.70) amount is reinvested at a stated compound rate until maturity, at which time the investor receives a single payment (the "Maturity Value") representing both the initial principal and the total investment return. For this reason, only the initial principal amount of the CAB counts against the statutory debt limit.

Debt Service Schedule – 2010 Capital Appreciation Bonds:

Cap Appr Bond -2010	Original Principal	Accretion to Date	Currently Payable	Future Accretion	Total
2024	\$ 440,953.20	\$ 473,008.80	\$ 913,962.00	\$ 166,038.00	\$ 1,080,000.00
2025	284,602.50	309,179.46	593,781.96	156,218.04	750,000.00
2026	264,210.00	290,652.20	554,862.20	195,137.80	750,000.00
2027	244,995.00	272,897.36	517,892.36	232,107.64	750,000.00
2028	226,912.50	255,911.38	482,823.88	267,176.12	750,000.00
2029	209,925.00	239,686.23	449,611.23	300,388.77	750,000.00
2030	193,980.00	224,214.17	418,194.17	331,805.83	750,000.00
2031	179,047.50	209,482.80	388,530.30	361,469.70	750,000.00
2032	165,067.50	195,479.55	360,547.05	389,452.95	750,000.00
2033	152,002.50	182,188.75	334,191.25	415,808.75	750,000.00
2034	139,807.50	169,593.33	309,400.83	440,599.17	750,000.00
2035	128,445.00	157,676.03	286,121.03	463,878.97	750,000.00
2036	117,877.50	146,419.27	264,296.77	485,703.23	750,000.00
2037	108,045.00	135,798.04	243,843.04	506,156.96	750,000.00
2038	98,925.00	125,796.04	224,721.04	525,278.96	750,000.00
2039	90,465.00	116,387.19	206,852.19	543,147.81	750,000.00
2040	82,635.00	107,551.98	190,186.98	559,813.02	750,000.00
Totals	<u>\$ 3,127,895.70</u>	<u>\$ 3,611,922.58</u>	<u>\$ 6,739,818.28</u>	<u>\$ 6,340,181.72</u>	<u>\$ 13,080,000.00</u>

Craig County Governmental Building Authority
Notes to the Financial Statements
For the Year Ended December 31, 2021

III. Detailed Notes Concerning the Funds (Continued)

D. Long-Term Debt (continued)

2015 Sales Tax Revenue Refunding Bonds

On December 1, 2015, the Authority issued \$5,235,000.00 in sales tax revenue refunding bonds with interest rates ranging between 3.00% and 2.50%. The Authority issued the bonds to advance refund the outstanding series 2006 sales tax revenue bonds with interest rates ranging from 3.85% to 4.25%, provide capital improvements to the Authority and to pay the costs and expenses of issuance of the Bonds.

Interest on the bonds is payable semi-annually on March 1st and September 1st at varying rates. Principal payments are due annually on March 1st.

Debt service requirements for the sales tax revenue refunding bonds, series 2015, are as follows:

Year Ended December 31,	Rate	Principal	Interest	Total Requirements
2022	2.25%	\$ 755,000.00	\$ 27,868.75	\$ 782,868.75
2023	2.50%	775,000.00	9,687.50	784,687.50
		<u>\$ 1,530,000.00</u>	<u>\$ 37,556.25</u>	<u>\$ 1,567,556.25</u>

Annual debt service requirements to maturity for all general obligation bonds are as follows for government-type activities:

Year Ended December 31,	Principal	Interest	Total Requirements
2022	\$ 790,000.00	\$ 50,618.75	\$ 840,618.75
2023	810,000.00	30,162.50	840,162.50
2024	1,120,000.00	18,200.00	1,138,200.00
2025	790,000.00	15,600.00	805,600.00
2026	795,000.00	13,000.00	808,000.00
2027-2031	3,905,000.00	17,225.00	3,922,225.00
2032-2036	3,750,000.00	-	3,750,000.00
2037-2040	3,000,000.00	-	3,000,000.00
	<u>\$ 14,960,000.00</u>	<u>\$ 144,806.25</u>	<u>\$ 15,104,806.25</u>

Craig County Governmental Building Authority
Notes to the Financial Statements
For the Year Ended December 31, 2021

III. Detailed Notes Concerning the Funds (Continued)

E. 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 12/31/2020	Additions	Payments	Balance 12/31/2021	Due Within One Year
2008 Revenue Bonds	\$ 380,000.00	\$ -	\$ 30,000.00	\$ 350,000.00	\$ 35,000.00
Capital Appreciation Bonds	6,296,590.87	443,227.41	-	6,739,818.28	-
2015 Revenue Bonds	2,270,000.00	-	740,000.00	1,530,000.00	755,000.00
	<u>\$ 8,946,590.87</u>	<u>\$ 443,227.41</u>	<u>\$ 770,000.00</u>	<u>\$ 8,619,818.28</u>	<u>\$ 790,000.00</u>

IV. Other Information

A. Risk Management

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. The Authority carries commercial insurance for risks of loss. There were no significant reductions in insurance coverage from the prior year. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

B. Subsequent Events

Management has evaluated subsequent events through the date of the auditor's 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.