DELAWARE EDUCATIONAL FACILITIES AUTHORITY
DELAWARE COUNTY, OKLAHOMA

ANNUAL FINANCIAL STATEMENTS
AND ACCOMPANYING
INDEPENDENT AUDITOR'S REPORTS

FOR THE FISCAL YEAR ENDED
JUNE 30, 2010

LANGLEY-LITTLEFIELD-OBER
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Delaware County Educational Facilities Authority
Board of Trustees
June 30, 2010

LANGLEY-LITTLEFIELD-OBER
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AUDITOR'S REPORT

To the Board of Commissioners
Delaware County Educational Facilities Authority
Delaware County, Oklahoma

Report on the Financial Statements

We have audited the accompanying financial statements of the Delaware County Educational Facilities Authority a discretely presented component unit of Delaware County, Oklahoma as of and for the year ended June 30, 2010, 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, 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.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position the business-type activities of the Authority of Delaware County, Oklahoma, as of June 30, 2010, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 2-5 be presented to supplement the basic financial statements. Such 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. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods

Delaware County Educational Facilities Authority
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of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Emphasis of Matter

As discussed in Note A, the financial statements present only the Delaware County Educational Facilities Authority and do not purport to, and do not present fairly the financial position of the Delaware County, Oklahoma as of June 30, 2010, the changes in its financial position, or, where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 3, 2015, on our consideration of Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

May 3, 2015

LANGLEY - LITTLEFIELD - OBER, CERTIFIED PUBLIC ACCOUNTANTS, PLLC
CERTIFIED PUBLIC ACCOUNTANTS
MIAMI, OKLAHOMA

Delaware County Educational Facilities Authority
Delaware County, Oklahoma
Management's Discussion and Analysis
June 30, 2010

Our discussion and analysis of Delaware County Educational Facilities Authority's financial performance provides an overview of the Authority's financial activities for the fiscal year ended June 30, 2010. Please read it in conjunction with the Authority's financial statements which begin on page 6.

On May 26, 2009, the Authority was created for the purpose of issuing bonds and entering into a lease agreement with Kansas Public Schools to finance improvements to the elementary and middle school buildings. Bonds were issued on July 1, 2009 in the amount of $1,825,000, to mature on September 1, 2015 (74 months) with a stated interest rate of 3.25-3.55%. The lease agreement commenced on July 1, 2009 and requires Kansas Publics School District to make annual lease payments starting on September 1, 2011 and ending on September 1, 2015. The interest rate on the lease agreement is 0.409%.

FINANCIAL HIGHLIGHTS

- The Authority's Net Assets decreased by $4,590 as a result of this year's operations.
- Total revenues were $15,348.
- Additions to capital assets during the year included the construction in progress of $498,887 and $62,743 of interest paid and accrued on the outstanding bonds.
- Bond issue costs of $52,563 and bond discount of $32,528 were capitalized and are to be amortized over the life of the bond.

USING THIS ANNUAL REPORT

This annual report consists of the following three parts: Management's Discussion and Analysis, Basic Financial Statements and Other Required Supplementary Information. The Financial Statements include notes which explain in detail some of the information included in the basic financial statements.

REQUIRED FINANCIAL STATEMENTS

The Financial Statements of the Authority report information about the Authority using accounting methods similar to those used by private sector companies. These statements offer short- and long-term financial information about its activities. The Statement of Net Assets includes all of the Authority's assets and liabilities and provides information about the nature and amounts of investments in resources (assets) and obligations to creditors (liabilities). It also provides the basis for computing rate of return, evaluating the capital structure of the Authority and assessing the liquidity and financial flexibility of the Authority. All of the current year's revenues and expenses are accounted for in the Statement of Revenues, Expenses, and Changes in Net Assets. This statement measures the success of the Authority's operations over the past year and can be used to determine profitability, credit worthiness and whether the Authority has successfully recovered all its costs through lease income and other charges. The final required financial statement is the

Statement of Cash Flows. The primary purpose of this statement is to provide information about the Authority's cash receipts and cash payments during the reporting period. The statement reports cash receipts, cash payments, and net changes in cash resulting from operations, investing, and capital and non-capital financing activities and provides answers to such questions as "from where did cash come?," "for what was cash used?," and "what was the change in cash balance during the reporting period?"

FINANCIAL ANALYSIS OF THE AUTHORITY AS A WHOLE

One of the most important questions asked about the Authority's finances is "Is the Authority, as a whole, better off or worse off as a result of the year's activities?" The Statement of Net Assets and Statement of Revenues, Expenses and Changes in Net Assets report information about the Authority's activities in a way that will help answer this question. These two statements report the net assets of the Authority and changes in them. You can think of the Authority's net assets—the difference between assets and liabilities—as one way to measure financial health or financial position. Over time, increases or decreases in the Authority's net assets are one indicator of whether its financial health is improving or deteriorating. However, you will need to also consider other non-financial factors such as changes in economic conditions, population growth, and new or changed legislation.

The Authority's total Net Assets decreased $4,950 from last year. Our analysis below focuses on the Authority's net assets (Table 1) and changes in net assets (Table 2) during the year.

Table 1

	June 30, 2010
Current Assets	$ 10,785
Noncurrent Assets- Restricted	3,583,887
Other Assets	71,292
Total Assets	3,665,964
Current Liabilities	20,914
Long-Term Liabilities	3,650,000
Total Liabilities	3,670,914
Net Assets, Restricted	1,197,257
Net Assets, Unrestricted	(1,202,207)
Total Net Assets	$ (4,950)

The decrease in net assets is mostly due to a decrease in "Other Assets", caused by the amortization of bond costs and discount. Long term liabilities have not been reduced as principle on the bond has not been paid in the current period.

The Authority leases capital assets (e.g. improvements to the school buildings) to the Kansas Public School District which uses them to provide services to students. Consequently, these assets are not available for future spending. Although the Authority's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Changes in the Authority's net assets can be determined by reviewing the following condensed Statement of Revenue, Expenses and Changes in Net Assets for the year.

Table 2

	June 30, 2010
Rental Income	$ 2,500
Nonoperating Interest Income	12,848
Amorization Expense	(13,798)
Trustee Fees	(6,500)
Decrease in Net Assets	(4,950)
Net Assets, Beginning of Year	-
Net Assets, End of Year	$ (4,950)

The Authority's primary source of revenue in the current year is interest revenue, which is mainly comprised of accrued interest receivable from the Kansas Public Schools and interest earned on the outstanding bonds between July 1, 2009, the date of issue, and July 31, 2009, when the Authority received the proceeds.

Major expenses are amortization expense and trustee fees.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2010, the Authority had $561,630 invested in capital assets, including the construction in progress and the capitalized interest.

Debt

As of June 30, 2010, the Authority had $1,825,000 in bonds outstanding. The 2009 Series Bonds are the Authority's only debt. The Authority's total obligations did not change during the year because principle repayment has not yet been made.

Additional information on the Authority's long-term debt can be found in Note III on page 12 of this report.

ECONOMIC FACTORS

In considering the Authority's financial condition, the Board estimates that revenues and expenses in the coming year will approximate actual revenues and expenses for the past fiscal year.

The Authority will pay the bonds off in September 2015. At this time, the Trust plans to go inactive.

CONTACTING THE AUTHORITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers and creditors with a general overview of the Authority's finances and to show the Authority's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Delaware County Clerk at P.O. box 309 Jay, Oklahoma 74346.

Delaware County Educational Facilities Authority
Statement of Net Assets
June 30, 2010

ASSETS		
Current Assets		
Deposits with Third Party	$	2,281.25
Rent Receivable		1,000.00
Accrued Interest Receivable		7,504.08
Total Current Assets		10,785.33
Noncurrent Assets		
Lease Purchase Receivable		1,825,000.00
Restricted US Treasuries		1,197,256.98
Construction in Progress		561,629.91
Total Noncurrent Assets		3,583,886.89
Other Assets		
Bond Issuance Costs, net		71,291.75
Total Assets		3,665,963.97
LIABILITIES		
Current Liabilities		
Accrued Interest Payable		20,914.17
Long Term Liabilities		
Bonds Payable		1,825,000.00
Deferred Lease Purchase		1,825,000.00
Total Long Term Liabilities		3,650,000.00
Total Liabilities		3,670,914.17
NET ASSETS		
Restricted		1,197,256.98
Unrestricted		(1,202,207.18)
Total Net Position	$	(4,950.20)

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

Delaware County Educational Facilities Authority
Statement of Revenues, Expenses and Changes in Net Assets
For the Year Ended June 30, 2010

Operating Revenues	
Rental Income	$ 2,500.00
Operating Expenses	
Trustee Fees	(6,500.00)
Amortization Expense	(13,798.40)
Total Operating Expenses	(20,298.40)
Net Income (Loss) From Operations	(17,798.40)
Non Operating Revenue (Expense)	
Interest Income	12,848.20
Net Income (Loss)	(4,950.20)
Net Assets, Beginning of Year	0
Net Assets, End of Year	$ (4,950.20)

Delaware County Educational Facilities Authority
Statement of Cash Flows
For the Year Ended June 30, 2010

Cash Flows from Operating Activities		
Cash Inflows:		
Payments Received from Customers	$	1,500.00
Cash Outflows:		
Payments to Suppliers for Goods or Services		(6,500.00)
Net Cash Provided (Used) by Operating Activities		(5,000.00)
Cash Flows from Capital and Related Financing Activities		
Proceeds from Issuance of Bonds, net of Issuance Costs		1,745,138.39
Purchase of Capital Assets - Construction in Progress		(540,715.74)
Net Cash Provided (Used) for Capital and Related Financing Activities		1,204,422.65
Cash Flows from Investing Activities		
Interest Received from Investments		115.58
Net Cash Inflow (Outflow) from All Activities		1,199,538.23
Cash and Cash Equivalents at Beginning of Year		-
Cash and Cash Equivalents at End of Year	$	1,199,538.23
Cash and Cash Equivalents		
Restricted Cash and Cash Equivalents	$	1,197,256.98
Unrestricted Cash and Cash Equivalents		2,281.25
Cash and Cash Equivalents at End of Year	$	1,199,538.23
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities		
Net Operating Income (Loss)	$	(17,798.40)
Accounts Recievable		(1,000.00)
Amortization of Bond Issuance Costs		13,798.40
Net Cash Provided by Operating Activities	$	(5,000.00)

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

Delaware County Educational Facilities Authority
Notes to the Financial Statements
For the Year Ended June 30, 2010

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

I. Summary of Significant Accounting Policies

Delaware County Educational Facilities Authority, Jay, Oklahoma (the Authority) was established as a Trust for the use and benefit of the Beneficiary for the public purposes hereinafter set forth, under the provisions of Title 60, Oklahoma Statues 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 entrepreneurism 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 May 26, 2009. The Authority is exempt from federal and state income taxes.

On June 8, 2009, the Board of Trustees of the Authority approved the Delaware County Educational Facilities Authority Educational Facilities Lease Revenue Bonds (Kansas Public Schools Project), Series 2009 between the Authority and BancFirst (the Trustee) providing for the issuance of Revenue Bonds in the aggregate principal amount of $1,825,000 plus accrued interest for one month of $5,228.54 less the bond issuance costs of $61,343.75 and bond discounts of $32,527.65.

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.

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.

Delaware County Educational Facilities Authority
Notes to the Financial Statements
For the Year Ended June 30, 2010

I. Summary of Significant Accounting Policies (continued)

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

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with Generally Accepted Accounting Principles (GAAP) promulgated in the United States of America. The accounting and financial reporting treatment is accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and liabilities associated with the operation are included on the statement of net assets. The operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets.

Financial activity is accounted for on the flow of economic resources measurement focus using the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. The District complies with generally accepted accounting principles and applies all relevant Government Accounting Standards Board (GASB) pronouncements.

In addition, the District 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 District has elected not to follow FASB pronouncements issued since that date.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Authority's enterprise fund is rental income from the Kansas School District. Operating expenses for enterprise funds include trustee fees and amortization expense. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

C. Assets, Liabilities, Net Assets 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 statement of net assets. The carrying amount of these financial instruments approximates fair value because of the short maturity of these instruments.

3. Restricted Assets

Restricted assets include investments of the proprietary fund that are legally restricted as to their use. Financial requirements of the bond indenture require that funds be held in a bond fund which is comprised of the reserve account, debt service account, and improvement account. Under the terms and provisions of the indenture, these funds are maintained with the Trustee bank and are not subject to lien or attachment by any other creditors. These funds are to be maintained so long as the bonds are outstanding.

Delaware County Educational Facilities Authority
Notes to the Financial Statements
For the Year Ended June 30, 2010

I. Summary of Significant Accounting Policies (continued)

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

4. Rent Receivable

The Authority receives semi-annual rent payments from Kansas Public Schools in the amount of $1,500.

5. Accrued Interest

Interest payments on the 2009 Series Bonds are due semi-annually on March 1 and September 1 each year until maturity. Interest payable is accrued from March 1 through June 30 on all bonds.

6. Long-Term Obligations

Long-term debt is reported as a liability in the Authority's statement of net assets. Bond premiums, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight line method. Bond issuance costs are reported as "other noncurrent assets" and amortized over the term of the related debt.

7. Deferred Revenue

The Authority entered into a lease agreement with Kansas Public Schools. The 2009 Bond Series proceeds will be used to complete the construction of the elementary and middle school facilities. These facilities are being sold to Kansas Public Schools through a lease agreement.

8. Equity Classifications

Equity is classified as net assets 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 assets --- Consists of net assets 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 assets --- All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

9. 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.

Delaware County Educational Facilities Authority
Notes to the Financial Statements
For the Year Ended June 30, 2010

II. Stewardship, Compliance and Accountability

A. Budgetary Information

Stewardship, compliance, and accountability are key concepts in defining the responsibilities of the Delaware County Educational Facilities Authority. The use of budgets and monitoring of equity status facilitate the Authority's compliance with legal requirements. The Authority did not prepare a budget for the 2010 fiscal year.

III. Detailed Notes Concerning the Funds

A. Cash

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the Authority's deposits may not be returned to it. The Authority's cash deposits, including interest-bearing certificates of deposit, are maintained in financial institutions. As of June 30, 2010, 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.

Repurchase agreements: The Authority is invested in the Goldman Sachs Financial Square Treasury Obligations Fund. According to the Financial Square Treasury Obligations Fund holdings report, a portion of the investments are subject to repurchase agreements. The Authority's investments are collateralized by Treasury securities; however, current and future holdings are subject to risk.

B. Long-Term Debt

The Authority issued bonds in the amount of $1,825,000.00 on July 1, 2009. 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, 2011.

Future debt service requirements for the 2009 Series Bonds are as follows:

Year Ended June 30,	Principal	Interest	Total Requirements
2011	-	62,742.50	62,742.50
2012	145,000.00	60,386.25	205,386.25
2013	245,000.00	53,926.25	298,926.25
2014	270,000.00	45,300.00	315,300.00
2015	290,000.00	35,920.00	325,920.00
2016	875,000.00	15,531.25	890,531.25
	$ 1,825,000.00	$ 273,806.25	$ 2,098,806.25

Delaware County Educational Facilities Authority
Notes to the Financial Statements
For the Year Ended June 30, 2010

III. Detailed Notes Concerning the Funds (continued)

C. Changes in Long-Term Debt

Long-term debt consists of bonds payable. The following is a summary of the changes in long-term debt of the Authority for the fiscal year.

	Balance June 30, 2009	Advances	Payments	Balance June 30,2010	Due within One Year
Bonds Payable	$ -	$ 1,825,000.00	$ -	$ 1,825,000.00	$ -

D. Lease Purchase Agreement (Sub Lease)

The Authority has a commitment with the Kansas Public Schools to lease the elementary and middle school facilities. Future minimum rental commitments for operating leases as of June 30, 2010 are as follows:

Year Ended June 30,	Rent
2011	$ 3,000.00
2012	3,000.00
2013	3,000.00
2014	3,000.00
2015	3,000.00
2016	1,500.00
	$ 16,500.00

The rent is due in equal semi-annual installments on or before the 1st of September and March ending September 1, 2015.

E. Capital Lease Agreement (Ground Lease)

The Authority has entered into an agreement to lease the elementary and middle school facilities. Such agreements are, in substance, purchase (capital leases) and are reported as capital lease obligations.

The following schedule presents future minimum lease payments as of June 30, 2010:

Delaware County Educational Facilities Authority
Notes to the Financial Statements
For the Year Ended June 30, 2010

III. Detailed Notes Concerning the Funds (continued)

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

Year Ended June 30,	Principal	Interest	Total Requirements
2011	$ -	$ -	$ -
2012	189,491.12	16,258.88	205,750.00
2013	299,041.11	6,708.89	305,750.00
2014	310,267.79	5,482.21	315,750.00
2015	321,540.51	4,209.49	325,750.00
2016	704,659.47	2,890.53	707,550.00
	$ 1,825,000.00	$ 35,550.00	$ 1,860,550.00

The Authority leases the elementary and middle school facilities to the Kansas Public Schools at an interest rate of 0.409%. The terms of this lease commenced on July 1, 2009 and extends to September 1, 2015 under the terms of the indenture and so long thereafter as long as any Bond shall remain outstanding and unpaid. Upon fulfilling the lease obligation, the Authority agrees to execute and deliver to the Kansas Public Schools a deed or bill of sale, as appropriate, to convey legal title to the elementary and middle school facilities.

IV. Other Information

A. Economic Dependence

During the fiscal year ended June 30, 2010, the Authority reported lease revenues of $2,500 pursuant to its lease agreement with the Kansas Public Schools, Kansas, Oklahoma. This amount represents 100% of the Authority's total operating revenues.

B. Subsequent Events

Management has evaluated subsequent events through July 8, 2014, 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.

LANGLEY-LITTLEFIELD-OBER

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INDEPENDENT AUDITORS REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Commissioners
Delaware County Educational Facilities Authority
Delaware County, Oklahoma

We have audited the accompanying financial statements of the Delaware County Educational Facilities Authority (the Authority) a discretely presented component unit of Delaware County, Oklahoma as of and for the year ended June 30, 2010, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated May 3, 2015.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the 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 Authority's internal control. Accordingly, we do not express an opinion on the effectiveness on the Authority's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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.

May 3, 2015

Langley - Littlefield - Ober

LANGLEY - LITTLEFIELD - OBER, CERTIFIED PUBLIC ACCOUNTANTS, PLLC
CERTIFIED PUBLIC ACCOUNTANTS
MIAMI, OKLAHOMA