

**Financial Statements and Reports of
Independent Certified Public Accountant
Osage County Educational
Facilities Authority
Pawhuska, Oklahoma
June 30, 2020**

DAVID CLANIN CPA PLLC

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**Osage County Educational Facilities Authority
Board of Trustees
June 30, 2020**

Darren McKinney
Kevin Paslay
Randall Jones
Shelia Bellamy
Sally Hulse

Chairman
Trustee
Trustee
Secretary
Treasurer

Osage County Educational Facilities Authority
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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Osage County Educational Facilities Authority

Report on the Financial Statements

We have audited the accompanying financial statements of the Osage County Educational Facilities Authority, enterprise fund, as of and for the year ended June 30, 2020, 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 Osage County Educational Facilities Authority and do not purport to, and do not present fairly the financial position of the County of Osage, Oklahoma, as of June 30, 2020, 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 Osage County Educational Facilities Authority, as of June 30, 2020, 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 January 15, 2021, 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.

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Claremore, OK
January 15, 2021

DAVID CLANIN CPA

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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
Osage County Educational Facilities 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 Osage County Educational Facilities Authority, County of Osage, Oklahoma, as of and for the year ended June 30, 2019, and the related notes to the financial statements which collectively comprise the Osage County Educational Facilities Authority's financial statements, and have issued our report thereon dated January 15, 2021. The Osage County Educational Facilities 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 Osage County Educational Facilities 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 Osage County Educational Facilities Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of Osage County Educational Facilities Authority's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or 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 Osage County Educational Facilities Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing

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.

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Claremore, OK
January 15, 2021

Osage Co. Educational Facilities Authority
Statement of Net Position
June 30, 2020

ASSETS

Current Assets

Cash and Cash Equivalents, Restricted	\$ 623,249.89
Deposits with Third Party	9,828.15
Rent Receivable	4,500.00
Accrued Federal Interest Subsidy Receivable	12,832.50
Lease Purchase Receivable, current portion	440,550.00
Total Current Assets	1,090,960.54

Noncurrent Assets

Lease Purchase Receivable, net of current portion	5,649,450.00
Construction in Progress	6,440,852.45
Total Noncurrent Assets	12,090,302.45

Total Assets

13,181,262.99

LIABILITIES

Current Liabilities

Accrued Interest Payable	70,517.02
Bonds Payable, current portion	135,000.00
Total Current Liabilities	205,517.02

Long Term Liabilities

Bonds Payable, net of current portion	5,955,000.00
Total Liabilities	6,160,517.02

DEFERRED INFLOWS OF RESOURCES

Deferred Lease Purchase	7,630,000.00
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NET POSITION

Net Investment in Capital Assets	350,852.45
Restricted	(960,106.48)
Total Net Position	\$ (609,254.03)

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

Osage Co. Educational Facilities Authority
Statement of Revenues, Expenses and Changes in Fund Net Position
For the Year Ended June 30, 2020

Operating Revenues	
Rental Income	\$ 9,000.00
Operating Expenses	
Trustee Expense	(12,250.04)
Professional Fees	(21,000.00)
Total Operating Expenses	(33,250.04)
Net Income (Loss) From Operations	(24,250.04)
Non Operating Revenue (Expense)	
Federal Interest Subsidy	39,862.25
Interest Lease Payment from School	2,714.40
Investment Earnings	56,519.41
Net Original Issue Discount	(45,757.15)
Underwriter's Discount	(45,450.00)
Bond Costs	(129,262.50)
Interest Expense	(212,928.22)
Total Non-Operating Revenue (Expense)	(334,301.81)
Net Income (Loss)	(358,551.85)
Net Position, Beginning of Year	(165,851.80)
Net Position, End of Year	\$ (524,403.65)

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

Osage Co. Educational Facilities Authority
Statement of Cash Flows
For the Year Ended June 30, 2020

Cash Flows from Operating Activities

Cash Inflows:

Payments Received from Schools	\$	9,000.00
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Cash Outflows:

Trustee Fees		(9,500.04)
Professional Fees		(4,818.00)

Net Cash Provided (Used) by Operating Activities		<u>(5,318.04)</u>
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Cash Flows from Capital and Related Financing Activities

Interest Lease Purchase Payment from School		83,410.41
Proceeds from Federal Interest Subsidy		31,966.84
Debt Service on Bonds Payable, Interest		(226,137.79)
Purchase of Capital Assets-Construction in Progress		(2,674,749.07)

Net Cash Provided (Used) by Capital and Related Financing Activities		<u>(2,785,509.61)</u>
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Cash Flows from Investing Activities

Interest Received from Investments		<u>29,877.46</u>
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Net Cash Inflow (Outflow) from All Activities		(2,760,950.19)
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Cash and Cash Equivalents at Beginning of Year		<u>3,394,028.23</u>
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Cash and Cash Equivalents at End of Year	\$	<u><u>633,078.04</u></u>
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Cash and Cash Equivalents

Cash and Cash Equivalents at End of Year		<u>633,078.04</u>
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Cash and Cash Equivalents at End of Year	\$	<u><u>633,078.04</u></u>
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Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities

Net Operating Income (Loss)	\$	(5,318.04)
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Net Cash Provided (Used) by Operating Activities	\$	<u><u>(5,318.04)</u></u>
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The accompanying Notes to the Financial Statements are an integral part of this statement.

Osage Co. Educational Facilities Authority
Notes to the Financial Statements
For the Year Ended June 30, 2020

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

I. Summary of Significant Accounting Policies

Osage County Educational Facilities Authority, Pawhuska, 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 August 15, 2011. The Authority is exempt from federal and state income taxes.

On August 1, 2011, the Board of Trustees of the Authority approved the Osage County Educational Facilities Authority Educational Facilities Lease Revenue Bonds, Barnsdall Public Schools Project Series 2011A, 2011B and 2011C, between the Authority and BancFirst (the Trustee) providing for the issuance of Revenue Bonds in the aggregate principal amount of \$450,000, \$1,300,000 and \$80,000.

On December 1, 2012, the Board of Trustees of the Authority approved the Osage County Educational Facilities Authority Educational Facilities Lease Revenue Bonds, Prue Public Schools Project Series 2012 between the Authority and the Bank of Oklahoma (the Trustee) providing for the issuance of Revenue Bonds in the aggregate principal amount of \$1,785,000.

On September 1, 2018, the Board of Trustees of the Authority approved the Osage County Educational Facilities Authority Educational Facilities Lease Revenue Bonds, Barnsdall Public School Series 2018 between the Authority and BancFirst (the Trustee) providing for the issuance of Revenue Bonds in the aggregate principal amount of \$4,545,000.

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.

Osage Co. Educational Facilities Authority
Notes to the Financial Statements
For the Year Ended June 30, 2020

I. Summary of Significant Accounting Policies (continued)

A. Financial Reporting Entity

The Authority complies with GASB Statement No. 61, “The Financial Reporting Entity.” This statement establishes standards for defining and reporting on the financial reporting entity. It defines component units as legally separate organizations for which the elected officials of the primary government are financially accountable and other organizations for which the nature and significance of their relationship with a primary government are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete. The Authority considered all potential component units in determining what organizations should be included in the financial statements. Based on these criteria, there are no component units to include in the Authority’s financial statements.

B. Basis of Presentation

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

C. Measurement Focus and Basis of Accounting

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

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

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

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of the Authority’s enterprise fund is rent and lease payments charged to the Barnsdall and Prue School Districts. Operating expenses for enterprise funds include the cost of administrative expenses and professional fees. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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.

Osage Co. Educational Facilities Authority
Notes to the Financial Statements
For the Year Ended June 30, 2020

I. Summary of Significant Accounting Policies (continued)

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

2. Fair Value of Financial Instruments

The Authority's financial statements include cash and investments. The Authority's estimates of the fair value of all financial instruments do not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying balance sheet. The carrying amount of these financial instruments approximates fair value because of the short maturity of these instruments.

3. Restricted Assets

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

4. Rent Receivable

The Authority receives semi-annual rent payments from Barnsdall Public School and Prue Public School in the amount of \$1,500 for each bond series.

5. Capital Assets

Capital Assets are comprised of Construction in Progress and Improvements to facilities. There were \$2,674,749.07 construction in progress expenditures during the year. When Construction in Progress is complete the expenditures will be moved to a Capital Lease Assets account and will remain non-depreciable assets until the lease obligation is fulfilled and title is transferred to the Schools.

6. Accrued Interest

Interest payments on the Barnsdall Series 2011B bonds are subsidized by the Federal government. The interest subsidy payments are received semi-annually on March 1 and September 1 each year until maturity. Interest payable is accrued from March 1 through June 30 on all bonds. Barnsdall is responsible for any difference between the semi-annual interest payment and what is received from the Federal government.

7. Long-Term Obligations

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

Osage Co. Educational Facilities Authority
Notes to the Financial Statements
For the Year Ended June 30, 2020

I. Summary of Significant Accounting Policies (continued)

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

8. Deferred Lease Purchase

The Authority entered into a lease agreement with Barnsdall Public School and Prue Public School. The bond proceeds are used to complete construction and building improvements throughout the Districts. The additions and improvements are being sold to the Barnsdall Public School and Prue Public School through a lease agreement.

9. Equity Classifications

Equity is classified as net position and displayed in three components:

- a. Invested in capital assets, net of related debt --- Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any mortgages, notes, or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
- b. Restricted net position --- Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position --- All other net position that do not meet the definition of “restricted” or “net investment in capital assets.”

10. Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

II. Detailed Notes Concerning the Funds

A. Cash

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the Authority’s deposits may not be returned to it. The Authority’s cash deposits, including interest-bearing certificates of deposit, are maintained in financial institutions. As of June 30, 2020, 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.

Osage Co. Educational Facilities Authority
Notes to the Financial Statements
For the Year Ended June 30, 2020

II. Detailed Notes Concerning the Funds (continued)

B. Capital Lease Asset

	Balance June 30, 2019	Additions	Disposals	Balance June 30, 2020
Barnsdall Schools 2011 Bond	\$ 1,255,163.98	\$ -	\$ -	\$ 1,255,163.98
Prue Schools 2012 Bond	1,588,241.88	-	-	1,588,241.88
Barnsdall Schools 2018 Bond	922,697.52	2,674,749.07	-	3,597,446.59
Total	\$ 3,766,103.38	\$ 2,674,749.07	\$ -	\$ 6,440,852.45

C. Long-Term Debt

Barnsdall Public Schools:

The Authority issued building bonds in the amount of \$1,300,000 on August 1, 2011. Interest on the bonds is payable March 1st and September 1st at varying rates. The Authority has annual principal payments, beginning September 1, 2017.

Debt service requirements for the 2011B Series Bonds are as follows:

Year Ended June 30,	Principal	Interest	Total Requirements
2021	\$ -	\$ 35,972.30	\$ 35,972.30
2022	590,000.00	17,986.15	607,986.15
	\$ 590,000.00	\$ 53,958.45	\$ 643,958.45

The Authority issued building bonds in the amount of \$4,545,000 on September 1, 2018. Interest on the bonds is payable March 1st and September 1st at varying rates. The Authority has annual principal payments, beginning September 1, 2020.

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

Year Ended June 30,	Principal	Interest	Total Requirements
2021	\$ 135,000.00	\$ 149,760.01	\$ 284,760.01
2022	-	147,903.76	147,903.76
2023	765,000.00	136,428.76	901,428.76
2024	-	124,953.76	124,953.76
2025	815,000.00	112,219.38	927,219.38
2026-2030	1,815,000.00	345,043.75	2,160,043.75
2031	1,015,000.00	18,523.75	1,033,523.75
	\$ 4,545,000.00	\$ 1,016,309.42	\$ 5,579,833.17

Osage Co. Educational Facilities Authority
Notes to the Financial Statements
For the Year Ended June 30, 2020

II. Detailed Notes Concerning the Funds (continued)

B. Long-Term Debt (continued)

Prue Public Schools:

The Authority issued building bonds in the amount of \$1,785,000 on December 1, 2012. Interest on the bonds is payable March 1st and September 1st at varying rates. The Authority has annual principal payments, beginning September 1, 2015.

Debt service requirements for the 2012 Series Bonds are as follows:

Year Ended June 30,	Principal	Interest	Total Requirements
2021	\$ -	\$ 23,962.50	\$ 23,962.50
2022	300,000.00	20,587.50	320,587.50
2023	-	17,212.50	17,212.50
2024	320,000.00	13,212.50	333,212.50
2025	-	9,212.50	9,212.50
2026	335,000.00	4,606.25	339,606.25
	<u>\$ 955,000.00</u>	<u>\$ 88,793.75</u>	<u>\$ 1,043,793.75</u>

Debt service requirements for all Bonds are as follows:

Year Ended June 30,	Principal	Interest	Total Requirements
2021	\$ 135,000.00	\$ 209,694.81	\$ 344,694.81
2022	890,000.00	186,477.41	1,076,477.41
2023	765,000.00	153,641.26	918,641.26
2024	320,000.00	138,166.26	458,166.26
2025	815,000.00	121,431.88	936,431.88
2026-2030	2,150,000.00	349,650.00	2,499,650.00
2031	1,015,000.00	18,523.75	1,033,523.75
	<u>\$ 6,090,000.00</u>	<u>\$ 1,177,585.37</u>	<u>\$ 7,267,585.37</u>

Osage Co. Educational Facilities Authority
Notes to the Financial Statements
For the Year Ended June 30, 2020

II. Detailed Notes Concerning the Funds (continued)

C. Changes in Long-Term Debt

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

	Balance June 30, 2019	Proceeds	Payments	Balance June 30, 2020	Due within One Year
Barnsdall 2011B	\$ 975,000.00	-	385,000.00	\$ 590,000.00	-
Prue 2012	1,240,000.00	-	285,000.00	955,000.00	-
Barnsdall 2018	4,545,000.00	-	-	4,545,000.00	135,000.00
Bonds Payable	<u>\$ 6,760,000.00</u>	<u>\$ -</u>	<u>\$ 670,000.00</u>	<u>\$ 6,090,000.00</u>	<u>\$ 135,000.00</u>

D. Lease Purchase Agreement (Sub Lease)

The Authority has a commitment with the Barnsdall Public Schools to lease the additions and improvements to the school buildings. Future minimum rental commitments for operating leases as of June 30, 2020 are as follows:

The rent is due in equal semi-annual installments on or before the 1st of September and March, ending September 1, 2031.

Year Ended June 30,	Rent
2021	\$ 6,000.00
2022	4,500.00
2023	3,000.00
2024	3,000.00
2025	3,000.00
2026-2030	15,000.00
2031	1,500.00
Total	<u>\$ 36,000.00</u>

**Osage Co. Educational Facilities Authority
Notes to the Financial Statements
For the Year Ended June 30, 2020**

II. Detailed Notes Concerning the Funds (continued)

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

The Authority has a commitment with the Prue Public Schools to lease the additions and improvements to the school buildings. Future minimum rental commitments for operating leases as of June 30, 2020 are as follows:

The rent is due in equal semi-annual installments on or before the 1st of September and March, ending September 1, 2025.

Year Ended June 30,	<u>Rent</u>
2021	\$ 3,000.00
2022	3,000.00
2023	3,000.00
2024	3,000.00
2025	3,000.00
2026	1,500.00
Total	<u>\$ 16,500.00</u>

Total rent due from all Schools are as follows:

Year Ended June 30,	<u>Rent</u>
2021	\$ 9,000.00
2022	7,500.00
2023	6,000.00
2024	6,000.00
2025	6,000.00
2026-2030	16,500.00
2031	1,500.00
Total	<u>\$ 52,500.00</u>

Osage Co. Educational Facilities Authority
Notes to the Financial Statements
For the Year Ended June 30, 2020

II. Detailed Notes Concerning the Funds (continued)

E. Capital Lease Agreement (Ground Lease)

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

Barnsdall Public Schools:

The following schedule presents future minimum lease payments for the Series 2011B Bonds as of June 30, 2020:

Year Ended June 30,	<u>Total Requirements</u>
2021	\$ -
2022	593,700.00
Total	<u>\$ 593,700.00</u>

The following schedule presents future minimum lease payments for the Series 2018 Bonds as of June 30, 2020:

Year Ended June 30,	<u>Total Requirements</u>
2021	\$ 440,550.00
2022	-
2023	1,034,250.00
2024	-
2025	1,034,250.00
2026-2030	2,068,500.00
2031	1,034,250.00
Total	<u>\$ 5,611,800.00</u>

Osage Co. Educational Facilities Authority
Notes to the Financial Statements
For the Year Ended June 30, 2020

II. Detailed Notes Concerning the Funds (continued)

E. Capital Lease Agreement (Ground Lease)

Prue Public Schools:

The following schedule presents future minimum lease payments for the Series 2012 Bonds as of June 30, 2020:

Year Ended June 30,	<u>Total Requirements</u>
2021	\$ -
2022	340,750.00
2023	-
2024	340,750.00
2025	-
2026	340,750.00
Total	<u>\$ 1,022,250.00</u>

Total lease payments from all Schools are as follows:

Year Ended June 30,	<u>Total Requirements</u>
2021	\$ 440,550.00
2022	934,450.00
2023	1,034,250.00
2024	340,750.00
2025	1,034,250.00
2026-2030	2,409,250.00
2031	1,034,250.00
Total	<u>\$ 7,227,750.00</u>

Osage Co. Educational Facilities Authority
Notes to the Financial Statements
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III. Other Information

A. Economic Dependence

During the fiscal year ended June 30, 2020, the Authority reported rental lease revenues of \$9,000 pursuant to its lease agreement with the Barnsdall Public School and Prue Public School. 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.