

NEW ISSUE – BOOK-ENTRY ONLY

Independent School District No. 27
of Canadian County, Oklahoma

(Yukon Board of Education)

PRELIMINARY OFFICIAL STATEMENT

DATED: August 30, 2018

\$7,430,000 Building Bonds of 2018
(Federally Taxable)

SEALED BIDS WILL BE RECEIVED UNTIL:
11:30 o'clock a.m., on the 18th day of September, 2018

The bids will be opened and read and shall be awarded at the first Board of Education meeting held after the bids are due. This is expected to occur at 12:00 o'clock Noon on the 18th day of September, 2018

FINANCIAL ADVISOR
STEPHEN H. MCDONALD & ASSOCIATES, INC.

OFFICIAL BID FORM – Exhibit B

18th day of September, 2018

Board of Education
Independent School District No. 27
Canadian County, Oklahoma

Gentlemen:

For your issue of General Obligation Building Bonds of 2018 (Federally Taxable), dated November 1, 2018, of the par value of \$7,430,000 with principal and semi-annual interest payable through The Depository Trust Company ("DTC") by UMB Bank, n.a., Oklahoma City, Oklahoma, as Paying Agent and Registrar, we hereby agree to pay you therefor a price of par and accrued interest plus a total premium of \$ _____ for bonds maturing and bearing interest as follows:

\$1,850,000 due 11-1-2020 @ _____ %

\$1,850,000 due 11-1-2022 @ _____ %

\$1,850,000 due 11-1-2021 @ _____ %

\$1,880,000 due 11-1-2023 @ _____ %

Net Interest Cost: \$ _____

Average Interest Rate: _____ %

Delivery of the Bonds shall be made at our (the purchaser's) expense through DTC against payment of the agreed upon purchase price under the following stipulations: (1) that said Bonds are to be in the hands of the Attorney General of the State of Oklahoma for examination within 30 days from this date without litigation pending; (2) that within 10 days after approval of said Bonds by the Attorney General, we are to be furnished with certified transcript of proceedings covering this issue; (3) that the Bonds shall be tendered to us for payment within 35 days after their approval by the Attorney General which shall not exceed 70 days from this date; and (4) after the expiration of the 30 day contest period we are to be furnished with such additional showings as may be necessary to establish legality, legal delivery and freedom from litigation all to the satisfaction of the Floyd Law Firm, P.C., Attorneys at Law, Norman, Oklahoma, Bond Counsel, whose fee shall be paid by the School District, otherwise delivery shall be made to us but only at our option.

We agree to provide the Paying Agent and Registrar a complete and accurate list of bondholders, with such other information as it may require, at least five (5) business days prior to the date of closing. We further agree to indemnify and hold the School District and its Paying Agent and Registrar harmless for any loss or liability resulting from errors or omissions in the list so provided to said Paying Agent and Registrar.

We attach hereto certified or cashier's check in the sum of \$148,600.00 to be held by you uncashed and to be forfeited to you as full liquidated damages in the event we fail or refuse to comply with the terms of this agreement; said check to be returned to us (1) immediately if this proposal is rejected or (2) 70 days from this date if demanded by us, in the event you are unable to comply with the provisions hereof.

This bid is a firm offer for the purchase of the Bonds identified in the Notice of Sale of Bonds and is not subject to any conditions, except as permitted under the terms of the Notice of Sale of Bonds. This bid shall not be revocable. The undersigned has an established industry reputation for underwriting new issuances of municipal bonds.

This proposal is made for immediate acceptance or rejection.

Respectfully submitted,

By: _____

At a legal meeting held on the date first above written, the above proposal was considered and upon motion regularly made, seconded and carried was accepted and the bonds sold, awarded and ordered delivered in compliance with the terms and conditions hereof.

WITNESS our official hands and seal the date first above written.

President, Board of Education

ATTEST:

Clerk, Board of Education

(SEAL)

NOTICE OF SALE OF BONDS

Conditions of Sale

**Independent School District No. 27
Canadian County, Oklahoma**

**\$7,430,000 Building Bonds of 2018
(Federally Taxable)**

Place and Time of Sale

The Board of Education of Independent School District No. 27 of Canadian County, Oklahoma (the "School District"), will receive sealed bids at the Board Room, Administration Building, Yukon Public Schools, 600 Maple Street, Yukon, Oklahoma, **until 11:30 o'clock a.m., Tuesday, the 18th day of September, 2018**, for the sale of its \$7,430,000 Building Bonds of 2018 (the "Bonds"), more completely described in the "Preliminary Official Statement". The bids will be opened and read and shall be awarded at the first Board of Education meeting held after the bids are due. This is expected to occur at 12:00 o'clock Noon on the 18th day of September, 2018.

Address of Bids

Sealed bids, plainly marked "Bid for Bonds", may be mailed either to "Dr. Jason Simeroth, Superintendent of Schools, Yukon Public Schools, 600 Maple Street, Yukon, Oklahoma 73099" or to the School District's Financial Advisor, Stephen H. McDonald & Associates, Inc., ATTN: Ron Fisher, 2200 McKown Drive, Norman, Oklahoma 73072. Sealed bids must be submitted in duplicate on the Official Bid Form furnished herein.

Types of Bids and Interest Rates

The Bonds will be sold in one block, all or none, and no bid of less than par and accrued interest will be considered. Bidders must specify the rate or rates of interest the Bonds will bear. No interest rate in excess of ten percent (10%) will be considered. Bidders shall specify the rate or rates of interest in multiples of one-eighth (1/8) or one-twentieth (1/20) of one percent per annum. Bidders are not restricted as to the number of rates that may be named, provided that the same rate shall be specified for all bonds of the same maturity.

Basis for Award

For the purpose of awarding the Bonds, the interest cost of each bid will be computed by determining, at the rate or rates specified therein, the total of all interest on the Bonds from the date thereof to their respective maturities, and deducting therefrom the premium bid, if any. The Bonds, if sold, will be awarded to the bidder whose bid, on the basis of the above computation produces the lowest interest cost to the School District. **THE BOARD OF EDUCATION RESERVES THE RIGHT TO REJECT ALL BIDS AND TO WAIVE ANY MINOR IRREGULARITIES.**

Good Faith Deposit

Each bid must be accompanied by a Good Faith Deposit ("Deposit") in the form of a Wire Transfer or Certified or Cashier's Check made payable to "**Treasurer, Independent School District No. 27 of Canadian County, Oklahoma**" in the amount of two percent (2%) of the par value of the Bonds, or **\$148,600.00**. The Deposit of the successful bidder will be retained by the School District to assure performance of the contract on the part of said bidder.

The School District will waive the Good Faith requirement prior to awarding the Bonds. The successful bidder will be required to wire the Good Faith deposit the afternoon of September 18, 2018, after the Bonds are awarded at a 12:00 o'clock Noon (Central Time) board meeting.

In the event said bidder should fail or refuse to take up and pay for the Bonds in accordance with his bid, then said Deposit will be cashed as full liquidated damages. Otherwise, said Deposit will be returned to the purchaser upon payment for the Bonds, or credited to the purchase price. No interest on the Deposit will accrue to the Purchaser. Checks of unsuccessful bidders will be promptly returned.

Electronic Bids

Bids may be submitted through the facilities of PARITY in accordance with the Rules of Participation and other requirements of PARITY. Subscription to the BiDCOMP/PARITY Competitive Bidding System is required in order to submit a bid electronically. Bidders can contact PARITY at (212) 849-5021 to inquire about electronic bidding services. Any electronic bid submitted through other means shall be disregarded.

Bids submitted through PARITY shall be regarded as though the information were submitted by the bidder on the Bid Form and executed on the bidder's behalf by a duly authorized signatory. All electronic bids shall be deemed to incorporate the provisions of this Notice of Sale and the Official Bid Form.

If any provision of this Notice of Sale shall conflict with information provided by the electronic bidding system, the Notice of Sale shall control. The School District shall not be responsible for any malfunction or mistake made by, or as a result of the use of PARITY, the use of such facilities being the sole responsibility of the bidder.

For purposes of the electronic bidding process, the time as maintained by PARITY shall constitute the official time. All electronic bids shall be deemed to incorporate the provisions of this Notice of Sale and the Official Bid Form.

Book-Entry Only Bonds

The Bonds are being issued book-entry only and a complete transcript of the legal proceedings had in connection with the issuance of the Bonds will be furnished to the purchaser at no expense.

Legal Opinion

Bids may be submitted subject to the opinion of the Attorney General of the State of Oklahoma, and the approving opinion of the Floyd Law Firm, P.C., Attorneys at Law, Norman, Oklahoma, each of which will be provided by the School District without cost to the purchaser.

Municipal Bond Insurance

The School District will not make application for a municipal bond issue insurance policy. The School District undertakes no responsibility and makes no representations with respect to any municipal bond issue insurance policy should the Underwriters choose to obtain such a policy. As such, no mention will be made of any municipal bond issue insurance policy on the original book-entry bonds, nor will the School District or Bond Counsel sign any certificates or other documentation relating to any such policy.

Ratings

Application has been made to Standard & Poor's Service ("S&P") for a rating of the Bonds. Such rating will reflect only the view of S&P and an explanation of the significance of such rating may be obtained only from S&P. There is no assurance that such rating will remain in effect for any given period of time or that it may not be lowered or withdrawn entirely by S&P if in its judgment circumstances so warrant. The Financial Advisor has not undertaken any responsibility either to bring to the attention of the owners of the Bonds any proposed revision or withdrawal of the rating of the Bonds or to oppose any such revision or withdrawal. Any downward revision or withdrawal of such rating could have an adverse effect on the market price of the Bonds.

Tax Status of the Bonds

It is expected that interest on the Bonds will be included in gross income for federal income tax purposes, and that interest on the Bonds will be exempt from State of Oklahoma income taxation.

Non-Litigation Certificate

At the time of delivery of the Bonds, the School District will execute and furnish the purchaser with a certificate to the effect that no litigation of any nature has been filed or is then pending to restrain or enjoin the issuance of delivery of the Bonds, or affecting the provision made for their payment or security, or in any manner questioning the validity of the Bonds.

Compliance with SEC Rule 15c2-12

Official Statement. The School District has prepared the accompanying Preliminary Official Statement, and for the limited purpose of complying with Rule 15c2-12, promulgated by the Securities and Exchange Commission, deems such Preliminary Official Statement to be final as of its date within the meaning of such Rule for the purpose of review prior to bidding. The School District will furnish to the Purchaser or Purchasers acting through a designated senior representative, in accordance with instructions received from the Purchaser(s), within seven (7) business days from the sale date a maximum of 20 copies of a Final Official Statement reflecting interest rates and other terms relating to the initial reoffering of the Bonds. The cost of any Final Official Statements in excess of the number specified shall be prepared and distributed at the cost of the Purchaser(s). The Purchaser(s) shall be responsible for providing the initial reoffering prices and other terms, if any, to the Financial Consultant by the close of the next business day after the sale. Except as noted above, the School District assumes no responsibility or obligation for the distribution or delivery of any copies of the Final Official Statement in connection with the offering or reoffering of the Bonds.

Continuing Disclosure. The School District will undertake, pursuant to Rule 15c2-12, in a written agreement for the benefit of holders of the Bonds, to submit financial and operating information for the School District not later than ten months following the end of the fiscal year in which the bonds are issued (as of the date of this document,

June 30 is the end of the fiscal year), and to provide notice of certain events to the Municipal Securities Rulemaking Board's Electronic Municipal Market Access (EMMA) system. A description of such undertaking is set forth in the Preliminary Official Statement and will also be set forth in the Final Official Statement.

CUSIP Numbers

CUSIP identification numbers will be printed on the Bonds if assigned by the CUSIP Service Bureau, but neither the failure to print the numbers nor any error with respect thereto shall constitute cause for refusal by the purchaser to accept delivery of the Bonds. All expenses in relation to the printing of the CUSIP Service Bureau numbers shall be paid by the School District except that the CUSIP Service Bureau charge for the assignment of numbers shall be the responsibility of and paid by the purchaser of the Bonds.

Delivery

Delivery of the Bonds shall be made at the expense of the Purchaser through The Depository Trust Company ("DTC") against payment of the agreed upon purchase price. Delivery of the Bonds to the purchaser is anticipated on or about the 1st day of November, 2018.

Additional Information

Additional information may be obtained from the School District's Financial Advisor, Stephen H. McDonald & Associates, Inc., 2200 McKown Drive, Norman, Oklahoma 73072. Contact Ron Fisher at (405) 329-0123, ext. 25; or ronfisher@shmcdonald.net.

NEW ISSUE – BOOK-ENTRY ONLY**Previous S&P Rating: A+
Oklahoma #1**

In the opinion of the Floyd Law Firm, P.C., Attorneys at Law, Norman, Oklahoma, under existing law, interest on the Bonds is included in the gross income of the owners thereof for Federal income tax purposes, and interest on the Bonds is exempt from Oklahoma income taxation. See “Tax Matters” herein.

\$7,430,000
Independent School District No. 27
Canadian County, Oklahoma
(Yukon Public Schools)
Building Bonds of 2018
(Federally Taxable)

Dated: November 1, 2018**Due: November 1, as shown below**

The Bonds are being issued by Independent School District No. 27 of Canadian County, Oklahoma (the “School District”). The Bonds are dated as of November 1, 2018. Interest on the Bonds is payable semiannually on May 1 and November 1 of each year (each an “Interest Payment Date”), commencing May 1, 2020. The Bonds will be initially issued, in fully registered form, in the name of Cede & Co., as nominee of The Depository Trust Company (“DTC”), New York, New York. Purchases of the Bonds will be made in book-entry form only, through brokers and dealers who are, or who act through DTC participants. Purchases of the Bonds may be made in the denomination of \$5,000 or any integral multiple thereof. **Beneficial owners of the Bonds will not receive physical delivery of Bond certificates so long as DTC or a successor securities depository acts as the securities depository with respect to the Bonds.** So long as DTC or its nominee is the registered owner of the Bonds, payment of the principal and interest on the Bonds will be payable by UMB Bank, n.a., Oklahoma City, Oklahoma, as initial Paying Agent and Registrar (the “Paying Agent and Registrar”), to DTC or its nominee and disbursement of such payments to DTC Participants will be the responsibility of DTC and disbursement of such payments to beneficial owners of the Bonds will be the responsibility of DTC Participants and Indirect Participants. No physical delivery of the Bonds will be made to the owners thereof. (see “The Bonds – Book-Entry System” herein).

The Bonds are not callable prior to their stated maturities.

The proceeds from the Bonds will be used to construct, equip, repair and remodel school buildings, acquire school furniture, fixtures and equipment and acquire and improve school sites, as well as to pay all legal, financial and other costs relating to the issuance of the Bonds, as described herein.

The Bonds are direct and general obligations of the School District and are payable as to principal and interest from ad valorem taxes which are required to be levied on all taxable property within the School District, without limitation as to rate or amount.

Maturity Schedule

Due November 1	Principal Amount	Interest Rate	Yield	Due November 1	Principal Amount	Interest Rate	Yield
2020	\$1,850,000			2022	\$1,850,000		
2021	\$1,850,000			2023	\$1,880,000		

This cover page contains only a brief description of the Bonds and the security therefor. It is not a summary of this issue. Investors are advised to read the entire Official Statement to obtain information essential to the making of an informed investment decision.

The Bonds are offered when, as and if issued by the School District, and subject to the approving opinion of the Floyd Law Firm, P.C., Attorneys at Law, Norman, Oklahoma. It is expected that the Bonds will be available for delivery on or about the 1st day of November, 2018.

FINANCIAL ADVISOR
STEPHEN H. MCDONALD & ASSOCIATES, INC.
Norman, Oklahoma

**Board of Education
Independent School District No. 27
Canadian County, Oklahoma**

Rex Van Meter, *President*
Leonard Wells, *Vice President*
Jeff Behymer, *Clerk and Member*
Suzanne Cannon, *Member*
Don Rowe, *Member*

SCHOOL ADMINISTRATION

Dr. Jason Simeroth, *Superintendent of Schools*
Jim Fenrick, *School District Treasurer*

FINANCIAL ADVISOR

Stephen H. McDonald & Associates, Inc.
Norman, Oklahoma

This Official Statement, which includes the cover page and the Exhibits hereto, does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds, by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

No dealer, broker, salesperson or other person has been authorized by the School District or the Financial Advisor to give information or to make any representation other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing.

The information set forth herein has been obtained from the School District and other sources believed to be reliable, but such information is not guaranteed as to accuracy or completeness and is not to be construed as the promise or guarantee of the Financial Advisor. This Official Statement contains, in part, estimates and matters of opinion which are not intended as statements of fact, and no representation is made as to the correctness of such estimates and opinions, or that they will be realized.

The information and expressions of opinion contained herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the School District, or in the information or opinions set forth herein, since the date of this Official Statement.

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Exhibit A - Audited Financial Statements for the Fiscal Year Ended June 30, 2017

INTRODUCTORY STATEMENT

This Official Statement, including the Exhibits attached hereto (if any), has been prepared on behalf of Independent School District No. 27 of Canadian County, Oklahoma (the “School District”), in connection with the original issuance and sale by the School District of its Building Bonds of 2018 (the “Bonds”).

All financial and other information presented in this Official Statement has been provided by the School District from its records, except for information expressly attributed to other sources. The presentation of information, including tables of receipts from taxes and other sources is intended to show recent historic information, and is not intended to indicate future or continuing trends in the financial position or other affairs of the School District. No representation is made that past experience, as is shown by such financial and other information, will necessarily continue or be repeated in the future.

Reference to provisions of Oklahoma law, whether codified in the Oklahoma Constitution or the Oklahoma Statutes are references to current provisions. These provisions are subject to amendment, repeal or supplement.

THE BONDS

Authorization and Purpose

The Bonds are being issued and offered pursuant to the authority set forth in Article 10, Section 26 of the Oklahoma Constitution, as amended, Oklahoma Statutes 2011, Title 62§353 and 354, Title 70§15-101ff and/or 106, and a Bond Resolution of the Board of Education of the School District to be adopted on the 18th day of September, 2018. The Bonds were authorized to be issued at a special election held in the School District on the 12th day of September, 2017.

Proceeds from the Bonds will be used to construct, equip, repair and remodel school buildings, acquire school furniture, fixtures and equipment and acquire and improve school sites, as well as to pay all legal, financial and other costs relating to the issuance of the Bonds.

General Description

The Bonds are dated November 1, 2018, are fully registered bonds, and are in denominations of \$5,000 or any integral multiple thereof. The Bonds bear interest from November 1, 2018, and interest will be paid semiannually on May 1 and November 1 of each year (each an “Interest Payment Date”), commencing May 1, 2020. It is anticipated that the Bonds will be available for delivery on or about the 1st day of November, 2018.

The principal of the Bonds is payable, when due, at the designated corporate trust office of UMB Bank, n.a. (the “Registrar” and “Paying Agent”), in Oklahoma City, Oklahoma. Interest on the Bonds will be paid on each Interest Payment Date by check mailed to the registered owner thereof at the address shown on the registration books maintained by the Registrar and Paying Agent at the close of business on the 15th day of the calendar month preceding the Interest Payment Date, or if such day is a Saturday, Sunday or holiday, on the next preceding business day (the “Record Date”).

Redemption Prior to Maturity

The Bonds are not callable prior to their stated maturity.

Tax Status of the Bonds

It is expected that interest on the Bonds will be included in gross income for federal income tax purposes, and that interest on the Bonds will be exempt from State of Oklahoma income taxation. See the section titled “Tax Matters” herein.

Registration and Transfer

Bonds presented to the Registrar for transfer after the close of business on a Record Date and before the close of business on the next subsequent Interest Payment Date will be registered in the name of the transferee but the interest payment will be made to the registered owners shown on the books of the Registrar as of the close of business on the Record Date.

The Bonds will be initially registered in the name of Cede & Co., as nominee of The Depository Trust Company (“DTC”), New York, New York, which will act as securities depository for the Bonds. Principal and interest on the Bonds will be paid by the Paying Agent and Registrar to DTC. Disbursements of such payments to the DTC Participants is the responsibility of DTC and disbursement of such payments to the Beneficial Owners is the responsibility of the DTC Participants and the Indirect Participants, as more fully described in the section titled “Book-Entry System.”

Book-Entry System

THE INFORMATION IN THIS SECTION, “BOOK-ENTRY SYSTEM”, HAS BEEN FURNISHED BY THE DEPOSITORY TRUST COMPANY. NO REPRESENTATION IS MADE BY THE SCHOOL DISTRICT AS TO THE COMPLETENESS OR ACCURACY OF SUCH INFORMATION. THE SCHOOL DISTRICT SHALL HAVE NO RESPONSIBILITY OR OBLIGATION TO DTC PARTICIPANTS, INDIRECT PARTICIPANTS OR THE PERSONS FOR WHICH THEY ACT AS NOMINEES WITH RESPECT TO THE BONDS, OR FOR ANY PRINCIPAL, PREMIUM, IF ANY, OR INTEREST PAYMENT THEREOF.

The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Bonds in the aggregate principal amount of each such maturity, and will be deposited with DTC at the office of the Paying Agent and Registrar on behalf of DTC utilizing the DTC FAST system of registration.

DTC, the world’s largest depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 2.2 million issues of U.S. and non-U.S. equity, corporate and municipal debt issues, and money market instrument from over 100 countries that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants

include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Fixed Income Clearing Corporation, and Emerging Markets Clearing Corporation (NSCC, FICC, AND EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC, and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a rating of “AA+” from S&P Global Ratings, a Standard and Poor’s Financial Services LLC business. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of the Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of each Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC (or the Paying Agent and Registrar on behalf of DTC utilizing the DTC FAST system of registration) are registered in the name of DTC’s partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC (or the Paying Agent and Registrar on behalf of DTC utilizing the DTC FAST system of registration) and their registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC’s Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the School District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.’s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

All payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC’s practice is to credit Direct Participants’ accounts, upon DTC’s receipt of funds and corresponding detail information from the School District or Agent on payable date in accordance with their respective holdings shown on DTC’s

records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or the School District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of any payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the School District or Agent. Disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the School District or Agent. Under such circumstances, the event that a successor securities depository is not obtained, Bond certificates are required to be printed and delivered.

The School District may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the School District believes to be reliable, but the School District takes no responsibility for the accuracy thereof.

Security and Source of Payment

The Bonds, in the opinion of Bond Counsel, are direct and general obligations of the School District and are payable as to both principal and interest from ad valorem taxes to be levied against all taxable property within the School District, without limitation as to rate or amount.

Ad valorem taxes for the Bonds shall be levied annually beginning in Fiscal Year 2019-20, shall become delinquent one-half on January 1 and one-half on April 1 of each year, and are required to be collected by the County Treasurer, apportioned and paid over to the School District Treasurer, and then deposited directly and only into the Sinking Fund of the School District. IN NO EVENT MAY SUCH AD VALOREM TAXES BE DEPOSITED INTO THE GENERAL FUND OR ANY FUND OF THE SCHOOL DISTRICT OTHER THAN THE SINKING FUND.

As stated above, the Bonds are payable from ad valorem taxes on all taxable property within the School District including real, personal and public service property, and any other moneys available for such purpose. Real and personal property in the School District is currently assessed at a rate of approximately 11% of estimated full market value. Public service property assessments are determined by the Oklahoma State Tax Commission, and currently the assessment ratio is approximately 11.84% of estimated full market value of airline and railroad property and 22.85% of estimated full market value of all other public service property. Pursuant to Oklahoma statutes, County Assessors are required to reassess property within the County at least once each five years. The School District is required to pay its proportionate share of the cost of such reassessment.

Ad valorem tax rates for Sinking Fund purposes are determined by ascertaining the actual dollars of revenues required for payment of principal and interest on indebtedness, fees to fiscal and paying agents and judicial judgments. Such total amount may be reduced by any surplus from the prior fiscal year and any contributions made into the Sinking Fund. To the resulting net requirements a reserve for delinquent taxes, in an amount of not less than 5% nor more than 20% of the net required tax collection, shall be added to the required collections. Such final total

requirements shall then be divided by the total net assessed valuation of all real, personal and public service property in order to determine the appropriate tax rate for each property owner.

One hundred percent (100%) of the School District's Sinking (Debt Service) Fund revenues come from locally collected ad valorem taxes. None of these ad valorem taxes are collected or disbursed by the State of Oklahoma. Furthermore, as stated above, Sinking Fund taxes are collected by the County Treasurers of the counties in which the School District is situated, are apportioned and paid over to the School District Treasurer and cannot, by Oklahoma Law, be placed in any fund of the School District other than the Sinking Fund. They may be used only for the payment of principal of and interest on indebtedness (including judicial judgments) of the School District.

FINANCIAL MATTERS

Ad Valorem Taxes

Taxable property in the State of Oklahoma (the "State") is placed in one of three classifications: real property, personal property, and public service property. Assessment ratios for real and personal property are determined locally by each County Assessor within guidelines established by the State Board of Equalization and the Oklahoma Tax Commission. Real property assessment ratios may range from 11% to 13.5% of full market value, and personal property assessment ratios may range from 10% to 15%. The assessment ratio for public service property is determined on a statewide basis by the Oklahoma Tax Commission. Currently, real and personal property in the County is assessed at a ratio of 12% of full market value. Public service property is assessed at a ratio of 11.84% of estimated full market value of airline and railroad property and 22.85% of estimated full market value of all other public service property. County Assessors are required to reassess property within the County at least once each five years. The School District is required to pay its proportionate share of the cost of such reassessment.

School districts in Oklahoma are limited to a total of thirty-five (35) mills ad valorem tax for operating (General Fund) purposes, and five (5) mills for Building Fund purposes. In addition, Oklahoma statutes require that the School District each year make an ad valorem tax levy for a Sinking Fund which shall, with cash and investments in the fund, be sufficient to pay all the bonded indebtedness, interest and one-third of all outstanding judgments coming due in the following year. Such funds are placed in the School District's Sinking Fund and are expended only for these purposes. The ad valorem tax rates for Sinking Fund purposes are determined by ascertaining the actual dollars of revenues required for payment of principal and interest on indebtedness and judicial judgments. Such total amount may be reduced by any surplus from the prior fiscal year and any contributions made into the Sinking Fund in lieu of ad valorem taxes. To the resulting net requirements a reserve for delinquent taxes, in an amount of not less than 5% nor more than 20% of the net required tax collection, shall be added to the required collections. Such final total requirements shall then be divided by the total net assessed valuation of all taxable property in order to determine the appropriate tax rate for each property owner.

After review and approval by the Board of Education, copies of the Sinking Fund Estimate are submitted to the County Excise Board to determine the ad valorem tax levy and appropriations. This submission is required to be made by August 27th of each year. The estimates are for the purposes of determining ad valorem taxes required to fund the General, Building, and Sinking Funds. The amounts contained in the Estimate of Needs are verified by the County Excise Board and, upon verification, the levy contained therein is ordered to be certified to the County Assessor in order that the County Assessor may extend said levy upon the tax rolls for the year for which the Estimate of Needs is submitted. While the County Excise Board may make recommendations with respect to the levy request, it only has the authority to change the reserve for delinquent taxes.

The County Assessor is required to file a tax roll report on or before October 1 of each year with the County Treasurer indicating the net assessed valuation for each municipality within the County. This report includes the assessed valuation for all real, personal and public service property. The County Treasurer has fifteen days after receipt of the tax roll report to start collecting taxes. The first half of taxes is due and payable on November 1 of each year. The second half is due and payable on or before April 1 of each year. However, if the first half is not paid by January 1, both first and second half are declared delinquent as of January 1. If the first half taxes are paid in a timely manner and the second half taxes are not paid on or before April 1, the taxes are considered delinquent. Interest accrues on delinquent taxes at the rate of 1.5% monthly (18% annually), to a maximum of 100% of the taxes due and owing, until such time as the delinquent taxes are paid. In the event taxes and accrued interest are not paid, the property is sold at tax sale on October 1 and the purchaser is issued a certificate of tax lien; however, the original owner of the property has two years in which to redeem the property by paying the taxes, interest and penalties owed. If, at the end of two years he has not done so, the purchaser may then apply for a deed to the property. If there is no purchaser, then the county acquires the same lien and the property is auctioned after approximately two and one-half years.

Compliance with Constitutional Debt Limitation

The current, summary debt statement of the School District revised from that filed with the State of Oklahoma as of June 30, 2018, is shown below:

2018-19 Estimated Full Market Value	\$3,841,929,231
2018-19 Assessed Valuation, including Homestead Exemptions	\$437,997,728
2018-19 Assessed Valuation, excluding Homestead Exemption	\$423,273,004

The County or Counties indicated below, if any, have held an election under Oklahoma Constitution Article X, §6(B) approving an exemption of certain household and personal property from ad valorem taxation. Accordingly, said County or Counties have calculated the “millage adjustment factor” to be applied to debt percentage limits under Article 10, Section 26(b), resulting in an adjusted debt limit. The adjusted debt limit is as follows:

County	Net Assessed Valuation	District Unadjusted Legal Debt Limit (1)	Millage Adjustment Factor (If App.)	District Adjusted Legal Debt Limit (2)
Canadian County	\$423,273,004	\$42,327,300.40	1.043800000000	\$44,181,236.16
TOTAL ADJUSTED LEGAL DEBT LIMIT (BONDING CAPACITY)				\$44,181,236.16

(1) Net Assessed Valuation times 10%.

(2) District Unadjusted Legal Debt Limit times Millage Adjustment Factor.

Total Bonded Indebtedness (including the Bonds)	\$51,355,000	
<u>Less: Current Sinking Fund Balance</u>	<u>11,630,686</u>	
Net General Obligation Bonded Indebtedness		\$39,724,314
Remaining Bonding Capacity		\$4,456,923
Ratio of Net General Obligation Bonded Indebtedness to Net Assessed Valuation		9.39%
Ratio of Net General Obligation Bonded Indebtedness to Estimated Full Market Value		1.03%

Authorized but Unissued Bonds

The School District has an additional \$32,330,000 in bonds authorized to be issued. It is anticipated that the remaining bonds will be issued as follows: \$11,710,000 dated November 1, 2019; \$17,415,000 dated November 1, 2020; and \$3,205,000 dated November 1, 2021.

Composition and Growth of the Net Assessed Valuation

The composition of the Net Assessed Valuation of the School District for the Fiscal Year 2018-19 is as follows:

Property	Canadian County	Percentage
Real	\$341,428,775	80.66%
Personal	\$52,176,806	12.33%
Public Service	\$29,667,423	7.01%
TOTAL	\$423,273,004	100.00%

The growth of the Net Assessed Valuation of the School District for the past ten years has been as follows:

Fiscal Year	Amount	Fiscal Year	Amount
2018-2019	\$423,273,004	2013-2014	\$297,259,856
2017-2018	\$373,020,292	2012-2013	\$282,009,628
2016-2017	\$353,079,453	2011-2012	\$270,933,025
2015-2016	\$324,902,445	2010-2011	\$258,149,793
2014-2015	\$307,601,355	2009-2010	\$249,378,188

During this period, the Net Assessed Valuation of the School District increased \$173,894,816 or 69.73%.

General Obligation Bonded Debt Outstanding

Date of Issuance	Original Principal Amount	Remaining Maturities	Maturity Dates	Total Outstanding
10-1-13	\$11,675,000	\$2,920,000	10-1-18	\$2,920,000
10-1-14	\$9,135,000	\$2,285,000	10-1-18/19	\$4,570,000
10-1-15	\$11,110,000	\$2,775,000 \$2,785,000	10-1-18/19 10-1-20	\$8,335,000
10-1-16	\$9,950,000	\$2,210,000 \$2,580,000	10-1-18 10-1-19/21	\$9,950,000
10-1-17	\$9,975,000	\$3,295,000 \$3,340,000	10-1-19 10-1-20/21	\$9,975,000
6-1-18	\$8,175,000	\$2,000,000 \$2,175,000	6-1-20/22 6-1-23	\$8,175,000
11-1-18	\$7,430,000	\$1,850,000 \$1,880,000	11-1-20/22 11-1-23	\$7,430,000
TOTAL				\$51,355,000

Annual Debt Service Requirements of General Obligation Bonded Debt Outstanding

Fiscal Year	Existing Bonds		Building Bonds*		Total New Debt Service Requirement
	Principal	Interest	Principal	Interest	
2018-2019	\$10,190,000.00	\$828,770.00			\$11,018,770.00
2019-2020	\$12,935,000.00	\$555,540.00		\$362,212.50	\$13,852,752.50
2020-2021	\$10,705,000.00	\$352,135.00	\$1,850,000.00	\$211,412.50	\$13,118,547.50
2021-2022	\$7,920,000.00	\$167,245.00	\$1,850,000.00	\$151,287.50	\$10,088,532.50
2022-2023	\$2,175,000.00	\$54,375.00	\$1,850,000.00	\$91,162.50	\$4,170,537.50
2023-2024			\$1,880,000.00	\$30,550.00	\$1,910,550.00
TOTAL	\$43,925,000.00	\$1,958,065.00	\$7,430,000.00	\$846,625.00	\$54,159,690.00

* The average annual interest rate on the Bonds is assumed to be 3.25%.

Net Direct, Overlapping and Underlying General Obligation Bonded Indebtedness (as of June 30, 2018)

Municipality	Net Indebtedness	Amount Applying to the School Dist.	Ratio to Assessed Value of the School Dist.	Per Capita Debt
Yukon School District	\$39,724,314	\$39,724,314	9.39%	\$902.83
City of Yukon	\$4,096,537	\$4,096,537	0.97%	\$93.10
Canadian Valley Tech. Ctr	\$7,141,395	\$1,508,704	0.36%	\$34.29
Canadian County	\$0	\$0	0.00%	\$0.00
TOTAL	\$50,962,246	\$45,329,555	10.72%	\$1,030.22

Sinking Fund Tax Collections

Fiscal Year	Net Levy	Gross Levy	Current Collections	Total Collections
2017-2018	\$10,252,412	\$11,072,605	Figures Unavailable	
2016-2017	\$9,736,591	\$10,515,518	\$10,139,813	\$10,386,141
2015-2016	\$8,859,002	\$9,567,722	\$9,327,520	\$9,499,584
2014-2015	\$8,428,342	\$9,102,610	\$8,920,656	\$9,129,242
2013-2014	\$7,993,102	\$8,632,550	\$8,417,247	\$8,549,358
2012-2013	\$7,283,611	\$8,011,972	\$7,547,771	\$8,013,307

Percentage of Taxes Collected

The ratio of Current and Total Sinking Fund Tax Collections to the Net Sinking Fund Levy (the levy prior to addition of the reserve for uncollected taxes) is as follows:

Fiscal Year	Ratio of Current Tax Collections to Net Levy	Ratio of Total Tax Receipts to Net Levy
2016-2017	104.14%	106.67%
2015-2016	105.29%	107.23%
2014-2015	105.84%	108.32%
2013-2014	105.31%	106.96%
2012-2013	103.63%	110.02%

The ratio of Current and Total Sinking Fund Tax Collections to the Gross Sinking Fund Levy (the levy after addition of the reserve for uncollected taxes) is as follows:

Fiscal Year	Ratio of Current Tax Collections to Gross Levy	Ratio of Total Tax Receipts to Gross Levy
2016-2017	96.43%	98.77%
2015-2016	97.49%	99.29%
2014-2015	98.00%	100.29%
2013-2014	97.51%	99.04%
2012-2013	94.21%	100.02%

Trend of Tax Rates of Major Taxing Units*

Fiscal Year	Yukon School District	City of Yukon	Canadian County	Canadian Valley Tech. Ctr	Total Levy
2009-2010	68.52	9.94	16.11	15.60	110.17
2010-2011	68.79	8.22	16.11	15.60	108.72
2011-2012	71.38	7.69	16.11	15.60	110.78
2012-2013	71.34	7.09	16.11	15.60	110.14
2013-2014	70.16	6.76	16.11	15.60	108.63
2014-2015	70.79	6.45	16.11	15.60	108.95
2015-2016	71.34	6.34	16.11	16.44	110.23
2016-2017	71.20	5.44	16.11	16.61	109.36
2017-2018	71.53	4.48	16.11	16.47	108.59
2018-2019	Millage rates unavailable at this time.				

* Expressed in dollars per \$1,000 of net assessed valuation.

INDEPENDENT SCHOOL DISTRICT NO. 27, CANADIAN COUNTY, OKLAHOMA

General Information

The School District is located in central Oklahoma, in Canadian County, approximately 15 miles west of the City of Oklahoma City, Oklahoma. The School District, encompassing approximately 68 square miles, serves the City of Yukon (population: 22,700) and the surrounding rural area in Canadian County. School District administrators estimate the population of the School District to be approximately 44,000 people. The School District employs 550 certified teachers, has an enrollment of 8,800, and operates 38 regular bus routes transporting approximately 62% of the student body to and from school daily. The School District is fully accredited by the Oklahoma State Department of Education.

Residents of the School District are employed at businesses throughout the Oklahoma City Metropolitan Area. No separate employment figures are available for the School District; however, preliminary figures provided by the United States Department of Labor's Bureau of Labor Statistics indicate the current (June 2018) unemployment rate for the Oklahoma City Metropolitan Statistical Area is 3.7% and Canadian County is 3.3% compared to 4.0% in the State of Oklahoma as a whole, and 4.2% for the United States.

School District General Fund Revenues and Expenditures

Fiscal Year Ending 6-30	Beginning General Fund Balance	Total Revenue	Total Expenditures	Total Other Financing Sources (Uses)	Ending General Fund Balance
2013	\$7,857,155	\$45,330,546	\$48,570,408	\$1,908,021	\$6,525,314
2014	\$6,525,314	\$43,905,782	\$48,659,528	\$2,416,046	\$4,187,614
2015	\$4,187,614	\$46,947,682	\$48,125,759	\$2,396,433	\$5,405,970
2016	\$5,405,970	\$47,966,925	\$49,630,137	\$2,085,059	\$5,827,817
2017	\$5,827,817	\$50,124,524	\$49,739,029	\$2,018,944	\$8,232,256

Detail of School District General Fund Revenues

Fiscal Year Ending 6-30	Local Sources	County Sources	State Sources	Federal Sources	Total Revenues
2013	\$10,664,504	\$1,691,940	\$28,381,139	\$4,592,963	\$45,330,546
2014	\$11,047,965	\$1,720,680	\$30,199,870	\$937,267	\$43,905,782
2015	\$11,600,392	\$2,044,461	\$30,562,591	\$2,740,238	\$46,947,682
2016	\$12,102,472	\$1,928,921	\$31,281,943	\$2,653,589	\$47,966,925
2017	\$13,135,258	\$2,087,652	\$32,282,855	\$2,618,759	\$50,124,524

Student Enrollment Trend

School Year	Total Enrollment	Percentage Change
2009-2010	6,611	
2010-2011	6,628	0.26%
2011-2012	6,940	4.71%
2012-2013	7,248	4.44%
2013-2014	8,092	11.64%
2014-2015	8,218	1.56%
2015-2016	8,350	1.61%
2016-2017	8,480	1.56%
2017-2018	8,800	3.77%
2018-2019	8,800	0.00%

Student Enrollment Projection

School Year	Total Enrollment	Percentage Change
2019-2020	8,980	2.05%
2020-2021	9,175	2.17%
2021-2022	9,300	1.36%
2022-2023	9,500	2.15%
2023-2024	9,700	2.11%

ECONOMIC INDICES

Unemployment Rate (Twelve Month Moving Average)

	June 2018	May 2018	June 2017
United States	4.2%	3.6%	4.5%
State of Oklahoma	4.0%	3.9%	4.7%
Canadian County	3.3%	3.2%	4.0%
Oklahoma City MSA	3.7%	3.6%	4.3%

Source: United States Department of Labor Bureau of Labor Statistics.

Sales Tax Collections - City of Yukon

Fiscal Year Ending June 30	Sales Tax Collections
2009	\$15,240,446
2010	\$15,326,373
2011	\$15,882,820
2012	\$16,983,009
2013	\$17,617,515
2014	\$18,465,492
2015	\$19,941,056
2016	\$21,310,187
2017	\$20,881,091
2018	\$23,139,028

Source: Oklahoma Tax Commission.

Retail Sales - City of Yukon

Fiscal Year Ending June 30	Retail Sales
2009	\$381,011,145
2010	\$383,159,315
2011	\$397,070,497
2012	\$424,575,223
2013	\$440,437,876
2014	\$461,637,290
2015	\$498,526,404
2016	\$532,754,665
2017	\$522,027,286
2018	\$578,475,693

Source: Oklahoma Tax Commission.

Largest Taxpayers

Name of Taxpayer	Type of Business	Net Assessed Valuation
Okla. Gas & Electric Co.	Electric Utility	\$24,983,831
Nabors Drilling Technologies USA	Oil & Gas Industry	\$3,925,752
Lopez Foods, Inc.	Meat Processing	\$2,866,701
Nabors Lux Finance 2	Oil & Gas Industry	\$2,646,036
Scientific Drilling International	Oil & Gas Industry	\$2,548,100
BOK Financial Equipment	Equipment Leasing	\$2,384,841
Greens at Lake Overholser LP	Apartments	\$2,222,457
Czech Hall SC Investment Partners, LLC	Shopping Center	\$2,147,009
DCP Operating Company LP	Oil & Gas Industry	\$2,092,352
Pro-Fab, Inc.	Metal Fabrication	\$2,023,216
Total Net Assessed Valuation of Top Ten Taxpayers:		\$47,840,295
Percentage of School District's Net Assessed Valuation:		11.30%

Source: Canadian County Assessor's Office.

Largest Employers

Name of Employer	Type of Business	Approx. # of Employees
Yukon Public Schools	Public Education	1,400
Walmart Super Center	Retail Sales	350
INTEGRIS Hospital	Healthcare	330
City of Yukon	City Government	256
Redlands Community College	Higher Education	230
Canadian Valley Technology Ctr	Vocational Education	184
Lowe's	Home Improvement	175
Spanish Cove Retirement Village	Retirement Community	170
Express Employment Professionals	Temporary Staffing	150
Ranchwood Nursing Center	Healthcare	150

Source: Yukon Chamber of Commerce (<http://www.yukoncc.com/doing-business/economic-profile/largest-employers>).

LITIGATION

To the knowledge of the School District, there is no litigation pending seeking to restrain or enjoin the issuance or delivery of the Bonds or questioning or affecting the legality of the Bonds or proceedings and authority under which the Bonds are to be issued. There is no litigation pending which in any manner questions the right of the School District to construct or finance the proposed improvements.

LEGAL MATTERS

All matters incident to the authorization and issuance of the Bonds are subject to the approval of the Attorney General of the State of Oklahoma and to the approval of the Floyd Law Firm, P.C., Attorneys at Law, Norman, Oklahoma, Bond Counsel. Bond Counsel has not participated in the preparation of the Official Statement. Accordingly, Bond Counsel has no responsibility for the accuracy, sufficiency or completeness of any information furnished in connection with any offer or sale of the Bonds.

CONTINUING DISCLOSURE

The School District has covenanted for the benefit of Bondholders to provide certain financial and operating information for the School District not later than ten months following the end of the fiscal year in which the bonds are issued (as of the date of this document, June 30 is the end of the fiscal year), or later as such information becomes publicly available, and each fiscal year thereafter, and to provide notice of the occurrence of certain events. The specific nature of the financial information and operating data to be provided and the events for which notice must be provided is described in the Continuing Disclosure Certificate (the "Disclosure Certificate"), the form of which is attached hereto as Appendix A. These covenants have been made in order to assist the Underwriters in complying with Rule 15c2-12 promulgated by the Securities and Exchange Commission ("Rule 15c2-12").

The financial information and event notices will be filed by the School District or its dissemination agent with the Municipal Securities Rulemaking Board (the "MSRB") through the MSRB's Electronic Municipal Market Access system ("EMMA"). EMMA is an internet-based, online portal for free investor access to municipal bond information, including offering documents,

material event notices, real-time municipal securities trade prices and MSRB education resources, available at www.emma.msrb.org. Nothing contained on EMMA relating to the School District or the Bonds is incorporated by reference in this Official Statement.

A failure by the School District to comply with the Continuing Disclosure Certificate will not constitute an event of default with respect to the Bonds, although any holder will have any available remedy at law or in equity, including seeking specific performance by court order, to cause the School District to comply with its obligations under the Continuing Disclosure Certificate. Any such failure must be reported in accordance with Rule 15c2-12 and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

Rule 15c2-12 requires that an issuer or other obligated party disclose in its official statement any instances in the previous five years in which such issuer or obligated party failed to comply, in all material respects, with any previous undertakings in a written contract or agreement specified in paragraph (b)(5) of the Rule. In connection with one or more of the School District's previous bond issues, the School District entered into individual continuing disclosure undertakings ("Undertakings") in written agreements specified in paragraph (b)(5)(i) of the Rule. The School District notes that with respect to one or more of such Undertakings, it failed to file its financial information and operating data for the Fiscal Year's ended June 30, 2013-2015, inclusive, and failed to timely file notice of such failures. Procedures have been put in place to ensure that the financial information and operating data and audited financial statements are submitted within the time frame required by the Undertakings. The School District has retained Stephen H. McDonald & Associates, Inc., to assist in the compilation of the financial information and operating data. UMB Bank, N.A., has been retained as Dissemination Agent for this issue of bonds.

TAX MATTERS

Tax Opinions

In the opinion of bond counsel, interest on the Bonds is included in gross income for federal income tax purposes.

In the opinion of bond counsel, interest on the Bonds is exempt from State of Oklahoma income taxation under present law.

Bond Counsel has expressed no opinion regarding other tax consequences arising with respect to the Bonds under the laws of the State or any other state or jurisdiction.

General Matters

The following is a summary of certain anticipated federal income tax consequences of the purchase, ownership and disposition of the Bonds under the Code and the Regulations, and the judicial and administrative rulings and court decisions now in effect, all of which are subject to change or possible differing interpretations. The summary does not purport to address all aspects of federal income taxation that may affect particular investors in light of their individual circumstances, nor certain types of investors subject to special treatment under the federal income tax laws. Potential purchasers of the Bonds should consult their own tax advisors in determining the federal, state or local tax consequences to them of the purchase, holding and disposition of the Bonds.

In general, interest paid on the Bonds, original issue discount, if any, and market discount, if any, will be treated as ordinary income to the owners of the Bonds, and principal payments

(excluding the portion of such payments, if any, characterized as original issue discount or accrued market discount) will be treated as a return of capital.

Bond Premium

An investor which acquires a Bond for a cost greater than its remaining stated redemption price at maturity and holds such Bond as a capital asset will be considered to have purchased such Bond at a premium and, subject to prior election permitted by Section 171(c) of the Code, may generally amortize such premium under the constant yield method. Except as may be provided by regulation, amortized premium will be allocated among, and treated as an offset to, interest payments. The basis reduction requirements of Section 1016(a)(5) of the Code apply to amortizable Bond premium that reduces interest payments under Section 171 of the Code. Bond premium is generally amortized over the Bond's term using constant yield principles, based on the purchaser's yield to maturity. Investors of any Bond purchased with a Bond premium should consult their own tax advisors as to the effect of such Bond premium with respect to their own tax situation and as to the treatment of Bond premium for state tax purposes.

Market Discount

An investor that acquires a Bond for a price less than the adjusted issue price of such Bond (or an investor who purchases a Bond in the initial offering at a price less than the issue price) may be subject to the market discount rules of Sections 1276 through 1278 of the Code. Under these sections and the principles applied by the Regulations, "market discount" means (a) in the case of a Bond originally issued at a discount, the amount by which the issue price of such Bond, increased by all accrued original issue discount (as if held since the issue date), exceeds the initial tax basis of the owner therein, less any prior payments that did not constitute payments of qualified stated interest, and (b) in the case of a Bond not originally issued at a discount, the amount by which the stated redemption price of such Bond at maturity exceeds the initial tax basis of the owner therein. Under Section 1276 of the Code, the owner of such a Bond will generally be required (i) to allocate each principal payment to accrued market discount not previously included in income and, upon sale or other disposition of the Bond, to recognize the gain on such sale or disposition as ordinary income to the extent of such cumulative amount of accrued market discount as of the date of sale or other disposition of such a Bond or (ii) to elect to include such market discount in income currently as it accrues on all market discount instruments acquired by such owner on or after the first day of the taxable year to which such election applies.

The Code authorizes the Treasury Department to issue regulations providing for the method for accruing market discount on debt instruments the principal of which is payable in more than one installment. Until such time as regulations are issued by the Treasury Department, certain rules described in the legislative history will apply. Under those rules, market discount will be included in income either (a) on a constant interest basis or (b) in proportion to the accrual of stated interest or, in the case of a Bond with original issue discount, in proportion to the accrual of original issue discount.

An owner of a Bond that acquired such Bond at a market discount also may be required to defer, until the maturity date of such Bond or its earlier disposition in a taxable transaction, the deduction of a portion of the amount of interest that the owner paid or accrued during the taxable year on indebtedness incurred or maintained to purchase or carry such Bond in excess of the aggregate amount of interest (including original issue discount) includable in such owner's gross income for the taxable year with respect to such Bond. The amount of such net interest expense deferred in a taxable year may not exceed the amount of market discount accrued on the Bond for the days during the taxable year on which the owner held such Bond and, in general, would be deductible when such market discount is includable in income. The amount of any remaining deferred deduction is to be taken into account in the taxable year in which the Bond matures or is

disposed of in a taxable transaction. In the case of a disposition in which gain or loss is not recognized in whole or in part, any remaining deferred deduction will be allowed to the extent gain is recognized on the disposition. This deferral rule does not apply if the owner elects to include such market discount in income currently as it accrues on all market discount obligations acquired by such owner in that taxable year or thereafter.

Attention is called to the fact that Treasury regulations implementing the market discount rules have not yet been issued. Therefore, investors should consult their own tax advisors regarding the application of these rules as well as the advisability of making any of the elections with respect thereto.

Sales or Other Dispositions

If an owner of a Bond sells the Bond, such person will recognize gain or loss equal to the difference between the amount realized on such sale and such owner's basis in such Bond. Ordinarily, such gain or loss will be treated as a capital gain or loss. At the present time, the maximum capital gains rate for certain assets held for more than 12 months is 15%. However, if a Bond was, at its initial issuance, sold at a discount, a portion of such gain will be recharacterized as interest and therefore ordinary income. Neither the School District nor Bond Counsel can predict whether the President or Congress will propose legislation effecting the long-term capital gains rate.

If the terms of a Bond were materially modified, in certain circumstances, a new debt obligation would be deemed created and exchanged for the prior obligation in a taxable transaction. Among the modifications that may be treated as material are those that relate to redemption provisions and, in the case of a nonrecourse obligation, those which involve the substitution of collateral. Each potential owner of a Bond should consult its own tax advisor concerning the circumstances in which such Bond would be deemed reissued and the likely effects, if any, of such reissuance.

Defeasance

The legal defeasance of the Bonds may result in a deemed sale or exchange of such Bond under certain circumstances. Owners of such Bonds should consult their tax advisors as to the federal income tax consequences of such a defeasance.

Backup Withholding

An owner of a Bond may be subject to backup withholding at the applicable rate determined by statute with respect to interest paid with respect to the Bonds, if such owner, upon issuance of the Bonds, fails to provide to any person required to collect such information pursuant to Section 6049 of the Code with such owner's taxpayer identification number, furnishes an incorrect taxpayer identification number, fails to report interest, dividends or other "reportable payments" (as defined in the Code) properly, or, under certain circumstances, fails to provide such persons with a certified statement, under penalty of perjury, that such owner is not subject to backup withholding.

Foreign Investors

An owner of a Bond that is not a "United States person" (as defined below) and is not subject to federal income tax as a result of any direct or indirect connection to the United States of America in addition to its ownership of a Bond will generally not be subject to United States income or withholding tax in respect of a payment on a Bond, provided that the owner complies to the extent necessary with certain identification requirements (including delivery of a statement,

signed by the owner under penalties of perjury, certifying that such owner is not a United States person and providing the name and address of such owner). For this purpose the term “United States person” means a citizen or resident of the United States of America, a corporation, partnership or other entity created or organized in or under the laws of the United States of America or any political subdivision thereof, or an estate or trust whose income from sources within the United States of America is includable in gross income for United States of America income tax purposes regardless of its connection with the conduct of a trade or business within the United States of America.

Except as explained in the preceding paragraph and subject to the provisions of any applicable tax treaty, a 30% United States withholding tax will apply to interest paid and original issue discount accruing on Bonds owned by foreign investors. In those instances in which payments of interest on the Bonds continue to be subject to withholding, special rules apply with respect to the withholding of tax on payments of interest on, or the sale or exchange of Bonds having original issue discount and held by foreign investors. Potential investors that are foreign persons should consult their own tax advisors regarding the specific tax consequences to them of owning a Bond.

Tax-Exempt Investors

In general, an entity that is exempt from federal income tax under the provisions of Section 501 of the Code is subject to tax on its unrelated business taxable income. An unrelated trade or business is any trade or business that is not substantially related to the purpose that forms the basis for such entity’s exemption. However, under the provisions of Section 512 of the Code, interest may be excluded from the calculation of unrelated business taxable income unless the obligation that gave rise to such interest is subject to acquisition indebtedness. Therefore, except to the extent any owner of a Bond incurs acquisition indebtedness with respect to such Bond, interest paid or accrued with respect to such owner may be excluded by such tax-exempt owner from the calculation of unrelated business taxable income. Each potential tax-exempt holder of a Bond is urged to consult its own tax advisor regarding the application of these provisions.

ERISA Considerations

The Employee Retirement Income Security Act of 1974, as amended (“ERISA”), imposes certain requirements on “employee benefit plans” (as defined in Section 3(3) of ERISA) subject to ERISA, including entities such as collective investment funds and separate accounts whose underlying assets include the assets of such plans (collectively, “ERISA Plans”) and on those persons who are fiduciaries with respect to ERISA Plans. Investments by ERISA Plans are subject to ERISA’s general fiduciary requirements, including the requirement of investment prudence and diversification and the requirement that an ERISA Plan’s investments be made in accordance with the documents governing the ERISA Plan. The prudence of any investment by an ERISA Plan in the Bonds must be determined by the responsible fiduciary of the ERISA Plan by taking into account the ERISA Plan’s particular circumstances and all of the facts and circumstances of the investment. Government and non-electing church plans are generally not subject to ERISA. However, such plans may be subject to similar or other restrictions under state or local law.

In addition, ERISA and the Code generally prohibit certain transactions between an ERISA Plan or a qualified employee benefit plan under the Code and persons who, with respect to that plan, are fiduciaries or other “parties in interest” within the meaning of ERISA or “disqualified persons” within the meaning of the Code. In the absence of an applicable statutory, class or administrative exemption, transactions between an ERISA Plan and a party in interest with respect to an ERISA Plan, including the acquisition by one from the other of the Bonds could be viewed as violating those prohibitions. In addition, Section 4975 of the Code prohibits transactions between certain tax-favored vehicles such as Individual Retirement Accounts and disqualified

persons. Section 503 of the Code includes similar restrictions with respect to governmental and church plans. In this regard, the Authority or any dealer of the Bonds might be considered or might become a “party in interest” within the meaning of ERISA or a “disqualified person” within the meaning of the Code, with respect to an ERISA Plan or a plan or arrangement subject to Sections 4975 or 503 of the Code. Prohibited transactions within the meaning of ERISA and the Code may arise if the Bonds are acquired by such plans or arrangements with respect to which the Authority or any dealer is a party in interest or disqualified person.

In all events, fiduciaries of ERISA Plans and plans or arrangements subject to the above sections of the Code, in consultation with their advisors, should carefully consider the impact of ERISA and the Code on an investment in the Bonds. The sale of the Bonds to a plan is in no respect a representation by the School District that such an investment meets the relevant legal requirements with respect to benefit plans generally or any particular plan. Any plan proposing to invest in the Bonds should consult with its counsel to confirm that such investment is permitted under the plan documents and will not result in a non-exempt prohibited transaction and will satisfy the other requirements of ERISA, the Code and other applicable law.

Health Care and Education Reconciliation Act of 2010

Pursuant to Section 1411 of the Code, as enacted by the Health Care and Education Reconciliation Act of 2010, an additional tax is imposed on individuals beginning January 1, 2013. The additional tax is 3.8% of the lesser of (i) net investment income (defined as gross income from interest, dividends, net gain from disposition of property not used in a trade or business, and certain other listed items of gross income), or (ii) the excess of “modified adjusted gross income” of the individual over \$200,000 for unmarried individuals (\$250,000 for married couples filing a joint return and a surviving spouse). Holders of the Bonds should consult with their tax advisor concerning this additional tax as it may apply to interest earned on the Bonds as well as gain on the sale of a Bond.

Changes in Federal and State Tax Law

From time to time, there are legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to above or adversely affect the market value of the Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted it would apply to indebtedness issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value of the Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Bonds or the market value thereof would be impacted thereby. Purchasers of the Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Bond Counsel are based on existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Bonds, and Bond Counsel expresses no opinion as of any date subsequent thereto or with respect to any pending legislation, regulatory initiatives or litigation.

RATINGS

Application has been made to Standard & Poor’s Corporation (“Standard & Poor’s”) for a rating of the Bonds. Such rating will reflect only the view of Standard & Poor’s, and an explanation of the significance of such rating may be obtained only from Standard & Poor’s. There is no assurance that such rating will remain in effect for any given period of time or that it may not be lowered or withdrawn entirely by Standard & Poor’s if in its judgment circumstances so warrant. The Financial Advisor has not undertaken any responsibility either to bring to the attention of the

owners of the Bonds any proposed revision or withdrawal of the rating of the Bonds or to oppose any such revision or withdrawal. Any downward revision or withdrawal of such rating could have an adverse effect on the market price of the Bonds.

FINANCIAL STATEMENTS

The financial statements of the School District for the fiscal year ended June 30, 2017, which were examined by Putnam & Company, PLLC, Certified Public Accountants, Edmond, Oklahoma, appear in this Official Statement as Exhibit A.

UNDERWRITING

The Bonds have been sold at public sale by the School District to the Underwriters, and the Underwriters have jointly and severally agreed, subject to certain conditions, to purchase all of the Bonds at a price equal to \$ _____. The successful proposal for the Bonds was submitted by _____, as representative of the Underwriters.

While the Underwriters expect, insofar as possible, to maintain a secondary market for the Bonds, no assurance can be given concerning the future maintenance of such a market by the Underwriters or others, and prospective purchasers of the Bonds should therefore be prepared to hold their Bonds to their maturity.

The Underwriters are not acting as a financial advisor to the School District in connection with the offer and sale of the Bonds.

CONCLUDING STATEMENT

To the extent that any statements made in this Official Statement involve matters of opinion or estimates, whether or not expressly stated to be such, they are made as such and not as representations of fact or certainty and no representation is made that any of these statements have been or will be realized. Information in this Official Statement has been derived by the School District from official and other sources and is believed by the School District to be accurate and reliable. Information other than that obtained from official records of the School District has not been independently confirmed or verified by the School District and its accuracy is not guaranteed.

Neither this Official Statement nor any statement that may have been made orally or in writing in connection herewith is to be construed as or as a part of a contract with the original purchasers or subsequent owners of the Bonds.

Independent School District No. 27,
Canadian County, Oklahoma

/s/ Rex Van Meter
President, Board of Education

ATTEST:

/s/ Jeff Behymer
Clerk, Board of Education

Appendix A – Continuing Disclosure Certificate

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the “Disclosure Certificate”) is executed and delivered by Independent School District No. 27 of Canadian County, Oklahoma (the “Issuer”) in connection with the issuance of \$7,430,000 General Obligation Building Bonds of 2018 (the “Bonds”). The Bonds are being issued pursuant to a Resolution dated the 18th day of September, 2018. The Issuer covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the Bondholders, including beneficial owners, and in order to assist the Participating Underwriters in complying with paragraph (d)(2) of SEC Rule 15c2-12.

SECTION 2. Definitions. In addition to the definitions set forth in the Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“**Annual Report**” shall mean any Annual Report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

“**Audited Financial Statements**” shall mean the Issuer’s annual financial statements, prepared on a prescribed basis of accounting that demonstrates compliance with the cash basis and budget laws of the State of Oklahoma, which financial statements shall have been audited by such auditor as shall be then required or permitted by the laws of the State. Revenues are recorded as received in cash, except for revenues susceptible to accrual and material revenues that are not received at the normal time of receipt. Expenditures are recorded in the accounting period in which the fund liability is incurred and encumbered.

“**Dissemination Agent**” shall mean the Issuer, or any successor Dissemination Agent designated in writing by the Issuer and which has filed with the Issuer a written acceptance of such designation.

“**EMMA**” shall mean the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access system.

“**Listed Events**” shall mean any of the events listed in Section 5(a) of this Disclosure Certificate.

“**Material**” with respect to information, means information as to which a substantial likelihood exists that a reasonably prudent investor would attach importance thereto in deciding to buy or sell a Bond or, if not disclosed, would significantly alter the total information otherwise available to an investor from the offering document related to the Bonds, information disclosed hereunder, or information generally available to the public. Notwithstanding the foregoing, “Material” information includes information that would be deemed “material” for purposes of the purchase or sale of a Bond within the meaning of applicable federal securities laws, as interpreted at the time of discovery of the information.

“**MSRB**” means the Municipal Securities Rulemaking Board or any other entity designated or authorized by the Commission to receive reports pursuant to the Rule. Until otherwise designated by the MSRB or the Commission, filings with the MSRB are to be made through the EMMA website of the MSRB, currently located at <http://emma.msrb.org>.

“Participating Underwriter” shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with the offering of the Bonds.

“Prescribed Form” means, with regard to the filing of Annual Financial Information, Audited Financial Statements and notices of Listed Events with the MSRB at www.emma.msrb.org (or such other address or addresses as the MSRB may from time to time specify), such electronic format, accompanied by such identifying information, as shall have been prescribed by the MSRB and which shall be in effect on the date of filing of such information.

“Rule” shall mean Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“State” shall mean the State of Oklahoma.

SECTION 3. Provision of Annual Reports.

(a) The Issuer shall, or shall cause the Dissemination Agent to, not later than ten months following the end of the fiscal year in which the bonds are issued (as of the date of this Disclosure Certificate, June 30 is the end of the fiscal year), or later as such information becomes publicly available, and each fiscal year thereafter, provide annually to the MSRB an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. If the Issuer has retained a separate Dissemination Agent, then not later than fifteen (15) Business Days prior to said date, the Issuer shall provide the Annual Report to the Dissemination Agent (if other than the Issuer). The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate.

(b) If the Issuer is unable to provide to the MSRB an Annual Report by the date required in the first sentence of subsection (a), the Issuer shall send a notice to the MSRB in substantially the form attached as Exhibit A.

(c) If other than the Issuer, the Dissemination Agent shall file a report with the Issuer certifying that the Annual Report has been provided pursuant to this Disclosure Certificate.

SECTION 4. Content of Annual Reports. The Issuer’s Annual Report shall contain or incorporate by reference certain financial information and operating data relating to the Issuer of the type included in Appendix B of the final official statement with respect to the Bonds attached hereto as Exhibit B, but only to the extent such information is customarily prepared by the Issuer annually and is made publicly available, and the Issuer’s Audited Financial Statements, when and if available, or its Unaudited Financial Statements. If the Audited Financial Statements are not available by the time the Annual Report must be provided, Unaudited Financial Statements will be provided and Audited Financial Statements will be provided, when and if available, to the MSRB.

The Issuer is required to deliver such information in Prescribed Form and by such time so that such entities receive the information by the dates specified.

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the Issuer or related public entities, which have been submitted to each of the MSRB or the Securities and Exchange Commission. If the document incorporated by reference is a final official statement, it must be available from the Municipal Securities Rulemaking Board. The Issuer shall clearly identify each such other document so incorporated by reference.

If any part of the Annual Report can no longer be generated because the operations to which it is related have been materially changed or discontinued, the Issuer will disseminate a statement to such effect as part of its Annual Report for the year in which such event first occurs.

If any amendment is made to this Disclosure Certificate, the Annual Report for the year in which such amendment is made (or in any notice or supplement provided to the MSRB) shall contain a narrative description of the reasons for such amendment and its impact on the type of information being provided.

SECTION 5. Reporting of Listed Events.

(a) Upon the occurrence of any of the following Listed Events, the Issuer (or the Dissemination Agent on behalf of the Issuer) shall give notice of the occurrence of such event to the MSRB in accordance with this Section 5:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if Material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices of determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
7. Modification to rights of Bondholders, if Material;
8. Bond calls, if Material, and tender offers;
9. Defeasances;
10. Release, substitution, or sale of property securing repayment of the Bonds, if Material;
11. Rating changes;
12. Bankruptcy, insolvency, receivership or similar event of the Issuer;
13. The consummation of a merger, consolidation, or acquisition involving the Issuer, or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if Material; and
14. Appointment of a successor or additional Trustee/Paying Agent or the change of name of a Trustee/Paying Agent, if Material.

(b) Whenever the Issuer obtains knowledge of the occurrence of a Listed Event, the Issuer shall file a notice of the occurrence of a Listed Event in Prescribed Form with the MSRB

within 10 business days of the occurrence of the applicable event. Notwithstanding the foregoing: notice of the occurrence of any Listed Event described in (a)(8) above need not be given under this Section 5 any earlier than when notice (if any) of the underlying event is given to the registered owners of the affected Bonds pursuant to the resolution authorizing the issuance of the Bonds; and notice of any scheduled sinking fund redemption in accordance with the schedule set forth in such resolution or the Official Statement need not be given under this Disclosure Certificate.

SECTION 6. Termination of Reporting Obligation. The Issuer's obligation under this Disclosure Certificate shall terminate upon the defeasance, prior redemption or payment in full of all of the Bonds.

SECTION 7. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The initial Dissemination Agent shall be the Issuer.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of the Disclosure Certificate, the Issuer may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws, to the effect that such amendment or waiver would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule.

SECTION 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the Issuer shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate any bondholder, including beneficial owners, may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an event of default under the Resolution, and the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with this Disclosure Certificate shall be an action to compel performance.

SECTION 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the Issuer agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorney's fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the Issuer under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

SECTION 12. Duty To Update EMMA/MSRB. The Issuer shall determine, in the manner it deems appropriate, whether there has occurred a change in the MSRB's e-mail address

or filing procedures and requirements under EMMA each time it is required to file information with the MSRB.

SECTION 13. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Dissemination Agent, the Participating Underwriter and Bondholders, including beneficial owners, from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 14. Assignment. The Issuer shall not transfer its obligations under this Disclosure Certificate unless the transferee agrees to assume all obligations of the Issuer hereunder or to execute a continuing disclosure undertaking under the Rule.

SECTION 15. Recordkeeping. The Issuer shall maintain records of all Annual Report filings and Listed Events filings, including the content of such disclosure, the names of the entities with whom such disclosure was filed and the date of filing such disclosure.

SECTION 16. Issuer Contact. The Issuer designates as the person from whom its Annual Report and Listed Events disclosure can be obtained: Superintendent of Schools, Yukon Public Schools, 600 Maple Street, Yukon, Oklahoma 73099 (405) 354-2587.

Dated this 1st day of November, 2018.

**Independent School District No. 27 of
Canadian County, Oklahoma**

By: _____
President, Board of Education

EXHIBIT A

NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: Independent School District No. 27 of Canadian County, Oklahoma

Name of Bond Issue: \$7,430,000 General Obligation Building Bonds of 2018

Date of Issuance: _____

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above-named Bonds as required by Section 3 of the Continuing Disclosure Certificate dated the 18th day of September, 2018. The Issuer anticipates that the Annual Report will be filed by

_____.

Dated: _____

**Independent School District No. 27 of
Canadian County, Oklahoma**

By: _____
President, Board of Education

APPENDIX B

FINANCIAL INFORMATION AND OPERATING DATA

Composition and Growth of the Net Assessed Valuation

The composition of the Net Assessed Valuation of the School District for the Fiscal Year 2018-19 is as follows:

<u>Property</u>	<u>Canadian County</u>	<u>Percentage</u>
Real	\$341,428,775	80.66%
Personal	\$52,176,806	12.33%
Public Service	\$29,667,423	7.01%
TOTAL	\$423,273,004	100.00%

The growth of the Net Assessed Valuation of the School District for the past ten years has been as follows:

<u>Fiscal Year</u>	<u>Amount</u>	<u>Fiscal Year</u>	<u>Amount</u>
2018-2019	\$423,273,004	2013-2014	\$297,259,856
2017-2018	\$373,020,292	2012-2013	\$282,009,628
2016-2017	\$353,079,453	2011-2012	\$270,933,025
2015-2016	\$324,902,445	2010-2011	\$258,149,793
2014-2015	\$307,601,355	2009-2010	\$249,378,188

During this period, the Net Assessed Valuation of the School District increased \$173,894,816 or 69.73%.

General Obligation Bonded Debt Outstanding

Date of Issuance	Original Principal Amount	Remaining Maturities	Maturity Dates	Total Outstanding
10-1-13	\$11,675,000	\$2,920,000	10-1-18	\$2,920,000
10-1-14	\$9,135,000	\$2,285,000	10-1-18/19	\$4,570,000
10-1-15	\$11,110,000	\$2,775,000 \$2,785,000	10-1-18/19 10-1-20	\$8,335,000
10-1-16	\$9,950,000	\$2,210,000 \$2,580,000	10-1-18 10-1-19/21	\$9,950,000
10-1-17	\$9,975,000	\$3,295,000 \$3,340,000	10-1-19 10-1-20/21	\$9,975,000
6-1-18	\$8,175,000	\$2,000,000 \$2,175,000	6-1-20/22 6-1-23	\$8,175,000
11-1-18	\$7,430,000	\$1,850,000 \$1,880,000	11-1-20/22 11-1-23	\$7,430,000
TOTAL				\$51,355,000

Annual Debt Service Requirements of General Obligation Bonded Debt Outstanding

Fiscal Year	Existing Bonds		Building Bonds*		Total New Debt Service Requirement
	Principal	Interest	Principal	Interest	
2018-2019	\$10,190,000.00	\$828,770.00			\$11,018,770.00
2019-2020	\$12,935,000.00	\$555,540.00		\$362,212.50	\$13,852,752.50
2020-2021	\$10,705,000.00	\$352,135.00	\$1,850,000.00	\$211,412.50	\$13,118,547.50
2021-2022	\$7,920,000.00	\$167,245.00	\$1,850,000.00	\$151,287.50	\$10,088,532.50
2022-2023	\$2,175,000.00	\$54,375.00	\$1,850,000.00	\$91,162.50	\$4,170,537.50
2023-2024			\$1,880,000.00	\$30,550.00	\$1,910,550.00
TOTAL	\$43,925,000.00	\$1,958,065.00	\$7,430,000.00	\$846,625.00	\$54,159,690.00

* The average annual interest rate on the Bonds is assumed to be 3.25%.

Net Direct, Overlapping and Underlying General Obligation Bonded Indebtedness (as of June 30, 2017)

Municipality	Net Indebtedness	Amount Applying to the School Dist.	Ratio to Assessed Value of the School Dist.	Per Capita Debt
Yukon School District	\$39,724,314	\$39,724,314	9.39%	\$902.83
City of Yukon	\$4,096,537	\$4,096,537	0.97%	\$93.10
Canadian Valley Tech. Ctr	\$7,141,395	\$1,508,704	0.36%	\$34.29
Canadian County	\$0	\$0	0.00%	\$0.00
TOTAL	\$50,962,246	\$45,329,555	10.72%	\$1,030.22

Sinking Fund Tax Collections

Fiscal Year	Net Levy	Gross Levy	Current Collections	Total Collections
2017-2018	\$10,252,412	\$11,072,605	Figures Unavailable	
2016-2017	\$9,736,591	\$10,515,518	\$10,139,813	\$10,386,141
2015-2016	\$8,859,002	\$9,567,722	\$9,327,520	\$9,499,584
2014-2015	\$8,428,342	\$9,102,610	\$8,920,656	\$9,129,242
2013-2014	\$7,993,102	\$8,632,550	\$8,417,247	\$8,549,358
2012-2013	\$7,283,611	\$8,011,972	\$7,547,771	\$8,013,307

Percentage of Taxes Collected

The ratio of Current and Total Sinking Fund Tax Collections to the Net Sinking Fund Levy (the levy prior to addition of the reserve for uncollected taxes) is as follows:

Fiscal Year	Ratio of Current Tax Collections to Net Levy	Ratio of Total Tax Receipts to Net Levy
2016-2017	104.14%	106.67%
2015-2016	105.29%	107.23%
2014-2015	105.84%	108.32%
2013-2014	105.31%	106.96%
2012-2013	103.63%	110.02%

The ratio of Current and Total Sinking Fund Tax Collections to the Gross Sinking Fund Levy (the levy after addition of the reserve for uncollected taxes) is as follows:

Fiscal Year	Ratio of Current Tax Collections to Gross Levy	Ratio of Total Tax Receipts to Gross Levy
2016-2017	96.43%	98.77%
2015-2016	97.49%	99.29%
2014-2015	98.00%	100.29%
2013-2014	97.51%	99.04%
2012-2013	94.21%	100.02%

Trend of Tax Rates of Major Taxing Units*

Fiscal Year	Yukon School District	City of Yukon	Canadian County	Canadian Valley Tech. Ctr	Total Levy
2009-2010	68.52	9.94	16.11	15.60	110.17
2010-2011	68.79	8.22	16.11	15.60	108.72
2011-2012	71.38	7.69	16.11	15.60	110.78
2012-2013	71.34	7.09	16.11	15.60	110.14
2013-2014	70.16	6.76	16.11	15.60	108.63
2014-2015	70.79	6.45	16.11	15.60	108.95
2015-2016	71.34	6.34	16.11	16.44	110.23
2016-2017	71.20	5.44	16.11	16.61	109.36
2017-2018	71.53	4.48	16.11	16.47	108.59
2018-2019	Millage rates unavailable at this time.				

* Expressed in dollars per \$1,000 of net assessed valuation.

School District General Fund Revenues and Expenditures

Fiscal Year Ending 6-30	Beginning General Fund Balance	Total Revenue	Total Expenditures	Total Other Financing Sources (Uses)	Ending General Fund Balance
2013	\$7,857,155	\$45,330,546	\$48,570,408	\$1,908,021	\$6,525,314
2014	\$6,525,314	\$43,905,782	\$48,659,528	\$2,416,046	\$4,187,614
2015	\$4,187,614	\$46,947,682	\$48,125,759	\$2,396,433	\$5,405,970
2016	\$5,405,970	\$47,966,925	\$49,630,137	\$2,085,059	\$5,827,817
2017	\$5,827,817	\$50,124,524	\$49,739,029	\$2,018,944	\$8,232,256

Detail of School District General Fund Revenues

Fiscal Year Ending 6-30	Local Sources	County Sources	State Sources	Federal Sources	Total Revenues
2013	\$10,664,504	\$1,691,940	\$28,381,139	\$4,592,963	\$45,330,546
2014	\$11,047,965	\$1,720,680	\$30,199,870	\$937,267	\$43,905,782
2015	\$11,600,392	\$2,044,461	\$30,562,591	\$2,740,238	\$46,947,682
2016	\$12,102,472	\$1,928,921	\$31,281,943	\$2,653,589	\$47,966,925
2017	\$13,135,258	\$2,087,652	\$32,282,855	\$2,618,759	\$50,124,524

Student Enrollment Trend

School Year	Total Enrollment	Percentage Change
2009-2010	6,611	
2010-2011	6,628	0.26%
2011-2012	6,940	4.71%
2012-2013	7,248	4.44%
2013-2014	8,092	11.64%
2014-2015	8,218	1.56%
2015-2016	8,350	1.61%
2016-2017	8,480	1.56%
2017-2018	8,800	3.77%
2018-2019	8,800	0.00%

Student Enrollment Projection

School Year	Total Enrollment	Percentage Change
2019-2020	8,980	2.05%
2020-2021	9,175	2.17%
2021-2022	9,300	1.36%
2022-2023	9,500	2.15%
2023-2024	9,700	2.11%

ECONOMIC INDICES

Unemployment Rate (Twelve Month Moving Average)

	June 2018	May 2018	June 2017
United States	4.2%	3.6%	4.5%
State of Oklahoma	4.0%	3.9%	4.7%
Canadian County	3.3%	3.2%	4.0%
Oklahoma City MSA	3.7%	3.6%	4.3%

Source: United States Department of Labor Bureau of Labor Statistics.

Sales Tax Collections - City of Yukon

<u>Fiscal Year Ending June 30</u>	<u>Sales Tax Collections</u>
2009	\$15,240,446
2010	\$15,326,373
2011	\$15,882,820
2012	\$16,983,009
2013	\$17,617,515
2014	\$18,465,492
2015	\$19,941,056
2016	\$21,310,187
2017	\$20,881,091
2018	\$23,139,028

Source: Oklahoma Tax Commission.

Retail Sales - City of Yukon

<u>Fiscal Year Ending June 30</u>	<u>Retail Sales</u>
2009	\$381,011,145
2010	\$383,159,315
2011	\$397,070,497
2012	\$424,575,223
2013	\$440,437,876
2014	\$461,637,290
2015	\$498,526,404
2016	\$532,754,665
2017	\$522,027,286
2018	\$578,475,693

Source: Oklahoma Tax Commission.

Largest Taxpayers

Name of Taxpayer	Type of Business	Net Assessed Valuation
Okla. Gas & Electric Co.	Electric Utility	\$24,983,831
Nabors Drilling Technologies USA	Oil & Gas Industry	\$3,925,752
Lopez Foods, Inc.	Meat Processing	\$2,866,701
Nabors Lux Finance 2	Oil & Gas Industry	\$2,646,036
Scientific Drilling International	Oil & Gas Industry	\$2,548,100
BOK Financial Equipment	Equipment Leasing	\$2,384,841
Greens at Lake Overholser LP	Apartments	\$2,222,457
Czech Hall SC Investment Partners, LLC	Shopping Center	\$2,147,009
DCP Operating Company LP	Oil & Gas Industry	\$2,092,352
Pro-Fab, Inc.	Metal Fabrication	\$2,023,216
Total Net Assessed Valuation of Top Ten Taxpayers:		\$47,840,295
Percentage of School District's Net Assessed Valuation:		11.30%

Source: Canadian County Assessor's Office.

Exhibit "A"

ANNUAL FINANCIAL REPORT
INDEPENDENT SCHOOL DISTRICT NO. 27
YUKON PUBLIC SCHOOL DISTRICT
CANADIAN COUNTY, OKLAHOMA
JULY 1, 2016 TO JUNE 30, 2017

YUKON PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 27
CANADIAN COUNTY, OKLAHOMA
JUNE 30, 2017

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YUKON PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 27
CANADIAN COUNTY, OKLAHOMA
JULY 1, 2016 TO JUNE 30, 2017

SCHOOL DISTRICT BOARD MEMBERS

Karen Youngblood
Suzanne Cannon
Leonard Wells
Jeff Behymer
Rex Van Meter

SUPERINTENDENT OF SCHOOL DISTRICT

William Jason Simeroth

CLERK OF THE BOARD

Leonard Wells

SCHOOL DISTRICT TREASURER

Jim Fenrick

PUTNAM & COMPANY, PLLC
Certified Public Accountants
169 E. 32ND
EDMOND, OKLAHOMA 73013
(405) 348-3800
Fax (405) 348-3846

INDEPENDENT AUDITOR'S REPORT

October 17, 2017

The Honorable Board of Education
Yukon School District No. 27
Canadian County, Oklahoma

Report on the Financial Statements

We have audited the accompanying combined fund type and account group financial statements-regulatory basis of Yukon School District No. 27, Canadian County, Oklahoma, as of and for the year ended June 30, 2017, 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 financial reporting regulations prescribed or permitted by the Oklahoma State Department of Education as described in Note 1, to meet the financial reporting requirements of the State of Oklahoma; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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 of 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 their 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 adverse and qualified audit opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1 to the financial statements, to meet the financial reporting requirements of the Oklahoma State Department of Education, the financial statements are prepared by the District, on the basis of the financial reporting regulations prescribed or permitted by the Oklahoma State Department of Education, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determined, are presumed to be material.

Adverse Opinion of U.S. Generally Accepted Accounting Principles

In our opinion, because the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to in the first paragraph do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the District as of June 30, 2017, or the revenues, expenses, and changes in net position and where applicable cash flows thereof for the year then ended.

Basis for Qualified Opinion on Regulatory Basis of Accounting

The financial statements referred to above do not include the general fixed asset account group, which is a departure from the regulatory basis of accounting prescribed or permitted by the Oklahoma State Department of Education noted above. The amount that should be recorded in the general fixed asset account group is not known.

Qualified Opinion on Regulatory Basis of Accounting

In our opinion, except for the effects of the matter described in the “Basis for Qualified Opinion on Regulatory Basis of Accounting” paragraph, the combined financial statements referred to in the first paragraph present fairly, in all material respects, the assets, liabilities and fund balances arising from regulatory basis transactions of each fund type and account group of the District, as of June 30, 2017, and the revenues collected and expenditures paid and encumbered, of each fund type, for the year then ended, on the regulatory basis of accounting described in Note 1.

Other Matters

Other supplemental information

Our audit was conducted for the purpose of forming opinions on the fund type and the account group financial statements – regulatory basis within the combined financial statements. The combining fund statements – regulatory basis and other schedules as listed in the table of contents, under other supplementary information, are presented for purposes of additional analysis and are not a required part of the combined financial statements – regulatory basis of the District.

The combining statements – regulatory basis, and the other supplementary information, including the schedule of expenditures of federal awards, are the responsibility of management and were derived from and relate directly to the underlying accounting records used to prepare the combined financial statements – regulatory basis. Such information has been subjected to the auditing procedures applied in the audit of the fund type and account group financial statements within the combined financial statements – regulatory basis and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining statements – regulatory basis and the other supplementary information, including the schedule of expenditures of federal awards, are fairly stated in all material respects in relation to the combined financial statements – regulatory basis taken as a whole on the regulatory basis of accounting described in Note 1.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 17, 2017 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 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 District's internal control over financial reporting and compliance.

Putnam & Company
Putnam & Company, PLLC

COMBINED FINANCIAL STATEMENTS

**YUKON SCHOOL DISTRICT NO. 27
CANADIAN COUNTY, OKLAHOMA
COMBINED STATEMENT OF ASSETS AND LIABILITIES
(ALL FUND TYPES AND ACCOUNT GROUPS) - REGULATORY BASIS
JUNE 30, 2017**

	Governmental Fund Types				Fiduciary Fund Types	Account Groups	Totals
	General	Special Revenue	Debt Service	Capital Projects	Trust and Agency	General Long-Term Debt	(Memorandum Only)
<u>ASSETS</u>							
Cash and Cash Equivalents	\$14,643,066	2,921,963		82,840	2,057,321		19,705,190
Amount Available for Debt Service			10,621,791			720,874	11,342,665
Amount to be Provided for General Long-Term Debt						26,001,014	26,001,014
Total Assets	<u>\$14,643,066</u>	<u>2,921,963</u>	<u>10,621,791</u>	<u>82,840</u>	<u>2,057,321</u>	<u>26,721,888</u>	<u>57,048,869</u>
<u>LIABILITIES</u>							
Warrants Payable	\$5,919,069	320,469			57,125		6,296,663
Reserved for Encumbrances	491,741						491,741
Long-Term Debt							
Bonds Payable			9,786,250			25,768,750	35,555,000
Interest Payable			114,667			953,138	1,067,805
Total Liabilities	<u>6,410,810</u>	<u>320,469</u>	<u>9,900,917</u>	<u>0</u>	<u>57,125</u>	<u>26,721,888</u>	<u>43,411,209</u>
<u>FUND EQUITY</u>							
Fund Equity:							
Designated for Building Projects		1,489,765					1,489,765
Designated for Child Nutrition Programs		1,111,729					1,111,729
Designated for Debt Service			720,874				720,874
Designated for Capital Projects				82,840			82,840
Designated for Insurance Programs					295,645		295,645
Designated for Unemployment Programs					212,694		212,694
Designated for Student Activities					1,491,857		1,491,857
Fund Balance	8,232,256						8,232,256
Total Fund Equity	<u>8,232,256</u>	<u>2,601,494</u>	<u>720,874</u>	<u>82,840</u>	<u>2,000,196</u>	<u>0</u>	<u>13,637,660</u>
Total Liabilities and Fund Equity	<u>\$14,643,066</u>	<u>2,921,963</u>	<u>10,621,791</u>	<u>82,840</u>	<u>2,057,321</u>	<u>26,721,888</u>	<u>57,048,869</u>

The notes to the financial statements are an integral part of this statement.

**YUKON SCHOOL DISTRICT NO. 27
CANADIAN COUNTY, OKLAHOMA
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
ALL GOVERNMENTAL FUND TYPES AND SIMILAR TRUST FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2017**

	Governmental Fund Types				Fiduciary Fund Types	Totals
	General	Special Revenue	Debt Service	Capital Projects	Trust and Agency	(Memorandum Only)
REVENUES:						
Local Sources	\$13,135,258	2,100,505	10,393,326		4,276,809	29,905,898
Intermediate Sources	2,087,652					2,087,652
State Sources	32,282,855	29,066				32,311,921
Federal Sources	2,618,759	1,816,403				4,435,162
Total Revenues Collected	50,124,524	3,945,974	10,393,326	0	4,276,809	68,740,633
EXPENDITURES:						
Instruction	30,944,123	19,477		36,420	998,099	31,998,119
Support Services	17,392,208	999,288		6,842	355,814	18,754,152
Operation of Non-Instructional Services	1,363,354	2,052,392			376,482	3,792,228
Facilities Acquisition & Construction Services		767,929		9,966,481		10,734,410
Other Outlays	39,344	1,995			2,275,797	2,317,136
Other Uses					154,679	154,679
DEBT SERVICE:						
Principal Retirement			9,780,000			9,780,000
Interest Paid			526,878			526,878
Total Expenditures	49,739,029	3,841,081	10,306,878	10,009,743	4,160,871	78,057,602
Revenues Over (Under) Expenditures	385,495	104,893	86,448	(10,009,743)	115,938	(9,316,969)
OTHER FINANCING SOURCES (USES):						
Return of Assets	1,539,570	576,702	39,868	9,950,000	22,095	12,128,235
Deobligation of Prior Year Funds	478,781					478,781
Estopped Warrants	593				1,409	2,002
Total Other Financing Sources (Uses):	2,018,944	576,702	39,868	9,950,000	23,504	12,609,018
Revenue and Other Sources Over (Under) Expenditures and Other Uses	2,404,439	681,595	126,316	(59,743)	139,442	3,292,049
Fund Balance, Beginning of Year	5,827,817	1,919,899	594,558	142,583	1,860,754	10,345,611
Fund Balance, End of Year	\$8,232,256	2,601,494	720,874	82,840	2,000,196	13,637,660

The notes to the financial statements are an integral part of this statement.

YUKON SCHOOL DISTRICT NO. 27
CANADIAN COUNTY, OKLAHOMA
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - REGULATORY BASIS
GENERAL FUND AND BUDGETED SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	General Fund			Special Revenue Funds		
	Original/ Final Budget	Actual	Variance Favorable (Unfavorable)	Original/ Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:						
Local Sources	\$12,009,421	13,135,258	1,125,837	1,675,522	2,100,505	424,983
Intermediate Sources	1,736,029	2,087,652	351,623			0
State Sources	30,744,044	32,282,855	1,538,811	26,490	29,066	2,576
Federal Sources	2,638,824	2,618,759	(20,065)	1,540,228	1,816,403	276,175
Total Revenues Collected	47,128,318	50,124,524	2,996,206	3,242,240	3,945,974	703,734
EXPENDITURES :						
Instruction	35,711,229	30,944,123	4,767,106	19,477	19,477	0
Support Services	17,392,208	17,392,208	0	2,064,070	999,288	1,064,782
Non-Instructional Services	1,363,354	1,363,354	0	2,804,319	2,052,392	751,927
Facilities Acquisition & Construction Services			0	767,929	767,929	0
Other Outlays	39,344	39,344	0	1,995	1,995	0
Total Expenditures	54,506,135	49,739,029	4,767,106	5,657,790	3,841,081	1,816,709
Revenues Over (Under) Expenditures	(7,377,817)	385,495	7,763,312	(2,415,550)	104,893	2,520,443
OTHER FINANCING SOURCES (USES):						
Return of Assets	1,550,000	1,539,570	(10,430)	495,651	576,702	81,051
Deobligation of Prior Year Funds		478,781	478,781			0
Estopped Warrants		593	593			0
Total Other Financing Sources (Uses)	1,550,000	2,018,944	468,944	495,651	576,702	81,051
Revenue and Other Sources Over (Under) Expenditures and Other Uses	(5,827,817)	2,404,439	8,232,256	(1,919,899)	681,595	2,601,494
Fund Balance, Beginning of Year	5,827,817	5,827,817	0	1,919,899	1,919,899	0
Fund Balance, End of Year	\$0	8,232,256	8,232,256	0	2,601,494	2,601,494

The notes to financial statements are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

**YUKON SCHOOL DISTRICT NO. 27
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the Yukon Public Schools Independent District No. 27, Canadian County, Oklahoma (the "District") have been prepared in conformity with an other comprehensive basis of accounting as prescribed by the Oklahoma State Department of Education. The more significant of the District's accounting policies are described below.

A. Reporting Entity

The District is a corporate body for public purposes created under Title 70 of the Oklahoma statutes and accordingly is a separate entity for operating and financial reporting purposes.

The District is part of the public school system of Oklahoma under the general direction and control of the State Board of Education and is financially dependent on State of Oklahoma support. The general operating authority for the public school system is the Oklahoma School Code contained in Title 70, Oklahoma Statutes.

The governing body of the District is the Board of Education composed of elected members. The appointed superintendent is the executive officer of the District.

In evaluating how to define the district, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria established by the Governmental Accounting Standards Board (GASB). The basic, but not the only, criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters.

A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the District and/or its citizens, or whether the activity is conducted within the geographic boundaries of the District and is generally available to its patrons.

A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the District is able to exercise oversight responsibilities.

Based upon the application of these criteria, there are no potential component units included in the District's reporting entity.

B. Fund Accounting and Description of Funds

The District uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain district functions or activities.

YUKON SCHOOL DISTRICT NO. 27
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

B. Fund Accounting and Description of Funds – (continued)

A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types."

Governmental Fund Types

Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of earmarked monies (special revenue funds), the acquisition or construction of general fixed assets (capital projects funds), and the servicing of general long-term debt (debt service funds).

General Fund – The general fund is used to account for all financial transactions, except those required to be accounted for in another fund. Major revenue sources include state and local property taxes and state funding under the Foundation and Salary Incentive Aid program. Expenditures include all costs associated with the daily operations of the schools except for programs funded for building repairs and maintenance, school construction and debt service on bonds and other long-term debt. The general fund includes federal and state restricted monies that must be expended for specific programs.

Special Revenue Fund – The special revenue fund is the District's Building Fund. The Building Fund consists of monies derived from property taxes levied for the purpose of erecting, remodeling, or repairing buildings and for purchasing furniture and equipment.

The Child Nutrition Fund derives monies from State, Federal and local sources.

Debt Service Fund – The debt service fund is the District's Sinking Fund and is used to account for the accumulation of financial resources for the payment of general long-term debt principal, interest and related costs. The primary revenue sources are local property taxes levied specifically for debt service and interest earnings from temporary investments.

Capital Projects Fund – The capital projects fund is the District's Bond Fund and is used to account for the proceeds of bond sales to be used exclusively for acquiring school sites, constructing and equipping new school facilities, renovating existing facilities, and acquiring transportation equipment.

Fiduciary Fund Types

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the District. When these assets are held under the terms of a trust agreement, trust funds are used for their accounting and reporting. Agency funds generally are used to account for assets that the District holds on behalf of others as their agent and do not involve measurement of results of operations.

YUKON SCHOOL DISTRICT NO. 27
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

Agency Fund – The Agency fund is the School Activities fund, which is used to account for monies, collected principally through fundraising efforts of the students and District-sponsored groups. The administration is responsible, under the authority of the Board, of collecting, disbursing and accounting for these activity funds.

Account Groups

Account groups are not funds and consist of a self-balancing set of accounts used only to establish accounting control over long-term debt and general fixed assets not accounted for in proprietary funds.

General Long-Term Debt Account Group – This account group was established to account for all long-term debt of the District, which is offset by the amount available in the debt service fund and the amount to be provided in future years to complete retirement of the debt principal. It is also used to account for liabilities for compensated absences and early retirement incentives, which are to be paid from funds provided in future years.

General Fixed Asset Account Group – This account group is used to account for property, plant, and equipment of the school district. The District does not have the information necessary to include this group in its combined financial statements.

Memorandum Only – Total Column - The total column on the general purpose financial statements is captioned “memorandum only” to indicate that it is presented only to facilitate financial analysis. Data in this column does not present financial position, results of operations or cash flows in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

C. Basis of Accounting and Presentation

The District prepares its financial statements in a presentation format that is prescribed by the Oklahoma State Department of Education. This format is essentially the generally accepted form of presentation used by state and local governments prior to the effective date of GASB Statement No. 34, *Basic Financial Statements-Management's Discussion and Analysis-for State and Local Governments*. This format significantly differs from that required by GASB 34.

The basic financial statements are essentially prepared on a basis of cash receipts and disbursements modified as required by the regulations of the Oklahoma State Department of Education (OSDE) as follows:

- Encumbrances represented by purchase orders, contracts, and other commitments for the expenditure of monies and are recorded as expenditures when approved.
- Investments and inventories are recorded as assets when purchased.
- Capital assets in proprietary funds are recorded when acquired and depreciated over their useful lives.
- Warrants payable are recorded as liabilities when issued.
- Long-term debt is recorded when incurred.
- Accrued compensated absences are recorded as an expenditure and liability when the obligation is incurred.

YUKON SCHOOL DISTRICT NO. 27
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

C. Basis of Accounting and Presentation – (continued)

This regulatory basis of accounting differs from accounting principles generally accepted in the United States of America, which require revenues to be recognized when they become available and measurable, or when they are earned, and expenditures or expenses to be recognized when the related liabilities are incurred for governmental fund types; and, when revenues are earned and liabilities are incurred for proprietary fund types and trust funds.

D. Budgets and Budgetary Accounting

The District is required by state law to prepare an annual budget. A preliminary budget must be submitted to the Board of Education by December 31 for the fiscal year beginning the following July 1. If the preliminary budget requires an additional levy, the District must hold an election on the second Tuesday in February to approve the levy. If the preliminary budget does not require an additional levy, it becomes the legal budget. If an election is held and the taxes are approved, then the preliminary budget becomes the legal budget. If voters reject the additional taxes, the District must adopt a budget within the approved tax rate.

The District may upon approval by a majority of the electors of the District voting on the question make the ad valorem levy for emergency levy and local support levy permanent. Under current Oklahoma Statutes, a formal budget is required for all funds except for trust and agency funds. Budgets are presented for all funds that include the originally approved budgeted appropriations for expenditures and final budgeted appropriations as adjusted for supplemental appropriations and approved transfers between budget categories.

E. Assets, Liabilities, and Fund Equity

Cash and Cash Equivalents – For purposes of the statement of cash flows, the District 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.

Investments – Investments consist of direct obligations of the United States Government and Agencies with maturities greater than three months when purchased. All investments are recorded at cost, which approximates market value.

Property Tax Revenues – The district is authorized by state law to levy property taxes, which consist of ad valorem taxes on real and personal property within the district. The county assessor, upon receipt of the certification of tax levies from the County Excise Board, extends the tax levies on the tax roll for submission to the County Treasurer prior to October 1. The county treasurer must commence tax collection within fifteen days of receipt of the tax rolls. The first half of taxes are due prior to January 1. The second half is due prior to April 1.

If the first payment is not made timely, the entire tax becomes due and payable on January 2. Second half taxes become delinquent on April 1 of the year following the year of assessment. If not paid by the following October 1, the property is offered for sale for the amount of taxes due. The owner has two years to redeem the property by paying the taxes and penalty owed. If at the end of two years the owner has not done so, the purchaser is issued a deed to the property.

YUKON SCHOOL DISTRICT NO. 27
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

E. Assets, Liabilities, and Fund Equity – (continued)

Inventories – The value of consumable inventories at June 30, 2017 is not material to the basic financial statements.

Capital Assets – The accounting treatment over capital assets (property, plant, and equipment) depends on whether the assets are used in governmental fund-type operations or proprietary fund-type operations. Fixed assets used in governmental fund-type operations (general fixed assets) are recorded for as capital outlay expenditures of the governmental fund-type upon acquisition and are recorded as property, plant, and equipment in the General Fixed Asset Account Group. Fixed assets used in proprietary fund-type operations are accounted for as property, plant, and equipment within the proprietary fund itself.

All fixed assets are valued at historical cost, or estimated cost if actual is unavailable, except for donated fixed assets, which are recorded at their estimated fair value at the date of donation.

Depreciation and accumulated depreciation are not reported against general fixed assets.

Compensated Absences – The district provides vacation and sick leave benefits in accordance with Oklahoma Statutes, which provides for annual sick leave and personal business days. Accrued vacation and sick leave benefits are not reflected in the financial statements because such statements are prepared on the regulatory basis of accounting. This practice differs from generally accepted accounting principles.

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. There are no amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources.

Long-Term Debt – Long-term debt is recognized as a liability of a governmental fund when due or when resources have been accumulated in the debt service fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is reported in the general long-term debt account group. Long-term liabilities expected to be financed from proprietary fund operations are accounted for in those funds.

Fund Balance – Fund balance represents the cash and investments not encumbered by purchase order, legal contracts, and outstanding warrants.

F. Revenue, Expenses, and Expenditures

State Revenues – Revenues from state sources for current operations are primarily governed by the state aid formula under the provisions of Article XVIII, Title 70, Oklahoma Statutes. The State Board of Education administers the allocation of state aid funds to school districts based on information accumulated from the districts.

**YUKON SCHOOL DISTRICT NO. 27
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

F. Revenue, Expenses, and Expenditures -- (continued)

After review and verification of reports and supporting documentation, the State Department of Education may adjust subsequent fiscal period allocations of money for prior year errors disclosed by review. Normally, such adjustments are treated as reductions or additions of revenue of the year when the adjustment is made.

The District receives revenue from the state to administer certain categorical educational programs. State Board of Education rules require that revenue earmarked for these programs be expended only for the program for which the money is provided. These rules also require that the money not expended as of the close of the fiscal year be carried forward into the following year to be expended for the same categorical programs. The State Department of Education requires that categorical educational program revenues be accounted for in the general fund.

Interfund Transactions – Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund or expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditure/expenses in the fund that is reimbursed. All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers.

2. DEPOSIT AND INVESTMENT RISKS

Custodial Credit Risk - The District's policy as it relates to custodial credit risk is to secure its ~~uninsured deposits with collateral, valued at no more than~~ market value, at least at a level of 100 percent of the uninsured deposits and accrued interest thereon. The investment policy and state law also limits acceptable collateral to U.S. Treasury and agency securities and direct debt obligations of the state, municipalities, counties, and school districts in the state of Oklahoma, surety bonds, and letters of credit. As required by Federal 12 U.S.C.A., Section 1823(e), all financial institutions pledging collateral to the District must have a written collateral agreement approved by the board of directors or loan committee.

At June 30, 2017, the District was not exposed to custodial credit risk as defined above.

Investment Credit Risk – The District's investment policy limits investments to those allowed in state law applicable to school districts as follows:

- a. Direct obligations of the U.S. Government, its agencies and instrumentalities to which the full faith and credit of the U.S. Government is pledged, or obligations to the payment of which the full faith and credit of the State is pledged.
- b. Certificates of deposit or savings accounts that are either insured or secured with acceptable collateral with in-state financial institutions, and fully insured certificates of deposit or savings accounts in out-of-state financial institutions.

YUKON SCHOOL DISTRICT NO. 27
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

Investment Credit Risk (continued) - Investment credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The District has no formal policy limiting investments based on credit rating, but discloses any such credit risk associated with their investments. Unless there is information to the contrary, obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk and do not require disclosure of credit quality.

Investment Interest Rate Risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District's investment policy limits investments to those with a short-term maturities, as a means of managing exposure to fair value losses arising from increasing interest rates. The District discloses its exposure to interest rate risk by disclosing the maturity dates of its various investments.

Concentration of Investment Credit Risk – Exposure to concentration of credit risk is considered to exist when investments in any one issuer represent a significant percent of total investments of the District (any over 5 percent are disclosed). Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are excluded from this consideration. The District's investment policy requires diversification of investments.

At June 30, 2017, the District had no concentration of credit risk as defined above.

3. INTERFUND RECEIVABLES AND PAYABLES

There were no Interfund receivables or payables at June 30, 2017.

4. GENERAL LONG-TERM DEBT

State statutes prohibit the District from becoming indebted in an amount exceeding the revenue to be received for any fiscal year without approval by the District's voters. Bond issues have been approved by the voters and issued by the District for various capital improvements. These bonds are required to be fully paid serially within 25 years from the date of issue.

YUKON SCHOOL DISTRICT NO. 27
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

4. GENERAL LONG-TERM DEBT - (continued)

General long-term debt of the District consists of bonds payable, obligations for compensated absences, and capital leases. Debt service requirements for bonds are payable solely from fund balance and future revenues of the debt service fund.

The following is a summary of the long-term debt transactions of the District for the year ended June 30, 2017:

	Bonds Payable	Total
Balance, July 1, 2016	\$34,655,000	\$ 34,655,000
Additions	9,950,000	9,950,000
Retirements	9,050,000	9,050,000
Balance, June 30, 2017	<u>\$ 35,555,000</u>	<u>\$ 35,555,000</u>

A brief description of the outstanding general obligation bond issues at June 30, 2017 is set forth below:

	Amount <u>Outstanding</u>
Independent School District No. 27 Building Bonds, Series 2016, original Issue \$9,950,000, interest rate of 1.30% , due in initial installment of \$2,210,000 and then annual installments of \$2,580,000, final payment of \$2,580,000 due October 1, 2021.	\$ 9,950,000
Independent School District No. 27 Building Bonds, Series 2015, original Issue \$11,110,000, interest rate of 1.00% to 2.00%, due in annual installments of \$2,775,000, final payment of \$2,785,000 due October 1, 2020.	11,110,000
Independent School District No. 27 Building Bonds, Series 2014, original Issue \$9,135,000, interest rate of 1.00% to 1.30%, due in annual installments of \$2,285,000, final payment of \$2,285,000 due October 1, 2019.	6,855,000
Independent School District No. 27 Building Bonds, Series 2013, original Issue \$11,675,000, interest rate of 2.00%, due in annual installments of \$2,915,000, final payment of \$2,920,000 due October 1, 2018.	5,840,000

**YUKON SCHOOL DISTRICT NO. 27
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

4. GENERAL LONG-TERM DEBT - (continued)

Independent School District No. 27
Building Bonds, Series 2012, original
Issue \$7,200,000, interest rate of 1.00%,
due in annual installments of \$1,800,000, final
payment of \$1,800,000 due October 1, 2017. 1,800,000

TOTAL **\$35,555,000**

The annual debt service requirements for retirement of bond principal and payment of interest are as follows:

Year ending <u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 9,780,000	\$ 498,615	\$ 10,278,615
2019	10,190,000	299,045	10,489,045
2020	7,640,000	175,215	7,815,215
2021	5,365,000	78,160	5,443,160
2022	2,580,000	16,770	2,596,770
	<u>\$ 35,555,000</u>	<u>\$ 1,067,805</u>	<u>\$ 36,622,805</u>

Interest expense on general long-term debt incurred during the current year totaled \$526,878.

5. EMPLOYEE RETIREMENT SYSTEM

Basis of Accounting

The System's financial statements are prepared in conformity with accounting principles generally accepted in the United States of America. The financial statements have also been prepared in compliance with the requirements of the Government Accounting Standards Board Statement No. 34.

The financial statements are prepared on the accrual basis of accounting, under which expenses are recorded when the liability is incurred, revenues are recorded in the accounting period they are earned and become measurable, and investment purchases and sales are recorded as of their trade dates. Member and employer contributions are recognized when due, pursuant to formal commitments. Benefits and refunds are recognized when due and payable.

The pension benefit obligation is a standardized disclosure measure of the present value of pension benefits. This pension valuation method reflects the present value of estimated pension benefits that will be paid in future years as a result of employee services performed to date and is adjusted for the effect of projected salary increases. Actuarial valuations are not performed on individual school districts. The nonfunded pension benefit obligation of the System, as determined as part of the latest actuarial valuation indicates a significant unfunded pension benefit obligation.

**YUKON SCHOOL DISTRICT NO. 27
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

5. EMPLOYEE RETIREMENT SYSTEM (continued)

Funding Policy

A participant with five years of creditable service may retire with a normal retirement allowance at the age of sixty-two (62) or with reduced benefits as early as age fifty-five (55). The normal retirement allowance paid monthly for life and then to beneficiaries, if certain options are exercised, equals two percent of the average of the highest three earning years of contributory service multiplied by the number of years of credited service. A participant leaving employment before attaining retirement age, but completing ten years of service, may elect to vest his/her accumulated contributions and defer receipt of a retirement annuity until a later date. When a participant dies in active service and has completed ten years of credited service, the beneficiary is entitled to a death benefit of \$18,000.00 and the participant's contributions plus interest. If the beneficiary is a surviving spouse, the surviving spouse may, in lieu of the death benefit elect to receive, subject to the surviving spousal options, the participant's retirement benefits accrued at the time of death. The contribution rates for the Districts, which are not actuarially determined, and its employees are established by statute and applied to the employee's earnings, plus employer-paid fringe benefits. Employers' contribution of applicable employee earnings was 9.5% for the year ended June 30, 2017.

Annual Pension Cost

	Contribution	Total Payroll
2017	\$ 3,093,781.32	\$ 32,001,875.70
2016	\$ 3,122,826.97	\$ 32,107,333.54
2015	\$ 2,977,876.87	\$ 30,997,287.25

6. CONTINGENCIES

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the District expects such amounts, if any, to be immaterial. The District is currently involved in litigation, the results of which are not determinable. Therefore, any fair value of the contingencies cannot be reasonably estimated.

7. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, employees' health and life, and natural disasters. The District manages these various risks of loss through the purchase of commercial insurance. Management believes such coverage is sufficient to preclude any significant uninsured losses to the District. Settled claims have not exceeded this insurance coverage in any of the past three fiscal years.

**YUKON SCHOOL DISTRICT NO. 27
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

8. SUBSEQUENT EVENTS

Subsequent events have been evaluated through October 17, 2017, which is the date the financial statements were issued.

OTHER SUPPLEMENTARY INFORMATION

**YUKON SCHOOL DISTRICT NO. 27
CANADIAN COUNTY, OKLAHOMA
COMBINING STATEMENT OF ASSETS AND LIABILITIES
REGULATORY BASIS
SPECIAL REVENUE FUNDS
JUNE 30, 2017**

	<u>BUILDING FUND</u>	<u>CHILD NUTRITION FUND</u>	<u>TOTALS (Memorandum Only)</u>
<u>ASSETS</u>			
Cash and Cash Equivalents	<u>\$1,791,943</u>	<u>1,130,020</u>	<u>2,921,963</u>
Total Assets	<u><u>\$1,791,943</u></u>	<u><u>1,130,020</u></u>	<u><u>2,921,963</u></u>
<u>LIABILITIES AND FUND EQUITY</u>			
Liabilities:			
Warrants Outstanding	\$302,178	18,291	320,469
Reserved for Encumbrances	<u>0</u>	<u> </u>	<u>0</u>
Total Liabilities	<u>302,178</u>	<u>18,291</u>	<u>320,469</u>
Fund Balance:			
Unreserved	<u>1,489,765</u>	<u>1,111,729</u>	<u>2,601,494</u>
Total Fund Equity	<u>1,489,765</u>	<u>1,111,729</u>	<u>2,601,494</u>
Total Liabilities and Fund Equity	<u><u>\$1,791,943</u></u>	<u><u>1,130,020</u></u>	<u><u>2,921,963</u></u>

The notes to the financial statements are an integral part of this statement.

**YUKON SCHOOL DISTRICT NO. 27
CANADIAN COUNTY, OKLAHOMA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - REGULATORY BASIS
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2017**

	<u>BUILDING FUND</u>	<u>CHILD NUTRITION FUND</u>	<u>TOTALS (Memorandum Only)</u>
Revenues:			
Local Sources	\$2,100,505		2,100,505
State Sources		29,066	29,066
Federal Sources		1,816,403	1,816,403
	<u>2,100,505</u>	<u>1,845,469</u>	<u>3,945,974</u>
Total Revenues Collected			
	<u>2,100,505</u>	<u>1,845,469</u>	<u>3,945,974</u>
Expenditures:			
Instruction	19,477		19,477
Support Services	999,288		999,288
Operation of Non-Instructional Services		2,052,392	2,052,392
Facilities Acquisition & Construction Services	767,929		767,929
Other Outlays		1,995	1,995
	<u>1,786,694</u>	<u>2,054,387</u>	<u>3,841,081</u>
Total Expenditures			
	<u>1,786,694</u>	<u>2,054,387</u>	<u>3,841,081</u>
Total Revenues Over (Under) Expenditures	<u>313,811</u>	<u>(208,918)</u>	<u>104,893</u>
Other Financing Sources (Uses):			
Return of Assets		576,702	576,702
	<u>0</u>	<u>576,702</u>	<u>576,702</u>
Total Other Financing Sources (Uses)			
	<u>0</u>	<u>576,702</u>	<u>576,702</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>313,811</u>	<u>367,784</u>	<u>681,595</u>
Fund Balance, Beginning of Year	<u>1,175,954</u>	<u>743,945</u>	<u>1,919,899</u>
Fund Balance, End of Year	<u>\$1,489,765</u>	<u>1,111,729</u>	<u>2,601,494</u>

The notes to the financial statements are an integral part of this statement.

**YUKON SCHOOL DISTRICT NO. 27
CANADIAN COUNTY, OKLAHOMA
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - BUDGETED SPECIAL REVENUE FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2017**

	Building Fund			Child Nutrition Fund		
	Original/ Final Budget	Actual	Variance Favorable (Unfavorable)	Original/ Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:						
Local Sources	\$1,675,522	2,100,505	424,983			0
State Sources			0	26,490	29,066	2,576
Federal Sources			0	1,540,228	1,816,403	276,175
Total Revenues	1,675,522	2,100,505	424,983	1,566,718	1,845,469	278,751
EXPENDITURES :						
Instruction	19,477	19,477	0			0
Support Services	2,064,070	999,288	1,064,782			0
Operation of Non-Instructional Services			0	2,804,319	2,052,392	751,927
Facilities Acquisition & Construction Services	767,929	767,929	0			0
Other Outlays			0	1,995	1,995	0
Total Expenditures	2,851,476	1,786,694	1,064,782	2,806,314	2,054,387	751,927
Revenues Over (Under) Expenditures	(1,175,954)	313,811	1,489,765	(1,239,596)	(208,918)	1,030,678
OTHER FINANCING SOURCES (USES):						
Return of Assets			0	495,651	576,702	81,051
Total Other Financing Sources (Uses)	0	0	0	495,651	576,702	81,051
Revenue and Other Sources Over (Under) Expenditures and Other Uses	(1,175,954)	313,811	1,489,765	(743,945)	367,784	1,111,729
Fund Balance, Beginning of Year	1,175,954	1,175,954	0	743,945	743,945	0
Fund Balance, End of Year	\$0	1,489,765	1,489,765	0	1,111,729	1,111,729

The notes to financial statements are an integral part of this statement.

**YUKON SCHOOL DISTRICT NO. 27
CANADIAN COUNTY, OKLAHOMA
COMBINING STATEMENT OF ASSETS AND LIABILITIES - REGULATORY BASIS
CAPITAL PROJECTS FUNDS
JUNE 30, 2017**

	<u>BUILDING BOND FUND #38</u>	<u>BUILDING BOND FUND #39</u>	<u>TOTALS (Memorandum Only)</u>
<u>ASSETS</u>			
Cash and Cash Equivalents	<u>\$0</u>	<u>82,840</u>	<u>82,840</u>
Total Assets	<u><u>\$0</u></u>	<u><u>82,840</u></u>	<u><u>82,840</u></u>
<u>LIABILITIES AND FUND EQUITY</u>			
Liabilities:			
Warrants Outstanding	<u>\$0</u>	<u>0</u>	<u>0</u>
Reserve for Encumbrances			<u>0</u>
Total Liabilities	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance:			
Unreserved			
Designated for Capital Projects	<u>0</u>	<u>82,840</u>	<u>82,840</u>
Total Fund Equity	<u>0</u>	<u>82,840</u>	<u>82,840</u>
Total Liabilities and Fund Equity	<u><u>\$0</u></u>	<u><u>82,840</u></u>	<u><u>82,840</u></u>

The notes to the financial statements are an integral part of this statement.

**YUKON SCHOOL DISTRICT NO. 27
CANADIAN COUNTY, OKLAHOMA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - REGULATORY BASIS
CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 2017**

	BUILDING BOND FUND #38	BUILDING BOND FUND #39	TOTALS (Memorandum Only)
Revenues:			
Local Sources	\$0		0
Total Revenues Collected	0	0	0
Expenditures:			
Instruction	36,420		36,420
Support Services		6,842	6,842
Facilities Acquisition and Construction Services	9,966,481		9,966,481
Total Expenditures	10,002,901	6,842	10,009,743
Excess of Revenues Over (Under) Expenditures	(10,002,901)	(6,842)	(10,009,743)
Other Financing Sources (Uses)			
Proceeds from Sale of Bonds	9,950,000		9,950,000
Total Other Financing Sources (Uses)	9,950,000	0	9,950,000
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(52,901)	(6,842)	(59,743)
Fund Balance, Beginning of Year	52,901	89,682	142,583
Fund Balance, End of Year	\$0	82,840	82,840

The notes to the financial statements are an integral part of this statement.

**YUKON SCHOOL DISTRICT NO. 27
CANADIAN COUNTY, OKLAHOMA
COMBINING STATEMENT OF ASSETS AND LIABILITIES - REGULATORY BASIS
TRUST AND AGENCY FUNDS
JUNE 30, 2017**

	<u>EXPENDABLE TRUST FUNDS</u>		<u>AGENCY FUNDS</u>	<u>TOTALS (Memorandum Only)</u>
	<u>VISION INSURANCE PLAN</u>	<u>UNEMPLOYMENT COMPENSATION INSURANCE</u>	<u>ACTIVITY FUND</u>	
<u>ASSETS</u>				
Cash and Cash Equivalents	<u>\$310,211</u>	<u>212,694</u>	<u>1,534,416</u>	<u>2,057,321</u>
Total Assets	<u>\$310,211</u>	<u>212,694</u>	<u>1,534,416</u>	<u>2,057,321</u>
<u>LIABILITIES AND FUND EQUITY</u>				
Liabilities:				
Warrants Outstanding	<u>\$14,566</u>		<u>42,559</u>	<u>57,125</u>
Reserved for Encumbrances				<u>0</u>
Total Liabilities	<u>14,566</u>	<u>0</u>	<u>42,559</u>	<u>57,125</u>
Fund Balance:				
Unreserved	<u>295,645</u>	<u>212,694</u>	<u>1,491,857</u>	<u>2,000,196</u>
Total Fund Equity	<u>295,645</u>	<u>212,694</u>	<u>1,491,857</u>	<u>2,000,196</u>
Total Liabilities and Fund Equity	<u>\$310,211</u>	<u>212,694</u>	<u>1,534,416</u>	<u>2,057,321</u>

The notes to the financial statements are an integral part of this statement.

**YUKON SCHOOL DISTRICT NO. 27
CANADIAN COUNTY, OKLAHOMA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - REGULATORY BASIS
TRUST AND AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2017**

	EXPENDABLE TRUST FUNDS		AGENCY FUNDS	TOTALS (Memorandum Only)
	VISION INSURANCE PLAN	UNEMPLOYMENT COMPENSATION INSURANCE	ACTIVITY FUND	
Revenues:				
Local Sources	<u>\$139,202</u>	<u>75,614</u>	<u>4,061,993</u>	<u>4,276,809</u>
 Total Revenues Collected	 <u>139,202</u>	 <u>75,614</u>	 <u>4,061,993</u>	 <u>4,276,809</u>
 Expenditures:				
Instruction			998,099	998,099
Support Services			355,814	355,814
Operation of Non Instructional Services			376,482	376,482
Other Outlays			2,275,797	2,275,797
Other Uses	<u>128,397</u>	<u>26,282</u>		<u>154,679</u>
 Total Expenditures	 <u>128,397</u>	 <u>26,282</u>	 <u>4,006,192</u>	 <u>4,160,871</u>
 Other Financing Sources (Uses):				
Return of Assets			22,095	22,095
Estopped Warrants			<u>1,409</u>	<u>1,409</u>
 Total Other Financing Sources (Uses)	 <u>0</u>	 <u>0</u>	 <u>23,504</u>	 <u>23,504</u>
 Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	 10,805	 49,332	 79,305	 139,442
 Fund Balance, Beginning of Year	 <u>284,840</u>	 <u>163,362</u>	 <u>1,412,552</u>	 <u>1,860,754</u>
 Fund Balance, End of Year	 <u>\$295,645</u>	 <u>212,694</u>	 <u>1,491,857</u>	 <u>2,000,196</u>

The notes to the financial statements are an integral part of this statement.

**YUKON SCHOOL DISTRICT NO. 27
CANADIAN COUNTY, OKLAHOMA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
REGULATORY BASIS - ACTIVITY FUND - SUMMARY OF ALL FUND 60
JULY 1, 2016 TO JUNE 30, 2017**

	<u>Source 6110 Beginning Balance 7/1/2016</u>	<u>Source 6140 Estopped Checks</u>	<u>Source 5120-5190 Non-Revenue Receipts</u>	<u>Source 1211-1990 New Revenue</u>	<u>Transfers</u>	<u>Checks & Encumbrances</u>	<u>Ending Fund Balance 6/30/2017</u>
Administration	\$ 497,548.58	44.25	1,995.00	1,821,439.72	0.00	1,765,972.13	555,055.42
Community Education	150,288.89	0.00	0.00	863,936.56	0.00	857,145.65	157,079.80
Middle School	82,397.30	50.00	0.00	206,509.59	0.00	190,139.07	98,817.82
High School	373,121.78	644.75	100.00	720,356.44	0.00	709,893.15	384,329.82
Athletics	309,195.54	670.00	20,000.00	449,751.07	0.00	483,042.12	296,574.49
Summary of All Fund 60	<u>\$1,412,552.09</u>	<u>1,409.00</u>	<u>22,095.00</u>	<u>4,061,993.38</u>	<u>0.00</u>	<u>4,006,192.12</u>	<u>1,491,857.35</u>

YUKON SCHOOL DISTRICT NO. 27
CANADIAN COUNTY, OKLAHOMA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
REGULATORY BASIS - ACTIVITY FUND - HIGH SCHOOL
JULY 1, 2016 TO JUNE 30, 2017

	Source 6110 Beginning Balance 7/1/2016	Source 6140 Estopped Checks	Source 5120- 5190 Non-Revenue Receipts	Source 1211-1990 New Revenue	Checks & Encumbrances	Ending Fund Balance 6/30/2017
General Refund - Books/Parking	0.00	0.00	0.00	15,700.82	15,700.82	0.00
Art	1,389.40	0.00	0.00	9,198.15	7,922.62	2,664.93
ACT Workshop	376.03	0.00	0.00	0.00	0.00	376.03
Band	2,885.31	0.00	0.00	114,581.58	115,367.47	2,099.42
Cheerleaders	8,093.55	0.00	0.00	21,916.75	20,878.49	9,131.81
Biology Club	73.09	0.00	0.00	0.00	0.00	73.09
DECA	10,101.90	0.00	0.00	58,074.63	58,044.96	10,131.57
Speech & Debate	2,202.83	0.00	0.00	1,369.81	1,589.57	1,983.07
Drama	4,623.84	0.00	0.00	7,025.58	5,650.35	5,999.07
English	2.35	0.00	0.00	0.00	0.00	2.35
FISH	399.22	0.00	0.00	(399.22)	0.00	0.00
FCA	21.00	0.00	0.00	(21.00)	0.00	0.00
Transition Center	1,130.26	0.00	0.00	4,044.03	2,367.11	2,807.18
Social Studies	124.90	0.00	0.00	1,583.24	1,708.14	0.00
FFA	1,681.09	0.00	0.00	47,844.35	47,128.35	2,397.09
FCCLA	4,545.38	0.00	0.00	7,116.00	6,406.64	5,254.74
French	1,071.16	0.00	0.00	665.00	818.65	917.51
Academic Services	11,859.98	0.00	0.00	60,070.22	32,758.28	39,171.92
Book Club	2.79	0.00	0.00	0.00	0.00	2.79
Horticulture	5,325.20	0.00	0.00	2,770.00	4,622.00	3,473.20
YHS Library	2,566.49	0.00	0.00	1,841.72	2,491.78	1,916.43
YHS Carpentry	2,902.21	0.00	0.00	2,635.00	3,696.78	1,840.43
Yukon Academic Team	807.83	0.00	0.00	0.00	566.88	240.95
Junior Class	16,742.04	450.00	100.00	29,704.44	27,029.24	19,967.24
LAICEPS	6,946.52	0.00	0.00	5,239.53	4,813.52	7,372.53
Physics Club	147.57	0.00	0.00	0.00	0.00	147.57
National Honor Society	3,159.48	0.00	0.00	3,636.75	3,340.66	3,455.57
Pom Pon	230.50	100.00	0.00	12,954.50	11,978.93	1,306.07
Psychology Club	68.50	0.00	0.00	736.00	751.00	53.50
Physical Education	81.20	0.00	0.00	0.00	0.00	81.20
Renaissance	2,302.15	0.00	0.00	(2,302.15)	0.00	0.00
ASL	0.00	0.00	0.00	428.00	426.00	2.00
Science	8,633.60	0.00	0.00	9,119.00	10,476.13	7,276.47
Senior Class	4,357.27	0.00	0.00	4,889.00	4,738.00	4,508.27
Spanish	1,200.88	0.00	0.00	460.00	767.47	893.41
Student Council	59,805.65	20.00	0.00	53,212.57	60,681.81	52,356.41
FCCLA/FACS	6,743.41	0.00	0.00	8,427.16	6,822.06	8,348.51
Vocal	11,613.91	0.00	0.00	95,386.98	95,383.69	11,617.20
Leadership	651.96	0.00	0.00	19,812.95	20,332.95	131.96
Yukon Network News	200.38	0.00	0.00	(200.38)	0.00	0.00
Yearbook/Journalism	17,469.11	0.00	0.00	54,185.00	56,116.58	15,537.53
Woodworking	5,909.10	0.00	0.00	9,426.00	14,360.89	974.21
Rodeo Club	87.90	0.00	0.00	0.00	0.00	87.90
WAC (World Awareness Club)	286.37	0.00	0.00	(286.37)	0.00	0.00
Rugby Football Club	1,962.50	0.00	0.00	0.00	1,957.96	4.54
Yukon Reading Council	3,660.97	0.00	0.00	0.00	0.00	3,660.97
BPA	331.87	0.00	0.00	2,062.50	1,550.80	843.57
High School	81,072.44	74.75	0.00	50,909.54	55,504.07	76,552.66
Encouragement	2,920.58	0.00	0.00	640.00	642.50	2,918.08
Scholarship - ACME Fence	1,075.33	0.00	0.00	0.00	0.00	1,075.33
Angela Barnard Meml	500.00	0.00	0.00	1,000.00	1,000.00	500.00
Scholarship - Ath Meml Fund	9,471.46	0.00	0.00	51.22	500.00	9,022.68
Scholarship - Gamslager	10,540.97	0.00	0.00	64.03	0.00	10,605.00
Scholarship - Gene Cranfill	10,515.45	0.00	0.00	64.03	0.00	10,579.48
Scholarship - Glenn Symes Meml	643.25	0.00	0.00	0.00	0.00	643.25
Janiking Scholarship	250.00	0.00	0.00	0.00	0.00	250.00
Landon Burger Meml Scholarship	2,500.00	0.00	0.00	0.00	0.00	2,500.00
Mathena Energy Scholarship	631.05	0.00	0.00	2,500.00	2,000.00	1,131.05
Scholarship - Stejskal	21,825.96	0.00	0.00	121.65	0.00	21,947.61
YHS AMSF ckg - YNB	16,196.64	0.00	0.00	97.83	0.00	16,294.47
Scholarship - Mazzio's	200.00	0.00	0.00	0.00	0.00	200.00
Scholarship - Silva	0.00	0.00	0.00	2,000.00	1,000.00	1,000.00
TOTAL	\$ 373,121.78	644.75	100.00	720,356.44	708,893.15	384,329.82

YUKON SCHOOL DISTRICT NO. 27
CANADIAN COUNTY, OKLAHOMA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
REGULATORY BASIS - ACTIVITY FUND - MIDDLE SCHOOL
JULY 1, 2016 TO JUNE 30, 2017

	Source 6110 Beginning Balance 7/1/2014	Source 6140 Estopped Checks	Source 5120-5190 Non-Revenue Receipts	Source 1211-1990 New Revenue	Checks & Encumbrances	Ending Fund Balance 6/30/2017
General Refund	\$0.00	0.00	0.00	0.00	0.00	0.00
Art	1,070.04	0.00	0.00	2,631.05	2,240.62	1,460.47
Cheerleaders	7,639.88	50.00	0.00	13,546.11	13,116.61	8,119.38
Excalibur	1,152.09	0.00	0.00	0.00	667.00	485.09
Gifted	5,291.38	0.00	0.00	1,050.00	1,346.26	4,995.12
Library	5,170.71	0.00	0.00	93,357.85	82,710.52	15,818.04
PE Fund	10,518.13	0.00	0.00	4,140.66	3,938.68	10,720.11
Academic Team	170.36	0.00	0.00	375.00	351.75	193.61
Science Fund	1,728.85	0.00	0.00	5,572.75	2,308.54	4,993.06
Student Council	5,267.77	0.00	0.00	7,443.00	6,367.08	6,343.69
Spanish Club	509.58	0.00	0.00	0.00	0.00	509.58
French	62.48	0.00	0.00	0.00	0.00	62.48
School Store	799.24	0.00	0.00	0.00	0.00	799.24
Tech Ed	262.40	0.00	0.00	2,814.96	2,091.50	985.86
Vocal Music	2,345.49	0.00	0.00	14,390.59	12,690.23	4,045.85
Gym Pop Machine	1,833.28	0.00	0.00	0.00	1,535.05	298.23
Principal's	37,550.60	0.00	0.00	60,777.62	60,743.23	37,584.99
Sunshine	1,025.02	0.00	0.00	410.00	32.00	1,403.02
TOTAL	\$ 82,397.30	50.00	0.00	206,509.59	190,139.07	98,817.82

**YUKON SCHOOL DISTRICT NO. 27
CANADIAN COUNTY, OKLAHOMA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
REGULATORY BASIS - ACTIVITY FUND - ATHLETICS
July 1, 2016 to June 30, 2017**

	Source 6110	Source 6140	Source 5120- 5190	Source 1211-1990		
	Beginning Balance		Non- Revenue Receipts	New Revenue	Checks & Encumbrances	Ending Fund Balance
	7/1/16	Estopped Checks				6/30/17
Gates & Receipts - 819001	\$229,183.38	0.00	20,000.00	101,649.71	130,455.21	220,377.88
Football - 819801	0.00	0.00	0.00	8,087.00	8,087.00	0.00
Basketball - 819802	0.00	300.00	0.00	10,364.40	10,664.40	0.00
Athletic Director - 819804	0.00	0.00	0.00	21,819.73	21,819.73	0.00
Baseball - 819805	0.00	250.00	0.00	6,115.00	6,365.00	0.00
Softball - 819806	0.00	120.00	0.00	4,270.00	4,390.00	0.00
Wrestling - 819807	0.00	0.00	0.00	5,477.95	5,477.95	0.00
Tennis - 819808	0.00	0.00	0.00	1,080.00	1,080.00	0.00
Track - 819811	0.00	0.00	0.00	1,302.20	1,302.20	0.00
Volleyball - 819812	0.00	0.00	0.00	3,687.00	3,687.00	0.00
Golf - 819813	0.00	0.00	0.00	5,603.00	5,603.00	0.00
Cross Country - 819814	0.00	0.00	0.00	1,970.00	1,970.00	0.00
Soccer - 819815	0.00	0.00	0.00	3,320.00	3,320.00	0.00
OSSAA State Comp - 819816	0.00	0.00	0.00	684.00	684.00	0.00
OSSAA Playoffs - 819818	0.00	0.00	0.00	147,330.50	147,330.50	0.00
Pass Thru/Boys Basketball - 81981	100.00	0.00	0.00	0.00	0.00	100.00
Swimming - 819820	0.00	0.00	0.00	2,226.00	2,226.00	0.00
Pass Thru/ Girls Golf - 819821	14.54	0.00	0.00	500.00	318.00	196.54
Pass Thru/ Tennis - 819822	284.74	0.00	0.00	0.00	60.93	223.81
Pass Thru/ Trainers - 819823	19,551.00	0.00	0.00	6,225.00	8,669.93	17,106.07
Pass Thru/ Boys Track - 819824	3.51	0.00	0.00	0.00	0.00	3.51
Pass Thru/ Football - 819825	9,594.29	0.00	0.00	69,299.90	76,641.31	2,252.88
Pass Thru/ Softball - 819826	1,312.98	0.00	0.00	0.00	1,002.70	310.28
Pass Thru/ Wrestling - 819827	644.51	0.00	0.00	1,500.00	1,739.00	405.51
Pass Thru/ Girls Track - 819828	16.81	0.00	0.00	0.00	0.00	16.81
Pass Thru/ Girls BB - 819829	6,074.80	0.00	0.00	2,906.98	8,781.78	200.00
Pass Thru/ Baseball - 819831	972.53	0.00	0.00	560.00	820.40	712.13
Pass Thru/ Soccer - 819832	0.03	0.00	0.00	0.00	0.00	0.03
Pass Thru/ Boys Golf - 819835	12.67	0.00	0.00	0.00	0.00	12.67
Pass Thru/ Boys CC - 819836	9.33	0.00	0.00	0.00	0.00	9.33
Pass Thru/ Girls CC - 819837	28.34	0.00	0.00	0.00	0.00	28.34
Pass Thru/AD - 819840	41,392.08	0.00	0.00	43,772.70	30,546.08	54,618.70
TOTAL	\$309,195.54	670.00	20,000.00	449,751.07	483,042.12	296,574.49

YUKON SCHOOL DISTRICT NO. 27
CANADIAN COUNTY, OKLAHOMA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
REGULATORY BASIS - ACTIVITY FUND - ADMINISTRATION
JULY 1, 2016 TO JUNE 30, 2017

	Source 6110 Beginning Balance 7/1/2016	Source 6140 Estopped Checks	Source 5120-5190 Non-Revenue Receipts	Source 1211-1990 New Revenue	Checks & Encumbrances	Ending Fund Balance 6/30/2017
385 Child Nutrition	\$0.00	0.00	1,995.00	1,288,525.15	1,290,520.15	0.00
913 General Refund Summer Tuition	0.00	0.00	0.00	0.00	0.00	0.00
915 General Refund - Rent	0.00	0.00	0.00	9,200.00	9,200.00	0.00
917 General Refund - Helping Hands	0.00	0.00	0.00	0.00	0.00	0.00
971 Central Elementary	23,936.23	0.00	0.00	35,242.58	39,401.76	19,777.05
972 Myers Elementary	41,709.29	0.00	0.00	36,664.63	36,146.13	42,227.79
973 Parkland Elementary	62,783.01	0.00	0.00	50,530.94	49,160.76	64,153.19
974 Ranchwood Elementary	60,080.84	0.00	0.00	40,851.37	25,667.64	75,264.57
975 Shedeck Elementary	20,334.06	0.00	0.00	49,917.54	41,244.02	29,007.58
976 Skyview Elementary	35,935.31	0.00	0.00	46,966.03	47,055.30	35,846.04
977 Surrey Hills Elementary	24,092.95	0.00	0.00	42,405.56	26,831.57	39,666.94
978 Independence Elementary School	22,484.90	0.00	0.00	71,260.35	71,927.66	21,817.59
979 Lakeview Elementary School	27,925.34	0.00	0.00	104,484.24	93,794.27	38,615.31
985 Helping Hands	444.54	0.00	0.00	2,304.00	1,666.67	1,081.87
986 Santa's Friends	9,794.42	0.00	0.00	8,917.00	8,119.83	10,591.59
988 Native American Student Services	0.00	0.00	0.00	0.00	0.00	0.00
989 Administration	168,027.69	44.25	0.00	34,170.33	25,236.37	177,005.90
 TOTAL	 \$ 497,548.58	 44.25	 1,995.00	 1,821,439.72	 1,765,972.13	 555,055.42

YUKON SCHOOL DISTRICT NO. 27
CANADIAN COUNTY, OKLAHOMA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
REGULATORY BASIS - ACTIVITY FUND - COMMUNITY EDUCATION
July 1, 2016 to June 30, 2017

	Source 6110 Beginning Balance 7/1/2016	Source 6140 Estopped Checks	Source 5120-5190 Non- Revenue Receipts	Source 1211-1990 New Revenue	Checks & Encumbrances	Ending Fund Balance 6/30/2017
General Refund - Community Ed	\$0.00	0.00	0.00	34,480.00	34,480.00	0.00
Open Door	0.00	0.00	0.00	758,372.21	758,372.21	0.00
Donations	4,323.34	0.00	0.00	20,296.20	19,421.07	5,198.47
Scholarship - Community Ed	145,965.55	0.00	0.00	50,788.15	44,872.37	151,881.33
 TOTAL	 \$150,288.89	 0.00	 0.00	 863,936.56	 857,145.65	 157,079.80

**YUKON SCHOOL DISTRICT NO. 27
CANADIAN COUNTY, OKLAHOMA
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2017**

	Project Code	Federal CFDA Number	Program or Award Amount	Cash/ Beginning Balance at July 1, 2016	Federal Receipts	Federal Expenditures Direct Costs	Indirect Costs	Cash/ Ending Balance at June 30, 2017
Direct Funding:								
Title IX Indian Education	561	84.060	\$175,245.00		88,716.32	169,733.70	5,511.30	(106,528.68)
Title IX Indian Education - Prior Year	799	84.060		(87,783.37)	87,783.37			0.00
Sub-total			<u>175,245.00</u>	<u>(87,783.37)</u>	<u>156,499.69</u>	<u>169,733.70</u>	<u>5,511.30</u>	<u>(106,528.68)</u>
U.S. Department of Education:								
Passed through the Department of Education:								
Title I	511	84.010	594,895.30		338,265.15	565,925.67	10,526.22	(240,186.74)
Title I - Prior Year	799	84.010		(232,159.06)	232,159.06			0.00
Title I, Academic Achievement Award	517	84.010	70,292.25		70,292.25			70,292.25
Title II, Part A	541	84.367	125,315.04		96,006.23	122,429.25	2,264.28	(28,687.30)
Title II, Part A - Prior Year	799	84.367		(29,466.64)	29,466.64			0.00
21st Century	553	84.287			0.00			0.00
21st Century - Prior Year	799	84.287		(44,160.00)	44,160.00			0.00
Title III, Emergency Immigrant	571	84.365	10,315.24		917.85	9,433.76	175.47	(8,691.58)
Title III, Emergency Immigrant - Prior Year	799	84.365		(1,319.05)	1,319.05			0.00
Title III, English Language Acq	572	84.365	32,299.11		15,105.13	29,880.80	555.78	(15,331.45)
Title III, English Language Acq - Prior Year	799	84.365		(12,663.92)	12,663.92			0.00
IDEA-B Flow Through	621	84.027	1,391,367.14		456,577.84	1,301,743.96	24,212.44	(869,378.56)
IDEA-B Flow Through - Prior Year	799	84.027		(961,074.92)	961,074.92			0.00
IDEA-B Flow Through - Private	625	84.027	35,611.17		20,364.90	29,828.47	554.81	(10,018.38)
IDEA-B Flow Through - Private - Prior Year	799	84.027		(4,991.71)	4,991.71			0.00
IDEA-B Pre-School	641	84.173	24,760.80		14,190.79	24,323.40	437.40	(10,570.01)
IDEA-B Pre-School - Prior Year	799	84.173		(10,758.91)	10,758.91			0.00
Preschool 3-5 (Section 619)	642	84.173	5,484.10		0.00	4,885.73	90.87	(4,976.60)
Preschool 3-5 (Section 619) - Prior Year	799	84.173						0.00
Sub-total			<u>2,290,340.15</u>	<u>(1,296,594.21)</u>	<u>2,306,314.15</u>	<u>2,088,451.04</u>	<u>38,817.27</u>	<u>(1,117,548.37)</u>
U.S. Department of Health & Human Services:								
STOP Grant - Year 1	775	93.276	47,145.00		8,313.84	17,904.08		(9,590.24)
Safe & Drug Free - Year 10	775	93.276	55,253.21		46,114.44	46,114.44		0.00
Safe & Drug Free - Prior Year	799	93.276		(26,167.35)	26,167.35			0.00
Sub-total			<u>102,398.21</u>	<u>(26,167.35)</u>	<u>80,595.63</u>	<u>64,018.52</u>	<u>0.00</u>	<u>(9,590.24)</u>
Passed through Oklahoma State Department of Vocational Technical Training								
Carl Perkins	421	84.048	50,657.00		35,590.51	49,731.99	925.01	(15,068.49)
Carl Perkins - Prior Year	799	84.048		(34,835.04)	34,835.04			0.00
Rehabilitation Services	456	84.126	4,923.50		4,923.50	4,923.50		0.00
Sub-total			<u>55,580.50</u>	<u>(34,835.04)</u>	<u>75,349.05</u>	<u>54,655.49</u>	<u>925.01</u>	<u>(15,068.49)</u>
U.S. Department of Agriculture:								
Passed Through the State Department of Education								
Food Service Programs - Lunches	763	10.555	1,380,968.76		1,380,968.76	1,380,968.76		0.00
Food Service Programs - Breakfasts	764	10.553	408,339.86		408,339.86	408,339.86		0.00
Food Service Programs - Summer Food	766	10.559	22,593.85		22,593.85	22,593.85		0.00
HUSC Award Grant	790	10.543	4,500.00		4,500.00	4,500.00		0.00
USDA Donated Food		10.550	245,891.38		245,891.38	245,891.38		0.00
Sub-total			<u>2,062,293.85</u>	<u>0.00</u>	<u>2,062,293.85</u>	<u>2,062,293.85</u>	<u>0.00</u>	<u>0.00</u>
Total Federal Assistance			<u>\$4,685,857.71</u>	<u>(1,445,379.97)</u>	<u>4,681,052.37</u>	<u>4,439,152.60</u>	<u>45,253.58</u>	<u>(1,248,733.78)</u>

Note A: Basis of Presentation - The Schedule of Expenditures of Federal Awards includes the federal grant activity of the Yukon Public Schools District and is presented on another comprehensive basis of accounting conforming with the accounting practices prescribed or permitted by the Oklahoma State Department of Education which is a comprehensive basis of accounting other than generally accepted accounting principles. Under this method, expenditures are recognized when an approved purchase order is issued.

Note B: Commodities representing non-cash expenditures have been included in the Schedule of Federal Awards which is an exception to the prescribed basis of accounting.

Note C: Federal expenditures reported above were chargeable to the respective Federal programs, however, in some instances, they may not be identical to amounts recorded under the specific OCAS project codes in the District's accounting records. Common reasons for those variances include: (1) timing differences, (2) differences in basis of accounting utilized, (3) mis-coding to other project codes, (4) refunds or reimbursements that offset expenditure data, (5) matching (or other local) expenditures that supplement or exceed Federal awarded amounts, and (6) approved indirect costs which are recorded under separate project codes.

The notes to the financial statements are an integral part of this statement.

**YUKON SCHOOL DISTRICT NO. 27
CANADIAN COUNTY, OKLAHOMA
SCHEDULE OF STATUTORY, FIDELITY, AND HONESTY BONDS
FOR THE YEAR ENDED JUNE 30, 2017**

**James Fenrick – Treasurer
Employee Dishonesty Bond
Liberty Mutual Company - Policy No. POB-601004405
\$100,000 Limit
Effective July 1, 2016 to July 1, 2017**

**William Jason Simeroth – Superintendent
Employee Dishonesty Bond
Liberty Mutual Company - Policy No. POB-601075818
\$100,000 Limit
Effective July 1, 2016 to June 30, 2017**

**Brenda Smith – Assistant Treasurer
Employee Dishonesty Bond
Liberty Mutual Company - Policy No. POB-601004387
\$100,000.00 Limit
Effective: July 1, 2016 to July 1, 2017**

**Employee Theft Coverage
(Including but not limited to Encumbrance Clerk, Minutes Clerk, Activity Fund Custodians)
OSIG – Policy No. 2014
\$10,000 Limit
Effective July 1, 2016 to June 30, 2017**

INTERNAL CONTROL AND COMPLIANCE REPORTS

PUTNAM & COMPANY, PLLC
Certified Public Accountants
169 E. 32ND
EDMOND, OKLAHOMA 73013
(405) 348-3800
Fax (405) 348-3846

**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***

October 17, 2017

The Honorable Board of Education
Yukon School District No. 27
Canadian County, Oklahoma

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 accompanying fund type and account group financial statements-regulatory basis of Yukon School District No. 27, Canadian County, Oklahoma as listed in the Table of Contents, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's financial statements, and have issued our report thereon dated October 17, 2017, which was adverse with respect to the presentation of the financial statements in conformity with accounting principles generally accepted in United States because the presentation followed the regulatory basis of accounting for Oklahoma school districts and did not conform to the presentation requirements of the Governmental Accounting Standards Board. However, our report was qualified for the omission of general fixed asset account groups with respect to the presentation of financial statements on the regulatory basis of accounting authorized by the Oklahoma State Board of Education.

Internal Control Over Financial Reporting

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

Putnam & Company
Putnam & Company, PLLC

PUTNAM & COMPANY, PLLC
Certified Public Accountants
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EDMOND, OKLAHOMA 73013
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**Independent Auditor's Report on Compliance for Each Major Program
and on Internal Controls over Compliance Required by the Uniform Guidance**

October 17, 2017

The Honorable Board of Education
Yukon School District No. 27
Canadian County, Oklahoma

Report on Compliance for Each Major Federal Program

We have audited Yukon School District No. 27, Canadian County, Oklahoma (the District's) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2017. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Each Major Federal Program

In our opinion, the District, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2017.

Report on Internal Control Over Compliance

Management of the District, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Putnam & Company
Putnam & Company, PLLC

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

**YUKON SCHOOL DISTRICT NO. 27
CANADIAN COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2017**

Section I – Summary of Auditors' Results

Type of auditors' report issued: Qualified due to regulatory basis presentation, and Adverse with regards to GAAP conformity.

Internal control over financial reporting:

* Material weakness(es) identified? _____ Yes X No
* Significant Deficiency(ies) identified
not considered to be material weakness(es)? _____ Yes X None Reported

Noncompliance material to financial statement noted? _____ Yes X No

Federal Awards

Internal control over major programs:

* Material weakness(es) identified? _____ Yes _____ No X N/A
* Significant Deficiency(ies) identified
not considered to be material weakness(es)? _____ Yes X None Reported

Type of auditors' report issued on compliance for
Major programs:

Unqualified

Any audit findings disclosed that are required to
be reported in accordance with the Uniform
Guidance

_____ Yes X No

Identification of major programs:

CFDA Number

Name of Federal Program

84.027

IDEA Flowthrough

84.027

IDEA Flowthrough - Private

84.173

IDEA Preschool

84.173

Preschool 3-5 (Section 619)

10.555, 10.553, 10.550, 10.559

Food Service

Dollar threshold used to distinguish between type
A and type B programs

\$750,000

Auditee qualified as low-risk auditee?

_____ Yes X No

**YUKON SCHOOL DISTRICT NO. 27
CANADIAN COUNTY, OKLAHOMA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2017**

Section II – Findings Relating to the Financial Statements

None

Section III – Findings and Questioned Costs for Federal Awards

N/A

Section IV – Status of Prior Year Audit Findings


None related to the financial statements or questioned costs for federal awards.

Section V – Management's Corrective Action Plan

N/A

ACCOUNTANT'S PROFESSIONAL LIABILITY INSURANCE AFFIDAVIT

Schedule of Accountants' Professional Liability Insurance Affidavit For the Year Ending June 30, 2017

 **AMY ZIEMBA**
Notary Public in and for the
State of Oklahoma
Commission #03003604
My Commission expires 3/4/2019

MANAGEMENT LETTER AND COMMENTS

PUTNAM & COMPANY, PLLC
Certified Public Accountants
169 E. 32ND
EDMOND, OKLAHOMA 73013
(405) 348-3800
Fax (405) 348-3846

October 17, 2017

The Honorable Board of Education
Yukon School District No. 27
Canadian County, Oklahoma

We have audited financial statements of Yukon School District No. 27, Canadian County, Oklahoma, as of and for the year ended June 30, 2017, as listed in the table of contents, and have issued our report thereon dated October 17, 2017. As a part of our audit, we made a study and evaluation of the District's system of internal accounting control to the extent we considered necessary solely to determine the nature, timing and extent of our auditing procedures. Our study and evaluation was more limited than would be necessary to express an opinion on the system of internal accounting control taken as a whole, and we do not express such an opinion.

However, during our audit we became aware of some matters that, while not involving material weaknesses in internal accounting control, are opportunities for strengthening internal controls and operating efficiency. The memorandum that accompanies this letter summarizes our comments and suggestions regarding those matters. This letter does not affect our report dated, October 17, 2017 on the financial statements of Yukon School District No. 27.

We will review the status of these comments during our next audit engagement. We would be pleased to discuss these comments in further detail at your convenience, to perform any additional study of these matters or to assist you in implementing the recommendations.

We also wish to express our appreciation of the courteous attention and cooperation which we received from staff members during our engagement.

Sincerely,



Jerry W. Putnam, CPA
Putnam & Company, PLLC

**YUKON SCHOOL DISTRICT NO. 27
CANADIAN COUNTY, OKLAHOMA
MANAGEMENT LETTER COMMENTS
FOR THE YEAR ENDED JUNE 30, 2017**

PRIOR YEAR'S COMMENTS AND RECOMMENDATIONS

The prior year's comments have been addressed and resolved.

CURRENT YEAR'S COMMENTS AND RECOMMENDATIONS

We reviewed expenditures from the District's General Fund, Building Fund, Child Nutrition Fund, Insurance Vision Plan Fund, and Bond Funds, and we found the supporting documentation to be excellent in every instance. However, we noted the following findings:

<u>Findings</u>	<u>No. of Instances</u>
Paid Sales Tax	2
Inaccurate Math	1
No Non-Kickback Affidavit	1

Although some invoices were not physically signed as approved, we were able to verify that they were actually approved (through the system's accounting software.)

REVIEW OF ACTIVITY FUND TRANSACTIONS

During our review of the Activity Fund transactions we noted that the transactions were well documented. However, we noted the following findings summarized by Site.

<u>Site</u>	<u>Findings</u>	<u>No. of Instances</u>
High School	Did Not Sign For Goods/Services	1
High School	Invoice Date Before P.O. Date	2

We recommend that running tape summaries (or other worksheets) should always be attached to invoices when payments are allocated to separate Activity Fund subaccounts.

DISTRICT'S RESPONSE TO AUDIT COMMENTS/CORRECTIVE ACTION PLAN

The District is generally in agreement with the finding and recommendations above and will review current procedures in order to implement necessary changes.