

NEW ISSUE – BOOK-ENTRY ONLY

Independent School District No. 5
of Tulsa County, Oklahoma

(Jenks Board of Education)

PRELIMINARY OFFICIAL STATEMENT

DATED: April 10, 2019

\$29,170,000 Combined Purpose Bonds of 2019
(Federally Taxable)

SEALED BIDS WILL BE RECEIVED UNTIL:
11:30 o'clock a.m., on the 24th day of April, 2019

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 24th day of April, 2019

FINANCIAL ADVISOR
STEPHEN H. MCDONALD & ASSOCIATES, INC.

OFFICIAL BID FORM – Exhibit B

24th day of April, 2019

Board of Education
Independent School District No. 5
Tulsa County, Oklahoma

Gentlemen:

For your issue of General Obligation Combined Purpose Bonds of 2019 (Federally Taxable), dated June 1, 2019, of the par value of \$29,170,000 with principal and semi-annual interest payable through The Depository Trust Company (“DTC”) by BOKF, NA dba Bank of Oklahoma, Tulsa, 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:

\$7,270,000 due 6-1-2021 @ _____%	\$7,300,000 due 6-1-2023 @ _____%
\$7,300,000 due 6-1-2022 @ _____%	\$7,300,000 due 6-1-2024 @ _____%
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 Hilborne & Weidman, Bond Counsel, Tulsa, Oklahoma, 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 \$583,400.00 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. 5 Tulsa County, Oklahoma

\$29,170,000 Combined Purpose Bonds of 2019 (Federally Taxable)

Place and Time of Sale

The Board of Education of Independent School District No. 5 of Tulsa County, Oklahoma (the "School District"), will receive sealed bids at the Board Meeting Room (1st Floor), Education Service Center, Jenks Public Schools, 211 East A St., Jenks, Oklahoma, **until 11:30 o'clock a.m., Wednesday, the 24th day of April, 2019**, for the sale of its \$29,170,000 Combined Purpose Bonds of 2019 (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 24th day of April, 2019.

Address of Bids

Sealed bids, plainly marked "Bid for Bonds", may be mailed either to "Dr. Stacey Butterfield, Superintendent of Schools, Jenks Public Schools, 211 East A Street, Jenks, Oklahoma 74037" 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. 5 of Tulsa County, Oklahoma**" in the amount of two percent (2%) of the par value of the Bonds, or **\$583,400.00**. 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 April 24, 2019, 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 Hilborne & Weidman, Bond Counsel, Tulsa, 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 Moody's Investors Service ("Moody's") for a rating of the Bonds. Such rating will reflect only the view of Moody's and an explanation of the significance of such rating may be obtained only from Moody'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 Moody'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.

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 6th day of June, 2019.

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.

This Preliminary Official Statement and the information contained herein are subject to completion or amendment in a Final Official Statement. The Bonds may not be sold nor offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell, nor shall there be any sale of the Bonds in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to the registration or qualification under the applicable securities laws of any such jurisdiction. Final written confirmation of the sale shall not be conclusive unless the Final Official Statement is delivered to the purchaser.

NEW ISSUE – BOOK-ENTRY ONLY

**Previous Moody's Rating: Aa2
Oklahoma #1**

In the opinion of Hilborne & Weidman, Bond Counsel, Tulsa, 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.

\$29,170,000
Independent School District No. 5
Tulsa County, Oklahoma
(Jenks Public Schools)
Combined Purpose Bonds of 2019
(Federally Taxable)

Dated: June 1, 2019

Due: June 1, as shown below

The Bonds are being issued by Independent School District No. 5 of Tulsa County, Oklahoma (the "School District"). The Bonds are dated as of June 1, 2019. Interest on the Bonds is payable semiannually on June 1 and December 1 of each year (each an "Interest Payment Date"), commencing June 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 BOKF, NA dba Bank of Oklahoma, Tulsa, 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; acquire and improve school sites; acquire vehicles for pupil transportation; and 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 June 1	Principal Amount	Interest Rate	Yield	Due June 1	Principal Amount	Interest Rate	Yield
2021	\$7,270,000			2023	\$7,300,000		
2022	\$7,300,000			2024	\$7,300,000		

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 Hilborne & Weidman, Bond Counsel, Tulsa, Oklahoma. It is expected that the Bonds will be available for delivery on or about the 6th day of June, 2019.

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

**Board of Education
Independent School District No. 5
Tulsa County, Oklahoma**

Ron Barber, *President*
Chuck Forbes, *Vice President*
Tracy Kennedy, *Member*
Melissa Abdo, *Member*
Terry Keeling, *Member*
Kim Bourke, *Clerk and Non-Member*

SCHOOL ADMINISTRATION

Dr. Stacey Butterfield, *Superintendent of Schools*
Cody Way, *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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Appendix B - Financial Information and Operating Data

Exhibit A - Audited Financial Statements for the Fiscal Year Ended June 30, 2018

INTRODUCTORY STATEMENT

This Official Statement, including the Exhibits attached hereto (if any), has been prepared on behalf of Independent School District No. 5 of Tulsa County, Oklahoma (the "School District"), in connection with the original issuance and sale by the School District of its Combined Purpose Bonds of 2019 (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 24th day of April, 2019. The Bonds were authorized to be issued at special elections held in the School District on the 9th day of December, 2008, the 10th day of February, 2015, and the 12th day of February, 2019.

Proceeds from the Bonds will be used for the following purposes, as well as to pay all legal, financial and other costs relating to the issuance of the Bonds.

<u>Project Description</u>	<u>Project Cost</u>
Construct, furnish, equip and/or acquire an Education Service Center to include, but not be limited to: site improvements, slab and foundation, sub floor plumbing, conduit and wiring, concrete, masonry, structural steel, classrooms, flooring, restrooms, early learning center, Board of Education public meeting area, offices, professional development center, conference rooms, interior walls, doors, door frames, and door hardware, roofing, windows, glass and glazing, and miscellaneous other improvements	\$8,000,000.00
Construct, furnish, equip and/or acquire renovations at Hunter Dwelley Stadium to include, but not be limited to: site improvements, slab and foundation, sub floor plumbing, conduit and wiring, concrete, masonry, structural steel, bleachers, seating, computer networking materials, plumbing fixtures, concession and restrooms	\$4,180,000.00
Construct, furnish, equip, and/or acquire new classrooms at the Intermediate level to include, but not be limited to: general conditions and steel	\$2,640,000.00

Acquire Child Nutrition Equipment	\$300,000.00
Perform expansion of Freshman Academy classroom space to include, but not be limited to: architectural services, engineering services, construction services, site preparation, utilities, plumbing, electrical, mill work, HVAC and mechanical, concrete, painting, flooring, and lighting	\$2,900,000.00
Acquire textbooks and to perform media improvements to include, but not be limited to: textbooks, books, media equipment, and software	\$800,000.00
Acquire safety items district-wide as needed, to include, but not be limited to: security cameras, access control equipment and security systems, secured building entrances, building safety vestibules, fire alarms, smoke detectors, radio systems, emergency generators, fire extinguishers, and chemical safety equipment	\$955,000.00
Acquire technology equipment district-wide as needed to include, but not be limited to: computer hardware and software, servers, televisions, wireless access points, infrastructure cabling and network, electronic devices, and telecommunications equipment	\$3,000,000.00
Perform improvements of Soccer Complex to include, but not be limited to: engineering services, construction services, site preparation, utilities, installation of artificial turf, parking improvements, and building improvements	\$1,300,000.00
Address district maintenance issues to include, but not be limited to: roof repair and replacement, HVAC repair and replacement, clocks/intercom repair, painting, carpeting, mill work, maintenance equipment, plumbing repair/upgrades, sidewalk improvements, and electrical repair/upgrades district-wide, as needed	\$2,200,000.00
Acquire equipment district-wide, to include, but not be limited to: classroom desks, white boards, tack boards, projectors, tables, motor room equipment, teacher desks, maintenance equipment, furniture, science lab equipment, and art equipment	\$865,000.00
Perform East Elementary Media Center upgrade	\$70,000
Acquire and install copiers/printing equipment district-wide	\$600,000.00
Bond consultant and financial services fees	\$85,000.00
Acquire student transportation equipment	<u>\$1,275,000.00</u>
Total:	\$29,170,000.00

General Description

The Bonds are dated June 1, 2019, are fully registered bonds, and are in denominations of \$5,000 or any integral multiple thereof. The Bonds bear interest from June 1, 2019, and interest will be paid semiannually on June 1 and December 1 of each year (each an "Interest Payment

Date”), commencing June 1, 2020. It is anticipated that the Bonds will be available for delivery on or about the 6th day of June, 2019.

The principal of the Bonds is payable, when due, at the designated corporate trust office of BOKF, NA dba Bank of Oklahoma (the “Registrar” and “Paying Agent”), in Tulsa, 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 11% 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	\$7,493,415,504
2018-19 Assessed Valuation, including Homestead Exemptions	\$844,360,271
2018-19 Assessed Valuation, excluding Homestead Exemption	\$831,924,782

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)
Tulsa County	\$822,289,178	\$82,228,917.80	1.0400000000	\$85,518,074.51
Creek County	\$9,635,604	\$963,560.40	1.0512000000	\$1,012,894.69
TOTAL ADJUSTED LEGAL DEBT LIMIT (BONDING CAPACITY)				\$86,530,969.20

(1) Net Assessed Valuation times 10%.

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

Total Bonded Indebtedness (including the Bonds)	\$119,240,000
<u>Less: Current Sinking Fund Balance</u>	<u>37,345,228</u>
Net General Obligation Bonded Indebtedness	\$81,894,772
Remaining Bonding Capacity	\$4,636,197
Ratio of Net General Obligation Bonded Indebtedness to Net Assessed Valuation	9.84%
Ratio of Net General Obligation Bonded Indebtedness to Estimated Full Market Value	1.09%

Authorized but Unissued Bonds

In two of the same propositions which authorized the Bonds, an additional \$112,220,000 in Building Bonds were also authorized to be issued. It is anticipated that the remaining bonds will be issued as follows: \$15,115,000 in June 2020; \$15,415,000 in June 2021; \$15,720,000 in June 2022; \$16,025,000 in June 2023; \$16,335,000 in June 2024; \$16,645,000 in June 2025; and \$16,965,000 in June 2026.

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	Tulsa County	Creek County	Total	Percentage
Real	\$736,155,776	\$9,055,114	\$745,210,890	89.57%
Personal	\$47,630,335	\$355,091	\$47,985,426	5.77%
Public Service	\$38,503,067	\$225,399	\$38,728,466	4.66%
TOTAL	\$822,289,178	\$9,635,604	\$831,924,782	100.00%
Percentage	98.84%	1.16%	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	\$831,924,782	2013-2014	\$696,137,602
2017-2018	\$804,352,130	2012-2013	\$682,544,069
2016-2017	\$754,612,442	2011-2012	\$671,059,233
2015-2016	\$731,541,397	2010-2011	\$661,470,249
2014-2015	\$704,405,567	2009-2010	\$639,123,259

During this period, the Net Assessed Valuation of the School District increased \$192,801,523 or 30.17%.

General Obligation Bonded Debt Outstanding

Date of Issuance	Original Principal Amount	Remaining Maturities	Maturity Dates	Total Outstanding
6-1-14	\$25,000,000	\$6,250,000	6-1-19	\$6,250,000
6-1-15	\$23,680,000	\$5,900,000 \$5,980,000	6-1-19 6-1-20	\$11,880,000
6-1-16	\$24,990,000	\$6,250,000	6-1-19/21	\$18,750,000
6-1-17	\$24,660,000	\$6,165,000	6-1-19/22	\$24,660,000
6-1-18	\$28,530,000	\$7,000,000 \$7,530,000	6-1-20/22 6-1-23	\$28,530,000
6-1-19	\$29,170,000	\$7,270,000 \$7,300,000	6-1-21 6-1-22/24	\$29,170,000
TOTAL				<u>\$119,240,000</u>

Annual Debt Service Requirements of General Obligation Bonded Debt Outstanding

Fiscal Year	Existing Bonds		Combined Purpose Bonds*		Total New Debt Service Requirement
	Principal	Interest	Principal	Interest	
2018-2019	\$24,565,000.00	\$1,643,587.50			\$26,208,587.50
2019-2020	\$25,395,000.00	\$1,860,162.50		\$948,025.00	\$28,203,187.50
2020-2021	\$19,415,000.00	\$1,282,262.50	\$7,270,000.00	\$948,025.00	\$28,915,287.50
2021-2022	\$13,165,000.00	\$691,912.50	\$7,300,000.00	\$711,750.00	\$21,868,662.50
2022-2023	\$7,530,000.00	\$235,312.50	\$7,300,000.00	\$474,500.00	\$15,539,812.50
2023-2024			\$7,300,000.00	\$237,250.00	\$7,537,250.00
TOTAL	<u>\$90,070,000.00</u>	<u>\$5,713,237.50</u>	<u>\$29,170,000.00</u>	<u>\$3,319,550.00</u>	<u>\$128,272,787.50</u>

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

Net Direct and Overlapping 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
Jenks School District	\$81,894,772	\$81,894,772	9.84%	\$1,313.36
Tulsa Community College	\$0	\$0	0.00%	\$0.00
Tulsa Technology Center	\$0	\$0	0.00%	\$0.00
Tulsa County	\$6,706,423	\$907,883	0.11%	\$14.56
Creek County	\$0	\$0	0.00%	\$0.00
TOTAL	<u>\$88,601,195</u>	<u>\$82,802,655</u>	<u>9.95%</u>	<u>\$1,327.92</u>

As of June 30, 2018, Tulsa Community College, wherein 98.84% of the School District's Net Assessed Valuation is located, had no outstanding general obligation indebtedness or judgments. The 2018-19 Net Assessed Valuation of Tulsa Community College is \$6,074,154,760.

As of June 30, 2018, Tulsa County, wherein 98.84% of the School District's Net Assessed Valuation is located, had gross outstanding general obligation indebtedness and judgments of \$6,983,633 and net outstanding general obligation indebtedness and judgments of \$6,706,423. The 2018-19 Net Assessed Valuation of Tulsa County is \$6,074,154,760.

As of June 30, 2018, Creek County, wherein 1.16% of the School District's Net Assessed Valuation is located, had no outstanding general obligation indebtedness or judgments. The 2018-19 Net Assessed Valuation of Creek County is \$525,333,686.

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

Municipality	Net Indebtedness	Amount Applying to the School District	Ratio to Assessed Value of the School District	Per Capita Debt
City of Bixby	\$16,899,951	\$1,238,448	0.15%	\$19.86
City of Jenks	\$20,353,874	\$13,847,182	1.66%	\$222.07
City of Tulsa	\$394,128,507	\$64,098,050	7.70%	\$1,027.95
TOTAL	\$431,382,332	\$79,183,680	9.52%	\$1,269.88

As of June 30, 2018, the City of Bixby had gross outstanding general obligation indebtedness and judgments of \$18,540,000 and net outstanding general obligation indebtedness and judgments of \$16,899,951. The 2018-19 Net Assessed Valuation of the City of Bixby is \$272,806,904 of which \$19,991,600 (comprising 2.40% of the School District's Net Assessed Valuation) is underlying the School District.

As of June 30, 2018, the City of Jenks had gross outstanding general obligation indebtedness and judgments of \$23,160,000 and net outstanding general obligation indebtedness and judgments of \$20,353,874. The 2018-19 Net Assessed Valuation of the City of Jenks is \$285,181,575 of which \$194,015,207 (comprising 23.32% of the School District's Net Assessed Valuation) is underlying the School District.

As of June 30, 2018, the City of Tulsa had gross outstanding general obligation indebtedness and judgments of \$462,032,337 and net outstanding general obligation indebtedness and judgments of \$394,128,507. The 2018-19 Net Assessed Valuation of the City of Tulsa is \$3,692,093,395 of which \$600,453,874 (comprising 72.18% of the School District's Net Assessed Valuation) is underlying the School District.

\$17,464,101 or 2.10% of the School District's Net Assessed Valuation is not located within an incorporated municipality.

Sinking Fund Tax Collections

Fiscal Year	Net Levy	Gross Levy	Current Collections	Total Collections
2018-2019	\$26,756,400	\$28,094,220	In process of collection	
2017-2018	\$23,482,203	\$24,656,313	\$24,010,958	\$24,523,107
2016-2017	\$23,304,094	\$24,469,299	\$24,568,109	\$25,042,660
2015-2016	\$23,313,431	\$24,479,102	\$24,521,870	\$25,113,678
2014-2015	\$23,083,041	\$24,237,193	\$23,688,185	\$24,120,953
2013-2014	\$22,634,937	\$23,483,184	\$23,073,063	\$23,487,048

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
2017-2018	102.25%	104.43%
2016-2017	105.42%	107.46%
2015-2016	105.18%	107.72%
2014-2015	102.62%	104.50%
2013-2014	101.94%	103.76%

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
2017-2018	97.38%	99.46%
2016-2017	100.40%	102.34%
2015-2016	100.17%	102.59%
2014-2015	97.73%	99.52%
2013-2014	98.25%	100.02%

Trend of Tax Rates of Major Taxing Units*

Fiscal Year	Jenks School District	City of Jenks	Tulsa County	Tulsa Community College	Tulsa Technology Center	Total Levy
2009-2010	74.17	10.81	22.21	7.21	13.33	127.73
2010-2011	72.00	16.98	22.21	7.21	13.33	131.73
2011-2012	73.36	11.99	22.24	7.21	13.33	128.13
2012-2013	73.34	11.49	22.24	7.21	13.33	127.61
2013-2014	75.33	10.79	22.23	7.21	13.33	128.89
2014-2015	76.01	16.80	22.23	7.21	13.33	135.58
2015-2016	75.06	14.76	22.22	7.21	13.33	132.58
2016-2017	74.03	13.29	22.24	7.21	13.33	130.10
2017-2018	72.25	11.94	22.24	7.21	13.33	126.97
2018-2019	75.37	10.44	22.74	7.21	13.33	129.09

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

INDEPENDENT SCHOOL DISTRICT NO. 5, TULSA COUNTY, OKLAHOMA

General Information

Independent School District No. 5 of Tulsa County, Oklahoma (Jenks Public Schools) is a forty square mile school district serving south Tulsa County and a portion of eastern Creek County, Oklahoma. The School District is bisected by the Arkansas River flowing from northwest to southeast through the District. By Net Assessed Valuation, 72.18% of the School District is located inside the City of Tulsa, Oklahoma, 23.32% inside the City of Jenks, Oklahoma and 2.40% inside the City of Bixby, Oklahoma. The remaining 2.10% lies in unincorporated portions of Tulsa and Creek Counties. The boundaries of the School District are approximately 61st Street South on the north, 121 Street South on the south, 33rd West Avenue on the west and Memorial Road on the east. In general terms, that portion of the School District west of the Arkansas River is in the City of Jenks and that portion east of the Arkansas River is in the City of Tulsa. The School District operates 149 regular bus routes transporting approximately 45% of the student body to and from school daily.

Jenks Public Schools is one of the largest school districts in the State of Oklahoma having a current enrollment of 12,471 students and approximately 844 certified teachers and administrators. The one bargaining unit in the Jenks School District is the Jenks Classroom Teachers Association which represents certified teachers. The relationship between the Administration and the Jenks Classroom Teachers Association is good with a spirit of open communication and cooperation. Jenks Public Schools is fully accredited by the Oklahoma State Department of Education and Jenks High School is also fully accredited by AdvancED.

School District General Fund Revenues and Expenditures

Fiscal Year Ending 6-30	Beginning General Fund Balance	Total Revenue	Total Expenditures	Lapsed Appropriations and Estopped Warrants	Operating Transfers In/(Out)	Ending General Fund Balance
2014	\$8,241,345	\$67,759,972	\$68,835,370	\$83,756	(\$106,844)	\$7,142,859
2015	\$7,142,859	\$72,253,599	\$72,904,881	\$61,782	\$249,975	\$6,803,334
2016	\$6,803,334	\$74,455,172	\$74,840,597	\$158,292	\$96,169	\$6,672,368
2017	\$6,672,368	\$75,590,108	\$74,714,501	\$35,702	\$238,365	\$7,822,041
2018	\$7,822,041	\$79,102,149	\$80,439,815	\$115,807	\$173,118	\$6,773,300

Detail of School District General Fund Revenues

Fiscal Year Ending 6-30	Local Sources	County Sources	State Sources	Federal Sources	Total Revenues
2014	\$29,319,578	\$2,651,745	\$32,086,724	\$3,701,925	\$67,759,972
2015	\$31,465,314	\$2,697,195	\$34,287,358	\$3,803,732	\$72,253,599
2016	\$32,859,432	\$2,841,432	\$34,971,198	\$3,783,111	\$74,455,173
2017	\$33,281,734	\$2,970,073	\$35,486,167	\$3,852,133	\$75,590,107
2018	\$35,085,241	\$3,124,016	\$36,980,587	\$3,912,305	\$79,102,149

Student Enrollment Trend

School Year	Total Enrollment	Percentage Change
2009-2010	10,162	
2010-2011	10,385	2.19%
2011-2012	10,698	3.01%
2012-2013	10,858	1.50%
2013-2014	11,162	2.80%
2014-2015	11,402	2.15%
2015-2016	11,722	2.81%
2016-2017	11,979	2.19%
2017-2018	12,365	3.22%
2018-2019	12,471	0.86%

Student Enrollment Projection

School Year	Total Enrollment	Percentage Change
2019-2020	12,892	3.38%
2020-2021	13,151	2.01%
2021-2022	13,415	2.01%
2022-2023	13,684	2.01%
2023-2024	13,959	2.01%

ECONOMIC INDICES

Unemployment Rate (Twelve Month Moving Average)

	January 2019	December 2018	January 2018
United States	4.4%	3.7%	4.5%
State of Oklahoma	3.8%	3.0%	4.1%
Tulsa County	3.6%	2.9%	4.2%
Tulsa MSA	3.8%	3.0%	4.4%

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

Sales Tax Collections - City of Jenks

Fiscal Year Ending June 30	Sales Tax Collections
2009	\$4,262,934
2010	\$4,218,870
2011	\$4,291,405
2012	\$4,585,700
2013	\$4,803,892
2014	\$5,050,409
2015	\$5,012,394
2016	\$5,498,593
2017	\$6,374,754
2018	\$7,127,875

Source: Oklahoma Tax Commission.

Retail Sales - City of Jenks

<u>Fiscal Year</u> <u>Ending June 30</u>	<u>Retail</u> <u>Sales</u>
2009	\$142,097,812
2010	\$140,628,986
2011	\$143,046,841
2012	\$152,856,670
2013	\$160,129,720
2014	\$168,346,976
2015	\$167,079,813
2016	\$183,286,431
2017	\$195,254,323
2018	\$200,785,205

Source: Oklahoma Tax Commission.

Largest Taxpayers

<u>Name of Taxpayer</u>	<u>Type of Business</u>	<u>Net Assessed Valuation</u>
Public Service Co. of Oklahoma	Electrical Utility	\$28,529,359
RD-Tulsa Hills LP	Mall	\$6,336,768
Shadow LLC/Tulsa Spine Hospital	Olympia Medical Park	\$5,379,262
Wal-Mart Stores	Retail Store	\$5,216,274
Crown Chase LLC/Crown Woods LLC	Apartments	\$5,045,787
Costco Wholesale Corp.	Retail Store	\$3,916,557
Ruffin, Phil/Ruffin Hotel	Wyndham/Marriott Hotels	\$3,877,298
Cox Communications	Communications	\$3,827,626
Oral Roberts University	Realty Grandview	\$3,767,329
8200 Unit Drive LLC	Real Estate	\$3,189,505
Total Net Assessed Valuation of Top Ten Taxpayers:		\$69,085,765
Percentage of School District's Net Assessed Valuation:		8.30%

Source: Tulsa County Assessor's Office.

Largest Employers

Please visit Grow Metro Tulsa's website (<http://www.growmetrotulsa.com/business-attraction/relocation-data/largest-employers>) to view a list of Tulsa Metropolitan Area's 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 Hilborne & Weidman, Bond Counsel, Tulsa, Oklahoma. 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 or bond issues of an authority issued on behalf of the School District, the School District entered into individual continuing disclosure undertakings ("Undertakings") in written agreements specified in paragraph (b)(5)(i) of the Rule. The District notes that with respect to one or more of such Undertakings associated with the General Obligation Bonds issued directly by the District, it failed to timely file its financial information and operating data and audited financial statements for the fiscal year ended June 30, 2015 and failed to timely file notice of such failure. With respect to the Tulsa County Industrial Authority's Educational Facilities Lease Revenue Bonds (Jenks Public Schools Project), Series 2009, the School District failed to comply with the requirements of paragraph (b)(5) by failing to timely file its annual financial information and failing to file certain operating data for the Fiscal Year ended June 30, 2014, failing to timely file its audited, or unaudited, financial statements for the Fiscal Years ended June 30, 2014-2016, and failing to timely file notice of such failures. With respect to the Tulsa County Industrial Authority's Educational Facilities Lease Revenue Bonds (Jenks Public Schools Project), Series 2015, the School District failed to comply with the requirements of paragraph (b)(5) by failing to timely file the Sinking Fund Tax Collections table as part of the financial information for the Fiscal Years ended June 30, 2016-2017, and failing to file notice of such failures. The Sinking Fund Tax Collections tables for the Fiscal Years ended June 30, 2016-2017, were filed on April 26, 2018.

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 Moody’s Investors Service (“Moody’s”) for a rating of the Bonds. Such rating will reflect only the view of Moody’s and an explanation of the significance of such rating may be obtained only from Moody’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 Moody’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, 2018, which were examined by Sanders, Bledsoe & Hewett, Certified Public Accountants, LLP, Broken Arrow, 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.

CERTIFICATION

The District has authorized the distribution of the Official Statement for use in connection with the initial sale of the bonds.

As of the date of the settlement of the Bonds, the Underwriter will be furnished with a certificate signed by the appropriate officers of the District. The certificate will state that as of the date of the official Statement, it did not and does not as of the date of the certificate contain any untrue statement of material fact or omit to state a material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading.

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. 5,
Tulsa County, Oklahoma

/s/ Ron Barber
President, Board of Education

ATTEST:

/s/ Kim Bourke
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. 5 of Tulsa County, Oklahoma (the “Issuer”) in connection with the issuance of \$29,170,000 General Obligation Combined Purpose Bonds of 2019 (the “Bonds”). The Bonds are being issued pursuant to a Resolution dated the 24th day of April, 2019. 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;
14. Appointment of a successor or additional Trustee/Paying Agent or the change of name of a Trustee/Paying Agent, if Material;
15. Incurrence of a financial obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar

terms of a financial obligation of the obligated person, any of which affect security holders, if material; and

16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the obligated person, any of which reflect financial difficulties.

(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, Jenks Public Schools, 211 East A Street, Jenks, Oklahoma 74037 (918) 299-4411.

Dated this 6th day of June, 2019.

**Independent School District No. 5 of Tulsa
County, Oklahoma**

By: _____
President, Board of Education

EXHIBIT A

NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: Independent School District No. 5 of Tulsa County, Oklahoma

Name of Bond Issue: \$29,170,000 General Obligation Combined Purpose Bonds of 2019

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 24th day of April, 2019. The Issuer anticipates that the Annual Report will be filed by .

Dated: _____

**Independent School District No. 5 of Tulsa
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:

Property	Tulsa County	Creek County	Total	Percentage
Real	\$736,155,776	\$9,055,114	\$745,210,890	89.57%
Personal	\$47,630,335	\$355,091	\$47,985,426	5.77%
Public Service	\$38,503,067	\$225,399	\$38,728,466	4.66%
TOTAL	\$822,289,178	\$9,635,604	\$831,924,782	100.00%
Percentage	98.84%	1.16%	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	\$831,924,782	2013-2014	\$696,137,602
2017-2018	\$804,352,130	2012-2013	\$682,544,069
2016-2017	\$754,612,442	2011-2012	\$671,059,233
2015-2016	\$731,541,397	2010-2011	\$661,470,249
2014-2015	\$704,405,567	2009-2010	\$639,123,259

During this period, the Net Assessed Valuation of the School District increased \$192,801,523 or 30.17%.

General Obligation Bonded Debt Outstanding

Date of Issuance	Original Principal Amount	Remaining Maturities	Maturity Dates	Total Outstanding
6-1-14	\$25,000,000	\$6,250,000	6-1-19	\$6,250,000
6-1-15	\$23,680,000	\$5,900,000 \$5,980,000	6-1-19 6-1-20	\$11,880,000
6-1-16	\$24,990,000	\$6,250,000	6-1-19/21	\$18,750,000
6-1-17	\$24,660,000	\$6,165,000	6-1-19/22	\$24,660,000
6-1-18	\$28,530,000	\$7,000,000 \$7,530,000	6-1-20/22 6-1-23	\$28,530,000
6-1-19	\$29,170,000	\$7,270,000 \$7,300,000	6-1-21 6-1-22/24	\$29,170,000
TOTAL				<u>\$119,240,000</u>

Annual Debt Service Requirements of General Obligation Bonded Debt Outstanding

Fiscal Year	Existing Bonds		Combined Purpose Bonds*		Total New Debt Service Requirement
	Principal	Interest	Principal	Interest	
2018-2019	\$24,565,000.00	\$1,643,587.50			\$26,208,587.50
2019-2020	\$25,395,000.00	\$1,860,162.50		\$948,025.00	\$28,203,187.50
2020-2021	\$19,415,000.00	\$1,282,262.50	\$7,270,000.00	\$948,025.00	\$28,915,287.50
2021-2022	\$13,165,000.00	\$691,912.50	\$7,300,000.00	\$711,750.00	\$21,868,662.50
2022-2023	\$7,530,000.00	\$235,312.50	\$7,300,000.00	\$474,500.00	\$15,539,812.50
2023-2024			\$7,300,000.00	\$237,250.00	\$7,537,250.00
TOTAL	<u>\$90,070,000.00</u>	<u>\$5,713,237.50</u>	<u>\$29,170,000.00</u>	<u>\$3,319,550.00</u>	<u>\$128,272,787.50</u>

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

Net Direct and Overlapping 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
Jenks School District	\$81,894,772	\$81,894,772	9.84%	\$1,313.36
Tulsa Community College	\$0	\$0	0.00%	\$0.00
Tulsa Technology Center	\$0	\$0	0.00%	\$0.00
Tulsa County	\$6,706,423	\$907,883	0.11%	\$14.56
Creek County	\$0	\$0	0.00%	\$0.00
TOTAL	<u>\$88,601,195</u>	<u>\$82,802,655</u>	<u>9.95%</u>	<u>\$1,327.92</u>

As of June 30, 2018, Tulsa Community College, wherein 98.84% of the School District's Net Assessed Valuation is located, had no outstanding general obligation indebtedness or judgments. The 2018-19 Net Assessed Valuation of Tulsa Community College is \$6,074,154,760.

As of June 30, 2018, Tulsa County, wherein 98.84% of the School District's Net Assessed Valuation is located, had gross outstanding general obligation indebtedness and judgments of \$6,983,633 and net outstanding general obligation indebtedness and judgments of \$6,706,423. The 2018-19 Net Assessed Valuation of Tulsa County is \$6,074,154,760.

As of June 30, 2018, Creek County, wherein 1.16% of the School District's Net Assessed Valuation is located, had no outstanding general obligation indebtedness or judgments. The 2018-19 Net Assessed Valuation of Creek County is \$525,333,686.

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

Municipality	Net Indebtedness	Amount Applying to the School District	Ratio to Assessed Value of the School District	Per Capita Debt
City of Bixby	\$16,899,951	\$1,238,448	0.15%	\$19.86
City of Jenks	\$20,353,874	\$13,847,182	1.66%	\$222.07
City of Tulsa	\$394,128,507	\$64,098,050	7.70%	\$1,027.95
TOTAL	\$431,382,332	\$79,183,680	9.52%	\$1,269.88

As of June 30, 2018, the City of Bixby had gross outstanding general obligation indebtedness and judgments of \$18,540,000 and net outstanding general obligation indebtedness and judgments of \$16,899,951. The 2018-19 Net Assessed Valuation of the City of Bixby is \$272,806,904 of which \$19,991,600 (comprising 2.40% of the School District's Net Assessed Valuation) is underlying the School District.

As of June 30, 2018, the City of Jenks had gross outstanding general obligation indebtedness and judgments of \$23,160,000 and net outstanding general obligation indebtedness and judgments of \$20,353,874. The 2018-19 Net Assessed Valuation of the City of Jenks is \$285,181,575 of which \$194,015,207 (comprising 23.32% of the School District's Net Assessed Valuation) is underlying the School District.

As of June 30, 2018, the City of Tulsa had gross outstanding general obligation indebtedness and judgments of \$462,032,337 and net outstanding general obligation indebtedness and judgments of \$394,128,507. The 2018-19 Net Assessed Valuation of the City of Tulsa is \$3,692,093,395 of which \$600,453,874 (comprising 72.18% of the School District's Net Assessed Valuation) is underlying the School District.

\$17,464,101 or 2.10% of the School District's Net Assessed Valuation is not located within an incorporated municipality.

Sinking Fund Tax Collections

Fiscal Year	Net Levy	Gross Levy	Current Collections	Total Collections
2018-2019	\$26,756,400	\$28,094,220	In process of collection	
2017-2018	\$23,482,203	\$24,656,313	\$24,010,958	\$24,523,107
2016-2017	\$23,304,094	\$24,469,299	\$24,568,109	\$25,042,660
2015-2016	\$23,313,431	\$24,479,102	\$24,521,870	\$25,113,678
2014-2015	\$23,083,041	\$24,237,193	\$23,688,185	\$24,120,953
2013-2014	\$22,634,937	\$23,483,184	\$23,073,063	\$23,487,048

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
2017-2018	102.25%	104.43%
2016-2017	105.42%	107.46%
2015-2016	105.18%	107.72%
2014-2015	102.62%	104.50%
2013-2014	101.94%	103.76%

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
2017-2018	97.38%	99.46%
2016-2017	100.40%	102.34%
2015-2016	100.17%	102.59%
2014-2015	97.73%	99.52%
2013-2014	98.25%	100.02%

Trend of Tax Rates of Major Taxing Units*

Fiscal Year	Jenks School District	City of Jenks	Tulsa County	Tulsa Community College	Tulsa Technology Center	Total Levy
2009-2010	74.17	10.81	22.21	7.21	13.33	127.73
2010-2011	72.00	16.98	22.21	7.21	13.33	131.73
2011-2012	73.36	11.99	22.24	7.21	13.33	128.13
2012-2013	73.34	11.49	22.24	7.21	13.33	127.61
2013-2014	75.33	10.79	22.23	7.21	13.33	128.89
2014-2015	76.01	16.80	22.23	7.21	13.33	135.58
2015-2016	75.06	14.76	22.22	7.21	13.33	132.58
2016-2017	74.03	13.29	22.24	7.21	13.33	130.10
2017-2018	72.25	11.94	22.24	7.21	13.33	126.97
2018-2019	75.37	10.44	22.74	7.21	13.33	129.09

* 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	Lapsed Appropriations and Estopped Warrants	Operating Transfers In/(Out)	Ending General Fund Balance
2014	\$8,241,345	\$67,759,972	\$68,835,370	\$83,756	(\$106,844)	\$7,142,859
2015	\$7,142,859	\$72,253,599	\$72,904,881	\$61,782	\$249,975	\$6,803,334
2016	\$6,803,334	\$74,455,172	\$74,840,597	\$158,292	\$96,169	\$6,672,368
2017	\$6,672,368	\$75,590,108	\$74,714,501	\$35,702	\$238,365	\$7,822,041
2018	\$7,822,041	\$79,102,149	\$80,439,815	\$115,807	\$173,118	\$6,773,300

Detail of School District General Fund Revenues

Fiscal Year Ending 6-30	Local Sources	County Sources	State Sources	Federal Sources	Total Revenues
2014	\$29,319,578	\$2,651,745	\$32,086,724	\$3,701,925	\$67,759,972
2015	\$31,465,314	\$2,697,195	\$34,287,358	\$3,803,732	\$72,253,599
2016	\$32,859,432	\$2,841,432	\$34,971,198	\$3,783,111	\$74,455,173
2017	\$33,281,734	\$2,970,073	\$35,486,167	\$3,852,133	\$75,590,107
2018	\$35,085,241	\$3,124,016	\$36,980,587	\$3,912,305	\$79,102,149

Student Enrollment Trend

School Year	Total Enrollment	Percentage Change
2009-2010	10,162	
2010-2011	10,385	2.19%
2011-2012	10,698	3.01%
2012-2013	10,858	1.50%
2013-2014	11,162	2.80%
2014-2015	11,402	2.15%
2015-2016	11,722	2.81%
2016-2017	11,979	2.19%
2017-2018	12,365	3.22%
2018-2019	12,471	0.86%

Student Enrollment Projection

School Year	Total Enrollment	Percentage Change
2019-2020	12,892	3.38%
2020-2021	13,151	2.01%
2021-2022	13,415	2.01%
2022-2023	13,684	2.01%
2023-2024	13,959	2.01%

ECONOMIC INDICES

Unemployment Rate (Twelve Month Moving Average)

	January 2019	December 2018	January 2018
United States	4.4%	3.7%	4.5%
State of Oklahoma	3.8%	3.0%	4.1%
Tulsa County	3.6%	2.9%	4.2%
Tulsa MSA	3.8%	3.0%	4.4%

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

Sales Tax Collections - City of Jenks

<u>Fiscal Year Ending June 30</u>	<u>Sales Tax Collections</u>
2009	\$4,262,934
2010	\$4,218,870
2011	\$4,291,405
2012	\$4,585,700
2013	\$4,803,892
2014	\$5,050,409
2015	\$5,012,394
2016	\$5,498,593
2017	\$6,374,754
2018	\$7,127,875

Source: Oklahoma Tax Commission.

Retail Sales - City of Jenks

<u>Fiscal Year Ending June 30</u>	<u>Retail Sales</u>
2009	\$142,097,812
2010	\$140,628,986
2011	\$143,046,841
2012	\$152,856,670
2013	\$160,129,720
2014	\$168,346,976
2015	\$167,079,813
2016	\$183,286,431
2017	\$195,254,323
2018	\$200,785,205

Source: Oklahoma Tax Commission.

Largest Taxpayers

Name of Taxpayer	Type of Business	Net Assessed Valuation
Public Service Co. of Oklahoma	Electrical Utility	\$28,529,359
RD-Tulsa Hills LP	Mall	\$6,336,768
Shadow LLC/Tulsa Spine Hospital	Olympia Medical Park	\$5,379,262
Wal-Mart Stores	Retail Store	\$5,216,274
Crown Chase LLC/Crown Woods LLC	Apartments	\$5,045,787
Costco Wholesale Corp.	Retail Store	\$3,916,557
Ruffin, Phil/Ruffin Hotel	Wyndham/Marriott Hotels	\$3,877,298
Cox Communications	Communications	\$3,827,626
Oral Roberts University	Realty Grandview	\$3,767,329
8200 Unit Drive LLC	Real Estate	\$3,189,505
Total Net Assessed Valuation of Top Ten Taxpayers:		\$69,085,765
Percentage of School District's Net Assessed Valuation:		8.30%

Source: Tulsa County Assessor's Office.

Exhibit A

**JENKS INDEPENDENT SCHOOL DISTRICT NO. 1-5
TULSA COUNTY, OKLAHOMA**

**FINANCIAL STATEMENTS
AND REPORTS OF INDEPENDENT AUDITORS**

JUNE 30, 2018



Audited by

**SANDERS, BLEDSOE & HEWETT
CERTIFIED PUBLIC ACCOUNTANTS, LLP**

BROKEN ARROW, OK

JENKS INDEPENDENT SCHOOL DISTRICT NO. I-5
TULSA COUNTY, OKLAHOMA
SCHOOL DISTRICT OFFICIALS
JUNE 30, 2018

BOARD OF EDUCATION

President

Ron Barber

Vice-President

Chuck Forbes

Members

Tracy Kennedy

Terry Keeling

Melissa Abdo

Clerk of Board

Kim Bourke

SUPERINTENDENT OF SCHOOLS

Dr. Stacey Butterfield

**CHIEF FINANCIAL OFFICER/
TREASURER**

Cody Way

JENKS INDEPENDENT SCHOOL DISTRICT NO. I-5
TULSA COUNTY, OKLAHOMA
JUNE 30, 2018

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JENKS INDEPENDENT SCHOOL DISTRICT NO. I-5
TULSA COUNTY, OKLAHOMA
JUNE 30, 2018

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SANDERS, BLEDSOE & HEWETT

CERTIFIED PUBLIC ACCOUNTANTS, LLP

INDEPENDENT AUDITOR'S REPORT

The Honorable Board of Education
Jenks School District Number I-5
Jenks, Tulsa County, Oklahoma

Report on the Financial Statements

We have audited the accompanying combined fund type and account group financial statements – regulatory basis of the Jenks School District Number I-5, Jenks, Tulsa County, Oklahoma (the District), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with financial reporting provisions of the Oklahoma State Department of Education to meet 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 an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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

As discussed in Note 1, the financial statements are prepared by the District, on the basis of the financial reporting provisions of the Oklahoma State Department of Education, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to comply with the requirements of the Oklahoma State Department of Education. 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 reasonable determined, are presumed to be material.

Adverse Opinion on 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, 2018, the changes in its financial position, or, where applicable, its cash flows for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the assets, liabilities and fund balance arising from regulatory basis transactions of each fund type and account group of the District, as of June 30, 2018, and the revenues collected and expenditures paid and encumbered for the year then ended on the regulatory basis of accounting described in Note 1.

Other Matters

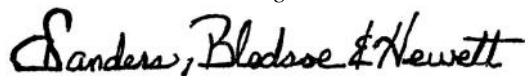
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District’s basic financial statements. The combining statements – regulatory basis, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining statements – regulatory basis and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic 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 schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

The management’s discussion and analysis and the budgetary comparison information on pages 3 through 6 and 32 through 36, respectively, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Other Reporting required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 8, 2019 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 and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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.



Sanders, Bledsoe & Hewett
Certified Public Accountants, LLP

January 8, 2019

**Independent School District No. 5 Tulsa County, Oklahoma
Jenks Public Schools**

**Management's Discussion and Analysis
Fiscal Year Ending June 30, 2018**

Jenks Public Schools provides this discussion and analysis of the District's financial activities for fiscal year (FY) ending June 30, 2018. The intent of this narrative overview is to look at the District's financial performance as a whole. Readers are encouraged to consider the notes to the basic financial statements to enhance their understanding of Jenks Schools' financial performance. This is the 15th year the District has prepared financial statements following Governmental Accounting Standards Board (GASB) Statement No. 34 presentation.

Fund Financial Statements

This annual report consists of a series of financial statements. The governmental-wide statements include the Statement of Net Assets and Statement of Activities, which provide information about the activities of the entire District, presenting both an aggregate view of the District's finances and a long-term view of those finances. The District uses many funds to account for a multitude of financial transactions. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District uses fund accounting to ensure and demonstrate compliance with financial-related legal requirements. The fund financial statements focus on the individual segments of the District's operations in more detail than government-wide financial statements. Because the focus of District funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for District funds with similar information presented for District activities in the government-wide financial statement. Both the District's fund balance statement and the District's fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between funds and activities of each.

Funds are classified into three categories: governmental, proprietary, and fiduciary with each category divided into separate "fund types." Governmental funds include General Fund, Building Fund, Child Nutrition Fund, Sinking Fund, and Bond Fund. The District did not operate any proprietary funds, which use the same basis of accounting as "business-type" activities in the private sector. 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, and include, but are not limited to, PTAG (Parent/Teacher Association Group), Booster Clubs, Arbitrage, Workers Compensation, School Student Activity Groups, and Community Education.

General Fund Highlights

The General Fund is the largest single governmental fund and comprises **69%** of the total District revenue. This fund represents a majority of the District's day-to-day operational expenses. At the close of FY 2018, the District reported positive cash balances in all funds with the General Fund balance being **\$6,773,300** which is a percentage balance of **8.53%** of revenue received for this fund. Per-pupil revenue collections were still below the 2007-08 funding level from the State of Oklahoma. Oklahoma's structural budget issues continued to place school districts in difficult financial positions. Jenks Public Schools Board of Education and Administration have worked diligently to enhance and protect the fund balance reserves in order to address future revenue reductions. In 2010, the Board of Education designated **8%** as the District's fund balance goal. To plan for the opening of a new elementary school for the first time in 25 years and to deal with ongoing state budget issues, the District implemented approximately **\$6 million** in adjustments to the General Fund during the prior three years. After the adjustments were implemented, the District was able to meet its fund balance objective.

Fund Balances

As of the close of FY 2018, the District reported a governmental-wide ending cash fund balance of **\$56,182,268**, reflecting a decrease of **\$2,241,901** or **3.84%** in comparison with the prior year. The General Fund's ending balance decreased by **\$1,048,741** due to increased costs to deal with the district's increasing enrollment, the opening of multiple facilities, and declining state per-pupil collections. Individual fund balances for the Building, Child Nutrition, and Sinking Funds decreased in comparison with the prior year. The District's Bond Funds represented the largest cash fund balance increase with a growth of **\$1,023,966**.

Fund Type	2017 Fund Balance	2018 Fund Balance	Variance	Percent
General	\$7,822,041	\$6,773,300	-\$1,048,741	-13.41%
Building	\$592,080	\$403,976	-\$188,104	-31.77%
Child Nutrition	\$1,318,749	\$1,035,042	-\$283,707	-21.52%
Sinking	\$15,729,247	\$13,931,671	-\$1,797,575	-11.43%
Bond	\$32,926,536	\$33,950,502	\$1,023,966	3.11%
Other	\$35,516	\$87,776	\$52,260	14.72%
Total	\$58,424,169	\$56,182,268	-\$2,241,901	-3.84%

Fiscal Year 2017 – 2018 Summary

General Fund revenue collections for the fiscal year ending June 30, 2018, totaled **\$79,102,149**, reflecting a net gain of **\$3,777,682** from the original estimated General Fund revenue projections of **\$75,324,467** approved and adopted by the Board of Education in June 2017. The increase in revenue was a result of growth in the net assessed property valuation within the District and increases in the state dedicated collections and state aid revenue due to student enrollment growth. District General Fund operating expenses totaled **\$80,439,815**, which was an increase of **\$4,829,634** over the initial adopted budget of **\$75,610,181**. This included salary increases, purchases for classroom supplies and equipment, increased operational expenses with the newly opened facilities, and additional positions to address the needs of the District's increasing student enrollment.

The internal controls, policies, and procedures relating to the financial operations of the District remained strong. The 2017-18 audit reflects an unqualified opinion issued on the financial statements. The audit discloses no reportable conditions in the internal controls. The audit notes no reportable instance of noncompliance will be reported in accordance with GAGAS. The audit discloses no reportable conditions in the internal controls over major federal programs. An unqualified opinion was issued on the compliance of major programs. The audit discloses no findings which would require to be reported under OMB Circular A-133 section 510(a). (See page 52 of audit under the summary of audit results.)

Long Term Debt

General Obligation Bonds: As of June 30, 2018, the District had **\$90,070,000** in outstanding bonds and notes compared to **\$85,850,000** on June 30, 2017. During FY 2017-18, the District retired **\$24,310,000** in bonds and/or notes and added **\$28,530,000** in long-term debt.

<u>Fiscal Year</u>	<u>Bonds Issued</u>	<u>Outstanding</u>	<u>Final Payment</u>
2014 Series	\$25,000,000	\$6,250,000	6-01-19
2015 Series	\$23,680,000	\$11,880,000	6-01-20
2016 Series	\$24,990,000	\$18,750,000	6-01-21
2017 Series	\$24,660,000	\$24,660,000	6-01-22
2018 Series	\$28,530,000	\$28,530,000	6-01-23
Total	\$126,860,000	\$90,070,000	

Interest paid on general long-term debt during the fiscal year ending June 30, 2018, totaled **\$2,025,250**.

Lease Revenue Bonds: Initially, the Tulsa County Industrial Authority issued **\$104,420,000** of Educational Facilities Lease Revenue Bonds for Jenks Public Schools to provide funds required for the constructing, equipping, repairing and remodeling of school buildings, acquiring school furniture, fixtures, and equipment, acquiring and improving school sites for the benefit of Jenks Public Schools. On July 1, 2009, the District, as

lessor, entered into a ground lease agreement for certain district property, with the Tulsa County Industrial Authority. In addition, the District entered into a sublease, as lessee, with the Tulsa County Industrial Authority. The sublease called for eleven (11) annual payments with the initial payment made on September 11, 2010. These acquisition payments will be made out of General Obligation bond funds, pursuant to the issuance of series bonds in the amount of **\$153,430,000**, voted on and approved by the patrons of Jenks Public Schools on December 9, 2008. Jenks Public Schools will gain ownership to the capital improvements incrementally as each payment is made.

As of June 30, 2017, all projects associated with the 2009 Lease Revenue Bond have been completed with a total cost of construction of **\$106,135,259**.

On February 10, 2015, voters approved another Educational Facilities Lease Revenue Bond in the amount of **\$83,725,000**. Proceeds associated with this bond were received during FY 2015-16. Construction projects completed during 2017-18 were Northwest Elementary, West Intermediate Expansion, East Intermediate Drive Expansion, Central Dining Hall, High School Stadium Classroom and Press Box Renovation, Middle School Athletic Field, and High School Renovation Phases II and III.

Capital and Fixed Assets

The District is in its 15th year of tracking all assets of significant value. The District’s fixed asset inventory process requires equipment, furniture and fixtures, new construction and remodeled buildings and land be updated annually with inventory software monitored through the Purchasing and Warehouse Departments. Building structures and improvements are added to the inventory as projects are completed and space is occupied. For the year ending June 30, 2018, capital assets are as follows:

	<u>Beginning</u>	<u>Increases/Decreases</u>	<u>Ending</u>
Capital Assets	\$321,926,048	\$71,051,464	\$392,977,512
Depreciation	(71,385,810)	(10,540,420)	(81,926,230)
Total Capital Assets	\$250,540,238	\$60,511,044	\$311,051,282

2018-19 Fiscal Year Forecast

The Oklahoma state legislature provided the first tax increase in 28 years. It was also the largest tax increase in state history while providing funding for the largest-ever teacher pay increase. Common Education’s appropriation grew by an additional \$480 million which included salary increases for certified and support personnel along with additional funding for health insurance and instructional materials. With a growing statewide student population, increased operational funding to reduce class size will continue to be a request to our state leaders. Current statewide collections are above prior year levels. This will certainly give the legislature additional funding to craft the FY 2019-20 budget. **Another positive trend is the local net assessed valuation (NAV) increased at a rate of 3.43%**. Residential housing starts and commercial development continue within the Jenks Public School District, and student growth increased by approximately 336 students for FY 2017-18 and by 180 students for FY 2018-19. Even with these challenges of growing enrollment, the District is still projecting an ending cash fund balance of over 8%.

While future state revenue collections look to possibly have stabilized, the patrons of Jenks Public Schools are very supportive of the District’s efforts to pass annual bond issues for needs such as classroom space, District-wide technology, remodeling and maintenance on existing facilities, district-wide equipment, school safety, as well as library books and textbooks for classrooms.

As we move through FY 2018-19, Jenks Public Schools will likely continue to face financial challenges. The District’s Board of Education has placed a very high priority on maintaining the District’s fund balance at a fiscally responsible level. Therefore, the General operating budget is continuously monitored to ensure complete alignment of expenses with available revenue. The budget is amended once the District has received the following information:

1. An accurate District “Net Assessed Valuation” certified by the Board of Equalization
2. Certified and audited prior year actual collected revenues
3. Final Federal grant award notifications for FY 2018-19 programs
4. Any increased State dedicated revenues

5. October child count conducted by the State regional accreditation officer assigned to our District
6. Any increase in Flexible Benefit Allowance funding from the State to pass on to employees who elect to participate in the insurance benefits program
7. Notification of the District's mid-year adjusted State Aid allocation funding
8. Potential actions taken by the Board of Education to increase the General Fund expenditure budget in the form of salary increases, new positions, and programs

In closing, JPS has the full support of staff members, patrons, parent booster clubs, PTA/PTAGs, the Jenks Public Schools Foundation and business partnerships that assist the District through fundraisers, the passage of bond issues, and generous donations. The Board of Education and Administration feel extremely confident and take pride in the fact that the District is financially positioned to operate successfully and maintain the high standards set forth by our staff and patrons.

Upcoming Oklahoma Legislative Action

Although much progress was made during last Spring's legislative session with the passage of several measures to stabilize funding and provide salary increases for staff members, especially teachers. Unfortunately, the financial decisions of past years' Oklahoma legislative sessions continue to challenge all Oklahoma school districts. With growing enrollment statewide, along with a teacher shortage, class sizes will continue to increase without sufficient operational funding to school districts. It is imperative for the legislature to search for solutions to increase revenue to fund the State's core responsibilities.

Jenks Public Schools' lobbying efforts for this year's legislative session will specifically focus on legislation that identifies a long term plan to increase funding for operational expenditures. We will support initiatives that continue to improve teacher pay to help address the statewide teacher shortage and reduce class sizes. The state board of equalization has predicted that the legislature will have an additional \$612 million in funding to craft the state's budget for FY 2019-20. It is vital that our elected officials make our students a priority when making funding decisions.

District Cash Management Program

The District's cash management program involves such factors as legal authorizations from the Board of Education, liquidity requirements or cash flow needs, and interest rate trends. The District is required to invest all available monies in interest-bearing accounts or investment instruments that are authorized under State Statutes. These accounts must be fully protected through FDIC insurance and/or pledged collateral from the participating institution. The District uses a "pooled resources" concept, pooling together all the separate funds, for purchasing investments to take advantage of the higher interest rates available when investing larger amounts of money.

By Oklahoma statute, school districts can only invest in instruments backed by the full faith and credit of the federal government. Interest earned from the district's investment practices continues to be a General Fund revenue stream. However, current market conditions have taken its toll on interesting earnings. In FY 2008-09, the District receipted **\$2,176,000** in interest earnings, as compared to the FY 2016-17 total return on investments of **\$377,095**. Interest earnings did increase for FY 2017-18 as rates increased on District deposits. The District earned **\$600,592** in interest for FY 2017-18, an increase of **\$223,497** from the prior year. JPS will continue to utilize investment strategies and best practices to maximize the return on our investments even in today's recovering market.

Contacting the School District's Financial Management

This financial report is designed to provide patrons, taxpayers, and creditors with a general overview of the Jenks School District's finances and to show the District's accountability for the public funding it receives. If you have further questions or comments about this report or need additional financial information, please contact the Finance and Business Services Department at Jenks Public Schools, 205 East B Street, Jenks, Oklahoma 74037. We can be reached by phone at (918) 299-4415, extension 2463.



Cody Way
Chief Financial Officer
Jenks Public School

JENKS INDEPENDENT SCHOOL DISTRICT NO. I-5, TULSA COUNTY
STATEMENT OF NET POSITION
JUNE 30, 2018

	Governmental Activities	Prior Year (Memorandum Only)
<u>ASSETS</u>		
Current assets:		
Cash	\$ 6,848,234	7,967,408
Investments	58,432,610	59,179,599
Total current assets	65,280,844	67,147,007
Non-current assets:		
Capital assets, net of accumulated depreciation	311,051,282	250,540,238
TOTAL ASSETS	\$ 376,332,126	317,687,245
 <u>LIABILITIES</u>		
Current liabilities:		
Warrants payable	\$ 1,581,011	2,073,826
Encumbrances	7,517,565	6,649,012
Total current liabilities	9,098,576	8,722,838
Non-current liabilities:		
General obligation bonds payable	90,070,000	85,850,000
Capital Leases	0	734,220
Total non-current liabilities	90,070,000	86,584,220
Total Liabilities	99,168,576	95,307,058
 <u>NET POSITION</u>		
Invested in capital assets, net of related debt	220,981,282	163,956,018
Restricted for debt service	12,474,254	12,355,983
Restricted for other funds	35,477,296	34,872,881
Unassigned	8,230,717	11,195,305
Total Net Position	277,163,550	222,380,187
TOTAL LIABILITIES AND NET POSITION	\$ 376,332,126	317,687,246

The accompanying notes are an integral part of these financial statements.

JENKS INDEPENDENT SCHOOL DISTRICT NO. I-5, TULSA COUNTY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>TOTAL</u>
Instruction	\$ 49,347,397		2,698,295	(46,649,102)
Support services	40,551,202	3,340,986	925,017	(36,285,200)
Non-instruction services	8,108,329	1,967,031	2,346,783	(3,794,515)
Facilities acquisition and construction services	18,994,637			(18,994,637)
Other outlays	609,684		288,944	(320,740)
Interest paid on long-term debt	2,025,250			(2,025,250)
Depreciation - unallocated	12,317,663			(12,317,663)
Total governmental activities	<u>131,954,163</u>	<u>5,308,017</u>	<u>6,259,039</u>	<u>(120,387,107)</u>

General revenues-

Taxes-	
Property taxes, levied for general purposes	33,325,019
Property taxes, levied for debt services	24,523,107
Investment earnings	628,631
Other local revenue	3,190,672
County revenue	3,124,016
State aid - formula grants	30,662,672
Dedicated state revenue	6,361,589
Special items-	
Change in capital assets	73,226,528
Adjustments to prior year encumbrances	128,236
Total general revenues and special items	<u>175,170,470</u>
Change in net position	54,783,363
Net position, beginning of period	<u>222,380,187</u>
Net position, end of period	<u><u>\$ 277,163,550</u></u>

The accompanying notes are an integral part of these financial statements.

JENKS INDEPENDENT SCHOOL DISTRICT NO. I-5, TULSA COUNTY
STATEMENT OF ASSETS, LIABILITIES AND CASH FUND BALANCES -
GOVERNMENTAL FUNDS
JUNE 30, 2018

	General Fund	Building Fund	Child Nutrition Fund	Sinking Fund	Bond Funds	Other Governmental Funds	TOTAL
<u>ASSETS</u>							
Cash	\$ 2,458,496	675,819	1,120,512	50	2,150,519	5,090,591	11,495,988
Investments	12,510,859			13,931,621	31,990,130		58,432,610
Total Assets	<u>\$ 14,969,355</u>	<u>675,819</u>	<u>1,120,512</u>	<u>13,931,671</u>	<u>34,140,649</u>	<u>5,090,591</u>	<u>69,928,598</u>
<u>LIABILITIES AND FUND BALANCES</u>							
Liabilities:							
Warrants payable	\$ 979,669	19,634	36,500		190,147	355,061	1,581,011
Encumbrances	7,216,387	252,209	48,970				7,517,565
Funds held for school operations						4,647,754	4,647,754
Total Liabilities	<u>8,196,055</u>	<u>271,843</u>	<u>85,470</u>	<u>0</u>	<u>190,147</u>	<u>5,002,815</u>	<u>13,746,331</u>
Fund Balances:							
Restricted for-							
Retirement of long-term debt				12,474,254			12,474,254
Other funds		403,976	1,035,042		33,950,502	87,776	35,477,296
Unassigned							
Unassigned, reported in-							
General fund	6,773,300						6,773,300
Sinking fund				1,457,417			1,457,417
Total Fund Balances	<u>6,773,300</u>	<u>403,976</u>	<u>1,035,042</u>	<u>13,931,671</u>	<u>33,950,502</u>	<u>87,776</u>	<u>56,182,268</u>
Total Liabilities and Fund Balances	<u>\$ 14,969,355</u>	<u>675,819</u>	<u>1,120,512</u>	<u>13,931,671</u>	<u>34,140,649</u>	<u>5,090,591</u>	
Amounts reported for governmental activities in the statement of assets, liabilities, and net position are different because:							
Capital assets used in governmental activities are not financial resources and therefore,							
are not reported as assets in governmental funds. The cost of the assets is \$392,977,512.43							
and the accumulated depreciation is (\$81,926,230.48)							
							311,051,282
Long-term liabilities, including bonds payable, are not due and payable in the current period and							
therefore are not reported as liabilities in the funds. Long-term liabilities at year end consist of:							
General obligation bonds payable							
							<u>(90,070,000)</u>
Net Position of Governmental Activities							<u>\$ 277,163,550</u>

The accompanying notes are an integral part of these financial statements.

JENKS INDEPENDENT SCHOOL DISTRICT NO. 1-5, TULSA COUNTY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN CASH FUND BALANCES -
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

	General Fund	Building Fund	Child Nutrition Fund	Sinking Fund	Bond Funds	Other Governmental Funds	TOTAL
Revenues Collected:							
Taxes	\$ 29,169,877	4,155,143		24,523,107			57,848,126
Local sources	2,010,773	8,130	1,967,031		2,382	1,169,386	5,157,703
Intermediate sources	3,124,016						3,124,016
State sources	36,980,587		43,674				37,024,262
Federal sources	3,912,305		2,346,734				6,259,039
Interest earnings	600,592	2,479	10,840	14,568		153	628,631
Non revenue receipts	3,303,999	30,000	5,294		1,693		3,340,986
Total revenues collected	<u>79,102,149</u>	<u>4,195,752</u>	<u>4,373,573</u>	<u>24,537,675</u>	<u>4,075</u>	<u>1,169,539</u>	<u>113,382,762</u>
Expenditures:							
Instruction	48,280,974	453			592,180	473,790	49,347,397
Support services	28,768,130	4,271,670			7,168,564	342,838	40,551,202
Operation of non-instructional services	3,289,938	71,200	4,657,655		89,536		8,108,329
Facilities acquisition and construction service		10,630			19,663,245		19,673,875
Other outlays:							
Debt service requirements				26,335,250			26,335,250
Reimbursement			4,002				4,002
Private nonprofit schools	93,530						93,530
Correcting entry	7,243	30,000	1,794		1,692		40,729
Other uses			1,052			127,533	128,585
Total expenditures	<u>80,439,815</u>	<u>4,383,953</u>	<u>4,664,502</u>	<u>26,335,250</u>	<u>27,515,218</u>	<u>944,161</u>	<u>144,282,899</u>
Excess of revenues collected over (under) expenditures before other financing sources (uses)	(1,337,666)	(188,202)	(290,929)	(1,797,575)	(27,511,143)	225,378	(30,900,137)
Other financing sources (uses):							
Adjustments to prior year encumbrances	115,807	98	7,222		5,110		128,236
Transfers in (out)	173,118					(173,118)	0
Proceeds from sale of bonds					28,530,000		28,530,000
Total other financing sources (uses)	<u>288,924</u>	<u>98</u>	<u>7,222</u>	<u>0</u>	<u>28,535,110</u>	<u>(173,118)</u>	<u>28,658,236</u>
Excess of revenues collected and other financing sources over (under) expenditures and other financing uses	(1,048,741)	(188,104)	(283,707)	(1,797,575)	1,023,966	52,261	(2,241,901)
Cash fund balances, beginning of year	7,822,041	592,080	1,318,749	15,729,247	32,926,536	35,516	58,424,169
Cash fund balances, end of year	<u>\$ 6,773,300</u>	<u>403,976</u>	<u>1,035,042</u>	<u>13,931,671</u>	<u>33,950,502</u>	<u>87,776</u>	<u>56,182,268</u>

The accompanying notes are an integral part of these financial statements.

JENKS INDEPENDENT SCHOOL DISTRICT NO. I-5, TULSA COUNTY
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018

Net change in fund balances - governmental funds \$ (2,241,901)

Amounts reported for governmental activities in the statement of revenues, expenditures, and changes in net position are different because:

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures.

However, for governmental activities those costs are shown in the statement and allocated over their estimated useful lives as annual depreciation expenses in the statement of revenues, expenditures, and changes in net assets. This is the amount by which depreciation exceeds capital outlays in the period.

Net Capital outlay expenditures	72,983,463	
Depreciation expense	(12,317,663)	
Adjustment to beginning balance of capital assets (net of accumulated depreciation) for assets purchased prior period	579,465	61,245,265

Some of the capital assets acquired this year were financed with general obligation bonds. The amount financed by the bonds is reported in the governmental funds as a source of financing. On the other hand, the proceeds from the bonds are not revenues in the statement of revenues, expenditures, and changes in net assets but rather constitute long-term liabilities in the statement of assets, liabilities, and net position.

(28,530,000)

Repayment of bond principal is an expenditure in the governmental funds, but it reduces long-term liabilities in the statement of assets, liabilities, and net assets and does not affect the statement of revenues, expenditures, and changes in net position.

24,310,000

Changes in net position of governmental activities

\$ 54,783,363

JENKS INDEPENDENT SCHOOL DISTRICT NO. 1-5, TULSA COUNTY
 STATEMENT OF FIDUCIARY NET POSITION -
 REGULATORY BASIS
 JUNE 30, 2018

	AGENCY FUNDS
<u>ASSETS</u>	SCHOOL ACTIVITY FUNDS
Cash	\$ 4,647,754
Total Assets	\$ 4,647,754
<u>LIABILITIES AND NET POSITION</u>	
Liabilities:	
Funds held for school organizations:	
Student activity funds	\$ 3,038,452
Community education programs	1,609,302
Total Liabilities and Net Position	\$ 4,647,754

The accompanying notes are an integral part of these financial statements.

JENKS INDEPENDENT SCHOOL DISTRICT NO. I-5, TULSA COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the Jenks Public Schools Independent District, No. I-5 (the “District”), have been prepared in conformity with another comprehensive basis of accounting prescribed by the Oklahoma State Department of Education as authorized by Oklahoma Statutes. Accordingly, the accompanying financial statements are not intended to present financial position and results of operations in conformity with the accounting principles generally accepted in the United States of America. The District’s accounting policies are described in the following notes that are an integral part of the District’s financial statements.

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 five elected members. The appointed superintendent is the executive officer of the District. The Board, constituting an on-going entity, is the level of government, which has governance responsibilities over all activities, related to public elementary and secondary school education within the jurisdiction of the local independent school district. The District receives funding from local, state and federal government sources and must comply with the requirements of these funding source entities. However, the District is not included in any other governmental “reporting entity” as defined in Section 2100, Codification of Governmental Accounting and Financial Reporting Standards, since Board members are elected by the public and have decision making authority, the power to designate management, the responsibility to significantly influence operations and primary accountability for fiscal matters.

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

JENKS INDEPENDENT SCHOOL DISTRICT NO. I-5, TULSA COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont’d

A. Reporting Entity – cont’d

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. Measurement Focus

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government. Governmental activities are normally supported by taxes and intergovernmental revenues.

The statement of net position reports the District’s financial and capital resources. Liabilities are segregated between current (due within one year) and long-term.

The statement of activities demonstrates the degree to which the direct expenses of a given functions or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) tuition or fees paid by students or citizens of the District and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items, including state aid, that are not properly included among program revenues are reported as general revenues.

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 Incentive Aid Program.

JENKS INDEPENDENT SCHOOL DISTRICT NO. I-5, TULSA COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont’d

B. Measurement Focus - cont’d

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 Funds – Special revenue funds include the District’s building and co-op funds. For statutory reporting purposes, the child nutrition fund is classified as a special revenue fund in the other supplementary information, but is otherwise defined as a proprietary fund type.

Building Fund – The building fund consists mainly of monies derived from property taxes levied for the purpose of erecting, remodeling, repairing, or maintaining school buildings and for purchasing furniture, equipment and computer software to be used on or for school district property, for paying energy and utility costs, for purchasing telecommunications services, for paying fire and casualty insurance premiums for school facilities, for purchasing security systems, and for paying salaries of security personnel.

Co-op Fund - The co-op fund is established when the boards of education of two or more school districts enter into cooperative agreements and maintain joint programs. The revenues necessary to operate a cooperative program can come from federal, state, or local sources, including the individual contributions of participating school districts. The expenditures for this fund would consist of those necessary to operate and maintain the joint programs.

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 (including judgments) 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 funds and are 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.

Proprietary Fund Types

Proprietary funds are used to account for “business-type” activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound

JENKS INDEPENDENT SCHOOL DISTRICT NO. I-5, TULSA COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont’d

B. Measurement Focus - cont’d

financial administration. Goods or services from such activities can be provided either to outside parties or to other departments or agencies primarily within the District. The District maintained the child nutrition fund as a proprietary fund in the 2016-17 fiscal year, but classified the child nutrition fund as a special revenue fund in the other supplementary information for statutory reporting purposes.

Child Nutrition Fund - The child nutrition fund consists of monies derived from federal and state financial assistance and food sales. This fund is used to account for the various nutrition programs provided to students.

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. The terms “non-expendable” and “expendable” refer to whether or not the District is under an obligation to maintain the trust principal. 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 operation.

Expendable Trust Funds – Expendable trust funds include the gifts and endowments fund, medical insurance fund, arbitrage fund, workers compensation fund and the sick leave liability fund.

PTAG Gifts and Endowments Fund and M. Green Endowment Fund – These funds receive their assets by way of philanthropic foundations, individuals, or private organizations for which no repayment or special service to the contributor is expected. This fund is used to promote the general welfare of the District.

Medical Insurance Fund – The medical insurance fund accounts for revenues and expenditures for all types of self-funded medical insurance coverage.

Arbitrage Fund – The arbitrage fund is used to accumulate the earnings of certain bond issues to which the Internal Revenue Service arbitrage rules apply. These funds will either be retained or transferred to the Internal Revenue Service, depending on future financial events and computations.

Workers Compensation Fund – The workers compensation fund accounts for revenues and expenditures for workers compensation claims.

JENKS INDEPENDENT SCHOOL DISTRICT NO. I-5, TULSA COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont’d

B. Measurement Focus - cont’d

Insurance Recovery Fund – The insurance recovery fund is established to account for receipts and expenditures for all types of insurance coverage and major reimbursements and reserves for property.

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

Memorandum Only - Total Column

The total column on the combined financial statements – regulatory basis is captioned “memorandum only” to indicate that it is presented only to facilitate financial analysis. Data in this column does not present financial position or results of operations in conformity with accounting principles generally accepted in the United States. 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

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reports in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The District prepares its financial statements in a presentation format that is, in substance, the format established by GASB Statement No. 34, *Basic Financial Statements – Management’s Discussion and Analysis for State and Local Governments*. All presentations are shown by fund.

As to the basis of accounting, the basic financial statements are essentially prepared on the basis of cash receipts and disbursements modified as required by the regulations of the Oklahoma State Department of Education as follows:

- Encumbrances represented by purchase orders, contracts and other commitments for the expenditure of monies are recorded as expenditures when approved.
- Warrants payable are recorded as liabilities when issued.
- Investments are recorded as assets when purchased.
- Inventories of school supplies are recorded as expenditures and not assets.

JENKS INDEPENDENT SCHOOL DISTRICT NO. I-5, TULSA COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

C. Basis of Accounting and Presentation

- Capital assets reported in the governmental-wide statements are recorded when acquired and depreciated over their useful lives.
- Long-term debt reported in the government-wide statements are recorded when incurred.
- Compensated absences are recorded as an expenditure and liability when the obligation is paid.

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.

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 first 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.

A budget is legally adopted by the Board of Education for all funds (with the exception of the trust and agency funds) that includes revenues and expenditures.

The District prepares its budget in accordance with the Oklahoma School District Budget Act. The District's final amended budget for the 2017-18 fiscal year was \$143,219,663.

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting – under which purchase orders and other commitments of resources are recorded as expenditures of the applicable fund – is utilized in all governmental funds of the District. Unencumbered appropriations lapse at the end of each fiscal year. While the Debt Service Fund is a governmental fund, a comparison of budget to actual schedule is presented in the financial statements, although the board can exercise no control of the revenue sources for this fund (except interest earnings), and no control over its expenditures.

JENKS INDEPENDENT SCHOOL DISTRICT NO. I-5, TULSA COUNTY
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont’d

E. Assets, Liabilities and Fund Equity

Cash and cash equivalents – The District considers all cash on hand, demand deposit accounts, and highly liquid investments, with an original maturity of three months or less when purchased, to be cash and cash equivalents.

Investments – The District considers investments of direct obligations of the United States government and agencies, certificates of deposits, savings accounts or savings certificates with maturities of greater than three months. All investments are recorded at cost, which approximates market value.

Inventories – The value of consumable inventories is not reported on the combined financial statements. At June 30, 2018, the District maintained \$302,967 of consumable inventories. This inventory is held in the District’s main warehouse and child nutrition warehouse.

Capital Assets – The capital assets acquired prior to June 30, 2001 are valued at appraisal using standard or normal costing. Fixed assets acquired after June 30, 2001 are valued at historical (actual) cost.

Depreciation of all exhaustible capital assets is charged as an expense against their operations. Depreciation has been provided using the straight-line method over the following estimated useful lives:

	Useful Life	Capitalization Threshold
Buildings and structures	10-50	\$ 2,500
Improvements	10-50	2,500
Equipment	5-40	300
Furniture and fixtures	5-10	2,500

The schedule below shows total fixed assets, and includes accumulated depreciation as a memorandum item for information.

The capital assets for the year ended June 30, 2018 are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets	\$ 318,635,503	72,983,463	(1,358,546)	390,260,420
Less:				
Accumulated Depr.	(68,250,021)	(12,317,663)	1,358,546	(79,209,138)
Total Capital Assets	\$ 250,385,482	60,665,800	0	311,051,282

JENKS INDEPENDENT SCHOOL DISTRICT NO. I-5, TULSA COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

E. Assets, Liabilities and Fund Equity – cont'd

Warrants Payable – Warrants are issued to meet the obligations for goods and services provided to the District. The District recognizes a liability for the amount of outstanding warrants that have yet to be redeemed by the District's treasurer.

Encumbrances – Encumbrances represent commitments related to purchase orders, contracts, other commitments for expenditures or resources, and goods or services received by the District for which a warrant has not been issued. An expenditure is recorded and a liability is recognized for outstanding encumbrances at year end in accordance with the regulatory basis of accounting. While the regulatory basis that is used for the Debt Service Fund approximates full accrual accounting, the accruals recorded are reported to meet regulatory requirements, as opposed to the requirements of generally accepted accounting principles.

Compensated Absences –The District's policies regarding accumulated unpaid leave applies only to unused vacation and accumulated sick leave and personal days for employees upon retirement only. The government-wide financial statements do not include any liability for any rights to receive vacation, sick leave, or other employee benefits. As of June 30, 2018, the amount estimated as employee leave liability was \$1,973,999.

Funds Held for School Organizations – Funds held for school organizations represent the funds received or collected from students or other cocurricular and extracurricular activities conducted in the District, control over which is exercised by the board of education. These funds are credited to the account maintained for the benefit of each particular activity within the school activity fund.

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.

Fund Balance – In the fund financial statements, governmental funds report the hierarchy of fund balances. The hierarchy is based primarily on the degree of spending constraints placed upon use of resources for specific purposes versus availability of appropriation. An important distinction that is made in reporting fund balance is between amounts that are considered *nonspendable* (i.e., fund balance associated with assets that are not in spendable form, such as inventories or prepaid items, long-term portions of loans and notes receivable, or items that are legally required to be maintained intact (such as the corpus of a permanent fund)) and those that are *spendable* (such as fund balance associated with cash, investments or receivables).

JENKS INDEPENDENT SCHOOL DISTRICT NO. I-5, TULSA COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont’d

E. Assets, Liabilities and Fund Equity – cont’d

Amounts in the spendable fund balance category are further classified as *restricted*, *committed*, *assigned* or *unassigned*, as appropriate.

Restricted fund balance represents amounts that are constrained either externally by creditors (such as debt covenants), grantors, contributors or laws or regulations of other governments; or by law, through constitutional provisions or enabling legislation.

Committed fund balance represents amounts that are useable only for specific purposes by formal action of the government’s highest level of decision-making authority. Such amounts are not subject to legal enforceability (like restricted amounts), but cannot be used for any other purpose unless the government removes or changes the limitation by taking action similar to that which imposed the commitment.

Assigned fund balance represents amounts that are intended to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by the governing body itself, or a subordinated high-level body or official who the governing body has delegated the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining spendable amounts (except negative balances) that are reported in governmental funds other than the general fund, that are neither restricted nor committed, and amounts in the general fund that are intended to be used for specific purposes in accordance with the provisions of the standard.

Unassigned fund balance is the residual classification for the general fund. It represents the amounts that have not been assigned to other funds, and that have not been restricted, committed, or assigned to specific purposes within the general fund.

F. Revenue and Expenditures

Local Revenues – Revenue from local sources is the money generated from within the boundaries of the District and available to the District for its use. 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. These property taxes are distributed to the District’s general, building and sinking funds based on the levies approved for each fund. The County Assessor, upon receipt of the certification of tax levies from the county excise board, extends the tax levies on the tax rolls 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 is due prior to January 1. The second half is due prior to April 1. If the first payment is not made in a timely manner, 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

JENKS INDEPENDENT SCHOOL DISTRICT NO. I-5, TULSA COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont’d

F. Revenue and Expenditures – cont’d

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. Other local sources of revenues include tuition, fees, rentals, disposals, commissions and reimbursements.

Intermediate Revenues - Revenue from intermediate sources is the amount of money from funds collected by an intermediate administrative unit, or a political subdivision between the District and the state, and distributed to Districts in amounts that differ in proportion to those which are collected within such systems.

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.

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 from or additions to the 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 and 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.

Federal Revenues – Federal revenues consist of revenues from the federal government in the form of operating grants or entitlements. An operating grant is a contribution to be used for a specific purpose, activity or facility. A grant may be received either directly from the federal government or indirectly as a passthrough from another government, such as the state. Entitlement is the amount of payment to which the District is entitled pursuant to an allocation formula contained in applicable statutes. The majority of the federal revenues received by the District are apportioned to the general fund. The District maintains a separate child nutrition fund and the federal revenues received for the child nutrition programs are apportioned there.

JENKS INDEPENDENT SCHOOL DISTRICT NO. I-5, TULSA COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

F. Revenue and Expenditures – cont'd

Non-Monetary Transactions – The District receives commodities from the U.S. Department of Agriculture. The value of these commodities has been included in the Schedule of Expenditures of Federal Awards; however, they have not been included in the financial statements as either revenue or expense since they are not reported under the regulatory basis of accounting.

Interest Earnings – Represent compensation for the use of financial sources over a period of time.

Non-Revenue Receipts – Non-revenue receipts represent receipts deposited into a fund that are not new revenues to the District, but the return of assets.

Instruction Expenditures – Instruction expenditures include the activities dealing directly with the interaction between teachers and students. Teaching may be provided for students in a school classroom, in another location, such as a home or hospital, and in other learning situations, such as those involving cocurricular activities. It may also be provided through some other approved medium, such as television, radio, telephone and correspondence. Included here are the activities of teacher assistants of any type (clerks, graders, teaching machines, etc.) which assist in the instructional process. The activities of tutors, translators and interpreters would be recorded here. Department chairpersons who teach for any portion of time are included here. Tuition/transfer fees paid to other LEAs would be included here.

Support Services Expenditures – Support services expenditures provide administrative, technical (such as guidance and health) and logistical support to facilitate and enhance instruction. These services exist as adjuncts for fulfilling the objectives of instruction, community services and enterprise programs, rather than as entities within themselves.

Operation of Non-Instructional Services Expenditures – Activities concerned with providing non-instructional services to students, staff or the community.

Facilities Acquisition and Construction Services Expenditures – Consists of activities involved with the acquisition of land and buildings; remodeling buildings; the construction of buildings and additions to buildings; initial installation or extension of service systems and other built-in equipment; and improvements to sites.

Other Outlays Expenditures – A number of outlays of governmental funds are not properly classified as expenditures, but still require budgetary or accounting control. These are classified as Other Outlays. These include debt service payments (principal and interest).

JENKS INDEPENDENT SCHOOL DISTRICT NO. I-5, TULSA COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont’d

F. Revenue and Expenditures – cont’d

Other Uses Expenditures – This includes scholarships provided by private gifts and endowments; student aid and staff awards supported by outside revenue sources (i.e., foundations). Also, expenditures for self-funded employee benefit programs administered either by the District or a third party administrator.

Repayment Expenditures – Repayment expenditures represent checks/warrants issued to outside agencies for refund or restricted revenue previously received for overpayment, non-qualified expenditures and other refunds to be repaid from District funds.

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 expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

2. CASH AND INVESTMENTS

Custodial Credit Risk – Custodial credit risk is the risk that in the event of a bank failure, the District’s deposits may not be returned to the District. The District’s cash deposits and investments at June 30, 2018, were \$70,048,907, at financial institutions, and were completely insured or collateralized by federal depository insurance, direct obligations of the U.S. Government, or securities held by the District or by its agent in the District’s name.

Investment Interest Rate Risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair market value of an investment. Due to the required liquidity for those investments, these funds have no defined maturity dates. The District does not have a formal policy that limits investment maturities as a means of managing its exposure to fair value losses from increasing interest rates.

Investment Credit risk – Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. The District does not have a formal policy limiting its investment choices, other than the limitation of state law as follows:

- Direct obligations of the U.S. Government, its agencies and instrument 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.

JENKS INDEPENDENT SCHOOL DISTRICT NO. I-5, TULSA COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

2. CASH AND INVESTMENTS – cont'd

- 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.
- With certain limitation, negotiable certificates of deposit, prime bankers acceptances, prime commercial paper and repurchase agreements with certain limitations.
- County, municipal or school district tax supported debt obligations, bond or revenue anticipation notes, money judgments, or bond or revenue anticipation notes of public trusts whose beneficiary is a county, municipality or school district.
- Notes or bonds secured by mortgage or trust deed insured by the Federal Housing Administrator and debentures issued by the Federal Housing Administrator, and in obligations of the National Mortgage Association.
- Money market funds regulated by the SEC and in which investments consist of the investments mentioned in the previous bullet items.

Concentration of Investment Credit Risk – The District places no limit on the amount it may invest in any one issuer.

3. INTERFUND RECEIVABLES AND PAYABLES

There were no interfund receivables or payables at June 30, 2018.

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 of the date of issue.

General long-term debt of the District consists of building bonds payable and transportation bonds payable. Debt service requirements for bonds and judgments are payable solely from the fund balance and the future revenues of the debt service fund.

JENKS INDEPENDENT SCHOOL DISTRICT NO. I-5, TULSA COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

4. GENERAL LONG-TERM DEBT – cont’d

The following is a summary of the long-term debt transactions of the District for the year ended June 30, 2018:

	Bonds Payable	Capital Leases	Total
Balance, July 1, 2017	\$ 85,850,000	734,220	86,584,220
Additions	28,530,000	0	28,530,000
Retirements	(24,310,000)	(734,220)	(25,044,220)
Balance, June 30, 2018	<u>\$ 90,070,000</u>	<u>0</u>	<u>90,070,000</u>

A brief description of the outstanding long-term debt at June 30, 2018, is set forth below:

	<u>Amount Outstanding</u>
<u>General Obligation Bonds:</u>	
Combined Purpose Bonds, Series 2014, original issue \$25,000,000, interest rate of 2.00%, due in annual installments of \$6,250,000, final payment of \$6,250,000 due 6-01-19	\$ 6,250,000
Combined Purpose Bonds, Series 2015, original issue \$23,680,000, interest rate of 2.00%, due in annual installments of \$5,900,000, final payment of \$5,980,000 due 6-01-20	11,880,000
Combined Purpose Bonds, Series 2016, original issue \$24,990,000, interest rate of 2.00%, due in annual installments of \$6,250,000, final payment of \$6,250,000 due 6-01-21	18,750,000
Combined Purpose Bonds, Series 2017, original issue \$24,660,000, interest rate of 2.00-4.00%, due in annual installments of \$6,165,000, final payment of \$6,165,000 due 6-01-22	24,660,000

JENKS INDEPENDENT SCHOOL DISTRICT NO. I-5, TULSA COUNTY
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2018

4. GENERAL LONG-TERM DEBT – cont'd

	<u>Amount Outstanding</u>
Combined Purpose Bonds, Series 2018, original issue \$28,530,000, interest rate of 3.00-3.125%, due in annual installments of \$7,000,000, final payment of \$7,530,000 due 6-01-23	\$ <u>28,530,000</u>
Total Long-Term Debt	\$ <u>90,070,000</u>

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

Year Ending June 30	Principal	Interest	Total
2019	\$ 24,565,000	2,413,113	26,978,113
2020	25,395,000	1,860,163	27,255,163
2021	19,415,000	1,282,263	20,697,263
2022	13,165,000	691,913	13,856,913
2023	7,530,000	235,313	7,765,313
Total	\$ 90,070,000	6,482,765	96,552,765

Interest paid on general long-term debt during the 2017-18 fiscal year totaled \$2,042,097.

5. EMPLOYEE RETIREMENT SYSTEM

Description of Plan

The District participates in the state-administered Oklahoma Teachers' Retirement System, which is a cost sharing, multiple-employer defined benefit public employee retirement system (PERS), which is administered by the Board of Trustees of the Oklahoma Teachers' Retirement System (the "System"). The System provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Title 70 Section 17 of the Oklahoma Statutes establishes benefit provisions and may be amended only through legislative action. The Oklahoma Teachers' Retirement

JENKS INDEPENDENT SCHOOL DISTRICT NO. I-5, TULSA COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

5. EMPLOYEE RETIREMENT SYSTEM – cont'd

System issues a publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Oklahoma Teachers' Retirement System, P.O. Box 53624, Oklahoma City, OK 73152, or by calling 405-521-2387.

Basis of Accounting

The System's financial statements are prepared using the cash basis of accounting, except for accruals of interest income. Plan member contributions are recognized in the period in which the contributions are made. Benefits and refunds are recognized when paid. 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. There are no actuarial valuations performed on individual school districts. The System has an under-funded pension benefit obligation as determined as part of the latest actuarial valuation.

Funding Policy

The District, the State of Oklahoma, and the participating employee make contributions. The contribution rates for the District and its employees are established by and may be amended by Oklahoma Statutes. The rates are not actuarially determined. The rates are applied to the employee's earnings plus employer-paid fringe benefits. The required contribution for the participating members is 7.0% of compensation. Contributions received by the System from the State of Oklahoma are used to offset required employer contributions by the local school district. For the 2017-18 fiscal year, the District contributed 9.5% and the State of Oklahoma contributed the remaining amount during the year. The District is allowed by Oklahoma Teachers' Retirement System to make the required contributions on behalf of the participating members. In addition, if a member's salary is paid in part by federal or private funds, the contribution on that portion of the salary paid by those funds must be matched by the District at 7.80%.

Annual Pension Cost

The District's total contributions for 2018, 2017 and 2016 were \$7,554,193, \$7,095,095 and \$7,116,241, respectively. Ten-year historical trend information is presented in the Teacher's Retirement System of Oklahoma Annual Report for the year ended June 30, 2018. This information is useful in assessing the pension plan's accumulation of sufficient assets to pay pension benefits as they become due. Please visit www.ok.gov/TRS for all plan information.

JENKS INDEPENDENT SCHOOL DISTRICT NO. I-5, TULSA COUNTY
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2018

5. EMPLOYEE RETIREMENT SYSTEM – cont’d

GASB Statement 68 became effective for fiscal years beginning after June 15, 2014, and significantly changes pension accounting and financial reporting for governmental employers who participate in a pension plan, such as the System, and who prepare published financial statements on an accrual basis using Generally Accepted Accounting Principles. Since the District does not prepare and present their financial statements on an accrual basis, the net pension amount is not required to be presented on the audited financial statements. The amount of calculated pension liability for the District at June 30, 2017 (the latest information available) was \$66,688,905.

6. LEASE REVENUE BONDS

Series 2009

On July 1, 2009, the Tulsa County Industrial Authority issued \$104,420,000 of Educational Facilities Lease Revenue Bonds (Jenks Public School Project) Series 2009, to provide funds required for the constructing, equipping, repairing and remodeling school buildings, acquiring school furniture, fixtures and equipment and acquiring and improving school sites for the benefit of the Jenks School District. Also on July 1, 2009, the District, as lessor, entered into a ground lease agreement, for certain district property, with the Tulsa County Industrial Authority. In addition, the District entered into a sublease, as lessee, with the Tulsa County Industrial Authority. The sublease calls for eleven (11) annual payments starting September 1, 2010. These payments will be made out of bond funds, pursuant to the issuance of series bonds in the amount of \$153,430,000, on December 9, 2008. Jenks Public Schools will gain ownership to the capital improvements incrementally as each payment is made.

As of June 30, 2018, approximately \$106,135,259 has been paid out for construction costs and all projects associated with these revenue bonds are complete.

The future lease payments will be as follows:

Fiscal Year	Payment
2018-19	\$ 12,180,000
2019-20	12,180,000
Total Obligation	\$ 24,360,000

JENKS INDEPENDENT SCHOOL DISTRICT NO. I-5, TULSA COUNTY
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2018

6. LEASE REVENUE BONDS – cont’d

Series 2015

On September 1, 2015, the Tulsa County Industrial Authority issued \$83,725,000 of Educational Facilities Lease Revenue Bonds (Jenks Public School Project) Series 2015, to provide funds required for the constructing, equipping, repairing and remodeling school buildings, acquiring school furniture, fixtures and equipment and acquiring and improving school sites for the benefit of the Jenks School District. Also on September 1, 2015, the District, as lessor, entered into a ground lease agreement, for certain district property, with the Tulsa County Industrial Authority. In addition, the District entered into a sublease, as lessee, with the Tulsa County Industrial Authority. The sublease calls for eleven (11) annual payments starting September 1, 2016. These payments will be made out of bond funds, pursuant to the issuance of series bonds in the amount of \$120,453,405, passed by voters of the District on February 10, 2015. Jenks Public Schools will gain ownership to the capital improvements incrementally as each payment is made.

As of June 30, 2018, approximately \$75,185,029 has been paid out for construction costs.

The future lease payments will be as follows:

Fiscal Year	Payment
2018-19	\$ 2,347,650
2019-20	2,637,360
2020-21	2,932,065
2021-22	15,399,585
2022-23	15,704,280
Thereafter	65,904,030
Total Obligation	\$ 104,924,970

7. RISK MANAGEMENT

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; or acts of God. The District purchases commercial insurance to cover these risks, including general and auto liability, property damage, and public officials liability. Settled claims resulting from risks have not exceeded the commercial insurance coverage in any of the past three fiscal years.

JENKS INDEPENDENT SCHOOL DISTRICT NO. I-5, TULSA COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

8. CONTINGENCIES

Federal Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustments 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 to be immaterial.

Schedule of Expenditure of Federal Awards

The schedule shows the federal awards received and expended by the District during the 2017-18 fiscal year. The revised Uniform Guidance Audits of States, Local Governments and Non-Profit Organizations, established uniform audit requirements for nonfederal entities which expended more than \$750,000 in federal awards.

Litigation

At the date of the audit report, January 8, 2019, school officials are not aware of any pending or threatened litigation, claims or assessments or unasserted claims or assessments against the District.

JENKS INDEPENDENT SCHOOL DISTRICT NO. 1-5, TULSA COUNTY
 BUDGETARY COMPARISON SCHEDULE -
 GENERAL FUND
 FOR THE YEAR ENDED JUNE 30, 2018

	Budgeted Amounts		Actual Amounts	Prior Year (Memorandum Only)
	Original	Final		
Revenues Collected:				
Local sources	\$ 30,465,261	31,061,608	31,180,650	29,718,523
Intermediate sources	2,997,100	3,104,915	3,124,016	2,970,073
State sources	34,342,544	36,825,841	36,980,587	35,486,167
Federal sources	3,809,304	4,139,993	3,912,305	3,852,133
Interest earnings	335,296	578,849	600,592	377,095
Non-revenue receipts	3,374,962	3,201,836	3,303,999	3,186,116
Total revenues collected	<u>75,324,467</u>	<u>78,913,042</u>	<u>79,102,149</u>	<u>75,590,108</u>
Expenditures:				
Instruction	45,959,955	49,192,599	48,280,974	45,178,730
Support services	26,374,941	27,963,373	28,768,130	26,262,471
Operation of non-instructional services	3,140,285	3,180,285	3,289,938	3,140,284
Other outlays:				
Private nonprofit schools	135,000	135,000	93,530	131,134
Correcting entry			7,243	1,884
Total expenditures	<u>75,610,181</u>	<u>80,471,257</u>	<u>80,439,815</u>	<u>74,714,501</u>
Excess of revenues collected over (under) expenditures before other financing sources (uses)	(285,714)	(1,558,215)	(1,337,666)	875,606
Other financing sources (uses):				
Operating transfers in (out)		150,000	173,118	238,365
Adjustments to prior year encumbrances	35,714	115,806	115,807	35,702
Total other financing sources (uses)	<u>35,714</u>	<u>265,806</u>	<u>288,924</u>	<u>274,067</u>
Excess of revenues collected over (under) expenditures	(250,000)	(1,292,409)	(1,048,741)	1,149,673
Cash fund balance, beginning of year	<u>6,787,787</u>	<u>7,822,041</u>	<u>7,822,041</u>	<u>6,672,368</u>
Cash fund balance, end of year	<u>\$ 6,537,787</u>	<u>6,529,632</u>	<u>6,773,300</u>	<u>7,822,041</u>

JENKS INDEPENDENT SCHOOL DISTRICT NO. 1-5, TULSA COUNTY
 BUDGETARY COMPARISON SCHEDULE -
 BUILDING FUND
 FOR THE YEAR ENDED JUNE 30, 2018

	Budgeted Amounts		Actual Amounts	Prior Year (Memorandum Only)
	Original	Final		
Revenues Collected:				
Local sources	\$ 4,005,100	4,196,641	4,163,273	4,013,482
Interest earnings	457	465	2,479	507
Non-revenue receipts	195,000	197,000	30,000	
Total revenues collected	<u>4,200,557</u>	<u>4,394,106</u>	<u>4,195,752</u>	<u>4,013,989</u>
Expenditures:				
Instruction	6,500	6,500	453	2,418
Support services	4,470,135	4,447,538	4,271,670	4,278,659
Operations of non-instructional services			71,200	
Facilities acquisition and construction services			10,630	
Other outlays:				
Correcting entry			30,000	
Total expenditures	<u>4,476,635</u>	<u>4,454,038</u>	<u>4,383,953</u>	<u>4,281,077</u>
Excess of revenues collected over (under) expenditures before other financing sources (uses)	(276,078)	(59,932)	(188,202)	(267,088)
Other financing sources (uses):				
Adjustments to prior year encumbrances	<u>25,223</u>	<u>25,223</u>	<u>98</u>	<u>27,223</u>
Excess of revenues collected over (under) expenditures	(250,855)	(34,709)	(188,104)	(239,865)
Cash fund balance, beginning of year	<u>592,080</u>	<u>592,080</u>	<u>592,080</u>	<u>831,946</u>
Cash fund balance, end of year	<u>\$ 341,225</u>	<u>557,371</u>	<u>403,976</u>	<u>592,080</u>

JENKS INDEPENDENT SCHOOL DISTRICT NO. 1-5, TULSA COUNTY
 BUDGETARY COMPARISON SCHEDULE -
 CHILD NUTRITION FUND
 FOR THE YEAR ENDED JUNE 30, 2018

	Budgeted Amounts		Actual Amounts	Prior Year (Memorandum Only)
	Original	Final		
Revenues Collected:				
Local sources	\$ 1,965,654	1,969,344	1,967,031	1,855,829
State sources	325,000	325,000	43,674	246,231
Federal sources	2,237,927	2,237,927	2,346,734	2,218,891
Interest earnings	1,059	6,236	10,840	1,965
Non-revenue receipts	3,000	3,000	5,294	2,768
Total revenues collected	<u>4,532,640</u>	<u>4,541,507</u>	<u>4,373,573</u>	<u>4,325,684</u>
Expenditures:				
Operation of non-instructional services	4,516,996	4,786,935	4,657,655	4,275,429
Other outlays:				
Reimbursement	3,000	3,000	4,002	4,854
Correcting entry			1,794	4,940
Other uses			1,052	
Total expenditures	<u>4,519,996</u>	<u>4,789,935</u>	<u>4,664,502</u>	<u>4,285,223</u>
Excess of revenues collected over (under) expenditures before other financing sources (uses)	12,644	(248,428)	(290,929)	40,461
Other financing sources (uses):				
Adjustments to prior year encumbrances	2,000	2,000	7,222	287
Total other financing sources (uses)	<u>2,000</u>	<u>2,000</u>	<u>7,222</u>	<u>287</u>
Excess of revenues collected over (under) expenditures	14,644	(246,428)	(283,707)	40,748
Cash fund balance, beginning of year	<u>1,213,916</u>	<u>1,318,749</u>	<u>1,318,749</u>	<u>1,278,001</u>
Cash fund balance, end of year	<u>\$ 1,228,560</u>	<u>1,072,321</u>	<u>1,035,042</u>	<u>1,318,749</u>

JENKS INDEPENDENT SCHOOL DISTRICT NO. 1-5, TULSA COUNTY
 BUDGETARY COMPARISON SCHEDULE -
 SINKING FUND
 FOR THE YEAR ENDED JUNE 30, 2018

	Budgeted Amounts		Actual Amounts	Prior Year (Memorandum Only)
	Original	Final		
Revenues Collected:				
Local sources	\$ 25,608,468	25,608,468	24,523,107	25,042,660
Interest earnings			14,568	15,584
Non-revenue receipts	500,000	500,000		1,619,114
Total revenues collected	<u>26,108,468</u>	<u>26,108,468</u>	<u>24,537,675</u>	<u>26,677,358</u>
Requirements:				
Judgments				1,205,835
Bonds	23,508,550	23,508,550	24,310,000	23,710,000
Coupons	2,025,250	2,025,250	2,025,250	1,810,800
Total expenditures	<u>25,533,800</u>	<u>25,533,800</u>	<u>26,335,250</u>	<u>26,726,635</u>
Excess of revenue collected over (under) expenditures before other financing sources	574,668	574,668	(1,797,575)	(49,278)
Other financing sources (uses):				
Operating transfers in (out)				1,205,835
Total other financing sources	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,205,835</u>
Excess of revenue collected over (under) expenditures	574,668	574,668	(1,797,575)	1,156,558
Cash fund balance, beginning of year	<u>14,047,137</u>	<u>14,047,137</u>	<u>15,729,247</u>	<u>14,572,689</u>
Cash fund balance, end of year	<u>\$ 14,621,805</u>	<u>14,621,805</u>	<u>13,931,671</u>	<u>15,729,247</u>

JENKS INDEPENDENT SCHOOL DISTRICT NO. 1-5, TULSA COUNTY
 BUDGETARY COMPARISON SCHEDULE -
 BOND FUNDS
 FOR THE YEAR ENDED JUNE 30, 2018

	Budgeted Amounts		Actual Amounts	Prior Year (Memorandum Only)
	Original	Final		
Revenues collected:				
Local collections	\$		2,382	
Non revenue receipts			1,693	
Total revenues	<u>0</u>	<u>0</u>	<u>4,075</u>	<u>0</u>
Expenditures:				
Instruction	1,054,845	1,054,845	592,180	1,356,832
Support services	7,125,689	7,125,689	7,168,564	6,426,465
Operation non-instructional services	87,078	87,078	89,536	
Facilities acquisition & construction services	19,085,173	19,085,173	19,663,245	15,933,590
Other Outlays - Correcting Entry			1,693	
Total expenditures	<u>27,352,785</u>	<u>27,352,785</u>	<u>27,515,218</u>	<u>23,716,887</u>
Excess of revenues collected over (under) expenditures before other financing sources	(27,352,785)	(27,352,785)	(27,511,144)	(23,716,887)
Other financing sources (uses):				
Adjustments to prior year encumbrances			5,110	301
Operating transfers in (out)				(1,205,835)
Bond sale proceeds	24,660,000	24,660,000	28,530,000	24,660,000
Total other financing sources	<u>24,660,000</u>	<u>24,660,000</u>	<u>28,535,110</u>	<u>23,454,465</u>
Excess of revenues collected and other financing sources over (under) expenditures and other financing sources (uses)	(2,692,785)	(2,692,785)	1,023,966	(262,421)
Cash fund balance, beginning of year	<u>30,322,270</u>	<u>30,322,270</u>	<u>32,926,536</u>	<u>33,188,957</u>
Cash fund balance, end of year	<u>\$ 27,629,485</u>	<u>27,629,485</u>	<u>33,950,502</u>	<u>32,926,536</u>

JENKS INDEPENDENT SCHOOL DISTRICT NO. 1-5, TULSA COUNTY
 COMBINING STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE -
 ALL CAPITAL PROJECTS FUNDS - REGULATORY BASIS
 JUNE 30, 2018

	2014 GEN. OBLIG. BOND FUND	2015 GEN. OBLIG. BOND FUND	2016 GEN. OBLIG. BOND FUND	2017 GEN. OBLIG. BOND FUND	2018 GEN. OBLIG. BOND FUND	TOTAL
<u>ASSETS</u>						
Cash and Investments	\$ 113,024	775,238	1,139,043	3,619,549	28,493,794	34,140,649
Total Assets	<u>\$ 113,024</u>	<u>775,238</u>	<u>1,139,043</u>	<u>3,619,549</u>	<u>28,493,794</u>	<u>34,140,649</u>
<u>LIABILITIES AND FUND BALANCE</u>						
Liabilities:						
Warrants payable	\$ 8,741	58,630	43,793	78,984	0	190,147
Fund Balance:						
Restricted	104,283	716,609	1,095,251	3,540,566	28,493,794	33,950,502
Total Liabilities and Fund Balance	<u>\$ 113,024</u>	<u>775,238</u>	<u>1,139,043</u>	<u>3,619,549</u>	<u>28,493,794</u>	<u>34,140,649</u>

JENKS INDEPENDENT SCHOOL DISTRICT NO. I-5, TULSA COUNTY
 COMBINING STATEMENT OF REVENUES COLLECTED, EXPENDITURES AND CHANGES
 IN CASH FUND BALANCES - ALL CAPITAL PROJECTS FUNDS - REGULATORY BASIS
 FOR THE YEAR ENDED JUNE 30, 2018

	2013 BUILDING BOND FUND	2014 GEN. OBLIG. BOND FUND	2015 GEN. OBLIG. BOND FUND	2016 GEN. OBLIG. BOND FUND	2017 GEN. OBLIG. BOND FUND	2018 GEN. OBLIG. BOND FUND	TOTAL
Revenues Collected:							
Local sources	\$		2,382				2,382
Non-revenue receipts			1,016	261	416		1,693
Total Revenue	<u>0</u>	<u>0</u>	<u>3,398</u>	<u>261</u>	<u>416</u>	<u>0</u>	<u>4,075</u>
Expenditures:							
Instruction	12,810	30,287	207,430	91,941	249,713		592,180
Support services	282,101	755,981	773,271	1,193,262	4,127,743	36,206	7,168,564
Operation non-instructional services			86,078	3,459			89,536
Facilities acquisition and const. services		60,918	59,248	2,878,942	16,664,136		19,663,245
Other Outlays - Correcting Entry			1,016	261	416		1,692
Total expenditures	<u>294,911</u>	<u>847,186</u>	<u>1,127,042</u>	<u>4,167,865</u>	<u>21,042,008</u>	<u>36,206</u>	<u>27,515,218</u>
Excess of revenues collected over (under) expenditures before other financing sources (uses)	(294,911)	(847,186)	(1,123,644)	(4,167,604)	(21,041,592)	(36,206)	(27,511,143)
Other financing sources (uses):							
Adjustments to prior year encumbrances		4,921		189			5,110
Bond sale proceeds						28,530,000	28,530,000
Total other financing sources (uses)	<u>0</u>	<u>4,921</u>	<u>0</u>	<u>189</u>	<u>0</u>	<u>28,530,000</u>	<u>28,535,110</u>
Excess of revenues collected and other financing sources over (under) expenditures and other financing uses	(294,911)	(842,265)	(1,123,644)	(4,167,415)	(21,041,592)	28,493,794	1,023,966
Cash fund balances, beginning of year	<u>294,911</u>	<u>946,548</u>	<u>1,840,253</u>	<u>5,262,666</u>	<u>24,582,158</u>	<u>0</u>	<u>32,926,536</u>
Cash fund balances, end of year	<u>\$ 0</u>	<u>104,283</u>	<u>716,609</u>	<u>1,095,251</u>	<u>3,540,566</u>	<u>28,493,794</u>	<u>33,950,502</u>

JENKS INDEPENDENT SCHOOL DISTRICT NO. I-5, TULSA COUNTY
 COMBINING STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE -
 ALL FIDUCIARY FUND TYPES - REGULATORY BASIS
 JUNE 30, 2018

	EXPENDABLE TRUST FUNDS		AGENCY FUNDS	
<u>ASSETS</u>	GIFTS FUND	ARBITRAGE FUND	SCHOOL ACTIVITY FUNDS	TOTAL
Cash & Investments	\$ 407,168	35,669	4,647,754	5,090,591
Total Assets	\$ 407,168	35,669	4,647,754	5,090,591
<u>LIABILITIES AND FUND BALANCE</u>				
Liabilities:				
Warrants payable	\$ 355,061			355,061
Funds held for school organizations:				
Student activity funds			3,038,452	3,038,452
Community education programs			1,609,302	1,609,302
Total liabilities	355,061	0	4,647,754	5,002,815
Fund Balances:				
Restricted	52,107	35,669	0	87,776
Total Liabilities and Fund Balance	\$ 407,168	35,669	4,647,754	5,090,591

JENKS INDEPENDENT SCHOOL DISTRICT NO. I-5, TULSA COUNTY
 COMBINING STATEMENT OF REVENUES COLLECTED, EXPENDITURES AND CHANGES
 IN CASH FUND BALANCES - ALL EXPENDABLE TRUST FUNDS - REGULATORY BASIS
 FOR THE YEAR ENDED JUNE 30, 2018

	EXPENDABLE TRUST FUNDS			
	GIFTS FUND	WORKERS COMP. FUND	ARBITRAGE FUND	TOTAL
Revenues Collected:				
Local sources	\$ 525,897	643,489		1,169,386
Interest earnings			153	153
Total revenues collected	<u>525,897</u>	<u>643,489</u>	<u>153</u>	<u>1,169,539</u>
Expenditures:				
Instruction	473,790			473,790
Support services		342,838		342,838
Other uses (worker's comp claims)		127,533		127,533
Total expenditures	<u>473,790</u>	<u>470,371</u>	<u>0</u>	<u>944,161</u>
Excess of revenues collected over (under) expenditures before other financing sources (uses)	52,107	173,118	153	225,378
Other financing sources (uses):				
Transfers in (out)	<u>0</u>	<u>(173,118)</u>	<u>0</u>	<u>(173,118)</u>
Excess of revenues collected over (under) expenditures	52,107	0	153	52,260
Cash fund balances, beginning of year	<u>0</u>	<u>0</u>	<u>35,516</u>	<u>35,516</u>
Cash fund balances, end of year	<u>\$ 52,107</u>	<u>0</u>	<u>35,669</u>	<u>87,776</u>

JENKS INDEPENDENT SCHOOL DISTRICT NO. I-5, TULSA COUNTY
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
 AGENCY FUNDS - REGULATORY BASIS
 FOR THE YEAR ENDED JUNE 30, 2018

	BALANCE 7-01-17	ADDITIONS	NET TRANSFERS	DEDUCTIONS	BALANCE 6-30-18
ASSETS					
Cash & Investments	\$ 4,499,932	9,785,687	0	9,637,865	4,647,754
LIABILITIES					
Funds held for school organizations:					
Student Activity Funds:					
Administration:					
Coca-Cola Exclusivity	\$ 338,116	43,588	(42,672)	76,138	262,895
Vending Commission	5,809	13,770	0	0	19,578
Administrative Vending	280	0	2,274	2,469	85
Maintenance Vending	1,530	0	466	1,184	812
Transportation Vending	2,703	100	1,259	729	3,333
Employee Insurance	572	18,506	0	19,053	24
Student Assistance	8,599	2,297	0	14	10,882
Pom & Cheer Mem. Scholarship	113	0	(113)	0	0
JPS Health & Fitness	44,017	8,415	(15,000)	0	37,432
ESY	85	0	0	33	52
Employee Recognition	4,572	7,895	23,000	33,279	2,187
Staff Development	1,311	492	268	279	1,791
RCK Account	15,952	9,610	(12,665)	745	12,152
Jenks/Union Elem. Writers	4,399	75	75	589	3,960
Print Shop	10,238	25,195	(11,197)	15,028	9,208
H.S. Parking	30,230	47,125	(30,000)	17,829	29,526
Orchestra Maintenance	17,766	13,037	635	3,113	28,325
S.S.A.F.E	483	7,493	(18)	6,480	1,477
Chromebook Insurance	229,160	144,541	(49,970)	79,362	244,369
Administrative Hospitality	370	780	(25)	1,080	45
General Properties	0	52,162	507,519	559,681	0
Activiy Interest Account	12,651	35,537	0	0	48,188
Sub-total	\$ 728,956	430,616	373,835	817,084	716,323
Athletics:					
Athletics	\$ 204,034	390,189	18,804	419,305	193,721
Summer Athletics	189,808	131,335	(73,400)	38,744	208,999
Vending Commission	3,048	0	0	0	3,048
Pom Concessions	1,012	35,148	(19,459)	15,700	1,002
Wrestling Booster Club	8,243	20,033	0	15,895	12,381
Football Booster Club	141,369	154,857	(57,962)	99,111	139,152
Basketball Booster Club	19,727	79,819	(19,025)	46,273	34,248
Pom General Fund	38,703	53,540	39,248	96,398	35,094
JV Pom Booster Club	8,855	64,812	(9,897)	46,028	17,742
Summer Baseball	32,663	30,329	(9,490)	16,840	36,662
8th Grade Pom	12,663	54,154	(28,115)	34,891	3,810
Cross Country Booster Club	17,257	6,735	0	8,703	15,289
HS Baseball Booster Club	38,034	89,011	(12,022)	62,812	52,211
Girls Softball Booster Club	19,524	19,534	20	22,078	17,001

JENKS INDEPENDENT SCHOOL DISTRICT NO. 1-5, TULSA COUNTY
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
 AGENCY FUNDS - REGULATORY BASIS
 FOR THE YEAR ENDED JUNE 30, 2018

	BALANCE 7-01-17	ADDITIONS	NET TRANSFERS	DEDUCTIONS	BALANCE 6-30-18
Athletics: (cont'd)					
Track Booster Club	\$ 7,862	16,165	(1,763)	16,330	5,935
JHS Cheerleader Booster Club	26,980	87,961	(46,974)	41,790	26,177
Boys Soccer Booster Club	12,773	37,604	(1,400)	39,922	9,055
Girls Soccer Booster Club	10,410	27,014	(942)	21,239	15,243
Freshman Pom	8,554	71,916	(26,329)	40,064	14,078
Swim Booster Club	40,977	45,227	684	42,366	44,521
Jenks Tennis Booster Club	20,537	17,582	(4,940)	20,586	12,593
Athletic Training Booster Club	19,612	15,000	(7,500)	7,732	19,380
Girls Golf Booster Club	11,774	17,054	(18)	16,441	12,369
Volleyball Booster Club	19,124	26,615	(200)	34,920	10,620
Jenks Cheer General Fund	19,604	82,469	19,143	90,649	30,567
Boys Golf Booster Club	10,230	10,575	(18)	17,775	3,011
Varsity Pom Booster Club	12,125	95,291	(2,651)	92,844	11,920
Sub-total	\$ 955,502	1,679,967	(244,207)	1,405,435	985,827
East Elementary:					
Vending Commission	\$ 1,318	0	324	45	1,597
General Administrative	58,071	48,103	(4,480)	54,185	47,509
School Store	1,428	1,001	0	590	1,839
Rentie Grove	2,058	0	0	0	2,058
Playground Development	22,061	0	0	0	22,061
Sub-total	\$ 84,936	49,104	(4,156)	54,820	75,064
Southeast Elementary:					
Vending Commission	\$ 451	0	211	0	662
General Administrative	16,739	44,266	(650)	30,048	30,306
Sub-total	\$ 17,190	44,266	(439)	30,048	30,968
West Elementary:					
General Administrative	\$ 86,955	55,932	36,305	70,158	109,034
PTAG	104,341	131,419	(38,197)	116,763	80,801
Sub-total	\$ 191,296	187,352	(1,892)	186,921	189,835
Northwest Elementary:					
General Administrative	\$ 10,000	6,510	4,501	15,682	5,329
PTAG	14,750	77,973	(3,210)	61,061	28,451
Sub-total	\$ 24,750	84,483	1,291	76,743	33,780
East Intermediate:					
Vending Commission	\$ 1,730	0	66	0	1,796
PTAG	52,142	51,956	(16,295)	31,114	56,689
General Administrative	59,704	146,400	1,696	133,891	73,910
Sub-total	\$ 113,576	198,356	(14,533)	165,005	132,394
West Intermediate:					
Vending Commission	\$ 2,845	0	225	0	3,069
PTAG	30,916	78,797	(10,248)	60,025	39,440
General Administrative	66,235	41,275	10,526	47,025	71,011
West Environmental School	19,671	41,115	(959)	36,835	22,991
Sub-total	\$ 119,666	161,188	(457)	143,885	136,512

JENKS INDEPENDENT SCHOOL DISTRICT NO. 1-5, TULSA COUNTY
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
 AGENCY FUNDS - REGULATORY BASIS
 FOR THE YEAR ENDED JUNE 30, 2018

	BALANCE 7-01-17	ADDITIONS	NET TRANSFERS	DEDUCTIONS	BALANCE 6-30-18
Jenks Middle School:					
Vocal Music	\$ 3,552	25,803	(742)	23,160	5,454
JMS Global	695	142,029	166	142,256	634
Spanish NJHS	401	0	0	293	108
Leadership	2,511	13,257	0	13,111	2,657
JMS Band	18,129	34,482	1,369	34,152	19,827
JMS Drama	195	6,259	28	5,243	1,239
NJHS	2,734	7,678	0	9,152	1,261
JMS Art	9,905	6,659	119	7,045	9,638
JMS STEM	11,169	5,899	(989)	12,884	3,194
Library	2,493	13,460	(73)	10,810	5,070
General Administrative	73,071	75,796	(10,241)	45,772	92,854
Publications	5,276	19,561	(7,205)	14,062	3,570
Sub-total	<u>\$ 130,129</u>	<u>350,884</u>	<u>(17,568)</u>	<u>317,938</u>	<u>145,507</u>
Freshman Academy:					
Vending Commission	\$ 4,330	0	4,051	4,207	4,173
FA Habitat Space	386	0	0	0	386
Freshman Class	30	2,250	(1,174)	1,106	0
General Administrative	36,297	33,193	(7,217)	45,389	16,884
Sub-total	<u>\$ 41,042</u>	<u>35,443</u>	<u>(4,340)</u>	<u>50,702</u>	<u>21,443</u>
High School:					
Vending commission	\$ 9,906	37	8,691	13,365	5,269
Band Vending Commission	71	0	0	0	71
Vocal Music - Musical	15,827	53,584	1,770	60,450	10,731
Work Adjustment Training	9,065	0	0	0	9,065
US First	8,971	26,556	15	17,632	17,911
Earl Pregler Memorial Scholarship	80	0	(80)	0	0
Academic Team	1,169	0	0	225	944
FFA Alumni	73	0	0	0	73
Vocal Music Booster Club	42,051	24,513	15,128	52,781	28,911
Engineering Club	664	0	0	0	664
Trojan Leadership Conference	266	4,300	0	4,115	451
Trojan Torch	137	321	0	289	169
Science Olympiad	608	1,273	357	886	1,352
Class of 2013 Reunion	5,000	0	0	0	5,000
Jenks HS AVID	5	3,056	0	2,951	110
FCA	3,700	0	1,000	506	4,193
China Cultural Exchange	18,997	19,000	0	31,145	6,852
Basketball Spirit Committee	743	0	0	0	743
Odyssey of the Mind	2,092	5,501	0	6,101	1,492
SWAT	75	0	0	0	75
JHS PTAG	10,092	23,103	(18,385)	4,632	10,178
JHS PTAG Care & Concern	1,771	2,350	0	3,312	809
SuperFans	317	820	525	1,128	535
French club	501	1,218	0	1,562	157
Ted Westhusing memorial	2,926	0	74	1,000	2,000
Club Earth	2,210	0	(525)	292	1,394
Latin club	1,963	3,384	0	4,089	1,258
I can work program	1,442	526	25	905	1,087
Band	8,524	1,932	2,446	7,213	5,689

JENKS INDEPENDENT SCHOOL DISTRICT NO. 1-5, TULSA COUNTY
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
 AGENCY FUNDS - REGULATORY BASIS
 FOR THE YEAR ENDED JUNE 30, 2018

	BALANCE 7-01-17	ADDITIONS	NET TRANSFERS	DEDUCTIONS	BALANCE 6-30-18
High School: (cont'd)					
Special Olympics	\$ 2,174	3,119	1,180	4,755	1,719
Fashion Club	371	0	0	0	371
Mu Alpha Theta	704	365	(279)	285	505
Class of 2010 Reunion	2,507	0	0	0	2,507
Chinese Club	1,856	2,820	0	1,100	3,576
Yearbook	18,142	67,870	1,749	57,634	30,128
Orchestra Parents Club	24,518	40,752	89	46,984	18,375
Art Club	2,459	8,252	0	5,698	5,013
Trojan Link	528	765	0	865	428
Class of 2012 Reunion	1,001	0	0	0	1,001
Diamond Dolls	12	0	(12)	0	0
DECA	14,925	44,575	297	45,940	13,857
FFA	4,402	102,772	(77)	97,761	9,337
Classroom Volunteers	385	0	0	130	255
German Club	298	2,489	0	2,340	447
History Club	340	1,308	0	1,030	618
Junior Class	5,750	14,627	(15,272)	2,923	2,182
Key Club	6,988	19,279	(15)	20,936	5,316
Math Club	654	5,460	185	3,538	2,761
Competitive Speech/Debate	2,944	8,697	2,592	13,788	445
National Honor Society	2,395	2,765	0	3,837	1,323
Senior Class	7,846	34,631	21,700	38,717	25,459
Pre-Med Society	8,856	3,235	44	1,786	10,348
Spanish Club	244	940	0	1,064	120
Sophomore Class	4,207	4,133	(5,280)	1,986	1,074
Class of 2011 Reunion	2,506	0	0	0	2,506
HS Football Spirit Committee	910	0	0	0	910
Student Council	18,016	37,370	(531)	36,485	18,370
Drama Club	15,759	51,321	1,689	51,028	17,741
FCCLA	657	13,668	0	12,868	1,458
Judy & J Sanders Scholarship Fund	20,601	0	0	2,000	18,601
General Administrative	16,709	85,513	(33,449)	56,276	12,497
PAC - Student Support Service	15	0	(15)	0	0
Library	9,319	9,026	(297)	8,533	9,515
Class of 2008 Reunion	2,025	0	0	2,000	25
Native American Club	1,196	2,964	0	2,688	1,473
Forensics Booster Club	5,726	3,630	(359)	7,313	1,685
Vocal Music	34,530	279,647	(11,000)	283,200	19,978
JHS Multicultural Club	1,168	1,713	0	2,550	332
STEM	3,978	5,605	817	2,419	7,981
Spanish Honor Society	930	4,228	0	3,983	1,175
HS graduation party	16,116	37,108	2,500	42,130	13,594
Class of 2014 Reunion	1,000	0	0	0	1,000
American Sign Language	1,953	4,627	(27)	4,660	1,894
Jenks Band Parents Concessions	32,804	84,167	(62,381)	34,145	20,445
TV Studio	6,014	1,993	0	97	7,910
Jenks Band Parents	115,979	615,294	(4,347)	583,936	142,990
Art Honor Society	2,089	691	(9)	0	2,771
Sub-total	<u>\$ 573,753</u>	<u>1,778,895</u>	<u>(89,468)</u>	<u>1,703,984</u>	<u>559,196</u>

JENKS INDEPENDENT SCHOOL DISTRICT NO. 1-5, TULSA COUNTY
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
 AGENCY FUNDS - REGULATORY BASIS
 FOR THE YEAR ENDED JUNE 30, 2018

	BALANCE 7-01-17	ADDITIONS	NET TRANSFERS	DEDUCTIONS	BALANCE 6-30-18
Alternative Center:					
Alternative Center Student Account	\$ 12,641	10,384	727	15,562	8,190
Vending Commission	4,239	0	1,207	2,034	3,412
Sub-total	<u>\$ 16,880</u>	<u>10,384</u>	<u>1,933</u>	<u>17,595</u>	<u>11,603</u>
 Total Activity Funds	 <u>\$ 2,997,676</u>	 <u>5,010,936</u>	 <u>0</u>	 <u>4,970,160</u>	 <u>3,038,452</u>
 Community Education	 <u>\$ 1,502,256</u>	 <u>4,774,751</u>	 <u>0</u>	 <u>4,667,705</u>	 <u>1,609,302</u>
 Total Liabilities	 <u><u>\$ 4,499,932</u></u>	 <u><u>9,785,687</u></u>	 <u><u>0</u></u>	 <u><u>9,637,865</u></u>	 <u><u>4,647,754</u></u>

JENKS INDEPENDENT SCHOOL DISTRICT NO. 1-5, TULSA COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2018

<u>Federal Grantor / Pass Through Grantor / Program Title</u>	<u>CFDA Number</u>	<u>Federal Grantor's/ Pass-through No.</u>	<u>Program or Award Amount</u>	<u>Balance at 7/1/17</u>	<u>Revenue Collected</u>	<u>Total Expenditures</u>	<u>Balance at 6/30/18</u>
<u>U.S. Department of Education :</u>							
<u>Direct Programs:</u>							
Indian Education	84.060	S060A170815	\$ 153,127		116,320	153,127	36,807
Indian Education - Note 1	84.060			39,737	39,737		
Sub Total			153,127	39,737	156,057	153,127	36,807
<u>Passed Through State Department of Education:</u>							
<u>*Title I Programs:</u>							
Title I	84.010	S010A170036	1,307,371		821,316	1,158,678	337,362
Title I - Note 1	84.010			207,015	207,015		
Title I School Improvement	84.010	S010A170036	30,100		13,438	13,438	
Title I School Improvement - Note 1	84.010			339	339		
<u>Special Education Programs:</u>							
IDEA-B Flowthrough	84.027	H027A170051	2,201,391		1,679,742	2,076,507	396,765
IDEA-B Flowthrough - Note 1	84.027			386,893	386,893		
IDEA-B Professional Development	84.027		8,265		3,559	6,918	3,359
IDEA-B Professional Development	84.027		32,992		16,625	17,926	1,301
IDEA-B Private Schools	84.027	H027A170051	92,867		60,219	75,723	15,504
IDEA-B Private Schools - Note 1	84.027			21,310	21,310		
IDEA-B, Discretionary - Note 1	84.027			609	609		
IDEA-B Preschool	84.173	H027A170051	43,558		26,200	33,054	6,855
IDEA-B Preschool - Note 1	84.173			8,517	8,517		
IDEA-B Preschool - Private Schools	84.173	H027A170051	1,861		1,376	1,743	367
IDEA-B Preschool - Private Schools - Note 1	84.173			423	423		
Title II Part A	84.367	S367A170035	291,017		186,499	242,530	56,031
Title II Part A - Note 1	84.367			18,380	18,380		
Title III Emergency Immigrant	84.365	S365A170036	141,099		40,591	104,726	64,136
Title III Emergency Immigrant - Note 1	84.365			55,874	55,874		
Title III Part A English Language	84.365	S365A170036	166,728		98,258	119,508	21,250
Title III Part A - Note 1	84.365			14,094	14,094		
Sub Total			4,317,248	713,454	3,661,275	3,850,751	902,929
<u>Passed Through State Department of Career and Technology Education:</u>							
Carl Perkins Grant	84.048		65,119		358	58,060	57,703
Carl Perkins Grant - Supplemental	84.048		19,000		8,457	16,709	8,252
Carl Perkins Grant - Note 1	84.048			35,055	35,055		
Sub Total			84,119	35,055	43,869	74,769	65,955
<u>U.S. Department of Agriculture:</u>							
<u>Passed Through State Department of Education:</u>							
<u>*Child Nutrition Programs:</u>							
School Breakfast Program	10.553				372,201	372,201	
National School Lunch Program	10.555				1,974,533	1,974,533	
Summer Food Program	10.559					22,654	
Sub Total					2,346,734	2,369,387	
<u>Passed Through Department of Human Services:</u>							
<u>*Non-cash Assistance - Commodities - Note 4</u>							
National School Lunch Program	10.555				336,400	336,400	

JENKS INDEPENDENT SCHOOL DISTRICT NO. 1-5, TULSA COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2018

<u>Federal Grantor / Pass Through Grantor / Program Title</u>	<u>CFDA Number</u>	<u>Federal Grantor's/ Pass-through No.</u>	<u>Program or Award Amount</u>	<u>Balance at 7/1/17</u>	<u>Revenue Collected</u>	<u>Total Expenditures</u>	<u>Balance at 6/30/18</u>
<u>Other Federal Assistance:</u>							
Johnson O'Malley	15.130		\$ 49,320		8,825	32,821	23,996
Johnson O'Malley - Note 1	15.130			2,653	2,653		
Johnson O'Malley Carryover	15.130		37,921		37,921	37,921	
Malcom Baldrige Grant - Note 1	11.609			1,655	1,655		
Flood Control	12.112				49		
Sub Total			<u>87,241</u>	<u>4,308</u>	<u>51,103</u>	<u>70,742</u>	<u>23,996</u>
Total Federal Assistance			<u>\$ 4,641,735</u>	<u>792,553</u>	<u>6,595,439</u>	<u>6,855,177</u>	<u>1,029,687</u>

Note 1 - These amounts represent reimbursements for prior year expenditures which were not received until the current fiscal year.

Note 2 - Basis of Presentation - The accompanying schedule of expenditures of federal awards includes the federal activity of the District for the year ended June 30, 2018. This information is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the District, it is not intended and does not present the financial position, changes in net position, or cash flows of the District.

Note 3 - Summary of Significant Accounting Policies - Expenditures reported on this schedule are reported on the regulatory basis of accounting consistent with the preparation of the combined financial statements except as noted in Note 4. Expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The District has elected not to use the 10 percent de minimus indirect cost rate allowed under the Uniform Guidance.

Note 4 - Non-Monetary Assistance - Commodities received by the District in the amount of \$336,400 were of a non-monetary nature and therefore the total revenue does not agree with the financial statements

* Major programs



SANDERS, BLEDSOE & HEWETT

CERTIFIED PUBLIC ACCOUNTANTS, LLP

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*

The Honorable Board of Education
Jenks School District Number I-5
Jenks, Tulsa 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 within the combined financial statements of the Jenks School District Number I-5, Jenks, Tulsa County, Oklahoma (District), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated January 8, 2019, which was adverse with respect to the presentation of the financial statements in conformity with accounting principles generally accepted in the 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 unmodified with respect to the presentation of financial statement 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 of the financial statements, 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 District's internal control. Accordingly, we do not express an opinion on the effectiveness of 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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether 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, non-compliance 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.



Sanders, Bledsoe & Hewett
Certified Public Accountants, LLP

January 8, 2019



SANDERS, BLEDSOE & HEWETT

CERTIFIED PUBLIC ACCOUNTANTS, LLP

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

The Honorable Board of Education
Jenks School District Number I-5
Jenks, Tulsa County, Oklahoma

Report on Compliance for Each Major Federal Program

We have audited Jenks School District Number I-5, Jenks, Tulsa County, Oklahoma (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, 2018. 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 the requirements of laws, regulations, contracts, and grants 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 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, 2018.

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 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 internal control over compliance was 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.



Sanders, Bledsoe & Hewett
Certified Public Accountants, LLP

January 8, 2019

JENKS INDEPENDENT SCHOOL DISTRICT NO. I-5, TULSA COUNTY
DISPOSITION OF PRIOR YEAR'S SIGNIFICANT DEFICIENCIES AND
MATERIAL INSTANCES OF NON-COMPLIANCE
JUNE 30, 2018

There were no prior year significant deficiencies.

JENKS INDEPENDENT SCHOOL DISTRICT NO. I-5, TULSA COUNTY
SCHEDULE OF FINDINGS AND RESPONSES
JUNE 30, 2018

Section 1 – Summary of Auditor’s Results:

1. An adverse opinion was issued on the combined financial statements in conformity with generally accepted accounting principles, and an unmodified opinion was issued with respect to the presentation of financial statement on the regulatory basis of accounting authorized by the Oklahoma State Board of Education.
2. The audit disclosed no significant deficiencies in the internal controls.
3. The audit disclosed no instances of noncompliance with state laws and regulations.
4. The audit disclosed no significant deficiencies in the internal controls over major programs.
5. An unmodified opinion report was issued on the compliance of major programs.
6. The audit disclosed no findings that were required to be reported under Uniform Guidance.
7. Programs determined to be major are the Child Nutrition Programs (10.553, 10.555, 10.559), which were clustered in determination, and the Title I Programs (84.010), which was not clustered.
8. The dollar threshold used to determine between Type A and Type B programs was \$750,000.
9. The auditee was determined not to be a low-risk auditee.

Section 2 – Findings relating to the financial statements required to be reported in accordance with GAGAS:

NONE

Section 3 – Findings and questioned costs for federal awards:

NONE

JENKS INDEPENDENT SCHOOL DISTRICT NO. I-5, TULSA COUNTY
STATEMENT OF STATUTORY, FIDELITY AND HONESTY BONDS
FOR THE YEAR ENDED JUNE 30, 2018

BONDING COMPANY	POSITION COVERED	BOND NUMBER	COVERAGE AMOUNT	EFFECTIVE DATES
RLI Indemnity Company	CFO/Treasurer	LSM0477915	\$ 300,000	1/28/18 - 1/28/19
RLI Indemnity Company	Superintendent	LSM0623643	300,000	7/1/17-7/1/18
RLI Indemnity Company	Assistant Treasurer	LSM0623617	300,000	7/18/17 - 7/18/18
RLI Indemnity Company	Minutes/Board Clerk	LSM0902571	10,000	7/1/17 - 7/1/18
RLI Indemnity Company	Deputy Minutes/Board Clerk	LSM0741686	10,000	5/13/18 - 5/13/19
RLI Indemnity Company	Encumbrance Clerk	LSM0902572	10,000	7/1/17 - 7/1/18
RLI Indemnity Company	Blanket Public Official Position Bond:	LSM0638136	272,000	7/1/17 - 7/1/18
	Activity Fund Custodian			
	Asst Dir of Child Nutrition			
	Activity Fund Courier			
	Teller Community Ed			
	Child Nutrition Clk/Enc Clk			
	Cafeteria Site Managers			
	Child Nutrition Director			
	Activity Fund Clerk			
	Cafeteria Mang Level 2			

JENKS INDEPENDENT SCHOOL DISTRICT NO. I-5, TULSA COUNTY
SCHEDULE OF ACCOUNTANT'S PROFESSIONAL LIABILITY INSURANCE
AFFIDAVIT
JULY 1, 2017 TO JUNE 30, 2018

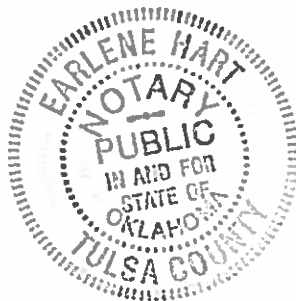
State of Oklahoma)
) ss
County of Tulsa)

The undersigned auditing firm of lawful ages, being first duly sworn on oath says that said firm had in full force and effect Accountant's Professional Liability Insurance in accordance with the "Oklahoma Public School Audit Law" at the time of audit contract and during the entire audit engagement with Jenks Public Schools for the audit year 2017-18.

Sanders, Bledsoe & Hewett
Certified Public Accountants, LLP
Auditing Firm

By 
Authorized Agent

Subscribed and sworn to before me
This 8th day of January 2019




Notary Public (or Clerk or Judge)

My Commission Expires: 5/19/2020
Commission No. 00008621



SANDERS, BLEDSOE & HEWETT
CERTIFIED PUBLIC ACCOUNTANTS, LLP

Stephen H. Sanders, CPA
Eric M. Bledsoe, CPA
Jeffrey D. Hewett, CPA

P.O. BOX 1310 • 101 N. MAIN ST. • BROKEN ARROW, OK 74013 • (918) 449-9991 • (800) 522-3831 • FAX (918) 449-9779

January 8, 2019

Mr. Cody Way,
Chief Financial Officer
Jenks Public Schools
205 East B Street
Jenks, Oklahoma 74037-3906

Dear Mr. Way:

Listed below are the audit exceptions and recommendations from the final audit work we performed for you. These items are referred to in your audit report. Please review them very carefully, along with the review copy of your audit report. If you have questions or desire additional information, please call us so that any discrepancies may be resolved.

No Audit Exceptions

We take this opportunity to thank you and your professional staff for the outstanding cooperation and invaluable assistance you gave us during our recent onsite audit work.

Sincerely,

Eric M. Bledsoe

For

Sanders, Bledsoe & Hewett
Certified Public Accountants, LLP