

NEW ISSUE
QUALIFIED TAX-EXEMPT OBLIGATIONS

NON-RATED

In the opinion of Bond Counsel, the interest on the Bonds is, under existing law and regulations, exempt from all present federal income taxes, assuming continuing compliance by the Authority with covenants to meet the requirements of the Internal Revenue Code of 1986, as amended, except that certain corporations may be subject to a minimum tax determined by including the interest on the Bonds as income in computing such tax. The Series 2019 Bonds have been designated by the Authority as "qualified tax-exempt obligations" within the meaning of Section 265(b) of the Internal Revenue Code of 1986, as amended. Additionally, in the opinion of Bond Counsel, the interest on the Bonds is exempt from present State of Oklahoma income taxes.

\$1,700,000*

MCINTOSH COUNTY PUBLIC FACILITIES AUTHORITY
(Eufaula, Oklahoma)
Sales Tax Revenue Refunding Bonds, Series 2019

Dated: Date of Delivery

Due: November 1 & May 1 (as shown on inside cover)

McIntosh County Public Facilities Authority Sales Tax Revenue Refunding Bonds, Series 2019 (the "Bonds") are being issued by McIntosh County Public Facilities Authority, a public trust created and existing under the laws of the State of Oklahoma, particularly but not exclusively Title 60, Oklahoma Statutes 2001, Sections 175.1 et. seq., as amended (the "Oklahoma Trust Act") and other applicable statutes of the State of Oklahoma by which laws the Trustees of the Authority are designated as an agency of the State of Oklahoma and regularly constituted authority of the Beneficiary, McIntosh County, Oklahoma (the "County"). The Bonds are not a debt of McIntosh County, nor of the State of Oklahoma, nor personal obligations of the Trustees of the Authority but are limited and special obligations payable solely out of revenues pledged for their payment as outlined in the paragraph entitled "Security". **THE AUTHORITY HAS NO TAXING POWER.**

The Bonds will be issued and registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), to which all payments of principal and interest will be made. Purchasers will acquire beneficial interests in the Bonds in principal amounts of \$5,000 and integral multiples thereof by book-entry only. Purchasers of the Bonds will not receive physical delivery of bond certificates. The Bonds will not be transferable or exchangeable except for transfers to another nominee of DTC or otherwise as described herein.

Semi-annual principal and interest is payable November 1 and May 1 with first principal and interest payment beginning November 1, 2019. BOKF, NA, Oklahoma City, Oklahoma (the "Trustee"), is the Trustee and Registrar for the issue. The Bonds will be fully registered only. Interest is payable by check or draft mailed by the Trustee on the interest payment date to the registered owners thereof as of the respective Record Date for such payment. Principal is payable upon surrender of the Bond at maturity to the Registrar at its principal corporate trust office in Oklahoma City, Oklahoma.

The Bonds and the interest thereon do not constitute an indebtedness, liability, general or moral obligation or a loan of the full faith and credit of, or a charge against the County or the State of Oklahoma (the "State"), or any political subdivision thereof within the meaning of the constitution or any statutes of the State and shall never constitute or give rise to a pecuniary liability or a charge against their general credit. No owner of any Bond shall have the right to compel any exercise of the taxing power of the County or the State to pay the Bonds or interest thereon. THE AUTHORITY HAS NO TAXING POWER. Neither the County nor the State nor any political subdivision thereof shall be obligated to pay the principal of the Bonds or interest thereon or other costs incidental thereto. The Bonds are special limited obligations of the Authority.

The Bonds are not subject to optional redemption prior to maturity. The Bonds are subject to mandatory sinking fund redemption prior to final maturity as outlined in the paragraph entitled "Redemption Provisions".

The Bonds are offered when, as and if issued and received by the Underwriter, subject to prior sale, to withdrawal or modifications of the offer without any notice, and to the approval of legality of the Bonds by Floyd Law Firm, P.C., Norman, Oklahoma, Bond Counsel. Certain legal matters will be passed upon for the Underwriter by its counsel Johanning & Byrom, PLLC, Oklahoma City, Oklahoma. Certain legal matters will be passed upon for the Authority by its counsel Kay Robbins Wall, Attorney at Law, Eufaula, Oklahoma. It is expected that the Bonds will be available for delivery to the original purchaser through DTC in New York City, New York, on or about July 16, 2019.

WELLSNELSON&ASSOCIATES

**Preliminary, subject to change.*

\$1,700,000*
MCINTOSH COUNTY PUBLIC FACILITIES AUTHORITY
(Eufaula, Oklahoma)
Sales Tax Revenue Refunding Bonds, Series 2019

Dated: Date of Delivery

Due: November 1 & May 1, as shown below

MATURITY SCHEDULE

Term Bonds

\$ _____ % Term Bond due 5/01/2022 _____ % CUSIP _____⁽¹⁾

⁽¹⁾CUSIP is a registered trademark of the American Bankers Association. CUSIP numbers were assigned to the Certificates by Standard & Poor's CUSIP Service Bureau, a Standard & Poor's Financial Services business, and are included solely for the convenience of the owners of the Bonds. Neither the City, nor the Underwriter shall be responsible for the selection or correctness of the CUSIP numbers set forth herein.

Redemption: The Bonds are not subject to optional redemption prior to maturity. The Bonds are subject to mandatory sinking fund redemption prior to final maturity as outlined in the paragraph entitled "Redemption Provisions".

**Preliminary, subject to change.*

MCINTOSH COUNTY PUBLIC FACILITIES AUTHORITY

BOARD OF TRUSTEES

Tim Pendley	Chairman
Winfred Chiles	Vice Chairman
Ernie Moore	Trustee
Randy Burris	Trustee
Kevin Ledbetter	Trustee
Ronda Prince	Secretary

BOND COUNSEL

Floyd Law Firm, P.C.
Attorney at Law
Norman, Oklahoma

AUTHORITY COUNSEL

Kay Robbins Wall
Attorney at Law
Eufaula, Oklahoma

UNDERWRITER'S COUNSEL

Johanning & Byrom, PLLC
Attorney at Law
Oklahoma City, Oklahoma

UNDERWRITER

Wells Nelson & Associates, LLC
Oklahoma City, Oklahoma

TRUSTEE

BOKF, NA
Oklahoma City, Oklahoma

REGARDING USE OF THIS OFFICIAL STATEMENT

The Bonds are offered only by means of this Official Statement. This Official Statement does not constitute an offering of any security other than the Bonds specifically offered hereby. It does not constitute an offer to sell or a solicitation of an offer to buy the Bonds in any state or jurisdiction to any person to whom it is unlawful to make such offer, solicitation or sale, and no dealer, broker, salesman or other person has been authorized to make such unlawful offer, solicitation or sale. No dealer, broker, salesman or other person has been authorized to give any information or to make any representations other than those contained in this Official Statement in connection with the offering of the Bonds and, if given or made, such other information or representations must not be relied upon.

Any statements contained in this Official Statement, including the Appendices hereto, involving matters of opinion, estimates or projections, whether or not expressly so stated, are intended as such and not as representations of fact. Summaries of documents do not purport to be complete or definitive, and all references made to such documents are qualified in their entirety by reference to the complete document. The information contained in this Official Statement, including the cover page and the Appendices hereto, has been obtained from the Authority and other sources which are deemed to be reliable. Such information is subject to change and/or correction without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall create any implication that the information contained herein is complete or accurate in its entirety as of any date after the date hereof. This Official Statement is submitted in connection with the sale of the Bonds and may not be reproduced or used in whole or in part for any other purpose. This Official Statement shall not be construed as a contract or agreement between the Authority and the purchasers or holders of any of the Bonds.

The Underwriter has provided the following sentence for inclusion in this Official Statement. The Underwriter has reviewed the information in this Official Statement in accordance with, and as a part of, its responsibilities under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information and this Official Statement is not to be construed as the promise or guarantee of the Underwriter.

The cover page contains information for quick reference only. It is not a summary of this issue. Investors must read this entire Official Statement to obtain information essential and material to the making of an informed investment decision.

NONE OF THE AUTHORITY, ITS FINANCIAL ADVISOR OR THE UNDERWRITER MAKES ANY REPRESENTATION OR WARRANTY WITH RESPECT TO THE INFORMATION CONTAINED IN THIS OFFICIAL STATEMENT REGARDING THE DEPOSITORY TRUST COMPANY.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICES OF THE BONDS AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

For additional information or copies of this prospectus, contact Tim Pendley, Chairman of Trustees, McIntosh County Public Facilities Authority, 110 N. 1st Street, Eufaula, Oklahoma 74432, or Wells Nelson & Associates, LLC, Two Leadership Square, 211 North Robinson, Suite 1600, Oklahoma City, Oklahoma 73102.

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INTRODUCTION

The following introduction is subject in all respects to more complete information elsewhere in this Official Statement. The order and placement of materials in this Official Statement, including the Appendices, are not to be deemed to be a determination of relevance, materiality or relative importance, and this Official Statement, including the Cover Page and Appendices, must be considered in its entirety.

This Official Statement, including the cover page and Appendices, is being provided by the Trustees of the McIntosh County Public Facilities Authority (the “Authority”), in connection with the issuance of the Authority's \$1,700,000 Sales Tax Revenue Refunding Bonds, Series 2019 (the “Bonds”).

The Bonds are being issued under the provisions of a Bond Indenture (the “Indenture”), dated as of July 1, 2019, by and between the Authority and BOKF, NA, Oklahoma City, Oklahoma, as Trustee and Registrar (the “Trustee”).

THE AUTHORITY

McIntosh County Public Facilities Authority, a public trust, herein called the "Authority", is a statutory instrumentality of McIntosh County, Oklahoma (the "County"), and an agency of the State of Oklahoma (the “State”). The Authority was created under provisions of the Oklahoma Statutes by a Trust Indenture dated April 24, 2006, for the furtherance of public purposes and the benefit of McIntosh County, Oklahoma pursuant to the provisions of Title 60, Oklahoma Statutes 2001, Section 175.1 et seq., as amended (the “Oklahoma Trust Act”) and other applicable statutes and laws of the State of Oklahoma. The Authority is offering as security a first lien upon the Gross Revenues (as hereinafter defined) along with additional security as further described hereinafter in the section entitled “Security” and is empowered by the Trust Indenture to acquire, construct, maintain and operate the Facilities (as hereinafter defined) and borrow money by mortgage, pledge, or other encumbrance of its leasehold interest in the Facilities or its revenues including the issuance of bonds or notes. The Authority has the same duration as the County, or until its purposes shall have been fulfilled, or until it shall have been terminated by mutual agreement and with the consent of the owners of any outstanding indebtedness. The validity of trusts of the nature of the Authority has been approved by the Supreme Court of the State. **THE AUTHORITY HAS NO TAXING POWER.**

TRUSTEES AND OFFICERS

The Trustees of the Authority consist of five (5) persons as follows: the current Chairman of the Board of County Commissioners (the “Board”) of the County, the current sheriff of the County or his/her designee, and three (3) residents of the County, none of whom are elected officials, with one such person nominated to serve by each of the current County Commissioners of the County.

The Trustees of the Authority consist of the following individuals:

Tim Pendley	Chairman
Winfred Chiles	Vice Chairman
Ernie Moore	Trustee
Randy Burris	Trustee
Kevin Ledbetter	Trustee

PURPOSE OF ISSUE

The Bonds will be issued for the purpose of providing funds to currently refund the Authority's outstanding McIntosh County Public Facilities Authority Sale Tax Revenue Note-Bank Qualified (County Capital Improvement Projects) Series 2006 (the "Refunded Bonds") and pay all costs of issuance.

SOURCES AND APPLICATION OF PROCEEDS

Bond Proceeds	\$	Payoff 2006 Bank Note	\$
Prior Reserve Fund		Costs of Issuance ⁽¹⁾	
Equity Contribution		Underwriter Discount	
Total Sources:	\$=====	Total Application:	\$=====

⁽¹⁾ Cost of issuance includes legal fees, printing, trustee and other costs involving the issuance of the Bonds.

THE FACILITIES

The facilities shall include the Authority's interest in the land and buildings, fixtures, property and improvements presently or hereafter located thereon which are under the possession, management or control of the Authority, including the building constructed for use by the McIntosh County Public Facilities Authority, Eufaula, Oklahoma (the "Facilities").

PLAN OF FINANCE

The County began levying a one-half cent ($\frac{1}{2}\%$) sales tax pursuant to the proposition approved by the electorate on May 9, 2006 (the "Sales Tax Revenues") and pursuant to the Sales Tax Agreement the County has agreed to transfer the Sales Tax Revenues to the Authority, which the Authority has assigned to the Trustee pursuant to the Indenture. The Sales Tax Revenues will be collected until legally expired or repealed by a majority of voters voting at an election in the County. See the section entitled "Certain Risks of Bondholders" which follows. The Sales Tax Revenues and any other funds received by the Authority shall constitute gross revenues of the Authority (the "Gross Revenues") available to pay principal of and interest on the Bonds. The Indenture creates a first lien on the Gross Revenues.

HISTORICAL SALES TAX COLLECTIONS AND DEBT SERVICE COVERAGE

<u>FY</u>	<u>Total 2 Cent Collections</u>	<u>.5 Cent Collections</u>	<u>Increase/ Decrease</u>	<u>Projected Series 2019 Average Annual Debt Service</u>	<u>Projected Coverage</u>
2018/19	\$ 3,988,531	\$ 997,133	4.61%	\$ 768,000	1.30
2017/18	\$ 3,812,774	\$ 953,194	-4.26%	\$ 768,000	1.24
2016/17	\$ 3,982,263	\$ 995,566	8.75%	\$ 768,000	1.30
2015/16	\$ 3,661,695	\$ 915,424	1.43%	\$ 768,000	1.19
2014/15	\$ 3,610,054	\$ 902,514	3.05%	\$ 768,000	1.18
2013/14	\$ 3,503,240	\$ 875,810	N/A	\$ 768,000	1.14

Source: Sales Tax Collections - Oklahoma Tax Commission

SECURITY

The Bonds are secured by a first lien on the ½ of one cent Sales Tax Revenues voted for that purpose, a Sales Tax Agreement, dated as of June 1, 2006, between the County and the Authority, as well as the Facilities Lease and Operating Agreement dated June 1, 2006, whereby the Authority leases the Facility to the County. The Bonds are further secured by a first lien upon the Depository Agreement, the Assignment of Rents and Leases, the Amendment and Assignment of the Series 2006 Sales Tax and Depository Bank Agreements as well as all renewals, improvements and replacements thereof or substitutions therefor; and all proceeds and products thereof, all as defined in the Indenture.

OUTSTANDING DEBT

At the time of issuance, the Authority had no other outstanding indebtedness besides the Bonds.

CERTAIN RISKS OF BONDHOLDERS

BEFORE PURCHASING ANY OF THE BONDS, PROSPECTIVE INVESTORS AND THEIR PROFESSIONAL ADVISORS SHOULD CAREFULLY CONSIDER ALL POSSIBLE FACTORS WHICH MAY AFFECT THE OPERATIONS, REVENUES AND THE COLLECTION OF THE SALES TAX REVENUES AND, CONSEQUENTLY, CREATE THE POSSIBILITY THAT THE INTEREST ON THE BONDS MAY NOT BE PAID WHEN DUE OR THAT THE BONDS MAY NOT BE PAID AT MATURITY. THE FOLLOWING RISK FACTORS--WHICH ARE NOT INTENDED TO BE AN EXHAUSTIVE LISTING OF ALL POSSIBLE RISKS ASSOCIATED WITH AN

INVESTMENT IN THE BONDS--MUST BE CONSIDERED PRIOR TO PURCHASING THE BONDS, MOREOVER, THE ORDER OF PRESENTATION OF THE RISKS SUMMARIZED BELOW DOES NOT NECESSARILY REFLECT THE SIGNIFICANCE OF THE RISKS.

Non-appropriation. Notwithstanding anything to the contrary contained in the Indenture, if the County does not appropriate funds for the payment of principal of and interest on the Bonds, the County shall not be obligated to make such payments.

The appropriation of the Sales Tax Revenues is subject to annual renewal, and therefore, may be terminated on an annual basis by the County without any penalty and there is no assurance that the County will continue such appropriation. Accordingly, the likelihood that the County will continue such appropriation through the term of the Bonds is dependent upon certain factors which are beyond the control of the Bondholders, including (a) the continuing need of the County for facilities such as the Facilities, and (b) the ability of the County to generate sufficient funds from the levy of the Sales Tax Revenues to principal of and interest on the Bonds including, but not limited to, a decline in economic conditions within the County.

Liquidation of Security May Not Be Sufficient in the Event of a Default. The Trustee must look primarily to the Sales Tax Revenues to pay and satisfy the Bonds in accordance with their terms. The owners of the Bonds are dependent, in large part, upon the appropriation of the Sales Tax Revenues by the County and the value of the Authority's assets for the payment of the principal of, premium, if any, and interest on the Bonds. In the event the appropriation of Sales Tax Revenues should not be renewed, the owners of the Bonds will have no person or entity to pursue for any deficiency which may exist. The actual value that could be obtained upon a sale of the Facilities may be less than the principal amount of the Bonds outstanding at the time of sale.

Forward-looking Information. This Official Statement contains various forward-looking statements and information that are based on the Authority's beliefs and assumptions, as well as information currently available to Authority. When used in this document, the words "anticipate", "estimate", "believe", "expect" and similar expressions are intended to identify forward-looking statements. Although the Authority believes that the expectations reflected in such forward-looking statements are reasonable, it can give no assurance that such expectations will prove to be correct. Such statements are subject to certain risks, uncertainties and assumptions. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those anticipated, estimated or expected.

BOOK-ENTRY-ONLY SYSTEM

The information in this section concerning The Depository Trust Company ("DTC") and DTC's book-entry-only system has been obtained from DTC, and the Issuer, and its Financial Advisor and the Underwriter take no responsibility for the accuracy thereof.

DTC 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, each in the aggregate principal amount of such maturity, and will be deposited with DTC at the office of the Trustee on behalf of DTC utilizing the DTC FAST system of registration.

DTC, the world's largest securities 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 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (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 is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. 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 Standard & Poor's rating: AA+. 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.

Purchases of 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 Trustee 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 Trustee on behalf of DTC utilizing the DTC FAST system of registration) and their registration in the name of Cede & Co. or such other DTC 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.

Redemption notices shall be sent to DTC. If less than all the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

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 Authority 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).

Redemption proceeds, distributions and dividend 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 Authority or the Paying Agent on the 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 (nor its nominee), the Paying Agent or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions and dividend payments on the Bonds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Authority or the Paying Agent, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will 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 Authority or the Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, Bond certificates are required to be printed and delivered.

The Authority 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.

The Authority, Bond Counsel, the Trustee and the Underwriter cannot and do not give any assurances that the DTC Participants will distribute to the Beneficial Owners of the Bonds: (i) payments of principal of or interest on the Bonds; (ii) certificates representing an ownership interest or other confirmation of Beneficial Ownership interests in the Bonds; or (iii) redemption or other notices sent to DTC or its nominee, as the Registered Owners of the Bonds; or that they will do so on a timely basis or that DTC or its participants will serve and act in the manner described in this Official Statement. The current "Rules" applicable to DTC are on file with the Securities and Exchange Commission and the current "Procedures" of DTC to be followed in dealing with DTC Participants are on file with DTC.

None of the Authority, Bond Counsel, the Financial Advisor, the Trustee or the Underwriter will have any responsibility or obligation to such DTC Participants (Direct or Indirect) or the persons for whom they act as nominees with respect to: (i) the Bonds; (ii) the accuracy of any records maintained by DTC or any DTC Participant; (iii) the payment by any DTC Participant of any amount due to any Beneficial Owner in respect of the principal amount of or interest on the Bonds; (iv) the delivery by any DTC Participant of any notice to any Beneficial Owner which is required or permitted under the terms of the Indenture to be given to Registered Owners; (v) the selection of the Beneficial Owners to receive payment in the event of any partial redemption of the Bonds; or (vi) any consent given or other action taken by DTC as Registered Owner.

In reading this Official Statement, it should be understood that while the Bonds are in the Book-Entry-Only system, references in other sections of this Official Statement to Registered Owner should be read to include the Beneficial Owners of the Bonds, but: (i) all rights of ownership must be exercised through DTC and the Book-Entry-Only system; and (ii) notices that are to be given to Registered Owners by the Authority or the Trustee will be given only to DTC.

THE DEPOSITORY

The Authority is from time to time to designate a bank or banks, preferably in McIntosh County, Oklahoma, which shall act as Depository for McIntosh County Public Facilities Authority Gross Revenue Account and Bond Account, and from which withdrawals are to be made as stipulated in the section "Flow of Funds" which follows.

THE TRUSTEE BANK

BOKF, NA, Oklahoma City, Oklahoma (the "Trustee"), will act as Trustee for the holders of the Bonds, and is to hold the Indenture securing the Bonds, and perform such other duties as have or may be agreed upon and as are outlined briefly in the paragraphs that follow and in full in the Indenture.

THE REGISTRAR

BOKF, NA, Oklahoma City, Oklahoma, will act as Registrar for this issue and will register ownership and transfer of the Bonds on books kept for that purpose and act as paying agent on behalf of the Authority. Interest shall be paid by check or draft mailed by the Registrar to Bondholders of record on the Record Date which is the 15th day of the month next preceding each interest payment date, whether or not such date is a business day. Upon written request and at the risk and expense of a Bondholder of at least \$100,000 in principal amount of Bonds outstanding, payment may be made by wire transfer in immediately available funds to a domestic account designated in writing by such Bondholder at least 30 days prior to any interest payment date.

FLOW OF FUNDS

I. **AUTHORITY REVENUES:** The Depository Bank shall receive daily all money received by the Authority from the County into an account known as McIntosh County Public Facilities Authority Revenue Fund hereby called the "Revenue Fund". The Authority has the sole authority to withdraw money from the Revenue Fund. From the Revenue Fund there is to be paid in the following order:

- A. The sums required for payment of principal of and interest on the Bonds and any bank fees payable are to be deposited in McIntosh County Public Facilities Authority Bond Account, to be held by the Depository but with the sole right of withdrawal from the Bond Fund vested in the Bank.
- B. Payment of costs and expenses of operating and maintaining the Facilities.
- C. To make deposits, if needed, into the Rebate Fund.
- D. The remainder is to be retained and used for any proper purpose of the Authority.

II. **DEBT SERVICE:** From the Bond Fund, the Trustee, shall, not later than five (5) days prior to each interest and principal payment date so long as these Bonds remain outstanding, withdraw therefrom the accumulated sum necessary to make such interest and principal payments on the Bonds and deposit it in the "Sinking Fund" which it holds. The Sinking Fund is to be used by the Trustee for payment of principal of and interest on the Bonds as they mature. The withdrawals are to be made in that amount which will permit payment of principal of and interest on Bonds as they become due.

III. **INVESTMENT OF FUNDS:**

- A. Monies held in the Interest Account and the Principal Account of the Bond Fund shall be invested and reinvested by the Trustee to the fullest extent practicable only in Authorized Investments which mature not later than such times as shall be

necessary to provide monies when needed for payments to be made from the Interest Account and Principal Account of the Bond Fund; provided, however, that the Trustee shall make such investments only in accordance with written instructions received from the Authority; and in the event timely instructions as to investment are not received, then the Trustee shall proceed with investment of such Interest Account or Principal Account of the Bond Fund. Interest earned on investments in the Interest Account and the Principal Account shall be credited to the account wherein earned and utilized to reduce the next payment due.

- B. Monies in the Revenue Fund may be invested and reinvested in Authorized Investments at the written direction of the Authority which mature not later than such times as shall be necessary to provide sufficient monies when needed for payments to be made from such fund, and in any case, monies in the Revenue Fund sufficient to meet the periodic transfers to the Bond Fund shall be available for timely transfer, and, in the event that timely instructions are not received, then the Trustee shall proceed with investment of such Revenue Fund. Interest earned on investments in the Revenue Fund shall be transferred to the Interest Account of the Bond Fund as received.

REDEMPTION PROVISIONS

Except as expressly set forth below, the Bonds are not subject to optional redemption prior to maturity at the option of the Authority.

- A. **Mandatory Sinking Fund Redemption** - except as expressly set forth herein and below, the Bonds are not subject to redemption prior to maturity at the option of the Authority. The Series 2019 Bonds are subject to mandatory sinking fund and redemption and payment prior to maturity on May 1, 2022, and on each May 1 and November 1 thereafter through May 1, 2022, at a redemption price equal to the principal amount thereof plus accrued interest thereon to the redemption date, as follows:

<u>Mandatory Redemption Dates</u>	<u>Principal</u>
November 1, 2019	\$
May 1, 2020	\$
November 1, 2020	\$
May 1, 2021	\$
November 1, 2021	\$
May 1, 2022*	\$

*Scheduled Maturity

- B. **Mandatory Redemption from Excess Sales Tax Revenues** - the bonds are subject to mandatory redemption from excess Sales Tax Revenues in whole, or in part in inverse order of maturity as the Authority determines and by lot within a maturity in \$5,000 denominations, on the next scheduled principal payment date and as further provided in the Indenture.
- C. **Optional Redemption** - the Bonds are not subject to redemption prior to maturity at the option of the Authority.
- D. **Special Redemption** - the Bonds are subject to redemption at the option of the Authority, in whole or in part, at any time, upon (a) the sale of all or part of the Facility or (b) an Event of Default as defined and further provided in the Indenture.
- E. **Extraordinary Optional Redemption** - at the option of and upon the giving of notice by the Authority of its intention to prepay amounts due under the Indenture, the Bonds are subject to redemption prior to maturity as a whole at any time at a redemption price equal to 100% of the principal amount thereof, if any one or more of the following events shall have occurred, as evidenced in each case by the filing of a certificate of an authorized representative of the Authority.

(1) The Facility shall have been damaged or destroyed to such extent that (a) the Facility cannot be reasonably restored within a period of twelve months to the condition thereof immediately preceding such damage or destruction, or (b) the Authority is thereby prevented or likely to be prevented from carrying on its normal operation of the Facility for a period of twelve months from the date of such damage or destruction.

(2) Title to or the temporary use of all or substantially all of the Facility shall have been taken or condemned by a competent authority which taking or condemnation results or is likely to result in the Authority being thereby prevented from carrying on its normal operation of the Facility for a period of twelve months.

(3) As a result of changes in the Constitution of the United States of America or of the State of Oklahoma or as a result of legislative or executive action of the State or any political subdivision thereof or by final decree or judgment of any court of competent redemption after the contest thereof by the Authority in good faith, wherein, (i) the Indenture, the Sales Tax Agreement or the Lease Agreement becomes void or unenforceable or impossible of performance in accordance with the intent and purpose of the parties, or (ii) unreasonable burdens or excessive liabilities are imposed upon the Authority by reason of the operation of the Facility.

(4) If, as a result of any change in the Constitution of the United States of America or of the State of Oklahoma or legislative or administrative action whether State or Federal, or by final judgment in a court of competent jurisdiction after the contest thereof by

the County or the Authority in good faith, wherein the interest on the Bonds shall become includable in the gross income of the holders thereof for federal income tax purposes.

- F. **Notice of Redemption** - Notice of any call for redemption will be given by the Trustee, identifying the Bonds to be redeemed, not less than thirty (30) days prior to the redemption date by notice sent by first-class mail to the Bondholder or Bondholders of the Bond or Bonds to be redeemed, directly to the address shown on the registration books. No further interest will accrue on the principal of any Bonds called for redemption from and after the date fixed for redemption if payment of the redemption price thereof has been duly provided for.

ADDITIONAL BONDS

So long as any of the Bonds herein authorized remain outstanding, the Authority agrees that it shall not issue additional bonds or obligations payable from the Trust Estate, except for those Bonds required to be issued in accordance with the Indenture.

BOND COVENANTS

Pursuant to the Indenture, the Authority has made certain covenants, which include the following:

- A. The Authority covenants and agrees with the Trustee and with the holders of the Bonds and makes provisions which shall be a part of its contract with such holders, to the effect and with the purpose set forth in the Bond Indenture.
- B. The Authority shall duly and punctually pay or cause to be paid the principal of every Bond and the interest thereon at the dates and places and in the manner mentioned in such Bonds according to the true intent and meaning thereof. The Trust Estate is pledged to the payment of the bonds in the manner and to the extent provided in the Bond Indenture.
- C. The Authority shall not create or suffer to be created a lien or charge on a parity with the Bonds on the Trust Estate or any part thereof or upon the revenues therefrom, except the pledge and lien created by this Indenture for the payment of the principal of and interest on the Bonds. The Authority shall not make any payments in lieu of any tax or assessment unless required by law, and shall make no payment to any person, by way of compensation or otherwise, in respect of any tax, assessment or other charge levied on or on account of real property or other assets which are part of the Trust Estate and are owned or leased by the Authority if, by virtue of such ownership or leasehold interest, such real property or other assets shall be exempt from such tax, assessment or other charge.

- D. The Authority shall keep or cause to be kept, proper books of record and account (separate from all other records and accounts) in which complete and correct entries shall be made of its transactions relating to the Trust Estate of any part thereof, and which, together with all other books and papers of the Authority, shall at all reasonable times be subject to the inspection of the Trustee, or the Holder or Holders of any of the Bonds then Outstanding or their representatives duly authorized in writing. The Authority shall cause its books and accounts to be audited each Fiscal Year by a Certified Public Accountant, and within one hundred eighty (180) days (or earlier if available) after the end of each Fiscal Year copies of the reports of such audits so made shall be furnished to the Trustee, and shall send copies hereof to the Auditor and Inspector of the State of Oklahoma and to the County.
- E. At any and all times the Authority shall, so far as it may be authorized by law, pass, make, do, execute, acknowledge and deliver all and every such further indentures, acts, deeds, conveyances, assignments, transfers and assurances as may be necessary or desirable for the better assuring, conveying, granting, assigning and confirming all and singular the rights, revenues and other funds hereby pledged or assigned, or intended so to be, or which the Authority may hereafter become bound to pledge or assign, or as may be reasonable and required to carry out the purposes of the Bond Indenture. The Authority shall at all times, solely from the Trust Estate, to the extent permitted by law, defend, preserve and protect the Trust Estate and the pledge of the revenues and other funds pledged hereunder and all the rights of the Bondholders hereunder against all claims and demands of all persons whomsoever.
- F. The Authority covenants that it will carry, or cause to be carried at the Authority's expense, as long as any bonds are outstanding and to the extent available, insurance against loss covering the property included in the Trust Estate and as may be ordinarily maintained on similar property by prudent operators of property of the size and character of said Trust Estate, with responsible insurers, for the use and benefit of the Trust Estate, as certified to the Trustee, and will repair or replace any such destroyed or damaged property included in the said Trust Estate and apply the available proceeds of any such insurance for such purpose. Said insurance policy or policies shall contain a loss payable clause providing that proceeds of payment under said policy shall be payable to the Authority and to the Trustee, as their respective interests may appear.
- G. The Authority covenants that it will neither make nor direct the Trustee to make any investment or other use of the proceeds of any Series of Bonds issued hereunder that would cause such Series of Bonds to be "arbitrage bonds" as that term is defined in Section 148(a) of the Code, that it will comply with the requirements of the Code and any regulations promulgated thereunder and the Federal Tax Certificate and Arbitrage and Use of Proceeds Certificate and Arbitrage Rebate Agreement incorporated herein throughout the term of such Series of Bonds to maintain for federal income tax purposes the tax-exempt status of all interest paid on the Bonds. The Trustee covenants that in

those instances where it exercises discretion over the investment of funds, it shall not knowingly make any investment inconsistent with the foregoing covenants.

The Authority covenants that it (1) will take, or use its best efforts to require to be taken, all actions that may be required of the Authority or the County for the interest on the Bonds to be and remain not included in gross income for federal income tax purposes, (2) will not take or authorize to be taken any actions within its control that would adversely affect that status under the provisions of the Code, and (3) will timely meet the rebate requirements of the Code, including, but not limited to, payment of any required rebates to the United States of America.

DEFEASANCE

The Indenture shall be defeased if, among other things, there are sufficient monies or direct obligations of the United States of America, fully guaranteed by the United States of America, the principal of and interest on which when due will provide monies, which together with the monies, if any, deposited with the Bank at the same time are sufficient to pay when due the principal or redemption price of and interest due, and to become due, on the Bonds, on and prior to the redemption date or maturity date thereof, as the case may be.

DEFAULTS AND REMEDIES

The Indenture makes the happening or existence of any fact incompatible with its provisions a default including, but not limited to the failure to pay the principal of and interest on the Bonds when due.

All of the customary remedies, including acceleration of maturities, receivership, etc., are made available to the Trustee and to all Bondholders. An additional remedy is also provided which permits the appointment of temporary Trustees in sufficient number to constitute a majority of the Trustees. This device permits continued operation of the properties under control of the Bondholders without endangering the tax-free status of the property or its operation as a governmental agency. All remedies expressly are made concurrent and elective.

LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale of the Bonds are subject to the approval of Floyd Law Firm, P.C., Norman, Oklahoma, Bond Counsel, who will render an opinion in substantially the form attached hereto as Appendix "B". Certain legal matters relating to federal law will be passed upon for the Underwriter by its counsel, Johanning & Byrom, PLLC, Oklahoma City, Oklahoma, and for the Authority by its counsel, Kay Robbins Wall, Attorney at Law, Eufaula, Oklahoma.

CONTINUING DISCLOSURE

The Authority will enter into a Continuing Disclosure Agreement (the "Continuing Disclosure Agreement") for the benefit of the holders and beneficial owners of the Bonds. The Authority is required to observe the Continuing Disclosure Agreement for so long as it remains obligated to advance funds to pay the Bonds. Pursuant to the Continuing Disclosure Agreement, the Authority will be obligated to provide certain updated financial information and timely notice of certain specified events, to the Municipal Securities Rulemaking Board (the "MSRB") through its Electronic Municipal Market Access ("EMMA") system at www.emma.msrb.org. See Appendix E - Continuing Disclosure Agreement.

Annual Reports

The Authority will provide certain updated financial information to the MSRB on an annual basis. The Authority will update and provide this information within six months after the end of each fiscal year. The financial information to be provided may be set forth in full in one or more documents or may be included by specific reference to any document available to the public on the MSRB's Internet Web site or filed with the Securities and Exchange Commission (the "SEC"), as permitted by SEC Rule 15c2-12, as amended (the "Rule"). The updated information will include audited financial statements of the Authority's information. If audited financial statements are not available by the required time, the Authority will provide unaudited financial information of the type described by the required time and audited financial statements when and if the audit report becomes available. Any such financial statements will be prepared in accordance with the accounting principles described in Appendix C or such other accounting principles as the Authority may be required to employ from time to time pursuant to State law or regulation.

The Authority's current fiscal year end is June 30th. If the Authority changes its fiscal year, it will notify the MSRB of the change. Additionally, the Authority will provide their audited financial statements to EMMA no later than 180 days after the end of each fiscal year commencing with the fiscal year ending June 30, 2019.

Notice of Certain Events

The Authority will file with the MSRB notice of any of the following events with respect to the Bonds in a timely manner (and not more than 10 business days after occurrence of the event):

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 IRS of proposed or final determinations of taxability, notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;

7. modifications 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 obligated person;
13. consummation of a merger, consolidation, or acquisition involving an obligated person, or the sale of all or substantially all the assets of the obligated person, other than in the ordinary course of business, the entry of a definitive agreement to undertake such an action or the termination of a definitive agreement relating to such actions, other than pursuant to its terms, if material;
14. appointment of a successor or additional trustee or the change of name of a trustee, if material.
15. incurrence of a financial obligation (as defined in the Rule) of an 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.

For these purposes, any event described in item (12) in the immediately preceding paragraph is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the Authority in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Authority, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Authority.

Availability of Information

In connection with its Continuing Disclosure Agreement entered into with respect to the Bonds, the Authority will file all required information and documentation with the MSRB in electronic format in accordance with MSRB guidelines. Access to such filings will be provided, without charge to the general public, by the MSRB at www.emma.msrb.org.

Limitations and Amendments

The Authority has agreed to update information and to provide notices of material events only as described above. The Authority has not agreed to provide other information that may be

relevant or material to a complete presentation of its financial results of operations, condition, or prospects or agreed to update any information that is provided, except as described above. The Authority makes no representation or warranty concerning such information or concerning its usefulness to a decision to invest in or sell Bonds at any future date. The Authority disclaims any contractual or tort liability for damages resulting in whole or in part from any breach of its Continuing Disclosure Agreement or from any statement made pursuant to its Continuing Disclosure Agreement, although registered owners of Bonds may seek a writ of mandamus to compel the Authority to comply with its Continuing Disclosure Agreement.

The Continuing Disclosure Agreement may be amended by the Authority from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status or type of operations of the Authority, but only if (1) the provisions, as so amended, would have permitted an underwriter to purchase or sell Bonds in the primary offering of the Bonds in compliance with the Rule, taking into account any amendments or interpretations of the Rule since such offering as well as such changed circumstances and (2) either (a) the registered owners of a majority in aggregate principal amount (or any greater amount required by any other provision of the Order that authorizes such an amendment) of the outstanding Bonds consent to such amendment or (b) a person that is unaffiliated with the Authority (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interest of the registered owners and beneficial owners of the Bonds. The Authority may also amend or repeal the provisions of the Continuing Disclosure Agreement if the SEC amends or repeals the applicable provision of the Rule or a court of final jurisdiction enters judgment that such provisions of the Rule are invalid, but only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully purchasing or selling Bonds in the primary offering of the Bonds.

If the Authority amends its Continuing Disclosure Agreement, it must include with the next financial information and operating date provided in accordance with its Continuing Disclosure Agreement described above under "Annual Reports" an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of information and data provided.

Compliance with Prior Undertakings

The Authority has not entered into prior continuing disclosure undertakings pursuant to the Rule with respect to any outstanding bonds.

TAX EXEMPTION

In the opinion of Bond Counsel, assuming continued compliance by the Authority and the Trustee with the terms of the Indenture, under existing statutes, regulations, rulings and judicial decisions, the interest on the Bonds is excludable from gross income for federal income tax purposes.

The Internal Revenue Code of 1986, as amended, (the "Code"), imposes certain requirements which must be met subsequent to the issuance of the Bonds in order for the interest thereon to be and remain exempt from federal income taxation. Non-compliance with such requirements could cause the interest on the Bonds to become taxable retroactive to the date of issue of the Bonds. These requirements include, but are not limited to limitations on the use of Bond proceeds, restrictions on the yield which may be earned on the investment of Bond proceeds and other amounts, and the obligation to rebate certain investment earnings to the United States Treasury. In the Indenture, the Authority has covenanted to comply with the provisions of the Code relating to the exemption from federal income taxation of the interest on the Bonds.

For taxable years beginning after December 31, 1986, the Code imposes a 20% alternative minimum tax on the "alternative minimum taxable income" of a corporation (less an exemption amount), if the amount of such tax is greater than the corporation's regular income tax of the taxable year.

Generally, the alternative minimum taxable income of any corporation for any taxable year beginning after 1986 must be increased by 75% of the amount (if any) by which the adjusted current earnings of the corporation exceeds such corporation's alternative minimum taxable income for the taxable year (determined without regard to this adjustment and the alternative tax net operating loss deduction). Because the interest on the Bonds will be included in the calculation of adjusted net book income and adjusted current earnings, interest on the Bonds may be subject to the alternative minimum tax and the environmental tax when the Bonds are held by corporations.

Except as described in the preceding paragraphs, interest on the Bonds is not subject to the alternative minimum tax imposed on individuals and corporations under the Code.

The Series 2015 Bonds are "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code.

Prospective purchasers of the Bonds should be aware that (i) with respect to insurance companies subject to the tax imposed by Section 831 of the Code, for taxable years beginning after December 31, 1986, Section 832 (b)(5)(B)(i) reduces the deduction for loss reserves by 15% of the sum of certain items, including interest on the Bonds, (ii) for taxable years beginning after December 31, 1986, interest on the Bonds earned by certain foreign corporations doing business in the United States could be subject to a branch profits tax imposed by Section 884 of the Code, (iii) passive investment income, including interest on the Bonds may be subject to federal income taxation under Section 1375 of the Code for Subchapter S corporations that have Subchapter C earnings and profits at the close of the taxable year if greater than 25% of the gross receipts of such Subchapter S corporation is passive investment income, and (iv) Section 86 of the Code requires recipients of certain Social Security and certain Railroad Retirement benefits to take into account, in determining gross income, receipts or accruals of interest on the Bonds. These categories of Bondholders should consult their own tax advisors as to the applicability of these consequences.

Additionally, in the opinion of Bond Counsel, the interest on the Bonds is exempt from present State of Oklahoma income taxes.

REQUIRED REBATE TO THE UNITED STATES

The Authority in the Indenture has covenanted to comply and the Trustee is empowered to take any and all actions necessary to comply with all of the provisions of the Internal Revenue Code of 1986, as amended, relating to the exemption from federal income taxes of the interest paid upon the Bonds authorized by the Indenture, including the Bonds, to the end that interest thereon shall remain exempt from federal income taxation.

The Internal Revenue Code of 1986, as amended, provides that Bonds which are part of an issue, including the Bonds, will be treated as arbitrage bonds if certain hereinafter described requirements are not met with respect to such issue.

Under the Internal Revenue Code of 1986, as amended, an issuer, including the Authority, is required to make certain payments or rebates to the United States in an amount equal to the sum of the excess of the amount of money earned on all non-purpose investments, over the amount of money which would have been earned if such non-purpose investments were invested at a rate of interest equal to the yield on the issue, including the Bonds, plus any income derived from the aforesaid excess itself. The aforesaid payments or rebates are to be paid in installments which are required to be made at least once every five years and each such installment is required to be in an amount which ensures that 90 percent of the excess amount (referred to above) with respect to the issue, at the time payment of such installment is required, will have been paid to the United States. The final installment is required to be paid no later than 60 days after the final maturity of the Bonds on May 1, 2022, and shall be in an amount sufficient to pay the remaining balance of the excess amount (referred to above) with respect to such issue.

The failure of the Authority to abide by its covenants to comply with the Internal Revenue Code of 1986, as amended, including the failure to timely pay or rebate any and all excess earnings in the manner provided in the Internal Revenue Code of 1986, as amended, will result in an immediate default under the Indenture. In the event of such a default, the Trustee is required to immediately accelerate payment of all of the Bonds then outstanding and declare the entire principal amount of the Bonds immediately due and payable by the Authority in the said principal amount then outstanding.

NO LITIGATION

There is not now pending any litigation restraining or enjoining the issuance or delivery of the Bonds or questioning or affecting the validity of the Bonds or the proceedings and authority under which they are to be issued. Neither the creation, organization or existence of the Authority, nor the title of the present trustees or officers of the Authority to their respective offices is being contested.

ORIGINAL ISSUE DISCOUNT

Federal Income Taxation – Accounting Treatment of Original Issue Discount

The Bonds offered at a price less than the principal amount thereof resulting in a yield greater than the interest rate for each such maturity as shown on the inside cover page hereof are herein referred to as the “OID Bonds.” The difference between such initial offering price and the principal payable at maturity or upon prior redemption constitutes original issue discount treated as interest which is not includible in gross income for federal income tax purposes subject to the caveats and provisions described above.

In the case of an owner of an OID Bond, the amount of original issue discount which is treated as having accrued with respect to such OID Bond is added to the cost basis of the owner in determining, for federal income tax purposes, gain or loss upon disposition of such OID Bond (including its sale, redemption or payment at maturity). Amounts received upon disposition of such OID Bond which are attributable to accrued original issue discount will be treated as tax-exempt interest, rather than as taxable gain, for federal income tax purposes.

Original issue discount is treated as compounding semiannually, at a rate determined by reference to the yield to maturity of each individual OID Bond, on days which are determined by reference to the maturity date of such OID Bond. The amount treated as original issue discount on such OID Bond for a particular semiannual accrual period is equal to (a) the product of (i) the yield to maturity for such OID Bond (determined by compounding at the close of each accrual period) and (ii) the amount which would have been the tax basis of such OID Bond at the beginning of the particular accrual period if held by the original purchaser, (b) less the amount of any interest payable on such OID Bond during the accrual period. The tax basis is determined by adding to the initial public offering price on such OID Bond the sum of the amounts which would have been treated as original issue discount for such purposes during all prior periods. If such OID Bond is sold between semiannual compounding dates, original issue discount which would have accrued for that semiannual compounding period for federal income tax purposes is to be apportioned in equal amounts among the days in such compounding period.

The Code contains additional provisions relating to the accrual of original issue discount in the case of owners of OID Bonds who purchased such OID Bonds after the initial offering. Owners of OID Bonds including purchasers of OID Bonds in the secondary market should consult their own tax advisors with respect to the determination for federal income tax purposes of original issue discount accrued with respect to such OID Bonds as of any date and with respect to the state and local tax consequences of owning such OID Bonds.

ORIGINAL ISSUE PREMIUM

Federal Income Taxation – Accounting Treatment of Original Issue Premium

The Bonds offered at a price in excess of the principal amount thereof resulting in a yield less than the interest rate for each such maturity as shown on the inside cover page hereof are herein referred to as the “Premium Bonds.” An amount equal to the excess of the issue price of

a Premium Bond over its stated redemption price at maturity constitutes premium on such Premium Bond. An initial purchaser of a Premium Bond must amortize any premium over such Premium Bond's term using constant yield principles, based on the purchaser's yield to maturity (or, in the case of Premium Bonds callable prior to their maturity, by amortizing the premium to the call date, based on the purchaser's yield to the call date and giving effect to the call premium). As premium is amortized, the amount of interest accruing in any semiannual period and the purchaser's basis in such Premium Bond are reduced by a corresponding amount resulting in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes upon a sale or disposition of such Premium Bond prior to its maturity. Even though the purchaser's basis may be reduced, no federal income tax deduction is allowed. Owners of Premium Bonds (including purchasers of Premium Bonds in the secondary market) should consult their own tax advisors with respect to the precise determination for federal income tax purposes of the treatment of bond premium upon sale, redemption or other disposition of such Premium Bonds and with respect to the state and local consequences of owning and disposing of such Premium Bonds.

UNDERWRITING

Wells Nelson & Associates, LLC (the "Underwriter") has agreed to purchase the Bonds for reoffering to the public. The Bonds are being purchased by the Underwriter at an aggregate purchase price equal to \$_____ (representing the principal amount of \$_____ less underwriter's discount of \$_____) and plus accrued interest, if any, on the Bonds to the date of delivery thereof. The Underwriter will purchase all of the Bonds if any are purchased. The obligation of the Underwriter to accept delivery of the Bonds is subject to various conditions contained in the Bond Purchase Agreement.

The Underwriter intends to offer the Bonds to the public initially at the offering prices set forth on the cover of this Official Statement, which may subsequently change without any requirement of prior notice. The Underwriter may offer and sell the Bonds to certain dealers (including dealers depositing Bonds into investment trusts) and others at prices lower than the offering prices set forth on the cover of this Official Statement.

Wells Nelson & Associates, LLC is a wholly owned subsidiary of the D.A. Davidson Companies, an employee-owned financial services firm offering a range of financial services and advice to individuals, corporations, institutions and municipalities nationwide. Founded in Montana in 1935, with regional headquarters in Great Falls, Denver, Los Angeles, Portland and Seattle, the company has approximately 1,380 employees and offices in 27 states coast to coast, and over \$253MM in shareholder's equity.

Subsidiaries include: D.A. Davidson & Co., the largest full-service investment firm headquartered in the Northwest, providing wealth management, investment banking, equity and fixed income capital markets services and advice; Davidson Investment Advisors, a professional asset management firm; D.A. Davidson Trust Company, a trust and wealth management company; Davidson Fixed Income Management, a registered investment adviser providing fixed income portfolio and advisory services; and Wells Nelson & Associates, LLC, a registered investment adviser and broker dealer providing fixed income capital markets services and advice.

The Underwriter has provided the following sentence for inclusion in this Official Statement. The Underwriter has reviewed the information in this Official Statement pursuant to its responsibilities to investors under federal securities laws, but the Underwriter does not guarantee the accuracy or completeness of such information.

MISCELLANEOUS

Information concerning the Authority, the Financial Statements and the Bonds contained in this Official Statement has been furnished by the Authority.

The foregoing summaries or descriptions of provisions in the Indenture and all references to other materials not purporting to be quoted in full, are only brief outlines of certain provisions thereof and do not constitute complete statements of such provisions and do not summarize all the pertinent provisions of such provisions. For further information, reference should be made to the complete documents, copies of which are on file at the corporate trust offices of the Trustee for examination and will be furnished by the Authority upon request.

All projections and other statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the Authority and the purchasers or Bondholders of any of the Bonds.

CERTIFICATION AS TO OFFICIAL STATEMENT

At the time of delivery of the 2019 Bonds, the Authority shall execute and furnish the Underwriters of the 2019 Bonds with a certificate to the effect that; (i) the descriptions and statements of or pertaining to the Authority contained in the Official Statement and any addenda thereto, for the 2019 Bonds, as of the date of such Official Statement, on the date of sale of the 2019 Bonds and on the date of the delivery, were and are true and correct in all material respects; (ii) insofar as the Authority and its affairs, including its financial affairs, are concerned, such Official Statement did not and does not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; (iii) insofar as the descriptions and statements, including financial data of or pertaining to entities, other than the Authority, and their activities contained in such Official Statement are concerned, such statements and data have been obtained from sources which the Authority believes to be reliable and that the Authority has no reason to believe that they are untrue in any material respect; and (iv) there has been no material adverse change in the financial condition of the Authority since June 30, 2018, the date of the last financial statement of the Authority, which is provided in Appendix C to this Official Statement.

References to web site addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such web sites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement.

Reference is made to the Appendices hereto which are an integral part of this Official Statement and must be read together with the rest of this Official Statement.

This Official Statement has been approved by the Authority.

McIntosh County Public Facilities Authority

By: _____
Chairman of Trustees

APPENDIX A

GENERAL INFORMATION ABOUT MCINTOSH COUNTY, OKLAHOMA

The County was established in 1907 and is located in the eastern portion of the state. The County has a total area of 712 square miles of which 618 square miles is land and 94 square miles is water. Much of the water surface belongs to Eufaula Lake which was completed in 1964 and is the largest reservoir within the State. Eufaula Lake generates revenue from hydroelectric power, provides tourism and produces businesses on and around the lake.

MAJOR COMMUNITIES: Eufaula (county seat) and Checotah

Eufaula: Eufaula is a lakeside community (Lake Eufaula). The population according to 2010 census was 2,813 an increase of approximately 6.6% from 2000. The Eufaula Municipal Airport was established in 1965 with a 3,000 foot runway and is available to small aircraft, helicopter and ultra light aircraft.

Checotah: Checotah had a population of 3,335 according to the 2010 census. The city has a total area of 9.0 square miles. 8.9 square miles of it is land and 0.1 square miles is water. The Checotah Police Department employs 13 full-time and 3 part-time employees.

Source: City Officials

SALES TAX COLLECTIONS:

<u>FY</u>	<u>TOTAL 2 CENT COLLECTIONS</u>	<u>1 CENT COLLECTIONS</u>	<u>AVERAGE 1 CENT COLLECTIONS</u>	<u>% CHANGE</u>
2018/19	\$ 3,988,531	\$ 1,994,266	\$ 166,188	4.61%
2017/18	\$ 3,812,774	\$ 1,906,387	\$ 158,866	-4.26%
2016/17	\$ 3,982,263	\$ 1,991,132	\$ 165,928	8.75%
2015/16	\$ 3,661,695	\$ 1,830,848	\$ 152,571	1.43%
2014/15	\$ 3,610,054	\$ 1,805,027	\$ 150,419	3.05%
2013/14	\$ 3,503,240	\$ 1,751,620	\$ 145,968	N/A

Source: Oklahoma Tax Commission

POPULATION:	Current	20,493
	2010	20,252
	2000	19,456
	1990	16,779
	1980	15,562
	1970	12,472

Source: US Census Bureau

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APPENDIX B

OPINION OF BOND COUNSEL

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PROPOSED FORM OF BOND COUNSEL OPINION

An opinion in substantially the following form will be delivered by Floyd Law Firm, P.C., Bond Counsel, upon delivery of the Bonds, assuming no material changes in facts or law.

July ____, 2019*

McIntosh County Public Facilities Authority
Eufaula, Oklahoma

Re: \$_____ McIntosh County Public
Facilities Authority Sales Tax Revenue
Refunding Bonds Series 2019

Ladies and Gentlemen:

We have examined a certified copy of the Transcript of Proceedings of the Trustees of the McIntosh County Public Facilities Authority (the "Authority"), preliminary to, and in the issuance of Sales Tax Revenue Refunding Bonds Series 2019, dated July ____, 2019 (the "Bonds"), and a specimen Bond of the issue, and based upon such examination, it is our opinion that said issuance by the Authority is lawfully authorized by said proceedings under present law. The Bonds are issuable only in registered form in denominations of \$5,000 or any integral multiple of \$5,000 thereof and, with respect to principal maturing on the same date, are exchangeable for other bonds of the same maturity, bear interest payable on _____ 1 and _____ 1, of each year, commencing _____ 1, 20____, until the principal is paid, mature on _____ 1 in the years, in the principal amounts and bear interest at the rates all as set forth on the face thereof and in the Indenture hereinafter mentioned.

As to questions of fact material to our opinion, we have relied upon statements of reasonable expectation made by the Authority and the County and others in connection with the Bonds and we have relied upon the representations of the Authority contained in the Indenture and in the certified proceedings and other certifications of public officials and documents executed by officers and officials of the Authority furnished to us without undertaking to verify the same by independent investigation.

The items examined included the Facilities Lease and Operation Agreement, dated as of June 1, 2006 (the "Facilities Lease and Operation Agreement"), by which the Board of County Commissioners of McIntosh County, Oklahoma (the "County"), leased certain real property to the Authority; the Sales Tax Agreement dated as of June 1, 2006 (the "Sales Tax Agreement"); the Depository Bank Agreement dated as of June 1, 2006 (the "Depository Bank Agreement"); the Assignment of Rents and Leases dated as of July 1, 2019 (the "Assignment"); the Bond Indenture dated as of July 1, 2019 (the "Indenture") between the Authority and BOKF, NA, Oklahoma City, Oklahoma, as trustee; the Assignment of Facilities Lease and Operation Agreement dated as of July 1, 2019 (the "Assignment of Lease"); the Amendment and Assignment of the Sales Tax

*All dates throughout are preliminary.

Agreement and Depository Bank Agreement dated as of July 1, 2019 (the "Amendment and Assignment"); the proceedings authorizing execution and delivery of all of the foregoing; and the relevant provisions of the Constitution and statutes of the State of Oklahoma.

From such examination, it is our opinion, under existing law that the Authority is a validly existing public trust of which McIntosh County, Oklahoma (the "County"), is the beneficiary and, as such, an agency of the State of Oklahoma and regularly constituted authority of the County, which is a political subdivision of the State of Oklahoma, and that the Bonds and the aforesaid Indenture are valid and binding obligations of the Authority enforceable according to their terms. The Indenture has been duly authorized and entered into except as the enforceability thereof may be limited by any applicable bankruptcy, insolvency or other similar laws or enactments now or hereafter enacted by the State of Oklahoma or the federal government affecting the enforcement of creditors' rights generally, and the fact that specific performance and other equitable remedies are granted only in the discretion of a court.

Kay Wall, Esq., Eufaula, Oklahoma, acting as counsel to the Authority, has rendered his separate opinion as of the date hereof, that among other things, the Facilities Lease and Operation Agreement, the Sublease and the Assignment have been duly authorized by the respective parties and are valid and binding obligations of the Authority and the County. We have relied upon such opinions in rendering our opinion set forth herein. The Bonds are secured by a security interest in the Authority's leasehold estate under the Facilities Lease and Operation Agreement whereby certain real property is subleased to the County pursuant to the Sublease and a security interest in the payments made by the County to the Authority under the Sublease.

It is our further opinion, based upon existing law, that interest paid by the Authority on the Bonds is, and assuming continuing compliance by the Authority with its hereinafter described covenants to comply with all of the requirements of the Internal Revenue Code of 1986, as amended (the "Code") contained in the aforesaid Indenture and other related documents, will continue to be excluded from the gross income of the payees thereof in the computation of federal income taxes under present law and interpretation thereof and is not an item of tax preference for purposes of calculating the federal alternative minimum tax that may be imposed on individuals and corporations under the Code; it should be noted, however, that for the purposes of computing the federal alternative minimum tax imposed on certain corporations (as defined for federal income tax purposes), such interest is taken into account in determining adjusted current earnings of certain corporations for the purposes of the federal alternative minimum tax. In our opinion, the covenants contained in the aforesaid Indenture and other related documents by which the Authority and the County have agreed to comply with the Code to the end that interest on the Bonds shall remain exempt from federal income taxes are valid and binding obligations of the Authority and the County and compliance therewith is not prohibited by or violative of any provision of law applicable to the Authority and the County. The failure of the Authority or the County to comply with its aforesaid covenants could cause the interest on the Bonds to be so included in gross income retroactive to the date of issuance of the Bonds, irrespective of the date on which such noncompliance is ascertained. Ownership of tax-exempt obligations may result in collateral federal income tax consequences to certain taxpayers, and therefore prospective purchasers of the Bonds should consult their tax advisors as to applicability of any such collateral consequences. We express no opinion regarding any other federal tax consequences arising with respect to the Bonds.

It is our further opinion, based upon existing law and depending upon the state of residence of the registered owners of the Bonds, that interest on the Bonds is exempt from income taxation by the State of Oklahoma. We express no opinion regarding other state tax consequences arising with respect to the Bonds.

Based solely on the representations and designation of the Authority and the County with respect to the aggregate principal amount of tax-exempt obligations to be issued by the Authority and the County and any subordinate entities within the meaning of Section 265(b) of the Code during calendar year 2019, it is our opinion that the Bonds are “qualified tax-exempt obligations” under existing law.

It is to be understood that the rights of the holders of the Bonds and the enforceability of the Bonds may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors’ rights heretofore or hereafter enacted to the extent constitutionally applicable and that their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

We express no opinion herein with respect to the adequacy or accuracy of any information used in connection with the offering for sale of the Bonds.

We express no opinion herein as to compliance with state or federal securities laws and regulations applicable to disposition of rights under the Indenture and the payments to any investor. As Bond Counsel, we express no opinion as to other tax consequences regarding the Bonds. The attorneys providing the opinion on behalf of our firm are admitted to practice in the State of Oklahoma, and we express no opinion as to matters under or involving the laws of any jurisdiction other than the laws of Oklahoma and the United States of America. The opinion set forth above is as of the date of this letter, and we undertake no responsibility for updating, revising or supplementing such opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur. The opinion set forth above may be relied upon only by the addressees hereof and for the sole purpose of the transaction specifically referred to herein. The opinion contained herein are expressions of professional judgment regarding the legal matters addressed herein and not a guarantee of result.

Respectfully submitted,

Floyd Law Firm, P.C.

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APPENDIX C

AUDITED FINANCIAL STATEMENTS OF

MCINTOSH COUNTY PUBLIC FACILITIES AUTHORITY

YEAR ENDING JUNE 30, 2018

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**MCINTOSH COUNTY PUBLIC FACILITIES AUTHORITY
A COMPONENT UNIT OF THE COUNTY OF MCINTOSH
EUFAULA, OKLAHOMA
FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED JUNE 30, 2018**

**Audited By:
KERRY JOHN PATTEN, C.P.A.**

**MCINTOSH COUNTY PUBLIC FACILITIES AUTHORITY
EUFAULA, OKLAHOMA
JUNE 30, 2018**

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**MCINTOSH COUNTY PUBLIC FACILITIES AUTHORITY
EUFAULA, OKLAHOMA
TRUSTEES
JUNE 30, 2018**

Chairman	Bill Phillips
Vice-Chairman	Winfred Chiles
Secretary/Treasurer	Ronda Prince
Member	Ernie Moore
Member	Kevin Ledbetter
Member	Randy Burris

KERRY JOHN PATTEN, C.P.A.

2101 N. Willow Ave.
Broken Arrow, OK 74012
Phone Number (918) 250-8838
FAX Number (918) 250-9853



INDEPENDENT AUDITOR'S REPORT

The Board of Trustees
McIntosh County Public Facilities Authority
Eufaula, Oklahoma

Report on the Financial Statements

I have audited the accompanying financial statements of the business-type activities of McIntosh County Public Facilities Authority, a component unit of the county of McIntosh, as of and for the year ended June 30, 2018, which collectively comprise the basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my 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 I 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, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements, present fairly, in all material respects, the financial position of the business-type activities of the McIntosh County Public Facilities Authority as of June 30, 2018, and the results of its' operations and its' cash flows for the year ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

McIntosh County Public Facilities Authority has not presented a Management Discussion and Analysis with the financial statements that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be a part of, the basic financial statements.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated May 13, 2019, on my consideration of McIntosh County Public Facilities Authority's internal control over financial reporting and on my 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 my 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* and should be considered in assessing the results of my audit.



Kerry John Patten, C.P.A.
Broken Arrow, OK
May 13, 2019

BASIC FINANCIAL STATEMENTS

MCINTOSH COUNTY PUBLIC FACILITIES AUTHORITY
A Component Unit of the County of McIntosh, Oklahoma
STATEMENT NET POSITION
JUNE 30, 2018

ASSETS

Current Assets	
Unrestricted cash	\$ 482,135
Restricted cash	2,618,821
Sales tax receivable	248,928
Total Current Assets	<u>3,349,884</u>
Noncurrent Assets	
Land	82,423
Capital Assets, Net of depreciation	6,424,844
Total Noncurrent Assets	<u>6,507,267</u>
Net OPEB Asset	12,946
Total Assets	<u>\$ 9,870,097</u>

DEFERRED OUTFLOWS OF RESOURCES

Deferred outflows of resources related to pensions	\$ 172,355
Deferred outflows of resources related to OPEB	17,012
Total deferred outflow of resources	<u>\$ 189,367</u>

LIABILITIES

Current Liabilities	
Accounts payable	\$ 25,808
Interest payable	11,423
Current portion of Long Term Liabilities	
Revenue bonds payable	376,231
Total Current Liabilities	<u>413,462</u>
Noncurrent Liabilities	
Revenue bonds payable	4,399,736
Net pension liability	156,957
Total Noncurrent Liabilities	<u>4,556,693</u>
Total Liabilities	<u>\$ 4,970,155</u>

DEFERRED INFLOW OF RESOURCES

Deferred inflow of resources related to pensions	\$ 28,068
Deferred inflow of resources related to OPEB	7,687
Total deferred inflow of resources	<u>\$ 35,755</u>

NET POSITION

Net investment in capital assets	\$ 1,574,343
Restricted	2,618,821
Unrestricted	860,390
Total Net Position	<u>\$ 5,053,554</u>

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

MCINTOSH COUNTY PUBLIC FACILITIES AUTHORITY
A Component Unit of the County of McIntosh, Oklahoma
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN NET POSITION
FOR YEAR ENDING JUNE 30, 2018

Operating Revenues

Sales Tax	\$ 1,904,905
Use Tax	-
Rents	8,060
Miscellaneous	-
	<hr/>
Total Operating Revenues	1,912,965

Operating Expenses

Personnel	813,586
Maintenance and Operation	267,254
Financial Administration	3,500
Depreciation Expense	188,966
	<hr/>
Total Operating Expenditures	1,273,306
	<hr/>
Income (Loss) from operations	639,659

Non-Operating Revenue (Expenses)

Investment Interest	10,933
Interest Expense	(259,590)
	<hr/>
Total Non-Operating Revenue (Expense)	(248,657)

Change in Net Position	391,002
Net Position-Beginning of Year	4,662,552
	<hr/>
Net Position-End of Year	\$ 5,053,554

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

MCINTOSH COUNTY PUBLIC FACILITIES AUTHORITY
A Component Unit of the County of McIntosh, Oklahoma
STATEMENT OF CASH FLOWS
FOR YEAR ENDING JUNE 30, 2018

Cash Flows from Operating Activities

Cash received for sales tax	\$ 1,914,556
Cash received from rents	7,420
Cash payments for operating expenses	(1,063,250)
Cash payments for admin fees	<u>(3,500)</u>
Net cash provided by (used for) operating activities	<u>855,226</u>

Cash Flows from Financing Activities

Principal paid on debt	(357,770)
Interest paid	<u>(259,632)</u>
Net cash provided by (used for) financing activities	<u>(617,402)</u>

Cash Flows from Investing Activities

Interest Received	<u>10,933</u>
Net cash provided by (used for) investing activities	<u>10,933</u>

Net Increase (Decrease) in Cash and Cash Equivalents	248,757
Cash, July 1, 2017	<u>2,852,199</u>
Cash, June 30, 2018	<u><u>\$ 3,100,956</u></u>

Reconciliation of Operating Income (Loss) to
Net Cash Used by Operating Activities
Operating income (loss)

\$ 639,659

Adjustments to reconcile operating income (loss) to
net cash used by operating activities:

Decrease in Accounts Receivable	10,394
Increase in Accounts Payable	25,808
Decrease in Pension & OPEB Expense	(9,601)
Depreciation Expense	<u>188,966</u>

Net cash provided by operating activities \$ 855,226

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

NOTES TO THE FINANCIAL STATEMENTS

**MCINTOSH COUNTY PUBLIC FACILITIES AUTHORITY
EUFAULA, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
FOR YEAR ENDED JUNE 30, 2018**

1. Organization

A. Creation of Trust

The McIntosh County Public Facilities Authority was created under the statutory provision of 60 O.S. 2001, Sections 176-180.4, inclusive, as amended, pursuant to the provisions of a declaration of trust dated as of October 30, 1968, as amended, and the Oklahoma Trust Act for the use and benefit of McIntosh County, Oklahoma. The purpose of the Authority is to assist McIntosh County, Governmental Agencies and private entities in making the most efficient use of all their economic resources and powers to stimulate economic growth and development.

The trustees of the Authority consist of five (5) persons, which shall include the current chairman of the McIntosh Board of County Commissioners; the current sheriff of McIntosh County, Oklahoma, or his/her designee; and three (3) residents of McIntosh County, Oklahoma, none of which shall be elected officials, and one of which shall be nominated to serve by the current McIntosh County Commissioners.

The County Clerk of McIntosh County serves as Secretary-Treasurer of the Authority.

The Authority has adopted the period July 1 through June 30, as its fiscal year.

2. Summary of Significant Accounting Policies

A. Component Unit

The Authority is a component unit of McIntosh County, Oklahoma. A component unit includes a legal entity that is a separate governmental organization but has the same board of trustees as the primary government.

B. Basis of Presentation

The accounts of the Authority are organized on the basis of funds, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, revenues, and expenses.

Proprietary Funds

Proprietary funds are made up of either Enterprise or Internal Service funds. The Authority operates the Enterprise fund.

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses) of providing goods or services to the general public on a continuing basis are financed or recovered primarily through user charges.

C. Basis of Accounting

The financial statements of the Authority are prepared in accordance with generally accepted accounting principles ("GAAP") as applied to government units. The Governmental Accounting Standards Board ("GASB") is the standard-setting body for governmental accounting and financial reporting.

**MCINTOSH COUNTY PUBLIC FACILITIES AUTHORITY
EUFAULA, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
FOR YEAR ENDED JUNE 30, 2018**

Summary of Significant Accounting Policies (continued)

The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards, which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units.

D. Measurement Focus

The financial statements of the Authority have been prepared on the accrual basis of accounting using the economic resources measurement focus. Revenues, expenses, gains, losses, assets and liabilities from exchange and exchange-like transactions are recognized when the exchange transaction takes place. The Authority first applies restricted net assets when an expense or outlay is incurred for purposes for which both restricted and unrestricted net assets are available.

E. Cash

Cash is defined to include demand deposits, cash with trustees, and highly liquid investments with original maturities of three months or less.

F. Capital Assets

These assets are recorded at cost and depreciated over a useful life of the assets on a straight-line depreciation basis. Maintenance and repairs are expensed when incurred.

G. Income Taxes

With regards to federal income taxes, the Authority is nontaxable as a political subdivision under Section 115(1) of the Internal Revenue Code, as amended.

H. Use of Estimates

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

3. Net Position

The statement of net position displays the Authority's assets and liabilities with the difference reported as net position. Net position is reported in the following categories/components:

Net investment in capital assets consists of net capital assets reduced by the outstanding balances of any related debt obligations attributable to the acquisition, construction, or improvement of those assets.

Restricted net position results when constraints are placed on net position use are either externally imposed or imposed through enabling legislation.

Unrestricted net position consists of net position not meeting the definition of the preceding categories. Unrestricted net position often has constraints on resources imposed by management which can be removed or modified.

**MCINTOSH COUNTY PUBLIC FACILITIES AUTHORITY
EUFAULA, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
FOR YEAR ENDED JUNE 30, 2018**

Net Position (continued)

The note indenture for the public facilities Sales Tax Revenue Note provides that certain reserve accounts be established. The reserve accounts, as of June 30, 2018, are comprised of restricted net position as follows:

Gross Revenue Fund	\$	2,011,507
Debt Service Reserve		607,309
Note Interest Fund		<u>5</u>
Total Restricted Net Position	\$	<u>2,618,821</u>

Interest earned on the Debt Service Reserve fund is transferred to the Note Interest Fund.

The debt service reserve account has been capitalized in a minimum of \$600,000, and that amount shall be maintained until final payment on the note.

The Gross Revenue Fund receives transfers of sales taxes collected on its behalf by the county. Use taxes are collected by the county on the Authority's behalf, but these are not transferred over to Authority, but expended by the county.

4. Deposits, Investments, and Collateral

As of June 30, 2018, unrestricted cash balance is a part of McIntosh County's pooled cash account. Cash balances of McIntosh County are either insured or collateralized. All restricted cash balances were either on deposit with the trustee bank or covered with pledge collateral.

Deposits and Investments – The Authority does not have a written investment policy.

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of bank failure, the Authority's deposits may not be returned. The Authority does not have a written policy for custodial risk; however, Oklahoma state laws require collateral for all uninsured deposits of public funds in financial institutions. As of June 30, 2018, none of the Authority's bank balances were exposed to custodial credit risk.

5. Accounts Receivable

The Authorities receivables consist of sales taxes collected by the State and passed-through the County.

6. Fixed Assets

The Authority is maintaining records of historical costs of its general fixed assets. Generally Accepted Accounting Principles in the U.S. require the capitalization of all fixed assets and the recognition of depreciation on the fixed assets.

Fixed Assets (continued)

	Balance July 1, 2017	Additions	Reductions	Balance June 30, 2018
Business-Type activities:				
Capital assets, not being depreciated:				
Land	\$ 82,423	\$ -	\$ -	\$ 82,423
Total Capital assets, not being depreciated:	82,423	-	-	82,423
Capital assets being depreciated:				
Jail Facility	7,558,640	-	-	7,558,640
Total capital assets being depreciated:	7,558,640	-	-	7,558,640
Less accumulated depreciation:	(944,830)	(188,966)	-	(1,133,796)
Total capital assets being depreciated, Net of depreciation	6,613,810	(188,966)	-	6,424,844
Total all business-type activities capital assets, net	\$ 6,696,233	\$ (188,966)	\$ -	\$ 6,507,267

Jail Facility	40 years
---------------	----------

The Authority is exposed to various risks of loss related to theft of, damage to, or destruction of assets. Management utilizes commercial insurance as a method of managing these types of losses and believes such coverage is sufficient to preclude any significant uninsured losses to the Authority.

The Authority is not required to prepare a formal budget by Oklahoma law.

The Authority is dependent on McIntosh County for a large portion of its operating revenues.

**MCINTOSH COUNTY PUBLIC FACILITIES AUTHORITY
EUFAULA, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
FOR YEAR ENDED JUNE 30, 2018**

10. Note Indenture

On June 1, 2006, McIntosh County Public Facilities Authority authorized the issuance of Sales Tax Revenue Note – Bank Qualified (County Capital Improvement Projects) Series 2006 in the aggregate principal amount of \$7,875,000, for the purpose of financing, constructing and equipping a new county detention facility and certain courthouse improvements.

The Sales Tax Revenue Note bears interest at a variable interest rate equal to 65% of the LIBOR Rate plus one hundred twenty-five (125) basis points payable semi-annually on November 1 and May 1, of each year, forward SWAP at 5.25%. The LIBOR Rate is the rate of interest equal to the rate per annum equal to the British Bankers Association LIBOR rate as published by a commercially available service providing quotations of BBA LIBOR.

The following maturity schedule reflects outstanding principal amounts at June 30, 2018:

Year ending June 30,	Annual Payments
2019	\$ 376,231
2020	395,644
2021	416,059
2022	437,528
2023	460,104
2024-2027	2,690,401
Total	\$ 4,775,967

The Sales Tax Revenue Note is secured by sales tax revenue levied and collected by McIntosh County and paid over to the Authority. The Authority has created a security interest in the sales tax revenue which has been assigned to the bank serving as trustee of the note indenture.

11. Lease Agreement

The Authority entered into a facilities lease and operation agreement on June 1, 2006, with McIntosh County, Oklahoma to lease a new county detention facility to the county. Under provisions of the agreement, the county must pay rent annually to the trustee of the Authority's Sales Tax Revenue Note dated June 1, 2006, and must cover a portion of the costs of operation of the new county detention facility for all the years the Sales Tax Revenue Note remains outstanding.

12. Sales Tax Agreement

On May 9, 2006, the electors of McIntosh County approved a proposition authorizing levying a county sales tax of $\frac{1}{2}$ (.50) of 1 cent upon the gross proceeds derived from all sales for the retirement of indebtedness of the McIntosh County Detention Facility and payment of operation and maintenance expenses related thereto.

$\frac{3}{8}$ of 1 cent of such sales tax is obligated for the retirement of indebtedness of the county detention facility and shall have a limited duration of twenty years or until principle and interest of the facility is paid in full. The remaining $\frac{1}{8}$ of 1 cent of such sales tax is obligated for obligation and maintenance expenses of the county detention facility with unlimited duration.

**MCINTOSH COUNTY PUBLIC FACILITIES AUTHORITY
EUFAULA, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
FOR YEAR ENDED JUNE 30, 2018**

Sales Tax Agreement (continued)

On June 5, 2006, the county authorized the implementation of a use tax at a rate equaling $\frac{1}{2}$ of 1 cent, with proceeds to be used to acquire, construct, equip, and operate a new county detention facility.

On January 1, 2012, the tax payers approved an additional sales and use tax. $\frac{1}{8}$ cent portion of such a sales tax is pledged to retirement of indebtedness and limited to a duration of 15 years (ending on December 31, 2026) and the remaining $\frac{3}{8}$ cents to have an unlimited duration and to pay cost of operating and maintaining the McIntosh County Detention Facilities.

On June 11, 2018, the Use Tax was transferred to McIntosh County.

13. General Long-Term Debt

The Authority's long term debt consisted of revenue bonds.

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

	Balance July 1, 2017	Additions	Retirements	Balance June 30, 2018
Revenue Bonds Payable	\$ 5,133,737	\$ -	\$ 357,770	\$ 4,775,967
Total	\$ 5,133,737	\$ -	\$ 357,770	\$ 4,775,967
Less: Amounts Due Within One Year				376,231
Total Long-Term Debt				\$ 4,399,736

14. Employee Retirement System

The Authority participates in the Oklahoma Public Employees Retirement Plan, a cost-sharing, multi-employer defined benefit pension plan administered by the Oklahoma Public Employees Retirement System (OPERS). Benefit provisions are established and amended by the Oklahoma Legislature. The Plan provides retirement, disability, and death benefits to Plan members and beneficiaries. Title 74, Sections 901 through 943, as amended, establishes the provisions of the Plan. The Authority has no responsibility or authority for the operation or administration of the system.

OPERS issues a publicly available financial report that includes financial statements and supplementary information. That report may be obtained online at www.opers.ok.gov or by calling 405-858-6737.

The contribution rate for the Authority is established by statute. The Authority is required to contribute 11.5% - 16.5% and the employee is required to contribute 3.5% - 8.5%. The total employer and employee contribution must equal 20% for the year ended June 30, 2017. The Authority is responsible for determining how much the employer and employee pays with the given range. Currently the Authority pays 15% and the employee pays 5%.

**MCINTOSH COUNTY PUBLIC FACILITIES AUTHORITY
EUFAULA, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
FOR YEAR ENDED JUNE 30, 2018**

Employee Retirement System (continued)

The Authority's contributions to the Plan for the years ending June 30, 2018, 2017, and 2016, were \$96,523, \$86,347, and \$83,093. Total payroll cost for fiscal year 2018 was \$794,856.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources to Pensions

The Net Pension Liability of \$156,957 was measured as of June 30, 2017, and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of July 1, 2017. Each employer's portion of the Net Pension Liability was based on the employer's share of contributions to the pension plan relative to the total contributions of all participating employers.

At June 30, 2018, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$	\$ 28,068
Changes of assumptions	69,680	
Net difference between projected and actual earnings on pension plan investments	7,012	-
Differences in Authority's proportionate share of contributions and changes in proportion	5,388	-
System contributions during measurement date	-	-
Authority contributions subsequent to the measurement date	90,275	-
Total	\$ <u>172,355</u>	\$ <u>28,068</u>

**MCINTOSH COUNTY PUBLIC FACILITIES AUTHORITY
EUFAULA, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
FOR YEAR ENDED JUNE 30, 2018**

Employee Retirement System (continued)

The \$90,275 reported as deferred outflows of resources related from Authority contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflow of resources and deferred inflow of resources related to pension liability will be expensed as follows;

Year ended June 30:

2019	\$	19,707
2020		48,202
2021		11,166
2022		(25,064)
2023		1
Thereafter		-
Total	\$	<u>54,012</u>

Actuarial Assumptions

The total pension liability as of June 30, 2017, was determined based on an actuarial valuation prepared as of July 1, 2017, using the following actuarial assumptions:

- Investment return – 7.00% compounded annually net of investment expense and including inflation
- Salary increases – 3.5% to 9.5 per year including inflation
- Mortality rates – Active participants and nondisabled pensioners – RP-2014 Mortality Table projected to 2025 by Scale MP-2016 (disabled pensioners set forward 12 years)
- No annual post-retirement benefit increases
- Assumed inflation rate – 2.75
- Payroll growth – 3.5% per year
- Actuarial cost method – Entry age
- Select period for the termination of employment assumptions – 10 years

The actuarial assumptions used in the July, 2017 valuation are based on the results of the most recent actuarial experience study, which covered the three-year period ending June 30, 2016. The experience study report is dated April 13, 2017.

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which the best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

**MCINTOSH COUNTY PUBLIC FACILITIES AUTHORITY
EUFAULA, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
FOR YEAR ENDED JUNE 30, 2018**

Employee Retirement System (continued)

The Target asset allocation and best estimates of geometric real rates of return for each major asset class as of June 30, 2017, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Large Cap Equity	38.0%	5.3%
U.S. Small Cap Equity	6.0%	5.6%
U.S. Fixed Income	25.0%	0.7%
International Stock	18.0%	5.6%
Emerging Market Stock	6.0%	6.4%
TIPS	3.5%	0.7%
Rate Anticipation	3.5%	1.5%
Total	100.0%	

Discount Rate

The discount rate used to measure the total pension liability was 7.00% for 2017. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and the employers will be made at the current contribution rate as set out in state statute. Based on those assumptions, the pension plan's fiduciary net position was projected through 2014 to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate determined does not use a municipal bond rate.

Sensitivity of the net pension liability to changes in the discount rate

The following presents the net pension liability of the employer calculated using the discount rate of 7.00% for 2017, as well as what the plan's net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate.

	1% Decrease (6%)	Current Discount Rate (7%)	1% Increase (8%)
Authority's proportionate share of the net pension liability	\$ 463,892	\$ 156,957	\$ (102,945)

**MCINTOSH COUNTY PUBLIC FACILITIES AUTHORITY
EUFAULA, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
FOR YEAR ENDED JUNE 30, 2018**

15. OTHER POST EMPLOYMENT BENEFITS (OPEB)

Plan description - The Authority as the employer, participates in the Supplemental Health Insurance Program—a cost-sharing multiple-employer defined benefit OPEB plan administered by the Oklahoma Public Employees Retirement System (OPERS). The authority to establish and amend benefit provisions rests with the State Legislature. OPERS issues a publicly available financial report that can be obtained at www.ok.gov/OPERS

Benefits provided - OPERS pays a medical insurance supplement to eligible members who elect to maintain health insurance with the Oklahoma Employees Group Insurance Division (EGID) or other qualified insurance plan provided by the employer. This subsidy continues until the retiree terminates health insurance coverage with EGID or other qualified plan, or until death. The subsidy is only for the retiree, not joint annuitants or beneficiaries. The supplement payment is capped at \$105 per month per retiree, remitted to the Oklahoma Employees Group Insurance Division (EGID).

Contributions - The contribution rates for each member category of the System are established by the Oklahoma Legislature after recommendation by the Board based on an actuarial calculation, which is performed to determine the adequacy of such contribution rates. An actuarially determined portion of the total contributions to the System are set aside to finance the cost of the benefits of the HISP in accordance with provisions of the Internal Revenue Code. Based on the contribution requirements of the plan employers and employees contribute a single amount based on a single contribution rate as described in Note 14; from this amount OPERS allocates a portion of the contributions to the supplemental health insurance program. Contributions allocated to the OPEB plan from the Authority were \$6,318.

OPEB Liabilities(Assets), OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB - At June 30, 2018, the Authority reported \$12,946 for its proportionate share of the net OPEB asset. The net OPEB asset was measured as of June 30, 2017, and the total OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation as of June 30, 2017. The Authority's proportion of the net OPEB asset was based on the Authority's contributions received by the OPEB plan relative to the total contributions received by the OPEB plan for all participating employers as of June 30, 2017. Based upon this information, the Authority's proportion was .035909% percent.

For the year ended June 30, 2018, the Authority recognized OPEB expense of \$3,007. At June 30, 2018, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

**MCINTOSH COUNTY PUBLIC FACILITIES AUTHORITY
EUFAULA, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
FOR YEAR ENDED JUNE 30, 2018**

OTHER POST EMPLOYMENT BENEFITS (OPEB) (continued)

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 4,099
Changes of assumptions	2,708	-
Net difference between projected and actual earnings on OPEB plan investments	-	3,588
Changes in Center's proportionate share of contributions	7,833	-
Contributions during the measurement period	153	-
Center contributions subsequent to the measurement date	6,318	-
Total	<u>\$ 17,012</u>	<u>\$ 7,687</u>

The \$6,318 reported as deferred outflows of resources related to OPEB resulting from Authority contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability (asset) in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:

2019	\$ 336
2020	336
2021	336
2022	336
2023	1,233
Thereafter	430
Total	<u>\$ 3,007</u>

Actuarial Assumptions- The total OPEB liability (asset) as of June 30, 2017, was determined based on an actuarial valuation prepared as if June 30, 2017 using the following actuarial assumptions:

- Investment return – 7.00% compounded annually net of investment expense and including inflation
- Salary increases – 3.5% to 9.5% per year including inflation
- Mortality rates – active participants and nondisabled pensioners – RP-2014 Mortality Table projected to 2025 by Scale MP-2016 (disabled pensioners set forward 12 years)
- No annual post-retirement benefit increases
- Assumed inflation rate – 2.75%
- Payroll growth – 3.5%
- Actuarial cost method – Entry age
- Select period for the termination of employment assumptions – 10 years

**MCINTOSH COUNTY PUBLIC FACILITIES AUTHORITY
EUFAULA, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
FOR YEAR ENDED JUNE 30, 2018**

OTHER POST EMPLOYMENT BENEFITS (OPEB) (continued)

The actuarial assumptions used in the July 1, 2017, valuation are based on the results of the most recent actuarial experience study, which covered the three-year period ending June 30, 2016. The experience study report is dated April 13, 2017.

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The Target asset allocation and best estimates of geometric real rates of return for each major asset class as of June 30, 2017, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Large Cap Equity	38.0%	5.3%
U.S. Small Cap Equity	6.0%	5.6%
U.S. Fixed Income	25.0%	0.7%
International Stock	18.0%	5.6%
Emerging Market Stock	6.0%	6.4%
TIPS	3.5%	0.7%
Rate Anticipation	3.5%	1.5%
Total	100.0%	

Discount Rate- A single discount rate of 7.00% was used to measure the total OPRB liability (asset) as of June 30, 2017. This single discount rate was based solely on the expected rate of return on OPEB plan investments of 7.00%. Based on the stated assumptions and the projection of cash flows, the OPEB plan's fiduciary net position and future contributions were projected to be available to finance all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability (asset).

Sensitivity of the Net OPEB Liability (Asset) to Changes in the Discount Rate-The following presents the net OPEB liability (asset) of the employer calculated using the discount rate of 7.00%, as well as what the Plan's net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	(6.0%)	Rate (7.0%)	(8.0%)
Employer's Net OPEB Liability (asset) \$	\$ (542)	\$ (12,946)	\$ (23,551)

OPEB plan fiduciary net position - Detailed information about the OPEB plan's fiduciary net position is available in the separately issued financial report of the OPERS; which can be located at www.ok.gov/OPERS.

REPORTS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

KERRY JOHN PATTEN, C.P.A.

2101 N. Willow Ave.
Broken Arrow, OK 74012
Phone Number (918) 250-8838
FAX Number (918) 250-9853



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 Board of Trustees
McIntosh County Public Facilities Authority
Eufaula, Oklahoma

I have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the business-type activities of McIntosh County Public Facilities Authority, a component unit of the county of McIntosh (Authority), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Authority's financial statements, and have issued my report thereon dated May 13, 2019.

Internal Control over Financial Reporting

In planning and performing my audit of the financial statements, I considered the Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, I do not express an opinion on the effectiveness of the Authority's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or 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.

My 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 my audit I did not identify any deficiencies in internal control that I 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 Authority's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

This report is solely to describe the scope of my 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.

A handwritten signature in black ink, appearing to read "Kerry John Patten", with a stylized flourish at the end.

Kerry John Patten, C.P.A.
Broken Arrow, OK
May 13, 2019

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APPENDIX D
BOND PAYMENT SCHEDULE

Dated: Date of Delivery

Due: November 1 & May 1, as shown below

<u>Maturity</u>	<u>Principal</u>	<u>Rate</u>	<u>Interest</u>	<u>Total P&I</u>
11/01/2019	\$			
5/01/2020	\$			
11/01/2020	\$			
5/01/2021	\$			
11/01/2021	\$			
5/01/2022	\$			

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APPENDIX E
CONTINUING DISCLOSURE AGREEMENT

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CONTINUING DISCLOSURE AGREEMENT

This **CONTINUING DISCLOSURE AGREEMENT** dated as of July 1, 2019 (the “Continuing Disclosure Agreement”), is executed and delivered by the McIntosh County Public Facilities Authority (the “Authority”) and BOKF, NA, Oklahoma City, Oklahoma, as dissemination agent (the “Dissemination Agent”).

RECITALS

1. This Continuing Disclosure Agreement is executed and delivered in connection with the issuance by the McIntosh County Public Facilities Authority (the “Authority”) of \$1,700,000 Sales Tax Revenue Refunding Bonds, Series 2019 (the “Bonds”), pursuant to a Bond Indenture dated as of July 1, 2019 between the Authority and BOKF, NA, Oklahoma City, Oklahoma, as trustee (the “Indenture”).

2. The Authority and the Dissemination Agent are entering into this Continuing Disclosure Agreement for the benefit of the Beneficial Owners of the Bonds and in order to assist the Participating Underwriter in complying with Rule 15c2-12 of the Securities and Exchange Commission. The Authority is an “obligated person” with responsibility for continuing disclosure hereunder.

In consideration of the mutual covenants and agreements herein, the Authority and the Dissemination Agent covenant and agree as follows:

Section 1. Definitions. In addition to the definitions set forth in the Indenture, which apply to any capitalized term used in this Continuing Disclosure Agreement unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Annual Report” means any Annual Report filed by the Authority pursuant to, and as described in, **Section 2** of this Continuing Disclosure Agreement.

“Beneficial Owner” means any registered owner of any Bonds and any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

“Dissemination Agent” means BOKF, NA, Oklahoma City, Oklahoma, acting in its capacity as dissemination agent hereunder, or any successor Dissemination Agent designated in writing by the Authority.

“EMMA” means the Electronic Municipal Market Access system for municipal securities disclosures established and maintained by the MSRB, which can be accessed at www.emma.msrb.org or such other location as may be designated in the future by the MSRB pursuant to the Rule.

“Fiscal Year” means the 12-month period beginning on July 1 and ending on June 30 or any other 12-month period selected by the Authority as the Fiscal Year of the Authority for financial reporting purposes.

“Material Events” means any of the events listed in **Section 3(a)** of this Continuing Disclosure Agreement.

“MSRB” means the Municipal Securities Rulemaking Board, or any successor repository designated as such by the Securities and Exchange Commission in accordance with the Rule.

“Participating Underwriter” means any of the original underwriter(s) of the Bonds required to comply with the Rule in connection with offering of the Bonds.

“Rule” means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

Section 2. Provision of Annual Reports.

(a) The Authority shall, or shall cause the Dissemination Agent to, not later than 180 days after the end of the Authority’s Fiscal Year, commencing with the year ending June 30, 2020, file with the MSRB, through EMMA, the following financial information and operating data and certification (the “Annual Report”):

- (1) *Audited Financials:* The financial statements of the Authority for the prior Fiscal Year, prepared in accordance with accounting principles generally accepted in the United States of America. If audited financial statements are to be prepared but are not available by the time the Annual Report is required to be filed pursuant to this Section, the Annual Report shall contain unaudited financial statements, and the audited financial statements shall be filed in the same manner as the Annual Report promptly after they become available.
- (2) *Updated Financial Data:* Each Annual Report shall add the immediately preceding Fiscal Year’s information concerning the Authority’s revenue, expenditures, debt service requirements, and coverage ratio as provided in the table entitled “Comparative Revenue and Expenses” provided in the Official Statement for the Bonds.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues with respect to which the Authority is an “obligated person” (as defined by the Rule), which have been filed with the MSRB and are available through EMMA or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the MSRB on EMMA. The Authority shall clearly identify each such other document so included by reference.

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 this Section. If the Authority’s Fiscal Year changes, it shall give notice of such change in the same manner as for a Material Event under **Section 3** of this Continuing Disclosure Agreement.

(b) Not later than three (3) Business Days prior to the date specified in subsection (a) for providing the Annual Report to the MSRB, the Authority shall either (1) provide the

Annual Report to the Dissemination Agent, with written instructions to file the Annual Report as specified in subsection (a), or (2) provide written notice to the Dissemination Agent that the Authority has filed the Annual Report with the MSRB or will do so prior to the deadline specified in subsection (a). The Dissemination Agent may rely conclusively on the certification of the Authority provided pursuant to subsection (a)(4) above that such Annual Report constitutes the Annual Report required to be furnished by the Authority hereunder and shall have no independent duty to review such Annual Report.

- (c) If the Dissemination Agent has not received either an Annual Report with filing instructions or a written notice from the Authority that it has filed an Annual Report with the MSRB by the date required in subsection (a), the Dissemination Agent shall send a notice to the MSRB in substantially the form attached as **Exhibit A**.
- (d) The Dissemination Agent shall, unless the Authority has filed the Annual Report with the MSRB, promptly following receipt of the Annual Report and instructions required in subsection (b) above, file the Annual Report with the MSRB and file a report with the Authority certifying that the Annual Report has been filed pursuant to this Continuing Disclosure Agreement, stating the date it was filed with the MSRB. Such confirmation may be in the form of any confirming email or submission confirmation obtained from EMMA.
- (e) In addition to the foregoing requirements of this Section, the Authority agrees to provide copies of the most recent Annual Report to any requesting bondowner or prospective bondowner, but only after the same have been delivered to the MSRB.

Section 3. Reporting of Material Events.

- (a) No later than 10 Business Days after the occurrence of any of the following events, the Authority shall give, or cause to be given to the MSRB by the Dissemination Agent, through EMMA, notice of the occurrence of any of the following events with respect to the Bonds (“**Material Events**”):
 - (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 or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
 - (7) modifications 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 Authority or the County of McIntosh County, Oklahoma (the “County”);

- (13) the consummation of a merger, consolidation, or acquisition involving the Authority or the County or the sale of all or substantially all of the assets of the Authority or the County, 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 or the change of name of the trustee, if material;
 - (15) incurrence of a financial obligation of the Authority or the County, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Authority or the County, any of which affect bondholders, 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 Authority or the County, any of which reflect financial difficulties.
- (b) The Dissemination Agent shall, promptly after obtaining actual knowledge of the occurrence of any event that it believes may constitute a Material Event, contact the Chairman of the Authority or his or her designee, or such other person as the Authority shall designate in writing to the Dissemination Agent from time to time, inform such person of the event, and request that the Authority promptly notify the Dissemination Agent in writing whether or not to report the event pursuant to subsection (d). If in response to a request under this subsection (b), the Authority determines that the event does not constitute a Material Event, the Authority shall so notify the Dissemination Agent in writing and instruct the Dissemination Agent whether or not to report the occurrence pursuant to subsection (d).
- (c) Whenever the Authority obtains knowledge of the occurrence of a Material Event, because of a notice from the Dissemination Agent pursuant to subsection (b) or otherwise, the Authority shall promptly notify and instruct the Dissemination Agent in writing to report the occurrence pursuant to subsection (d).
- (d) If the Dissemination Agent receives written instructions from the Authority to report the occurrence of a Material Event, the Dissemination Agent shall promptly file a notice of such occurrence to the MSRB, with a copy to the Authority. Notwithstanding the foregoing, notice of Material Events described in subsections (a)(8) and (9) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to the registered owners of affected Bonds pursuant to the Indenture.

Section 4. Termination of Reporting Obligation. The Authority's obligations under this Continuing Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If the obligations of the Authority under this Continuing Disclosure Agreement are assumed in full by some other entity, such person shall be responsible for compliance with this Continuing Disclosure Agreement in the same manner as if it were the Authority, and the Authority shall have no further responsibility hereunder. If such termination or substitution occurs prior to legal defeasance, prior redemption or payment in full of all of the Bonds, the Authority shall give notice of such termination or substitution in the same manner as for a Material Event under **Section 3** of this Continuing Disclosure Agreement.

Section 5. Dissemination Agents. The Authority may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Continuing Disclosure Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent may resign as dissemination agent hereunder at any time upon 30 days prior written notice to the Authority. Except as otherwise provided herein, the Dissemination Agent shall not be responsible in any manner for the content of any notice or report (including without limitation the Annual Report) prepared by the Authority pursuant to this Continuing Disclosure Agreement. The initial Dissemination Agent is BOKF, NA, Oklahoma City, Oklahoma.

Section 6. Amendment; Waiver. Notwithstanding any other provision of this Continuing Disclosure Agreement, the Authority and the Dissemination Agent may amend this Continuing Disclosure Agreement and any provision of this Continuing Disclosure Agreement may be waived, provided that Bond Counsel or other counsel experienced in federal securities law matters provides the Authority and the Dissemination Agent with its written opinion that the undertaking of the Authority contained herein, as so amended or after giving effect to such waiver, is in compliance with the Rule and all current amendments thereto and interpretations thereof that are applicable to this Continuing Disclosure Agreement.

In the event of any amendment or waiver of a provision of this Continuing Disclosure Agreement, the Authority shall describe such amendment or waiver in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Authority. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (1) notice of such change shall be given in the same manner as for a Material Event under **Section 3** of this Continuing Disclosure Agreement, and the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 7. Additional Information. Nothing in this Continuing Disclosure Agreement shall be deemed to prevent the Authority from disseminating any other information, using the means of dissemination set forth in this Continuing Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Material Event, in addition to that which is required by this Continuing Disclosure Agreement. If the Authority chooses to include any information in any Annual Report or notice of occurrence of a Material Event, in addition to that which is specifically required by this Continuing Disclosure Agreement, the Authority shall not have any obligation under this Continuing Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Material Event.

Section 8. Default. If the Authority or the Dissemination Agent fails to comply with any provision of this Continuing Disclosure Agreement, any Participating Underwriter or any Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Authority or the Dissemination Agent, as the case may be, to comply with its obligations under this Continuing Disclosure Agreement. A default under this Continuing Disclosure Agreement shall not be deemed an event of default under the Indenture or the Bonds, and the sole remedy under this Continuing Disclosure Agreement in the event of any failure of the Authority or the Dissemination Agent to comply with this Continuing Disclosure Agreement shall be an action to compel performance.

Section 9. Duties and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Continuing Disclosure Agreement. The fees, charges and expenses of the Dissemination Agent in connection with its administration of this Continuing Disclosure Agreement shall be paid as provided in the Indenture.

The Dissemination Agent shall not be responsible for the content of any notice or information provided by the Authority to the Dissemination Agent for filing or the Authority's failure to submit a complete Annual Report. The Dissemination Agent shall not be responsible for ensuring the compliance with any rule or regulation of the Authority or Participating Underwriter in connection with the filings of information herein, but is merely responsible for the filing of any such information provided to the Dissemination Agent by the Authority.

Section 10. Notices. Any notices or communications to or among any of the parties to this Continuing Disclosure Agreement may be given by registered or certified mail, return receipt requested, or by confirmed facsimile, or delivered in person or by overnight courier, and will be deemed given on the second day following the date on which the notice or communication is so mailed, as follows:

To the Authority: McIntosh County Public Facilities Authority
110 N. 1st Street
Eufaula, OK 74432
ATTN: Chairman of Trustees

To the Dissemination Agent: BOKF, NA
499 W. Sheridan Ave., Suite 2600
Oklahoma City, Oklahoma 73102
ATTN: Corporate Trust Department

Any person may, by written notice to the other persons listed above, designate a different address or telephone number(s) to which subsequent notices or communications should be sent.

Section 11. Beneficiaries. Subject to the limitation on remedies contained in **Section 9** of this Continuing Disclosure Agreement, this Continuing Disclosure Agreement shall inure solely to the benefit of the Authority, the Dissemination Agent, the Participating Underwriter, and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Section 12. Severability. If any provision in this Continuing Disclosure Agreement, the Indenture or the Bonds shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 13. Counterparts. This Continuing Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 14. Electronic Transactions. The arrangement described herein may be conducted and related documents may be stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

Section 15. No Pecuniary Liability; General Limitation on Authority Obligations.

(a) Notwithstanding the language or implication of any provision, representation, covenant or agreement to the contrary, no provision, representation, covenant or agreement contained in this Continuing Disclosure Agreement or any obligation herein imposed upon the Authority, or the breach thereof, shall constitute or give rise to or impose upon the Authority a pecuniary liability. No provision hereof shall be construed to impose a charge against the general credit of the Authority or any personal or pecuniary liability upon any official, director, officer, agent, or employee of the Authority.

(b) ANY OTHER TERM OR PROVISION OF THIS CONTINUING DISCLOSURE AGREEMENT OR ANY OTHER DOCUMENT EXECUTED IN CONNECTION WITH THE TRANSACTION WHICH IS THE SUBJECT HEREOF TO THE CONTRARY NOTWITHSTANDING, THE AUTHORITY SHALL NOT BE REQUIRED TO TAKE OR OMIT TO TAKE, OR REQUIRE ANY OTHER PERSON OR ENTITY TO TAKE OR OMIT TO TAKE, ANY ACTION WHICH WOULD CAUSE IT OR ANY PERSON OR ENTITY TO BE, OR RESULT IN IT OR ANY PERSON OR ENTITY BEING, IN VIOLATION OF ANY LAW OF THE STATE OF OKLAHOMA.

Section 16. Governing Law. This Continuing Disclosure Agreement shall be governed by and construed in accordance with the laws of the State of Oklahoma.

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IN WITNESS WHEREOF, the Authority and the Dissemination Agent have caused this Continuing Disclosure Agreement to be executed as of the day and year first above written.

**MCINTOSH COUNTY PUBLIC FACILITIES
AUTHORITY**

By: _____
Title: Chairman of Trustees

BOKF, NA, Oklahoma City, Oklahoma, as
Dissemination Agent

By: _____
Title: Authorized Officer

EXHIBIT A

NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: McIntosh County Public Facilities Authority (the “Authority”)

Name of Bond Issue: \$1,700,000 Sales Tax Revenue Refunding Bonds, Series 2019

Name of Obligated Person: McIntosh County Public Facilities Authority

Date of Issuance: July 1, 2019

NOTICE IS HEREBY GIVEN that the Authority has not filed an Annual Report with respect to the above-named Bonds as required by the Continuing Disclosure Agreement dated as of July 1, 2019, between the Authority and BOKF, NA, Oklahoma City, Oklahoma, as Dissemination Agent. The Authority has informed the Dissemination Agent that the Authority anticipates that the Annual Report will be filed by

_____.

Dated: _____, _____, _____

**BOKF, NA, Oklahoma City, Oklahoma, as
Dissemination Agent on behalf of the McIntosh County
Public Facilities Authority**

cc: McIntosh County Public Facilities Authority

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