



Financial Statements
June 30, 2015 and 2014

Oklahoma Secondary Schools Activities Association

Oklahoma Secondary Schools Activities Association

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Independent Auditor's Report

Oklahoma Secondary Schools Activities Association
Oklahoma City, Oklahoma

Report on the Financial Statements

We have audited the accompanying financial statements of Oklahoma Secondary Schools Activities Association, which comprise the statements of financial position as of June 30, 2015 and 2014, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Oklahoma Secondary Schools Activities Association as of June 30, 2015 and 2014, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information on pages 15 through 17 is presented for the purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 28, 2015 on our consideration of the Oklahoma Secondary Schools Activities Association's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Oklahoma Secondary Schools Activities Association's internal control over financial reporting and compliance.



Oklahoma City, Oklahoma
August 28, 2015

Oklahoma Secondary Schools Activities Association
 Statements of Financial Position
 June 30, 2015 and 2014

	2015	2014
Assets		
Current Assets		
Cash and cash equivalents	\$ 316,184	\$ 161,690
Certificates of deposit	1,095,561	1,244,358
Investments	161,425	157,402
Accounts receivable, net	143,432	130,431
Prepaid expenses and other assets	44,079	40,994
Total current assets	1,760,681	1,734,875
Property and Equipment		
Fixed assets, at cost		
Land	361,824	361,824
Building and improvements	982,940	982,940
Furniture and fixtures	84,533	84,533
Equipment	78,250	69,542
Transportation equipment	197,744	170,225
	1,705,291	1,669,064
Less accumulated depreciation	673,442	628,937
Total property and equipment	1,031,849	1,040,127
Total assets	\$ 2,792,530	\$ 2,775,002
Liabilities and Net Assets		
Accounts payable and accrued liabilities	37,201	54,539
Deferred revenue	32,009	30,379
Total liabilities	69,210	84,918
Net Assets		
Unrestricted	2,723,320	2,690,084
Total liabilities and net assets	\$ 2,792,530	\$ 2,775,002

Oklahoma Secondary Schools Activities Association
 Statements of Activities
 Years Ended June 30, 2015 and 2014

	2015	2014
Revenues		
Activities	\$ 4,759,256	\$ 4,367,436
Corporate sponsorship	439,540	385,746
Official's fees and camp	208,435	210,344
Royalties (T-shirts, etc.)	148,122	105,564
School playoff passes	7,850	79,800
Championship passes	26,161	26,470
Net investment return	14,728	39,896
In-kind contributions	24,597	24,517
Insurance profit share	14,930	17,284
Miscellaneous	112,539	24,737
Total revenue, support, and gains	5,756,158	5,281,794
Expenses		
Program services	5,359,071	5,286,535
Management and general	363,851	357,945
Total expenses	5,722,922	5,644,480
Change in net assets	33,236	(362,686)
Unrestricted net assets at beginning of year	2,690,084	3,052,770
Unrestricted net assets at end of year	\$ 2,723,320	\$ 2,690,084

Oklahoma Secondary Schools Activities Association
Statement of Functional Expenses
Year Ended June 30, 2015

	Program	Management and Administrative	Total
Activities	\$ 3,212,512	\$ -	\$ 3,212,512
Salaries and wages	943,530	166,505	1,110,035
Employee benefit programs	63,893	11,275	75,168
Pension fund	160,413	28,308	188,721
Payroll taxes	72,009	12,708	84,717
Telephone and internet	11,349	2,003	13,352
Postage	45,922	8,104	54,026
Utilities	17,350	3,062	20,412
Dues and subscriptions	2,874	507	3,381
Bldg. and equip. maintenance	6,935	1,224	8,159
Insurance	251,683	44,415	296,098
Board of directors	22,601	22,601	45,202
Committees and meeting costs	55,338	6,149	61,487
Legal fees	258,701	13,616	272,317
Professional fees - other	47,367	8,359	55,726
Official's expense	12,478	-	12,478
Data Processing	4,253	750	5,003
Depreciation	60,897	10,746	71,643
Printing	52,462	9,258	61,720
Office and other	26,970	4,758	31,728
Automobile	29,534	5,212	34,746
Courtesy fund	-	4,291	4,291
	<u>\$ 5,359,071</u>	<u>\$ 363,851</u>	<u>\$ 5,722,922</u>

Oklahoma Secondary Schools Activities Association
Statement of Functional Expenses
Year Ended June 30, 2014

	Program	Management and Administrative	Total
Activities	\$ 3,143,980	\$ -	\$ 3,143,980
Salaries and wages	891,526	157,328	1,048,854
Employee benefit programs	67,062	11,834	78,896
Pension fund	151,694	26,769	178,463
Payroll taxes	67,249	11,868	79,117
Telephone and internet	11,181	1,973	13,154
Postage	52,029	5,781	57,810
Utilities	19,140	3,378	22,518
Dues and subscriptions	3,474	-	3,474
Bldg. and equip. maintenance	8,473	26,304	34,777
Insurance	246,062	44,165	290,227
Board of directors	17,019	17,020	34,039
Committees and meeting costs	51,350	5,705	57,055
Legal fees	323,499	17,026	340,525
Professional fees - other	33,910	2,272	36,182
Official's expense	9,250	-	9,250
Data Processing	12,967	785	13,752
Depreciation	58,923	10,398	69,321
Printing	64,409	3,390	67,799
Office and other	17,771	3,136	20,907
Automobile	35,567	4,091	39,658
Courtesy fund	-	4,722	4,722
	<u>\$ 5,286,535</u>	<u>\$ 357,945</u>	<u>\$ 5,644,480</u>

Oklahoma Secondary Schools Activities Association
 Statements of Cash Flows
 Years Ended June 30, 2015 and 2014

	2015	2014
Cash Flows from Operating Activities		
Change in net assets	33,236	\$ (362,686)
Adjustments to reconcile change in net assets to net cash used for operating activities		
Depreciation	71,643	69,321
Vehicle received in lieu of cash for advertising	(27,530)	-
Realized and unrealized gain on investments	(4,023)	(25,210)
Changes in operating assets and liabilities		
Accounts receivable, net	(13,001)	(7,644)
Prepaid expenses and other assets	(3,085)	(1,436)
Accounts payable and accrued liabilities	(17,338)	23,358
Deferred revenue	1,630	(1,669)
Net Cash used for Operating Activities	41,532	(305,966)
Cash Flows from Investing Activities		
Purchases of certificates of deposit	(209,847)	(162,641)
Maturities of certificates of deposit	358,644	506,812
Purchases of property and equipment	(35,835)	(47,620)
Net Cash from Investing Activities	112,962	296,551
Net Change in Cash and Cash Equivalents	154,494	(9,415)
Cash and Cash Equivalents, Beginning of Year	161,690	171,105
Cash and Cash Equivalents, End of Year	\$ 316,184	\$ 161,690

Note 1 - Nature of Activity and Significant Accounting Policies

Organization

The Oklahoma Secondary Schools Activities Association (the "Association") is a not-for-profit organization whose mission is to provide support to secondary schools in Oklahoma for athletics, activities and other services. The Association's primary source of revenue is from event revenue, corporate sponsorships, and officials' fees.

Basis of Accounting

The financial statements have been prepared using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recorded as earned and expenses are recorded at the time liabilities are incurred.

Cash and Cash Equivalents

Cash and cash equivalents include various checking accounts. The Association considers cash equivalents to be all highly liquid debt instruments with a maturity of three months or less.

Property and Equipment

The cost of property, furniture and equipment is depreciated over the estimated useful lives of the related assets. Depreciation is computed using the straight-line method based on the following useful lives:

Building and improvements	20 - 40 years
Furniture and fixtures	7 - 10 years
Equipment	3 - 15 years
Transportation equipment	5 years

Maintenance and repairs which do not improve or extend the useful life of the asset are expensed when paid. Additions and betterments in excess of \$1,000 are capitalized.

The Association recognized \$71,643 and \$69,321 respectively, in depreciation for the fiscal year ending June 30, 2015 and 2014.

The Association records impairments to property and equipment when it becomes probable that the carrying value of the assets will not be fully recovered over their estimated lives. Impairments are recorded to reduce the carrying value of the assets to their estimated fair values determined by the Association based on facts and circumstances in existence at the time of the determination, estimates of probable future economic conditions, and other information. No impairments were recorded in 2015 or 2014.

Investments

The Association invests in certificates of deposit and mutual funds. Interest, dividends, and unrealized and realized gains and losses are reported in the statement of activities.

The maturity dates of the certificates of deposit range from July 5, 2015 to April 29, 2019 and have interest rates that range from 0.07% to 2.25%.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Unrestricted Net Assets – Net assets available for use in general operations.

Temporarily Restricted Net Assets – Net assets subject to donor restrictions that may or will be met by expenditures or actions of Oklahoma Secondary Schools Activities Association and/or the passage of time, and certain income earned on permanently restricted net assets that has not yet been appropriated for expenditure by Oklahoma Secondary Schools Activities Association's Board of Directors. The Association has no temporarily restricted net assets as of June 30, 2015 and 2014.

Permanently Restricted Net Assets – Net assets whose use is limited by donor-imposed restrictions that neither expire by the passage of time nor can be fulfilled or otherwise removed by action of Oklahoma Secondary Schools Activities Association. The restrictions stipulate that resources be maintained permanently but permit Oklahoma Secondary Schools Activities Association to expend the income generated in accordance with the provisions of the agreements. The Association has no permanently restricted net assets as of June 30, 2015 and 2014.

Revenue and Revenue Recognition

Revenue is recognized when earned. Officials' registration payments received in advance are deferred to the applicable period in which the related services are performed or expenditures are incurred, respectively.

Receivables

Receivables consist of amounts due from corporate sponsorships and royalty agreements and are non-interest bearing. At June 30, 2015 and 2014, management considered all receivables to be fully collectible; therefore, no allowance was considered necessary.

Donated Services and In-Kind Contributions

It is the Association's policy to record non-cash items and in-kind gifts at their fair value on the date they are received.

Volunteers contribute significant amounts of time to the Association's program services; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles. Contributed goods are recorded at fair value at the date of donation. Oklahoma Secondary Schools Activities Association records donated professional services at the respective fair values of the services received. No significant contributions of such goods or services were received during the years ended June 30, 2015 and 2014.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Estimates

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

Financial Instruments and Credit Risk

The Association manages deposit concentration risk by placing cash, mutual funds, and certificates of deposit with financial institutions believed by management to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in mutual funds. To date, Oklahoma Secondary Schools Activities Association has not experienced losses in any of these accounts.

Credit risk associated with accounts receivable is considered to be limited due to long-standing relationships with those companies and subsequent collection of those accounts.

Although the fair values of investments are subject to fluctuation on a year-to-year basis, management believes that the investment policies and guidelines are prudent for Oklahoma Secondary Schools Activities Association.

Income tax status

The Association has been ruled tax exempt by the Internal Revenue Service under the provisions of Section 501(c)(3) of the Internal Revenue Code. The Association does not believe it has engaged in any activity that would result in an uncertain tax position. As a result management does not believe that any uncertain tax positions currently exist and no loss contingency has been recognized in the accompanying financial statements. Tax statutes dictate that tax returns filed in any previous three reporting periods remain open to federal or state examination. Currently there are no open examinations with either the Internal Revenue Service or state taxing authorities.

Subsequent Events

Oklahoma Secondary Schools Activities Association has evaluated subsequent events through August 28, 2015, the date the financial statements were available to be issued.

Note 2 - Fair Value Measurements and Disclosures

Certain assets are reported at fair value in the financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets that Oklahoma Secondary Schools Activities Association can access at the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly. These include quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, inputs other than quoted prices that are observable for the asset, and market-corroborated inputs.

Level 3 – Unobservable inputs for the asset. In these situations, Oklahoma Secondary Schools Activities Association develops inputs using the best information available in the circumstances.

In some cases, the inputs used to measure the fair value of an asset might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to entire measurement requires judgment, taking into account factors specific to the asset. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to Oklahoma Secondary Schools Activities Association's assessment of the quality, risk or liquidity profile of the asset or liability.

Assets measured at fair value on a recurring basis consist of mutual funds held by the Association. Mutual funds are valued based on quoted market prices from active markets which the Association has access. Certificates of deposit are not listed below as such amounts are held at cost.

Oklahoma Secondary Schools Activities Association

Notes to Financial Statements

June 30, 2015 and 2014

The following table summarizes the valuation of the Association's assets by fair value hierarchy levels as of June 30, 2015 and 2014:

2015					
	Total	Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)	
Mutual funds	\$ 161,425	\$ 161,425	\$ -	\$ -	
Total investments	<u>\$ 161,425</u>	<u>\$ 161,425</u>	<u>\$ -</u>	<u>\$ -</u>	
2014					
	Total	Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)	
Mutual funds	\$ 157,402	\$ 157,402	\$ -	\$ -	
Total investments	<u>\$ 157,402</u>	<u>\$ 157,402</u>	<u>\$ -</u>	<u>\$ -</u>	

Oklahoma Secondary Schools Activities Association
Notes to Financial Statements
June 30, 2015 and 2014

Note 3 - Net Investment Return

Net investment return consists of the following for the years ended June 30, 2015 and 2014:

	2015	2014
Interest and dividends	\$ 10,855	\$ 14,836
Net realized and unrealized gain	4,023	25,210
Less investment management and custodial fees	(150)	(150)
	\$ 14,728	\$ 39,896

Note 4 - Retirement Plan

The Association has adopted a Simplified Employee Pension Plan (a “SEP”) to provide benefits to all eligible employees. All Association employees who have been employed for six months and who have reached twenty-one years of age are eligible participants; however, the employer contribution is discretionary. Employee contributions to these accounts are not permitted. The Associations’ contribution for the year ended June 30, 2015 and 2014 were \$188,721 and \$178,463, respectively.

Note 5 - Leases

The Association leases copier equipment under a lease agreement expiring November 4, 2019.

Future minimum lease payments are as follows:

<u>Years Ending June 30,</u>	<u>Copier Lease</u>
2016	\$ 5,376
2017	5,376
2018	5,376
2019	2,240
	\$ 18,368

Note 6 - Litigation Exposure

The Association is responsible for establishing, monitoring and enforcing the guidelines for participation as approved by its membership. At times the Association is named in litigation challenging the Association's ruling and seeking monetary damages and attorney costs. The Association maintains insurance for potential losses with a deductible of \$50,000 per occurrence at June 30, 2015. In management's opinion, the resolution of litigation matters, if any, would not have a material effect on the financial position of the Association at June 30, 2015.



Supplementary Information
June 30, 2015

Oklahoma Secondary Schools Activities Association

Oklahoma Secondary Schools Activities Association
Detailed Activity Schedule
Year Ended June 30, 2015

	Site Revenue/ Expenditures	Other Revenue/ Expenditures	Total
Basketball			
Revenue	2,025,728	37,440	\$ 2,063,168
Expenditures	1,159,237	33,776	1,193,013
Net	866,491	3,664	870,155
Football			
Revenue	899,732	13,480	913,212
Expenditures	606,723	25,597	632,320
Net	293,009	(12,117)	280,892
Music			
Revenue	325,002	12,400	337,402
Expenditures	306,188	10,296	316,484
Net	18,814	2,104	20,918
Softball			
Revenue	234,626	21,840	256,466
Expenditures	158,405	15,154	173,559
Net	76,221	6,686	82,907
Baseball			
Revenue	251,614	16,170	267,784
Expenditures	171,308	16,360	187,668
Net	80,306	(190)	80,116
Track			
Revenue	106,603	55,650	162,253
Expenditures	116,408	6,010	122,418
Net	(9,805)	49,640	39,835
Speech			
Revenue	27,340	6,280	33,620
Expenditures	28,676	-	28,676
Net	(1,336)	6,280	4,944
Wrestling			
Revenue	146,577	10,150	156,727
Expenditures	116,687	8,306	124,993
Net	29,890	1,844	31,734

Oklahoma Secondary Schools Activities Association
Detailed Activity Schedule
Year Ended June 30, 2015

	Site Revenue/ Expenditures	Other Revenue/ Expenditures	Total
Cheerleading			
Revenue	126,888	8,350	135,238
Expenditures	49,631	1,854	51,485
Net	77,257	6,496	83,753
Soccer			
Revenue	119,645	9,920	129,565
Expenditures	58,961	2,792	61,753
Net	60,684	7,128	67,812
Golf			
Revenue	-	73,523	73,523
Expenditures	58,580	231	58,811
Net	(58,580)	73,292	14,712
Swimming and Diving			
Revenue	38,793	5,240	44,033
Expenditures	24,792	459	25,251
Net	14,001	4,781	18,782
Tennis			
Revenue	33,530	8,760	42,290
Expenditures	32,732	100	32,832
Net	798	8,660	9,458
Cross Country			
Revenue	46,328	21,440	67,768
Expenditures	42,975	194	43,169
Net	3,353	21,246	24,599
Volleyball			
Revenue	38,612	4,920	43,532
Expenditures	30,718	3,460	34,178
Net	7,894	1,460	9,354
Academic			
Revenue	4,175	28,500	32,675
Expenditures	46,289	-	46,289
Net	(42,114)	28,500	(13,614)

Oklahoma Secondary Schools Activities Association
Detailed Activity Schedule
Year Ended June 30, 2015

	Site Revenue/ Expenditures	Other Revenue/ Expenditures	Total
Revenue	-	-	-
Expenditures	51,838	27,775	79,613
Net	(51,838)	(27,775)	(79,613)
Revenue	4,425,193	334,063	4,759,256
Expenditures	3,060,148	152,364	3,212,512
Net	\$ 1,365,045	181,699	1,546,744



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*

Oklahoma Secondary Schools Activities Association
Oklahoma City, Oklahoma

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Oklahoma Secondary Schools Activities Association (the Association), which comprise the statement of financial position as of June 30, 2015, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated August 28, 2015.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Association's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

The image shows a handwritten signature in cursive script that reads "Eide Bailly LLP".

Oklahoma City, Oklahoma
August 28, 2015