

**TULSA STADIUM TRUST
(A COMPONENT UNIT OF THE CITY OF TULSA, OKLAHOMA)**

FINANCIAL STATEMENTS

JUNE 30, 2013 and 2012

WITH

INDEPENDENT AUDITOR'S REPORT

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INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Tulsa Stadium Trust

We have audited the accompanying financial statements of Tulsa Stadium Trust (the Trust), a component unit of the City of Tulsa, as of and for the year ended June 30, 2013 and 2012, and the related notes to the financial statements, 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

Our responsibility is to express opinions 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Tulsa Stadium Trust as of June 30, 2013, and the changes in net position and, cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages 3-4 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 13, 2013 on our consideration of Tulsa Stadium Trust'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 Tulsa Stadium Trust's internal control over financial reporting and compliance.

Tulsa, Oklahoma
November 13, 2013

Stanfield & O'Sell P.C.

TULSA STADIUM TRUST
(a Component Unit of the City of Tulsa, Oklahoma)

Management's Discussion and Analysis

For the Years Ended June 30, 2013 and 2012

Introduction

This Management's Discussion and Analysis (MD&A) is intended to aid the reader in recognizing any significant issues and changes in the financial position of the Trust. The MD&A should be used in conjunction with the financial statements and notes as a whole.

Financial Statements

Condensed Statements of Net Position

	2013	2012	2011
Current assets	\$ 4,043,558	\$ 442,589	\$ 116,510
Noncurrent assets	47,997,646	47,922,713	48,774,662
Total assets	52,041,204	48,365,302	48,891,172
Total liabilities	24,528,497	19,558,213	19,144,392
Net position:			
Net investment in capital assets	24,304,220	29,118,901	30,368,484
Restricted for maintenance	792,289	705,973	622,823
Unrestricted	2,416,198	(1,017,785)	(1,244,527)
Total net position	\$ 27,512,707	\$ 28,807,089	\$ 29,746,780

The Tulsa Stadium Trust, a component unit of the City of Tulsa, Oklahoma, was organized as a public trust on September 25, 2008, for the use and benefit of the City of Tulsa, Oklahoma, under authority of and pursuant to the provisions of Title 60, Oklahoma Statutes, 2001, Section 176 to 180.4. The purpose of the Trust is to acquire, construct, own and operate a baseball stadium in downtown Tulsa and amenities and facilities necessary or convenient thereto.

As of June 30, 2013 and 2012, the Trust had total assets of \$52,041,204 and \$48,365,302, respectively. Current assets consisted of cash of \$4,043,558 and \$287,657, and other receivables of \$0 and \$154,932, respectively. Noncurrent assets consisted of capital assets of \$47,996,427 and \$47,921,494 net of depreciation, and deposits of \$1,219 and \$1,219, respectively. At June 30, 2013 and 2012, total liabilities consisted of accounts payable of \$16,588 and \$29,685, accrued interest of \$819,702 and \$725,935 and bonds payable of \$23,692,207 and \$18,802,593, respectively.

Condensed Statements of Revenues, Expenses, and Changes in Net Position

	2013	2012	2011
Operating revenues	\$ 298,987	\$ 245,778	\$ 269,874
Operating expenses	2,386,199	2,361,973	2,605,738
Operating loss	(2,087,212)	(2,116,195)	(2,335,864)
Nonoperating revenues, net	792,830	1,176,504	1,614,178
Increase (decrease) in net position	\$ (1,294,382)	\$ (939,691)	\$ (721,686)

The Trust completed the construction phase of the stadium and began operations during the spring of 2010. The Trust is being partially funded by approximately \$31,923,822 of gifts and sponsorships of which \$3,072 and \$308,120 of cash and pledged receivables were recorded at June 30, 2013 and 2012, respectively. During 2013 and 2012, operating revenues consisted of rental income of \$212,671 and \$162,628 and maintenance reserve revenue of \$86,316 and \$83,150, respectively. During 2013 and 2012, operating expenses consisted primarily of professional fees of \$216,265 and \$235,534, administrative expenses of \$63,003 and \$44,220, insurance expenses of \$61,361 and \$61,019, improvement district assessment of \$49,483 and \$43,118, litigation costs of \$14,062 and \$43,289 and depreciation of \$1,982,025 and \$1,934,793, respectively. Expenses incurred for the years ended June 30, 2013 and 2012 are primarily related to operating the stadium activities, litigation costs and management of the investment properties.

Requests for information

This financial report is designed to provide a general overview of the Trust's finances for all those with interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Tulsa Stadium Trust, 175 East Second Street, Tulsa, Oklahoma 74103.

TULSA STADIUM TRUST
(a Component Unit of the City of Tulsa, Oklahoma)

STATEMENTS OF NET POSITION

June 30, 2013 and 2012

	2013	2012
Assets		
Current assets:		
Cash	\$ 4,043,558	\$ 287,657
Other receivable	-	154,932
Total current assets	4,043,558	442,589
Capital assets, net	47,996,427	47,921,494
Other assets	1,219	1,219
Total assets	52,041,204	48,365,302
Liabilities		
Current liabilities:		
Accounts payable	16,588	29,685
Accrued interest	819,702	725,935
Current maturities of bonds payable	383,087	360,386
Total current liabilities	1,219,377	1,116,006
Bonds payable, less current maturities	23,309,120	18,442,207
Total liabilities	24,528,497	19,558,213
Net position:		
Net investment in capital assets	24,304,220	29,118,901
Restricted for maintenance	792,289	705,973
Unrestricted	2,416,198	(1,017,785)
Total net position	\$ 27,512,707	\$ 28,807,089

TULSA STADIUM TRUST
(a Component Unit of the City of Tulsa, Oklahoma)

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

Years ended June 30, 2013 and 2012

	2013	2012
Operating revenues:		
Rent	\$ 212,671	\$ 162,628
Maintenance reserve revenue	86,316	83,150
	<u>298,987</u>	<u>245,778</u>
Operating expenses:		
Professional fees	216,265	235,534
Administrative expenses and other	63,003	44,220
Insurance	61,361	61,019
Depreciation	1,982,025	1,934,793
Improvement district assessment	49,483	43,118
Litigation costs	14,062	43,289
	<u>2,386,199</u>	<u>2,361,973</u>
Total operating expenses		
	<u>(2,087,212)</u>	<u>(2,116,195)</u>
Operating loss		
Nonoperating revenues (expenses):		
Noncapital gifts	3,072	308,120
Transfer from primary government	2,132,652	2,108,436
Interest income	3,881	1,192
Interest expense	(1,346,775)	(1,241,244)
	<u>792,830</u>	<u>1,176,504</u>
Total nonoperating revenues, net		
	<u>(1,294,382)</u>	<u>(939,691)</u>
Decrease in net position		
Net position, beginning of year	28,807,089	29,746,780
Net position, end of year	<u>\$ 27,512,707</u>	<u>\$ 28,807,089</u>

TULSA STADIUM TRUST
(a Component Unit of the City of Tulsa, Oklahoma)

STATEMENTS OF CASH FLOWS

Years ended June 30, 2013 and 2012

	2013	2012
Cash Flows from Operating Activities		
Receipts from customers	\$ 298,987	\$ 245,778
Payments to suppliers	(417,271)	(448,203)
Net cash used in operating activities	(118,284)	(202,425)
Cash Flows from Noncapital Financing Activities		
Noncapital gifts received	3,072	338,096
Cash Flows from Capital and Related Financing Activities		
Proceeds from borrowings	5,250,000	750,000
Transfer from primary government	2,132,652	2,108,436
Receipts (payments) from financing activity	154,932	(127,240)
Acquisition and construction of capital assets	(2,056,958)	(1,082,844)
Interest paid on bonds	(1,253,008)	(1,217,370)
Principal paid on bonds	(360,386)	(339,030)
Net cash provided by financing activities	3,867,232	91,952
Cash Flows From Investing Activities		
Interest income	3,881	1,192
Increase in cash	3,755,901	228,815
Cash, beginning of year	287,657	58,842
Cash, end of year	\$ 4,043,558	\$ 287,657
Reconciliation of Operating Loss to Net Cash Used in Operating Activities		
Operating loss	\$ (2,087,212)	\$ (2,116,195)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation	1,982,025	1,934,793
Change in assets and liabilities:		
Accounts payable	(13,097)	(21,023)
Net cash used in operating activities	\$ (118,284)	\$ (202,425)

TULSA STADIUM TRUST
(a Component Unit of the City of Tulsa, Oklahoma)

NOTES TO FINANCIAL STATEMENTS

June 30, 2013 and 2012

Note 1 – Description of Organization and Summary of Significant Accounting Policies

Description of organization

The Tulsa Stadium Trust (the Trust), a component unit of the City of Tulsa (the City), was organized as a public trust on September 25, 2008, for the use and benefit of the City under authority of and pursuant to the provisions of Title 60, Oklahoma Statutes, 2001, Section 176 to 180.4. The purpose of the Trust is to acquire, construct, own and operate a baseball stadium in downtown Tulsa and amenities and facilities necessary or convenient thereto. In addition, the Trust may engage in other projects if approved by a vote of two-thirds of the trustees. The Trust shall terminate when the purpose of the Trust has been fully executed as determined by a majority vote of the full membership of both the trustees and the governing body of the city or in a manner provided by Title 60, Oklahoma Statutes, Section 180. The stadium construction phase was completed during the year ended June 30, 2010.

Basis of accounting and presentation

The financial statements of the Trust 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. Voluntary nonexchange transactions (such as noncapital and capital gifts) are recognized when all applicable eligibility requirements are met. Operating revenues and expenses include exchange transactions. Voluntary nonexchange transactions that are not capital related (such as noncapital gifts) and interest income and expense are included in nonoperating revenues and expenses. The Trust first applies the restricted component of net position when an expense or outlay is incurred for purposes for which both restricted and unrestricted components of net position are available.

The Trust's accounting and financial reporting policies conform to accounting principles generally accepted in the United States of America (GAAP) which includes all relevant Governmental Accounting Standards Board (GASB) pronouncements.

Cash equivalents

The Trust considers all liquid investments with original maturities of three months or less to be cash equivalents. At June 30, 2013 and 2012, the Trust did not have any cash equivalents.

Capital assets

Capital assets purchased or acquired are carried at historical cost. Contributed assets are recorded at fair market value as of the date donated. Depreciation is provided using the straight-line method over the estimated useful lives of the related assets between 10-25 years. Expenditures for maintenance and repairs are charged to expense as incurred whereas major improvements are capitalized. Gains and losses from the sale of property and equipment are reflected in the year of disposal.

Net position

The net position of the Trust is classified in to three components. The net investment in capital assets component of net position consists of capital assets net of accumulated depreciation and reduced by the outstanding balances of any related liabilities used to finance the purchase or construction of those assets. The restricted nonexpendable component of net position consists of noncapital assets that are required to be maintained in perpetuity as specified by parties external to the Trust. The unrestricted component of net position is the remaining assets less remaining liabilities that do not meet the definition of net investment in capital assets or the restricted components of net position. The Trust did not have any restricted nonexpendable components of net position at June 30, 2013 or 2012.

Gifts and sponsorship

The Trust initially was funded by approximately \$31,923,822 of gifts and sponsorships. All cash gifts are made to the Tulsa Community Foundation (the Foundation) on behalf of the Trust. The Trust records revenue from cash contributions when cash has been received by the Foundation and the Trust has eligible expenditures.

Income taxes

The Trust qualifies as an organization exempt from income taxes under Section 115(a) of the Internal Revenue Code. As such, no provision has been made for federal or state income taxes. However, the trust is subject to federal income tax on any unrelated business taxable income.

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 balance sheet and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent events

The Trust has evaluated subsequent events through November 13, 2013, the date which the financial statements were available to be issued.

Note 2 – Deposits

Custodial credit risk is the risk that in the event of a bank failure, a government's deposit may not be returned to it. The Trust's deposit policy for custodial credit risk requires compliance with provisions of state law and that demand deposits be collateralized at least 110% of the amount that is not federally insured.

As of June 30, 2013 and 2012, none of the Trust's bank balances of \$4,043,558 and \$287,657, respectively, were exposed to custodial credit risks.

Note 3 – Capital Assets

A summary of the Trust's capital assets activity for the years ended June 30, 2013 and 2012, is as follows:

	Balance June 30, 2012	Additions	Sales/Other Dispositions	Transfers	Balance June 30, 2013
Capital assets not being depreciated:					
Land	\$ 2,841,018	\$ -	\$ -	\$ -	\$ 2,841,018
Investment real estate	3,921,729	-	-	-	3,921,729
Capital assets being depreciated:					
Stadium facilities	43,589,073	38,204	-	-	43,627,277
Stadium equipment	1,912,301	-	-	-	1,912,301
Investment real estate	-	2,018,754	-	-	2,018,754
	52,264,121	2,056,958	-	-	54,321,079
Less: accumulated depreciation	(4,342,627)	(1,982,025)	-	-	(6,324,652)
	<u>\$ 47,921,494</u>	<u>\$ 74,933</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 47,996,427</u>
	Balance June 30, 2011	Additions	Sales/Other Dispositions	Transfers	Balance June 30, 2012
Capital assets not being depreciated:					
Land	\$ 2,841,018	\$ -	\$ -	\$ -	\$ 2,841,018
Investment real estate	2,850,020	1,071,709	-	-	3,921,729
Capital assets being depreciated:					
Stadium facilities	43,577,938	11,135	-	-	43,589,073
Stadium equipment	1,912,301	-	-	-	1,912,301
	51,181,277	1,082,844	-	-	52,264,121
Less: accumulated depreciation	(2,407,834)	(1,934,793)	-	-	(4,342,627)
	<u>\$ 48,773,443</u>	<u>\$ (851,949)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 47,921,494</u>

Note 4 – Long-Term Debt

On December 12, 2008, the Trust entered into a \$25,000,000 revenue bond agreement with the Foundation, the proceeds of which were to be used to fund stadium construction costs.

The bond agreement was amended effective May 25, 2010, allowing the Trust to request advances not to exceed \$25,000,000 less the sum of principal payments required to be paid in accordance with the principal payment schedule. The bond agreement was subsequently amended June 10, 2010, whereby the originally issued bond was surrendered and two bonds were issued. The new bonds are designated as the

Tulsa Stadium Trust \$19,710,564 Improvement District No. 1 Revenue Bond No. 2010-1 (the Exempt Bond) and the Tulsa Stadium Trust \$5,000,000 Improvement District No. 1 Bond 2010-2 (the Taxable Bond) with outstanding balances at June 30, 2013 of \$18,891,750 and \$4,800,457, respectively. The Exempt and Taxable bonds accrue interest at 6.15% and 7.90% annually, respectively, require annual principal and interest payments and mature November 30, 2038. The bonds are collateralized by an undivided percent of property tax assessment of the Tulsa Stadium Improvement District No. 1 as defined in the bond documents and a mortgage on the assets of the Trust, including rentals and other revenues from the lease agreement described in Note 5. Principal and interest payments commenced November 30, 2010.

The following is a summary of changes in bonds payable for the year ended June 30, 2013:

	Balance June 30, 2012	Additions	Deductions	Balance June 30, 2013	Amounts Due Within A Year
Bonds payable	\$ 18,802,593	\$ 5,250,000	\$ 360,386	\$ 23,692,207	\$ 383,087

The annual debt service requirements as of June 30, 2013, are as follows:

Year ending June 30	Bonds Payable	
	Principal	Interest
2014	\$ 383,087	\$ 1,474,661
2015	407,217	1,537,259
2016	432,870	1,510,444
2017	460,138	1,485,996
2018	489,124	1,451,629
2019-2023	2,948,520	6,735,929
2024-2028	4,001,944	5,633,470
2029-2033	5,431,843	4,138,272
2034-2038	7,372,814	2,159,057
2039	1,764,650	165,971
	<u>\$ 23,692,207</u>	<u>\$ 26,292,688</u>

Note 5 – Operating Lease Agreement

The Trust entered into an operating lease agreement effective October 29, 2008, to lease the baseball stadium to Tulsa Baseball, Inc. for a 30-year term with two five-year renewal periods. Tulsa Baseball, Inc. owns an AA professional baseball franchise known as the Tulsa Drillers. The lease commenced during the first quarter of 2010 and calls for an annual base rental of \$150,000 during the initial term plus additional rents if paid attendance to Tulsa Drillers games exceeds 400,000 during any baseball season. The agreement contains an annual CPI index rental escalation clause not to exceed 5%. The lease agreement also contains various revenue sharing provisions between the Trust and the lessee for "revenue streams" as defined in the lease agreement.

The lessee is responsible for annual base utility charges up to \$200,000 with such sum increased annually by the CPI Index. The Trust and lessee are equally responsible for annual utility charges in excess of the base utility charge. The lessee is also responsible for insurance and routine maintenance as defined in the lease agreement.

The lease agreement requires the Trust to be responsible for capital expenditures related to the baseball stadium and to establish a trust fund for the long-term maintenance and capital needs of the stadium. The Trust funded the trust fund with \$500,000 during 2010 and is required to maintain a minimum balance of \$500,000 over the 30-year initial term of the lease. The lessee is required to make annual contributions to the trust fund of \$50,000 to be adjusted annually by the CPI Index, which is capped at 5%. In addition, additional lessee contributions to the trust fund are required should paid attendance to Tulsa Drillers games exceed 300,000 during any baseball season. The lessee contributed \$86,316 to the fund during 2013.

Note 6 – Subsequent Events

On October 22, 2013, the Trust issued Series 2013 bonds aggregating \$23.3 million for the purpose of redeeming Revenue Bond No. 2010-1 and 2010-2. The tax-exempt Series 2013 bonds were issued in the par amount of \$19.4 million and include an original issue premium of \$0.02 million. The proceeds from the tax-exempt Series 2013 bonds were used to fund the full redemption of the Trust's Revenue Bond No. 2010-1. The tax-exempt Series 2013 bonds have an average coupon of 4.6% and a final maturity of June 30, 2039. The taxable Series 2013 bonds were issued in the par amount of \$3.9 million. The proceeds from the taxable Series 2013 bonds were used to fund the full redemption of Revenue Bond No. 2010-2. The taxable Series 2013 bonds have an average coupon of 6% and a final maturity of June 30, 2039. A debt service reserve fund was established for each series 2013 bonds and \$1,603,000 was deposited into a trust account at UMB Bank.

The Trust has accepted a contract for the sale of one of its investment properties, known as the Gates Building. The purchase price is \$850,000. The sale is expected to close later this year.

OTHER REPORT



**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

To the Board of Trustees
Tulsa Stadium Trust

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 Tulsa Stadium Trust, a component unit of the City of Tulsa as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise Tulsa Stadium Trust's basic financial statements, and have issued our report thereon dated November 13, 2013.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Tulsa Stadium Trust'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 Tulsa Stadium Trust's internal control. Accordingly, we do not express an opinion on the effectiveness of Tulsa Stadium Trust'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 over financial reporting 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 Tulsa Stadium Trust'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.

Tulsa, Oklahoma
November 13, 2013

Stanfield & O'Sell P.C.