

FIRES INNOVATION SCIENCE & TECHNOLOGY ACCELERATOR (FISTA)
DEVELOPMENT TRUST AUTHORITY

A Component Unit of the City of Lawton, Oklahoma

Financial Statements
For the Period August 25, 2020 to June 30, 2021

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ROBERT D. TURNER C.P.A.

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Independent Auditor's Report

Board of Trustees
Fires Innovation Science and Technology Accelerator (FISTA)
Development Trust Authority
Lawton, Oklahoma

I have audited the accompanying financial statements of the Fires Innovation Science and Technology Accelerator (FISTA) Development Trust Authority (a component unit of the City of Lawton) from the date of inception(August 25, 2020) as of and for the period ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Fires Innovation Science and Technology Accelerator (FISTA) Development Trust Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with 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 audits. I conducted my 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 Standard*, 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 referred to above present fairly, in all material respects, the respective financial position of the Fires Innovation Science and Technology Accelerator (FISTA) Development Trust Authority as of June 30, 2021, and the respective changes in financial position, and cash flows thereof for the period then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. This does not affect my opinion on the basic financial statement.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated February 25, 2022, on my consideration of the Fires Innovation Science and Technology Accelerator (FISTA) Development Trust Authority's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of my 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 Fires Innovation Science and Technology Accelerator (FISTA) Development Trust Authority's internal control over financial reporting and compliance.

Robert D. Turner

Robert D. Turner, CPA
Lawton, OK
February 25, 2022

Fires Innovation Science and Technology Accelerator (FISTA)**Development Trust Authority**

Statement of Net Position

June 30, 2021

ASSETS

Current Assets:

Cash and Cash Equivalents	\$ 402,489
Cash and Cash Equivalents, Restricted	4,113,217
Total Cash	<u>4,515,706</u>

Accounts Receivable, Motel E/D Fund	47,200
Accounts Receivable, Tenants	84,437
Accounts Receivable, Other	3,200
Grant Receivable, OMSPC	143,839
Prepaid Expenses	25,691
Insurance Refund Receivable	82,353
Total Current Assets	<u>4,902,426</u>

Noncurrent Assets:

Capital Assets (net of accumulated depreciation)	280,836
Utility Deposits	250
Total Noncurrent Assets	<u>281,086</u>

TOTAL ASSETS	<u>\$ 5,183,512</u>
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LIABILITIES AND NET POSITION

Current Liabilities:

Accounts Payable	\$ 77,516
Payroll Liabilities Payable	12,495
Accrued Interest	37,536
Deferred Tenant Rents	59,893
Tenant Deposits Payable	12,760
Revenue Note, Current	1,115,000
Total Current Liabilities	<u>1,315,200</u>

Noncurrent Liabilities:

Revenue Note, Noncurrent	17,270,000
Total Noncurrent Liabilities	<u>17,270,000</u>
Total Liabilities	<u>\$ 18,585,200</u>

NET POSITION

Investment in Capital Assets	\$ 280,836
Restricted Net Position	4,113,217
Unrestricted Net Position	<u>(17,795,741)</u>
TOTAL NET POSITION	<u>\$ (13,401,688)</u>

See Notes to Financial Statements.

Fires Innovation Science and Technology Accelerator (FISTA)

Development Trust Authority

Statement of Revenues, Expenses and Changes in Net Position

For the Period August 25, 2020 to June 30, 2021

Operating Revenues:

Rent	\$ 1,324,707
Back Rent	146,713
Tenant Shared Expense Reimbursement	470,779
Grant Income, OMSPC	143,839
H/M Tax Revenue - E/D	47,200
Other Income	7,821
Total Operating Revenues	<u>2,141,059</u>

Operating Expenditures:

Advertising and Marketing	9,305
Depreciation	1,124
Dues and Subscriptions	11,891
Employee Benefits	15,263
Insurance	166,600
Interest Expense	306,401
Loan Costs	291,160
Management Fees	75,000
Meals and Luncheons	4,247
Office Expense	5,912
Other Expenses	4,180
Professional Fees, Accounting	12,840
Professional Fees, Advertising	47,200
Professional Fees, Legal	34,250
Professional Fees, Other	15,000
Payroll, Wages	244,268
Payroll, Taxes	19,704
Repairs and Maintenance	86,113
Supplies	14,675
Telecommunications	7,970
Utilities	206,438
Webb Site	4,999
Total Operating Expenditures	<u>1,584,540</u>

Operating Income

556,519

Nonoperating Revenues and (Expenses)

Interest Income	<u>552</u>
Total Nonoperating Revenue	<u>552</u>

Transfers In (Out)

City of Lawton	240,000
City of Lawton	<u>(14,198,759)</u>
Total Transfers In (Out)	<u>(13,958,759)</u>

Increase (Decrease) in Net Position

(13,401,688)

Change in Net Position

Beginning Net Position	-
Ending Net Position	<u>\$ (13,401,688)</u>

See Notes to Financial Statements.

Fires Innovation Science and Technology Accelerator (FISTA)**Development Trust Authority****Statement of Cash Flows****For the Period August 25, 2020 to June 30, 2021****CASH FLOWS FROM OPERATING ACTIVITIES:**

Rents	\$ 1,459,636
Tenant Shared Reimbursements	470,779
Other Income	4,621
Payments to Employees	(266,740)
Payments to Suppliers	(1,297,423)
Net Cash Provided (Used) Operating Activities	<u>370,873</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Purchase of Equipment	(98,735)
Interest Income	552
WIP - Full Build Out	(183,225)
Net Cash Provided (Used) From Investing Activities	<u>(281,408)</u>

CASH FLOWS FROM FINANCING ACTIVITIES:

Revenue Note Proceeds	18,385,000
Transfers to City of Lawton	(14,198,759)
Transfers From City of Lawton	240,000
Net Cash Provided (Used) From Financing Activities	<u>4,426,241</u>

Net Increase (Decrease) in Cash	4,515,706
Cash Balance - Beginning of the Year	-
Cash Balance - End of the Year	<u>\$ 4,515,706</u>

**Reconciliation of Operating Income (Loss) to
Net Cash Provided (Used) Operating Activities:**

Operating Income (Loss)	\$ 556,519
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**Adjustment to Reconcile Operating Income
to Net Cash Provided by Operating Activities:**

Depreciation	1,124
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Changes in Assets and Liabilities:

Accounts Receivable Motel E/D Funds	(47,200)
Accounts Receivable, Tenants	(84,437)
Accounts Receivable, Other	(3,200)
Grant Receivable, OMSPC	(143,839)
Prepaid Expenses	(25,691)
Insurance Refund Receivable	(82,353)
Utility Deposits	(250)
Accounts Payable	77,516
Payroll Liabilities Payable	12,495
Accrued Interest Payable	37,536
Deferred Tenant Rents	59,893
Tenant Deposits Payable	12,760
Net Cash Provided (Used) Operating Activities	<u>\$ 370,873</u>

See Notes to Financial Statements.

**Fires Innovation Science and Technology Accelerator (FISTA)
Development Trust Authority**

Notes to Financial Statements

1. Organization and Reporting Entity

Organization:

On August 25, 2020 the City of Lawton established the Fires Innovation Science and Technology Accelerator (FISTA) Development Trust Authority (the Authority) for the purposes of promoting high quality business development in the City of Lawton, under the provisions of Title 60, Oklahoma Statutes, Sections 176 to 180.4, inclusive, as amended and supplemented, the Oklahoma Trust Act, and other applicable statutes and laws of the State of Oklahoma.

The purposes of this Trust are to plan, establish, develop, construct, enlarge, improve, maintain, equip and make available Fires Innovation Science and Technology Accelerator (FISTA) facilities, appurtenances, and related improvements within the territorial boundaries of the City of Lawton, Oklahoma, that will attract defense contractors, high-technology industry, innovative businesses and the like with capabilities to directly support the Cross-Functional Teams of Long Range Precision Fires (LRPF), Air & Missile Defense (AMD) and Fort Sill's FIRES Center of Excellence (FCoE) in the Army's comprehensive modernization, driving innovation and integrating capabilities to the warfighter.

Reporting Entity:

The Authority meets the criteria set forth in generally accepted accounting principles as promulgated by the Governmental Accounting Standards Board (GASB) for inclusion as a component unit within the City of Lawton's basic financial statements based on the City's responsibility for the appointment of the Authority members, and their approval of capital programs. As such, the Authority is included in the City's basic financial statements. The accompanying financial statements present the financial position and the changes in net assets and cash flows of the Authority only. The Authority is not involved in any joint ventures.

2. Summary of accounting policies

This report is prepared in conformity with U.S. Generally accepted Accounting Principles (GAAP) and the provisions of Government Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, as amended by Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, except for the omission of Management's Discussion and Analysis. Those statements establish standards for external financial reporting for all state and local governmental entities which include a Statement of Net Position, a Statement of Revenues, Expenses, and Changes in Fund Net Position, and a Statement of Cash Flows.

**Fires Innovation Science and Technology Accelerator (FISTA)
Development Trust Authority**

Notes to Financial Statements

2. Summary of accounting policies (continued)

Basis of Accounting -- The financial statements have been prepared on the accrual basis of accounting whereby revenues are recognized when earned and expenditures are recognized when incurred. The Statement of Revenues, Expenses, and Changes in Fund Net Position is a statement of financial activities related to the current reporting period.

Government-wide Financial Statements -- The adopted GASB Statements require that the overall financial condition of the Authority be displayed in three entity-wide financial statements. These are the Statement of Net Position; the Statement of Revenues, Expenses, and Changes in Fund Net Position; and the Statement of Cash Flows. These include all financial activity of the Authority.

The financial statements are presented using the “business-type activities” approach. Business-type activities are those that provide specific, divisible services to residents or businesses and are funded primarily by user charges. As is required by generally accepted accounting principles, the Authority reports using the economic resources measurement focus and accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. This method of accounting also distinguishes operating revenues and expenses from non-operating items and capital contributions. Operating revenues and expenses generally result from providing services in connection with the Authority's principal ongoing operations. Revenues and expenses not meeting this definition are reported as either non-operating revenues and expenses or capital contributions.

GASB Statements No. 34 and 63 require that the Statement of Net Position classify net position into three components: net investment in capital assets; restricted, and unrestricted. These classifications are defined as follows.

Net Investment in Capital Assets -- This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of debt attributable to the unspent proceeds are not included in the calculation of net investment in capital assets. Rather, that portion of the debt is included in the net position component as the unspent proceeds.

**Fires Innovation Science and Technology Accelerator (FISTA)
Development Trust Authority**

Notes to Financial Statements

2. Summary of accounting policies (continued)

Restricted Net Position -- This component of net position consists of constraints placed on net asset use through external restrictions imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provision or enabling legislation. When both restricted and unrestricted sources are available for use, generally it is the Authority's policy to use restricted resources first. The Authority has restricted cash for construction of the FISTA facility from the Revenue Bond proceeds in the amount of \$ 4,113,217.

Unrestricted Net Position -- This component of net position consists of those net position that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

Component Unit -- Component units are legally separate organizations for which the officials of the primary entity are financially responsible. In addition, component units can be other organizations which the nature and significance of their relationship with the primary entity are such that the exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The Authority is a component unit of the City of Lawton.

Use of Estimates -- Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets, liabilities and net position, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

Cash and Cash Equivalents -- The Authority considers cash on hand, demand deposits, interest bearing accounts, and investments with a maturity of 90 days or less to be cash and cash equivalents

Capital Assets -- Acquisitions of property and equipment with a useful life of more than one year and an original cost of \$500 or more are recorded as additions to capital assets. Depreciation of property and equipment has been calculated on the estimated useful lives using the straight-line method as follows:

<u>Type of Asset</u>	<u>Years</u>
Buildings and improvements	40
Equipment	5
Furniture and Fixtures	7

Statements of Cash Flows -- In accordance with GASB Statement 34, the accompanying financial statements include a Statement of Cash Flows which is presented using the direct method.

**Fires Innovation Science and Technology Accelerator (FISTA)
Development Trust Authority**

Notes to Financial Statements

2. Summary of accounting policies (continued)

Income Tax Status -- the Authority qualifies as an organization exempt from income taxes. As a government instrumentality, no provision has been made for federal or state income taxes.

3. Deposits and Deposit Risk

The Authority is governed by the deposit and investment limitations of state law. The Authority held the following deposits at June 30, 2021:

Demand deposits	\$ 214,173
Federated Treasury Funds	<u>4,279,438</u>
Total deposits	<u><u>\$ 4,493,611</u></u>

Custodial Credit Risk – Deposits in financial institutions, reported as components of cash and cash equivalents had a bank balance of \$4,493,611 at June 30, 2021. All deposits were insured by depository insurance or in federated treasury funds.

Investment Interest Rate Risk – The Authority has no normal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Investment Credit Risk – The Authority has no investment policy that limits its investment choices other than the limitation of state law as follows:

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

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

**Fires Innovation Science and Technology Accelerator (FISTA)
Development Trust Authority**

Notes to Financial Statements

4. Accounts Receivable

Accounts receivable tenants are amounts of rents due at June 30, 2021. Management anticipates they will collect these amounts in the subsequent year.

5. Rental income

The Authority, as operator of the Central Mall Acts as lessor to various businesses operating at the Mall. Rental revenues are billed and collected monthly. Some tenant's rents are based on sales. For more information on leases, refer to the specific lease agreements.

6. Capital assets

The Authority's investment in property and equipment at June 30, 2021 and the related activity for the period then ended was as follows:

	Balance 8/25/2020	Increase	Decrease	Balance 09/30/2021
Assets Not Being Depreciated				
Work in Process - Full Build Out	\$ -	\$ 183,225	\$ -	\$ 183,225
Total Assets Not Being Depreciated	-	183,225		183,225
Assets Being Depreciated:				
Building & Improvements, FISTA		38,000		38,000
Building & Improvements, Mall		41,359		41,359
Equipment, FISTA		13,143		13,143
Furniture and Fixtures, FISTA		6,233		6,233
Total Assets Being Depreciated	-	98,735	-	98,735
Less Accumulated Depreciation				
Building & Improvements, FISTA				-
Building & Improvements, Mall		431		431
Equipment, FISTA		619		619
Furniture and Fixtures, FISTA		74		74
Total Accumulated Depreciation	-	1,124	-	1,124
Net Capital Assets	\$ -	\$ 280,836	\$ -	\$ 280,836

Fixed Assets are presented at cost, or fair market value if donated, while equipment, furniture and fixtures, and vehicles with a life of more than one year are included at cost.

Depreciation expense for the period ended June 30, 2021 is \$1,124.

**Fires Innovation Science and Technology Accelerator (FISTA)
Development Trust Authority**

Notes to Financial Statements

7. Agreement for Funding and Limited Support

The Authority entered into a funding agreement with the City of Lawton . In this agreement the City of Lawton will provide funding up to \$4,175,000 for operations, management, administration, maintenance, and equipping of the FISTA facility during 2020-2021 fiscal period. This agreement expired on June 30, 2021. The Authority received funding of \$240,000 under this agreement during fiscal period 2021. On July 13, 2021 the Authority entered into a new funding agreement with the City of Lawton for fiscal year 2021-2022 in the amount of \$ 2,268,818 to provide continued funding assistance for the 2021-2022 fiscal year.

8. Leases

On January 5, 2021 the Authority entered into a lease with the City of Lawton. The demised premise was the Central Mall Lawton. This lease included all land, building structures, and improvements. The lease term is twenty-five years and expires January 4, 2046. Annual lease expense is one hundred dollars.

On March 9, 2021 the Authority entered into a lease with the Lawton Parking Authority. The demised premise was the Central Mall Lawton parking lot. This lease included all land, building structures, and improvements. The lease term is twenty-five years and expires March 9, 2046. Annual lease expense is one hundred dollars.

This agreement contains a covenant that the Authority will make certain payments in lieu of Ad Valorem Real and Personal Property taxes. The properties are subject to annual Ad Valorem payment obligation in the amount of the Ad Valorem tax.

9. Sales Tax Revenue Note Federally Taxable Series 2020

On November 2, 2020 the Authority issued a Sales Tax Revenue Note Federally Taxable Series 2020. The purpose of this note is to provide funds to purchase the Mall property which is to be used for industrial development in support of the Authority's mission. The aggregate principal amount was \$ 18,895,000. This note has an annual interest rate of 2.45%. Annual principal payments to maturity are as follows:

<u>Year</u>	<u>Principal</u>
2022	\$ 1,115,000
2023	1,145,000
2024	1,170,000
2025	1,200,000
2026 to 2035	<u>13,755,000</u>
	<u>\$ 18,385,000</u>

**Fires Innovation Science and Technology Accelerator (FISTA)
Development Trust Authority**

Notes to Financial Statements

This revenue note is secured on a parity with the Lawton Water Authority Series 2015 Note, the Lawton Industrial Development Authority Series 2017 Note, and the Lawton Industrial Development Authority Series 2019 Note payable from the Sales Tax Revenue, and any other notes or obligations issued pursuant to the provisions of the Indenture and any other obligations issued for the benefit of the City under the Indenture or indentures payable from the Sales Tax Revenue.

10. Grant Receivable, OSMPC

The Authority applied and was approved for an Oklahoma Department of Commerce, Oklahoma Strategic Military Planning Commission Grant (OSMPC) for \$ 143,839 on May 13, 2021. The purpose of the grant is to defray costs of renovating the Central Mall and parking lot area for supporting the Authority.

11. Related Party Transactions

As discussed in notes 8 and 9, the Authority entered into agreements with the City of Lawton and the Lawton Parking Authority. In addition, the Authority was approved to receive \$ 47,200 in Motel Economic Development funds for the fiscal period ending June 30, 2021.

12. Risk Management

The Authority is exposed to various levels of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Authority carries commercial insurance, auto, and workers compensation for risk of loss. There have been no settlements in excess of the Authority's coverage.

13. Subsequent Events

The Authority has evaluated events and transactions for subsequent events that would impact the financial statements for the period ended June 30, 2021 through February 25, 2022, which is the date the financial statements were available to be issued. There were no subsequent events that require recognition of disclosure in the financial statements.

ROBERT D. TURNER C.P.A.

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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*

Board of Trustees

Fires Innovation Science and Technology Accelerator (FISTA) Development Trust Authority
Lawton, Oklahoma

I have audited, in accordance with the 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 Fires Innovation Science and Technology Accelerator (FISTA) Development Trust Authority from the date of inception (August 25, 2020) as of and for the period June 30, 2021, and the related notes to the financial statements, which collectively comprise Fires Innovation Science and Technology Accelerator (FISTA) Development Trust Authority's basic financial statements, and have issued my report thereon date February 25, 2022.

Internal Control over Financial Reporting

In planning and performing my audit of the financial statements, I considered Fires Innovation Science and Technology Accelerator (FISTA) Development Trust 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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Fires Innovation Science and Technology Accelerator (FISTA) Development Trust Authority's internal control. Accordingly, I do not express an opinion on the effectiveness of Fires Innovation Science and Technology Accelerator (FISTA) Development Trust 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 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.

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 Fires Innovation Science and Technology Accelerator (FISTA) Development Trust Authority's financial statements are free from 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

The purpose of 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.

Robert D. Turner

Robert D. Turner, CPA
Lawton, OK
February 25, 2022