Financial Statements and Report of Independent Certified Public Accountants

Oklahoma Industries Authority, Oklahoma County

June 30, 2014 and 2013

Contents

Oklahoma Industries Authority, Oklahoma County

Management's Discussion and Analysis

Overview of Financial Statements and Financial Analysis

Oklahoma Industries Authority presents its financial statements for fiscal year 2014, with comparative data presented for fiscal year 2013. The emphasis of discussions concerning these statements will be for the current year. There are three financial statements presented: the Statements of Net Position; the Statements of Revenues, Expense and Changes in Net Position and the Statements of Cash Flows. This discussion and analysis of the Authority's financial statements provides an overview of its financial activities for the year.

Statements of Net Position

The Statements of Net Position presents the Assets, Liabilities, and Net Position as of the end of the fiscal year. The purpose of the Statements of Net Position is to present to the readers of the financial statements a fiscal snapshot of the Oklahoma Industries Authority.

From the data presented, readers of the Statements of Net Position are able to determine the assets available to continue the operations of the Authority as well as determine how much the Authority owes vendors. Finally, the Statements of Net Position provides a picture of the net position and their availability for expenditure by the Authority.

Total Assets of the Authority decreased by $390,739, this decrease was primarily due to a decrease in total investments of $305,109 and an increase in accumulated depreciation of $617,953 offset by an increase in cash and cash equivalents of $612,957.

Total Liabilities for the year decreased by $1,080,116. The most significant cause for the decrease was a decrease in the Maintenance, Repair and Overhaul Technology Center (MROTC) loan payable of $1,529,848 offset by increases in deferred revenue of $112,840 and accounts payable of $247,443. The combination of the decrease in total assets and the decrease in total liabilities nets to an increase in total net position of $689,377.

Statement of Revenues, Expenses and Changes in Net Assets

The Statement of Revenues and Expenses reports the Authority's change in net position during the fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid. The change in net position decreased $177,180. This decrease was attributable to an increase in distributions of $250,000 offset by a decrease in operating expenses of $131,656, primarily from a decrease in grant expenses of $4,584, and an increase in operating revenues of $20,649, primarily from a decrease in grant revenue of $2,693.

Statement of Cash Flows

The final statements presented by the Authority are the Statements of Cash Flows. The Statement of Cash Flows presents detailed information about the cash activity of the Authority during the year. The statement is divided into four parts.

The first part deals with operating cash flows and shows the net cash used and provided by the operating activities of the Authority. The second section reflects cash flows from investing activities and shows the purchases, proceeds and interest received from investing activities. The third section reflects the cash flows from financing activities and shows the proceeds received and payments made for financing activities. The fourth section reconciles the net cash used and provided by operating activities to the operating income or loss reflected on the Statement of Revenues, Expenses and Changes in Net Position. Operating cash flows increased to $1,932,638 due primarily to a decrease in operating expenses during fiscal 2014.

Economic Outlook

The Authority derives the majority of its operating revenues from MROTC revenue, grant revenue and interest income. Investment balances decreased due to an investment sale while earnings on investments remained fairly flat during the year and revenues from lease rentals and administrative fees increased slightly. These trends are expected to continue in future years.

Catherine O'Connor, General Manger

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

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Board of Trustees
Oklahoma Industries Authority, Oklahoma County

Report on the financial statements

We have audited the accompanying financial statements of Oklahoma Industries Authority, Oklahoma County (the "Authority", an Oklahoma public trust) which comprise the statements of net position at June 30, 2014 and 2013 and the related statements of revenues, expenses and changes in net position and cash flows, as of and for the years ended June 30, 2014 and 2013 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 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 audits 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 Authority'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 Authority'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.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Oklahoma Industries Authority, Oklahoma County as of June 30, 2014 and 2013, and the changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other matters

Required supplementary information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages i and ii, be presented to supplement the basic financial statements. Such information, although not a required 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. This required supplementary information is the responsibility of management. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America. These limited procedures 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.

Supplementary information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The Combining Statements of Trust Funds and Changes in Trust Funds Administered and the Schedule of Bonds Payable – Trust Funds Administered on pages 15 through 17, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures. These additional procedures included comparing and reconciling the information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic 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 December 30, 2014, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Grant Thornton LLP

Oklahoma City, Oklahoma
December 30, 2014

Oklahoma Industries Authority, Oklahoma County

STATEMENTS OF NET POSITION

June 30,

	2014	2013
ASSETS		
Current assets:		
Cash and cash equivalents	**$ 4,467,048**	$ 3,854,091
Investments	**2,216,997**	2,526,613
Accrued interest receivable	**35**	32
Prepaid insurance	**2,981**	2,639
Due from other trusts	**1,020**	1,020
Accounts receivable	**16,958**	16,958
Total current assets	**6,705,039**	6,401,353
Appropriated assets:		
Cash and cash equivalents	**798,581**	879,560
Accrued interest receivable	**7**	7
Investments	**539,621**	535,114
	1,338,209	1,414,681
Property held for sale	**-**	401,263
Property, plant and equipment – at cost:		
Industrial property	**2,835,486**	2,835,486
Industrial equipment	**57,936**	57,936
Office equipment	**41,961**	41,961
Building MROTC	**28,482,739**	28,482,739
Land – MROTC	**697,000**	697,000
Land	**401,263**	-
	32,516,385	32,115,122
Less accumulated depreciation	**5,034,416**	4,416,463
	27,481,969	27,698,659
Total assets	**35,525,217**	35,915,956
LIABILITIES AND NET POSITION		
Current liabilities:		
Accounts payable and accrued liabilities	**260,259**	12,816
Current portion of MROTC loan payable	**1,529,832**	1,440,383
Current portion of deferred revenues	**54,017**	54,017
Total current liabilities	**1,844,108**	1,507,216
Noncurrent liabilities:		
Deferred revenue	**2,747,025**	2,634,185
MROTC loan payable	**17,283,178**	18,813,026
Total liabilities	**21,874,311**	22,954,427
Commitments and contingencies		
Net position, unrestricted:		
Appropriated	**1,240,210**	1,231,203
Unappropriated	**12,410,696**	11,730,326
Total net position	**$ 13,650,906**	$ 12,961,529

The accompanying notes are an integral part of these statements.

Oklahoma Industries Authority, Oklahoma County

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

Year ended June 30,

	2014	2013
Revenues:		
Lease rentals	$ 227,500	$ 203,500
Administrative fees	73,506	74,050
Grant revenue	48,558	51,251
MROTC revenue	2,693,281	2,693,281
Other	-	114
Total operating revenues	3,042,845	3,022,196
Expenses:		
Depreciation	617,952	617,952
Insurance	8,430	5,979
Professional services	194,180	153,234
Management and trustee fees	25,995	105,821
Office rental	2,700	8,243
Printing and office supplies	457	5,061
Interest	1,183,865	1,268,084
Grant	49,163	53,747
Repairs and maintenance - Unit Parts	1,763	428
Other	3,595	1,207
Total operating expenses	2,088,100	2,219,756
Net earnings from operations	954,745	802,440
Investment income	32,632	52,374
Gain on sale of assets	-	59,743
Distributions for the benefit of other government	(298,000)	(48,000)
	(265,368)	64,117
CHANGE IN NET POSITION	689,377	866,557
Total net position at beginning of year	12,961,529	12,094,972
Total net position at end of year	$ 13,650,906	$ 12,961,529

The accompanying notes are an integral part of these statements.

Oklahoma Industries Authority, Oklahoma County

STATEMENTS OF CASH FLOWS

Year ended June 30,

	2014	2013
Increase in cash and cash equivalents		
Cash flows from operating activities:		
Lease rental payments received	**$ 227,500**	$ 203,500
Administrative fees received	**73,506**	74,050
Grant and MROTC revenue received	**2,854,679**	2,899,379
Operating expenses paid	**(1,223,047)**	(1,600,987)
Net cash provided by operating activities	**1,932,638**	1,575,942
Cash flows from investing activities:		
Change in appropriated cash	**80,979**	(180,373)
Purchases of investments	**(249,291)**	(248,762)
Proceeds from sales of investments	**525,862**	1,166,946
Interest received on investments	**61,168**	61,281
Net cash provided by investing activities	**418,718**	799,092
Cash flows from financing activities:		
Distributions and return of funds due to other trusts	**(298,000)**	(48,000)
MROTC loan payments	**(1,440,399)**	(1,356,181)
Net cash used in financing activities	**(1,738,399)**	(1,404,181)
NET INCREASE IN CASH AND CASH EQUIVALENTS	**612,957**	970,853
Cash and cash equivalents at beginning of year	**3,854,091**	2,883,238
Cash and cash equivalents at end of year	**$ 4,467,048**	$ 3,854,091
Reconciliation of net earnings from operations to net cash provided by operating activities:		
Net earnings from operations	**$ 954,745**	$ 802,440
Adjustments to reconcile net earnings from operations to net cash provided by operating activities:		
Depreciation	**617,952**	617,952
Amortization of deferred revenue	**(54,017)**	(54,017)
(Increase) decrease in:		
Prepaid insurance	**(342)**	(2,413)
(Decrease) increase in:		
Accounts payable and accrued liabilities	**247,443**	3,230
Deferred revenue	**166,857**	208,750
Net cash provided by operating activities	**$ 1,932,638**	$ 1,575,942
NONCASH INVESTING TRANSACTIONS		
Change in fair value of investments	**$ (28,539)**	$ 50,886

The accompanying notes are an integral part of these statements.

Oklahoma Industries Authority, Oklahoma County

NOTES TO FINANCIAL STATEMENTS

June 30, 2014 and 2013

NOTE A - NATURE OF ACTIVITIES AND SUMMARY OF ACCOUNTING POLICIES

The Oklahoma Industries Authority, Oklahoma County (the "Authority") is an Oklahoma public trust and an agency of the State of Oklahoma. It was created on December 15, 1966 to promote and encourage the general development of Oklahoma County under the provisions of Title 60, Oklahoma Statutes, and other applicable statutes and laws. Oklahoma County, Oklahoma (the "County") is the beneficiary of this trust and will receive all residual trust funds and assets upon termination of the trust.

The following is a summary of the more significant accounting policies consistently followed in the preparation of the Authority's financial statements.

1. Operations

The Authority arranges bond and loan financing through trustee banks to industrial, manufacturing, medical, civic, cultural and educational enterprises located principally in the County, for the purpose of constructing, purchasing, expanding or otherwise improving the facilities required by such enterprises.

2. Basis of Presentation

The Authority accounts for its operation as an enterprise fund. Enterprise funds are accounted for on the flow of economic resources measure focus and use the accrual basis of accounting, similar to private business enterprises. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when incurred. In accordance with the provisions of the Governmental Accounting Standards Board (GASB) Statement No. 20, the Authority applies all relevant GASB pronouncements as well as Financial Accounting Standard Board (FASB) pronouncements and Accounting Principles Board (APB) opinions, unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails.

3. Income Taxes

The Authority is exempt from federal income taxes under section 115 of the Internal Revenue Code; accordingly, no provision has been made for income taxes.

4. Property, Plant and Equipment

Depreciation is provided in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives of five to 50 years, principally using the straight-line method. Costs incurred during construction of long lived assets are recorded as construction-in-progress and are not depreciated until placed in service. The Authority capitalizes interest as a component of capital assets constructed for its own use. In 2014 and 2013, total interest incurred was $1,183,865 and $1,268,084 respectively, of which $0 was capitalized in each year.

5. Cash and Cash Equivalents

The Authority considers all highly liquid debt instruments purchased with a maturity of three months or less, money market mutual funds and deemed accounts to be cash equivalents. The Authority maintains its cash and cash equivalents in accounts, some of which are not fully insured by the Federal Depository Insurance Company ("FDIC"). The Authority has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

NOTE A - NATURE OF ACTIVITIES AND SUMMARY OF ACCOUNTING POLICIES - CONTINUED

6. Investments

Investments are stated at fair value, based upon quoted prices for governmental debt securities, with changes in fair value included in investment income in the statement of revenues, expenses and changes in net position.

7. 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 amounts reported in the financial statements and accompanying notes; accordingly, actual results could differ from those estimates.

8. Deferred Revenue

Grant revenues received for the MROTC project were deferred while construction of the facility was in progress. Revenue is recognized over the useful life of the facility. Grant revenues received for other projects will be deferred and revenue recognized on a systematic basis over the periods which they are intended to benefit. The Authority receives grant revenues from the City of Oklahoma City for improving surrounding roads and access to the Tinker Air Force Base. When the revenue is received, it is deferred and will not be recognized in the Statement of Revenues, Expenses and Changes in Net Position until the related grant expenses are incurred.

9. Accounting for Long-Lived Assets

The Authority reviews long-lived assets for impairment whenever indicators of impairment are present to determine if the carrying amounts exceed the estimated future net cash flows to be realized. Impairment losses are recognized based on the estimated fair value of the asset. No long-lived asset impairments were recorded in 2014 or 2013.

10. Reclassifications

Certain balances in the 2013 financial statements have been reclassified to conform with the 2014 financial statement presentation. There was no change to net position or changes in net position as a result of these reclassifications.

NOTE B – CASH AND CASH EQUIVALENTS AND INVESTMENTS

Custodial credit risk is the risk that in the event of a bank failure, the Authority's deposits may not be returned to it. At June 30, 2014 and 2013, the carrying amounts of the Authority's cash and cash equivalents held at one financial institution were $4,467,048 and $3,854,091, respectively.

At June 30, the Authority had the following investments:

	2014	2013
U.S. Government securities	$1,322,253	$1,339,762
U.S. Treasury strips	894,744	1,186,851
	$2,216,997	$2,526,613

NOTE B – CASH AND CASH EQUIVALENTS AND INVESTMENTS - CONTINUED

The Authority's investments are categorized as to credit risk as either (1) insured or registered, or securities held by the Authority or its agent in the Authority's name, (2) uninsured and unregistered, with securities held by the counterparty's trust department or agent in the Authority's name or (3) uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent, but not in the Authority's name. At June 30, 2014 and 2013, the Authority's investments are considered a type (2) credit risk.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Authority does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

NOTE C - CONDUIT DEBT OBLIGATIONS AND OTHER LEASING ARRANGEMENTS

From time to time, the Authority has issued industrial revenue bonds to provide financial assistance to private-sector entities for the acquisition and construction of facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on underlying mortgage loans or leasing arrangements. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity. The Authority is not obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of June 30, 2014, there were 11 series of industrial revenue bonds outstanding, with an aggregate principal amount payable of $150,663,572.

Certain of the Authority's lease arrangements contain an option for the lessees to acquire the leased property at the end of the lease terms at appraised fair value. Rental payments received in connection with such properties are accounted for by the "operating method" and investments in these properties, together with other unleased properties, are reported as industrial property and equipment in the financial statements.

The Authority entered into an agreement as the lessor to lease a building for five years, beginning in March 2011, for $16,958 per month. On June 13, 2013, the Authority entered into an agreement as the lessor to lease property for $2,000 per month.

Future minimum lease payments to be received under these leases are as follows at June 30, 2014:

Fiscal year ending June 30	
2015	$227,500
2016	176,625
	$404,125

NOTE D - APPROPRIATED ASSETS

Appropriated assets are held for the benefit of the County and, upon termination of the trust, the County will receive the funds. The earnings on these investments are contributed annually to an organization that benefits the County.

Appropriated cash and cash equivalents consist of approximately $799,000 and $880,000 are invested in one money market fund at June 30, 2014 and 2013, respectively, which is not federally insured. Appropriated investments consist of certificates of deposits and U.S. government securities in the amounts of approximately $540,000 and $535,000. The Authority has not experienced any issues in such accounts and believes it is not exposed to any significant credit risk.

NOTE E - PROPERTY HELD FOR SALE

At June 30, 2013, property held for sale consists of a parcel of real estate adjacent to Tinker Air Force Base and a parcel of land zoned for commercial use. The properties are recorded at their cost of $401,263 as of June 30, 2013 (which reflects valuation at the lower of cost or net realizable value), in the accompanying statements of net position. During 2014, the Authority decided not to sell the parcels of real estate and, as such, the costs were reclassified as held and used. There was no effect on the change in net position as a result of the reclassification.

NOTE F - COMMITMENTS AND CONTINGENCIES

The Authority is guarantor of the first $700,000 of a $1,750,000 third-party note agreement collateralized by certain facilities of the Oklahoma City Downtown Airpark (the "Project") and by personal guarantees of all investee's in the Project. Outstanding principal on this note was $1,328,938 at June 30, 2001, of which the Authority was guarantor of $278,938. During the year ended June 30, 2002, the holder of the note changed and the Authority has been unable to obtain the current note balance. Additionally, the Authority has requested to be relieved of the guaranty, which is currently under negotiations with the new holder.

From time to time, the Authority is engaged in lawsuits either as plaintiff or defendant which arise in the conduct of its business, which, in the opinion of management and based upon advice of counsel, would not have a material effect on the Authority's financial position or results of operations.

NOTE G - MROTC PROJECT

During 2005, the Authority entered into an agreement with Boeing Company (Boeing) and MROTC Development Partners LLC (MDP) to provide for the construction of a 156,254 square foot Maintenance, Repair and Overhaul Technology Center (MROTC) near Tinker Air Force Base for maintenance and repair of airplanes which was completed in 2009. The total project cost approximately $28 million. Initial financing for the project was provided by a bank construction loan and two Federal EDI-Special Project Grants. Upon completion of the project in 2009, the construction loan was converted to a long-term note payable in the form of a lease-back mortgage. The loan bears interest at 6.04% and payments of $218,689 are due monthly with $438,869 due at maturity on October 14, 2023. The grant revenue received for this project was deferred and is being recognized over the useful life of the facility. Deferred revenue for the MROTC project was approximately $2,377,000 and $2,431,000 at June 30, 2014 and 2013, respectively.

NOTE G - MROTC PROJECT - CONTINUED

Future minimum debt service requirements for the note payable are as follows at June 30, 2014:

Fiscal year ending June 30	Principal	Interest	Total
2015	$ 1,529,832	$ 1,094,420	$ 2,624,252
2016	1,624,835	999,417	2,624,252
2017	1,725,738	898,514	2,624,252
2018	1,832,907	791,345	2,624,252
2019	1,946,731	677,521	2,624,252
2020-2023	9,073,290	1,423,719	10,497,009
2024	1,079,693	15,277	1,094,970
	$ 18,813,026	$ 5,900,213	$ 24,713,239

The MROTC facility has been leased by MDP and is subleased to Boeing. The lease term began August 14, 2008 and ends on October 14, 2058. The amount of the lease includes an amount equal to the debt service plus an annual administrative fee.

Future minimum rental payments to be received under this lease are as follows at June 30, 2014:

Fiscal year ending June 30	
2015	$ 2,639,252
2016	2,639,252
2017	2,639,252
2018	2,639,252
2019	2,639,252
Thereafter	12,627,069
	$ 25,823,329

NOTE H – LONG-TERM LIABILITIES

Long-term liability activity was as follows for the years ended June 30:

	Year ended June 30, 2014				
	Balance June 30, 2013	Additions	Reductions	Balance June 30, 2014	Amounts Due within one year
Deferred revenue	$ 2,688,202	$ 216,666	$ (103,826)	$ 2,801,042	$ 54,017
MROTC loan payable	20,253,409	-	(1,440,399)	18,813,010	1,529,832
Total	$ 22,941,611	$ 216,666	$ (1,544,225)	$ 21,614,052	$ 1,583,849

	Year ended June 30, 2013				
	Balance June 30, 2012	Additions	Reductions	Balance June 30, 2013	Amounts Due within one year
Deferred revenue	$ 2,533,469	$ 260,000	$ (105,267)	$ 2,688,202	$ 54,017
MROTC loan payable	21,609,590	-	(1,356,181)	20,253,409	1,440,383
Total	$ 24,143,059	$ 260,000	$ (1,461,448)	$ 22,941,611	$ 1,494,400

NOTE I - SUBSEQUENT EVENTS

The Authority has evaluated events or transactions that occurred subsequent to June 30, 2014 through December 30, 2014, the date these financial statements were available to be issued, for potential recognition or disclosure in these financial statements.

SUPPLEMENTARY INFORMATION

OKLAHOMA INDUSTRIES AUTHORITY, OKLAHOMA COUNTY

COMBINING STATEMENTS OF TRUST FUNDS AND CHANGES IN TRUST FUNDS ADMINISTERED

June 30, 2014

	Total (memorandum only)	American Cancer Society 2002	OK County Courthouse Project-2011	City of Edmond Project	OK County Facilities Project- 2012	Facilities Project- 2003
Assets						
Cash & temporary investments:						
Project fund	$ 10,246,518	$ -	$ 39,000	$ -	$ 250,520	$ -
Sinking fund	2,612,900	6,000	-	-	164,565	-
Interest fund	-	-	-	-	-	-
Reserve fund	6,191,551	-	-	239,093	-	-
Accrued interest receivable	-	-	-	-	-	-
Discount on Bonds Payable	709,647	-	-	-	-	-
Unamortized bond issue costs	150,619	-	-	-	-	-
Total assets	19,911,235	6,000	39,000	239,093	415,085	-
Liabilities		-				
Accrued bond interest payable	1,742,950	-	3,792	13,785	-	-
Bonds payable	150,663,573	5,970,000	455,000	6,374,662	11,935,000	-
Total liabilities	152,406,523	5,970,000	458,792	6,388,447	11,935,000	-
NET OBLIGATIONS	132,495,288	5,964,000	419,792	6,149,354	11,519,915	-
Increase in net obligations						
Interest expense	5,799,559	6,881	14,292	311,830	419,030	-
Amortization expense	-	-	-	-	-	-
Other	3,211	-	-	-	-	-
Advances of bond proceeds	2,780,780	-	-	2,780,780	-	-
Distributions	30,234	-	-	-	-	-
Administrative and trustee fees	23,211	-	-	-	2,015	-
	8,636,995	6,881	14,292	3,092,610	421,045	-
Decrease in net obligations						
Defeased Bond	-	-	-	-	-	-
Funds transferred (from) OMRF Series 2001 to Series 2010	-	-	-	-	-	-
Other	395,901	-	-	-	-	395,901
Earnings on cash and temporary investments	52,200	-	-	-	50	12,226
Payments received from borrower	24,431,524	571,881	463,000	439,469	1,581,047	13,240,000
	24,879,625	571,881	463,000	439,469	1,581,097	13,648,127
NET INCREASE (DECREASE) IN NET OBLIGATIONS	(16,242,630)	(565,000)	(448,708)	2,653,141	(1,160,052)	(13,648,127)
		-				
Net obligations at beginning of year	148,737,918	6,529,000	868,500	3,496,213	12,679,967	13,648,127
		-				
Net obligations at end of year	$ 132,495,288	$ 5,964,000	$ 419,792	$ 6,149,354	$ 11,519,915	$ -

OKLAHOMA INDUSTRIES AUTHORITY, OKLAHOMA COUNTY

COMBINING STATEMENTS OF TRUST FUNDS AND CHANGES IN TRUST FUNDS ADMINISTERED

June 30, 2014

	Scott OK Plant- 2003	YMCA of OKC Earlywine 2006	OK Medical Research Foundation 2008	OK Medical Research Foundation 2010	API Realty 2008	Metrotech 2009	Oklahoma City University 2010
Assets							
Cash & temporary investments:							
Project fund	$ -	$ -	$ 9,428,809	$ -	$ -	$ 528,189	$ -
Sinking fund	-	314,191	2,128,138	-	-	-	6
Interest fund	-	-	-	-	-	-	-
Reserve fund	-	411,658	3,316,750	1,218,519	-	1,005,531	-
Accrued interest receivable	-	-	-	-	-	-	-
Discount on Bonds Payable	-	-	497,280	-	-	212,367	-
Unamortized bond issue costs	-	150,619	-	-	-	-	-
Total assets	-	876,468	15,370,977	1,218,519	-	1,746,087	6
Liabilities	-						
Accrued bond interest payable	235	113,715	1,157,637	222,122	-	231,664	-
Bonds payable	1,050,000	4,060,000	38,945,000	12,185,000	2,447,664	11,430,000	55,811,247
Total liabilities	1,050,235	4,173,715	40,102,637	12,407,122	2,447,664	11,661,664	55,811,247
NET OBLIGATIONS	1,050,235	3,297,247	24,731,660	11,188,603	2,447,664	9,915,577	55,811,241
Increase in net obligations							
Interest expense	2,558	199,956	2,160,263	540,498	147,381	469,891	1,526,979
Amortization expense	-	-	-	-	-	-	-
Other	-	-	-	3,211	-	-	-
Advances of bond proceeds	-		-	-	-	-	-
Distributions	-	-	30,234	-	-	-	-
Administrative and trustee fees	-	833	15,963	2,000	-	2,400	-
	2,558	200,789	2,206,460	545,709	147,381	472,291	1,526,979
Decrease in net obligations							
Defeased Bond	-	-	-	-	-	-	-
Funds transferred (from) OMRF Series 2001				-			
to Series 2010	-	-	-		-	-	-
Other	-	-	-	-	-	-	-
Earnings on cash and temporary investments	-	1,550	33,015	5,217	-	141	1
Payments received from borrower	107,558	409,691	3,202,170	540,498	255,014	996,927	2,624,269
	107,558	411,241	3,235,185	545,715	255,014	997,068	2,624,270
NET INCREASE (DECREASE) IN NET OBLIGATIONS	(105,000)	(210,452)	(1,028,725)	(6)	(107,633)	(524,777)	(1,097,291)
Net obligations at beginning of year	1,155,235	3,507,699	25,760,385	11,188,609	2,555,297	10,440,354	56,908,532
	-						
Net obligations at end of year	$ 1,050,235	$ 3,297,247	$ 24,731,660	$ 11,188,603	$ 2,447,664	$ 9,915,577	$ 55,811,241

Oklahoma Industries Authority, Oklahoma County

SCHEDULE OF BONDS PAYABLE - TRUST FUNDS ADMINISTERED

June 30, 2014

Indentures	Interest rate	Principal maturity date	Principal amount of bonds issued	Bonds retired prior to July 1, 2013	Balance June 30, 2013	2014 Bond activity Retired	2014 Bond activity Defeased	2014 Bond activity Additions	Balance June 30, 2014
American Cancer Society 2002	Various	June 1, 2022	$ 11,000,000	$ 4,465,000	$ 6,535,000	$ 565,000	$ -	$ -	$ 5,970,000
Oklahoma County Courthouse Project 2011	Various	February 1, 2015	1,745,000	845,000	900,000	445,000	-	-	455,000
API Realty 2008	5.88%	September 1, 2028	3,000,000	444,703	2,555,297	107,633	-	-	2,447,664
Meterotech 2009	Various	January 1, 2030	13,430,000	1,475,000	11,955,000	525,000	-	-	11,430,000
Oklahoma County Facilities Project 2003	Various	July 1, 2020	20,560,000	7,320,000	13,240,000	13,240,000	-	-	-
Oklahoma County Facilities Project 2012	4.6%	June 1, 2033	14,250,000	1,155,000	13,095,000	1,160,000	-	-	11,935,000
Oklahoma Medical Research Foundation 2008	5.75%	July 1, 2034	43,955,000	4,000,000	39,955,000	1,010,000	-	-	38,945,000
Oklahoma Medical Research Foundation 2010	4.38%	Februrary 1, 2021	12,185,000	-	12,185,000	-	-	-	12,185,000
Scott Oklahoma Plant, LLC 2003	Various	October 1, 2023	2,100,000	945,000	1,155,000	105,000	-	-	1,050,000
YMCA Of Earlywine 2006	5.00%	July 1, 2027	5,395,000	1,130,000	4,265,000	205,000	-	-	4,060,000
YMCA Of Edmond 2011	5.19%	September 17, 2023	3,719,220	-	3,719,220	125,338	-	2,780,780	6,374,662
Oklahoma City University 2010	Various	November 30, 2035	60,000,000	3,104,256	56,895,744	1,084,497	-	-	55,811,247
			$ 191,339,220	$ 24,883,959	$ 166,455,261	$ 18,572,468	$ -	$ 2,780,780	$ 150,663,573

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

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Board of Trustees
Oklahoma Industries Authority, Oklahoma County

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 Industries Authority, Oklahoma County (the "Authority") which comprise the statement of net positions as of June 30, 2014, and the related statements of revenues, expenses and changes in net position, and cash flows for the year then ended, and the related notes to the financial statements and have issued our report thereon dated December 30, 2014.

Internal control over financial reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting ("internal control") to design audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of internal control. Accordingly, we 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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Authority's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in the Authority's 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 Authority'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*.

Intended purpose

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 Authority'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 Authority's internal control and compliance. Accordingly, this report is not suitable for any other purpose.

Grant Thornton LLP

Oklahoma City, Oklahoma
December 30, 2014

Oklahoma Industries Authority, Oklahoma County

SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS

For the year ended June 30, 2014

Finding 2013-1

Finding Summary: Processes and controls to ensure that any non-cash assets received were recorded in the general ledger at fair market value and all required documentation to support the amounts recorded were not in place. As a result, revenues in the prior periods were understated and the gain on the sale of assets in the 2013 fiscal year was overstated.

Current Year Update: Corrected