University Center at Tulsa Authority

Financial Statements With
Independent Auditor's Report

For the Years Ended
June 30, 2015 and 2014

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June 30, 2015 and 2014

Independent Auditor's Report

To the Board of Trustees
University Center at Tulsa Authority

We have audited the accompanying financial statements of University Center at Tulsa Authority of the City of Tulsa, Oklahoma, as of and for the year ended June 30, 2015, and the related notes to the 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 an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of University Center at Tulsa Authority of the City of Tulsa, Oklahoma, as of June 30, 2015, and the changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in the notes, the financial statements present only the University Center at Tulsa Authority and do not purport to, and do not present fairly the financial position of the City of Tulsa, Oklahoma, as of June 30, 2015, the changes in its financial position, or, where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

8023 E. 63RD PL. STE. 500, TULSA, OK 74133-1209 RCMTULSA.COM P 918-494-8700 F 918-494-8753 REGIER CARR & MONROE LLP, CPAs TUCSON I TULSA/McALESTER I WICHITA

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 3-5 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 October 14, 2015, on our consideration of University Center at Tulsa Authority's internal control over financial reporting and 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 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 University Center at Tulsa Authority's internal control over financial reporting and compliance.

Prior Period Financial Statements

The financial statements of University Center at Tulsa Authority as of June 30, 2014, were audited by other auditors whose report dated December 5, 2014, expressed an unmodified opinion on those statements.

Regier Carr & Monroe LLP

October 14, 2015
Tulsa, Oklahoma

MANAGEMENT'S DISCUSSION AND ANALYSIS

This discussion and analysis of the basic financial statements of the University Center at Tulsa Authority (the "Authority") provides an overview of the financial activities for the fiscal year ended June 30, 2015. This information should be read in conjunction with the basic financial statements and the accompanying notes to the basic financial statements.

Using this Report

This report consists of a series of financial statements. The Statements of Net Position provide information about the assets owned; liabilities owed, and net position of the Authority as of June 30, 2015 and 2014. Over time, increases or decreases in net assets can serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating. The Statements of Revenues, Expenses and Changes in Net Position provide information about revenues received and expenses incurred during the years and the resulting increase or decrease in net position. All changes in net position are reported in the fiscal year that the underlying event giving rise to the change occurs, regardless of the timing of related cash flows, which may not occur until subsequent fiscal periods. The Statements of Cash Flows provide a breakdown by major category of actual cash received and disbursed by the Authority during the fiscal year. The Notes to the Basic Financial Statements provide additional information essential to a full understanding of the data provided in the basic financial statements.

The basic financial statements of the Authority have been prepared in conformity with U.S. generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board ("GASB").

This management discussion and analysis is designed to give a broad overview of the Authority's finances. Questions concerning any of the information contained in this financial report should be directed to University Center at Tulsa Authority's Operations Manager at: 700 North Greenwood Avenue, Tulsa, Oklahoma 74106-0700.

Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of the Authority's financial position. In the case of the Authority, assets exceeded liabilities by $13.790 million at the close of the most recent fiscal year.

By far the largest portion of the Authority's net position (95%) reflects its investment in capital assets (e.g., land, land improvements, and buildings). The Authority utilizes these capital assets to promote the development of educational activities and facilities at Oklahoma State University-Tulsa. The remaining 5% of the Authority's net assets ($631 thousand at June 30, 2015) are unrestricted and may be used to meet the Authority's ongoing obligations.

The Authority's net position for the year ended June 30, 2015, decreased by $220,888. Other changes in the Authority's financial position during fiscal 2015 included a increase of $108,835 (20%) in cash and cash equivalents compared to fiscal 2014. Concurrently, approximately $68,000 was capitalized reflecting land improvements.

Net Position
June 30, 2015 and 2014

	2015	2014
ASSETS:		
Current assets	$ 668,435	$ 568,192
Capital assets	13,159,020	13,573,757
TOTAL ASSETS	**$ 13,827,455**	**$ 14,141,949**
LIABILITIES:		
Current and other liabilities	$ 37,443	$ 131,049
NET POSITION:		
Net investment in Capital Assets	13,159,020	13,573,757
Unrestricted	630,992	437,143
Total net position	13,790,012	14,010,900
TOTAL LIABILITIES & NET POSITION	**$ 13,827,455**	**$ 14,141,949**

Financial Analysis (continued)

The Authority's operating revenues remained constant in fiscal 2015. Operating expenses decreased by $24,323, while non-operating revenue increased by $90,871 and non-operating expenses increased by 24,173, compared to fiscal 2014.

Operations
Years Ended 2015 and 2014

	2015	2014
Operating revenues	$ 535,829	$ 535,829
Operating expenses	774,815	799,138
Operating loss	(238,986)	(263,309)
Non-operating income (expenses)-net	18,098	(48,600)
Net loss	(220,888)	(311,909)
Beginning net assets	14,010,900	14,322,809
Total net assets	**$ 13,790,012**	**$ 14,010,900**

Capital Assets

As of June 30, 2015, the Authority's investment in capital assets was $13.159 million, net of accumulated depreciation. This investment consists of land, land improvements and buildings. Total depreciation expense for fiscal year 2015 was $459,108 and $424,203 for fiscal year 2014.

Economic Environment and Next Year's Budget

The Authority continues with a consistent revenue stream from the lease agreements with OSU-Tulsa.

University Center at Tulsa Authority
(A Proprietary Enterprise Fund)
Statements of Net Position
June 30, 2015 and 2014

ASSETS	**2015**	**2014**
CURRENT ASSETS:		
Cash and cash equivalents	$ 657,725	$ 548,894
Prepaid expense	10,710	11,298
Accounts receivable	-	8,000
Total Current Assets	668,435	568,192
LAND AND BUILDINGS, NET	13,159,020	13,573,757
TOTAL ASSETS	**$ 13,827,455**	**$ 14,141,949**
LIABILITIES AND NET POSITION		
CURRENT LIABILITIES:		
Accounts payable	$ 37,350	$ 130,955
Deferred revenue	93	94
TOTAL LIABILITIES	37,443	131,049
NET POSITION		
Net investment in Capital Assets	13,159,020	13,573,757
Unrestricted	630,992	437,143
TOTAL NET POSITION	13,790,012	14,010,900
TOTAL LIABILITIES AND NET POSITION	**$ 13,827,455**	**$ 14,141,949**

The Accompanying Notes to Financial Statements are an integral part of these financial statements.

University Center at Tulsa Authority
(A Proprietary Enterprise Fund)
Statements of Revenues, Expenses and Changes in Net Position
For the Years Ended June 30, 2015 and 2014

	2015	2014
OPERATING REVENUES:		
Lease rentals	$ 535,829	$ 535,829
TOTAL OPERATING REVENUES	535,829	535,829
OPERATING EXPENSES:		
Administrative expense	76,421	76,781
Professional fees	11,464	7,920
Insurance expense	22,008	22,751
Depreciation and amortization	459,108	424,203
Building and grounds	196,503	258,610
City of Tulsa scholarships	9,311	8,873
TOTAL OPERATING EXPENSES	774,815	799,138
OPERATING LOSS	**(238,986)**	**(263,309)**
NON-OPERATING REVENUE (EXPENSES):		
Investment income (net)	(1,248)	(600)
Expenses on behalf of OSU - Tulsa	(48,000)	(48,000)
Miscellaneous income	90,871	-
Donations	(23,525)	-
TOTAL NON-OPERATING REVENUE (EXPENSES)	18,098	(48,600)
DECREASE IN NET POSITION	**(220,888)**	**(311,909)**
NET POSITION - BEGINNING OF YEAR	14,010,900	14,322,809
NET POSITION - END OF YEAR	**$ 13,790,012**	**$ 14,010,900**

The Accompanying Notes to Financial Statements are an integral part of these financial statements.

University Center at Tulsa Authority
(A Proprietary Enterprise Fund)
Statements of Cash Flows
For the Years Ended June 30, 2015 and 2014

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from lease rentals	$ 535,828	$ 535,829
Cash received from other income	8,000	
Cash paid to suppliers and vendors	(408,724)	(272,669)
Net cash provided by operating activities	**135,104**	**263,160**
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:		
Miscellaneous income	90,871	
Expenses incurred on behalf of OSU - Tulsa	(48,000)	(48,000)
Net cash provided by (used in) non-capital financing activities	**42,871**	**(48,000)**
CASH FLOWS FROM INVESTING ACTIVITIES:		
Addition to land improvements	(67,896)	(1,361,672)
Disposal of land		
Investment account fees	(1,248)	(600)
Net cash used in investing activities	**(69,144)**	**(1,362,272)**
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**108,831**	**(1,147,112)**
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	548,894	1,696,006
CASH AND CASH EQUIVALENTS, END OF YEAR	**$ 657,725**	**$ 548,894**
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating loss	$ (238,986)	$ (263,309)
ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Recognition of deferred lease revenue	(1)	(1)
Depreciation and amortization	459,108	424,203
(Increase)/Decrease in accounts receivable	8,000	(8,000)
(Increase)/Decrease in prepaid expense	588	(168)
Increase/(decrease) in accounts payable and accrued liabilities	(93,605)	110,435
NET CASH PROVIDED BY OPERATING ACTIVITIES	**$ 135,104**	**$ 263,160**

Summary of Significant Accounting Policies

Reporting Entity—The University Center at Tulsa Authority (the "Authority"), a proprietary enterprise fund, is a public trust created in 1985, with the City of Tulsa, Oklahoma as beneficiary. The purpose of the Trust is to promote the development of educational activities and facilities within and near the City of Tulsa, including specifically the University Center at Tulsa, which is now known as Oklahoma State University-Tulsa. Oklahoma State University-Tulsa ("OSU-Tulsa") is a branch institution of Oklahoma State University ("OSU") governed by the Board of Regents for Oklahoma Agricultural and Mechanical Colleges and the Oklahoma State Regents for Higher Education and the successor to Rogers University ("Rogers") in Tulsa effective January 1, 1999. Rogers was the predecessor institution to the University Center at Tulsa for the period April 1996 through December 31, 1998. Assets that accrued from the beneficial interest provided by the Authority were transferred to OSU-Tulsa, and OSU-Tulsa assumed the benefits and obligations under the various lease agreements for the Authority's campus facilities in Tulsa (Note 4). References to the "University" in these notes to the financial statements include OSU-Tulsa and Rogers as its predecessor institution.

As an agency of the State of Oklahoma, the Authority presents its financial statements in accordance with requirements of GASB issued Statement No. 34, *Basic Financial Statements and Management Discussion and Analysis for State and Local Governments.* The financial statement presentation required by GASB No. 34 provides a comprehensive, entity-wide perspective of the Authority's assets, liabilities, net assets, revenues, expenses, changes in net assets and cash flows

Basis of Accounting— The financial statements of the Authority have been prepared on the accrual basis of accounting using the economic resources measurement focus. Revenues, expenses, gains, losses, assets, and liabilities from exchange and exchange-like transactions are recognized when the exchange transaction takes place.

The financial statements of the Authority are prepared in accordance with generally accepted accounting principles ("GAAP") as applied to government units. The Governmental Accounting Standards Board ("GASB") is the standard-setting body for governmental accounting and financial reporting. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards, which, along with subsequent GASB pronouncements ("Statements and Interpretations"), constitutes GAAP for governmental units.

The net position of the Authority are classified into the following components:

- *Net investment in capital assets*–Consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any notes or other borrowings attributable to those assets.
- *Restricted net position*– Consists of net position with constraints placed on the use either by external groups, such as contributors, or by laws and regulations. Restricted net assets classified as nonexpendable represent amounts that are required to be retained in perpetuity, such as permanent endowments. Restricted net assets classified as expendable represent amounts for which the donor has specified the purpose for which the contributed net assets are to be used. The Authority had no restricted net position at June 30, 2015 and 2014.
- *Unrestricted net position*–All other assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

Cash and Cash Equivalents— For purposes of reporting cash flows, the Authority considers currency on hand, demand deposits at banks, and amounts included in short-term investment funds to be cash and cash equivalents.

Land and Buildings—Land and buildings are stated at cost or at fair value as of the date of donation. Depreciation of buildings is provided using the straight-line method over the estimated useful life of 40 years. Depreciation of land improvements is provided using the straight-line method over the estimated useful life of 40 years for improvements prior to July 1, 2000 and 20 years for improvements after June 30, 2000.

Income Taxes—The Authority, as a political subdivision of the City of Tulsa, is exempt from federal income taxes under Section 115(1) of the Internal Revenue Code.

Summary of Significant Accounting Policies (continued)

Use of Estimates—The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and judgments that affect the reported amounts of assets and liabilities and disclosures of contingencies at the date of the financial statements and revenues and expenses recognized during the reporting period. Actual results could differ from those estimates. The most sensitive estimates affecting the financial statements involve the determination of accumulated depreciation on property and equipment.

Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries—The Authority has no capital assets that would be considered impaired; nether by a decline in service utility of their capital assets nor by an event or change in circumstances outside the normal life cycle of their capital assets.

Subsequent Events - Events occurring subsequent to June 30, 2015 have been evaluated through October 14, 2015, which is the date the financial statements were available to be issued.

Cash and Cash Equivalents

As of June 30, 2015 and 2014, the Authority had the following investments:

	2015	**2014**
Uninsured and uncollateralized - JP Morgan US Treasury Plus Money Market Fund Premier Shares	$651,794	$542,633

Interest Rate Risk – The Operations Manager has historically assessed and addressed credit risk for the Authority, but there is no formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk – The Operations Manager has historically chosen safe and secure investment options for the Authority, but there is no formal investment policy in place to restrict investment choices. As of June 30, 2015 and 2014, the Authority's investment in the US Treasury Plus Money Market Fund was rated AAAm by Standard & Poor's and Aaa by Moody's Investors Service.

Custodial Credit Risk

For deposits with financial institutions, custodial credit risk is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits that are in the possession of an outside party. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investment that is in the possession of an outside party.

Concentration of Credit Risk – The Operations Manager has historically addressed the concentration of credit risk. However, there is no formal limit on the amount the Authority may invest in any one issuer. All of the Authority's investments are currently in money market funds.

Land and Buildings

A summary of the Authority's capital asset activity for the years ended June 30, 2015 and 2014 is as follows:

	Balance 2014	Additions to Net Book Value	Deductions From Net Book Value	Balance 2015
Land	$ 5,339,923	$	$ (23,525)	$ 5,316,398
Land Improvements	1,938,307	67,896		2,006,203
Buildings	15,922,172			15,922,172
Accumulated depreciation	(9,626,645)		(459,108)	(10,085,753)
Net	**$13,573,757**	**$67,896**	**($482,633)**	**$13,159,020**

	Balance 2013	Additions to Net Book Value	Deductions From Net Book Value	Balance 2014
Land	$ 5,339,923	$	$	$ 5,339,923
Land Improvements	2,048,209	10,404	(120,306)	1,938,307
Buildings	14,450,597	1,471,575		15,922,172
Accumulated depreciation	(9,202,442)		(424,203)	(9,626,645)
Net	**$12,636,287**	**$1,481,979**	**($544,509)**	**$ 13,573,757**

Depreciation expense related to buildings and improvements was $459,108 and $424,203 for years ended June 30, 2015 and 2014, respectively.

The Tulsa Development Authority ("TDA"), formerly known as the Tulsa Urban Renewal Authority, has a reversionary interest in the Authority's land, which it donated to the Authority, if the land ceases to be used under the terms of the "Redevelopment Agreement For University Center at Tulsa" between the TDA and the Authority.

Leases and other Transactions with the University

The Authority leases certain campus facilities to the University under agreements as follows:

- *Main Hall Facilities Lease*—The lease extends to June 30, 2019, and provides for rentals of $166,399 annually, payable in quarterly installments.
- *Auxiliary Facilities Lease*—The University leases auxiliary enterprise facilities including the bookstore and auditorium facilities through June 30, 2019. The lease provides for annual rentals of $300,969, payable in quarterly installments.
- *Parking Facilities Lease*— The University leases certain campus parking facilities through June 30, 2019, and provides for rentals of $56,460 annually, payable in quarterly installments.

Total lease rentals charged to the University by the Authority for the above leases were $535,829 and $535,829 in 2015 and 2014, respectively. Under the terms of the various lease agreements, in the event that the Oklahoma State Regents for Higher Education does not allocate funds for the payment of rent, the University shall not be obligated to pay rent for such year, and the lease agreements shall automatically terminate as of the end of the preceding lease year. Future minimum rentals to be received in the next five years are as follows:

	2015	2014
For year ended June 30,		
2015	$	$ 535,829
2016	535,829	535,829
2017	535,829	535,829
2018	535,829	535,829
2019	535,829	535,829
2020	535,829	535,829

Leases and other Transactions with the University (continued)

The University provides administrative services to the Authority. The Authority reimbursed the University for such services in the amounts of $75,933 and $75,933 for fiscal years 2015 and 2014, respectively. These amounts reflect the agreed upon contract terms with OSU-Tulsa for these periods.

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At the discretion of its Board of Trustees, the Authority directly pays for various expenses and capital expenditures which benefit the University. These expenses for non-capitalized equipment, University promotions, facilities maintenance, and policy analysis totaled $48,000 and $48,000 in 2015 and 2014, respectively. Other expenses of operating the leased facilities are paid by the University.

Other Leases

Oklahoma Educational Television Authority **-** On May 1, 2009 the Authority entered into a lease contract with the Oklahoma Educational Television Authority. This agreement took effect on May 1, 2010 with annual lease payments of $1 for 99 years. Upon completion of the building in May 2011, OETA began making monthly payments for services of $1,000 to the Authority.

Commitments and Contingencies

The Authority implemented a scholarship program in fiscal 2010 for City of Tulsa employees based on a request by the Mayor, and the City of Tulsa's historical investment in higher education resulting in the land on which the campus stands. The structure mirrors the program currently in place for OSU faculty and staff and follows the same guidelines. The program is limited to $50,000 annually.

The Authority took action in March 2000 to commit funding in the amount of $20,000 to assist in the construction of a memorial to Mr. Ellis Walker Woods and Booker T. Washington High School, which will be located on the University campus. The Authority’s commitment of $20,000 has not been recorded as a liability of the Authority in the accompanying financial statements because the funding of this commitment is contingent upon the Booker T. Washington High School Alumni Association first raising $130,000 in private funds which are necessary for the completion of the project.

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
University Center at Tulsa Authority

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 the University Center at Tulsa Authority ("Authority"), which comprise the statement of net position as of June 30, 2015 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, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated October 14, 2015.

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 determine the 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 the Authority's 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 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 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 our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 statements 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.

Regier Carr & Monroe LLP

October 14, 2015
Tulsa, Oklahoma