University Center at Tulsa Authority

Financial Statements With
Independent Auditor's Report

For the Years Ended
June 30, 2017 and 2016

University Center at Tulsa Authority
Table of Contents
June 30, 2017 and 2016

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 (a public trust), which comprise the statements of net position as of June 30, 2017 and 2016 , and the related statements of revenues, expenses, and changes in net position and cash flows for the years then ended and the related notes to the financial statements.

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

Auditor's Responsibility
Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America 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 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, as of June 30, 2017 and 2016, 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.

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, 2017 and 2016, the changes in its financial position, or, where applicable, its cash flows for the years 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.

4200 E SKELLY DR, STE. 560, TULSA, OK 74135 RCMTULSA.COM P 918-494-8700 F 918-494-8753 **REGIER CARR & MONROE LLP, CPAs** TUCSON l TULSA/McAlester l 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 December 18, 2017, 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.

Regier Carr & Monroe LLP

December 18, 2017
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, 2017. 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, 2017 and 2016. 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 $13.17 million at the close of the most recent fiscal year.

By far the largest portion of the Authority's net position (93%) 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 7% of the Authority's net assets ($938 thousand at June 30, 2017) are unrestricted and may be used to meet the Authority's ongoing obligations.

The Authority's net position for the year ended June 30, 2017, decreased by $346,451. Other changes in the Authority's financial position during fiscal 2017 included an increase of $117,557 (14%) in cash and cash equivalents compared to fiscal year 2016.

Net Position
June 30, 2017 and 2016

	2017	2016
ASSETS:		
Current assets	$ 964,467	$ 847,092
Capital assets	12,235,688	12,697,354
TOTAL ASSETS	**$ 13,200,155**	**$ 13,544,446**
LIABILITIES:		
Current and other liabilities	$ 26,948	$ 24,788
NET POSITION:		
Net investment in capital assets	12,235,688	12,697,354
Unrestricted	937,519	822,304
Total net position	13,173,207	13,519,658
TOTAL LIABILITIES & NET POSITION	**$ 13,200,155**	**$ 13,544,446**

Financial Analysis (continued)
The Authority's operating revenues remained constant in fiscal year 2017. Operating expenses increased by $86,093, while non-operating revenue increased by $1,076 and non-operating expenses decreased by $8,890, compared to fiscal year 2016.

Operations
Years Ended June 30,

	2017	2016
Operating revenues	$ 535,829	$ 535,829
Operating expenses	834,033	747,940
Operating loss	(298,204)	(212,111)
Non-operating revenue (expenses)-net	(48,247)	(58,243)
Decrease in net position	(346,451)	(270,354)
Beginning net position	13,519,658	13,790,012
Total net position	**$ 13,173,207**	**$ 13,519,658**

Capital Assets
As of June 30, 2017, the Authority's investment in capital assets was $12.236 million, net of accumulated depreciation. This investment consists of land, land improvements and buildings. Total depreciation expense for fiscal year 2017 was $461,666 and $461,666 for fiscal year 2016.

Economic Environment and Next Year's Budget
The Authority continues with a consistent revenue stream from the lease agreements with OSU-Tulsa.

Statements of Net Position
June 30, 2017 and 2016

ASSETS		**2017**		**2016**
CURRENT ASSETS:				
Cash and cash equivalents	$	953,464	$	835,907
Prepaid expense		11,003		11,185
Total Current Assets		964,467		847,092
LAND AND BUILDINGS, NET		12,235,688		12,697,354
TOTAL ASSETS	**$**	**13,200,155**	**$**	**13,544,446**
LIABILITIES AND NET POSITION				
CURRENT LIABILITIES:				
Accounts payable	$	26,857	$	24,696
Deferred revenue		91		92
TOTAL LIABILITIES		26,948		24,788
NET POSITION				
Net investment in capital assets		12,235,688		12,697,354
Unrestricted		937,519		822,304
TOTAL NET POSITION		13,173,207		13,519,658
TOTAL LIABILITIES AND NET POSITION	**$**	**13,200,155**	**$**	**13,544,446**

University Center at Tulsa Authority University Center at Tulsa Authority
(A Proprietary Enterprise Fund)
Statements of Revenues, Expenses and Changes in Net Position
For the Years Ended June 30, 2017 and 2016

	2017	2016
OPERATING REVENUES:		
Lease rentals	$ 535,829	$ 535,829
TOTAL OPERATING REVENUES	535,829	535,829
OPERATING EXPENSES:		
Administrative expense	132,199	83,200
Professional fees	12,676	8,500
Insurance expense	31,721	21,712
Depreciation and amortization	461,666	461,666
Building and grounds	186,432	165,912
City of Tulsa scholarships	9,339	6,950
TOTAL OPERATING EXPENSES	834,033	747,940
OPERATING LOSS	**(298,204)**	**(212,111)**
NON-OPERATING REVENUE (EXPENSES):		
Investment income (loss), net	(247)	(1,243)
Expenses on behalf of OSU - Tulsa	(48,000)	(57,000)
TOTAL NON-OPERATING REVENUE (EXPENSES)	(48,247)	(58,243)
DECREASE IN NET POSITION	**(346,451)**	**(270,354)**
NET POSITION - BEGINNING OF YEAR	13,519,658	13,790,012
NET POSITION - END OF YEAR	**$ 13,173,207**	**$ 13,519,658**

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, 2017 and 2016

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from lease rentals	$ 535,828	$ 535,828
Cash paid to suppliers and vendors	(370,024)	(299,403)
Net cash provided by operating activities	**165,804**	**236,425**
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:		
Expenses incurred on behalf of OSU - Tulsa	(48,000)	(57,000)
Net cash provided by (used in) non-capital financing activities	**(48,000)**	**(57,000)**
CASH FLOWS FROM INVESTING ACTIVITIES:		
Investment account fees	(247)	(1,243)
Net cash used in investing activities	**(247)**	**(1,243)**
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**117,557**	**178,182**
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	835,907	657,725
CASH AND CASH EQUIVALENTS, END OF YEAR	**$ 953,464**	**$ 835,907**
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating loss	$ (298,204)	$ (212,111)
ADJUSTMENTS TO RECONCILE OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Recognition of deferred lease revenue	(1)	(1)
Depreciation and amortization	461,666	461,666
(Increase)/Decrease in prepaid expense	182	(475)
Increase/(decrease) in accounts payable and accrued liabilities	2,161	(12,654)
NET CASH PROVIDED BY OPERATING ACTIVITIES	**$ 165,804**	**$ 236,425**

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

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. 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 position, revenues, expenses, changes in net position 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 is 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, 2017 and 2016.
- *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 land improvements and buildings.

Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries—The Authority has no capital assets that would be considered impaired; neither 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, 2017 have been evaluated through December 18, 2017, which is the date the financial statements were available to be issued.

Cash and Cash Equivalents

As of June 30, 2017 and 2016, the Authority had the following investments:

	2017	2016
Uninsured and uncollateralized - JP Morgan US Treasury Plus Money Market Fund Premier Shares	$948,275	$830,342

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, 2017 and 2016, the Authority's investment in the US Treasury Plus Money Market Fund was rated AAA 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, 2017 and 2016 is as follows:

	Balance 2016	Additions to Net Book Value	Deductions From Net Book Value	Balance 2017
Land	$ 5,316,398	$	$	$ 5,316,398
Land Improvements	2,006,203			2,006,203
Buildings	15,922,172			15,922,172
Accumulated depreciation	(10,547,419)		(461,666)	(11,009,085)
Net	**$12,697,354**	**$0**	**($461,666)**	**$12,235,688**

	Balance 2015	Additions to Net Book Value	Deductions From Net Book Value	Balance 2016
Land	$ 5,316,398	$	$	$ 5,316,398
Land Improvements	2,006,203			2,006,203
Buildings	15,922,172			15,922,172
Accumulated depreciation	(10,085,753)		(461,666)	(10,547,419)
Net	**$13,159,020**	**$0**	**($461,666)**	**$ 12,697,354**

Depreciation expense related to buildings and improvements was $461,666 and $461,666 for years ended June 30, 2017 and 2016, 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 2017 and 2016, 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:

	2017	2016
For year ended June 30,		
2017	$	$535,829
2018	535,829	535,829
2019	535,829	535,829
	$ 1,071,658	**$ 1,607,487**

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 $131,143 and $82,110 for fiscal years 2017 and 2016, respectively. These amounts reflect the agreed upon contract terms with OSU-Tulsa for these periods.

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 $57,000 in 2017 and 2016, 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 (OETA). 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 year 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.

Subsequent Events
The Authority became aware of a potential legal dispute with the Tulsa Development Authority (TDA), formerly known as the Tulsa Urban Renewal Authority (TURA) and the Authority. The TDA previously provided title to the land that is owned by the Authority for the establishment of public higher education in Tulsa. The redevelopment of the approximate 200 acres of land is governed by the Redevelopment Agreement for University Center at Tulsa, an agreement between TURA/TDA and the Authority, dated June 30, 1986. A TDA board member has informed the Authority that TDA considers the Authority to be in default of the redevelopment agreement. No specific allegations of default have been disclosed, nor has a default letter been received by the Authority.

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, 2017 and 2016, and the related statements of revenues, expenses and changes in net position, and cash flows for the years 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 December 18, 2017.

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

December 18, 2017
Tulsa, Oklahoma