

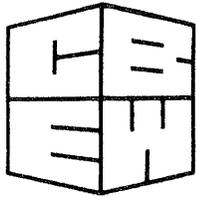
STILLWATER ECONOMIC DEVELOPMENT FUND
(An Operating Fund of the Stillwater Chamber of Commerce)
Stillwater, Oklahoma

FINANCIAL STATEMENTS
December 31, 2015 and 2014

STILLWATER ECONOMIC DEVELOPMENT FUND
(An Operating Fund of the Stillwater Chamber of Commerce)
Stillwater, Oklahoma

CONTENTS

	Page No.
Independent Auditor's Report	1-2
Financial Statements:	
Statement of Financial Position	3
Statement of Activities and Changes in Net Assets	4
Statement of Cash Flows	5
Notes to the Financial Statements	6-14



CBEW
Professional
Group, LLP
Certified Public Accountants

WALTER H. WEBB, CPA
JANE FRAZIER, CPA
CHARLES E. CROOKS, CPA
TRISHA J. RIEMAN, CPA
GABRIELLE CONCHOLA, CPA

206 N. HARRISON ● P.O. BOX 790 ● CUSHING, OKLAHOMA 74023 ● 918-225-4216 ● FAX 918-225-4315

INDEPENDENT AUDITOR'S REPORT

March 16, 2016

To the Board of Directors
Stillwater Economic Development
Stillwater, Oklahoma

Report of the Financial Statements

We have audited the accompanying financial statements of Stillwater Economic Development Fund (an operating fund of the Stillwater Chamber of Commerce- nonprofit organization), which comprise the statements of financial position as of December 31, 2015 and 2014, and the related statements of activities and changes in net assets, 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 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Stillwater Economic Development Fund as of December 31, 2015 and 2014, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Stillwater Economic Development
March 16, 2016

Other Matters

As discussed in Note 1, the financial statements present only activities of the Stillwater Economic Development Fund and do not purport to, and do not present fairly the financial position of the Stillwater Chamber of Commerce, Stillwater, Oklahoma, as of December 31, 2015 and 2014, and the changes in its financial position and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

CBEW Professional Group, LLP

CBEW Professional Group, LLP
Certified Public Accountants

STILLWATER ECONOMIC DEVELOPMENT FUND
(An Operating Fund of the Stillwater Chamber of Commerce)
Stillwater, Oklahoma

STATEMENT OF FINANCIAL POSITION
As of December 31, 2015 and 2014

ASSETS		
	2015	2014
Current assets:		
Cash and cash equivalents (Note 3A)	\$ 534,615	\$ 264,989
Investments (Note 3B)	903,324	392,969
Accounts receivable	860	40
Prepaid expense & accrued interest receivable (Note 3C)	1,215	-
Total current assets	1,440,014	657,998
Fixed Assets (Note 3D):		
Furniture, fixtures and equipment	11,408	11,408
Land	606,319	-
Oklahoma Technology Park Expansion:		
Building	966,772	-
Fixtures and equipment	86,125	-
Loan fees	11,706	-
Leasehold improvements	1,107,758	-
Total fixed assets	2,790,088	11,408
Less accumulated amortization	(11,706)	-
Less accumulated depreciation	(762,125)	(11,408)
Property and equipment, net	2,016,257	-
Other Assets:		
Mineral interest	1,000	-
Total other assets	1,000	-
Total assets	\$ 3,457,271	\$ 657,998
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable	\$ 29,630	\$ 299
Accrued interest payable	1,396	-
Deferred liability and lease income	53,463	-
Current portion of long term debt	129,343	-
Total current liabilities	213,832	299
Long-term liabilities		
Note Payable - Bank SNB (Note 3F)	1,180,193	-
Less: Current portion	(129,343)	-
Total long-term liabilities	1,050,850	-
Net Assets		
Temporarily Restricted	2,192,589	657,699
Total net assets	2,192,589	657,699
Total liabilities and net assets	\$ 3,457,271	\$ 657,998

The accompanying notes are an integral part of these financial statements

STILLWATER ECONOMIC DEVELOPMENT FUND
(An Operating Fund of the Stillwater Chamber of Commerce)
Stillwater, Oklahoma

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
For the Years Ended December 31, 2015 and 2014

	Temporarily Restricted	
	2015	2014
Support and other revenue:		
Management services	\$ 225,000	\$ 175,000
Interest Income	3,847	2,729
Jingle Bell Sweepstakes	22,442	25,357
ED Summit	9,940	11,998
Fixed Assets (Note 3D):	-	4,545
Lease income - Nomadics (Acquired by ICX, Inc.)	17,463	-
	278,692	219,629
Total revenues		
	278,692	219,629
Expenses:		
Bank charges	-	9
Certified Retirement Activity Expense	988	3,393
Consultant	27,769	-
Depreciation	8,914	-
Dues & subscriptions	2,112	5,924
ED Summit	4,784	2,706
Insurance	25	271
Interest expense	6,869	-
Jingle Bell Sweepstakes	14,714	19,876
Legal & accounting	2,922	750
Management contract	440	-
Marketing & promotions	56,855	42,293
Oklahoma Dept. of Commerce	3,333	-
Payroll tax	8,885	6,180
Postage	10	4
Property tax	8,231	-
Staff development	352	-
Rent & equipment	18,000	18,000
Salaries & benefits	165,521	161,980
Travel & meetings	3,213	3,945
Telephone	973	884
	334,910	266,215
Total expenses		
	334,910	266,215
Operating income (loss)	(56,218)	(46,586)
Non operating income		
Transfer from Stillwater Industrial Foundation	1,591,108	-
	1,591,108	-
Increase in net assets	1,534,890	(46,586)
Net assets - beginning of year	657,699	704,285
Net assets - end of year	\$ 2,192,589	\$ 657,699

The accompanying notes are an integral part of these financial statements

STILLWATER ECONOMIC DEVELOPMENT FUND
(An Operating Fund of the Stillwater Chamber of Commerce)
Stillwater, Oklahoma

STATEMENT OF CASH FLOWS
For the Years Ended December 31, 2015 and 2014

	2015	2014
Cash flows from operating activities:		
Cash received for management services and other income	\$ 225,000	\$ 175,000
Cash received for lease payments	17,463	-
Cash received from Jingle Bell Sweepstakes	22,442	25,357
Cash received for ED Summitt	9,120	11,958
Cash received for Certified Retirement Activity program	-	4,545
Cash transferred from Stillwater Industrial Foundation	315,689	-
Interest income	3,847	2,729
Cash payments for goods & services	(291,011)	(267,071)
Interest paid	(6,869)	-
Net cash provided by operating activities	295,681	(47,482)
Cash flow from investing activities:		
Net (purchase) withdrawal of temporary investments	(3,430)	(49,969)
Net cash used in investing activities:	(3,430)	(49,969)
Cash flow from financing activities:		
Principal paid on debt	(22,625)	-
Net cash used in financing activities:	(22,625)	-
Net increase (decrease) in cash	269,626	(97,451)
Cash and cash equivalents at beginning of year	264,989	362,440
Cash and cash equivalents at end of year	\$ 534,615	\$ 264,989
Reconciliation of operation income to net cash provided by operating activities:		
Operating income (loss)	\$ (56,218)	\$ (46,586)
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	8,914	-
Transfer from Stillwater Industrial Foundation	315,689	-
Changes in assets and liabilities:		
(Increase) decrease in prepaid expenses	(1,215)	-
(Increase) decrease in accounts receivable	(820)	(40)
Increase (decrease) deferred revenue	-	(500)
Increase (decrease) in accounts payable	29,331	(356)
Total adjustments	351,899	(896)
Net cash provided by operating activities	\$ 295,681	\$ (47,482)

The accompanying notes are an integral part of these financial statements

STILLWATER ECONOMIC DEVELOPMENT FUND
(An Operating Fund of the Stillwater Chamber of Commerce)
Stillwater, Oklahoma

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2015 and 2014

1. ORGANIZATION AND REPORTING ENTITY

A. Organization

The Stillwater Chamber of Commerce (Chamber) is a nonprofit corporation organized to advance the general welfare and prosperity of the Stillwater, Oklahoma area so that its citizens and all areas of the community will prosper. The Chamber utilizes all necessary means of promotion to emphasize agricultural, civic, commercial, cultural, economic, education and industrial interests of the area.

The Chamber's Board of Directors has the governance responsibilities over all activities. The Chamber and City of Stillwater (City) partnered to create an Economic Development Fund (ED). The Chamber has an agreement with the City of Stillwater to provide staff, administrative services, travel, and other services to recruit and assist new business and industry, and to encourage expansion of existing firms. This program is funded by the City of Stillwater and administered under the Economic Development Division of the Chamber. A separate checking account and records are maintained for this program by the Chamber. The Economic Development operations are reported within the financial statements of the Stillwater Chamber of Commerce as a separate fund. The Chamber provides the City with periodic financial reports summarizing ED activity.

An economic development feasibility study conducted in 2003 by National Community Development Services affirmed the support of the community for an expanded program of economic development. This led to the creation of the Stillwater Area Economic Partnership between public and private sectors to foster economic development throughout the Stillwater region known as Forward Stillwater. A 2.2 million dollar goal was established to underwrite the five-year program of the Stillwater Area Economic Partnership. Funds received through Forward Stillwater are included within the Economic Development Fund of the Chamber.

As of October 30, 2015, the Chamber entered into an agreement with Stillwater Industrial Foundation (SIF) that the functions of SIF can be more effectively provided by the Chamber/ED, and certain assets and certain liabilities have transferred to the Chamber/ED, for the purpose of effectively promoting economic development in the Stillwater, Oklahoma area. The operations of SIF will be included within the Economic Development Fund of the Chamber going forward.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. Under the accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Interim financial statements of the Chamber (including ED) are presented on the cash/budgetary basis of accounting and adjusted to the accrual basis of accounting at year-end. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Unrestricted Net Assets – Net assets that are not subject to donor-imposed stipulations.

STILLWATER ECONOMIC DEVELOPMENT FUND
(An Operating Fund of the Stillwater Chamber of Commerce)
Stillwater, Oklahoma

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2015 and 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Basis of Presentation (Continued)

Temporarily restricted net assets – Net assets subject to donor-imposed stipulations that may or will be met, either by actions and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Permanently restricted net assets – Net assets subject to donor-imposed stipulations that they be maintained permanently. Generally, the donors of these assets permit the use all or part of the income earned on any related investments for general or specific purposes. Currently, ED has no permanently restricted net assets.

B. Contributions/Pledges

Contributions, including unconditional promises to give, are recorded as made with the appropriate restriction. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Unconditional promises to give are recorded at their net realizable value.

C. Support and Revenue

The major sources of support for the ED come from management services contract and interest.

D. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates

E. Fair Value of Financial Instruments

ED's financial instruments include cash and cash equivalents, accounts receivable and accounts payable. ED's estimate of fair value of all financial instruments does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying statement of financial condition. The carrying amount of these financial instruments approximates fair value of their short maturity.

FASB Accounting Standards Codification (ASC) 820-10, establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted observable quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements).

The three levels of the fair value hierarchy are described below:

Basis of Fair Value Measurement

Level 1 Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities;

STILLWATER ECONOMIC DEVELOPMENT FUND
(An Operating Fund of the Stillwater Chamber of Commerce)
Stillwater, Oklahoma

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2015 and 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Fair Value of Financial Instruments (Continued)

Level 2 Quoted prices in markets that are not considered to be active or financial instruments for which all significant inputs are observable, either directly or indirectly;

Level 3 Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. All of the entity's investments are determined to be Level 1.

F. Cash and Cash Equivalents

ED considers all highly liquid investments with a maturity of three months or less to be cash equivalents.

G. Investments

Investments consist of interest-bearing accounts or certificates of deposit with maturities greater than three months when purchased. All investments are recorded at cost, which approximates fair value.

H. Property and Equipment

Fixed assets represent furniture and equipment purchased with ED funds recorded at historical cost. ED follows the practice of capitalizing, at cost, all expenditures for fixed assets determined to have a useful life in excess of one year. A \$500 capitalization policy has been adopted.

Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the asset to a specific purpose.

I. Depreciation

Buildings, equipment, and furniture and fixtures are being depreciated using accelerated methods which is considered equivalent to generally accepted accounting principles for those assets placed in service prior to June 30, 2006. Assets acquired after June 30, 2006 are depreciated using the straight-line method. The estimated useful lives of the related assets are as follows:

	<u>Years</u>
Buildings and improvements	39.5
Furniture and equipment	5-10

J. Compensated Absences

It is the Chamber's policy to permit full-time employees to earn vacation of five days per calendar year. Vacation is intended to be used in the year awarded and may not be carried over into the next calendar year. Any unused time at the end of the year will be forfeited. Accordingly, no accrual for unused vacation exists at year end. Upon resignation or termination, unused vacation time forfeited.

STILLWATER ECONOMIC DEVELOPMENT FUND
(An Operating Fund of the Stillwater Chamber of Commerce)
Stillwater, Oklahoma

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2015 and 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Income Taxes

ED is a not-for-profit organization that is exempt from income taxes under Section 501(c)(6) of the Internal Revenue Code. ED is not a private foundation within the meaning of Section 509(a) of the Internal Revenue Code.

ED has not recognized any unrelated business taxable income. As a result, no provision for federal or state income taxes is recognized in the accompanying financial statements. ED accounts for uncertain tax positions in accordance with Financial Accounting Standards Board (FASB) *Accounting Standards Codification (ASC) 740, Income Taxes*. This standard requires certain disclosures about uncertain income tax positions. When tax returns are filed, it is probable that most tax positions would be sustained upon examination by taxing authorities. However, it is also possible that some positions might be subject to uncertainty. ED evaluates any uncertain tax positions using the provisions of ASC 450, *Contingencies*. Accordingly, a loss contingency is recognized when it is probable that a liability has been incurred as of the date of the financial statements and the amount of the loss can be reasonably estimated. The amount recognized is subject to estimate and management judgment with respect to the likely outcome of each uncertain tax position. The amount that is ultimately sustained for an individual uncertain tax position or for all uncertain tax positions in the aggregate could differ from the amount recognized. Interest and penalties, if any, resulting from any uncertain tax positions required to be recorded by the organization would be presented in other expenses in the statement of activities. ED does not believe that it has engaged in any activity that would result in an uncertain tax position. As a result, management does not believe that any uncertain tax positions currently exist and no loss contingency has been recognized in the accompanying financial statements. Federal and state income tax statutes dictate that tax returns filed in any of the previous three reporting periods remain open to examination. Currently, ED has no open examination with either the Internal Revenue Service or state taxing authorities.

3. DETAILED NOTES CONCERNING THE FUNDS

A. Cash and Equivalents

The following summarizes the cash accounts of ED:

Economic Development:				
<u>Account</u>	<u>2015</u>		<u>2014</u>	
General Checking & Savings	\$	191,280	\$	213,601
Bank NA- Money Market		51,594		51,388
Total Cash & Equivalents- ED	\$	242,874	\$	264,989
Stillwater Industrial Foundation:				
<u>Account</u>	<u>2015</u>		<u>2014</u>	
General Checking	\$	283,689	\$	-
Bank SNB- Money Market		2,647		-
BancFirst- Money Market		2,681		-
RCB Bank- Money Market		2,724		-
Total Cash & Equivalents- SIF	\$	291,741	\$	-
Total Cash & Equivalents of Economic Development	\$	534,615	\$	264,989

STILLWATER ECONOMIC DEVELOPMENT FUND
(An Operating Fund of the Stillwater Chamber of Commerce)
Stillwater, Oklahoma

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2015 and 2014

3. DETAILED NOTES CONCERNING THE FUNDS (Continued)

B. Investments

The following summarizes the investments of ED:

Economic Development:

Account	2015	2014
Bank SNB Forward Incentive Fund - CD	\$ 156,933	\$ 156,073
RCB Bank - CD	63,093	62,836
RCB Bank - CD	30,748	30,611
RCB Bank - CD	33,349	33,052
Citizens State Bank - CD	62,662	62,475
University & Community FCU - CD	48,162	47,922
Total Cash & Equivalents- ED	\$ 394,947	\$ 392,969

Stillwater Industrial Foundation:

Account	2015	2014
Exchange Bank - CD	\$ 101,649	-
Exchange Bank - CD	101,042	-
RCB Bank - CD	101,645	-
RCB Bank - CD	102,620	-
Bank NA - CD	101,421	-
Total Cash & Equivalents- SIF	\$ 508,377	\$ -
Total Cash & Equivalents of Economic Development	\$ 903,324	\$ 392,969

C. Prepaid Expenses

Prepaid expenses was \$845 and \$0 for 2015 and 2014, respectively. In 2015, prepaid expense consisted of prepaid insurance. Accrued interest receivable of \$370 is included on the face of the financials with prepaid expenses.

STILLWATER ECONOMIC DEVELOPMENT FUND
(An Operating Fund of the Stillwater Chamber of Commerce)
Stillwater, Oklahoma

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2015 and 2014

3. DETAILED NOTES CONCERNING THE FUNDS (Continued)

D. Fixed Assets

	Balance December 31, 2014	Additions and Reclassifications	Disposals	Balance December 31, 2015
Buildings & improvements	-	2,086,236	-	2,086,236
Land	-	606,319	-	606,319
Equipment	-	86,125	-	86,125
Furniture & Fixtures	11,408	-	-	11,408
Total	11,408	-	-	11,408
Less: accumulated depreciation	(11,408)	(762,125)	-	(773,533)
Net	\$ -	\$ (762,125)	\$ -	\$ (762,125)

	Balance December 31, 2013	Additions and Reclassifications	Disposals	Balance December 31, 2014
Furniture & Fixtures	11,408	-	-	11,408
Total	11,408	-	-	11,408
Less: accumulated depreciation	(11,408)	-	-	(11,408)
Net	\$ -	\$ -	\$ -	\$ -

Total depreciation and amortization for the years ended December 31, 2015 and 2014 was \$8,914 and \$0, respectively.

E. Oklahoma Technology and Research Park Building Leasehold Improvements

Funding for construction of the Hi-Tech Park Building (referred to as the "Nomadics Building") was provided from two sources:

1. A \$100,000 grant and \$400,000 interest free loan from a Community Development Block Grant (CDBG) to the Stillwater Industrial Redevelopment Authority (SIRA) an agency of the City of Stillwater.
2. A \$1,111,200 loan from the Oklahoma Industrial Finance Authority (OIFA) to SIF.

On May 20, 2002, SIRA and SIF entered into a memorandum of understanding to confirm the agreement between the parties regarding the ownership of certain leasehold improvements to the "Nomadics Building" located at the Oklahoma Technology and Research Park (OTRP). The parties agreed that the recorded title to the OTRP is held in the name of Oklahoma State University (OSU), and a portion of the property has been leased to SIF for a term of 30 years. Upon completion of the building, SIF leased the building to Nomadics.

STILLWATER ECONOMIC DEVELOPMENT FUND
(An Operating Fund of the Stillwater Chamber of Commerce)
Stillwater, Oklahoma

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2015 and 2014

3. DETAILED NOTES CONCERNING THE FUNDS (Continued)

E. Oklahoma Technology and Research Park Building Leasehold Improvements (continued)

The parties agree that the record title to the leasehold interest in the Nomadics Building is held by SIF and that SIRA holds an equitable interest in the building to the extent the CDBG grant and loan monies were used for the construction of the building. However, once the CDBG loan has been paid in full, SIRA will transfer its interest in the property to SIF. Only those leasehold improvements provided by the OIFA loan are included in the assets of SIF until such time as the CDBG funded assets are transferred from SIRA to SIF. Since SIF has transferred its assets, liabilities, and operations to ED, the agreement SIRA will also be transferred from SIF to ED.

F. Long-Term Debt

The note payable to Bank SNB is a promissory note payable of \$14,817.90 monthly, including principal and interest adjusted quarterly at 1 ½ percent above the Wall Street Journal prime rate. On February 21 of each year the amount of the monthly payments for the following twelve months is determined based on the amount necessary to amortize the then unpaid principal balance over the remaining term of the note including interest at the rate on that date. The note matures in October 2023, and is secured by real estate. The note balance at December 31, 2015 was \$1,180,193.

Maturities December 31,	Principal	Interest	Total Due
2016	129,343	48,472	177,815
2017	135,187	42,628	177,815
2018	141,129	36,686	177,815
2019	147,331	30,483	177,815
2020	153,733	24,081	177,815
2021-2023	473,470	30,323	503,792
<u>Total principal & interest</u>	<u>\$ 1,180,193</u>	<u>\$ 212,674</u>	<u>\$ 1,392,866</u>

G. Lease Income – Nomadics

Effective October 21, 2003, upon procuring financing from Bank SNB, the Nomadics lease contract was renegotiated and the lease was renewed for 15 years. The Nomadics lease payments for the year ended December 31, 2015 was comprised of the following:

	<u>2015</u>
Bank SNB Loan Payment	29,636
Maintenance	440
OK Dept of Commerce- For CDBG loan principal payment	<u>3,333</u>
	<u>33,409</u>

STILLWATER ECONOMIC DEVELOPMENT FUND
(An Operating Fund of the Stillwater Chamber of Commerce)
Stillwater, Oklahoma

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2015 and 2014

3. DETAILED NOTES CONCERNING THE FUNDS (Continued)

G. Lease Income – Nomadics (Continued)

The lease payments are tied to the SNB outstanding loan balance of the draw note for Oklahoma Technology and Research Park expansion. The expansion was completed effective February 21, 2005. The bank loan payment is determined annually as discussed in Note 3C.

Lease income from Nomadics is adequate to cover the costs related to the Oklahoma Technology Park Building operations. The following breakdown shows the lease income and associated expenses:

	2015
Lease Income	17,463
Accrued Interest	1,396
Interest payment	(6,869)
Principal payment on loan	(22,625)
Prepaid Maintenance contract	-
Maintenance contract	(440)
Prepaid Oklahoma Dept. of Commerce	-
Oklahoma Dept of Commerce	(3,333)
	(14,408)

4. OTHER INFORMATION

A. Risk Management

The Chamber is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; employee health benefits; unemployment; and natural disasters. The Chamber purchases commercial insurance for these and other risks of loss. Settled claims have not exceeded the commercial coverage during the past three years.

B. Concentration of Credit Risk

The Chamber maintains bank accounts at several local banks, including those funds restricted for ED. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. Cash balances in those accounts may periodically exceed the federally insured limits.

C. Functional Allocation of Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. Direct expenses are paid or reimbursed by ED. Certain expenditures are allocated to Chamber and ED activities. Certain employees function entirely for ED while a percentage of administrative salaries is charged to ED.

STILLWATER ECONOMIC DEVELOPMENT FUND
(An Operating Fund of the Stillwater Chamber of Commerce)
Stillwater, Oklahoma

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2015 and 2014

4. OTHER INFORMATION

D. Related Party Transactions

ED received \$225,000 and \$175,000 in 2015 and 2014, respectively, from the City of Stillwater for management services.

On October 30, 2015, Stillwater Industrial Authority transferred certain assets and liabilities to the ED, a fund of the Stillwater Chamber of Commerce. The operations of SIF will be included in ED going forward.

E. Subsequent Events

Subsequent Events have been evaluated through the date of the audit report, which is the date the financial statements were available to be issued and has determined that no additional information needs to be added to the financial statements.