

Financial Statements and
Independent Auditors' Report

OIL CAPITAL ROD & GUN CLUB, INC.

December 31, 2011 and 2010

OIL CAPITAL ROD & GUN CLUB, INC.
FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT
DECEMBER 31, 2011 AND 2010

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INDEPENDENT AUDITORS' REPORT

The Board of Directors
Oil Capital Rod & Gun Club, Inc.
Tulsa, Oklahoma

We have audited the accompanying statements of financial position of Oil Capital Rod & Gun Club, Inc. (a non-profit organization) as of December 31, 2011 and 2010, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with United States generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Oil Capital Rod & Gun Club, Inc. as of December 31, 2011 and 2010, and the changes in members' equity and cash flows for the year then ended, in conformity with United States generally accepted accounting principles.

SES Group P.L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

February 9, 2012

OIL CAPITAL ROD & GUN CLUB, INC.
STATEMENTS OF FINANCIAL POSITION

A S S E T S

	December 31,	
	2011	2010
Assets:		
Cash and cash equivalents	\$ 302,353	\$ 320,977
Prepayments	17,004	17,000
Investments	184,865	157,696
Property, plant and equipment (net)	<u>725,816</u>	<u>683,704</u>
	<u>\$ 1,230,038</u>	<u>\$ 1,179,377</u>

LIABILITIES AND MEMBERS' EQUITY

Liabilities:		
Accounts payable	\$ 1,903	\$ 1,953
Members' equity		
Unrestricted	1,064,788	1,014,842
Board restrictions	<u>65,572</u>	<u>64,057</u>
	1,130,360	1,078,899
Temporarily restricted	<u>97,775</u>	<u>98,525</u>
Total members' equity	<u>1,228,135</u>	<u>1,177,424</u>
TOTAL LIABILITIES AND MEMBERS' EQUITY	<u>\$ 1,230,038</u>	<u>\$ 1,179,377</u>

See accompanying notes to financial statements.

OIL CAPITAL ROD & GUN CLUB, INC.
STATEMENTS OF ACTIVITIES

	Year Ended December 31, 2011			Year Ended December 31, 2010		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Revenues:						
Member dues and transfers	\$ 4,800	\$ 97,775	\$ 102,575	\$ 5,713	\$ 98,525	\$ 104,238
Memberships sold	1,200		1,200	2,200		2,200
Interest income	6,382		6,382	9,362		9,362
Insurance proceeds & other income	23,562		23,562	145,660		145,660
Advertising income	917		917	933		933
Activity income	61,182	6,365	67,547	71,756	6,515	78,271
Gain (loss) asset sale			0	(2,900)		(2,900)
Net assets released from restriction	104,890	(104,890)	0	103,540	(103,540)	0
Total revenues	202,933	(750)	202,183	336,264	1,500	337,764

(Continued)

See accompanying notes to financial statements.

OIL CAPITAL ROD & GUN CLUB, INC.
STATEMENTS OF ACTIVITIES

(Concluded)

	Year Ended December 31, 2011			Year Ended December 31, 2010		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Expenses:						
Accounting	11,927		11,927	9,961		9,961
Insurance	14,921		14,921	12,227		12,227
Janitorial	8,774		8,774	8,886		8,886
Maintenance	22,183		22,183	31,503		31,503
Newsletter	6,337		6,337	6,762		6,762
Income tax	1,820		1,820	2,816		2,816
Property tax	1,329		1,329	1,752		1,752
Telephone	793		793	786		786
Utilities	8,544		8,544	8,457		8,457
Refuse	2,640		2,640	2,640		2,640
Depreciation	23,792		23,792	23,623		23,623
Miscellaneous	6,750		6,750	20,075		20,075
Activity expenses	41,662		41,662	42,891		42,891
Total expenses	151,472		151,472	172,379		172,379
Change in members' equity	51,461	(750)	50,711	163,885	1,500	165,385
Members' equity, beginning of year	1,078,899	98,525	1,177,424	915,014	97,025	1,012,039
Members' equity, end of year	\$ 1,130,360	\$ 97,775	\$ 1,228,135	\$ 1,078,899	\$ 98,525	\$ 1,177,424

See accompanying notes to financial statements.

OIL CAPITAL ROD & GUN CLUB, INC.
STATEMENTS OF CASH FLOWS

	Year Ended December 31,	
	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in members' equity	\$ 50,711	\$ 165,385
Adjustments to reconcile changes in members' equity to net cash (used in) provided by operating activities:		
Depreciation expense	23,792	23,623
Loss asset sale		2,900
Casualty loss		15,880
Changes in operating assets and liabilities:		
Increase in prepayments	(4)	(6,764)
Decrease in accounts payable	(50)	(1,528)
Net cash provided by operating activities	<u>74,449</u>	<u>199,496</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of assets		3,500
Purchase of property, plant and equipment	(65,904)	(196,378)
Purchase of investments	<u>(27,169)</u>	<u>(59,178)</u>
Net cash used by investing activities	<u>(93,073)</u>	<u>(252,056)</u>
Net decrease in cash and cash equivalents	(18,624)	(52,560)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>320,977</u>	<u>373,537</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 302,353</u>	<u>\$ 320,977</u>
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Cash paid for taxes	\$ 1,945	\$ 4,408
Cash paid for interest	0	0

See accompanying notes to financial statements.

OIL CAPITAL ROD & GUN CLUB, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Nature of activities:

Oil Capital Rod & Gun Club, Inc. ("Organization") is a nonprofit corporation organized under the laws of the State of Oklahoma. The Organization is governed by a volunteer Board of Directors. The Organization is a private sportsman's club situated on 160 acres of rolling meadows east of Broken Arrow, Oklahoma. The eight hundred members have unlimited access to facilities twenty-four hours a day.

Basis of presentation:

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. Net members' equity and revenues, expenses, gains, and losses are classified based on the existence or absence of member-imposed restrictions. Accordingly, net members' equity of the Organization and changes therein are classified and reported as follows:

Unrestricted members' equity - Members' equity that are not subject to member-imposed stipulations.

Temporarily restricted members' equity - Members' equity subject to member-imposed stipulations that may or will be met, either by actions of the Organization and/or the passage of time. When a restriction expires, temporarily restricted members' equity are reclassified to unrestricted members' equity and reported in the statement of activities as members' equity released from restrictions.

Permanently restricted members' equity - Members' equity subject to member-imposed stipulations that they be maintained permanently by the Organization. Generally, the member donation of these assets permit the Organization to use all or part of the income earned on any related investments for general or specific purposes.

Grants and contributions received with member-imposed restrictions are recorded as unrestricted if the restrictions are met within the same period. Donations or contributions where restrictions are not met in the same period are recognized as temporarily restricted. All contributions are considered available for unrestricted use unless specifically restricted by the member or subject to other legal restrictions.

OIL CAPITAL ROD & GUN CLUB, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONCLUDED):

Cash and cash equivalents:

The Organization defines cash and cash equivalents to be all cash on hand and all highly liquid investments with a maturity when acquired of three months or less.

Property, plant and equipment:

Property, plant and equipment are capitalized at cost. The straight-line depreciation method is used for all assets. The Organization follows the practice of capitalizing items over \$1,000 with a useful life of more than one year.

The Organization records impairments to its fixed assets when it becomes probable that the carrying value of the assets will not be fully recovered over their estimated lives. Impairments are recorded to reduce the carrying value of the assets to their estimated fair values determined by the Organization based on facts and circumstances in existence at the time of the determination, estimates of probable future economic conditions and other information. No impairments were recorded in 2011 or 2010.

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.

Expense classification:

Expenses have been classified by specific functions where ascertainable. Those expenses which cannot be specifically identified by type have been allocated based on management's best estimate of usage.

Income taxes:

The Organization is a nonprofit organization, exempt from income taxes under Internal Revenue Code Section 501(c)(7), based on a determination letter from the Internal Revenue Service. The Organization is subject to the exempt organization business income tax on occasion.

The Organization's Forms 990, Return of Organization Exempt from Income Tax and the Forms 990-T, Exempt Organization Business Income Tax Return, for the years ended 2008, 2009, 2010 and 2011 are subject to examination by the IRS, generally for three years after they are filed.

OIL CAPITAL ROD & GUN CLUB, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 2 - PREPAYMENTS:

Prepayments consist of:

	<u>2011</u>	<u>2010</u>
Insurance	\$ 12,377	\$ 10,625
Clay birds/targets	2,348	5,852
Postage	1,672	
Propane	607	523
	<u>\$ 17,004</u>	<u>\$ 17,000</u>

NOTE 3 - INVESTMENTS:

Investments consist of certificates of deposit held in local financial institutions.

NOTE 4 - PROPERTY, PLANT AND EQUIPMENT:

Property, plant and equipment at December 31, 2011 and 2010 consist of the following:

	<u>2011</u>	<u>2010</u>
Land	\$ 212,799	\$ 212,799
Buildings and improvements	844,289	778,385
Maintenance equipment	84,431	84,431
Furniture and equipment	14,517	14,517
Accumulated depreciation	<u>(430,220)</u>	<u>(406,428)</u>
	<u>\$ 725,816</u>	<u>\$ 683,704</u>

Depreciation of \$23,792 and \$23,623 was charged to income in 2011 and 2010, respectively.

NOTE 5 - TEMPORARILY RESTRICTED MEMBERS' EQUITY:

Temporarily restricted members' equity are available for the following purposes:

	<u>2011</u>	<u>2010</u>
2011 operations		\$ 98,525
2012 operations	\$ 97,775	

OIL CAPITAL ROD & GUN CLUB, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 6 - CONCENTRATION OF CREDIT RISK:

The Organization's financial instruments exposed to concentrations of credit risk consist primarily of cash and cash equivalents. The Organization maintains its cash balance at a high quality financial institution. The balance is insured by the Federal Deposit Insurance Corporation up to \$250,000.

NOTE 7 - CONCENTRATION OF ECONOMIC DEPENDENCY:

The Organization receives a significant amount of funding from members in the metropolitan Tulsa area. Loss of this funding could significantly affect the future operations of the Organization.

NOTE 8 - FAIR VALUE OF FINANCIAL INSTRUMENTS:

The following methods and assumptions were used by the Organization in estimating its fair value disclosures for financial instruments:

Cash and cash equivalents: The carrying amounts reported in the statement of financial position approximate fair values because of the short maturities of those instruments.

Investments: The fair values of investments are based on quoted market prices for those or similar investments.

The estimated fair values of the Organization's financial instruments are as follows:

	Carrying Amount		Fair Value	
	2011	2010	2011	2010
Financial Assets				
Cash and cash equivalents	\$ 302,353	\$ 320,977	\$ 302,353	\$ 320,977
Investments	184,865	157,696	182,133	155,366

NOTE 9 - SUBSEQUENT EVENTS:

Subsequent events have been evaluated through February 9, 2012, the date that these financial statements were available to be issued.

February 9, 2012

Board Members

Oil Capital Rod & Gun Club, Inc.
Broken Arrow, Oklahoma

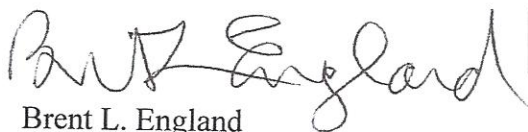
In planning and performing our audit of the financial statements of Oil Capital Rod & Gun Club, Inc. as of and for the year ended December 31, 2011 and 2010, in accordance with auditing standards generally accepted in the United States of America, we considered Oil Capital Rod & Gun Club, Inc.'s internal control over financial reporting (internal control) as a basis for designing our auditing procedures 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 Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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 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.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance that all such deficiencies have been identified. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

This communication is intended solely for the information and use of management and Board Members of Oil Capital Rod & Gun Club, Inc., and others within the organization, and is not intended to be and should not be used by anyone other than these specified parties.

SES Group, P.L.L.C.



Brent L. England

February 9, 2012

Oil Capital Rod & Gun Club, Inc.
Board of Directors
Broken Arrow, Oklahoma

We have audited the financial statements of Oil Capital Rod & Gun Club, Inc. for the years ended December 31, 2011 and 2010, and have issued our report thereon dated February 9, 2012. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated July 18, 2011. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Oil Capital Rod & Gun Club, Inc. are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2011. We noted no transactions entered into by the entity during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

Management's estimate of current depreciation expense is based on the estimated use full life of assets. We evaluated the key factors and assumptions used to develop the use full life of assets in determining that they are reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. No such disclosures were noted for the Oil Capital Rod & Gun Club, Inc.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated February 9, 2012.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Organization's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as Oil Capital Rod & Gun Club, Inc. auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Information in Documents Containing Audited Financial Statement

This information is intended solely for the use of the Board of Directors of Oil Capital Rod & Gun Club, Inc. and management of Oil Capital Rod & Gun Club, Inc and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

SES Group, PLLC



Brent L. England

Asset	Property Description	Date In Service	Tax Cost	Sec 179 Exp Current = c	Tax Bonus Amt	Tax Prior Depreciation	Tax Current Depreciation	Tax End Depr	Tax Net Book Value	Tax Method	Tax Period
Group: BUILDINGS											
2	Main Clubhouse	6/30/85	88,555.81	0.00	0.00	59,799.18	2,213.90	62,013.08	26,542.73	S/L	40.0
3	Rifle & Pistol Complex	1/01/86	134,592.44	0.00	0.00	80,755.44	3,364.81	84,120.25	50,472.19	S/L	40.0
5	Skeet & Trap Complex	12/31/86	174,221.57	0.00	0.00	104,532.96	4,355.54	108,888.50	65,333.07	S/L	40.0
6	Care Taker (Tenant Facilities)	1/01/91	7,309.89	0.00	0.00	3,655.00	182.75	3,837.75	3,472.14	S/L	40.0
7	R V Facilities	1/01/91	13,147.87	0.00	0.00	13,147.87	0.00	13,147.87	0.00	S/L	15.0
23	Skeet & Trap Complex Remodel	6/30/04	27,761.00	0.00	0.00	8,202.09	1,261.86	9,463.95	18,297.05	S/L	22.0
24	Main Clubhouse Remodel	1/31/05	6,517.10	0.00	0.00	1,928.01	325.86	2,253.87	4,263.23	S/L	20.0
26	25 Yrd Pavilion	6/30/05	20,453.07	0.00	0.00	5,624.57	1,022.65	6,647.22	13,805.85	S/L	20.0
27	Clay Target Storage	9/30/05	28,898.00	0.00	0.00	7,585.72	1,444.90	9,030.62	19,867.38	S/L	20.0
32	Grounds Maintenance Bldg	9/30/11	48,708.11	0.00c	0.00	0.00	304.43	304.43	48,403.68	S/L	40.0
34	All Weather Shooting Bldg	9/30/11	75,188.64	0.00c	0.00	0.00	469.93	469.93	74,718.71	S/L	40.0
BUILDINGS											
			625,353.50	0.00c	0.00	285,230.84	14,946.63	300,177.47	325,176.03		
Group: FURNITURE & EQUIP											
14	Furniture & Fixtures	1/01/00	14,517.46	0.00	0.00	14,517.46	0.00	14,517.46	0.00	S/L	10.0
FURNITURE & EQUIP											
			14,517.46	0.00c	0.00	14,517.46	0.00	14,517.46	0.00		
Group: LAND											
1	Land	6/20/83	212,798.77	0.00	0.00	0.00	0.00	0.00	212,798.77	Land	0.0
20	Road Improvements	9/01/02	21,482.30	0.00	0.00	11,934.58	1,433.15	13,366.73	8,115.57	S/L	15.0
22	Main Gate	9/13/07	10,060.00	0.00	0.00	3,353.33	1,006.00	4,359.33	5,700.67	S/L	10.0
28	25 Yrd Berm	12/15/09	11,000.00	0.00	0.00	0.00	0.00	0.00	11,000.00	Land	0.0
31	Power System Gate	3/30/10	2,500.00	0.00	0.00	267.86	357.14	625.00	1,875.00	S/L	7.0
LAND											
			257,841.07	0.00c	0.00	15,555.77	2,795.29	18,351.06	239,490.01		
Group: MAINTENANCE EQUIP											
13	Maintenance Equipment	1/01/00	62,164.25	0.00	0.00	62,164.25	0.00	62,164.25	0.00	S/L	7.0
15	New Holland Tractor	6/28/04	4,980.96	0.00	0.00	2,864.07	498.10	3,362.17	1,618.79	S/L	10.0
16	Mower	4/06/05	1,200.00	0.00	0.00	690.00	120.00	810.00	390.00	S/L	10.0
18	Forklift	1/04/06	3,255.51	0.00	0.00	1,627.75	325.55	1,953.30	1,302.21	S/L	10.0
30	Scag Mower	7/02/09	12,830.57	0.00	0.00	2,749.41	1,832.94	4,582.35	8,248.22	S/L	7.0
MAINTENANCE EQUIP											
			84,431.29	0.00c	0.00	70,095.48	2,776.59	72,872.07	11,559.22		
Group: SHOOTING RANGES											
8	Archery Range	1/01/91	5,998.27	0.00	0.00	5,998.27	0.00	5,998.27	0.00	S/L	20.0
12	Plinking Special	1/01/91	7,931.18	0.00	0.00	7,931.18	0.00	7,931.18	0.00	S/L	20.0
19	Skeet/Trap Equio	8/20/04	2,970.00	0.00	0.00	2,970.00	0.00	2,970.00	0.00	S/L	5.0
21	Electric Rabbit Machine	3/22/07	3,240.00	0.00	0.00	2,430.00	0.00	3,078.00	162.00	S/L	5.0
29	G T Steel Targets	2/17/09	4,634.00	0.00	0.00	1,699.13	926.80	2,625.93	2,008.07	S/L	5.0
33	Pistol Range Bldg	9/30/11	79,612.15	0.00c	0.00	0.00	995.15	995.15	78,617.00	S/L	20.0
35	25 Yrd Range	9/30/11	8,348.25	0.00c	0.00	0.00	104.35	104.35	8,243.90	S/L	20.0
36	50 Yrd Range	9/30/11	5,966.00	0.00c	0.00	0.00	74.58	74.58	5,891.42	S/L	20.0

Tax Asset Detail 1/01/11 - 12/31/11

Asset	d	Property Description	Date In Service	Tax Cost	Sec 179 Exp Current = c	Tax Bonus Amt	Tax Prior Depreciation	Tax Current Depreciation	Tax End Depr	Tax Net Book Value	Tax Method	Tax Period
Group: SHOOTING RANGES (continued)												
37		100-200 Yrd Range	9/30/11	41,958.95	0.00c	0.00	0.00	524.49	524.49	41,434.46	S/L	20.0
SHOOTING RANGES				160,638.80	0.00c	0.00	21,028.58	3,273.37	24,301.95	136,356.85		
Group: WATER EFFECTS												
10		Oil Capital Lake	1/01/91	12,463.41	0.00	0.00	0.00	0.00	0.00	12,463.41	Land	0.0
11		Archevy Pond	1/01/91	770.72	0.00	0.00	0.00	0.00	0.00	770.72	Land	0.0
WATER EFFECTS				13,234.13	0.00c	0.00	0.00	0.00	0.00	13,234.13		
Grand Total				1,156,036.25	0.00c	0.00	406,428.13	23,791.88	430,220.01	725,816.24		