

# Comprehensive Annual Financial Report



Broken Arrow Public Schools  
District No. 1-003  
701 South Main Street  
Broken Arrow, OK 74012

Final Report  
June 30, 2019



# COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ending June 30, 2019

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Broken Arrow Public Schools, District No. I-003

701 S. Main Street

Broken Arrow, Oklahoma 74012

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COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FISCAL YEAR ENDING JUNE 30, 2019

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## Introductory Section



December 9, 2019

Citizens and Governing Board of Education  
Broken Arrow Public Schools, District I-003  
701 S. Main Street  
Broken Arrow, OK 74012

Management hereby presents the Comprehensive Annual Financial Report ("CAFR") of Broken Arrow Public Schools, Broken Arrow, Oklahoma for the year ended June 30, 2019. This report was prepared by the District's Office of Finance. State law mandates that school districts undergo an annual single audit and publish a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP), and audited in accordance with auditing standards (GAAS) by a firm of licensed certified public accountants.

Management of the District assumes full responsibility for the completeness and reliability of all of the information presented in this report and provides reasonable assurance that its financial statements are free of any material misstatements.

To provide a reasonable basis for making these representations, the District has established a comprehensive internal control framework that is designed both to protect the District's assets from loss, theft, or misuse and to gather sufficient reliable information for the preparation of the District's financial statements. The cost of internal controls should not outweigh their benefits; consequently, the District's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. Internal offices of the District, namely the offices of Accounting, Budget, and Accounts Payable, regularly review expenditures of district funds and perform selective and random reviews of operations and controls further ensuring that this report is complete and reliable in all material respects and in conformity with GAAP.

The District's Management Discussion and Analysis (MD&A) immediately follows the independent auditors' report and provides a required narrative introduction, overview, and analysis of the basic financial statements to be read in conjunction with this letter of transmittal.

The District's financial statements have been audited by Jenkins & Kemper CPAs, P.C. As part of the federally mandated "Single Audit" requirement, Jenkins & Kemper CPAs, P.C., also performs an annual audit of the District's internal controls and compliance thereto with legal requirements involving the administration of federal awards and grants. The Single Audit is designed to meet the needs of federal grantor agencies. These reports are available in the District's separately issued Single Audit Report.

# DISTRICT PROFILE

## LOCAL ECONOMY & HISTORY

The city of Broken Arrow is a suburban community located in northeastern Oklahoma, primarily in Tulsa County with a small section of the city in western Wagoner County. It is the largest suburb of Tulsa. According to the U.S. Census Bureau in 2013, Broken Arrow has a population of more than 100,000 residents and is the fourth largest city in the state. It is one of the fastest growing cities in the state, doubling its population since the 1980s. Census projections estimate a population of more than 110,000 residents by 2019.

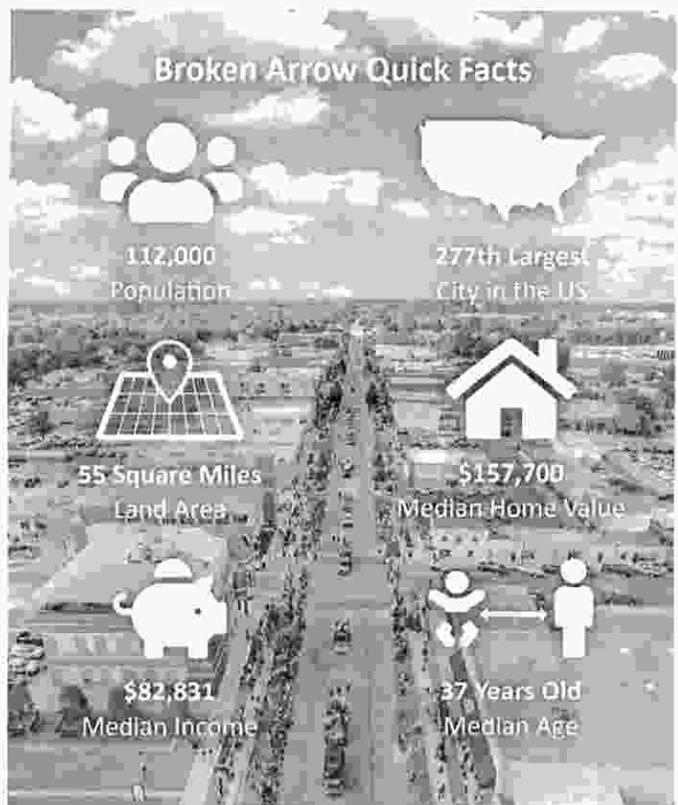
Named one of the most affordable suburbs in the south by Business Week, Broken Arrow is also considered one of the safest cities in the nation. The city's large land area lends itself to all the best aspects of suburbia, while the low commute times and excellent traffic grid management make getting where you need to go easy. Broken Arrow makes it possible to get that suburban feel without being far from the action. A network of sidewalks and trails connect neighborhoods to parks, and the city's collection of athletic facilities encourages residents in many sports. The Rose District with the Broken Arrow Performing Arts Center and variety of restaurants and specialty stores remains the heart of Broken Arrow's entertainment scene. Broken Arrow is home to a wide range of businesses and industries. In fact, the city is ranked third in its concentration of manufacturers in the state.

Broken Arrow continues to attract new businesses due to the low cost of doing business. It has the lowest sales tax rate in the Tulsa Metro area at 8.35 percent, the lowest utility costs in the region and low property tax rates averaging 1.35 percent, compared to the U.S. average of 2.14 percent.

Broken Arrow has been repeatedly recognized on a national level. USA Today named the Rose District as one of its most charming main streets. Broken Arrow also garnered the 29th spot on the publication's 50 Most Livable Cities list. At the U.S. Conference of Mayors, Broken Arrow was named one of the "Most Livable" cities in America. Mayor Craig Thurmond was named a first place winner for the redevelopment and revitalization of the Rose District. Finally, Business Insider ranked Broken Arrow among the American cities with the lowest violent crime rates. Business Insider

published its list of 40 cities, placing Broken Arrow at No. 9 with 6.1 violent crimes per 10,000 residents.

The school district, Broken Arrow Public Schools (BAPS), has four early childhood centers, 15 elementary schools, five middle schools, two alternative academies that serve secondary students, one ninth grade academy and one senior high school – all of which combine to provide services to more than 19,000 students. Students in grades K-5 attend elementary schools. Of the 15 elementary schools, 13 are grades K-5, one is configured to serve students in grades K-2 and one houses students in grades 3-5. Middle schools serve grades 6-8. The high school is composed of two sites – one freshman academy for students in ninth grade and the senior high school for students in grades 10-12. All campuses are fully accredited by the state of Oklahoma and the North Central Association of Secondary Schools and Colleges.



## RELATIONSHIP TO OTHER GOVERNMENTS

Broken Arrow Public Schools values its relationship with other governmental entities. The City of Broken Arrow, Chamber of Commerce and BAPS exchange representation on boards and committees to promote communication and collaboration between entities to improve the quality of life in Broken Arrow. Further, BAPS is represented on the Broken Arrow Economic Development Corporation Board

(BAEDC). Focusing on creating wealth, jobs and economic growth in the community through attraction and retention of businesses, workforce development, education and collaboration with regional partners, the BAEDC is governed by directors that serve as representatives of the business community, the City of Broken Arrow and the school system.

## BUDGETARY CONTROLS

Broken Arrow Public Schools utilizes budgetary controls to ensure compliance with legal appropriation limitations and to provide an operating plan for the district's resources. At the beginning of each fiscal year, BAPS completes an Estimate of Needs report. The County Excise Board then approves the appropriated funds for the legal budget. The Board of Education is required to approve the budget within 45 days after the County Excise Board approves the Estimate of Needs. Once the Board of Education approves the operating budget, any changes to appropriations must be approved by the Board of Education.

The annual budget serves three purposes: (1) it is the financial plan for the district for the fiscal year, reflecting goals and priorities at the individual, departmental and district level, (2) it is a management tool for the administrative staff and provides primary control to direct and limit expenditures, and (3) it represents planned fiscal activities of the district to the employees, students and patrons of

the district. The level of budgetary control is maintained by fund and by project. Individual line items may be adjusted without Board action, but total budgeted expenditures may not exceed appropriations at the major fund level without Board approval. The district utilizes an encumbrance system as a technique of budgetary control with encumbered appropriations lapsing at year end.

Overall responsibility for the budget rests with the chief financial officer under the direction of the superintendent. The chief financial officer develops procedures for budget control and reporting in accordance with state and federal laws and regulations, board policy, and proper internal controls.

During the 2018-19 budgeting process, one of the critical goals was to maintain a well-established fund balance. This fund balance helped combat inflationary items such as insurance, utilities and fuel. Additionally, it helped protect the district against uncertain state and federal funding.

## LONG-TERM FINANCIAL PLANNING & MAJOR INITIATIVES

Broken Arrow Public Schools utilizes five community-wide committees for planning: Long Range, Budget, Strategic Planning, High School Configuration and Visioning Task Force. The newest of the committees are the High School Configuration and Visioning Task Force, which have worked to address overcrowding at the high school campus over the past few years. A final recommendation was made to the Board in Feb. 2019.



# ADMINISTRATION



The administration of Broken Arrow Public Schools is separated into seven divisions with different departments in each division:

The Superintendent Services Division is responsible for the everyday educational operations at elementary and secondary levels, while also coordinating district functions and overseeing the district's strategic plan.

The Instructional Services Division is responsible for ensuring academic accountability at the state and federal level, while also implementing initiatives and support services that enhance academic performance. The Instructional Services team also oversees the before and after care program (B&A Connections), campus security, the nursing program and energy management.

The Student Services Division provides opportunities for student engagement. The Student Services Division includes fine arts, athletics, co-curricular activities and student leadership. Also within this division is Public Relations and ArrowVision, the district's media outlet for video production.

The Business Services Division is responsible for managing the district's financial services, including financial reporting, accounts payable, treasury, purchasing, student activity funds, risk management and federal finance. The Business Services Division also oversees district contracts and the financial audit.

- The Operations Services Division is responsible for the district's facilities and vehicle fleets. The Operations Services Division manages capital improvements, the maintenance of buildings, facility use, plant operations and warehouse, and transportation services.
- The Technology Services Division is charged with managing the district's network and all instructional technology, including the 1:1 computer initiative. Technology Services also oversees student data management and district enrollment.
- The Administrative Services Division is responsible for human resources, child nutrition, communications and the school spirit store, Tiger Threads. The Human Resources Department is responsible for recruitment, retention and management of human capital, and payroll, which ensures employer accountability at the state and federal level. The Child Nutrition Department ensures every student receives a healthy and nutritious meal. The Communications Department is responsible for managing district publications, social media outlets and the district website.

## BOARD OF EDUCATION

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The Broken Arrow Board of Education is an elected board and enjoys an excellent reputation for selfless service to the community. Each board member seat is for a 5-year term. Board members tackle the enormous job of governing the school district while preserving the core of our democratic values.

The Board is responsible for establishing policies under which the school system operates, adhering to Oklahoma and federal laws, and balancing the unique needs of the community. As citizen leaders, individual school board

members face complex and demanding challenges, contributing hundreds of hours each year to effectively lead the district.

The Board of Education is comprised of five board members, each representing one of the five zones within the district. Each Board member serves a five-year term in office, and annual elections are held each February.

The Board of Education plays an invaluable role by promoting and supporting the mission and vision of the district.

## PROJECTED ENROLLMENT

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Broken Arrow Public Schools has seen relatively steady enrollment growth over the past decade. In fact, BAPS' population grew more than three times the national rate between 2000 and 2010. Since 2000, the population in Broken Arrow has increased by 2,281 a year – the strongest in the region.

Based on independent research of birthrates, the resulting prediction model of BAPS projects an enrollment of 20,298 students by 2024. This, of course, would be based on the same rate of growth during the next 10 years as has occurred during the last 10 years. Low-end projections call for a gain of 1,527 new students in the next decade, indicating that BAPS' school-age population will grow more aggressively during the next decade than it has during the last decade.

The prediction model indicates that the 0-4 year-old population in the district should grow about 0.7 percent annually

from 2013 through 2018, increasing single year of age cohorts from an average of 1,545 children today to 1,633 in 2023. The 5-14 year-old population is estimated to average 1,397 per cohort currently and is projected to grow by 1.4 percent annually through 2018 and then 0.5 percent annually through 2023, increasing cohort sizes to 1,494 in 2018 and 1,531 in 2023. Finally, the 15-18 year-old population is projected to grow by 1.8 percent through 2018 and 1.1 percent for the years 2018 through 2023. Thus, these projections imply that growth could taper off in a decade, as the higher growth rates are for older children (due to the boom in the mid-2000s to present) and the lower and slowing growth rates are for the elementary and pre-school-age children.

Districtwide, school-age populations are projected to grow by about 1.5 percent annually through 2018 and less than half that rate, 0.7 percent, from 2018 to 2023.

## CORE VALUES

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In 2017, the district released four core values to support its vision and help shape culture, both internally and externally. It has since then become a way of life for Broken Arrow students and staff.

We embrace the responsibility of our calling. Each of us is accountable to serve our students, our district and our community. We do it with honesty, integrity and transparency.

We are passionate about learning. We consistently seek new ways to lead and follow our students into the future.

We are a student-focused, relationship driven school district. We strive to engage our students and community through kindness, compassion and empathy.

We celebrate and find strength in our diversity. It takes people with different ideas, interests and backgrounds to drive our district forward.

These core values have been promoted through video, graphics, social media posts, emailed reminders to staff and more.

# STRATEGIC PLAN 2.0

Strategic planning is a process the district uses to accomplish its vision and mission while establishing plans for the future. Community members, parents, faculty and staff are part of this intensive process to develop objectives and strategies for district priorities which will influence the decisions we make as a district for the next three years. This is the district's second strategic plan.

## ACADEMIC ACHIEVEMENT

Define and address academic achievement focused on college and career pathways

### Strategies:

- Provide every student an individualized academic plan of study
- Ensure we have academic programming, career advisement, and professional development to support pathway choices
- Develop a systematic approach for building high academic achievers

## CAREER PATH

Create a culture that fosters personal relationships between students, staff, parents and the community

### Strategies:

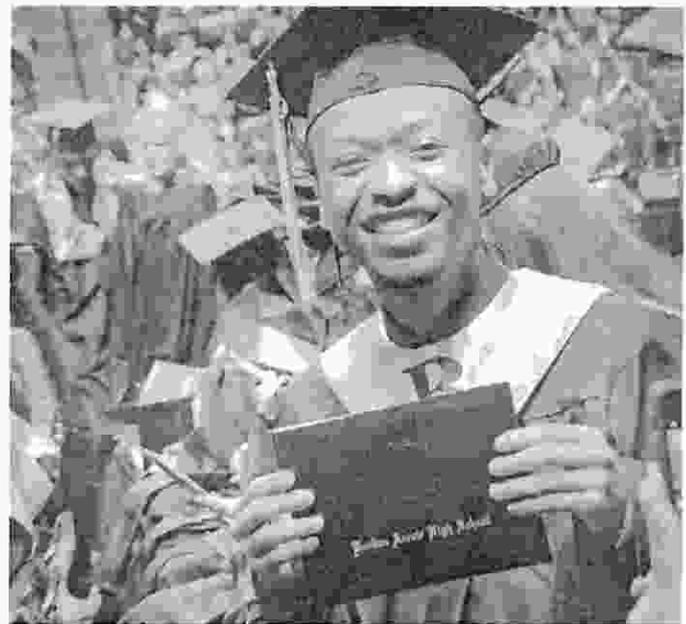
- Establish a plan to connect every student to a co-curricular, extracurricular or student mentoring program
- Identify, secure, and develop staff and resources to expand student engagement opportunities
- Develop a plan to integrate families and the community into the school and district culture

## PERSONAL TECHNOLOGY

Create an individualized learning culture and environment that is supported by sustainable technology

### Strategies:

- Develop a districtwide systematic approach to technology professional development
- Formulate a plan to obtain sustainable funding and support for districtwide technology and digital curriculum



## HUMAN RESOURCES

Develop a comprehensive plan to improve district culture

### Strategies:

- Utilize data to evaluate and enhance employee engagement, satisfaction and retention for the purpose of developing a culture of wellness
- Identify and develop programs that grow and retain a talented and diverse workforce

## FINANCE

Develop opportunities to generate revenue

### Strategies:

- Identify non-chargeable revenue streams
- Educate the community on school finance

## DISTRICT DEVELOPMENT AND CONFIGURATION

Create a roadmap and plan to accomplish the configuration decision

### Strategies:

- Modify capital improvement plan to support configuration decision and still accommodate growth
- Develop a sustainable and evolving communication plan to support the decision

## HISTORY OF DISTRICT BUILDINGS

Even though Oklahoma would not become a state until 1907, Broken Arrow residents were ahead of their time and valued education for their children. In 1904, a two-story school building was constructed on Main Street Broken Arrow from a 2 percent sales tax initiated by the community. The first Broken Arrow High School senior class graduated in 1908 with only three students.

In 1924, Broken Arrow's first school building was damaged by a fire, and because of the damage, the structure was razed. The facility was later rebuilt on the same site and utilized for decades to educate children living in the community.

In the early 2000s, the building was repurposed and called Central on Main. Today it serves as the home to the district's enrollment center, administrative offices and a community ballroom. It is also listed on the National Register of Historic Places, serving as a reminder of Broken Arrow's rich educational history to all who pass through the doors.

Since then, Broken Arrow Public Schools has given generations of students an excellent education at 27 school sites.



## NET ASSESSED VALUE

The district's net assessed valuation (NAV) refers to the local property wealth. For 2018-19 school year, the NAV was \$945,857,259. Since 2000, the district has seen a steady increase in the NAV, which has grown at a rate of 3 to 4 percent each year. The NAV determines the bonding capacity of

a district and has been critical for BAPS as it passed school bonds for capital improvements needed to serve its growing student population. This has been a key figure as a sign of the district's positive economic position.

## HIGH SCHOOL CONFIGURATION STUDY

After three and a half years of study and discussion, members of the high school configuration steering committee provided a recommendation for the future of Broken Arrow High School to the Board of Education during their regularly scheduled meeting on Feb. 11, 2019.

The recommendation included implementing early career exploration, expanding career pathways, providing additional early college opportunities for students and building a new innovation/STEM facility with three possible locations, which is part of the second phase of the 2015 bond issue.

In addition, the committee suggested three options for consideration contingent upon passing a bond issue in 2027.

- A second "Early Tech" magnet high school on Aspen Creek property
- A second and/or third academic magnet high school on Broken Arrow Freshman Academy campus
- A second and/or third comprehensive high school with career pathway academies on Aspen Creek or Oneta Ridge property

"Our current 2015 bond package does not include funds to build a new high school, and our community was clear that when another high school is created, it's important that all campuses have equitable facilities and academic

programming,” Superintendent Dr. Janet Dunlop said. “In addition, it is illegal for the district to obligate a future Board of Education to future bond expenditures. These recommendations will simply provide a roadmap for the individuals sitting in leadership roles in 2027.”

“In the meantime, we are providing solutions and opportunities for our students right now. From career exploration

as early as 6th grade to getting an associate’s degree in high school, we are striving to create pathways that will provide a successful roadmap for our students while also extending the classroom into the community.”

To view the history and timeline of this process, please visit [www.baschools.org/goba](http://www.baschools.org/goba).

## EARLY COLLEGE HIGH SCHOOL

Announced in spring 2018, incoming freshman and sophomores were introduced to a new program called Early College High School. This program will allow students to take high school level courses on the Northeastern State University-Broken Arrow campus while simultaneously equipping them to successfully undertake college coursework upon completion of 10th grade.

“Early College High School was made possible by our partnerships with Northeastern State University and Tulsa Community College,” said Sharon James, executive director of secondary education for Broken Arrow Public Schools. “This program truly increases college readiness and provides students the access to university labs, libraries and other support services.”

Data from the National Student Clearinghouse Research Center shows that time in a postsecondary classroom during high school can lead to more college-going behavior. It also supports the “Power of 15,” an initiative based on studies indicating that students who leave high school with 15 college credits are more likely to attend college and stay there longer. This program also saves parents money for college and increases first generation college attendees.

Additional student benefits of Early College High School include peer/study groups, a smaller learning environment, ease of college enrollment, easier transition after high school, increase in college grades and more focused support for college entrance scores.

For the 2019-20 school year, more than 150 students signed up to participate in the program.

## CAREER PATHWAYS: MULLIN PLUMBING PARTNERSHIP

Broken Arrow Public Schools was proud to announce a groundbreaking partnership with Mullin Plumbing to provide high school students with paid apprenticeships while earning elective credit hours to prepare them to enter the skilled workforce upon graduation.

Under the agreement, Broken Arrow students will earn \$10/hour while working under a maximum student to supervisor ratio of three to one.

This program is believed to be the first partnership in the state of Oklahoma between a private business and a school district to provide paid apprenticeship opportunities as part of educational curriculum.

“This is an incredible opportunity for our students who are seeking an innovative and challenging program to prepare them for a career in the local workforce,” Superintendent Dr. Janet Dunlop said. “Mullin Plumbing came to us looking for ways to increase the number of prospective workers in the area and partnering with a Broken Arrow-based business is something we are honored to do.”



Located in Broken Arrow since 1973, Mullin Plumbing values partnering with the school district to train the next generation of its workforce by preparing students for a lucrative and meaningful career.

"Plumbers are in high demand now and will continue to be in the future," Mullin, Inc. CEO Robert Morris said. "The plumbing industry provides the opportunity for young people to enter the field in a paid training environment and the potential to triple their pay over a three-year period. Mullin, Inc. is proud to help be a part of training for these students in order to prepare them for success in their career, family and life."

Prospective licensed plumbing contractors must initially complete three apprenticeship years before applying for a journeyman license from the Oklahoma Construction Industries Board (CIB). Under the agreement, Mullin Plumbing will subsidize the CIB apprenticeship application fee for students in the program.

This opportunity started in January 2019 with two students and is open to juniors and seniors. Students will receive specialized training and instruction designed by Mullin Plumbing and spend approximately the first three hours of their school day at Mullin Plumbing before returning to

Broken Arrow High School for lunch and afternoon classes. This program qualifies for elective credits that contribute to state graduation guidelines.

"Our goal is to make sure every student has a pathway tailored to their interests and their future plans," Executive Director of Secondary Instruction Sharon James said. "Broken Arrow graduates will be prepared for whatever comes next, whether that's going to college, straight into a successful career in the workforce, our military or anything in between."

## DONNA GRADEL: FINALIST FOR NATIONAL TEACHER OF THE YEAR



Broken Arrow High School environmental science teacher and 2018 Oklahoma Teacher of the Year Donna Gradel was named one of four finalists for the 2019 National Teacher of the Year.

"It's been an incredible honor to watch Ms. Gradel dedicate her life to educating Oklahoma students," Superintendent Dr. Janet Dunlop said. "Her passion, wit and intelligence inspire students to believe in themselves and know they are

capable of changing the world. There is no better person to represent public education."

Gradel's focus on innovation and solving real-world problems has led to seven years of student-led international projects to provide clean water and protein to orphans in Kenya. In 2014, her class was the first in Oklahoma to receive a \$10,000 grant from the Lemelson-MIT Program's InvenTeam Initiative.

Under Gradel's instruction, Broken Arrow students designed a way for Kenyan orphans to produce fish food for one-twelfth the current cost.

Last summer, she led a group of students to Machakos, Kenya, to create a sustainable means to feed chickens, providing protein for a school that rescues victims of sex trafficking.

Because of the success of Gradel's initial projects, Broken Arrow High School established an innovative research class in 2017. It allows students to choose real-world problems aligned with their passions to impact their community.

"I constantly encourage them to dream big and make a difference in the world," Gradel said. "They know our classroom is a safe, caring place to imagine and not be afraid to fail. In our learning environment, innovation outweighs the final product."

Gradel's students have recently worked with Broken Arrow city engineers to develop an outdoor classroom, which contains an 84-foot by 45-foot floating wetland in the shape of the school district "BA" logo, adjacent to the high school. Sustainable plants on the floating wetland actively remove

nitrate from the water to combat algae growth caused by fertilizer runoff.

Realizing the initial success, Broken Arrow voters recently approved \$500,000 as part of a bond package to continue efforts at the site to improve ecology and water quality.

Gradel has taught in Broken Arrow for 22 years and spent the 2018-19 school year traveling the state to share her knowledge and expertise with educators across Oklahoma.

A former college basketball player at West Virginia University in the height of the Title IX era, Gradel is passionate about leading students to success regardless of their background.

"As teachers, we have the keys to recognize and unlock the potential of our students and propel them to success," Gradel said. "In too many cases, we may be the only positive voice in their world of negative self-talk. We must be their champion."

The National Teacher of the Year Program began in 1952 by the Council of Chief State School Officers. This program identifies exceptional teachers nationwide, celebrates their effective work in and outside of the classroom, amplifies their voices, and empowers them to take part in policy discussions at the state and national levels.

## 2019 DISTRICT TEACHER OF THE YEAR AND SUPPORT EMPLOYEE OF THE YEAR

At its annual Star Awards Gala, Broken Arrow Public Schools announced Broken Arrow High School teacher Jeanie Moore as the 2019 District Teacher of the Year and bus driver Shirley Walls as the district's top support employee.

"The Star Gala gives us a chance to say 'thank you' to a number of individuals who consistently go above and beyond," said Superintendent Dr. Janet Dunlop. "It is because of them that students stay engaged in their educational experience, and when students are engaged, graduation is sure to follow."

During this event held at Stoney Creek Hotel and Conference Center in Broken Arrow, 28 Site Teachers of the Year were formally introduced, five were named as finalists and one was honored as the District Teacher of the Year.

As Teacher of the Year, Moore received a monetary gift from the Broken Arrow Public Schools Foundation and the opportunity to drive a courtesy car from Mathews Ford in Broken Arrow. She will go on to represent the district at the State Teacher of the Year Competition this summer.



Jeanie Moore

Shirley Walls

"I want my kids to learn English, but more importantly, I want my kids to learn compassion, kindness, self-respect and confidence; it is then I have contributed my best to education," said Moore.

In addition, five staff members were recognized as Support Staff of the Year finalists, and bus driver Shirley Walls was presented with the Beyond and Above award for

consistently going the extra mile in support of the district's goals and objectives.

"Shirley truly cares about her students and it shows in everything she does – the way that she shows up at work on time every time, the way she interacts with her students," said Transportation Director James McNabb. "It's not just driving the routes, it's after the routes making sure her students are safe, her students are happy. She truly is an outstanding individual and her kids are lucky to have her."

Nominations for the Beyond and Above award were made by principals, teachers, administrators, supervisors and

coworkers. A committee consisting of site and district administrators conducted a review of all candidate nominations before spring break.

Flintco, LLC, a U.S. construction company based in Tulsa, OK, helped sponsor the Beyond & Above Award, providing cash prizes to each of the five finalists.

"Each staff member recognized at the Gala plays an important role in educating, equipping and empowering a community of learners," said Dunlop. "They are the champions of public education and are making a difference in the lives of their colleagues and students."

## GIRLS WRESTLING PROGRAM: FIRST IN THE STATE

Broken Arrow Public Schools is creating the first girls varsity wrestling program in the state and has named Oklahoma City University standout Cassidy Jaspersen its new head girls wrestling coach.

"At Broken Arrow, we consistently seek new ways to lead and follow our students into the future," said Executive Director of Athletics Steve Dunn. "We take pride in doing our part to expand girls wrestling here in Oklahoma."

Participation in girls wrestling has exploded over the past 25 years. Since 1994, the number of girls who wrestle in high school has grown from 800 to more than 16,500. Women's wrestling became recognized as an Olympic sport in 2004, 53 colleges sponsor a varsity wrestling program and high school athletic associations in 14 states have sanctioned girls wrestling state championships.



Broken Arrow's first girls wrestling coach is coming off the heels of an award-winning collegiate career as captain of the OCU women's wrestling program. Jaspersen's accomplishments include being named a five-time collegiate All-American, winning the bronze medal at the 2017 U.S. Senior Open and finishing third at the inaugural NAIA National Women's Invitational. In addition to coaching, Jaspersen will teach at a Broken Arrow school which will be determined this summer.

"Wrestling has had such a positive impact on my life, and I am excited to have been chosen to lead the first girls program in the state of Oklahoma," said Jaspersen. "I can't wait to get started and introduce the female athletes in Broken Arrow to this amazing sport."

Broken Arrow girls who will be in grades 7-12 may enroll in 6th hour girls wrestling for the 2019-2020 school year.

## FOOTBALL STATE CHAMPIONSHIP

The undefeated Broken Arrow Tigers brought home their first football state championship in school history after a 28-20 win over the Jenks Trojans, a long-time rival.

To celebrate, the football team brought the trophy to each of the district's 15 elementary schools as part of a "Gold Ball Tour."

Head Coach David Alexander and select seniors visited multiple schools each day so students could meet their favorite Tigers and see the championship trophy up close.



## MOBILE APP

Broken Arrow Public Schools launched a free mobile app to provide parents, students and families with the latest news and information from across the district. This mobile app is available on both Apple and Android devices and was designed as a one-stop-shop to access school news, calendars, Parent Portal accounts, lunch menus, bus stop information and more. It also gives students and parents the ability to easily report bullying or a threat.

"Parent engagement is one of the most important factors in a child's education," Broken Arrow Public Schools Superintendent Dr. Janet Dunlop said. "We are always working to enhance our communication tools, and with this new mobile app, parents and students can stay connected 24/7."

In addition, the mobile app can be customized by the user by selecting schools in which they will push notifications, news and calendar updates.



## TECHNOLOGY

The vision of the technology team is to make BAPS a choice destination for education by creating an environment that supports and enhances the technological capabilities provided to students, staff members and the community. BAPS facilitates learning and creativity through innovative technology, providing students with access to modern, state-of-the-art equipment that enhances their ability to succeed in tomorrow's world. The district promotes substantial increases in student achievement motivated by interactive technology resources.

In the fall of 2016, the district began implementation of a one-to-one computer initiative by providing personal computing devices to each student at the Freshman Academy.

By providing students with increased access to technology, the classroom becomes more interactive, assignments are more collaborative and students are more engaged in school. Parents also benefit by having online access to the same information as their children, enabling them to better track student progress. Additionally, students will be better prepared for post-secondary education and the workforce because they are learning to use the same cloud-based technologies utilized by colleges and employers.

During the 2018-19 school year, the one-to-one computer initiative was fully implemented to include students in grades 8-12.

## TRANSPORTATION, MAINTENANCE AND CUSTODIAL SERVICES

The transportation department traverses 115 square miles twice daily. During the 2018-19 school year, there were 185 buses in the fleet, which included 125 regular buses, 49 special needs buses and 11 activity buses. The BAPS transportation department runs 75 regular education bus routes (36 high school, 34 Freshman Academy, 58 middle school,

66 elementary and five Tulsa Technology routes), as well as 36 special education bus routes. The transportation department is self-contained, housing the auto/diesel mechanic garages which service the entire BAPS fleet. Over the course of the year, there were 1,914,081 miles driven, 268,092

gallons of diesel fuel used for buses and approximately 12,000 students eligible to be transported daily on buses.

The maintenance and custodial services department takes pride in the operation of schools, supporting education by providing the best possible environment conducive to

learning. Maintenance and plant operations employees provide routine, preventative and corrective service to the millions of square feet and hundreds of acres of school property. More than 3.5 million square feet and 700 acres were maintained daily by the custodial services staff during the 2018-19 school year.

## ENERGY SAVINGS

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In September 2018, the Environmental Protection Agency awarded 22 Broken Arrow Public Schools buildings with the prestigious ENERGY STAR certification, designating them among the top 25 percent of energy-efficient buildings nationwide.

"This is a great honor for our district as we continue to look for ways to maximize the impact our taxpayer dollars have on our students," Superintendent Dr. Janet Dunlop said. "Each dollar saved on utility costs is one more we can put toward our classrooms."

All BAPS school sites except for one earned the ENERGY STAR certification. Early Childhood Centers are not eligible, and Timber Ridge (opened August 2017) will be eligible for consideration next year. More than half of Broken Arrow schools scored above a 95 percent, with six schools sharing the honor of "most-efficient" with a score of 98 percent.

The district spent nearly \$2 million on electricity and natural gas during the 2018-19 school year.

"Like any organization with a large number of buildings, we realize how utility costs can significantly affect the overall budget," Chief Operating Officer Michelle Bergwall said.

## CHILD NUTRITION

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The child nutrition department has a vision to serve quality meals to Broken Arrow Public Schools' students and staff. It also strives to promote healthy and nutritious choices in a fun and friendly atmosphere while also providing support, education and information to the students, staff, parents, and community of Broken Arrow. There were more than 2,000,000 reimbursable meals served during the 2018-19 school year.

In addition, the child nutrition food truck, dubbed BA's Curbside Café, continues its success by offering more than

"That is why we use multiple strategies to proactively manage our energy expenses."

BAPS entered into a partnership with Cenergistic, a leading energy conservation company, to start an energy savings program in 2017. In the first 17 months of the partnership, the district achieved a cost savings of more than \$779,000 and saved the energy equivalent of removing 1,261 cars from the road for a year.

In addition to success with Cenergistic, BAPS recently installed 444 tons of energy-efficient HVAC cooling throughout the district, which saved nearly 80,000 kilowatt-hours and earned rebates totaling \$69,400. Also, various energy-efficient lighting projects saved an additional 80,000 kWh and earned the district an additional \$9,179.68 rebate.

BAPS personnel have worked closely with Cenergistic engineers, experts and embedded energy specialist Jadon Dykes to audit and optimize each energy-using system throughout the district. Mr. Dykes tracks energy consumption — including electricity, water, sewer, natural gas and fuel oil — using the latest in energy-accounting software and technology to calculate savings and identify and correct areas that need immediate attention.

3,500 Broken Arrow High School students healthy and eclectic meal options in an innovative way. It also provides Broken Arrow Public Schools with another avenue for its Summer Feeding Program, serving children ages 1-18 and also providing parents and caregivers with low cost meals. The Curbside Café menu changes daily and features street tacos, chicken and waffles, salads and more. All meals meet U.S. Department of Agriculture guidelines and are prepared with a number of locally-sourced ingredients.

## UNITED WAY DISTRICT CAMPAIGN

As a longtime supporter of the Tulsa Area United Way, the employees of Broken Arrow Public Schools raised nearly \$107,000. In addition to monetary donations, district employees participated in various community service projects benefiting local organizations, such as Broken Arrow Neighbors and A New Leaf.

"Broken Arrow Public Schools is known as one of the top three contributors from surrounding educational

institutions, and that is something we should all be proud of," said Kim Vento, Broken Arrow Performing Arts Center director and this year's district United Way campaign chair.

In addition to individual monetary donations, school sites across the district organized fundraising activities, ranging from chili cook-offs to silent auctions, to raise funds.

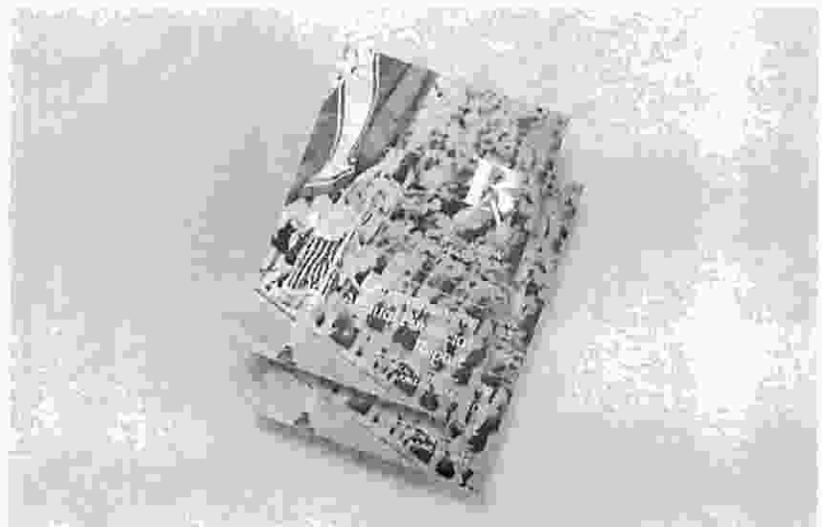
## FINANCE DEPARTMENT RECEIVES HONORS FOR REPORT

Broken Arrow Public Schools was awarded the Government Finance Officers Association of the United States and Canada (GFOA) Certificate of Achievement for Excellence in Financial Reporting for its CAFR for the fiscal year ended June 30, 2018. This marks the fifth consecutive year the district received the award. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. The report must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements.

The District was awarded the Certificate of Excellence in Financial Reporting by the Association of School Business Officials International (ASBO) for its Comprehensive Annual Financial Report for the year ended June 30, 2018. The District believes the Comprehensive Annual Financial Report continues to conform to the standards for which this award was granted.

Additionally, the finance department teamed up with the communications department for the second-ever Popular Annual Financial Reporting (PAFR) and was honored with an award from the Government Finance Officers Association for the fiscal year ending 2018.

Broken Arrow Public Schools is the first school district in Oklahoma to receive this honor.



## COMMUNICATIONS TEAM LAUNCHES ABCs OF SCHOOL FUNDING

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To inform parents, staff and community members about the basics of school finances, the district's communications team is dedicated to providing easily accessible resources and transparent data through the "ABCs of School Funding."

"School finances can seem daunting and complicated," Chief Financial Officer Natalie Eneff said. "Due to constant discussions and news stories regarding education budget cuts, teacher pay and school funding, we partnered with the district's communications team to provide answers to frequently asked questions and easy-to-read infographics for our patrons. These infographics include information on the district budget, bond funds, per pupil funding and budget timeline."

On average, America spends more than \$634 billion a year on public elementary and secondary education in the United States. Three levels of government—federal, state and local—contribute to education funding. States typically provide a little less than half of all elementary and secondary education funding. Local governments generally contribute about 44 percent of the total, and the federal government contributes about 13 percent of all direct expenditures.

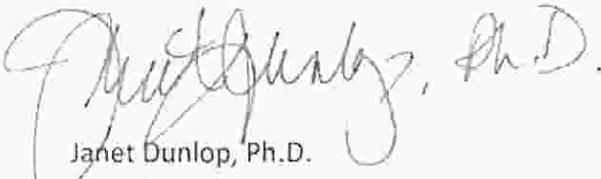
The district runs on a \$133-million-dollar General Fund budget generated from property taxes and state funded revenue, which serves more than 19,000 students and 2,000 employees.

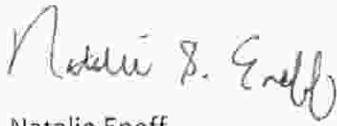
To learn more, please visit [www.baschools.org/ABCsofSchoolFunding](http://www.baschools.org/ABCsofSchoolFunding).

Closing

In closing, without the leadership and support of the Broken Arrow Public Schools' Board of Education, preparation of this report would not have been possible.

Sincerely,

  
Janet Dunlop, Ph.D.  
Superintendent

  
Natalie Eneff  
Chief Financial Officer

  
Cathy Mitchem  
Executive Director of Finance

  
Donna Dollahon  
Director of Treasury



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Broken Arrow Public Schools I-003**  
**Oklahoma**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2018**

*Christopher P. Morrill*

Executive Director/CEO



ASSOCIATION OF  
SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL

**The Certificate of Excellence in Financial Reporting  
is presented to**

**Broken Arrow Public Schools, I-003**

**for its Comprehensive Annual Financial Report (CAFR)  
for the Fiscal Year Ended June 30, 2018.**

The CAFR meets the criteria established for  
ASBO International's Certificate of Excellence.



A handwritten signature in black ink, appearing to read 'Tom Wohlleber'.

Tom Wohlleber, CSRM  
President

A handwritten signature in black ink, appearing to read 'David J. Lewis'.

David J. Lewis  
Executive Director



## Broken Arrow Public Schools

### School Officials

#### Board of Education 2018-2019

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**Steve Allen**  
President



**Steve Majors**  
Vice President



**Jerry Denton**  
Board Clerk



**Brandy Roulet**  
Member



**John Cockrell**  
Deputy Clerk

#### Leadership Team 2018-2019



**Dr. Janet Dunlop**  
Superintendent



**Chuck Perry**  
Associate Superintendent



**Karla Dyess**  
Associate Superintendent



**Natalie Eneff**  
Chief Financial Officer



**Lori Kerns**  
Assistant Superintendent



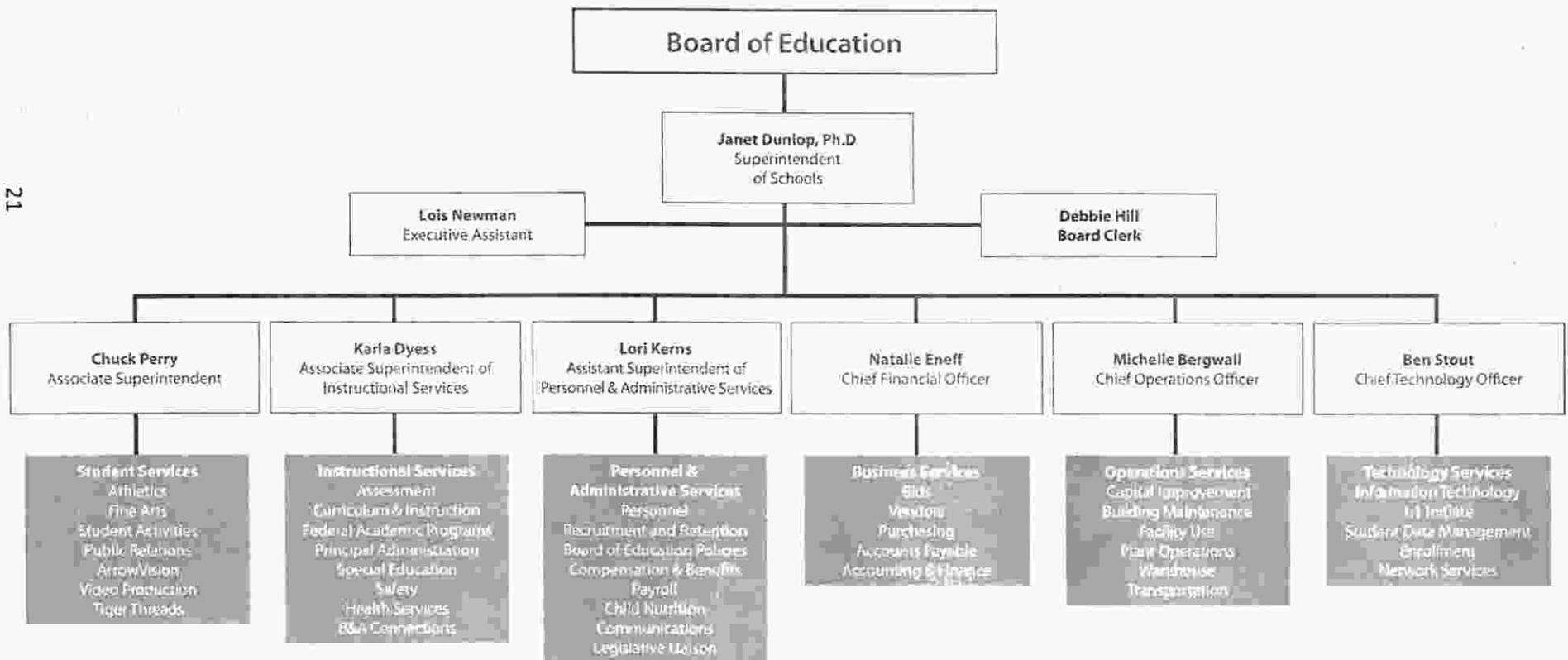
**Michelle Bergwall**  
Chief Operating Officer



**Ben Stout**  
Chief Technology Officer

# BROKEN ARROW PUBLIC SCHOOLS

## District Leadership Organizational Chart



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**Financial Section**



**JENKINS & KEMPER**  
CERTIFIED PUBLIC ACCOUNTANTS, P.C.

JACK JENKINS, CPA  
MICHAEL KEMPER, CPA

**INDEPENDENT AUDITOR'S REPORT**

The Honorable Board of Education  
Broken Arrow School District No. 1-003  
Broken Arrow, Oklahoma 74012

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Broken Arrow School District No. 1-003, Broken Arrow, Oklahoma (the "School District") as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the School District's basic 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 opinions 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 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 audit to obtain reasonable assurance about whether the financial statements are free of 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.

**Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Broken Arrow School District No. 1-003, Tulsa County, Oklahoma as of June 30, 2019, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matters**

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 26-36, Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual on page 82, Schedule of Proportionate Share of the Net Pension Liability on page 80 and Schedule of Contributions on page 81 be presented

- 24 -

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 method 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 Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School District's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and statistical section listed in the accompanying table of contents are presented for purposes of additional analysis, and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

#### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated November 11, 2019, on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.

*Jenkins & Kemper, CPAs P.C.*

Jenkins & Kemper  
Certified Public Accountants, P.C.

November 11, 2019

**BROKEN ARROW PUBLIC SCHOOLS**  
**FINANCIAL SECTION: MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2019**

In this section of the Comprehensive Annual Financial Report, Broken Arrow Public School District (the "District") discusses and analyzes its financial performance for the year ended June 30, 2019. Readers should review this section in conjunction with the transmittal letter, the independent auditors' report, and the District's Basic Financial Statements.

The Management's Discussion & Analysis (MD&A) is a required element of the annual financial report under the Governmental Accounting Standards Board (GASB) Statement No. 34 reporting model. Under this model, entities are required to adhere to certain standards of presentation for the financial statements, notes, and required supplementary information (RSI) that must be included within the annual financial report. The intent of the MD&A is to present an objective and simple analysis of the District's financial activities and enhanced knowledge of the District's financial performance.

FINANCIAL HIGHLIGHTS

The District ended the year with an unassigned fund balance for the general fund of \$16.7 million, or 12.9% of the total general fund expenditures. The District's governmental funds reported combined ending fund balance of \$85.3 million, an increase of \$22.5 million from June 30, 2018. Increases were primarily the result of late spring fiscal year bond sales for capital projects, an increase in receivables, \$1.1 million decrease in accounts payable, and conservative spending in the general fund and building fund. The District will maintain unrestricted fund balances to provide necessary working capital to avoid cash flow interruptions and short-term borrowing to fund daily operations and to maintain the District's Aaa/AAA bond ratings.

The assets plus deferred outflows of resources of the District exceeded its liabilities plus deferred inflows of resources at the close of the period ended June 30, 2019 resulting in a government-wide total net position of \$122.5 million. Government-wide net position increased \$9.6 million from June 30, 2018.

The Debt Service Fund ended its year with a fund balance of \$15.7 million which is used for the retirement of debt. The Capital Projects Fund ended the year with a fund balance of \$45.4 million which is restricted for school district construction project. During fiscal year 2019, the District completed the renovation and construction of four school sites projects, the Child Nutrition building renovation, and renovations to the District's Performing Arts Center. The District issued \$42.5 million in bonds during the fiscal year 2018-2019, and ended the year with \$105.1 million outstanding in commercial paper.

During the year, the District's expenses were \$9.7 million less than the \$178.0 million generated in taxes and other revenues for governmental-wide activities. Expenses totaled \$150.5 million after charges for services and operating grants and contributions (revenue). Total revenue from property taxes, state aid, investment income, and miscellaneous revenues is \$160.1 million.

The Building Fund was reclassified from a Major Governmental Fund to a Non-Major Governmental Fund. The Child Nutrition Programs Fund was reclassified from an Enterprise Fund to a Non-Major Governmental Fund. See Note 1, *Special Revenue Funds*, in the Notes to the Basic Financial Statements, for additional discussion.

OVERVIEW OF FINANCIAL STATEMENTS

The discussion and analysis presented is intended to serve as an introduction to the District's Basic Financial Statements. The basic financial statements consist of three components: 1) Government-wide Financial Statements, 2) Fund Financial Statements, and 3) Notes to the Basic Financial Statements. Other supplementary information is included in addition to the basic financial statements.

**BROKEN ARROW PUBLIC SCHOOLS**  
**FINANCIAL SECTION: MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2019**

*Government-Wide Financial Statements.* The government-wide financial statements are designed to present both long-term and short-term broad overviews of the District's financial status.

The *Statement of Net Position* presents information on all the District's assets plus deferred outflows of resources and liabilities plus deferred inflows of resources, with the difference between the two reported as the net position. Over time, changes in the statement of net position will give an overall indication of growth (increases) or decline (decreases). Of course, other factors beyond the District's control should also be considered in assessing growth or decline over time.

The *Statement of Activities* includes all current year revenues and expenditures, regardless of when cash is received or paid. As a result, some revenues and expenses reported in this statement will result in cash flows in future fiscal periods (e.g., uncollected taxes).

The government-wide financial statements distinguish the functions of the District as being principally supported by taxes and intergovernmental revenues (governmental activities) from other functions intended to recover all or a significant portion of their costs through user fees and charges.

Component units are legally separate organizations for which the Board of Education of the District is legally accountable. The District has no component units for which it is financially accountable.

*Fund Financial Statements.* Fund financial statements provide more detailed information about the various funds, or grouping of related accounts used to maintain control over resources segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to demonstrate compliance with finance-related requirements. All of the funds of the District can be divided into three categories:

*Governmental Funds* - These funds include most of the District's activities, which provide a short-term analysis of the District operations and services. Because the focus of Governmental Funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for Governmental Funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions.

The District maintains four governmental funds. Information is presented separately in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, Debt Service Fund, and Capital Projects Fund which are considered to be major funds. Data from the Special Revenue Fund programs are combined in a single, aggregated presentation and are non-major funds. Individual program data for each of these is provided in the form of combining schedules elsewhere in the financial statements. Both the Governmental Fund balance sheet and the Governmental Fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between Governmental Funds and governmental activities.

*Proprietary Funds* - These funds are used to account for operations that are financed similar to those found in the private sector. These funds provide both short-term and long-term financial information. There are two types of proprietary funds.

The first type is the Enterprise fund, which is used to report the same functions presented as business type activities in the Government-wide financial statements. In the Enterprise Fund, the District charges

**BROKEN ARROW PUBLIC SCHOOLS**  
**FINANCIAL SECTION: MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2019**

outside customers a fee for services the District provides. The District has no business-type activities or enterprise funds.

The second type is the Internal Service Fund, which is used to accumulate and allocate costs internally among the various functions. The District uses the Internal Service Fund to report activities for its self-insured workers' compensation fund.

*Fiduciary Funds* - Fiduciary Funds are those over which the District serves as a trustee, or fiduciary, but are actually owned by others. The responsibility of the District is to make sure the funds are used for their intended purpose, and by those to whom they belong. These assets are excluded from District-wide financial statements because they cannot be used to fund operations. Fiduciary Funds include the Private-Purpose Trust Fund (Gift Fund), and Agency Funds (Student Activity).

*Notes to the financial statements.* The notes to the financial statements provide narrative additional information that is essential to full disclosure in the government-wide or fund financial statements.

*Required Supplementary Information.* In addition to the basic financial statements and accompanying notes, this report also presents certain Required Supplementary Information that further explains and supports the information in the financial statements. A budget is legally adopted by the Board of Education for the General Fund, Building Fund, and Child Nutrition Fund that includes revenues and expenditures. A budgetary comparison schedule has been provided for the General Fund as required supplementary information. The required supplementary information also provides data related to the District's participation in pension and other post-employment benefit plans as required by GASB Statements No. 68 and 75.

*Other Supplementary Information.* Other Supplementary Information provides additional analysis and is not a required part of the basic financial statements. Other supplementary information includes comparative information on selected funds. It also contains the combining schedules referred to earlier in connection with the special revenue funds. The combining statements are also prepared in connection with Fiduciary Funds. Agency Funds are used to account for assets held by the District as an agent for certain individuals and organizations. They are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

*Net Position.* This analysis emphasizes the governmental-wide net position (Table 1). Net Position, the residual of all other financial statement elements presented in a statement of financial position, may serve as a useful indicator of a government's financial position over time. Table 1 provides a summary comparison of the District's combined net position.

The District's financial position is the product of several types of financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

The largest portion of the District's government-wide net position reflects its investment in capital assets (e.g. land, buildings, vehicles, furniture and equipment, and construction in progress), net of accumulated depreciation plus deferred inflows/outflows of resources (if applicable) less any related debt used to acquire those assets still outstanding.

**BROKEN ARROW PUBLIC SCHOOLS**  
**FINANCIAL SECTION: MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2019**

The District experienced an increase in governmental activities long-term debt payable or non-current liabilities in the fiscal year 2019 primarily due to an increase in net pension liability and additional bond fund debt. The implementation of GASB Statements 68 and 71, which became effective for fiscal years beginning after June 15, 2014, significantly changed pension accounting and financial reporting for governmental employees who participate in a pension plan, such as the state-administered Oklahoma Teachers' Retirement System.

The amount of calculated pension liability for the District ending June 30, 2019 was \$112.7 million compared to \$109.5 million at June 30, 2018, an increase of \$3.2 million. Deferred pension plan outflows were \$18.2 million at June 30, 2019 compared to \$20.9 million at June 30, 2018, a decrease of \$2.7 million. This decrease was due to the Changes of Assumptions for the measurement period and a decrease in the net difference between expected and actual experience. Deferred pension plan inflows were \$15.5 million at June 30, 2019 compared to \$16.9 million at June 30, 2018, a decrease of \$1.4 million.

Government-wide net investment in capital assets increased \$14.2 million or 8% over the prior fiscal year, representing significant progress in the completion of major projects, which include; school building renovations, child nutrition building upgrades, special education upgrades, and the additional capital assets for a new elementary to be completed in 2020-21. The District uses these capital assets to provide services to its students and programs for the students; consequently, these assets are not available for future spending.

Although the District's investment in its capital assets is reported net of depreciation, it should be noted that the resources needed to repay this debt must be provided by other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The following table presents a summary of the change in net position for the fiscal years ended June 30, 2019, and 2018 (Business-Type Activities are no longer part of Governmental Activities):

**Net Position**  
**As of June 30, 2019**  
**(Dollars in Millions)**  
**Table 1**

|                                | 2019            | 2018            | Increase/<br>Decrease | Total<br>Percentage<br>Change |
|--------------------------------|-----------------|-----------------|-----------------------|-------------------------------|
| <b>Assets</b>                  |                 |                 |                       |                               |
| Current and Other Assets       | \$ 154.5        | \$ 69.9         | \$ 84.6               | 121%                          |
| Capital Assets                 | 251.3           | 241.7           | 9.7                   | 4%                            |
| <b>Total Assets</b>            | <b>405.8</b>    | <b>311.6</b>    | <b>94.3</b>           | <b>30%</b>                    |
| Deferred Outflows of Resources | 18.2            | 21.0            | (2.7)                 | -13%                          |
| <b>Liabilities</b>             |                 |                 |                       |                               |
| Other Liabilities              | 30.2            | 31.0            | (0.8)                 | -3%                           |
| Long Term Liabilities          | 191.2           | 171.8           | 19.4                  | 11.3%                         |
| <b>Total Liabilities</b>       | <b>221.4</b>    | <b>202.8</b>    | <b>19.4</b>           | <b>9%</b>                     |
| Deferred Inflows of Resources  | 80.2            | 16.9            | 63.3                  | 100%                          |
| <b>Net Position</b>            |                 |                 |                       |                               |
| Net Investment in              |                 |                 |                       |                               |
| Capital Assets                 | 191.7           | 177.5           | 14.2                  | 8%                            |
| Restricted                     | 19.7            | 18.9            | 0.8                   | 4%                            |
| Unrestricted                   | (88.8)          | (83.5)          | (5.3)                 | -6%                           |
| <b>Total Net Position</b>      | <b>\$ 122.5</b> | <b>\$ 112.9</b> | <b>\$ 9.6</b>         | <b>9%</b>                     |

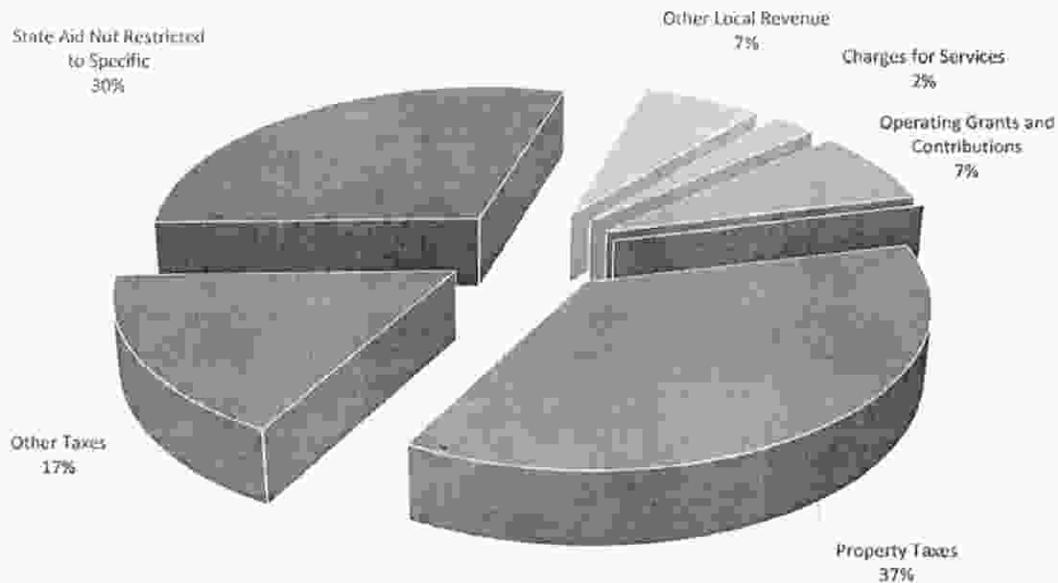
*(figures may be different due to rounding)*

**BROKEN ARROW PUBLIC SCHOOLS  
FINANCIAL SECTION: MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2019**

The government-wide total net position of \$122.5 million, which represents resources that are unrestricted, \$(88.8) million, may be used to meet the District's ongoing obligations to citizens and creditors.

*Changes in Net Position.* The District's government-wide total revenues were \$178.0 million, an increase of \$15.3 million from the prior fiscal year total of \$162.7 million. A significant portion, 37%, of the District's revenue comes from property taxes; 30% comes from state aid formula grants, 17% from other taxes, while 7% is related to other operating grants and contributions; the remaining 9% comes from charges for services and other sources.

**District Government-Wide Revenues for Year Ended June 30, 2019**



Governmental activities increased in District net position by \$9.6 million. The total cost of all governmental activities programs and services was \$168.3 million. The amount our taxpayers paid for these activities through property taxes was \$65.4 million or 37%.

The Statement of Activities presents a district-wide summary of revenues and expenses for the fiscal year. The format of the presentation identifies expenses by program areas (functions), and identifies to what extent those expenses are offset by charges for services, operating grants, and contributions.

The District reports its activities in the following functional categories: instruction and instruction-related services, support services, operation and maintenance, pupil transportation services, operation of non-instructional services, facilities acquisition and construction services, private, nonprofit schools, and interest on long-term debt and food services.

Over the two year period, a number of shifts can be observed, such as an increase in property taxes, an increase in operating grants and contributions, and an increase in other taxes that reflects continuing

**BROKEN ARROW PUBLIC SCHOOLS**  
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growth in areas where the District pioneers new revenue streams while surviving the shortages in the revenue categories which normally produce stable proceeds.

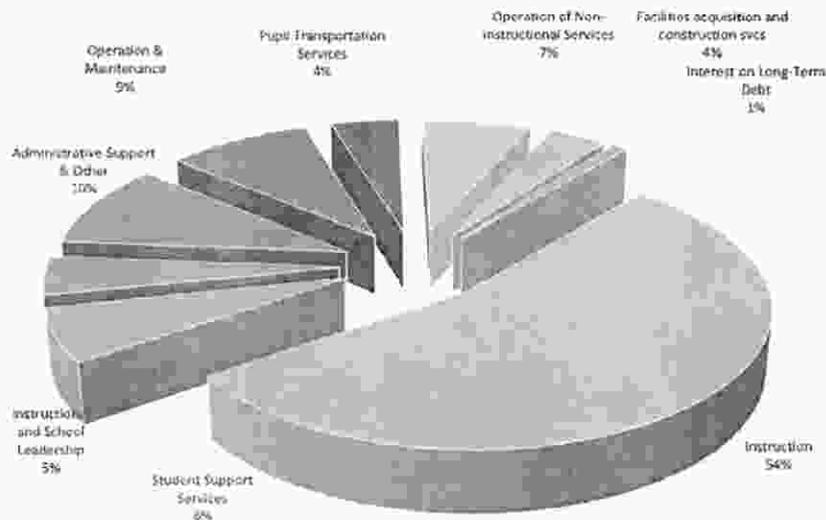
Changes in governmental activities net position are presented in the following Table 2:

**Changes in Net Position**  
**As of June 30, 2019**  
**(Dollars in Millions)**  
**Table 2**

|  | <u>Governmental Activities</u> |                 | <u>Change</u>  | <u>Total Percentage Change</u> |
|--|--------------------------------|-----------------|----------------|--------------------------------|
|  | <u>2019</u>                    | <u>2018</u>     |                |                                |
| <b>Revenues</b>                              |                                |                 |                |                                |
| <b>Program Revenues:</b>                     |                                |                 |                |                                |
| Charges for Services                         | \$ 4.4                         | \$ 4.3          | \$ 0.1         | 2.25%                          |
| Operating Grants and Contributions           | 13.5                           | 11.5            | 2.0            | 17.80%                         |
| <b>General Revenues:</b>                     |                                |                 |                |                                |
| Property Taxes                               | 65.4                           | 64.8            | 0.7            | 1.06%                          |
| Other Taxes                                  | 29.6                           | 19.9            | 9.7            | 48.71%                         |
| State Aid Not Restricted to Specific         | 53.1                           | 57.2            | (4.1)          | -7.20%                         |
| Other Local Revenue                          | 12.0                           | 5.1             | 6.9            | 136.82%                        |
| <b>Total Revenues</b>                        | <b>\$ 178.0</b>                | <b>\$ 162.7</b> | <b>\$ 15.3</b> | <b>9.42%</b>                   |
| <b>Expenses</b>                              |                                |                 |                |                                |
| Instruction                                  | 91.2                           | 79.6            | 11.6           | 14.57%                         |
| Student Support Services                     | 10.8                           | 12.1            | (1.3)          | -11.12%                        |
| Instructional and School Leadership          | 7.8                            | 7.2             | 0.6            | 7.66%                          |
| Administrative Support & Other               | 16.8                           | 16.9            | (0.1)          | -0.68%                         |
| Operation & Maintenance                      | 15.2                           | 15.4            | (0.2)          | -1.38%                         |
| Pupil Transportation Services                | 7.2                            | 6.7             | 0.5            | 8.11%                          |
| Operation of Non-instructional Services      | 13.6                           | 10.6            | 1.0            | 9.20%                          |
| Facilities acquisition and construction svcs | 6.1                            | 1.2             | 4.9            | 407.73%                        |
| Interest on Long-Term Debt                   | 1.7                            | 1.1             | 0.6            | 52.65%                         |
| <b>Total Expenses</b>                        | <b>\$ 168.3</b>                | <b>\$ 150.8</b> | <b>\$ 17.5</b> | <b>11.58%</b>                  |
| <b>Change in Net Position</b>                | <b>9.6</b>                     | <b>11.9</b>     | <b>(2.3)</b>   | <b>-19.15%</b>                 |
| <b>Net Position, Beginning</b>               | <b>112.9</b>                   | <b>100.9</b>    |                |                                |
| <b>Net Position, Ending</b>                  | <b>\$ 122.5</b>                | <b>\$ 112.9</b> | <b>\$ 9.7</b>  | <b>8.58%</b>                   |

*(figures may be different due to rounding)*

**District Government - Wide Expenses for Year Ended June 30, 2019**



**BROKEN ARROW PUBLIC SCHOOLS**  
**FINANCIAL SECTION: MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2019**

The District's expenses are predominantly related to instruction of students (54%).

The consistent positive net position and the common annual revenues exceeding ordinary expenses reflects the District's philosophy of managing ongoing growth while maintaining financial stability through strong budgetary and spending controls.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As discussed earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements, bond covenants, and segregation for particular purposes.

*Governmental Funds.* Under the District's fund accounting system, *Governmental Funds* focus is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the District's net resources available for spending at the end of a fiscal year.

Below is a summary of the Governmental Funds total fund balance comparison:

| GOVERNMENTAL FUNDS<br>FUND BALANCES    | 2019                 |               | 2018                 |               |
|--|----------------------|---------------|----------------------|---------------|
| Nonspendable:                          |                      |               |                      |               |
| Inventory                              | \$ 629,854           | 0.7%          | \$ 337,135           | 0.5%          |
| Permanent fund principal               | 40,000               | 0.0%          | 40,000               | 0.1%          |
| Restricted for:                        |                      |               |                      |               |
| Federal and state allocation carryover | 1,125,171            | 1.3%          | 1,335,888            | 2.1%          |
| Capital projects:                      |                      |               |                      |               |
| Building                               | 3,947,831            | 4.6%          | 3,434,872            | 5.5%          |
| Debt service                           | 15,673,831           | 18.4%         | 15,425,669           | 24.6%         |
| Child Nutrition                        | 1,747,393            | 2.0%          | 2,345,180            | 3.7%          |
| Endowment                              | 3,997                | 0.0%          | 3,598                | 0.0%          |
| Unassigned                             | 16,655,669           | 19.5%         | 15,355,083           | 24.5%         |
|  | <u>\$ 85,263,485</u> | <u>100.0%</u> | <u>\$ 62,729,682</u> | <u>100.0%</u> |

As of the end of the current fiscal year, the District's Governmental Funds reported combined ending total fund balances of \$85.3 million, an increase of \$22.5 million over last year. This increase was primarily due to an increase in Ad Valorem for the building fund, an increase in capital projects fund balance, and conservative spending practices in the general fund. Funding provided by the new bond sale provided the means to increase capital assets and finish multiple capital projects.

The fund balances also reflect the Building Fund reclassified from a Major Governmental Fund to a Non-Major Governmental Fund and Child Nutrition Programs Fund reclassified from an Enterprise Fund to a Non-Major Governmental Fund. See Note 1, *Special Revenue Funds*, in the Notes to the Basic Financial Statements, for additional discussion.

The General Fund is the primary operating fund of the District. At June 30, 2019, the General Fund's unassigned fund balance was \$16.7 million. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to the total General Fund actual expenditures. General Fund unassigned fund balance represents 13% of the total General Fund actual expenditures, which total \$128.2 million while the General Fund total fund balance of \$18.1 million

**BROKEN ARROW PUBLIC SCHOOLS**  
**FINANCIAL SECTION: MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2019**

represents 14% of that same amount. Of this General Fund total fund balance, \$0.3 million is nonspendable for investment in inventories and permanent fund principal. The General Fund's total fund balance increased \$1.1 million during the current fiscal year. This is the result of purposeful ending balance saving or conservative management to prepare for risk, future teacher salary needs, and stabilization during a political year in Oklahoma.

The Debt Service Fund (Sinking Fund) had a total fund balance of \$15.7 million, all of which is restricted for the payment of debt service requirements. Millage rates for Sinking Fund levies are not controlled by the District but are set annually by the Tulsa County Excise Board after a thorough review of property valuations and the District's debt service needs.

The Capital Projects Fund accounts for the construction of school buildings and improvements. At the end of the current fiscal year, the fund balance was \$45.4 million balance which increased by \$21.0 million, or 86% from the 2018 fiscal year. This increase was primarily due to the sale of new bonds close to the end of the fiscal year and capital outlay expenditure projects' timeframes for completion. More information regarding capital project funds and millage levies may be found in the Statistical Section.

*Proprietary Funds.* The District's proprietary's fund consist of the Internal Service Fund (Workers' Compensation Fund) and provide the same type of information found in the government-wide financial statements but in more detail. The Proprietary Fund has operating revenues of \$0.5 million. This represents a decrease in total proprietary fund revenue of 33% primarily due to a decrease in workers' compensation related claims for the district.

*Fiduciary Funds.* The District's Fiduciary Funds consist of the Gift Fund and School Activity Funds (Agency Funds). The Gift Fund (Private Purpose Trust Fund) receives revenues from donations made by individuals or organizations. These funds are used for purposes specified by the donor. School site activity funds (Agency Funds) are used to account for funds raised at the individual sites through fundraising efforts and the District's vending contract. The administration is responsible for collecting and disbursing these funds under the authorization of the Board of Education.

**BUDGETARY HIGHLIGHTS**

The District's budget is prepared according to Oklahoma law and is based on accounting for certain transactions in appropriated funds on the basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

For FY 2018-19, the District budgeted original General Fund revenues of \$125.7 million and budgeted original expenditures of \$130 million. The Board of Education approved a final revenue General Fund budget of \$125.7 million and an amended final expenditure budget of \$133 million. The General Fund final expenditure budget approved by the Board of Education represents an increase of 2.3%, or \$3.0 million from the original budget. Actual expenditures for the General Fund of \$127.8 million were \$5.2 million below the final expenditure budget.

Actual revenue collected, at \$127.4 million, for the General Fund, experienced an increase from the final budget projection of \$1.7 million or 1.3% due to increased federal funding sources, rentals, investments, and other District sources of revenue.

During the course of the year, the Board of Education approved several revisions to the budgeted revenue and expenditures original appropriations. These revisions resulted from amendments during the year for

**BROKEN ARROW PUBLIC SCHOOLS**  
**FINANCIAL SECTION: MANAGEMENT'S DISCUSSION AND ANALYSIS**  
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changes in programs, amendments to revise estimates for Local and State revenue based on the latest information on official student count numbers and tax collections and amendments to revise estimates for Federal grant collections based on budget revisions.

Differences between the final general operating fund budget and the actual amounts are explained as follows:

*General Fund Revenues:*

- ✎ *A net favorable variance of over \$1.7 million in total revenues was due to the following variances:*
- Local property tax collections, including current year, prior year, and penalty and interest, were \$2.3 million or 7.5% higher than anticipated.
  - Although Federal sources of revenue were \$0.4 million lower and some state resources were \$0.9 million lower than anticipated, the District sources of revenue, such as; Earnings-Investments and bond sales, rentals, and commissions were \$0.7 million higher than anticipated.

*General Fund Expenditures:*

- ✎ *A net favorable variance of almost \$5.2 million in expenditures was due to the following variances:*
- Employee payroll, payroll taxes, and benefits, including the related TRS on behalf payments, were \$1.9 million less than budgeted.
  - Utilities, insurance claims, and travel were \$1.1 lower than anticipated.
  - Instructional programs conservatively spent \$1.6 million less than budgeted.
  - Professional, technical and contracted services were \$0.2 million less than estimated.
  - The District spent \$0.4 million less on maintenance supplies and repairs than budgeted.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

As of June 30, 2019, the District had invested \$251.3 million, net of accumulated depreciation, in a broad range of government-wide capital assets including school buildings, athletic facilities, buses and other operational vehicles, computers, and other equipment. This represented a net increase of \$9.6 million, or 3.9%. Table 3, below, displays a comparison of fiscal years 2019 and 2018 balances:

**Capital Assets**  
(Millions)  
Table 3

| <b>Capital assets (at cost)</b> | <b>June 30,<br/>2018</b> | <b>Increases</b> | <b>Decreases<br/>and<br/>Transfers</b> | <b>June 30,<br/>2019</b> | <b>Total<br/>Percentage<br/>Change</b> |
|---------------------------------|--------------------------|------------------|--|--------------------------|--|
| Land                            | \$ 15.2                  | \$ -             | \$ -                                   | \$ 15.2                  | 0.0%                                   |
| Construction in progress        | 0.9                      | 15.8             | (15.6)                                 | 1.1                      | 17.4%                                  |
| Land Improvements, net          | 8.9                      | 0.0              | -                                      | 8.9                      | 0.0%                                   |
| Buildings/Improvements, net     | 265.4                    | 0.7              | 15.6                                   | 281.8                    | 6.2%                                   |
| Equipment, net                  | 42.0                     | 2.9              | (0.4)                                  | 44.5                     | 6.1%                                   |
| Total asset cost:               | <u>\$ 332.4</u>          | <u>\$ 19.6</u>   | <u>\$ (0.4)</u>                        | <u>\$ 351.5</u>          | 5.7%                                   |
| <b>Accumulated depreciation</b> | <u>(90.7)</u>            | <u>(9.9)</u>     | <u>0.4</u>                             | <u>(100.2)</u>           |  |
| <b>Capital assets (net)</b>     | <u>\$ 241.7</u>          | <u>\$ 9.7</u>    | <u>\$ (0.0)</u>                        | <u>\$ 251.3</u>          |  |

*(figures may be different due to rounding)*

**BROKEN ARROW PUBLIC SCHOOLS**  
**FINANCIAL SECTION: MANAGEMENT'S DISCUSSION AND ANALYSIS**  
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Government-wide capital assets represent a capitalization level of \$5,000, consistent with State accounting regulations. The majority of the Construction in Progress consists of the construction of the start of a new elementary school, special education room additions, elementary school remodeling projects, additions and remodeling to middle schools, secondary classroom additions, and various other construction projects. The District continues to grow in a broad range of capital assets, including facilities and equipment for instruction, transportation vehicles, athletic facilities, computer and audio visual equipment, administrative offices, maintenance, and construction in progress. These facilities and tools will enable the District's staff to produce quality education and products. The District's student population continues to grow with over 19,000 students, therefore, equipment purchases, classroom space, and improvements on land and/or buildings are necessary to provide that growth.

Additional information on the District's capital assets may be found in Note 4, Notes to the Basic Financial Statements.

Bonded debt outstanding as of June 30, 2019 was \$104.4 million, an increase of \$16.8 million from the prior fiscal year, and \$6.6 million due within one year. Detailed information on the long-term debt activity can be found in Note 5 of the Notes to the Financial Statements.

Table 4, below, summarizes bonds outstanding for fiscal years 2019 and 2018.

**Bonded Debt Outstanding at Year End**  
**(In Millions)**  
**Table 4**

|                           | 2019           | 2018          |
|---------------------------|----------------|---------------|
| General Obligation Bonds: |                |               |
| Series 2014G              | 0.0            | 5.4           |
| Series 2014B              | 1.4            | 2.8           |
| Series 2015A              | 7.3            | 14.5          |
| Series 2015B              | 1.8            | 2.4           |
| Series 2016               | 10.5           | 15.7          |
| Series 2017               | 17.6           | 23.5          |
| Series 2018               | 23.3           | 23.3          |
| Series 2019               | 42.5           | 0.0           |
| <b>Total</b>              | <b>\$104.4</b> | <b>\$87.6</b> |

*Economic Factors and Next Year's Budgets and Rates.*

Budgetary resource allocations are distributed to campuses and central organizations that support the programs of the District. The District's budget process begins with the development of enrollment projections by the District's Budget Committee. Enrollment projections are then used to determine initial campus allocations through the use of Board level approval. The District uses line-item and site-based budgetary approaches to provide campuses with a standard allocation based on student enrollment. Enrollment projections also drive general operating staffing levels and non-position allocations. Staffing ratios adhere to the Oklahoma legislature mandated by House Bill 1017. Enrollment projections for the

**BROKEN ARROW PUBLIC SCHOOLS**  
**FINANCIAL SECTION: MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2019**

year ended June 30, 2019, show enrollment numbers to increase slightly due to the growing population of the District.

Local sources of revenue consist primarily of ad valorem revenue, which is based on an annual levy of 36 mills (one mill is equal to \$1 per \$1,000 of net assessed valuation). For 2018-19, the District's net assessed valuation grew by 6.0% primarily due to an increase in personal real property within the boundaries of the District. Additional information on the District's net assessed valuation can be found in the Statistical Section of this report. Other local sources of revenue include fees from before and after school care, donations, and interest earnings.

Intermediate sources of revenue include the county 4-mill ad valorem levy and county mortgage apportionment. The largest source of revenue, received from the State, includes Foundation & Salary Incentive Aid, the State Health Insurance Allowance, Motor Vehicle Collections, and State School Land Earnings. Federal sources of revenue include IDEA, all No Child Left Behind programs, and other Federal programs.

The District Finance office uses a zero-based budgetary approach for allocation based on historical expenditures and services provided. Despite continued increases in State revenue collections, the District continues to maintain a conservative budget. The District also continued the tradition of preserving a strong year-end fund balance.

The District continues to provide reciprocal benefit to the community and schools, therefore continually experiencing positive citizen support. Bond dollars passed by the community provide the necessary funding for facilities, renovations, technology, textbooks, instructional equipment and uniforms. It is these annual bond dollars and strong patronage that allow the District the opportunity and commitment to maintain facilities and to maximize the use of instructional technology and equipment. State law limits a school district's bonding capacity to ten percent of its net assessed valuation.

Contacting the District's Financial Management

This financial report is designed to provide citizens, taxpayers, and creditors with a general overview of the District's financial position, and to demonstrate the District's accountability for the resources it receives. If you have questions about this report, or would like additional information, contact Mrs. Natalie Eneff, Chief Financial Officer, Broken Arrow Public Schools, 701 S. Main Street, Broken Arrow, Oklahoma, 74012. The District's web page is located at <http://www.baschools.org>.



# Basic Financial Statements



**Broken Arrow Public Schools**  
**Statement of Net Position**  
**June 30, 2019**

|  | <u>Governmental<br/>Activities</u> |
|--|------------------------------------|
| <b>ASSETS</b>  |                                    |
| Current:   |                                    |
| Cash and cash equivalents                                | \$ 5,455,634                       |
| Investments  | 78,940,000                         |
| Receivables net of allowance for uncollectibles          | 69,486,973                         |
| Inventories  | 629,855                            |
| Total current assets                                     | <u>154,512,462</u>                 |
| Noncurrent:  |                                    |
| Land and construction-in-progress                        | 16,237,556                         |
| Capital assets being depreciated, net                    | 235,098,410                        |
| Total noncurrent assets                                  | <u>251,335,966</u>                 |
| Total assets   | <u>405,848,428</u>                 |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>                    | <u>18,243,381</u>                  |
| <b>LIABILITIES</b>                                       |                                    |
| Current:   |                                    |
| Accounts payable and other current liabilities           | 3,013,254                          |
| Accrued interest payable                                 | 354,046                            |
| Unearned Revenues  | 158,121                            |
| Special termination benefits and<br>compensated absences | 11,629                             |
| Current portion of long-term obligations                 | 26,629,544                         |
| Total current liabilities                                | <u>30,166,594</u>                  |
| NON-CURRENT  |                                    |
| Non-current portion of long-term obligations             | 78,485,628                         |
| Net pension liability                                    | 112,724,156                        |
| Total noncurrent liabilities                             | <u>191,209,784</u>                 |
| Total liabilities  | <u>221,376,378</u>                 |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                     |                                    |
| Succeeding year property tax                             | 64,694,068                         |
| Deferred pension plan inflows                            | 15,525,288                         |
| Total deferred inflows of resources                      | <u>80,219,356</u>                  |
| <b>NET POSITION</b>                                      |                                    |
| Net Investment in Capital Assets                         | 191,660,532                        |
| Restricted for:  |                                    |
| Debt Service   | 15,673,831                         |
| Building   | 3,947,831                          |
| Other  | 43,997                             |
| Unrestricted   | <u>(88,830,116)</u>                |
| TOTAL NET POSITION                                       | <u>\$ 122,496,075</u>              |

The accompanying notes to the financial statements are an integral part of this statement.



**Broken Arrow Public Schools**  
**Statement of Activities**  
**For the Year Ended June 30, 2019**

| GOVERNMENTAL ACTIVITIES:                         | Expenses              | Program Revenues     |                                    | Net (Expense) Revenue and Changes in Net Position |
|--|-----------------------|----------------------|------------------------------------|---|
|  |                       | Charges for Services | Operating Grants and Contributions |   |
| Instruction                                      | \$ 91,201,538         | \$ 290,758           | \$ 6,839,359                       | \$ (84,071,421)                                   |
| Support services - Students and staff            | 10,754,047            | 14,900               | 1,020,876                          | (9,718,271)                                       |
| Instructional and school leadership              | 7,751,467             | -                    | 558,341                            | (7,193,126)                                       |
| Administrative support services                  | 16,785,305            | -                    | 325,882                            | (16,459,424)                                      |
| Operation and maintenance of plant services      | 15,187,429            | 450,993              | 38,048                             | (14,698,388)                                      |
| Student transportation services                  | 7,243,161             | 125,143              | 26,141                             | (7,091,876)                                       |
| Operation of non-instructional services          | 11,608,227            | 3,478,527            | 4,676,280                          | (3,453,420)                                       |
| Facilities acquisition and construction services | 6,092,842             | -                    | -                                  | (6,092,842)                                       |
| Private, Nonprofit schools                       | 25,560                | -                    | 25,560                             | -   |
| Interest on long-term debt                       | 1,679,107             | -                    | -                                  | (1,679,107)                                       |
| <b>TOTAL GOVERNMENTAL ACTIVITIES</b>             | <b>\$ 168,328,683</b> | <b>\$ 4,360,321</b>  | <b>\$ 13,510,487</b>               | <b>\$ (150,457,874)</b>                           |
| <b>GENERAL REVENUES</b>                          |                       |                      |                                    |   |
| Taxes:   |                       |                      |                                    |   |
|  |                       |                      |                                    | 39,020,402  |
|  |                       |                      |                                    | 26,421,985  |
|  |                       |                      |                                    | 53,128,539  |
|  |                       |                      |                                    | 24,536,876  |
|  |                       |                      |                                    | 5,076,661   |
|  |                       |                      |                                    | 1,279,791   |
|  |                       |                      |                                    | 32,110  |
|  |                       |                      |                                    | 10,599,771  |
|  |                       |                      |                                    | <u>160,096,134</u>                                |
|  |                       |                      |                                    | <b>9,638,260</b>                                  |
|  |                       |                      |                                    | <u>112,857,815</u>                                |
|  |                       |                      |                                    | <u>\$ 122,496,075</u>                             |

The accompanying notes to the financial statements are an integral part of this statement.



**Broken Arrow Public Schools**  
**Balance Sheet - Governmental Funds**  
**June 30, 2019**

|   | General<br>Fund      | Capital Projects<br>Fund | Debt Service<br>Fund | Nonmajor<br>Funds    | Total<br>Governmental<br>Funds |
|---|----------------------|--------------------------|----------------------|----------------------|--------------------------------|
| <b>ASSET</b>  |                      |                          |                      |                      |                                |
| Cash and cash equivalents   | \$ 1,716,879         | \$ 439,612               | \$ 1,079,313         | \$ 2,008,278         | \$ 5,244,082                   |
| Investments   | 15,000,000           | 45,000,000               | 14,500,000           | 4,440,000            | 78,940,000                     |
| Receivables net of allowance for uncollectibles                           | 36,687,741           | 126                      | 28,023,355           | 4,775,751            | 69,486,973                     |
| Inventories   | 322,121              | -                        | -                    | 307,733              | 629,854                        |
| <b>TOTAL ASSETS</b>   | <b>53,726,741</b>    | <b>45,439,738</b>        | <b>43,602,668</b>    | <b>11,531,762</b>    | <b>154,300,909</b>             |
| <b>LIABILITIES</b>  |                      |                          |                      |                      |                                |
| Accounts payable  | 1,154,781            | -                        | -                    | 521,786              | 1,676,567                      |
| Accrued wages payable - termination benefits                              | 1,162,092            | -                        | -                    | 48,074               | 1,210,166                      |
| Other liabilities   | -                    | -                        | -                    | 158,121              | 158,121                        |
| <b>TOTAL LIABILITIES</b>  | <b>2,316,873</b>     | <b>-</b>                 | <b>-</b>             | <b>727,981</b>       | <b>3,044,854</b>               |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                                      |                      |                          |                      |                      |                                |
| Succeeding year property tax  | 32,649,551           | -                        | 27,381,576           | 4,662,941            | 64,694,068                     |
| Unavailable revenue - delinquent property taxes                           | 657,356              | -                        | 547,262              | 93,886               | 1,298,504                      |
| <b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>                                | <b>33,306,907</b>    | <b>-</b>                 | <b>27,928,838</b>    | <b>4,756,827</b>     | <b>65,992,572</b>              |
| <b>FUND BALANCES</b>  |                      |                          |                      |                      |                                |
| <b>Non-spendable:</b>   |                      |                          |                      |                      |                                |
| Inventory   | 322,121              | -                        | -                    | 307,733              | 629,854                        |
| Permanent fund principal  | -                    | -                        | -                    | 40,000               | 40,000                         |
| <b>Restricted for:</b>  |                      |                          |                      |                      |                                |
| Federal and state allocation carryover                                    | 1,125,171            | -                        | -                    | -                    | 1,125,171                      |
| Capital projects  | -                    | 45,439,738               | -                    | -                    | 45,439,738                     |
| Debt service  | -                    | -                        | 15,673,831           | -                    | 15,673,831                     |
| Building  | -                    | -                        | -                    | 3,947,831            | 3,947,831                      |
| Child Nutrition   | -                    | -                        | -                    | 1,747,393            | 1,747,393                      |
| Endowment   | -                    | -                        | -                    | 3,997                | 3,997                          |
| Unassigned  | 16,655,669           | -                        | -                    | -                    | 16,655,669                     |
| <b>TOTAL FUND BALANCES</b>  | <b>18,102,961</b>    | <b>45,439,738</b>        | <b>15,673,831</b>    | <b>6,046,954</b>     | <b>85,263,484</b>              |
| <b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b> | <b>\$ 53,726,741</b> | <b>\$ 45,439,738</b>     | <b>\$ 43,602,669</b> | <b>\$ 11,531,762</b> | <b>\$ 154,300,909</b>          |

The accompanying notes to the financial statements are an integral part of this statement.



**Broken Arrow Public Schools**  
**Reconciliation of the Governmental Funds**  
**Balance Sheet to the Statement of Net Position**  
**June 30, 2019**

Total fund balances - Governmental Funds \$ 85,263,484

Amounts reported for Governmental Activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds. The Statement of Net Position includes those capital assets of the District as a whole. The cost of those capital assets is allocated over their estimated useful lives (as depreciation expense) to the various programs reported as governmental activities in the Statement of Activities. Because depreciation expense does not affect financial resources, it is not reported in governmental funds:

|                          |                |             |
|--------------------------|----------------|-------------|
| Cost of assets           | \$ 351,552,452 |             |
| Accumulated depreciation | (100,216,486)  |             |
|                          |                | 251,335,966 |

An Internal Service Fund is used by the District's management to charge the costs of the workers' compensation insurance program to the individual funds. The assets and liabilities of the Internal Service Fund are included in the governmental activities.

73,401

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. Interest payable on debt and other long-term obligations are also not recorded in the governmental funds but are reported in the Statement of Net Position.

Long-term liabilities at year-end consist of:

|                                      |               |               |
|--------------------------------------|---------------|---------------|
| Bonds, capital leases, and contracts | (105,115,172) |               |
| Interest Payable                     | (354,046)     |               |
|                                      |               | (105,469,218) |

Receivables recorded but the related revenues not available soon enough after year-end were reported as deferred inflows of resources in the governmental funds in accordance with GASB, Statement No. 65, Items Previously Reported as Assets and Liabilities.

1,298,504

Some liabilities, including net pension obligations, are not due and payable in the current period and, therefore, are not reported in the funds.

|                       |  |               |
|-----------------------|--|---------------|
| Net pension liability |  | (112,724,156) |
|-----------------------|--|---------------|

Pension related deferred outflows and inflows are not due and payable in the current period, therefore, they are not reported in governmental funds.

|                                |  |              |
|--------------------------------|--|--------------|
| Deferred pension plan outflows |  | 18,243,381   |
| Deferred pension plan inflows  |  | (15,525,288) |
|                                |  |              |

|  |  |                |
|--|--|----------------|
| TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES |  | \$ 122,496,075 |
|--|--|----------------|

The accompanying notes to the financial statements are an integral part of this statement.



**Broken Arrow Public Schools**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Governmental Funds**  
**For the Year Ended June 30, 2019**

|  | General<br>Fund      | Capital Projects<br>Fund | Debt Service<br>Fund | Nonmajor<br>Funds   | Total<br>Governmental<br>Funds |
|--|----------------------|--------------------------|----------------------|---------------------|--------------------------------|
| <b>REVENUES</b>  |                      |                          |                      |                     |                                |
| Local sources  | \$ 36,821,180        | \$ 1,310                 | \$ 27,982,256        | \$ 9,345,421        | \$ 74,150,167                  |
| Intermediate sources   | 5,076,661            | -                        | -                    | -                   | 5,076,661                      |
| State sources  | 76,698,937           | -                        | -                    | 966,478             | 77,665,415                     |
| Federal sources  | 8,435,734            | -                        | -                    | 4,676,280           | 13,112,015                     |
| Other sources  | 2,256,455            | 125                      | -                    | 477,727             | 2,734,308                      |
| <b>TOTAL REVENUES</b>  | <b>129,288,968</b>   | <b>1,435</b>             | <b>27,982,256</b>    | <b>15,465,906</b>   | <b>172,738,565</b>             |
| <b>EXPENDITURES</b>  |                      |                          |                      |                     |                                |
| Current  |                      |                          |                      |                     |                                |
| Instruction  | 76,317,890           | 1,334,041                | -                    | -                   | 77,651,930                     |
| Student  | 11,157,926           | 12,391                   | -                    | -                   | 11,170,317                     |
| Instructional staff  | 6,367,759            | 2,017,211                | -                    | -                   | 8,384,970                      |
| Administration   | 16,800,269           | 356,871                  | -                    | 25,521              | 17,182,660                     |
| Operations and maintenance   | 9,265,915            | 1,724,174                | -                    | 5,200,527           | 16,190,616                     |
| Student transportation   | 6,565,490            | 827,520                  | -                    | -                   | 7,393,010                      |
| Child nutrition operations   | -                    | -                        | -                    | 9,270,820           | 9,270,820                      |
| Community service operations   | 1,164,549            | -                        | -                    | -                   | 1,164,549                      |
| Other  | 576,125              | 125                      | 1,837                | 188,615             | 766,701                        |
| Capital outlay   | -                    | 15,241,622               | -                    | 557,119             | 15,798,741                     |
| Debt service   |                      |                          |                      |                     |                                |
| Principal  | -                    | -                        | 25,745,000           | -                   | 25,745,000                     |
| Interest   | -                    | -                        | 2,284,128            | -                   | 2,284,128                      |
| <b>TOTAL EXPENDITURES</b>  | <b>128,215,923</b>   | <b>21,513,953</b>        | <b>28,030,964</b>    | <b>15,242,602</b>   | <b>193,003,442</b>             |
| <b>EXCESS (DEFICIENCY) OF<br/>REVENUES OVER (UNDER)<br/>EXPENDITURES</b> | <b>1,073,045</b>     | <b>(21,512,518)</b>      | <b>(48,708)</b>      | <b>223,304</b>      | <b>(20,264,877)</b>            |
| <b>OTHER FINANCING SOURCES (USES)</b>                                    |                      |                          |                      |                     |                                |
| Issuance of debt   | -                    | 42,500,000               | -                    | -                   | 42,500,000                     |
| Premium on new issuance of debt  | -                    | -                        | 296,870              | -                   | 296,870                        |
| Sales of capital assets  | 1,811                | -                        | -                    | -                   | 1,811                          |
| <b>TOTAL OTHER FINANCING<br/>SOURCES (USES)</b>                          | <b>1,811</b>         | <b>42,500,000</b>        | <b>296,870</b>       | <b>-</b>            | <b>42,798,681</b>              |
| <b>NET CHANGE IN FUND BALANCES</b>                                       | <b>1,074,856</b>     | <b>20,987,482</b>        | <b>248,162</b>       | <b>223,304</b>      | <b>22,533,804</b>              |
| FUND BALANCE AT BEGINNING OF YEAR  | 17,028,105           | 24,452,256               | 15,425,669           | 5,823,650           | 62,729,680                     |
| FUND BALANCE AT END OF YEAR  | <b>\$ 18,102,961</b> | <b>\$ 45,439,738</b>     | <b>\$ 15,673,831</b> | <b>\$ 6,046,954</b> | <b>\$ 85,263,484</b>           |

The accompanying notes to the financial statements are an integral part of this statement.



**Broken Arrow Public Schools**  
**Reconciliation of the Governmental Funds Statement of Revenues,**  
**Expenditures, and Changes in Fund Balance with the**  
**District-Wide Statement of Activities**  
**For the Year Ended June 30, 2019**

TOTAL NET CHANGE IN FUND BALANCES-GOVERNMENTAL FUNDS \$ 22,533,804

AMOUNTS REPORTED FOR GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF ACTIVITIES ARE DIFFERENT BECAUSE:

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities, those costs are shown in the Statement of Net Position and are allocated over their estimated useful lives as annual depreciation expenses in the Statement of Activities. This is the amount by which capital outlays exceed depreciation for the period.

|                             |                  |           |
|-----------------------------|------------------|-----------|
| Capital outlays             | \$ 19,572,901    |           |
| Depreciation expense        | (9,508,343)      |           |
| Retirements and adjustments | <u>(384,918)</u> | 9,679,640 |

Receivables recorded but the related revenues not available soon enough after year-end were reported as deferred inflows of resources in the governmental funds in accordance with GASB Statement No. 65. This is the net change between 2018 and 2019. (1,376,813)

Bond and noncurrent loan proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of bond and noncurrent loan principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. This is the amount by which repayments of principal exceeded loan proceeds.

|                         |                     |              |
|-------------------------|---------------------|--------------|
| Repayments of Principal | 25,745,000          |              |
| Loan Proceeds           | <u>(42,500,000)</u> | (16,755,000) |

Premium received on bonds is amortized over the life of the bond. This is the amount by which the current year bond premium was exceeded by amortization.

|                              |                |         |
|------------------------------|----------------|---------|
| Current Year Bond Premium    | (296,870)      |         |
| Amortization of Bond Premium | <u>582,167</u> | 285,297 |

Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the governmental funds when it is due and thus requires the use of current financial resources. In the Statement of Activities, however, interest cost is recognized as the interest accrues, regardless of when it is due. This is the net change in amount of interest payable. (22,854)

The District uses Internal Service Funds to charge the costs of certain activities, such as self insurance, to appropriate function in other funds. The net income (loss) of Internal Service Funds are reported with governmental activities. The net effect of this consolidation is to increase the change in net position. 22,643

Some expenses (compensated absences, insurance claims, and pension expense) reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. (4,728,458)

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 9,638,260

The accompanying notes to the financial statements are an integral part of this reconciliation.



Broken Arrow Public Schools  
Statement of Net Position - Proprietary Funds  
June 30, 2019

|                                    | Governmental<br>Activities - Internal<br>Service Fund: Workers'<br>Compensation Fund |
|------------------------------------|--|
| ASSETS                             |  |
| CURRENT ASSETS                     |  |
| Cash and equivalents               | \$ 211,552   |
| TOTAL ASSETS                       | <u>211,552</u>   |
| LIABILITIES                        |  |
| CURRENT LIABILITIES                |  |
| Accounts payable                   | 138,151  |
| TOTAL CURRENT LIABILITIES          | <u>138,151</u>   |
| NET POSITION                       |  |
| Unrestricted                       | 73,401   |
| TOTAL NET POSITION                 | <u>73,401</u>  |
| TOTAL LIABILITIES AND NET POSITION | <u>\$ 211,552</u>  |

The accompanying notes to the financial statements are an integral part of this statement.



**Broken Arrow Public Schools**  
**Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Proprietary Funds**  
**For the Year Ended June 30, 2019**

|                                   |                          | Governmental<br>Activities - Internal<br>Service Fund:<br>Workers'<br>Compensation Fund |
|-----------------------------------|--------------------------|---|
| OPERATING REVENUES                |                          |   |
| Reimbursements                    |                          | \$ 472,643  |
|                                   | TOTAL OPERATING REVENUES | 472,643   |
| OPERATING EXPENSES                |                          |   |
| Medical claims                    |                          | 450,000   |
|                                   | TOTAL OPERATING EXPENSES | 450,000   |
|                                   | OPERATING INCOME (LOSS)  | 22,643  |
| CHANGES IN NET POSITION           |                          | 22,643  |
| NET POSITION AT BEGINNING OF YEAR |                          | 50,758  |
| NET POSITION AT END OF YEAR       |                          | \$ 73,401   |

The accompanying notes to the financial statements are an integral part of this statement.



**Broken Arrow Public Schools**  
**Statement of Cash Flows - Proprietary Funds**  
**For the Year Ended June 30, 2019**

|   | Governmental Activities<br>Internal Service Fund:<br>Workers' Compensation<br>Fund |
|---|--|
| CASH FLOWS FROM OPERATING ACTIVITIES  |  |
| Interfund services provided   | \$ 594,300   |
| Cash payment for insurance claims   | (438,665)  |
| Cash payments to suppliers for goods and services   | (50,000)   |
| NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES   | 105,635  |
| NET INCREASE IN CASH AND CASH EQUIVALENTS   | 105,635  |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR  | 105,917  |
| CASH AND CASH EQUIVALENTS AT END OF YEAR  | 211,552  |
| RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY (USED IN)                                      |  |
| OPERATING ACTIVITIES  |  |
| Operating Income (loss)   | 22,643   |
| Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities |  |
| Change in assets, deferred outflows, liabilities, and deferred inflows:                                 |  |
| Increase (decrease) in Accounts payable   | 89,141   |
| Increase (decrease) in Workers' comp payable  | (6,149)  |
| NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES   | \$ 105,635   |

The accompanying notes to the financial statements are an integral part of this statement.



Broken Arrow Public Schools  
Statement of Net Position - Fiduciary Funds  
June 30, 2019

|                           | Private-<br>Purpose<br>Trust<br>Fund | Agency<br>Fund      |
|---------------------------|--------------------------------------|---------------------|
| ASSETS                    |                                      |                     |
| Cash and cash equivalents | \$ 23,938                            | \$ 3,598,068        |
| Investments               | 50,000                               | -                   |
| TOTAL ASSETS              | <u>73,938</u>                        | <u>3,598,068</u>    |
| LIABILITIES               |                                      |                     |
| Due to student groups     | -                                    | 3,598,068           |
| TOTAL LIABILITIES         | <u>\$ -</u>                          | <u>\$ 3,598,068</u> |
| NET POSITION              |                                      |                     |
| Held for scholarships     | <u>73,938</u>                        |                     |
| TOTAL NET POSITION        | <u>\$ 73,938</u>                     |                     |

The accompanying notes to the financial statements are an integral part of this statement.



**Broken Arrow Public Schools**  
**Statement of Changes in Net Position - Fiduciary Funds**  
**For the Year Ended June 30, 2019**

|                                       | <u>Private-Purpose<br/>Trust Fund -<br/>Gift Fund</u> |
|---------------------------------------|---|
| ADDITIONS                             |   |
| Contributions                         | \$ 3,900  |
| Interest Income                       | 521   |
| TOTAL ADDITIONS                       | <u>4,421</u>  |
| DEDUCTIONS                            |   |
| Scholarships awarded                  | <u>19,000</u>   |
| TOTAL DEDUCTIONS                      | <u>19,000</u>   |
| <br>CHANGE IN NET POSITION            | <br>(14,579)  |
| <br>NET POSITION AT BEGINNING OF YEAR | <br><u>88,517</u>                                     |
| <br>NET POSITION AT END OF YEAR       | <br><u>\$ 73,938</u>                                  |

The accompanying notes to the financial statements are an integral part of this statement.

## BROKEN ARROW PUBLIC SCHOOLS - NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

### Note 1. Summary of Significant Accounting Policies

The basic financial statements of the Broken Arrow Public Schools Independent District No. 3 (the "District") have been prepared in conformity with generally accepted accounting principles ("GAAP") promulgated by The Government Accounting Standards Board ("GASB"). The District also complies with any contracts and grants of agencies from which it receives funds. The District has adopted the provisions of GASB Statement No. 54, *Fund Balance Reporting and Government Fund Type Definitions*. The more significant of the District's accounting policies are described below.

#### Reporting Entity

The District is a corporate body for public purposes created under Title 70 of the Oklahoma Statutes and accordingly is a separate entity for operating and financial reporting purposes. The District is part of the public school system of Oklahoma under the general direction and control of the State Board of Education and is financially dependent on State of Oklahoma support. The general operating authority for the public school system is the Oklahoma School Code contained in Title 70, Oklahoma Statutes. The governing body of the District is the Board of Education composed of five elected members. The appointed Superintendent is the executive officer of the District.

The District receives funding from Local, State, and Federal government sources and must comply with the requirements of these funding source entities. However, the District is not included in any other governmental "reporting entity" as defined by the Governmental Accounting Standards Board's ("GASB") *Codification of Governmental Accounting and Financial Reporting Standards*, since Board members are elected by the public and have decision-making authority, the power to designate management, the responsibility to significantly influence operations, and primary accountability for fiscal matters. There are no component units included within the reporting entity. The District is a governmental entity exempt from federal income taxation under Internal Revenue Code Section 115.

Further, the Broken Arrow Education Foundation and the Broken Arrow Performing Arts Center Foundation are not included in the reporting entity. The District does not appoint any of the board members or exercise any oversight authority over these Foundations.

#### Government-wide and Fund Financial Statements

The objective of the statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing government fund type definitions. These classifications reflect not only the nature of funds, but also provide clarity to the level of restriction placed upon fund balance.

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are normally supported by taxes and intergovernmental revenues.

The Statement of Net Position reports the District's financial and capital resources. Liabilities are segregated between current liabilities (those that are due within one year) and long-term liabilities (those that are due in more than one year).

**BROKEN ARROW PUBLIC SCHOOLS - NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**Note 1. Summary of Significant Accounting Policies - cont'd**

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include tuition or fees paid by students or citizens of the District and grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items including Foundation Incentive Aid (also referred to as State Aid), which are not properly included among program revenues, are reported as general revenues. Interest on general long-term debt, adjusted by the amortization of bond premiums, is considered an indirect expense and is reported on the Statement of Activities.

The fund financial statements provide reports on the financial condition and results of operations for three fund categories: Governmental, Proprietary, and Fiduciary. Since the resources in the Fiduciary Funds cannot be used for District operations, they are not included in the government-wide statements. The emphasis on fund financial statements is on major governmental funds, each displayed in a separate column.

Proprietary Funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses result from providing services and producing and delivering goods in connection with a Proprietary Fund's principal ongoing operation. All other revenues and expenses are non-operating.

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide financial statements use economic resources measurement focus and the accrual basis of accounting, as do the Proprietary and Fiduciary Fund financial statements. The economic resources measurement focus is not applicable to the Agency Funds and therefore has no measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized, when they are susceptible to accrual, as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. Property taxes, interest and amounts due from other governments associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

**BROKEN ARROW PUBLIC SCHOOLS - NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**Note 1. Summary of Significant Accounting Policies - cont'd**

**Fund Accounting**

The District reports its financial activities through the use of fund accounting. This is a system of accounting wherein transactions are reported in self-balancing sets of accounts to reflect results of activities. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained, consistent with legal and managerial requirements. There are three categories of funds: Governmental, Proprietary, and Fiduciary.

**Governmental Funds**

Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of earmarked monies (special revenue funds), the acquisition or construction of general capital assets (Capital Project Funds), and the servicing of general long-term debt (debt service funds). Government Fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities plus deferred inflows of resources is reported as the fund balance.

All governmental funds can be classified into one of five types: the General Fund, Capital Projects Fund, Debt Service Fund, Special Revenue Funds, and Permanent Funds. In the fund financials, data from each *major* fund is presented in a separate single column while data from all the nonmajor funds are aggregated into a single column.

The District reports the following Major Governmental Funds:

*General Fund* - The General Fund is used to account for all financial transactions except those required to be accounted for in another fund. Major revenue sources include State and Local property taxes and State funding under the Foundation and Incentive Aid Program. Expenditures include all costs associated with the daily operations of the schools except for programs funded for building repairs and maintenance, school construction and debt service on bonds and other long-term debt. Federal and State restricted monies that must be expended for specific programs and compensated absences incurred by the District are also included in the General Fund.

*Capital Project Funds* - The Capital Project Funds are used to account for the proceeds of bond sales to be used exclusively for acquiring school sites, constructing and equipping new school facilities, renovating existing facilities and acquiring transportation equipment.

*Debt Service Fund* - The District's Debt Service Fund is used to account for the accumulation of financial resources for the payment of general long-term (including judgments) debt principal, interest and related costs. The primary revenue sources are local property taxes levied specifically for debt service and interest earnings from temporary investments.

The District reports the following Nonmajor Governmental Funds:

**BROKEN ARROW PUBLIC SCHOOLS - NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**Note 1. Summary of Significant Accounting Policies - cont'd**

*Special Revenue Funds* – Special Revenue Funds are used to account for all financial resources restricted to, or designated for, committed or assigned to expenditures for particular purposes. The District reports the following Special Revenue Funds:

*Building Fund* – The Building Fund consists mainly of monies derived from property taxes levied for the purpose of erecting, remodeling, repairing, or maintaining school buildings and for purchasing furniture, equipment and computer software to be used on or for school district property, for paying energy and utility costs, for purchasing telecommunications services, for paying fire and casualty insurance premiums for school facilities, and for purchasing security systems.

*Child Nutrition Fund* – The Child Nutrition Fund consists of monies derived from federal and state financial assistance and food sales. This fund is used to account for the various nutrition programs provided to students.

*Permanent Fund (Endowment Fund)* – The Permanent Fund (Endowment Fund), is used to account for and report resources that are restricted to the extent that only earnings, and not principal, may be used to support the reporting government's programs and as per the Endowment terms. The Endowment Fund receives its assets through contributions from philanthropic foundations, individuals or private organizations for which no repayment or special service to the contributor is expected.

The Texaco/F.A. Petrick Endowment Fund accounts for a donor-restricted endowment whose earnings, in the amount of \$3,997.27 are restricted to expenditures for awarding college scholarships to Broken Arrow high school graduates. The available amounts for expenditure are reflected in the net position as restricted expendable. State law allows for expending available net appreciation of donor-restricted endowment to support the reporting government's programs as per the endowment terms. The investment of endowment funds is governed under State of Oklahoma Title 70, Oklahoma Section 3952 (70 O.S. 3952) which states investment return on each endowment account for the purpose of the reporting government's endowment terms with the district's education programs.

**Proprietary Funds**

Proprietary Funds are used to account for activities similar to those found in the private sector, where the determination of net income is useful to financial administration. Goods and/or services can be provided to both outside parties or to other departments or agencies primarily within the District. Proprietary Funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a Proprietary Fund's principal ongoing operations. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The District reports the following major Proprietary Funds:

*Internal Service Fund* – The District has established an Internal Service Fund to account for the transactions of its self-insured workers' compensation plan. Income from this fund is derived primarily

**BROKEN ARROW PUBLIC SCHOOLS - NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**Note 1. Summary of Significant Accounting Policies - cont'd**

from charges to governmental funds based on usage. Accrued liabilities include provisions from claims reported and claims incurred but not reported for workers' compensation insurance. The provision for reported claims is determined by estimating the amount that will ultimately be paid to each claimant.

**Fiduciary Funds**

Fiduciary Funds are used to account for assets held on behalf of outside parties, including other Governments, or on behalf of other funds within the District. Private-Purpose Trust Funds are used to report other arrangements under which principal and income benefit individuals and use the terms "expendable" or "nonexpendable" (requirement to maintain invested resources intact). Agency Funds generally are used to account for assets that the District holds on behalf of others as their agent and do not involve measurement of results of operation.

*Private - Purpose Trust Fund* – This fund is an expendable trust fund and is also called the Gift Fund. The Gift Fund receives its assets by way of philanthropic foundations, individuals, or private organizations for which no repayment or special service to the contributor is expected. These assets are held for the benefit of others and cannot be used to address activities or obligations of the government. The District maintains a meaningful degree of ongoing responsibility for the resources once they have been contributed.

*Agency Funds* – The Agency Funds report resources held by the District in a purely custodial capacity. The administration is responsible, under the authority of the Board, for collecting, disbursing and accounting for these activity funds. The District's Agency Funds account for monies collected principally through fundraising efforts of the students and District sponsored groups.

Fiduciary Funds are not incorporated into the government-wide financial statements.

**Other Accounting Policies**

*Cash and Cash Equivalents* – The District considers all cash on hand, demand deposits and highly liquid investments with original maturity of three months or less when purchased to be cash and cash equivalents.

*Investments* - Investments consist of United States Treasury securities and agencies and certificates of deposit. All investments are recorded at fair value generally based on quoted market prices or estimated fair values provided by brokerage statements. The net change in fair value of investments is recognized and reported as earnings (loss) on investments.

*Property Tax Revenues and Receivables* – The District is authorized by state law to levy property taxes, which consist of ad valorem taxes on real and personal property within the district. These property taxes are distributed to the district's general fund, building fund, and debt service fund based on the levies approved for each fund. The district receives property taxes from two counties. The county assessor for each county, upon receipt of the certification of tax levies from the county excise board, extends the tax levies on the tax rolls of submission to the county treasurer prior to October 1. The county treasurer must commence tax collection within fifteen days of receipt of the tax rolls. The first half of taxes is due prior to January 1. The second half is due prior to April 1.

**BROKEN ARROW PUBLIC SCHOOLS - NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**Note 1. Summary of Significant Accounting Policies - cont'd**

If the first payment is not made in a timely manner, the entire tax becomes due and payable on January 2. Second half taxes become delinquent on April 1 of the year following the year of assessment. If not paid by the following October 1, the property is offered for sale for the amount of taxed due. The owner has two years to redeem the property by paying the taxes and penalty owed. If at the end of two years the owner has not done so, the purchaser is issued a deed to the property. Property tax receivables are recorded on the lien date, although the related revenue is reported as a deferred inflow of resources and will not be recognized as revenue until the year for which it is levied. Delinquent property taxes, which are not collected within the availability period, 60 days of the year end, are recorded in the governmental fund financial statements as deferred inflows of resources. An allowance for uncollectible property taxes is calculated based on historical collection data.

*Inventories* - The District uses the consumption method to account for inventories of supplies and materials. Under this method, these items are carried in an inventory account of the respective fund at cost, using the weighted average method of accounting and are subsequently charged to expenditures when consumed or requisitioned. Although food commodities are received at no cost, their fair value is supplied by the Oklahoma Department of Human Services and is recorded as inventory on the date received. In governmental funds, inventories are reported as non-spendable fund balance.

*Capital Assets* - Capital assets, which include land, land improvements, building, building improvements, furniture and equipment, are reported in the government-wide financial statements. Land, land improvements, buildings and building improvements are recorded at historical cost or estimated historical cost if purchased or constructed. The capitalization threshold for buildings and improvements, and equipment and fixtures is \$5,000, respectively. Donated capital assets, as well as, capital assets received in a service concession arrangement, are recorded at acquisition value (an entry price) as implemented in GASB Statement No. 72, Fair Value Measurement and Application. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as the projects are constructed.

Building and building improvements of the District are depreciated using the straight-line method beginning in the year they are placed in service. Equipment is depreciated using the straight-line method beginning in the month acquired. The District's capital assets have the following estimated useful lives:

| <u>Assets</u>                       | <u>Years</u> |
|-------------------------------------|--------------|
| Buildings and building improvements | 10-50        |
| Improvements other than buildings   | 10-50        |
| Equipment, vehicles & fixtures      | 5-15         |

*Pensions* - The net pension liability, deferred inflows and outflows of resources related to pensions, pension expense, information about the fiduciary net position of the Oklahoma Teacher's Retirement System (OTRS) and additions to/deductions from OTRS's fiduciary net position have been determined on the same basis as reported by OTRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments

**BROKEN ARROW PUBLIC SCHOOLS - NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**Note 1. Summary of Significant Accounting Policies - cont'd**

held by OTRS are reported at fair value.

*Compensated Absences* – A liability for compensated absences attributable to the District’s governmental funds is recorded in the government-wide financial statements. It is the District’s policy to provide payment to the employee for sick leave, upon retirement or severance of employment. The District policy provides payment to eligible employees for accumulated sick days. This liability is intended to accommodate these payments.

*Accrued Compensation* – Salaries, wages, and benefits that have been earned but not paid as of the end of the fiscal year are reported as a liability on the fund balance sheet and statement of net position. The district has two pay cycles. Employees on each cycle, including teachers, render services under their various contracts prior to the end of the fiscal year for which they do not receive payment until after the end of the fiscal year. The total gross amount of salaries, wages, and benefits associated with these services is reported as a liability on the financial statements.

*Revenue* – All sources of revenue other than federal revenue are recognized as soon as they are both measurable and available. Federal revenue is considered earned in the same period the associated reimbursable expense is recognized. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities in the current period. For this purpose, the District considers revenues to be available if they are collected within sixty days of the end of the current fiscal period.

*Deferred Outflows of Resources* – In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources until that period. Deferred outflows of resources for the year ended June 30, 2019, consist of unrecognized items not yet charged to pension expense and contributions from the employer after the measurement date but before the end of the employer’s reporting period. See Note 6 for additional discussion regarding pension deferred outflows of resources

*Deferred Inflows of Resources* – In addition to liabilities, the statement of net position and fund balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until then. The governmental fund balance sheet includes deferred inflows of resources related to unavailable local sources of revenues and succeeding year property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available or the period levied for and budgeted. In the district’s government-wide statements, the property tax revenues for the succeeding year remain a deferred inflow and will be recognized as revenue in the year for which they are levied and budgeted for. The district’s government-wide statements also consist of unrecognized items not yet charged to pension expense. See Note 6 for additional discussion regarding pension deferred inflows of resources.

*Encumbrances* – Encumbrances represent commitments related to purchase orders, contracts, other commitments for expenditures or resources, and goods or services received by the District for which a warrant has not been issued. Expenditures are recorded and liabilities are recognized for outstanding

**BROKEN ARROW PUBLIC SCHOOLS - NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**Note 1. Summary of Significant Accounting Policies - cont'd**

encumbrances at year end in accordance with the regulatory basis of accounting.

*Funds Held for School Organizations* - Funds held for school organizations represent the funds received or collected from students or other co-curricular and extracurricular activities conducted in the District, control over which is exercised by the Board of Education. These funds are credited to the account maintained for the benefit of each particular activity within the school activity fund.

*Long-Term Liabilities* - Long-term liabilities are recognized as a liability of a governmental fund when due, or when resources have been accumulated in the debt service fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. Bonds payable are reported net of the applicable bond premium or discount. Bond premium or discounts on debt qualifying as capital-related debt, is included in calculating the amount that is reported as the net investment in capital assets. The District defers and amortizes bond premiums and discounts over the life of the Bonds using the straight line interest method. Bond issuance costs are not significant and are reported as current year expenditures. In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as administrative support service expenditures.

*Net Positions and Fund Balances* - The government wide financial statements utilize a net position presentation. Net position on the statement of new position include the following:

*Net investment in capital assets* - the component of net position that reports the difference between capital assets less both the accumulated depreciation and the outstanding balance of debt, excluding unexpended proceeds, that is directly attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are also included in this component of net position, if any.

*Restricted for specific purpose* - the component of net position that reports the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources of certain programs should be reported when constraints placed on the use of resources are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation. The restricted net position for other purposes is made up of endowment fund in the amount of \$43,997.

*Unrestricted* - This consists of net position that does not meet the definition of restricted net position or net investment in capital assets.

*Fund Balances and Equity* - Fund balance refers to the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources in the governmental funds balance sheet.

**BROKEN ARROW PUBLIC SCHOOLS - NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**Note 1. Summary of Significant Accounting Policies - cont'd**

The District has a minimum annual General Fund balance Board of Education policy of 5.0% of annual revenue. Fund balance consists of five categories, defined in Governmental Accounting Standards Board Statement No. 54, as follows:

*Non spendable* – includes amounts that cannot be spent because they are either not in spendable form, or, for legal or contractual reasons, must be kept intact. This classification includes inventories, permanent fund principal, prepaid items, and long-term receivables.

*Restricted* – includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts restricted due to constitutional provisions or enabling legislation. This classification includes the child nutrition program, retirement of long term debt, construction programs, and other federal and state grants.

*Committed* – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the District through formal action at the highest level of decision making authority. Committed fund balance is reported pursuant to resolution passed by the District's Board of Education. This classification includes campus activity funds and local special revenue funds.

*Assigned* – includes fund balance amounts that are self-imposed by the District to be used for a particular purpose pursuant to the District's Board of Education Policy 6090. This policy dictates that in order to meet the District's financial obligations and provide a contingency for emergencies or unexpected expenditures, the Board of Education establishes an acceptable range for the General Fund year end fund balance. Based on an analysis of the District's cash flow and the need for a contingency, the targeted minimum annual fund balance for the General Fund is 5.0% of annual revenue. For purposes of this policy, the term "annual revenue" refers to the total amount of annual General Fund collections, excluding the previous year's fund balance, as of June 30. The fund balance can be assigned by the District's Board of Education, the Superintendent, or the Chief Financial Officer.

All other funds will be based on an analysis of cash flow requirements as may be established by state law or regulations.

*Unassigned* – includes residual positive fund balances within the General Fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes. The District's policy for the application of net position for which both restricted and unrestricted net position is available, restricted net position is considered to have been spent first.

Net position on the Statement of Net Position include the following:

*Net Investment in Capital Assets* – the component of net position that reports the difference between capital assets less both the accumulated depreciation and the outstanding balance of debt, excluding unexpended proceeds, that is directly attributable to the acquisition, construction, or improvement of those assets. The total unexpended Bond-Capital Purposes is \$45.4 million at June 30, 2019.

**BROKEN ARROW PUBLIC SCHOOLS - NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**Note 1. Summary of Significant Accounting Policies - cont'd**

It is the District's policy to first use restricted fund balance prior to the use of unrestricted fund balance when an expense is incurred for purposes for which both restricted and unrestricted fund balance are available. The District's policy for the use of unrestricted fund balance amounts require that committed amounts would be reduced first, followed by assigned amounts and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

The following information provides the fund balance classifications as shown in the governmental funds balance sheet as of June 30, 2019:

|  | General<br>Fund      | Capital Projects<br>Fund | Debt Service Fund    | Nonmajor<br>Funds   | Total<br>Governmental<br>Funds |
|--|----------------------|--------------------------|----------------------|---------------------|--------------------------------|
| <b>FUND BALANCES</b>                   |                      |                          |                      |                     |                                |
| Nonspendable:                          |                      |                          |                      |                     |                                |
| Inventory                              | 322,121              | -                        | -                    | 307,733             | 629,854                        |
| Permanent fund principal               | -                    | -                        | -                    | 40,000              | 40,000                         |
| Restricted for:                        |                      |                          |                      |                     |                                |
| Federal and state allocation carryover | 1,125,171            | -                        | -                    | -                   | 1,125,171                      |
| Capital projects                       | -                    | 45,439,738               | -                    | -                   | 45,439,738                     |
| Debt service                           | -                    | -                        | 15,673,831           | -                   | 15,673,831                     |
| Building                               | -                    | -                        | -                    | 3,947,831           | 3,947,831                      |
| Child Nutrition                        | -                    | -                        | -                    | 1,747,393           | 1,747,393                      |
| Endowment                              | -                    | -                        | -                    | 3,997               | 3,997                          |
| Unassigned                             | 16,655,669           | -                        | -                    | -                   | 16,655,669                     |
| <b>TOTAL FUND BALANCES</b>             | <b>\$ 18,102,962</b> | <b>\$ 45,439,738</b>     | <b>\$ 15,673,831</b> | <b>\$ 6,046,954</b> | <b>\$ 85,263,485</b>           |

**District's Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires the district to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources and disclose contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

**Revenues**

*Local Revenues* - Revenue from Local sources is the monies generated from within the boundaries of the District and available to the District for its use. The District is authorized by State law to levy property taxes which consist of ad valorem taxes on real and personal property within the District. These property taxes are distributed to the District's General, Building and Debt Service Funds based on the levies approved for each fund. The County Assessor, upon receipt of the certification of tax levies from the County Excise Board, extends the tax levies on the tax rolls for submission to the County Treasurer prior to October 1. The County Treasurer must commence tax collection within fifteen days of receipt of the tax rolls. The first half of taxes is due prior to January 1. The second half is due prior to April 1.

If the first payment is not made in a timely manner, the entire tax becomes due and payable on January 2. Second half taxes become delinquent on April 1, of the year following the year of assessment. If not paid by the following October 1, the property is offered for sale for the amount of taxes due. The owner

**BROKEN ARROW PUBLIC SCHOOLS - NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**Note 1. Summary of Significant Accounting Policies - cont'd**

has two years to redeem the property by paying the taxes and penalty owed. If at the end of two years the owner has not done so, the purchaser is issued a deed to the property. Other Local sources of revenues include tuition, fees, rentals, disposals, commissions and reimbursements.

*Intermediate Revenues* - Revenue from Intermediate sources is the amount of money from funds collected by an intermediate administrative unit, or a political subdivision between the District and the State, and distributed to districts in amounts that differ in proportion to those which are collected within such systems.

*State Revenues* - Revenues from State sources for current operations are primarily governed by the State Aid Formula under the provisions of Article XVIII, Title 70, Oklahoma Statutes. The State Board of Education administers the allocation of State Aid funds to school districts based on information accumulated from the districts.

After review and verification of reports and supporting documentation, the State Department of Education may adjust subsequent fiscal period allocations of money for prior year errors disclosed by review. Normally, such adjustments are treated as reductions from or additions to the revenue of the year when the adjustment is made.

The District receives revenue from the State to administer certain categorical educational programs. State Board of Education rules require that revenue earmarked for these programs be expended only for the program for which the money is provided and require that the money not expended as of the close of the fiscal year be carried forward into the following year to be expended for the same categorical programs.

The State Department of Education requires that categorical educational program revenues be accounted for in the General Fund. The aforementioned state revenues are apportioned to the District's General Fund.

*Federal Revenues* - Federal revenues consist of revenues from the federal government in the form of operating grants or entitlements. An operating grant is a contribution to be used for a specific purpose, activity or facility. A grant may be received either directly from the federal government or indirectly as a pass-through from another government, such as the state. An entitlement is the amount of payment to which the District is entitled pursuant to an allocation formula contained in applicable statutes. The majority of the federal revenues received by the District are apportioned to the General Fund. The District maintains a separate Child Nutrition Fund and the federal revenues received for the child nutrition programs are apportioned there.

*Interest Earnings* - Represent compensation for the use of financial sources over a period of time.

*Other Sources and Non-Revenue Receipts* - Other sources represent primarily prior year lapsed encumbrances from Capital Project Funds and prior year adjustments. Non-revenue receipts represent receipts deposited into a fund that is not new revenues to the District, but the return of assets.

**Expenditures**

*Instruction Expenditures* - Instruction expenditures include the activities dealing directly with the

**BROKEN ARROW PUBLIC SCHOOLS - NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**Note 1. Summary of Significant Accounting Policies - cont'd**

interaction between teachers and students. Teaching may be provided for students in a school classroom, in another location, such as a home or hospital, and in other learning situations, such as those involving co-curricular activities. It may also be provided through some other approved medium, such as television, radio, telephone and correspondence. Included here are the activities of teacher assistants of any type (clerks, graders, teaching machines, etc.) which assist in the instructional process.

The activities of tutors, translators and interpreters would be recorded here. Department chairpersons who teach for any portion of time are included here. Tuition/transfer fees paid to other local education agencies would be included here.

*Support Services Expenditures* - Support services expenditures provide administrative, technical (such as guidance and health) and logistical support to facilitate and enhance instruction. These services exist as adjuncts for fulfilling the objectives of instruction, community services and enterprise programs, rather than as entities within themselves. These services are designed to assess and improve student well-being and to supplement the teaching process.

*Operation of Non-Instructional Services Expenditures* - Activities concerned with providing non-instructional services to students, staff or the community.

*Facilities Acquisition and Construction Services Expenditures* - Consists of activities involved with the acquisition of land and buildings; remodeling buildings; the construction of buildings and additions to buildings; initial installation or extension of service systems and other built-in equipment; and improvements to sites.

*Other Outlays Expenditures* - A number of outlays of governmental funds are not properly classified as expenditures but still require budgetary or accounting control. These are classified as Other Outlays. These include debt service payments (principal and interest).

*Other Uses Expenditures* - This includes scholarships provided by private gifts and endowments; student aid and staff awards supported by outside revenue sources (i.e., foundations), and expenditures for self-funded employee benefit programs administered either by the District or a third party administrator.

*Repayment Expenditures* - Repayment expenditures represent checks/warrants issued to outside agencies for refund or restricted revenue previously received for overpayment, non-qualified expenditures and other refunds to be repaid from District funds.

*Interfund Transactions* - Interfund services provided and used are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund or expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the fund that is reimbursed. All other interfund transactions, except interfund services provided and used or reimbursements, are reported as transfers.

**Note 2. Cash, Cash Equivalents, and Investments**

The District's investment policies are governed by state statute. Permissible investments include direct obligations of the United States government and agencies; certificates of deposit of savings and loan

**BROKEN ARROW PUBLIC SCHOOLS - NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**Note 2. Cash, Cash Equivalents, and Investments – cont'd**

associations, banks and trust companies; savings accounts or savings certificates of savings and loan associations, banks, and trust companies; warrants, bonds or judgments of the District. Income from investments reported in one fund can be assigned directly to another fund. Investments are measured at fair value as defined in GASB Statement No. 72, *Fair Value Measurement and Application*.

*Credit risk* - Credit risk refers to the risk that a borrower will default on any type of debt by failing to make required payments. The risk is primarily that of the lender and includes lost principal and interest, disruption to cash flows, and increased collection costs. Fixed-income securities are subject to credit risk. Credit quality ratings are one method of assessing the ability of the issuer to meet its obligation. There is no District policy related to the limitations on credit rating risk. Due to the unfavorable economic climate and extremely low available interest rates for investing, investments were purchased to obtain the highest possible interest rate.

*Custodial credit risk - deposits* - Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. State statutes require collateral for amounts in excess of federally insured amounts.

The District's policy 6130 requires collateral equal to 110% of the deposit amount for all deposits not covered by F.D.I.C. insurance. The bank balance was completely covered by federal depository insurance and by collateral held by the District's third party agent in the District's name. As of June 30, 2019 all of the District's deposits were either covered by federal deposit insurance or were collateralized at 110% of the investment principal.

*Custodial credit risk - investments* - This is the risk that, in the event of failure of the counterparty, the District will not be able to recover the value of its investment or collateral securities that are in the possession of out outside party. The District's policy requires that all investments in excess of amounts covered by federal deposit insurance be fully collateralized by the entity holding the investments. As of June 30, 2019, all of the District's investments were either covered by federal deposit insurance or were fully collateralized. Further, all of the District's investments are held by its agent in the District's name. Accordingly, no investments are subject to custodial credit risk.

*Concentration of credit risk* - The District's investment portfolio is diversified in terms of investment instruments, maturity scheduling, and financial institutions to reduce risk of loss resulting from over-concentration of assets in a specific class of investments. The District's policy 6130 states the District's investment strategy should be based on the following guidelines: safety of principal, liquidity, yield, diversification, maturity, and quality of the investment instrument.

*Interest rate risk* - Interest rate risk is the risk that changes in interest rates will adversely affect the fair market value of an investment. Due to the required liquidity for those investments, these funds have no defined maturity dates. The District does not have a formal policy that limits investment maturities as a means of managing its exposure to fair value losses from increasing interest rates but monitors investment performance on an ongoing basis to limit the District's interest rate risk.

Maturities of investments as of June 30, 2019 are as follows (000's):

**BROKEN ARROW PUBLIC SCHOOLS - NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**Note 2. Cash, Cash Equivalents, and Investments – cont'd**

| <u>Investment Type</u>  | <u>Investment Maturities (in Years)</u> |                    |             |
|-------------------------|---|--------------------|-------------|
|                         | <u>Fair Value</u>                       | <u>Less Than 1</u> | <u>1-3</u>  |
| Certificates of deposit | \$ 78,990                               | \$ 78,990          | \$ -        |
| Total                   | <u>\$ 78,990</u>                        | <u>\$ 78,990</u>   | <u>\$ -</u> |

*Foreign Currency Risk* – As of June 30, 2019, the District does not hold any foreign currency investments in the investment portfolio.

*Cash* - The District's bank balance of deposits, cash pools (sweep accounts) and high balance savings at June 30, 2019, was \$25,619,960 of which \$16,542,320 is obligated for outstanding checks.

*Investments & Investment Authority* – The District Treasurer is required by the Board to invest District monies in the custody of the Treasurer in those investments permitted by law. The Treasurer shall, to the extent practicable, use competitive bids when purchasing direct obligation of the United States Government or other obligations of the United States Government, its agencies or instrumentalities.

The District Treasurer shall limit investments to:

- Direct obligations of the United States Government to the payment of which the full faith and credit of the Government of the United States is pledged; provided the District Treasurer, after completion of an investment education program in compliance with applicable law, may invest funds in the investment account in other obligations of the United States Government, its agencies or instrumentalities;
- Obligations to the payment of which the full faith and credit of this state is pledged;
- Certificates of deposits of banks when such certificates of deposits are secured by acceptable collateral as in the deposit of other public monies;
- Savings accounts or savings certificates of savings and loan associations to the extent that such accounts or certificates are fully insured by the Federal Savings and Loan Insurance Corporation;
- Repurchase agreements that have underlying collateral consisting of those items specified in paragraphs 1 and 2 above, including obligations of the United States, its agencies and instrumentalities, and where the collateral has been deposited with a trustee or custodian bank in an irrevocable trust or escrow account established for such purposes;
- County, municipal or school district direct debt obligations for which an ad valorem tax may be levied or bond and revenue anticipation notes, money judgments against such county, municipality or school district ordered by a court of record or bonds or bond and revenue anticipation notes issued by a public trust for which such county, municipality or school district is a beneficiary thereof. All collateral pledged to secure public funds shall be valued at no more than market value;
- Money market mutual funds regulated by the Securities and Exchange Commission and which investments consist of obligations of the United States, its agencies and instrumentalities, and investments in those items and those restrictions specified in paragraphs 1 through 6 above; Warrants, bonds, or judgments of the District;

**BROKEN ARROW PUBLIC SCHOOLS - NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**Note 2. Cash, Cash Equivalents, and Investments – cont'd**

- Qualified pooled investment programs through an interlocal cooperative agreement formed pursuant to applicable law and to which the board of education has voted to be a member, the investment of which consist of those items specified in paragraphs 1 through 8 above, as well as obligations of the United States, its agencies and instrumentalities; or
- Any other investment that is authorized by law

At June 30, 2019, the District's investments consisted of certificates of deposits and United States Treasury Bills with an approximate fair market value of \$55.9 million.

**Note 3. Receivables**

The major receivables for governmental activities are federal revenue and taxes receivables. Amounts are aggregated into a single accounts receivable (net of allowance for uncollectibles) line for governmental funds. The majority of the receivable balance is attributable to Due from Other Governments. The District participates in a variety of Federal and State programs which it receives grants to partially or fully finance certain activities. At June 30, 2019, \$2,833,640 of receivables were considered to be unavailable and were recorded as deferred inflows of resources in governmental funds.

Amounts due from Federal governments as of June 30, 2019 are presented in the table on the next page. Other receivables were the result of child nutrition catering charges, and building rental amounts not received as of June 30, 2019. These amounts are expected to be collected within the next fiscal year.

*Interfund Receivables, Payables and Transfers* – Interfund activities among governmental funds and between governmental funds and proprietary funds, which are due within one year, appear as due to/due from other funds on the Governmental Fund Balance Sheet. They also appear on the Proprietary Fund Statement of Net Position and as other financing sources and uses on the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund balance as well as the Proprietary Fund Statement of Revenues, Expenses and Changes in Fund Net Position. These amounts, except for amounts from Fiduciary Funds, are eliminated from the government wide columns of the Statement of Net Position.

Interfund receivables and payables represent amounts involving both reciprocal interfund activity and interfund reimbursements for repayment of expenditures or expenses to the fund that initially paid for them. Any unpaid balance at the end of the fiscal year is reported as an interfund receivable and/or payable. Any outstanding balances between funds results mainly from the time lag between the dates (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. There were no outstanding interfund receivables or payables as of June 30, 2019.

The District transfers remaining Capital Project Funds to the debt service fund after all projects related to a bond issue have been completed.

Receivables at June 30, 2019, all due within one year, for the District's governmental and proprietary funds, in detail, are as follows:

**BROKEN ARROW PUBLIC SCHOOLS - NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**Note 3. Receivables – cont'd**

| Receivables:                                   | General Fund         | Capital<br>Projects Fund | Debt<br>Service<br>Fund | Nonmajor<br>Funds   | Total<br>Governmental<br>Funds |
|--|----------------------|--------------------------|-------------------------|---------------------|--------------------------------|
| Due from other governments                     |                      |                          |                         |                     |                                |
| Local - current year property tax              | \$ 116,493           | \$ -                     | \$ 94,518               | \$ 16,638           | \$ 227,649                     |
| Local - succeeding year property tax           | 33,577,049           | -                        | 28,128,759              | 4,795,405           | 66,501,212                     |
| Property taxes-delinquent                      | 657,356              | -                        | 547,262                 | 93,886              | 1,298,504                      |
| Federal  | 3,058,163            | -                        | -                       | -                   | 3,058,163                      |
| Interest                                       | 21,367               | 126                      | -                       | 2,285               | 23,779                         |
| Other receivables                              | 184,811              | -                        | -                       | -                   | 184,811                        |
| Gross Receivables:                             | <u>\$ 37,615,238</u> | <u>\$ 126</u>            | <u>\$ 28,770,538</u>    | <u>\$ 4,908,214</u> | <u>\$ 71,294,117</u>           |
| Less: Allowance for uncollectible property tax | (927,498)            | -                        | (747,183)               | (132,463)           | (1,807,144)                    |
| Net Receivables:                               | <u>\$ 36,687,741</u> | <u>\$ 126</u>            | <u>\$ 28,023,355</u>    | <u>\$ 4,775,751</u> | <u>\$ 69,486,973</u>           |

**Note 4. Capital Assets**

Capital asset activity for the year ended June 30, 2019, was as follows:

|   | Beginning Balance     |                     | Transfers           | Adjustments **       | Ending Balance       |  |
|---|-----------------------|---------------------|---------------------|----------------------|----------------------|--|
|   | June 30, 2018         | Increases           |                     |                      | June 30, 2019        |  |
| <b>Governmental Activities:</b>             |                       |                     |                     |                      |                      |  |
| Capital assets, not being depreciated:      |                       |                     |                     |                      |                      |  |
| Land  | \$ 15,163,837         | \$ -                | \$ -                | \$ -                 | \$ 15,163,837        |  |
| Construction in progress                    | 936,647               | 15,798,741          | (15,661,669)        | -                    | 1,073,719            |  |
| Total capital assets not being depreciated: | <u>16,100,484</u>     | <u>15,798,741</u>   | <u>(15,661,669)</u> | <u>-</u>             | <u>16,237,556</u>    |  |
| Capital assets being depreciated:           |                       |                     |                     |                      |                      |  |
| Land Improvements                           | 8,850,983             | 132,036             | -                   | -                    | 8,983,019            |  |
| Buildings and Building Improvements         | 265,442,282           | 701,457             | 15,661,669          | -                    | 281,805,408          |  |
| Furniture and Equipment                     | 41,970,721            | 2,940,667           | -                   | (384,918)            | 44,526,470           |  |
| Total capital assets being depreciated:     | <u>316,263,985</u>    | <u>3,774,160</u>    | <u>15,661,669</u>   | <u>(384,918)</u>     | <u>335,314,896</u>   |  |
| Total assets                                | <u>332,364,470</u>    | <u>19,572,901</u>   | <u>-</u>            | <u>(384,918)</u>     | <u>351,552,452</u>   |  |
| Less: Accumulated depreciation for:         |                       |                     |                     |                      |                      |  |
| Land Improvements                           | (572,204)             | (366,213)           | -                   | -                    | (938,417)            |  |
| Buildings and Building Improvements         | (54,111,857)          | (4,679,963)         | -                   | -                    | (58,791,820)         |  |
| Furniture and Equipment                     | (36,024,082)          | (4,842,068)         | -                   | 379,902              | (40,486,249)         |  |
| Total accumulated depreciation:             | <u>(90,708,143)</u>   | <u>(9,888,245)</u>  | <u>-</u>            | <u>379,902</u>       | <u>(100,216,486)</u> |  |
| Net Assets All Funds:                       | <u>\$ 241,656,326</u> | <u>\$ 9,684,656</u> | <u>\$ -</u>         | <u>\$ (5,016,18)</u> | <u>251,335,966</u>   |  |

Depreciation expense was charged to governmental functions as follows:

|  | Depreciation        |                     |                     |
|--|---------------------|---------------------|---------------------|
|  | Expense:            | Adjustments:        | Balance:            |
| <b>Governmental Activities:</b>              |                     |                     |                     |
| Instruction                                  | \$ 555,243          | -                   | \$ 555,243          |
| Support services - Students and staff        | 201,804             | -                   | 201,804             |
| Instructional support services               | 791,655             | -                   | 791,655             |
| Administrative support services              | 599,962             | -                   | 599,962             |
| Operations and maintenance of plant services | 1,032,760           | (108,899)           | 923,861             |
| Transportation                               | 923,687             | (240,480)           | 683,207             |
| Non-instructional                            | 5,782,735           | (30,522)            | 5,752,213           |
| Other-unclassified                           | 399                 | -                   | 399                 |
| Total Depreciation:                          | <u>\$ 9,888,245</u> | <u>\$ (379,902)</u> | <u>\$ 9,508,343</u> |

\*\* Adjustments: Retirements/Disposals/Corrections within classification of assets.

(figures may be different due to rounding)

**BROKEN ARROW PUBLIC SCHOOLS - NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**Note 5. General Long-Term Debt**

State statutes prohibit the District from becoming indebted in an amount exceeding the revenue to be received for any fiscal year without approval by the District's voters. Bond issues have been approved by the voters and issued by the District for various capital improvements. These bonds are required to be fully paid serially within 25 years of the date of issue, however, the District typically pays all bonds within 5 to 10 years of the date of issue.

General long-term debt of the District consists of building bonds payable and net pension liability. Debt service requirements for bonds are paid solely from the fund balance and the future revenues of the debt service fund. The District primarily liquidates debt through the Debt Service Fund. The net pension liability will be liquidated in future years by the General Fund.

The following is a summary of the long-term debt transactions, with deductions, which includes premium on bonds sold for the District for the year ended June 30, 2019:

|                          | 2018                 | Additions            | Deductions             | 2019                  | Due in<br>One Year   |
|--------------------------|----------------------|----------------------|------------------------|-----------------------|----------------------|
| Governmental activities  |                      |                      |                        |                       |                      |
| Bonds payable            | \$ 87,630,000        | \$ 42,500,000        | \$ (25,745,000)        | \$ 104,385,000        | \$ 26,205,000        |
| Premium on debt issuance | 1,015,469            | 296,870              | (582,167)              | 730,172               | 424,544              |
| <b>Total</b>             | <u>\$ 88,645,469</u> | <u>\$ 42,796,870</u> | <u>\$ (26,327,167)</u> | <u>\$ 105,115,172</u> | <u>\$ 26,629,544</u> |

In compliance with GASB Statement No. 62-187, the District amortizes all premiums on bonds sold. The amortization for the 2018-19 fiscal year was \$582,167, which reduces long-term interest expense.

The District issued \$42.5 million in General Obligation Combined Purpose Bonds Series 2019, in April 2019, to finish renovation projects at three school site buildings, technology developments, two new Pre-K buildings, copiers, instruments, instructional software/equipment, athletic department upgrades, fuel station upgrades, new work vehicles, and new transportation equipment/buses.

The District also issued \$23.3 million in General Obligation Bonds Series 2018, in April 2018, to finish renovation projects at seventeen school site buildings, construct the new Kirkland facility, instructional/transportation equipment, technology upgrades, work vehicles, and purchase additional music equipment. The District also issued \$21.5 million in General Obligation Bonds Series 2014G, in April 2014, to be used for district vehicles, remodel elementary facilities, and technology upgrades, \$5.6 million in Building Bonds Series 2014B, in August 2014, used for media and technology developments and \$29.0 million in General Obligation Bonds Series 2015A, in May 2015, to be used for the 1:1 computer initiative expansion as well as copiers, technology safety and security upgrades, and a newly constructed elementary school. The District also issued \$3.0 million in Building Bonds Series 2015B, in December 2015, to acquire and install equipment, and further enhance our technology, \$20.9 million in Combined Purpose Bonds Series 2016, in April 2016, to be used for costs of the construction or rehabilitation of public school facilities and the acquisition of equipment, and \$23.5 million in General Obligation Bonds Series 2017, in April 2017, to purchase GPS transportation equipment, computer upgrades, and equip the new elementary school.

**BROKEN ARROW PUBLIC SCHOOLS - NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**Note 5. General Long-Term Debt – cont'd**

Bonds sold at discounts decrease the carrying value of the bond, and bonds sold at a premium increase the carrying value. The discount or premium is then amortized as an increase or decrease, respectively, to the coupon interest payment in reporting interest expense. Interest expense on general long-term debt during the 2018-19 fiscal year totaled \$2.1 million. Amortization on bond premiums for the year ended June 30, 2019 decreased long-term interest expense per GASB, Statement No. 23.

A brief description of the outstanding long-term debt at June 30, 2019, is set forth below:

|  | <u>Amount<br/>Outstanding</u> |
|--|-------------------------------|
| Building Bonds, Series 2014B, original issue \$5,665,000<br>Dated 8-01-2014, interest rate of .050% to 2.00%, due in annual<br>Installments of \$1,415,000, final payment of \$1,420,000,<br>due 8-01-2019                   | \$ 1,420,000                  |
| General Obligation Bonds, Series 2015A, original issue \$29,000,000<br>Dated 5-01-2015, interest rate of 2.00% to 4.00%, due in annual<br>Installments of \$7,250,000, final payment of \$7,250,000,<br>due 5-01-2020        | \$ 7,250,000                  |
| Building Bonds, Series 2015B, original issue \$3,000,000<br>Dated 12-01-2015, interest rate of 2.00%, due in annual<br>Installments of \$600,000, final payment of \$600,000,<br>due 12-01-2021                              | \$ 1,800,000                  |
| General Obligation Bonds, Series 2016, original issue \$20,925,000<br>Dated 4-01-2016, interest rate of 3.00%, due in annual<br>Installments of \$5,230,000, final payment of \$5,235,000,<br>due 4-01-2021                  | \$ 10,465,000                 |
| General Obligation Bonds, Series 2017, original issue \$23,500,000<br>Dated 4-01-2017, interest rate of 2.00%, due in annual<br>Installments of \$5,875,000, final payment of \$5,875,000,<br>due 4-01-2022                  | \$ 17,625,000                 |
| General Obligation Bonds, Series 2018, original issue \$23,325,000<br>Dated 4-02-2018, interest rate of 2.78%, due in annual<br>Installments of \$5,830,000, final payment of \$5,835,000<br>due 5-01-2023                   | \$ 23,325,000                 |
| General Obligation Bonds, Series 2019, original issue \$42,500,000<br>Dated 4-01-2019, interest rate of 3.00%, due in three<br>Installments of \$8,000,000, \$17,250,000, and final<br>payment of \$17,250,000 due 4-01-2023 | <u>\$ 42,500,000</u>          |
| TOTAL  | <u>\$ 104,385,000</u>         |

The annual debt service requirements, including the payment of principal and interest outstanding are as follows:

| Fiscal Year<br>Outstanding | Principal             | Interest            | Total                 |
|----------------------------|-----------------------|---------------------|-----------------------|
| 2019-2020                  | 26,205,000            | 1,557,961           | \$ 27,762,961         |
| 2020-2021                  | 25,540,000            | 946,234             | \$ 26,486,234         |
| 2021-2022                  | 29,555,000            | 654,069             | \$ 30,209,069         |
| 2022-2023                  | 23,085,000            | 474,450             | \$ 23,559,450         |
| Total                      | <u>\$ 104,385,000</u> | <u>\$ 3,632,714</u> | <u>\$ 108,017,714</u> |

**BROKEN ARROW PUBLIC SCHOOLS - NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**Note 6. – Employee Retirement System and Plan**

**General Information about the Pension Plan**

*Description of Plan* - The District participates in the state-administered Oklahoma Teachers' Retirement System (TRS), a cost sharing, multiple-employer defined benefit public employee retirement system (PERS), administered by the Board of Trustees of the Oklahoma Teachers' Retirement System (the "System"). The System provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Statutory authority for the Board of Trustees is Title 70, Oklahoma Section 17-106 [70 O.S. 17-106]. These statutes may be amended only through legislative action.

The Oklahoma Teachers' Retirement System issues a publicly available financial report that includes financial statements and required supplementary information as well as actuarial reports at [www.ok.gov/TRS](http://www.ok.gov/TRS). That report may also be obtained by writing to the Oklahoma Teachers' Retirement System, P.O. Box 53624, Oklahoma City, OK 73152, or by calling 405-521-2387.

*Benefits Provided* - TRS provides retirement, disability, and death benefits. Retirement benefits are determined as 2.0 percent of final average salary times the employee's years of service. Combination 80 clients (joined prior to 7/1/92) use their highest three salaries in the average salary calculation. Combination 90 and Combination 90/Minimum Age 60 clients use their highest consecutive five salaries in the average salary calculation. Employees who joined the system prior to November 1, 2017 are fully vested after 5 years of contributory Oklahoma membership service. Those who join on or after November 1, 2017 are fully vested after seven years of contributory Oklahoma membership service and may choose to take an early, reduced retirement benefit, or stay to qualify for a regular, unreduced retirement benefit.

Employees are eligible for service-related disability when they have at least 10 years of Oklahoma Contributory Service. The same rules apply to nonservice-related disability eligibility. Disability benefits are determined in the same manner as retirement benefits but are payable immediately without an actuarial reduction. The retirement plan provides a lifetime benefit to client in addition to a \$5,000 death benefit paid to the surviving beneficiary(ies).

*Employees Covered* - At June 30, 2019, the following employees were covered by the benefit terms for each Plan:

|  | Governmental<br>Funds |
|--|-----------------------|
| Inactive employees or beneficiaries currently receiving benefits | 38                    |
| Active employees participating in the plan                       | 1777                  |
| Total  | 1815                  |

*Contributions* - Per Article 17 of the State Statutes, contribution requirement of the active employees and the District are established and may be amended by the TRS Board. Employees are required to contribute 7.0% of their annual pay. The District's contractually required contribution rate for the year ended June 30, 2019, was 9.5% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District total contribution to OTRS in 2019 was \$7.7 million.

**BROKEN ARROW PUBLIC SCHOOLS - NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**Note 6. Employee Retirement System and Plan- cont'd**

The State makes a contribution on behalf of each teacher meeting minimum salary requirements (known as the OTRS year of service credit). The State is also required to contribute to the System on behalf of the participating employers. The State of Oklahoma is also required to contribute to the system on behalf of the participating employers. For 2019, the State of Oklahoma contributed 5 percent of state revenues from sales and use taxes and individual income taxes, to the System on behalf of participating employers. The District has estimated the amounts contributed to the System by the State of Oklahoma on its behalf based on a contribution rate provided to the District. For the year ended June 30, 2019, the total amount contributed to the System by the State of Oklahoma on behalf of the District was approximately \$6.4 million. In accordance with generally accepted accounting practices, District recognized the on-behalf-of payments as revenue and expense/expenditure in the government wide and fund financial statements. These on-behalf payments do not meet the definition of a special funding situation.

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to**

At June 30, 2019, the District reported a net pension liability of \$112.7 million for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's contributions to OTRS relative to total contributions of OTRS for all participating employers for the year ended June 30, 2018. Based upon this information, the District's proportion was 1.86502429 percent.

For the period ended June 30, 2019, the District recognized pension expense of \$11.2 million. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

|   | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources |
|---|--------------------------------------|-------------------------------------|
| Difference between expected and actual experience   | \$ -                                 | \$ 7,792,100                        |
| Changes of assumptions  | 10,567,479                           | 5,773,682                           |
| Net difference between projected and actual investment earnings on pension plan investments                   | -                                    | 1,959,505                           |
| Changes in proportion and differences between District contributions and proportionate share of contributions | -                                    | -                                   |
| Total deferred amount to be recognized in pension expense in future periods                                   | <u>\$ 10,567,479</u>                 | <u>\$ 15,525,288</u>                |
| District contributions subsequent to the measurement date   | 7,675,902                            | \$ -                                |
| Totals  | <u>\$ 18,243,381</u>                 | <u>\$ 15,525,288</u>                |

**BROKEN ARROW PUBLIC SCHOOLS - NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**Note 6. Employee Retirement System and Plan- cont'd**

Deferred pension outflows totaling approximately \$18.2 million resulting from the District's contributions after the measurement date of the net pension liability will be recognized as a reduction of the net pension liability in the subsequent fiscal year. The net deferred pension inflows totaling approximately \$15.5 million will be recognized in pension expense using the average expected remaining life of the Plan. The average expected remaining life of the Plan is determined by taking the calculated total future service years of the Plan divided by the number of people in the Plan including retirees. The total future service years of the Plan are estimated at 5.59 years at June 30, 2018 and are determined using the mortality, termination, retirement, and disability assumptions associated with the Plan. Deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

| Year ended June 30: |    |                    |
|---------------------|----|--------------------|
| 2019                | \$ | 3,371,668          |
| 2020                | \$ | 950,829            |
| 2021                | \$ | (5,839,216)        |
| 2022                | \$ | (3,309,429)        |
| 2023                | \$ | (131,661)          |
|                     |    | 0                  |
| Total               | \$ | <u>(4,957,809)</u> |

*Actuarial Assumptions* - The total pension liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Mortality rates were based on the RP-2000 Healthy Annuitant Mortality Table for Males and Females, as appropriate, with adjustments for mortality improvements based on Scale AA.

|                           |       |  |
|---------------------------|-------|--|
| Actuarial Cost Method     | -     | Entry Age Normal   |
| Amortization Method       | -     | Level Percentage of Payroll  |
| Amortization Period       | -     | Amortization over an open 30-year period   |
| Asset Valuation Method    | -     | 5-year smooth market   |
| Inflation                 | 2.50% |  |
| Salary increases          | -     | Composed of 3.00 percent inflation, plus 0.75 percent productivity increase rate, plus step-rate promotional increases for members with less than 25 years of service  |
| Investment rate of return | 7.50% |  |
| Retirement Age            | -     | net of expenses and compounded annually<br>Experience-based table of rates based on age, service, and gender. Adopted by the Board in May 2015 in conjunction with the five year experience study for the period ending June 30, 2014. |
| Payroll Growth Rate       | 2.75% |  |
|                           | -     | per year. This increase rate has no allowance for future membership growth.  |

**BROKEN ARROW PUBLIC SCHOOLS - NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**Note 6. Employee Retirement System and Plan- cont'd**

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study, dated May 13, 2015, for the period July 1, 2009- June 30, 2014 and in conjunction with the five year experience study for the period ending June 30, 2014.

Based on the stated assumptions and the projection of cash flows, the pension plan's fiduciary net position and future contributions were projected to be available to finance all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term expected rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target asset allocation and best estimates of arithmetic expected real rates of return for each major asset class as of the June 30, 2018 actuarial, are summarized in the following table:

| Asset Class          | Target Asset Allocation | Long-Term Expected Real Rate of Return |
|----------------------|-------------------------|--|
| Domestic Equity      | 38.5%                   | 7.5%                                   |
| International Equity | 19.0%                   | 8.5%                                   |
| Fixed Income         | 23.5%                   | 2.5%                                   |
| Real Estate**        | 9.0%                    | 4.5%                                   |
| Alternative Assets   | 10.0%                   | 6.1%                                   |
| Total                | <u>100.0%</u>           |  |

\*\* The Real Estate total expected return is a combination of US Direct Real Estate (unlevered) and US Value added Real Estate (unlevered)

**Discount rate** The discount rate used to measure the total pension liability was 7.50%. The single discount rate was based solely on the expected investment rate of return on pension plan investments of 7.50%. The projection of cash flows used to determine the discount rate assumed the pension plan's fiduciary net position and future contributions were projected to be available to finance all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Changes in the Net Pension Liability**

**Sensitivity of the Net Pension Liability to the Single Discount Rate Assumption** - The following table provides the sensitivity of the net pension liability to changes in the discount rate as of the June 30, 2018 actuarial report. In particular, the table presents the plan's net pension liability, if it were calculated using

**BROKEN ARROW PUBLIC SCHOOLS - NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**Note 6. Employee Retirement System and Plan- cont'd**

a single discount rate that is one-percentage-point lower or one-percentage-point higher than the single discount rate:

|                       | 1% Decrease<br>(6.50%) | Current Discount<br>Rate (7.50%) | 1% Increase<br>(8.50%) |
|-----------------------|------------------------|----------------------------------|------------------------|
| Net pension liability | \$ 160,479,798         | \$ 112,724,156                   | \$ 72,993,761          |

*Pension plan fiduciary net position* - Detailed information about the pension plan's fiduciary net position and changes in net pension liability is available in the separately issued TRS financial report.

**Other Post-Employment Benefits (OPEB)**

The Oklahoma Teachers Retirement System pays between \$100 and \$105 per month, depending on the members' years of service, to the Oklahoma State and Education Employees Group Insurance Board (OSEEGIB), for each retiree who elects to obtain health insurance coverage through OSEEGIB. The District retains no obligation for this benefit and performs no administrative functions related to the health insurance coverage provided through OSEEGIB.

**Note 7. - Risk Management**

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; or acts of God. The District purchases commercial insurance to cover these risks, including general and auto liability, property damage, and public officials liability. Settled claims resulting from risks have not exceeded the commercial insurance coverage in any of the past three fiscal years. The District is self-insured for its workers' compensation coverage.

The District utilizes Consolidated Benefits Resources, LLC (CBR), to provide services for workers' compensation claims and administration. CBR will operate a claims management program for the prevention, investigation, processing, accounting and payment of workers' compensation claims. The District's General Fund pays for claims as they are incurred. As of June 30, 2019, CBR has reported an outstanding reserve for the District to be \$1.1 million. In order to mitigate the risk associated with this program, the District reserves and restricts a percentage of the fund balance. For 2018-19, this amount was \$73,401 for general activities.

Commercial policies in force during the year contained the following deductibles:

|                                      |            |
|--------------------------------------|------------|
| Property, Fire and Extended Coverage | \$ 25,000  |
| Flood & Earthquake                   | \$ 50,000  |
| Wind/Hail                            | \$ 100,000 |
| Automotive & General                 | \$ 0       |
| School Leader Legal                  | \$ 25,000  |

Settled claims resulting from risks have not exceeded the commercial insurance coverage in any of the past three fiscal years. The District has purchased specific excess and aggregate excess workers' compensation and employers' liability insurance so the District's liability for claim loss is limited.

**BROKEN ARROW PUBLIC SCHOOLS - NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**Note 8. – Commitments and Contingencies**

Encumbrance accounting is utilized to assure effective budgetary control and accountability and to facilitate effective cash planning and control. Encumbrances represent commitments related to unperformed contracts for goods or services. At year end, the amount of encumbrances expected to be honored upon performance by the vendor in the next year were as follows:

|                                      |               |
|--------------------------------------|---------------|
| General Fund                         | \$ 15,506,927 |
| Capital Projects Fund                | 304,768       |
| Building Fund - nonmajor fund        | 244,053       |
| Child Nutrition Fund - nonmajor fund | 486,572       |
| Total                                | \$ 16,542,320 |

*Federal Grants* - Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amounts, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the District expects such amounts, if any, to be immaterial.

*Litigation* - The District is defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, the District believes the resolution of these matters will not have a material adverse effect on the financial condition of the District. Should a judgment be awarded against the District, it would be levied through the District's Debt Service Fund over a three year period pursuant to state law. Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may establish a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the District believes such amounts, if any, to be immaterial.

As of June 30, 2019, the District had outstanding commitments (contracts and purchase orders), of approximately \$1.8 million primarily for supplies and equipment. Construction in progress had \$1.1 million in outstanding projects not completed. These projects consist of renovations to five school buildings, improvements to a community facility, renovations for the performing arts center, and the construction of a new elementary school.

In certain circumstances and occasions, the District is party to legal proceedings which arise in the normal event of operations. Any liability resulting from these accounts is not believed, by management, to have a material effect on the financial statements.

*Arbitrage* - Rebutable arbitrage is defined by Internal Revenue Code, Section 148, as earning on investments purchased with the gross proceeds of a bond issue in excess of the amount that would have been earned if the investments were invested at a yield equal to the yield on bond issue. The rebutable arbitrage must be paid to the federal government.

State agencies and institutions of higher education responsible for investment from bond proceeds carefully monitor their investments to restrict earnings to a yield less than the bond issue, and, therefore, limit any arbitrage liability. The District estimates that rebutable arbitrage liability, if any, will be immaterial to its overall financial condition.

**BROKEN ARROW PUBLIC SCHOOLS - NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**Note 9. Lease Revenue Bonds**

Lease Revenue Bonds (lease purchase financing) is an important and popular method for the District to address immediate needs for capital acquisitions while improving the management of cash flow. Ownership of any property constructed with these Lease Revenue Bonds does not occur until the agreed lease payments have been made. The requirement for annual appropriations of Lease Revenue Bonds payments allows these bonds not to be treated as debt.

On May 1, 2011, the Tulsa County Industrial Authority issued \$72.8 million of Educational Facilities Lease Revenue Bonds (Broken Arrow Public School Project) Series 2011, to provide funds required for the constructing, equipping, repairing and remodeling school buildings, acquiring school furniture, fixtures and equipment and acquiring and improving school sites for the benefit of the Broken Arrow School District. On May 1, 2011, the District, as lessor, entered into a ground lease agreement, for certain district property, with the Tulsa County Industrial Authority. In addition, the District entered into a sublease, as lessee, with the Tulsa County Industrial Authority. The sublease calls for eight (8) annual payments starting September 1, 2012. These payments will be made out of the Capital Project Funds, pursuant to the issuance of series bonds in the amount of \$285.0 million, on December 8, 2009. In June 2012, the Tulsa County Industrial Authority issued \$67.3 million of additional Educational Facilities Lease Revenue Bonds, Series 2012, to provide for additional construction, equipment, repairs and remodeling projects for the District.

On March 1, 2016, the Tulsa County Industrial Authority issued \$65.3 million of additional Educational Facilities Lease Revenue Bonds (Broken Arrow Public School Project) Series 2016, to provide additional funds required for constructing, equipping, repairing and remodeling school buildings. Broken Arrow Public Schools will gain ownership to the capital improvements incrementally as each payment is made.

The lease revenue bond payments will be as follows:

| 2011 Series                         |                      | 2012 Series                         |                      | 2016 Series                         |                      | 2016 Series                         |                      |
|-------------------------------------|----------------------|-------------------------------------|----------------------|-------------------------------------|----------------------|-------------------------------------|----------------------|
| Fiscal Year                         | Payment              |
| 2019-20                             | 27,600,250           | 2019-20                             | 2,276,700            | 2019-20                             | 5,113,163            | 2019-20                             | 5,113,163            |
|                                     |                      | 2020-21                             | 5,174,988            | 2020-21                             | 3,114,413            | 2020-21                             | 3,114,413            |
|                                     |                      | 2021-22                             | 21,883,888           | 2021-22                             | 3,114,413            | 2021-22                             | 3,114,413            |
|                                     |                      | 2022-23                             | 31,817,250           | 2022-23                             | 9,383,663            | 2022-23                             | 9,383,663            |
|                                     |                      |                                     |                      | 2023-24                             | 16,852,413           | 2023-24                             | 16,852,413           |
|                                     |                      |                                     |                      | 2024-25                             | 3,935,706            | 2024-25                             | 3,935,706            |
|                                     |                      |                                     |                      | 2025-26                             | 19,857,375           | 2025-26                             | 19,857,375           |
|                                     |                      |                                     |                      | 2026-27                             | 22,862,625           | 2026-27                             | 22,862,625           |
| Total Obligation:                   | <u>27,600,250</u>    | Total Obligation:                   | <u>61,152,825</u>    | Total Obligation:                   | <u>84,233,769</u>    | Total Obligation:                   | <u>84,233,769</u>    |
| Less amounts representing interest: | <u>(2,096,766)</u>   | Less amounts representing interest: | <u>(9,069,525)</u>   | Less amounts representing interest: | <u>(22,170,681)</u>  | Less amounts representing interest: | <u>(22,170,681)</u>  |
| Lease Revenue Bonds Payable:        | <u>\$ 25,503,484</u> | Lease Revenue Bonds Payable:        | <u>\$ 52,083,300</u> | Lease Revenue Bonds Payable:        | <u>\$ 62,063,088</u> | Lease Revenue Bonds Payable:        | <u>\$ 62,063,088</u> |

**BROKEN ARROW PUBLIC SCHOOLS - NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**Note 10. Tax Abatements**

Tax abatements are reduction in tax revenues that result from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments. The District is subject to tax abatements granted by other governments only.

For the fiscal year ended June 30, 2019, the District is subject to tax abatements granted by the State of Oklahoma - Oklahoma Tax Commission (Tulsa County). Ad valorem exemptions are available for capital investments made by certain types of companies provided that qualified investment exceeds \$250,000 within the calendar year, and the company complies with certain payroll thresholds; qualifications are sometimes industry specific. County property taxes were reduced under the agreements entered into by the State of Oklahoma – Oklahoma Tax Commission. All information within the records of the State of Oklahoma Tax Commission is considered confidential unless public disclosure is provided for by law. The Tax Commission provides only those data sources which they deemed were authorized for release under state law. The Tax Commission declines to provide any information about the breakdown of the exemption by value or type of investment made.

The District also is subject to tax abatements granted by the City of Broken Arrow through its Retail Incentive Policy with the stated purpose of stabilizing and enhancing the City's sales tax base and to incentivize the eligible retail businesses that are included in a mixed use development. The forms of incentive are to provide infrastructure improvements, assistance with public processes, site acquisition of property for public infrastructure, sales tax rebates on a limited basis, and participation in the State of Oklahoma's Quality Jobs Program. Incentives are based on the estimated amount of new City sales taxes generated that can be reasonably defined and determined to result from new development.

There is no Tax Incentive District (TID) in Broken Arrow City or school district. Broken Arrow Public Schools has only one Tax Increment Financing District, which is Broken Arrow FlightSafety and Downtown Economic Development District No. One.

The following table relevant to disclosure of these programs includes the following:

| Fiscal Year Ended June 30, 2019   | Base<br>Value of Assets<br>during the<br>Fiscal Year | Amount of<br>Abatements<br>during the<br>Fiscal Year |
|---|--|--|
| <u>Tax Abatement Program (TIF)</u>  |  |  |
| <b>City of Broken Arrow:</b>  |  |  |
| Broken Arrow FlightSafety and Downtown Economic<br>Development District No. One | \$ 4,857,612   | \$ 449,183   |
| Indian Housing Authority Owned Properties                                       | 519,578  | 37,062   |
| Total   | \$ 5,377,190   | \$ 486,245   |

25 U.S. Code § 4111 and Oklahoma Senate Bill 1706 as amended by Senate Bill 1546 - Reference for Indian Housing Authority - Cooperation & Payment in Lieu of Tax. "The Principal Chief of the tribe [acts] on behalf of the Division of Housing [of low income housing] to enter into local cooperation agreements and in lieu of tax agreements [with the Tulsa County Board of Commissioners]." The Indian Housing Authority provides a list of all qualifying properties to the Tulsa County Assessor's Office to reflect the ad valorem exempt status no later than December 31 of each year.

**BROKEN ARROW PUBLIC SCHOOLS - NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**Note 11. New/Adopted Pronouncements**

The GASB has issued several new accounting pronouncements, which will be effective to the District in both the reported and subsequent years. A description of the new accounting pronouncements, the fiscal year in which they are effective, and the District's consideration of the impact of these pronouncements are described below:

**Adopted: Fiscal Year Ended June 30, 2019**

GASB issued Statement No. 83, *Certain Asset Retirement Obligations*. Statement No. 83 requires the measurement and recognition of a legally enforceable liability for retirement of an asset. Also requires the measurement of an Asset Retirement Obligation (ARO) be based on the best estimate of the current value of outlays to be incurred. This estimate should include the probability weighting of all potential outcomes, when the information is available or can be obtained at a reasonable cost. The Statement pertains to certain kinds of assets, i.e., sewage treatment plants, magnetic resonance imaging machines, research facilities owned by public universities like nuclear research reactors, and retirement of x-ray machines. These kinds of assets may have to be disposed in a certain way due to regulations. The effective date of the Statement is for reporting periods beginning after June 15, 2018. Earlier application is encouraged. The District currently does not have any asset retirement obligations which fit the criteria for this Statement. The District will continue to evaluate this Statement for future disclosure requirements.

GASB issued Statement No. 87, *Leases*. The object of Statement No. 87 is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Although the District has been party to lease contracts in the past, the District does not currently nor plan to enter into lease contracts or lease agreements in the future. Should this management decision change, the District will evaluate and report the leases accurately according to the Statement.

GASB, Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*. Statement No. 88, issued April 2018, is required for reporting periods beginning after June 15, 2018. The objective of Statement No. 88 is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt.

This Statement defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. This Statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms

**BROKEN ARROW PUBLIC SCHOOLS - NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**Note 11. New/Adopted Pronouncements – cont'd**

specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant acceleration clauses. The District currently does not participate in Direct Borrowings and/or Direct Placements or contractual agreements of this type. The District will continue to evaluate this Statement for future disclosure requirements.

GASB, Statement No. 90, *Majority Equity Interests-an Amendment of GASB Statements No. 14 and No. 61. Statement No. 90*, issued August 2018, is required for reporting periods beginning after December 15, 2018. The objectives of Statement No. 90 are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value. For all other holdings of a majority equity interest in a legally separate organization, a government should report the legally separate organization as a component unit, and the government or fund that holds the equity interest should report an asset related to the majority equity interest using the equity method. This Statement establishes that ownership of a majority equity interest in a legally separate organization results in the government being financially accountable for the legally separate organization and, therefore, the government should report that organization as a component units.

This Statement also requires that a component unit in which a government has a 100 percent equity interest account for its assets, deferred outflows of resources, liabilities, and deferred inflows of resources at acquisition value at the date the government acquired a 100 percent equity interest in the component unit. Transactions presented in flows statements of the component unit in that circumstance should include only transactions that occurred subsequent to the acquisition.

The District does not currently participate in a majority equity interest in legal separate organizations nor does it have component units. The District will continue to evaluate this Statement for future disclosure requirements.

**New Accounting Pronouncements Issued Not Yet Adopted**

GASB issued Statement No. 84, *Fiduciary Activities*. Statement No. 84 issued February 2017 will be effective for the district beginning with its fiscal year ending June 30, 2020. The objective of Statement No. 84 is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities.

**BROKEN ARROW PUBLIC SCHOOLS - NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**Note 11. New/Adopted Pronouncements – cont'd**

An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. Governments with activities meeting the criteria should present a statement of fiduciary net position and a statement of changes in fiduciary net position. An exception to that requirement is provided for a business-type activity that normally expects to hold custodial assets for three months or less. This statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. Custodial funds generally should report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria.

A fiduciary component unit, when reported in the fiduciary fund financial statements of a primary government, should combine its information with its component units that are fiduciary component units and aggregate that combined information with the primary government's fiduciary funds.

This statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. Events that compel a government to disburse fiduciary resources occur when a demand for the resources has been made or when no further action, approval, or condition is required to be taken or met by the beneficiary to release the assets.

The District currently reports private –purpose trust funds and custodial funds as fiduciary activities in accordance with Statement no. 84 and continues to evaluate this Statement for future impact.

*GASB, Statement No. 89, Accounting for Interest Cost Incurred Before the End of a Construction Period.* Statement No. 89, issued June 2018 is required for reporting periods beginning after December 15, 2019. The objective of Statement No. 89 is to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and to simplify accounting for interest cost incurred before the end of a construction period.

The Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5-22 of Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund.

This Statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles.

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**Required Supplementary Information**



**Broken Arrow Public Schools**  
**Required Supplementary Information**  
**Schedule of Proportionate Share of the Net Pension Liability**  
**Year Ended June 30, 2019**  
**Last 10 Years\***

|  | As of June 30,<br>2018 | As of June 30,<br>2017 | As of June 30,<br>2016 | As of June 30,<br>2015 | As of June 30,<br>2014 |
|--|------------------------|------------------------|------------------------|------------------------|------------------------|
| Proportion of the net pension liability  | 1.65%                  | 1.65%                  | 1.66%                  | 1.65%                  | 1.64%                  |
| Proportionate share of the net pension liability   | \$ 112,724,156         | \$ 109,466,199         | \$ 138,929,572         | \$ 100,474,905         | \$ 88,199,969          |
| Covered payroll  | \$ 67,298,802          | \$ 70,027,104          | \$ 71,777,099          | \$ 70,566,602          | \$ 67,558,937          |
| Proportionate share of the net pension liability as percentage of covered-employee payroll | 167.50%                | 156.32%                | 193.56%                | 142.38%                | 130.55%                |
| Plan's fiduciary net position  | \$ (105,194,365)       | \$ (99,873,967)        | \$ (99,543,391)        | \$ (112,981,726)       | \$ (81,317,541)        |
| Plan fiduciary net position as a percentage of the total pension liability                 | 93.32%                 | 91.24%                 | 71.65%                 | 112.45%                | 92.20%                 |

Notes to schedule:

\* GASB Statement No. 68 requires ten years of information to be presented in this table. The information for all periods for the 10-year schedules that are required to be presented as required supplementary information is not available. During this transition period, the information will be presented for as many years as are available.

See Independent auditors' report



**Broken Arrow Public Schools**  
**Required Supplementary Information**  
**Schedule of District's Pension Plan Contributions**  
**Year Ended June 30, 2019**  
**Last 10 Years\***

|   | 2019          | 2018          | 2017          | 2016          | 2015          |
|---|---------------|---------------|---------------|---------------|---------------|
| Contractually required contribution (actuarially determined)          | \$ 7,675,902  | \$ 8,055,978  | \$ 7,072,456  | \$ 6,902,353  | \$ 6,656,684  |
| Contributions in relation to the actuarially determined contributions | 7,675,902     | 8,055,978     | 7,072,456     | 6,902,353     | 6,656,684     |
| Contribution deficiency (excess)                                      | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          |
| Covered payroll   | \$ 77,390,247 | \$ 67,298,802 | \$ 70,027,104 | \$ 71,777,099 | \$ 70,566,602 |
| Contributions as a percentage of covered - employee payroll           | 9.92%         | 11.97%        | 10.10%        | 9.62%         | 9.43%         |

Notes to schedule:

|  |  |
|--|--|
| The District's statutorily required contribution rate: | 9.50%  |
| Valuation date:  | 6/30/2016                                      |
| Actuarial Cost Method                                  | Entry Age Normal                               |
| Amortization Method                                    | Level Percentage of Payroll                    |
| Amortization Period                                    | Amortization over an open 30-year period       |
| Asset Valuation Method                                 | 5-year smooth market                           |
| Inflation  | 2.50%  |
| Salary increases                                       | 3.75%, average, including inflation            |
| Investment rate of return                              | 7.50%, net of expenses and compounded annually |
| Payroll growth rate                                    | 2.75% per year                                 |
| Mortality  | RP-2000 Healthy Annuitant Mortality Table      |

\* Fiscal year 2015 was the 1st year of implementation, therefore only three years of data are presented in accordance with GASB Statement No. 68, Paragraph 138. The information for all periods for the 10-year schedules that are required to be presented as required supplementary information is not available. During this transition period, the information will be presented for as many years as are available.

See Independent auditors' report



**Broken Arrow Public Schools**  
**Required Supplementary Information - Unaudited**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual (Budgetary Basis)**  
**Budgeted Governmental Fund Types - General Fund**  
**Year Ended June 30, 2019**

|  | Original<br>Budget   | Final<br>Budget     | Non-GAAP<br>Actual   | Variances -<br>Positive (Negative) |
|--|----------------------|---------------------|----------------------|------------------------------------|
| <b>REVENUES</b>                                  |                      |                     |                      |                                    |
| Local sources                                    | \$ 33,760,654        | \$ 33,760,654       | \$ 36,644,957        | \$ 2,884,304                       |
| Intermediate sources                             | 4,911,914            | 4,911,914           | 5,076,661            | 164,747                            |
| State sources                                    | 77,647,460           | 77,647,460          | 76,698,937           | (948,523)                          |
| Federal sources                                  | 7,109,845            | 7,109,845           | 6,713,459            | (396,385)                          |
| Other sources                                    | 2,266,022            | 2,266,022           | 2,271,469            | 5,446                              |
| <b>TOTAL REVENUES</b>                            | <u>125,695,895</u>   | <u>125,695,894</u>  | <u>127,405,483</u>   | <u>1,709,589</u>                   |
| <b>EXPENDITURES</b>                              |                      |                     |                      |                                    |
| Instruction                                      | 78,000,000           | 80,038,242          | 76,382,902           | 3,655,340                          |
| Support services                                 |                      |                     |                      |                                    |
| Student  | 10,100,000           | 11,309,453          | 11,059,717           | 249,736                            |
| Instructional staff                              | 5,000,000            | 6,480,445           | 6,269,478            | 210,967                            |
| Administration                                   | 17,000,000           | 16,735,626          | 16,316,456           | 419,170                            |
| Operation and maintenance                        | 10,000,000           | 9,535,238           | 9,358,878            | 176,360                            |
| Student transportation                           | 7,000,000            | 6,742,211           | 6,662,698            | 79,512                             |
| Non-instructional services                       |                      |                     |                      |                                    |
| Child nutrition operations                       | -                    | -                   | -                    | -                                  |
| Community services operations                    | 2,000,000            | 1,215,538           | 1,180,010            | 35,528                             |
| Other  | 900,000              | 943,246             | 576,125              | 367,122                            |
| <b>TOTAL EXPENDITURES</b>                        | <u>130,000,000</u>   | <u>133,000,000</u>  | <u>127,806,265</u>   | <u>5,193,735</u>                   |
| <b>EXCESS REVENUES (EXPENDITURES)</b>            | <b>(4,304,105)</b>   | <b>(7,304,106)</b>  | <b>(400,782)</b>     | <b>6,903,324</b>                   |
| <b>FUND BALANCE AT BEGINNING OF YEAR</b>         | <u>17,028,106</u>    | <u>17,028,106</u>   | <u>17,028,105</u>    | <u>-</u>                           |
| <b>FUND BALANCE AT END OF YEAR</b>               | <u>\$ 12,724,001</u> | <u>\$ 9,724,000</u> | <u>\$ 16,627,323</u> | <u>\$ 6,903,323</u>                |
| <b>ADJUSTMENTS TO CONFORM WITH GAAP</b>          |                      |                     |                      |                                    |
| Receivables at end of year                       |                      |                     | 1,900,309            |                                    |
| Wages Payable                                    |                      |                     | (398,029)            |                                    |
| Inventory  |                      |                     | (15,013)             |                                    |
| Investments, change in market value, adjustments |                      |                     | (11,629)             |                                    |
| <b>FUND BALANCE AT END OF YEAR (GAAP BASIS)</b>  |                      |                     | <u>\$ 18,102,961</u> |                                    |

The accompanying notes to the financial statements are an integral part of this statement.

**BROKEN ARROW PUBLIC SCHOOLS – NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2019**

**Note 1. Budgets and Budgetary Accounting**

**Budgetary Comparison Schedule**

The District is required by state law to prepare an annual budget. A preliminary budget must be submitted to the Board of Education by December 31, for the fiscal year beginning the following July 1. If the preliminary budget requires an additional levy, the District must hold an election on the first Tuesday in February to approve the levy. If the preliminary budget does not require an additional levy, it becomes the legal budget. If an election is held and the taxes are approved, then the preliminary budget becomes the legal budget. If voters reject the additional taxes, the District must adopt a budget within the approved tax rate.

A budget is legally adopted by the Board of Education for the General Fund, the Building Fund, and the Child Nutrition Fund that includes revenues and expenditures. These budgets are prepared on a cash basis for revenues and the modified accrual basis for expenditures.

**Encumbrances**

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting - under which purchase orders and other commitments of resources are recorded as expenditures of the applicable fund - is utilized in all governmental funds of the District.

Encumbrances outstanding at year-end are included in the "actual" amounts shown expended during the year for the budgetary presentation but are excluded from the fund balances in the governmental fund financial statements as they do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year.

**Revenues**

Revenues are recorded on a cash basis and include deposits to district accounts from the first day through the last day of the fiscal year regardless of when they were actually earned.

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## Other Supplementary Information



**Broken Arrow Public Schools**  
**Other Supplementary Information**  
**Combining Balance Sheet - Nonmajor Governmental Funds**  
**June 30, 2019**

|   | Building<br>Fund    | Child<br>Nutrition<br>Fund | Endowment<br>Fund | Total<br>Governmental<br>Funds |
|---|---------------------|----------------------------|-------------------|--------------------------------|
| <b>ASSETS</b>   |                     |                            |                   |                                |
| Cash and cash equivalents   | \$ 857,947          | \$ 1,146,333               | \$ 3,997          | \$ 2,008,278                   |
| Investments   | 3,300,000           | 1,100,000                  | 40,000            | 4,440,000                      |
| Receivables net of allowance for uncollectibles                           | 4,775,377           | 374                        | -                 | 4,775,751                      |
| Inventories   | -                   | 307,733                    | -                 | 307,733                        |
| <b>TOTAL ASSETS</b>   | <b>8,933,324</b>    | <b>2,554,440</b>           | <b>43,997</b>     | <b>11,531,762</b>              |
| <b>LIABILITIES</b>  |                     |                            |                   |                                |
| Accounts payable  | 228,667             | 293,119                    | -                 | 521,786                        |
| Accrued wages payable -termination benefits                               | -                   | 48,074                     | -                 | 48,074                         |
| Other liabilities   | -                   | 158,121                    | -                 | 158,121                        |
| <b>TOTAL LIABILITIES</b>  | <b>228,667</b>      | <b>499,314</b>             | <b>-</b>          | <b>727,980</b>                 |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                                      |                     |                            |                   |                                |
| Succeeding year property tax  | 4,662,941           | -                          | -                 | 4,662,941                      |
| Unavailable revenue - delinquent property taxes                           | 93,886              | -                          | -                 | 93,886                         |
| <b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>                                | <b>4,756,827</b>    | <b>-</b>                   | <b>-</b>          | <b>4,756,827</b>               |
| <b>FUND BALANCES</b>  |                     |                            |                   |                                |
| Non-spendable   |                     | 307,733                    | 40,000            | 347,733                        |
| Restricted  | 3,947,831           | 1,747,393                  | 3,997             | 5,699,221                      |
| <b>TOTAL FUND BALANCES</b>  | <b>3,947,831</b>    | <b>2,055,126</b>           | <b>43,997</b>     | <b>6,046,954</b>               |
| <b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b> | <b>\$ 8,933,324</b> | <b>\$ 2,554,440</b>        | <b>\$ 43,997</b>  | <b>\$ 11,531,762</b>           |

The accompanying notes to the financial statements are an integral part of this statement.



**Broken Arrow Public Schools**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2019**

|   | Special Revenue Funds |                      | Permanent Fund   | Total Governmental Funds |
|---|-----------------------|----------------------|------------------|--------------------------|
|   | Building Fund         | Child Nutrition Fund | Endowment Fund   |                          |
| <b>REVENUES</b>   |                       |                      |                  |                          |
| Local sources   | \$ 5,398,644          | \$ 3,946,377         | \$ 399           | \$ 9,345,421             |
| State sources   | 174,128               | 792,350              | -                | 966,478                  |
| Federal sources   | -                     | 4,676,280            | -                | 4,676,280                |
| Other sources   | 232,900               | 244,828              | -                | 477,727                  |
| TOTAL REVENUES  | <u>5,805,672</u>      | <u>9,659,835</u>     | <u>399</u>       | <u>15,465,906</u>        |
| <b>EXPENDITURES</b>                                       |                       |                      |                  |                          |
| Current   |                       |                      |                  |                          |
| Administration  | 25,521                | -                    | -                | 25,521                   |
| Operations and maintenance                                | 5,200,527             | -                    | -                | 5,200,527                |
| Child nutrition operations                                | -                     | 9,270,820            | -                | 9,270,820                |
| Other   | 39,615                | 149,000              | -                | 188,615                  |
| Capital outlay  | 27,050                | 530,069              | -                | 557,119                  |
| TOTAL EXPENDITURES  | <u>5,292,713</u>      | <u>9,949,889</u>     | <u>-</u>         | <u>15,242,602</u>        |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | <u>512,959</u>        | <u>(290,054)</u>     | <u>399</u>       | <u>223,304</u>           |
| NET CHANGE IN FUND BALANCES                               | 512,959               | (290,054)            | 399              | 223,304                  |
| FUND BALANCE AT BEGINNING OF YEAR                         | <u>3,434,872</u>      | <u>2,345,180</u>     | <u>43,598</u>    | <u>5,823,650</u>         |
| FUND BALANCE AT END OF YEAR                               | <u>\$ 3,947,831</u>   | <u>\$ 2,055,126</u>  | <u>\$ 43,997</u> | <u>\$ 6,046,954</u>      |

The accompanying notes to the financial statements are an integral part of this statement.



**Broken Arrow Public Schools**  
**Other Supplementary Information - Unaudited**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual (Budgetary Basis)**  
**Budgeted Governmental Fund Types - Building Fund**  
**Year Ended June 30, 2019**

|  | Original<br>Budget  | Final<br>Budget     | Non-GAAP<br>Actual  | Variances -<br>Positive (Negative) |
|--|---------------------|---------------------|---------------------|------------------------------------|
| <b>REVENUES</b>                                  |                     |                     |                     |                                    |
| Local sources                                    | \$ 4,946,504        | \$ 4,946,504        | \$ 5,398,114        | \$ 451,610                         |
| State sources                                    | 112,151             | 112,151             | 174,128             | 61,977                             |
| Other sources                                    | 11,223              | 11,223              | 232,900             | 221,677                            |
| <b>TOTAL REVENUES</b>                            | <u>5,069,878</u>    | <u>5,069,878</u>    | <u>5,805,141</u>    | <u>735,263</u>                     |
| <b>EXPENDITURES</b>                              |                     |                     |                     |                                    |
| Support services                                 |                     |                     |                     |                                    |
| Administration                                   | 323,934             | 323,934             | 25,521              | 298,413                            |
| Operation and maintenance                        | 4,643,099           | 5,343,100           | 5,216,619           | 126,480                            |
| Student transportation                           | 450                 | 450                 | -                   | 450                                |
| Non-instructional services                       |                     |                     |                     |                                    |
| Other  | 40,115              | 40,115              | 39,615              | 500                                |
| Capital Outlay                                   | 62,402              | 62,402              | 27,050              | 35,352                             |
| <b>TOTAL EXPENDITURES</b>                        | <u>5,070,000</u>    | <u>5,770,000</u>    | <u>5,308,805</u>    | <u>461,195</u>                     |
| <b>EXCESS REVENUES (EXPENDITURES)</b>            | (122)               | (700,122)           | 496,337             | 1,196,459                          |
| <b>FUND BALANCE AT BEGINNING OF YEAR</b>         | <u>3,434,872</u>    | <u>3,434,872</u>    | <u>3,434,872</u>    | -                                  |
| <b>FUND BALANCE AT END OF YEAR</b>               | <u>\$ 3,434,750</u> | <u>\$ 2,734,750</u> | <u>\$ 3,931,209</u> | <u>\$ 1,196,459</u>                |
| <b>ADJUSTMENTS TO CONFORM WITH GAAP</b>          |                     |                     |                     |                                    |
| Receivables at end of year                       |                     |                     | 531                 |                                    |
| Wages Payable                                    |                     |                     | 16,092              |                                    |
| Inventory  |                     |                     | -                   |                                    |
| Investments, change in market value, adjustments |                     |                     | -                   |                                    |
| <b>FUND BALANCE AT END OF YEAR (GAAP BASIS)</b>  |                     |                     | <u>\$ 3,947,831</u> |                                    |

The accompanying notes to the financial statements are an integral part of this statement.



**Broken Arrow Public Schools**  
**Other Supplementary Information - Unaudited**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual (Budgetary Basis)**  
**Budgeted Governmental Fund Types - Child Nutrition Fund**  
**Year Ended June 30, 2019**

|   | Original<br>Budget  | Final<br>Budget   | Non-GAAP<br>Actual  | Variances -<br>Positive (Negative) |
|---|---------------------|-------------------|---------------------|------------------------------------|
| <b>REVENUES</b>                                 |                     |                   |                     |                                    |
| Local sources                                   | \$ 3,887,169        | \$ 3,627,079      | \$ 4,233,207        | \$ 606,128                         |
| State sources                                   | 839,443             | 715,123           | 792,350             | 77,227                             |
| Federal sources                                 | 4,581,035           | 4,753,507         | 4,676,280           | (77,227)                           |
| <b>TOTAL REVENUES</b>                           | <u>9,307,647</u>    | <u>9,095,709</u>  | <u>9,701,837</u>    | <u>606,128</u>                     |
| <b>EXPENDITURES</b>                             |                     |                   |                     |                                    |
| Support services                                |                     |                   |                     |                                    |
| Food preparation                                | 4,507,756           | 4,707,756         | 4,146,736           | 561,020                            |
| Other direct services                           | 1,068,021           | 1,068,021         | 1,028,801           | 39,221                             |
| Food procurement/ a la carte                    | 3,449,166           | 4,049,166         | 4,049,166           | -                                  |
| Other CN Programs                               | 244,987             | 244,987           | 236,357             | 8,630                              |
| Capital Outlay                                  | 530,069             | 530,069           | 530,069             | -                                  |
| <b>TOTAL EXPENDITURES</b>                       | <u>9,800,000</u>    | <u>10,600,000</u> | <u>9,991,129</u>    | <u>608,871</u>                     |
| <b>EXCESS REVENUES (EXPENDITURES)</b>           | (492,353)           | (1,504,291)       | (289,292)           | 1,214,999                          |
| <b>FUND BALANCE AT BEGINNING OF YEAR</b>        | <u>2,345,180</u>    | <u>2,345,180</u>  | <u>2,345,180</u>    | -                                  |
| <b>FUND BALANCE AT END OF YEAR</b>              | <u>\$ 1,852,827</u> | <u>\$ 840,889</u> | <u>2,055,888</u>    | <u>\$ 1,214,999</u>                |
| <b>ADJUSTMENTS TO CONFORM WITH GAAP</b>         |                     |                   |                     |                                    |
| Receivables at end of year                      |                     |                   | (58)                |                                    |
| Wages Payable                                   |                     |                   | 41,240              |                                    |
| Inventory                                       |                     |                   | (15,677)            |                                    |
| Additional payables reported on budgetary basis |                     |                   | <u>(26,268)</u>     |                                    |
| <b>FUND BALANCE AT END OF YEAR (GAAP BASIS)</b> |                     |                   | <u>\$ 2,055,126</u> |                                    |

The accompanying notes to the financial statements are an integral part of this statement.



**Broken Arrow Public Schools**  
**Other Supplementary information**  
**Combining Statement of Changes in Assets and Liabilities - Agency Funds**  
**Year Ended June 30, 2019**

|                                   | Balance<br>June 30,<br>2018 | Additions           | Deductions            | Adjustments | Balance<br>June 30,<br>2019 |
|-----------------------------------|-----------------------------|---------------------|-----------------------|-------------|-----------------------------|
| HIGH SCHOOL TOTAL                 | \$ 696,227                  | \$ 2,523,899        | \$ (2,489,586)        | \$ -        | \$ 730,541                  |
| FRESHMAN ACADEMY TOTAL            | 84,806                      | 154,358             | (171,473)             | -           | 67,691                      |
| ALTERNATIVE SCHOOL TOTAL          | 27,130                      | 16,984              | (18,094)              | -           | 26,019                      |
| MIDDLE SCHOOLS TOTAL              | 347,964                     | 583,663             | (621,039)             | -           | 310,588                     |
| ELEMENTARY SCHOOLS TOTAL          | 267,564                     | 397,382             | (351,244)             | -           | 313,702                     |
| EARLY CHILDHOOD CENTERS TOTAL     | 61,792                      | 109,178             | (116,161)             | -           | 54,809                      |
| STUDENT CLUBS TOTAL               | 1,131,390                   | 3,534,459           | (2,946,145)           | -           | 1,719,704                   |
| ADMINISTRATIVE TOTAL              | <u>358,495</u>              | <u>327,983</u>      | <u>(311,464)</u>      | <u>-</u>    | <u>375,014</u>              |
| TOTAL FUNDS HELD FOR              |                             |                     |                       |             |                             |
| STUDENT ACTIVITIES                | <u>2,975,368</u>            | <u>7,647,906</u>    | <u>(7,025,206)</u>    | <u>-</u>    | <u>3,598,068</u>            |
| SUMMARY - ACTIVITY FUNDS          |                             |                     |                       |             |                             |
| ASSETS                            |                             |                     |                       |             |                             |
| Cash and cash equivalents         | <u>2,975,368</u>            | <u>7,647,906</u>    | <u>(7,025,206)</u>    | <u>-</u>    | <u>3,598,068</u>            |
| LIABILITIES                       |                             |                     |                       |             |                             |
| Funds held for student activities | <u>2,975,368</u>            | <u>7,647,906</u>    | <u>(7,025,206)</u>    | <u>-</u>    | <u>3,598,068</u>            |
| TOTAL LIABILITIES                 | <u>\$ 2,975,368</u>         | <u>\$ 7,647,906</u> | <u>\$ (7,025,206)</u> | <u>\$ -</u> | <u>\$ 3,598,068</u>         |

See independent auditors' report



## Statistical Information



**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FISCAL YEAR ENDING JUNE 30, 2019**  
**STATISTICAL SECTION**

**TABLE OF CONTENTS**

The statistical section of the Broken Arrow Public Schools' Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's economic condition and overall financial health. To assist financial statement users, the information contained within this section is categorized as follows:

| <u>Contents</u>  | <u>Page</u> |
|--|-------------|
| <u>Financial Trends</u>  | 93          |
| These schedules compile trend information and report how the District's financial position has changed over time.  |             |
| <u>Revenue Capacity</u>  | 99          |
| These schedules provide information regarding the District's major revenue sources; property taxes, and the stability/growth of revenue.   |             |
| <u>Debt Capacity</u>   | 105         |
| These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and their ability to issue additional debt in the future.                             |             |
| <u>Demographic and Economic Information</u>  | 111         |
| These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.   |             |
| <u>Operating Information</u>   | 115         |
| These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs. |             |

**Sources:**

Unless otherwise noted, the information in these schedules are derived from the Comprehensive Annual Financial Report (CAFR) for the relevant year.



## Financial Trends

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**Broken Arrow Public Schools**  
**Government-Wide Net Position by Component**  
**Last Ten Fiscal Years**

|  | 2010                  | 2011                  | 2012                  | 2013                  | 2014                  | 2015a                | 2016                 | 2017                  | 2018                  | 2019b                 |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|----------------------|----------------------|-----------------------|-----------------------|-----------------------|
| <b>Governmental activities</b>                     |                       |                       |                       |                       |                       |                      |                      |                       |                       |                       |
| Net investment in capital assets                   | \$ 82,438,023         | \$ 91,011,359         | \$ 105,661,860        | \$ 115,812,420        | \$ 125,810,009        | \$ 137,739,696       | \$ 150,609,755       | \$ 163,470,238        | \$ 174,876,931        | \$ 191,660,532        |
| Restricted for:                                    |                       |                       |                       |                       |                       |                      |                      |                       |                       |                       |
| Debt service                                       | 16,211,858            | 16,777,580            | 16,216,368            | 15,080,820            | 15,515,172            | 15,657,564           | 16,318,127           | 15,825,923            | 15,425,669            | 15,673,831            |
| Building   | -                     | -                     | 3,144,045             | 2,762,215             | 2,333,899             | 1,016,052            | 1,881,808            | 2,808,231             | 3,434,872             | 3,947,831             |
| Endowment  | -                     | -                     | -                     | -                     | -                     | 40,000               | 43,316               | 43,422                | 43,598                | 43,997                |
| Unrestricted                                       | 12,127,691            | 21,412,088            | 21,980,866            | 20,080,655            | 17,648,608            | (89,007,984)         | (99,961,854)         | (86,289,408)          | (85,854,617)          | (88,830,116)          |
| <b>Total Governmental activities net position</b>  | <b>110,777,572</b>    | <b>129,201,027</b>    | <b>147,003,139</b>    | <b>153,736,110</b>    | <b>161,307,688</b>    | <b>65,445,328</b>    | <b>68,891,152</b>    | <b>95,858,406</b>     | <b>107,926,453</b>    | <b>122,496,075</b>    |
| <b>Business-type activities</b>                    |                       |                       |                       |                       |                       |                      |                      |                       |                       |                       |
| Net investment in capital assets                   | 259,130               | 25,966                | 352,642               | 719,273               | 1,370,958             | 2,511,342            | 2,589,356            | 2,781,513             | 2,586,182             | -                     |
| Unrestricted                                       | 2,327,646             | 2,280,412             | 3,255,159             | 3,149,060             | 2,845,581             | 1,818,332            | 2,033,177            | 2,296,046             | 2,345,180             | -                     |
| <b>Total business-type activities net position</b> | <b>2,586,776</b>      | <b>2,306,378</b>      | <b>3,607,801</b>      | <b>3,868,334</b>      | <b>4,216,539</b>      | <b>4,329,674</b>     | <b>4,622,533</b>     | <b>5,077,559</b>      | <b>4,931,362</b>      | <b>-</b>              |
| <b>Government-wide</b>                             |                       |                       |                       |                       |                       |                      |                      |                       |                       |                       |
| Net investment in capital assets                   | 82,697,153            | 91,037,325            | 106,014,502           | 116,531,693           | 127,180,967           | 140,251,037          | 153,199,111          | 166,251,751           | 177,463,113           | 191,660,532           |
| Restricted for:                                    |                       |                       |                       |                       |                       |                      |                      |                       |                       |                       |
| Debt service                                       | 16,211,858            | 16,777,580            | 16,216,368            | 15,080,820            | 15,515,172            | 15,657,564           | 16,318,127           | 15,825,923            | 15,425,669            | 15,673,831            |
| Building   | -                     | -                     | 3,144,045             | 2,762,215             | 2,333,899             | 1,016,052            | 1,881,808            | 2,808,231             | 3,434,872             | 3,947,831             |
| Endowment  | -                     | -                     | -                     | -                     | -                     | 40,000               | 43,316               | 43,422                | 43,598                | 43,997                |
| Unrestricted                                       | 14,455,337            | 23,692,500            | 25,236,025            | 23,229,716            | 20,494,188            | (87,189,652)         | (97,928,677)         | (83,993,362)          | (83,509,437)          | (88,830,116)          |
| <b>Total government-wide net position</b>          | <b>\$ 113,364,348</b> | <b>\$ 131,307,405</b> | <b>\$ 150,610,940</b> | <b>\$ 157,604,444</b> | <b>\$ 165,524,227</b> | <b>\$ 69,775,002</b> | <b>\$ 73,513,886</b> | <b>\$ 100,935,965</b> | <b>\$ 112,857,815</b> | <b>\$ 122,496,075</b> |

Source: Statement of Net Position - audited financial reports

- a Note: The District began to report pension net position in conformity with GASB Statement No. 68, Accounting and Financial Reporting for Pensions in 2015. Permanent Fund - restricted for Nonexpendable principal was corrected in the June 30, 2015 fiscal year to be included in Governmental Activities
- b The District reclassified the Child Nutrition Fund from an Enterprise Fund to a nonmajor Governmental Fund, it is no longer shown under Business-type activities.



**Broken Arrow Public Schools**  
**Government-Wide Changes in Net Position**  
**Last Ten Fiscal Years**  
*(accrual basis of accounting)*  
*Continued on Page 96*

|   | 2010                 | 2011                 | 2012                 | 2013                 | 2014                 | 2015                 | 2016a                | 2017                 | 2018                 | 2019b                |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| <b>Expenses</b>                                       |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| <b>Governmental activities</b>                        |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Instruction   | \$ 59,698,004        | \$ 56,915,460        | \$ 59,271,138        | \$ 58,117,540        | \$ 65,495,842        | \$ 65,330,950        | \$ 75,087,668        | \$ 62,518,919        | \$ 72,327,553        | \$ 90,646,294        |
| Support services - Students                           | 20,727,734           | 8,169,317            | 8,166,385            | 7,951,821            | 8,390,280            | 8,662,516            | 9,855,840            | 9,475,049            | 11,852,416           | 10,552,243           |
| Instructional and school leadership                   | 4,904,472            | 6,569,980            | 5,051,994            | 5,906,085            | 5,619,036            | 5,894,528            | 6,594,731            | 6,034,706            | 6,393,335            | 6,959,813            |
| Administrative support services                       | 13,503,518           | 12,890,477           | 11,749,833           | 12,608,451           | 12,040,169           | 19,254,851           | 17,069,178           | 10,474,526           | 16,039,368           | 16,185,343           |
| Operations and maintenance services                   | 7,467,547            | 12,437,218           | 11,337,283           | 10,225,839           | 12,428,523           | 14,381,484           | 10,855,305           | 12,474,582           | 14,462,651           | 14,263,568           |
| Student transportation services                       | 4,698,556            | 6,994,021            | 6,563,236            | 5,438,306            | 5,774,785            | 5,610,688            | 6,464,193            | 6,178,821            | 5,814,517            | 6,559,954            |
| Operation of non-instructional services:              |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Child Nutrition                                       | 792,110              | 487,251              | 659,417              | 656,673              | 631,639              | 1,512,250            | 1,604,731            | 1,136,458            | 1,054,692            | 1,194,839            |
| Other outlays and uses                                | 398,450              | 580,860              | 603,868              | 688,638              | 1,827,511            | 973,423              | 1,002,869            | 2,842,198            | 1,171,003            | 9,170,694            |
| Loss on disposal of assets                            | 198,809              | 319,186              | 1,726,999            | 4,502,515            | 2,532,717            | -                    | -                    | -                    | -                    | -                    |
| Judgement Paid  | -                    | -                    | 35,641               | -                    | -                    | -                    | -                    | -                    | 22,331               | 1,837                |
| Depreciation  | 3,217,457            | 3,785,208            | 3,333,496            | 3,195,337            | 4,904,420            | 5,048,754            | 7,605,398            | 8,921,607            | 11,136,470           | 9,508,343            |
| Interest on long-term debt                            | 2,174,625            | 2,550,031            | 2,902,285            | 1,703,318            | 1,726,882            | 1,286,326            | 1,189,964            | 1,003,215            | 1,143,994            | 1,679,107            |
| <b>Total governmental-type activities expense</b>     | <b>117,781,282</b>   | <b>111,699,009</b>   | <b>111,481,927</b>   | <b>110,994,523</b>   | <b>123,324,604</b>   | <b>127,955,768</b>   | <b>137,329,878</b>   | <b>121,060,080</b>   | <b>141,418,330</b>   | <b>168,328,683</b>   |
| <b>Business-type activities</b>                       |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Food service  | 7,063,688            | 6,478,194            | 6,581,268            | 7,390,973            | 7,675,095            | 9,916,922            | 8,892,758            | 8,807,997            | 9,357,479            | -                    |
| <b>Total business-type activities expense</b>         | <b>7,063,688</b>     | <b>6,478,194</b>     | <b>6,581,268</b>     | <b>7,390,973</b>     | <b>7,675,095</b>     | <b>9,916,922</b>     | <b>8,892,758</b>     | <b>8,807,997</b>     | <b>9,357,479</b>     | <b>-</b>             |
| <b>Total district expenses</b>                        | <b>124,844,970</b>   | <b>118,177,203</b>   | <b>118,063,195</b>   | <b>118,385,496</b>   | <b>130,999,699</b>   | <b>137,872,690</b>   | <b>146,222,636</b>   | <b>129,868,077</b>   | <b>150,775,809</b>   | <b>168,328,683</b>   |
| <b>Program Revenues</b>                               |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| <b>Governmental activities</b>                        |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| <b>Charges for services</b>                           |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Regular instruction                                   | 466,790              | 418,886              | 340,885              | 333,432              | 321,387              | 316,066              | 320,928              | 410,372              | 450,376              | 305,658              |
| Operations and maintenance services                   | 3,713,585            | 3,445,445            | 46,530               | 25,946               | 24,410               | -                    | -                    | -                    | -                    | 450,993              |
| Pupil transportation services                         | -                    | -                    | -                    | -                    | 8,225                | -                    | -                    | -                    | -                    | 125,143              |
| Community services                                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    |
| Other support services                                | 480,131              | -                    | 21,430               | -                    | 273,365              | 31,410               | 35,530               | 27,110               | 18,162               | 3,478,527            |
| Operating grants and contributions                    | 16,232,214           | 24,076,886           | 10,696,486           | 5,918,539            | 5,926,899            | 6,380,736            | 6,194,363            | 6,681,660            | 6,967,980            | 13,510,487           |
| Capital grants and contributions                      | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    |
| <b>Total governmental activities program revenues</b> | <b>20,892,720</b>    | <b>27,941,217</b>    | <b>11,105,330</b>    | <b>6,277,917</b>     | <b>6,554,286</b>     | <b>6,728,212</b>     | <b>6,550,821</b>     | <b>7,119,142</b>     | <b>7,436,518</b>     | <b>17,870,808</b>    |
| <b>Business-type activities</b>                       |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| <b>Charges for services</b>                           |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Food service  | 3,714,167            | 3,467,887            | 3,320,643            | 3,494,344            | 3,816,946            | 3,741,850            | 4,024,001            | 3,821,960            | 3,795,513            | -                    |
| Operating grants and contributions                    | 2,897,445            | 3,047,490            | 3,472,757            | 3,596,662            | 3,762,302            | 3,921,853            | 4,390,841            | 4,581,035            | 4,502,001            | -                    |
| Capital grants and contributions                      | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    |
| <b>Total business-type activities revenues</b>        | <b>6,611,612</b>     | <b>6,515,377</b>     | <b>6,793,400</b>     | <b>7,091,006</b>     | <b>7,579,249</b>     | <b>7,663,703</b>     | <b>8,414,842</b>     | <b>8,402,994</b>     | <b>8,297,514</b>     | <b>-</b>             |
| <b>Total district program revenues</b>                | <b>\$ 27,504,332</b> | <b>\$ 34,456,594</b> | <b>\$ 17,898,730</b> | <b>\$ 13,368,923</b> | <b>\$ 14,133,535</b> | <b>\$ 14,391,915</b> | <b>\$ 14,965,663</b> | <b>\$ 15,522,136</b> | <b>\$ 15,734,032</b> | <b>\$ 17,870,808</b> |



**Broken Arrow Public Schools**  
**Government-Wide Changes in Net Position**  
**Last Ten Fiscal Years**  
*(accrual basis of accounting)*

|   | 2010                 | 2011                 | 2012                 | 2013                 | 2014                 | 2015                 | 2016a                | 2017                 | 2018                 | 2019b                |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| <b>Net (Expense) Revenue</b>                              |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Governmental activities                                   | \$ (96,888,562)      | \$ (83,757,792)      | \$ (100,376,597)     | \$ (104,716,606)     | \$ (116,770,318)     | \$ (121,227,556)     | \$ (130,779,056)     | \$ (113,940,938)     | \$ (133,981,811)     | \$ (150,457,875)     |
| Business-type activities                                  | (452,076)            | 37,183               | 212,132              | (299,957)            | (95,846)             | (2,253,220)          | (477,916)            | (405,002)            | (1,059,965)          | -                    |
| <b>Total district net expense</b>                         | <b>(97,340,638)</b>  | <b>(83,720,609)</b>  | <b>(100,164,465)</b> | <b>(105,016,573)</b> | <b>(116,866,164)</b> | <b>(123,480,776)</b> | <b>(131,256,972)</b> | <b>(114,345,940)</b> | <b>(135,041,776)</b> | <b>(150,457,875)</b> |
| <br>  |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| <b>General Revenues and Other Changes in Net Position</b> |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Governmental activities                                   |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Taxes:  |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Property tax, levied for general purposes                 | 26,900,743           | 28,204,650           | 29,039,761           | 25,814,046           | 31,156,969           | 32,019,102           | 33,431,998           | 35,931,361           | 36,848,832           | 39,020,402           |
| Property tax, levied for debt services                    | 18,234,448           | 18,799,415           | 20,294,054           | 20,656,717           | 21,702,367           | 22,628,030           | 22,676,491           | 24,634,668           | 27,903,706           | 26,421,985           |
| Other taxes   | 7,641,379            | 7,933,296            | 9,464,365            | 10,288,974           | 10,828,630           | 11,043,588           | 11,499,443           | 14,471,579           | 4,911,914            | 5,076,661            |
| State aid not restricted to specific programs             | 44,984,053           | 38,567,628           | 52,638,985           | 53,022,412           | 57,167,677           | 66,211,831           | 62,958,660           | 61,725,150           | 71,449,446           | 77,665,415           |
| Interest and investment earnings                          | 247,515              | 367,898              | 907,841              | 90,436               | 60,895               | 114,489              | 149,464              | 291,258              | 661,763              | 1,279,791            |
| Gain on sale of capital assets                            | -                    | -                    | 9,834                | 16,050               | 114,259              | 139,493              | 32,222               | 695                  | 99,057               | 32,110               |
| Other   | 9,194,146            | 7,465,731            | 6,187,239            | 1,560,942            | 3,311,098            | 3,680,702            | 3,645,992            | 3,913,483            | 4,235,141            | 10,599,770           |
| <b>Total governmental activities</b>                      | <b>107,202,294</b>   | <b>101,338,618</b>   | <b>118,542,079</b>   | <b>111,449,577</b>   | <b>124,341,896</b>   | <b>135,837,236</b>   | <b>134,394,271</b>   | <b>140,908,194</b>   | <b>146,049,859</b>   | <b>160,096,134</b>   |
| Business-type activities                                  |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| State aid not restricted to specific programs             | 310,695              | 362,871              | 460,329              | 528,414              | 410,442              | 716,967              | 722,887              | 839,442              | 798,893              | -                    |
| Interest and investment earnings                          | 20,884               | 8,344                | 4,753                | 3,331                | 2,654                | 921                  | 2,819                | 5,300                | 14,205               | -                    |
| Gain on disposal of capital assets                        | 4,425                | 39,431               | 2,302                | -                    | -                    | -                    | -                    | -                    | -                    | -                    |
| Capital contribution                                      | -                    | -                    | -                    | -                    | -                    | 1,636,418            | -                    | -                    | -                    | -                    |
| Other   | -                    | -                    | 114,592              | 28,755               | 30,956               | 12,050               | 45,071               | 15,286               | 100,670              | -                    |
| <b>Total business-type activities</b>                     | <b>336,004</b>       | <b>410,646</b>       | <b>581,976</b>       | <b>560,500</b>       | <b>444,052</b>       | <b>2,366,355</b>     | <b>770,776</b>       | <b>860,028</b>       | <b>913,768</b>       | <b>-</b>             |
| <b>Total district-wide</b>                                | <b>107,538,298</b>   | <b>101,749,264</b>   | <b>119,124,055</b>   | <b>112,010,077</b>   | <b>124,785,948</b>   | <b>138,203,591</b>   | <b>135,165,047</b>   | <b>141,768,222</b>   | <b>146,963,627</b>   | <b>160,096,134</b>   |
| <br>  |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| <b>Changes in Net Position</b>                            |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Governmental activities                                   | 10,313,732           | 17,580,826           | 18,165,482           | 6,732,971            | 7,571,578            | 14,609,680           | 3,615,214            | 26,967,256           | 12,068,047           | 9,638,259            |
| Business-type activities                                  | (116,072)            | 447,829              | 794,108              | 260,533              | 348,206              | 113,135              | 292,860              | 455,026              | (146,197)            | -                    |
| <b>Total district</b>                                     | <b>\$ 10,197,660</b> | <b>\$ 18,028,655</b> | <b>\$ 18,959,590</b> | <b>\$ 6,993,503</b>  | <b>\$ 7,919,783</b>  | <b>\$ 14,722,816</b> | <b>\$ 3,908,074</b>  | <b>\$ 27,422,283</b> | <b>\$ 11,921,850</b> | <b>\$ 9,638,259</b>  |

a The District began to report net pension liability in conformity with GASB Statement No. 68, Accounting and Financial Reporting for Pensions in 2016

b In 2018-19 Business-type activities were reclassified to be part of Governmental activities.



**Broken Arrow Public Schools**  
**Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**

*(modified accrual basis of accounting)*

|   | 2010                 | 2011                 | 2012a                | 2013                 | 2014                 | 2015                 | 2016                 | 2017                 | 2018                 | 2019b                |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| <b>General Fund</b>                       |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Unreserved                                | \$ 10,878,215        | \$ 18,541,950        |                      |                      |                      |                      |                      |                      |                      |                      |
| Nonspendable                              |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Inventories                               |                      |                      | \$ 161,964           | \$ 284,978           | \$ 272,414           | \$ 312,927           | \$ 306,257           | \$ 284,852           | \$ 337,135           | \$ 322,121           |
| Restricted                                |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Federal and state allocation carryover    |                      |                      | -                    | -                    | -                    | -                    | -                    | -                    | -                    | 1,125,171            |
| Assigned                                  |                      |                      | 291,828              | 117,317              | -                    | -                    | -                    | -                    | -                    | -                    |
| Unassigned                                |                      |                      | 21,343,129           | 19,491,265           | 17,070,697           | 14,294,922           | 12,886,722           | 12,385,812           | 16,690,971           | 16,655,669           |
| <b>Total general fund</b>                 | <b>\$ 10,878,215</b> | <b>\$ 18,541,950</b> | <b>\$ 21,796,922</b> | <b>\$ 19,893,560</b> | <b>\$ 17,343,111</b> | <b>\$ 14,607,849</b> | <b>\$ 13,192,980</b> | <b>\$ 12,670,664</b> | <b>\$ 17,028,106</b> | <b>\$ 18,102,961</b> |
| <b>All Other Governmental Funds</b>       |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Reserved, reported in:                    |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Sinking fund                              |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Reserved for debt service                 | \$ 16,211,858        | \$ 16,777,580        |                      |                      |                      |                      |                      |                      |                      |                      |
| Bond funds                                |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Reserved for capital projects             | 16,741,243           | 26,233,999           |                      |                      |                      |                      |                      |                      |                      |                      |
| Unreserved, reported in:                  |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Building fund                             | 1,858,942            | 2,336,858            |                      |                      |                      |                      |                      |                      |                      |                      |
| Other governmental funds                  | 2,280,411            | 2,813,692            |                      |                      |                      |                      |                      |                      |                      |                      |
| Nonspendable                              |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Inventories                               |                      |                      |                      |                      |                      |                      |                      |                      |                      | 307,733              |
| Permanent fund principal                  |                      |                      | 40,000               | 40,000               | 40,000               | 40,000               | 40,000               | 40,000               | 40,000               | 40,000               |
| Restricted                                |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Capital projects                          |                      |                      | 32,698,624           | 32,924,660           | 26,088,099           | 29,285,077           | 19,903,804           | 22,896,512           | 24,452,256           | 45,439,738           |
| Debt service                              |                      |                      | 16,216,368           | 15,080,820           | 15,515,172           | 15,657,564           | 16,234,350           | 15,717,771           | 15,425,669           | 15,673,831           |
| Building                                  |                      |                      | 3,144,045            | 2,762,215            | 2,333,899            | 1,016,052            | 1,866,206            | 2,724,918            | 3,434,872            | 3,947,831            |
| Child Nutrition                           |                      |                      | -                    | -                    | -                    | -                    | -                    | -                    | -                    | 1,747,393            |
| Endowment                                 |                      |                      | -                    | 3,150                | 3,198                | 3,237                | 3,316                | 3,422                | 3,598                | 3,997                |
| Arbitrage                                 |                      |                      | 143,945              | 143,945              | 143,945              | 143,945              | -                    | -                    | -                    | -                    |
| Co-op Fund                                |                      |                      | -                    | -                    | -                    | 5,881                | -                    | -                    | -                    | -                    |
| <b>Total all other governmental funds</b> | <b>\$ 37,092,454</b> | <b>\$ 48,162,129</b> | <b>\$ 52,242,982</b> | <b>\$ 50,954,790</b> | <b>\$ 44,124,313</b> | <b>\$ 46,151,756</b> | <b>\$ 38,047,676</b> | <b>\$ 41,382,623</b> | <b>\$ 43,356,395</b> | <b>\$ 67,160,523</b> |

a The District implemented GASB Statement No. 54 in 2012, resulting in the change in fund balance categories.

b Beginning in 2018-19, the District changed the classification of the Child Nutrition Fund and the Building Fund to nonmajor governmental funds.



**Broken Arrow Public Schools**  
**Changes in Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
*(modified accrual basis of accounting)*

|  | 2010                  | 2011                  | 2012                  | 2013                  | 2014                  | 2015                  | 2016                  | 2017                  | 2018                  | 2019                  |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| <b>Revenues</b>  |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Local sources  | \$ 54,182,832         | \$ 53,928,541         | \$ 55,819,300         | \$ 53,024,547         | \$ 54,093,898         | \$ 57,876,782         | \$ 57,646,172         | \$ 61,677,116         | \$ 65,182,356         | \$ 74,150,167         |
| Intermediate sources   | 3,760,192             | 3,891,556             | 3,905,726             | 4,220,581             | 4,163,544             | 4,365,060             | 4,573,947             | 4,761,319             | 4,911,914             | 5,076,661             |
| State sources  | 54,511,499            | 54,927,548            | 58,197,625            | 59,090,805            | 63,919,714            | 68,040,801            | 69,884,157            | 66,180,379            | 66,457,459            | 77,665,415            |
| Federal sources  | 14,339,571            | 15,650,262            | 10,696,486            | 5,918,539             | 6,076,809             | 6,172,973             | 5,926,438             | 6,200,370             | 6,481,122             | 13,112,015            |
| Other sources  | -                     | -                     | 238,255               | 485,031               | 2,116,807             | 219,210               | 2,287,169             | 2,428,275             | 2,954,130             | 2,734,308             |
| <b>Total Revenue</b>   | <b>126,794,094</b>    | <b>128,397,907</b>    | <b>128,857,392</b>    | <b>122,739,503</b>    | <b>130,370,771</b>    | <b>136,674,826</b>    | <b>140,317,882</b>    | <b>141,247,459</b>    | <b>145,986,981</b>    | <b>172,738,565</b>    |
| <b>Expenditures</b>  |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| <b>Current</b>   |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Instruction  | 59,698,004            | 57,153,774            | 60,531,381            | 60,804,635            | 64,929,255            | 67,331,278            | 69,260,186            | 67,216,520            | 66,229,327            | 77,651,930            |
| Student  | 45,161,172            | 41,200,435            | 8,166,385             | 8,341,730             | 8,564,110             | 9,256,082             | 9,160,746             | 9,102,254             | 9,600,133             | 11,170,317            |
| Instructional staff  | -                     | -                     | 5,051,994             | 6,000,678             | 6,060,517             | 7,149,975             | 7,054,784             | 6,651,380             | 6,597,870             | 8,384,970             |
| Administration   | -                     | -                     | 13,926,174            | 13,371,104            | 15,053,772            | 15,959,607            | 16,085,306            | 15,472,790            | 14,866,078            | 17,182,660            |
| Operations and maintenance   | 657,891               | 1,956,323             | 13,374,600            | 14,848,672            | 21,025,001            | 15,513,467            | 18,298,238            | 14,587,040            | 15,072,223            | 16,190,616            |
| Student transportation   | 7,467,547             | 4,956,839             | 6,229,887             | 6,600,049             | 6,140,707             | 6,846,658             | 7,134,523             | 6,479,865             | 6,177,370             | 7,393,010             |
| Non-Instruction expenditures   |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Child Nutrition operations   | -                     | -                     | 80,352                | -                     | -                     | -                     | -                     | -                     | 42,453                | 9,270,820             |
| Community service operations   | 134,219               | 401,379               | 603,868               | 712,130               | 631,639               | 982,404               | 985,006               | 1,103,343             | 1,001,928             | 1,164,549             |
| Other  | -                     | 3,510                 | 623,777               | 49,881                | 562,330               | 835,544               | 644,169               | 910,491               | 613,845               | 766,701               |
| Capital outlay   | 8,238,872             | 10,005,932            | 9,880,802             | 10,867,181            | 20,712,239            | 24,794,259            | 23,043,842            | 15,169,844            | 16,313,803            | 15,798,741            |
| Debt service   |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Principal  | 15,425,000            | 15,925,000            | 18,750,000            | 20,875,000            | 20,225,000            | 23,021,882            | 21,675,000            | 23,665,000            | 24,370,000            | 25,745,000            |
| Interest   | 2,174,625             | 2,550,031             | 35,641                | 1,700,488             | 1,827,511             | 1,732,960             | 1,842,961             | 2,118,963             | 2,159,275             | 2,284,128             |
| Other  | -                     | -                     | 2,886,978             | -                     | -                     | -                     | -                     | -                     | -                     | -                     |
| <b>Total expenditures</b>  | <b>\$ 138,957,330</b> | <b>\$ 134,153,223</b> | <b>\$ 140,141,839</b> | <b>\$ 144,171,559</b> | <b>\$ 165,732,081</b> | <b>\$ 173,424,117</b> | <b>\$ 175,184,760</b> | <b>\$ 162,477,491</b> | <b>\$ 163,044,305</b> | <b>\$ 193,003,442</b> |
| Excess (deficiency) of revenues over (under) expenditures            | (12,163,236)          | (9,755,316)           | (11,284,447)          | (21,432,056)          | (35,361,310)          | (36,749,291)          | (34,866,878)          | (21,230,031)          | (17,057,324)          | (20,264,877)          |
| <b>Other financing sources (uses)</b>                                |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Issuance of debt   | \$ 19,000,000         | \$ 23,500,000         | \$ 20,500,000         | \$ 18,000,000         | \$ 21,613,300         | \$ 34,551,700         | \$ 23,925,000         | \$ 23,500,000         | \$ 23,325,000         | \$ 42,500,000         |
| Capital Leases   | -                     | -                     | -                     | (486,652)             | 3,500,000             | -                     | -                     | -                     | -                     | -                     |
| Premium on new issuance of debt                                      | -                     | -                     | 790,019               | 727,155               | 752,823               | 1,307,103             | 1,390,707             | 541,969               | 24,482                | 296,870               |
| Proceeds on disposal of capital asset                                | -                     | -                     | -                     | -                     | 114,259               | 139,493               | 32,222                | 695                   | 39,057                | 1,811                 |
| Transfers in   | 1,300,920             | 988,726               | -                     | -                     | 140,000               | -                     | -                     | -                     | -                     | -                     |
| Transfers out  | -                     | -                     | -                     | -                     | (140,000)             | -                     | -                     | -                     | -                     | -                     |
| <b>Total other financing sources (uses)</b>                          | <b>20,300,920</b>     | <b>24,488,726</b>     | <b>21,290,019</b>     | <b>18,240,503</b>     | <b>25,980,382</b>     | <b>35,998,297</b>     | <b>25,347,929</b>     | <b>24,042,664</b>     | <b>23,388,539</b>     | <b>42,798,682</b>     |
| <b>Net changes in fund balances</b>                                  | <b>\$ 8,137,684</b>   | <b>\$ 18,733,410</b>  | <b>\$ 10,005,572</b>  | <b>\$ (3,191,553)</b> | <b>\$ (9,380,928)</b> | <b>\$ (750,994)</b>   | <b>\$ (9,518,949)</b> | <b>\$ 2,812,632</b>   | <b>\$ 6,331,214</b>   | <b>\$ 22,533,804</b>  |
| Debt service as a percentage of noncapital expenditures <sup>4</sup> | 13.46%                | 14.88%                | 14.74%                | 17.68%                | 16.16%                | 17.19%                | 16.18%                | 17.91%                | 18.41%                | 16.16%                |

<sup>4</sup>Noncapital expenditures debt service percentage calculations are total expenditures less capital outlays reported on the Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of Governmental Funds to the Statement of Activities.



## Revenue Capacity

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**Broken Arrow Public Schools**  
**Assessed and Estimated Actual Value of Taxable Property**  
**Last Ten Fiscal Years**

| Fiscal Year<br>Ended<br>June 30th | Real Property<br>Assessed Value <sup>a</sup> | Personal Property<br>Net Assessed Value <sup>a</sup> | Public Service                          |                             |  | Ratio of Net<br>Assessed Value to |                                       |
|-----------------------------------|--|--|---|-----------------------------|--|-----------------------------------|---------------------------------------|
|                                   |  |  | Property Assessed<br>Value <sup>b</sup> | Total Net Assessed<br>Value | Total Estimated Actual<br>Value <sup>c</sup> | Total Estimated<br>Actual Value   | Total Direct<br>Tax Rate <sup>d</sup> |
| 2010                              | 555,513,840                                  | 60,148,019   | 37,125,687                              | 652,787,546                 | 5,960,056,518                                | 10.95%                            | 69.72                                 |
| 2011                              | 580,956,754                                  | 61,731,452   | 38,280,454                              | 680,968,660                 | 6,213,429,439                                | 10.96%                            | 69.25                                 |
| 2012                              | 601,588,555                                  | 62,450,345   | 36,694,573                              | 700,733,473                 | 6,403,085,486                                | 10.94%                            | 70.60                                 |
| 2013                              | 615,160,586                                  | 67,790,732   | 38,357,583                              | 721,308,901                 | 6,602,257,029                                | 10.93%                            | 70.22                                 |
| 2014                              | 634,215,020                                  | 80,940,052   | 36,992,320                              | 752,147,392                 | 6,891,879,682                                | 10.91%                            | 70.51                                 |
| 2015                              | 658,515,724                                  | 77,554,379   | 32,953,314                              | 769,023,417                 | 7,069,347,080                                | 10.88%                            | 71.10                                 |
| 2016                              | 691,169,953                                  | 82,030,524   | 26,793,531                              | 799,994,008                 | 7,383,360,050                                | 10.84%                            | 69.73                                 |
| 2017                              | 728,256,008                                  | 77,967,565   | 33,712,941                              | 839,936,514                 | 7,718,321,096                                | 10.88%                            | 71.00                                 |
| 2018                              | 799,481,750                                  | 54,063,523   | 35,826,575                              | 889,371,848                 | 8,160,962,344                                | 10.90%                            | 71.24                                 |
| 2019                              | 845,459,879                                  | 63,809,309   | 36,588,071                              | 945,857,259                 | 8,673,867,904                                | 10.90%                            | 71.34                                 |

<sup>a</sup> Assessed value is defined as the taxable value of real personal property and is subject to an assessment rate set by the County Assessor to calculate the amount of tax liability.

<sup>b</sup> Public service property is centrally assessed by the Oklahoma State Board of Equalization. The assessment rates on public service property, airlines and railroads are included in this category.

<sup>c</sup> Estimated actual value is used in computing the gross assessed value for tax purposes. The Oklahoma Constitution provides that this value will not exceed a 5% increase over the previous year unless improvements were made to the property or if title to the property is transferred, changed, or conveyed to another person.

<sup>d</sup> Components of total direct tax rate are found on the Direct and Overlapping Property Tax Rate table.

Source: Tulsa & Wagoner County Assessors.



**Broken Arrow Public Schools  
Direct and Overlapping Property Tax Rates  
Last Ten Fiscal Years**

| Fiscal Year | Direct Rates<br>Broken Arrow School District |          |         |                       | Rates for Taxpayers in the City of Broken Arrow<br>Overlapping Rates |                            |               |                         | Total Direct &<br>Overlapping<br>Rates |
|-------------|--|----------|---------|-----------------------|--|----------------------------|---------------|-------------------------|--|
|             | General                                      | Building | Sinking | Total Direct<br>Rates | Tulsa County   | Tulsa Community<br>College | Tulsa Vo-Tech | City of Broken<br>Arrow |  |
| 2010        | 36.40  | 5.20     | 28.12   | 69.72                 | 22.21  | 7.21                       | 13.33         | 15.98                   | 128.45                                 |
| 2011        | 36.40  | 5.20     | 27.65   | 69.25                 | 22.21  | 7.21                       | 13.33         | 16.44                   | 128.44                                 |
| 2012        | 36.40  | 5.20     | 29.00   | 70.60                 | 22.24  | 7.21                       | 13.33         | 17.13                   | 130.51                                 |
| 2013        | 36.40  | 5.20     | 28.62   | 70.22                 | 22.24  | 7.21                       | 13.33         | 16.50                   | 129.50                                 |
| 2014        | 36.40  | 5.20     | 28.91   | 70.51                 | 22.23  | 7.21                       | 13.33         | 17.32                   | 130.60                                 |
| 2015        | 36.40  | 5.20     | 29.50   | 71.10                 | 22.23  | 7.21                       | 13.33         | 17.14                   | 131.01                                 |
| 2016        | 36.40  | 5.20     | 28.13   | 69.73                 | 22.22  | 7.21                       | 13.33         | 17.10                   | 129.59                                 |
| 2017        | 36.40  | 5.20     | 29.40   | 71.00                 | 22.24  | 7.21                       | 13.33         | 16.92                   | 130.70                                 |
| 2018        | 36.40  | 5.20     | 29.64   | 71.24                 | 22.24  | 7.21                       | 13.33         | 16.84                   | 130.86                                 |
| 2019        | 36.40  | 5.20     | 29.74   | 71.34                 | 22.74  | 7.21                       | 13.33         | 15.61                   | 130.23                                 |
|             |  |          |         |                       |  |                            |               | <b>Ten-Year Average</b> | <b>\$ 129.93</b>                       |

**Note:** A mill is the equivalent of \$1 per \$1,000 of net assessed value. The District's millage rate levy is pursuant to provisions of the Constitution of the State of Oklahoma contained in Article X. The County Excise Board certifies the Estimate of Needs submitted by the District annually and computes the rate of mill levy necessary for General Fund, Building Fund, and Sinking Fund purposes.

**Source:** Notice of Sale and Official Statement prepared by Stephen L. Smith Corporation and Tulsa and Wagoner County Assessors



**Broken Arrow Public Schools  
Principal Property Taxpayers  
Current Year and Nine Years Ago**

| Taxpayer                            | 2019                   |  |      | 2010                   |  |      |
|-------------------------------------|------------------------|--|------|------------------------|--|------|
|                                     | Net Assessed Valuation | Percentage of District's Net Assessed Valuation <sup>a</sup> | Rank | Net Assessed Valuation | Percentage of District's Net Assessed Valuation <sup>b</sup> | Rank |
| Public Service Company of Oklahoma  | \$ 9,264,172           | 0.98%  | 1    | \$ 8,750,561           | 1.34%  | 1    |
| Wal-Mart Stores                     | 5,784,332              | 0.61%  | 2    | 5,025,172              | 0.77%  | 2    |
| Greens at Broken Arrow Battle Creek | 5,702,930              | 0.60%  | 3    | 3,189,192              | 0.49%  | 5    |
| St. Johns Hospital                  | 5,251,919              | 0.56%  | 4    | -                      |  |      |
| Valor Comm of OK/Windstream Comm    | 4,155,010              | 0.44%  | 5    | 4,820,859              | 0.74%  | 3    |
| Park at Mission Hills               | 3,895,466              | 0.41%  | 6    | -                      |  |      |
| Flight Safety                       | 3,752,081              | 0.40%  | 7    | -                      |  |      |
| Auburndale Halifax Broken Arrow LLC | 3,516,480              | 0.37%  | 8    | 1,816,496              | 0.28%  | 9    |
| Warren Theater                      | 3,141,042              | 0.33%  | 9    | -                      |  |      |
| Oklahoma Natural Gas                | 2,923,569              | 0.31%  | 10   | 3,483,330              | 0.53%  | 4    |
| Cox Communications                  | -                      |  |      | 2,964,978              | 0.45%  | 6    |
| AT&T                                | -                      |  |      | 2,749,704              | 0.42%  | 7    |
| ORIX at Battle Creek LLC            | -                      |  |      | 1,817,420              | 0.28%  | 8    |
| Villas at Aspen Park LLC            | -                      |  |      | 1,812,911              | 0.28%  | 10   |
| <b>Total</b>                        | <b>\$ 47,387,001</b>   | <b>5.01%</b>   |      | <b>\$ 36,430,623</b>   | <b>5.58%</b>   |      |

<sup>a</sup> Based on FY18-19 District Net Assessed Valuation of \$945,857,259

<sup>b</sup> Based on FY09-10 District Net Assessed Valuation of \$652,787,546

Source: Tulsa and Wagoner County Assessors



**Broken Arrow Public Schools  
Property Tax Levies and Collections  
Last Ten Fiscal Years**

| Fiscal Year Ended<br>June 30, | Taxes Levied<br>for the<br>Fiscal Year | Collected within the<br>Fiscal Year of the Levy <sup>a</sup> |                       | Collected in<br>Subsequent Years <sup>b</sup> | Total Collections to Date |                       |
|-------------------------------|--|--|-----------------------|---|---------------------------|-----------------------|
|                               |  | Amount   | Percentage of<br>Levy |   | Amount                    | Percentage of<br>Levy |
| 2010                          | 45,448,521                             | 44,180,722   | 97.21%                | 951,925                                       | 45,132,647                | 99.30%                |
| 2011                          | 47,093,194                             | 45,916,477   | 97.50%                | 1,087,587                                     | 47,004,064                | 99.81%                |
| 2012                          | 49,406,126                             | 48,237,658   | 97.63%                | 1,096,157                                     | 49,333,815                | 99.85%                |
| 2013                          | 50,582,304                             | 49,326,775   | 97.52%                | 998,599                                       | 50,325,374                | 99.49%                |
| 2014                          | 52,957,704                             | 51,631,605   | 97.50%                | 1,050,963                                     | 52,682,567                | 99.48%                |
| 2015                          | 54,599,566                             | 53,295,303   | 97.61%                | 971,679                                       | 54,266,983                | 99.39%                |
| 2016                          | 55,704,874                             | 54,964,159   | 98.67%                | 996,621                                       | 55,960,780                | 100.46%               |
| 2017                          | 59,552,346                             | 58,212,751   | 97.75%                | 1,260,346                                     | 59,473,097                | 99.87%                |
| 2018                          | 63,275,425                             | 61,916,217   | 97.85%                | 1,021,194                                     | 62,937,410                | 99.47%                |
| 2019                          | 67,385,585                             | 65,859,432   | 97.74%                | 1,107,972                                     | 66,967,405                | 99.38%                |

<sup>a</sup> The Tulsa County Assessor is required to file a tax roll report on or before October 1 of each year with the Tulsa County Treasurer who must begin collecting taxes by November. The first half of taxes become due and payable on or before December 31. The second half becomes due and payable on or before March 31. If the first half is not paid by December 31, the total tax becomes due and payable on January 1.

<sup>b</sup> Ad valorem taxes not paid on or before April 1 are considered delinquent. Interest accrues on delinquent taxes at the rate of one and one-half percent monthly (18 percent annually) to a maximum of 100 percent of the taxes due until such time as the delinquent taxes are paid. If not paid by the following October 1, the property is offered for sale of the amount of taxes due.

**Source:** Tulsa and Wagoner County Treasurer's records.

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## Debt Capacity

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**Broken Arrow Public Schools  
Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years**

| Fiscal Year Ended June 30th | Governmental Activities General Obligation Bonds | Governmental Activities Capital Leases | Total District | Total Estimated Actual Value <sup>a</sup> | Ratio of Outstanding Debt to Estimated Actual Value <sup>a</sup> | Total Personal Income | Ratio of Outstanding Debt Per Personal Income | Average Daily Membership (ADM) <sup>b</sup> | Ratio of Outstanding Debt Per Student <sup>b</sup> |
|-----------------------------|--|--|----------------|---|--|-----------------------|---|---|--|
| 2010                        | 66,425,000                                       | -                                      | 66,425,000     | 5,960,056,518                             | 1.11%  | 126,704,010           | 52.43%  | 16,460                                      | 4,036  |
| 2011                        | 74,000,000                                       | -                                      | 74,000,000     | 6,213,429,439                             | 1.19%  | 133,616,459           | 55.38%  | 16,629                                      | 4,450  |
| 2012                        | 75,750,000                                       | -                                      | 75,750,000     | 6,403,085,486                             | 1.18%  | 142,861,660           | 53.02%  | 16,836                                      | 4,499  |
| 2013                        | 73,602,155                                       | 1,013,348                              | 74,615,503     | 6,602,257,029                             | 1.13%  | 148,798,993           | 50.15%  | 17,145                                      | 4,352  |
| 2014                        | 75,642,649                                       | 4,013,468                              | 79,656,117     | 6,891,879,682                             | 1.16%  | 161,187,913           | 49.42%  | 17,916                                      | 4,446  |
| 2015                        | 88,817,178                                       | 3,124,376                              | 91,941,554     | 7,069,347,080                             | 1.30%  | 167,291,805           | 54.96%  | 18,372                                      | 5,004  |
| 2016                        | 91,495,050                                       | -                                      | 91,495,050     | 7,383,360,050                             | 1.24%  | 173,186,712           | 52.83%  | 18,796                                      | 4,868  |
| 2017                        | 90,693,794                                       | -                                      | 90,693,794     | 7,718,321,096                             | 1.18%  | 167,502,814           | 54.14%  | 18,899                                      | 4,799  |
| 2018                        | 88,645,469                                       | -                                      | 88,645,469     | 8,160,962,344                             | 1.09%  | 173,817,578           | 51.00%  | 19,081                                      | 4,646  |
| 2019                        | 105,115,172                                      | -                                      | 105,115,172    | 8,673,867,904                             | 1.21%  | 186,102,700           | 56.48%  | 19,070                                      | 5,512  |

<sup>a</sup> Estimated actual valuation is taken from the table, Assessed and Estimated Actual Value of Taxable Property.

<sup>b</sup> Per capita calculations are based on the final audited average daily membership (ADM) certified by the Oklahoma State Department of Education.

**Sources:**

District records

Oklahoma State Department of Education



**Broken Arrow Public Schools**  
**Ratios of Net General Bonded Debt Outstanding**  
**Last Ten Fiscal Years**

| Fiscal Year Ended June 30th | General Obligation Bonds | Less Sinking Fund Balance | Net General Bonded Debt Outstanding | Total Estimated Actual Value <sup>a</sup> | Ratio of Net Debt to Estimated Actual Valuation <sup>a</sup> | Average Daily Membership (ADM) <sup>b</sup> | Ratio of Net Debt Per Student <sup>b</sup> |
|-----------------------------|--------------------------|---------------------------|-------------------------------------|---|--|---|--|
| 2010                        | 66,425,000               | 16,211,858                | 50,213,142                          | 5,960,056,518                             | 0.84%  | 16,460                                      | 3,051                                      |
| 2011                        | 74,000,000               | 16,774,232                | 57,225,768                          | 6,213,429,439                             | 0.92%  | 16,629                                      | 3,441                                      |
| 2012                        | 75,750,000               | 16,620,298                | 59,129,702                          | 6,403,085,486                             | 0.92%  | 16,836                                      | 3,512                                      |
| 2013                        | 72,875,000               | 15,080,820                | 57,794,180                          | 6,602,257,029                             | 0.88%  | 17,145                                      | 3,371                                      |
| 2014                        | 75,642,649               | 15,515,172                | 60,127,477                          | 6,891,879,682                             | 0.87%  | 17,916                                      | 3,356                                      |
| 2015                        | 88,817,178               | 15,657,564                | 73,159,614                          | 7,069,347,080                             | 1.03%  | 18,372                                      | 3,982                                      |
| 2016                        | 91,495,050               | 16,234,350                | 75,260,700                          | 7,383,360,050                             | 1.02%  | 18,796                                      | 4,004                                      |
| 2017                        | 90,693,794               | 15,717,771                | 74,976,023                          | 7,718,321,096                             | 0.97%  | 18,899                                      | 3,967                                      |
| 2018                        | 88,645,469               | 15,425,669                | 73,219,800                          | 8,160,962,344                             | 0.90%  | 19,081                                      | 3,837                                      |
| 2019                        | 105,115,172              | 15,673,831                | 89,441,341                          | 8,673,867,904                             | 1.03%  | 19,070                                      | 4,690                                      |

<sup>a</sup> Estimated actual valuation is taken from the table, Assessed and Estimated Actual Value of Taxable Property.

<sup>b</sup> Per capital calculations are based on the final audited average daily membership (ADM) certified by the Oklahoma State Department of Education .

**Sources:**

District records

Oklahoma State Department of Education



**Broken Arrow Public Schools**  
**Direct and Overlapping Governmental Activities Debt**  
**As of June 30, 2019**

| Governmental Unit                        | Debt Outstanding | Estimated Percentage<br>Applicable <sup>a</sup> | Estimated Share of Direct<br>and Overlapping Debt <sup>b</sup> |
|--|------------------|---|--|
| Tulsa County                             | \$ 6,706,423     | 10.41%  | \$ 698,483   |
| Wagoner County                           | -                | N/A   | -  |
| Tulsa Community College                  | -                | N/A   | -  |
| Tulsa Vo-Tech #18                        | -                | N/A   | -  |
| City of Broken Arrow                     | 112,557,348      | 100.00%   | 112,557,348  |
| City of Tulsa                            | 394,128,507      | 0.68%   | 2,680,074  |
| City of Coweta                           | -                | N/A   | -  |
| Subtotal, overlapping debt               |                  |   | 115,935,905  |
| <b>District direct debt <sup>c</sup></b> |                  |   | <b>105,115,172</b>   |
| <b>Total direct and overlapping debt</b> |                  |   | <b>\$ 221,051,077</b>  |

<sup>a</sup> The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the County's taxable assessed value that is within the District's boundaries and dividing it by the County's total taxable assessed value.

<sup>b</sup> Overlapping governments are those that coincide, at least in part, with the geographical boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments.

<sup>c</sup> This direct debt amount is the sum of the governmental activities debt in the Statistical Section schedule of debt ratios.

**Source:** Official Statement and Notice prepared by Stephen L. Smith Corporation



**Broken Arrow Public Schools  
Legal Debt Margin  
Last Ten Fiscal Years**

**Legal Debt Margin Calculation for Fiscal Year 2018:**

|                                    |                     |                            |
|------------------------------------|---------------------|----------------------------|
| Secondary assessed valuation       |                     | \$ 945,857,259             |
| Debt Limit (10% of assessed value) |                     | 94,585,726                 |
| Debt applicable to limit           | 105,115,172         |                            |
| Current sinking fund balance       | <u>(15,673,831)</u> | 89,441,341                 |
| Legal debt margin                  |                     | <u><u>\$ 5,144,385</u></u> |

| Fiscal Year Ended<br>June 30th | Net Assessed<br>Valuation <sup>a</sup> | Legal Debt Limit<br>10% of Net<br>Assessed Valuation<br><sup>b</sup> | Outstanding<br>District<br>Indebtedness | Less<br>Sinking Fund<br>Balance | Total Net Debt<br>Subject to Legal<br>Limit | Legal<br>Debt Margin <sup>c</sup> | Applicable to the<br>Limit as a<br>Percentage<br>of Debt Limit |
|--------------------------------|--|--|---|---------------------------------|---|-----------------------------------|--|
| 2010                           | 652,787,546                            | 65,278,755   | 66,425,000                              | 16,211,858                      | 50,213,142                                  | 15,065,613                        | 76.92%   |
| 2011                           | 680,968,660                            | 68,096,866   | 74,000,000                              | 16,774,232                      | 57,225,768                                  | 10,871,098                        | 84.04%   |
| 2012                           | 700,733,473                            | 70,073,347   | 75,750,000                              | 16,216,368                      | 59,533,632                                  | 10,539,715                        | 84.96%   |
| 2013                           | 721,308,901                            | 72,130,890   | 73,888,348                              | 15,080,820                      | 58,807,528                                  | 13,323,362                        | 81.53%   |
| 2014                           | 752,147,392                            | 75,214,739   | 79,656,117                              | 15,515,172                      | 64,140,945                                  | 11,073,794                        | 85.28%   |
| 2015                           | 769,023,417                            | 76,902,342   | 91,941,554                              | 15,657,564                      | 76,283,990                                  | 618,352                           | 99.20%   |
| 2016                           | 799,994,008                            | 79,999,401   | 91,495,050                              | 16,235,350                      | 75,259,700                                  | 4,739,701                         | 94.08%   |
| 2017                           | 839,936,514                            | 83,993,651   | 90,693,794                              | 15,717,771                      | 74,976,023                                  | 9,017,628                         | 89.26%   |
| 2018                           | 889,371,848                            | 88,937,185   | 88,645,469                              | 15,425,669                      | 73,219,800                                  | 15,717,385                        | 82.33%   |
| 2019                           | 945,857,259                            | 94,585,726   | 105,115,172                             | 15,673,831                      | 89,441,341                                  | 5,144,385                         | 94.56%   |

<sup>a</sup> Net assessed valuation is taken from the table, Assessed and Estimated Actual Value of Taxable Property.

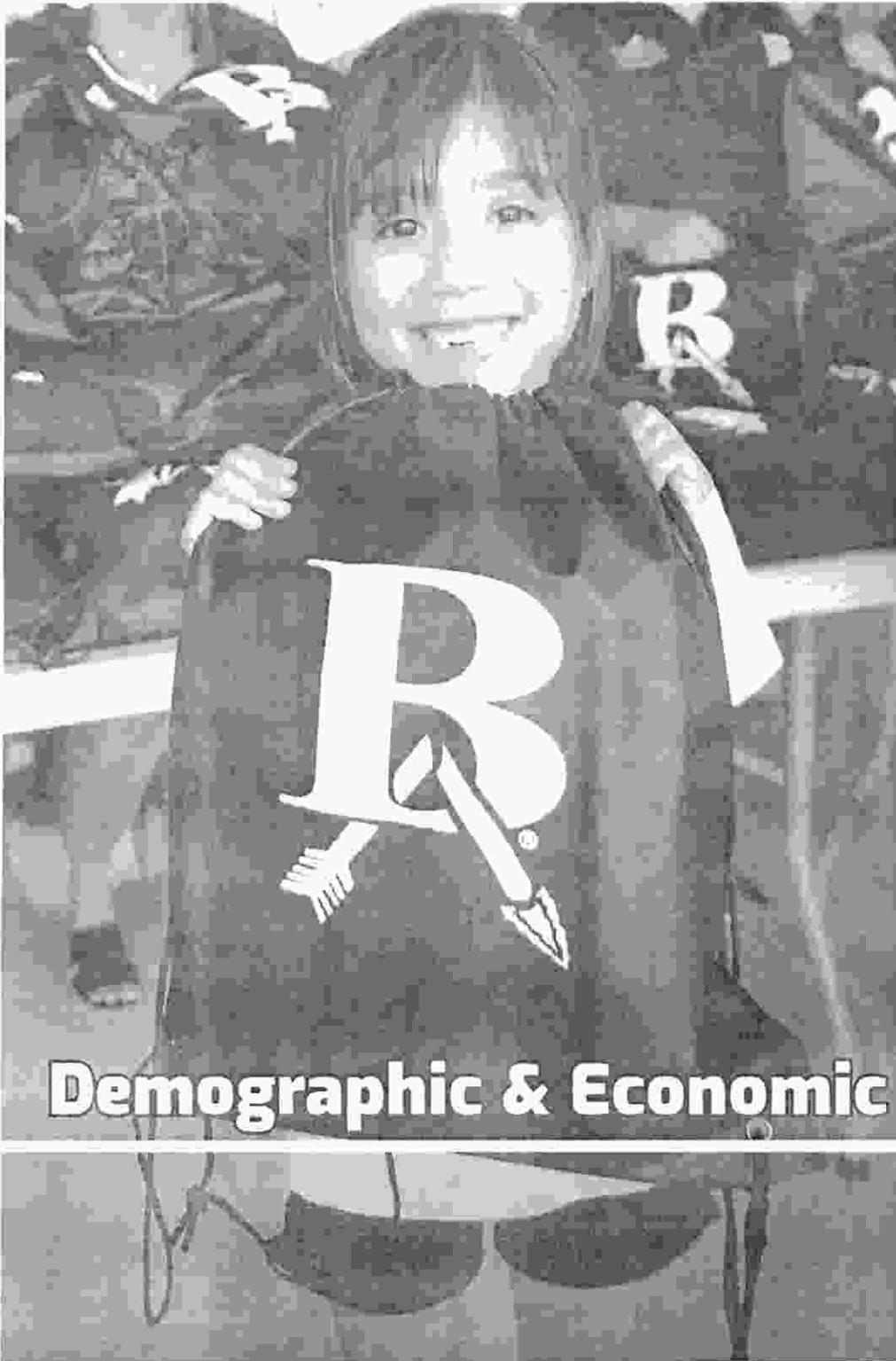
<sup>b</sup> The general obligation indebtedness of the District is limited by Oklahoma law to 10% of the net assessed value of the

<sup>c</sup> The legal debt margin is the additional debt incurring capacity of the District as allowed by Oklahoma law.

**Sources:**

District financial records  
Tulsa and Wagoner County Assessors

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## Demographic & Economic Information



**Broken Arrow Public Schools  
Demographic and Economic Statistics  
Last Ten Fiscal Years**

| Fiscal Year Ended<br>June 30th | Population <sup>a</sup> | Total Personal<br>Income <sup>c</sup> | Real Per Capita<br>Personal Income <sup>a</sup> | Unemployment<br>Rate <sup>b</sup> | District Average Daily<br>Membership<br>Population <sup>d</sup> |
|--------------------------------|-------------------------|---------------------------------------|---|-----------------------------------|---|
| 2010                           | 98,850                  | 126,704,010                           | 24,548  | 7.00%                             | 16,460  |
| 2011                           | 100,073                 | 133,616,459                           | 23,776  | 6.10%                             | 16,629  |
| 2012                           | 102,103                 | 142,861,660                           | 23,838  | 4.70%                             | 16,836  |
| 2013                           | 103,500                 | 148,798,993                           | 24,085  | 3.40%                             | 17,145  |
| 2014                           | 103,808                 | 161,187,913                           | 24,284  | 3.90%                             | 17,916  |
| 2015                           | 107,506                 | 167,291,805                           | 24,208  | 3.70%                             | 18,372  |
| 2016                           | 106,563                 | 173,186,712                           | 26,655  | 4.20%                             | 18,796  |
| 2017                           | 107,403                 | 167,502,814                           | 25,762  | 3.60%                             | 19,074  |
| 2018                           | 108,303                 | 173,817,578                           | 26,437  | 3.50%                             | 19,081  |
| 2019                           | 109,171                 | 186,102,700                           | 26,472  | 3.20%                             | 19,070  |

<sup>a</sup> US Census Bureau

<sup>b</sup> Oklahoma Employment Security Commission

<sup>c</sup> US Bureau of Economic Analysis

<sup>d</sup> District records



**Broken Arrow Public Schools  
Broken Arrow Area Principal Employers  
Current Year and Nine Years Ago**

| Employer                      | 2019                   |      |   | 2010                   |      |   |
|-------------------------------|------------------------|------|---|------------------------|------|---|
|                               | Employees <sup>a</sup> | Rank | Percentage of Total Employment <sup>b</sup> | Employees <sup>a</sup> | Rank | Percentage of Total Employment <sup>c</sup> |
| Broken Arrow Public Schools   | 2,384                  | 1    | 2.18%                                       | 1,913                  | 1    | 1.94%                                       |
| Northeastern State University | 800                    | 2    | 0.73%                                       | -                      |      |   |
| FlightSafety International    | 750                    | 3    | 0.69%                                       | -                      |      |   |
| City of Broken Arrow          | 675                    | 4    | 0.62%                                       | 625                    | 4    |   |
| Zeeco                         | 647                    | 5    | 0.59%                                       | 700                    | 3    |   |
| Oklahoma HealthCare Services  | 460                    | 6    | 0.42%                                       | -                      |      |   |
| AG Equipment                  | 360                    | 7    | 0.33%                                       | -                      |      |   |
| Exterran, Inc.                | 350                    | 8    | 0.32%                                       | -                      |      |   |
| Micahtek Inc.                 | 350                    | 9    | 0.32%                                       | -                      |      |   |
| McDaniel Technical Services   | 325                    | 10   | 0.30%                                       | -                      |      |   |
| Walmart                       | -                      |      |   | 800                    | 2    | 0.81%                                       |
| Micahtek Inc.                 | -                      |      | -   | 345                    | 5    | 0.35%                                       |
| Baker Hughes Oilfield Ops.    | -                      |      | -   | 330                    | 6    | 0.33%                                       |
| Reasors                       | -                      |      | -   | 300                    | 7    | 0.30%                                       |
| Rhema Bible Church            | -                      |      | -   | 275                    | 8    | 0.28%                                       |
| Continental Industries        | -                      |      | -   | 200                    | 9    | 0.20%                                       |
| Davis H. Elliot/Oklahoma      | -                      |      | -   | 185                    | 10   | 0.19%                                       |
|                               | 7,101                  |      | 6.50%                                       | 5,673                  |      | 5.74%                                       |

**Sources:**

<sup>a</sup> Broken Arrow Chamber of Commerce

<sup>b</sup> Based on US Census Bureau population of 109,171

<sup>c</sup> Based on US Census Bureau population of 98,850



**Broken Arrow Public Schools**  
**Full-Time Equivalent District Employees by Type**  
**Last Ten Fiscal Years**

|   | Full-Time Equivalent Employees by Type |              |              |              |              |              |              |              |              |              | Percentage<br>Change<br>2010-2019 |
|---|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|-----------------------------------|
|   | 2010                                   | 2011         | 2012         | 2013         | 2014         | 2015         | 2016         | 2017         | 2018         | 2019         |                                   |
| Supervisory                             |  |              |              |              |              |              |              |              |              |              |                                   |
| Principals                              | 27                                     | 27           | 25           | 25           | 28           | 28           | 29           | 27           | 30           | 35           | 29.63%                            |
| Assistant Principals                    | 20                                     | 22           | 26           | 26           | 25           | 29           | 28           | 28           | 26           | 19           | -5.00%                            |
| <b>Total supervisory</b>                | <b>47</b>                              | <b>49</b>    | <b>51</b>    | <b>51</b>    | <b>53</b>    | <b>57</b>    | <b>57</b>    | <b>55</b>    | <b>56</b>    | <b>54</b>    | <b>14.89%</b>                     |
| Instruction                             |  |              |              |              |              |              |              |              |              |              |                                   |
| Teachers                                | 785                                    | 858          | 875          | 873          | 946          | 1,068        | 1,090        | 1,066        | 967          | 1,053        | 34.14%                            |
| Other professionals                     | 193                                    | 149          | 146          | 150          | 149          | 122          | 113          | 108          | 140          | 127          | -34.20%                           |
| Aides                                   | 102                                    | 102          | 98           | 95           | 135          | 239          | 435          | 506          | 280          | 289          | 183.33%                           |
| <b>Total instruction</b>                | <b>1,080</b>                           | <b>1,109</b> | <b>1,119</b> | <b>1,118</b> | <b>1,230</b> | <b>1,429</b> | <b>1,638</b> | <b>1,680</b> | <b>1,387</b> | <b>1,469</b> | <b>36.02%</b>                     |
| Student Services                        |  |              |              |              |              |              |              |              |              |              |                                   |
| Librarians                              | 24                                     | 24           | 24           | 24           | 23           | 21           | 18           | 20           | 20           | 22           | -8.33%                            |
| Technicians                             | 41                                     | 35           | 34           | 44           | 67           | 54           | 23           | 25           | 31           | 35           | -14.63%                           |
| Social Workers/ Counselors              | 54                                     | 70           | 73           | 76           | 75           | 39           | 42           | 42           | 40           | 42           | -22.22%                           |
| <b>Total student services</b>           | <b>119</b>                             | <b>129</b>   | <b>131</b>   | <b>144</b>   | <b>165</b>   | <b>114</b>   | <b>83</b>    | <b>87</b>    | <b>91</b>    | <b>99</b>    | <b>-16.81%</b>                    |
| Support and Administration <sup>a</sup> |  |              |              |              |              |              |              |              |              |              |                                   |
| Office                                  | 276                                    | 281          | 277          | 246          | 250          | 184          | 209          | 211          | 216          | 212          | -23.19%                           |
| Maintenance                             | 134                                    | 153          | 150          | 146          | 172          | 195          | 231          | 251          | 177          | 182          | 35.82%                            |
| Food Service                            | 114                                    | 113          | 114          | 141          | 153          | 83           | 238          | 237          | 205          | 196          | 71.93%                            |
| Transportation                          | 143                                    | 171          | 170          | 175          | 170          | 159          | 237          | 205          | 194          | 172          | 20.28%                            |
| <b>Total support and administration</b> | <b>667</b>                             | <b>718</b>   | <b>711</b>   | <b>708</b>   | <b>745</b>   | <b>621</b>   | <b>915</b>   | <b>904</b>   | <b>792</b>   | <b>762</b>   | <b>14.24%</b>                     |
| <b>Total</b>                            | <b>1,913</b>                           | <b>2,005</b> | <b>2,012</b> | <b>2,021</b> | <b>2,193</b> | <b>2,221</b> | <b>2,693</b> | <b>2,726</b> | <b>2,326</b> | <b>2,384</b> | <b>24.62%</b>                     |

Source: State Department of Education and District records

<sup>a</sup> Total Support and Administration does not include instructional support personnel or principals/assistant principals.



## Operating Information



**Broken Arrow Public Schools**  
**Capital Assets by Function and Activity**  
**Last Ten Fiscal Years**

|   | 2010                  | 2011                  | 2012a                 | 2013                  | 2014                  | 2015                  | 2016                  | 2017                  | 2018                  | 2019b                 |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| <b>Governmental Activities</b>              |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Instruction                                 | \$ 157,122,239        | \$ 167,357,145        | \$ 177,952,564        | \$ 185,376,462        | \$ 204,322,573        | \$ 226,222,682        | \$ 249,359,547        | \$ 265,238,327        | \$ 281,092,680        | \$ 296,877,119        |
| Student                                     | 908,414               | 941,142               | 957,892               | 2,457,892             | 6,200,306             | 6,258,506             | 6,258,506             | 6,307,726             | 6,324,456             | 6,324,456             |
| Instructional support                       | 1,788,639             | 1,799,376             | 1,902,988             | 2,307,628             | 3,067,692             | 4,005,821             | 4,880,445             | 5,715,149             | 6,419,824             | 7,481,067             |
| General administration                      | 121,053               | 121,053               | 163,032               | 163,032               | 163,032               | 176,427               | 176,427               | 448,952               | 448,952               | 472,093               |
| School administration                       | 747,575               | 747,575               | 747,575               | 747,575               | 747,575               | 812,784               | 975,507               | 975,507               | 975,507               | 975,507               |
| Business                                    | 6,821,682             | 6,919,619             | 8,284,960             | 8,891,941             | 9,866,374             | 10,649,898            | 10,649,898            | 10,649,898            | 10,649,898            | 10,649,898            |
| Operations and maintenance                  | 1,614,769             | 1,677,952             | 2,188,376             | 3,386,270             | 5,480,740             | 6,605,416             | 10,978,022            | 11,565,686            | 12,581,160            | 14,147,870            |
| Transportation                              | 3,173,817             | 3,173,817             | 3,264,782             | 4,121,614             | 4,333,934             | 5,416,963             | 6,280,370             | 6,639,624             | 7,987,486             | 8,644,321             |
| Non-instructional                           | 1,071,120             | 1,097,086             | 1,097,086             | 1,102,205             | 1,102,204             | 1,102,204             | 1,102,204             | 1,108,185             | 1,108,185             | 5,893,613             |
| Other-unclassified                          | 47,810                | 86,508                | 86,508                | 86,508                | 86,509                | 86,509                | 86,509                | 86,509                | 86,509                | 86,509                |
| Total Governmental Activities               | 173,417,118           | 183,921,273           | 196,655,762           | 208,641,127           | 235,370,939           | 261,337,209           | 290,747,435           | 308,735,562           | 327,674,656           | 351,552,452           |
| <b>Business-Type Activities<sup>f</sup></b> |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Child nutrition services                    | -                     | -                     | 354,727               | 725,774               | 1,526,603             | 4,002,097             | 4,240,587             | 4,613,539             | 4,689,813             | -                     |
| <b>Total Capital Assets</b>                 | <b>\$ 173,417,118</b> | <b>\$ 183,921,273</b> | <b>\$ 197,010,489</b> | <b>\$ 209,366,901</b> | <b>\$ 236,897,542</b> | <b>\$ 265,339,307</b> | <b>\$ 294,988,021</b> | <b>\$ 313,349,100</b> | <b>\$ 332,364,469</b> | <b>\$ 351,552,452</b> |

a Prior to 2011-12, Business-Type Activities are included in Governmental Activities. See notes to financial statements.

Beginning with 2011-12, the District changed the presentation of information to conform with GASB Statement No.34.

b Beginning in 2018-19, the District reclassified the Child Nutrition Fund from a Business-type activity to a Governmental activity.

**Note:** See Note 4 in the Financial Section for full details on capital assets.

**Source:** District Records



**Broken Arrow Public Schools  
Employee Information  
Last Ten Fiscal Years**

|                                   | 2010         | 2011         | 2012         | 2013         | 2014         | 2015         | 2016         | 2017         | 2018         | 2019         |
|-----------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| <b>Certified Personnel</b>        |              |              |              |              |              |              |              |              |              |              |
| <b>Bachelor's</b>                 |              |              |              |              |              |              |              |              |              |              |
| Minimum Salary                    | \$ 30,686    | \$ 29,525    | \$ 29,525    | \$ 29,525    | \$ 29,525    | \$ 29,525    | \$ 29,525    | \$ 29,525    | \$ 29,525    | \$ 34,904    |
| Maximum Salary                    | \$ 41,460    | \$ 41,460    | \$ 41,560    | \$ 41,560    | \$ 42,123    | \$ 44,222    | \$ 44,822    | \$ 45,422    | \$ 44,822    | \$ 52,905    |
| Average Salary                    | \$ 36,073    | \$ 35,492    | \$ 35,542    | \$ 35,543    | \$ 35,824    | \$ 35,272    | \$ 35,253    | \$ 35,167    | \$ 35,922    | \$ 39,955    |
| Number of Teachers                | 777          | 745          | 792          | 824          | 845          | 856          | 730          | 833          | 907          | 860          |
| <b>Master's</b>                   |              |              |              |              |              |              |              |              |              |              |
| Minimum Salary                    | \$ 31,967    | \$ 31,967    | \$ 30,806    | \$ 30,806    | \$ 30,806    | \$ 30,806    | \$ 30,806    | \$ 30,806    | \$ 30,806    | \$ 36,361    |
| Maximum Salary                    | \$ 44,653    | \$ 44,653    | \$ 44,753    | \$ 44,753    | \$ 45,428    | \$ 48,053    | \$ 48,728    | \$ 49,403    | \$ 48,728    | \$ 57,162    |
| Average Salary                    | \$ 38,310    | \$ 38,310    | \$ 37,779    | \$ 37,780    | \$ 38,117    | \$ 38,830    | \$ 38,687    | \$ 38,583    | \$ 39,964    | \$ 44,280    |
| Number of Teachers                | 331          | 322          | 328          | 323          | 342          | 317          | 292          | 330          | 306          | 327          |
| <b>Doctoral</b>                   |              |              |              |              |              |              |              |              |              |              |
| Minimum Salary                    | \$ 33,298    | \$ 33,298    | \$ 32,137    | \$ 32,137    | \$ 32,137    | \$ 32,137    | \$ 35,909    | \$ 33,298    | \$ 32,137    | \$ 37,869    |
| Maximum Salary                    | \$ 47,184    | \$ 47,184    | \$ 47,284    | \$ 47,284    | \$ 47,959    | \$ 42,559    | \$ 42,559    | \$ 43,459    | \$ 59,259    | \$ 58,766    |
| Average Salary                    | \$ 40,241    | \$ 40,241    | \$ 39,711    | \$ 39,711    | \$ 40,048    | \$ 36,844    | \$ 38,500    | \$ 38,674    | \$ 40,651    | \$ 42,492    |
| Number of Teachers                | 7            | 7            | 9            | 5            | 6            | 5            | 6            | 9            | 9            | 11           |
| <b>Total Certified Personnel*</b> | <b>1,115</b> | <b>1,074</b> | <b>1,129</b> | <b>1,152</b> | <b>1,193</b> | <b>1,178</b> | <b>1,028</b> | <b>1,172</b> | <b>1,222</b> | <b>1,198</b> |
| <b>Support Personnel</b>          |              |              |              |              |              |              |              |              |              |              |
| Number of Support                 | 710          | 847          | 797          | 781          | 912          | 942          | 1,582        | 991          | 1,010        | 1,094        |
| <b>Administrative Personnel</b>   |              |              |              |              |              |              |              |              |              |              |
| Number of Administrators          | 88           | 84           | 86           | 88           | 88           | 101          | 83           | 97           | 94           | 92           |

\* Certified personnel is defined as any employee paid from the certified salary schedule who are required to have certification for their position, per the Oklahoma State Department of Education.

Source: District records



**Broken Arrow Public Schools  
Operating Statistics  
Last Ten Fiscal Years**

| Fiscal Year Ended June 30th | Average Daily Membership (ADM) <sup>a</sup> | Operating Expenditures <sup>b</sup> | Cost per Pupil <sup>c</sup> | Percentage Change | Teaching Staff <sup>d</sup> | Pupil/Teacher Ratio | Percentage of Students Receiving Free or Reduced - Price Meals <sup>e</sup> |
|-----------------------------|---|-------------------------------------|-----------------------------|-------------------|-----------------------------|---------------------|---|
| 2010                        | 16,460                                      | 117,999,304                         | 7,169                       | 4.08%             | 785                         | 25:1                | 38.00%  |
| 2011                        | 16,629                                      | 111,699,009                         | 6,717                       | -6.50%            | 858                         | 24:1                | 39.80%  |
| 2012                        | 16,836                                      | 119,769,371                         | 7,114                       | 5.37%             | 875                         | 23:1                | 38.40%  |
| 2013                        | 17,145                                      | 118,385,496                         | 6,905                       | 3.03%             | 873                         | 21:1                | 41.00%  |
| 2014                        | 17,916                                      | 131,100,328                         | 7,317                       | -5.63%            | 946                         | 24:1                | 42.00%  |
| 2015                        | 18,372                                      | 132,538,686                         | 7,214                       | 1.43%             | 1,068                       | 24:1                | 42.00%  |
| 2016                        | 18,796                                      | 146,222,636                         | 7,780                       | -7.28%            | 1,090                       | 24:1                | 42.00%  |
| 2017                        | 18,899                                      | 129,868,077                         | 6,872                       | 13.21%            | 1,066                       | 24:1                | 42.00%  |
| 2018                        | 19,081                                      | 150,775,808                         | 7,902                       | -13.03%           | 967                         | 26:1                | 48.00%  |
| 2019                        | 19,070                                      | 168,328,683                         | 8,827                       | -10.48%           | 1,053                       | 26:1                | 44.00%  |

<sup>a</sup> Final Audited average daily membership (ADM) obtained from the Oklahoma State Department of Education.

<sup>b</sup> Operating expenditures are the total expenses of the District as reported in the Government-Wide Statement of Activities.

<sup>c</sup> Cost per pupil is calculated by dividing operating expenditures by the final audited average daily membership (ADM) certified by the Oklahoma State Department of Education.

<sup>d</sup> Teaching staff includes all certified personnel whose pay is based on the Broken Arrow Education Association's contract.

<sup>e</sup> Percentage of free or reduced students obtained from District records maintained by the Child Nutrition Department.



**Broken Arrow Public Schools  
School Building Information  
Last Ten Fiscal Years**

*Continued on Page 120*

Fiscal Year Ending June 30th

| School                             | 2010   | 2011   | 2012   | 2013   | 2014   | 2015   | 2016   | 2017   | 2018   | 2019   |
|------------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| <b>Early Childhood Center</b>      |        |        |        |        |        |        |        |        |        |        |
| Arrow Springs (2014) <sup>o</sup>  |        |        |        |        |        |        |        |        |        |        |
| Square Feet                        | -      | -      | -      | -      | -      | 28,479 | 28,479 | 28,479 | 28,479 | 28,479 |
| Capacity                           | -      | -      | -      | -      | -      | 260    | 260    | 260    | 286    | 286    |
| Enrollment                         | -      | -      | -      | -      | -      | 239    | 225    | 228    | 218    | 218    |
| Aspen Creek (2013)                 |        |        |        |        |        |        |        |        |        |        |
| Square Feet                        | -      | -      | -      | -      | 28,712 | 28,712 | 28,712 | 28,712 | 28,712 | 28,712 |
| Capacity                           | -      | -      | -      | -      | 320    | 320    | 320    | 320    | 352    | 352    |
| Enrollment                         | -      | -      | -      | -      | 310    | 299    | 294    | 301    | 306    | 306    |
| Creekwood (2013)                   |        |        |        |        |        |        |        |        |        |        |
| Square Feet                        | -      | -      | -      | -      | 28,400 | 28,400 | 28,400 | 28,400 | 28,400 | 28,400 |
| Capacity                           | -      | -      | -      | -      | 320    | 320    | 320    | 320    | 352    | 352    |
| Enrollment                         | -      | -      | -      | -      | 326    | 339    | 314    | 307    | 309    | 309    |
| Park Lane (2013) <sup>o</sup>      |        |        |        |        |        |        |        |        |        |        |
| Square Feet                        | -      | -      | -      | -      | 33,280 | 33,280 | 33,280 | 33,280 | 33,280 | 33,280 |
| Capacity                           | -      | -      | -      | -      | 360    | 360    | 360    | 360    | 396    | 396    |
| Enrollment                         | -      | -      | -      | -      | 300    | 299    | 251    | 305    | 321    | 321    |
| <b>Elementary</b>                  |        |        |        |        |        |        |        |        |        |        |
| Arrow Springs (1981) <sup>*</sup>  |        |        |        |        |        |        |        |        |        |        |
| Square feet                        | 38,783 | 38,783 | 38,783 | 38,783 | 28,479 | 28,479 | 28,479 | 28,479 | 28,479 | 28,479 |
| Capacity                           | 648    | 648    | 648    | 432    | -      | -      | -      | -      | -      | -      |
| Enrollment                         | 410    | 379    | 367    | 337    | -      | -      | -      | -      | -      | -      |
| Arrowhead (1970)                   |        |        |        |        |        |        |        |        |        |        |
| Square feet                        | 70,813 | 70,813 | 68,960 | 68,960 | 68,960 | 68,960 | 68,960 | 68,960 | 68,960 | 68,960 |
| Capacity                           | 696    | 696    | 696    | 696    | 696    | 696    | 696    | 696    | 728    | 728    |
| Enrollment                         | 442    | 432    | 437    | 485    | 480    | 466    | 436    | 454    | 449    | 449    |
| Aspen Creek (2013) <sup>†</sup>    |        |        |        |        |        |        |        |        |        |        |
| Square feet                        | -      | -      | -      | -      | 92,539 | 92,539 | 92,539 | 92,539 | 92,539 | 92,539 |
| Capacity                           | -      | -      | -      | -      | 792    | 792    | 792    | 792    | 896    | 896    |
| Enrollment                         | -      | -      | -      | -      | 627    | 633    | 673    | 705    | 680    | 680    |
| Country Lane (1993)                |        |        |        |        |        |        |        |        |        |        |
| Square feet                        | 90,226 | 90,226 | 90,226 | 90,226 | 90,226 | 90,266 | 90,266 | 90,266 | 90,266 | 90,266 |
| Capacity                           | 984    | 984    | 984    | 984    | 984    | 984    | 984    | 984    | 1,092  | 1,092  |
| Enrollment                         | 817    | 940    | 845    | 924    | 818    | 834    | 828    | 853    | 764    | 764    |
| Country Lane Int. (2007)           |        |        |        |        |        |        |        |        |        |        |
| Square feet                        | 97,330 | 97,330 | 97,330 | 97,330 | 97,330 | 97,330 | 97,330 | 97,330 | 97,330 | 97,330 |
| Capacity                           | 1,176  | 1,176  | 1,176  | 1,176  | 1,224  | 1,224  | 1,224  | 1,224  | 1,232  | 1,232  |
| Enrollment                         | 672    | 811    | 697    | 708    | 750    | 769    | 845    | 845    | 746    | 746    |
| Creekwood (2013)                   |        |        |        |        |        |        |        |        |        |        |
| Square feet                        | -      | -      | -      | -      | 92,539 | 92,539 | 92,539 | 92,539 | 93,067 | 93,067 |
| Capacity                           | -      | -      | -      | -      | 792    | 792    | 792    | 792    | 952    | 952    |
| Enrollment                         | -      | -      | -      | -      | 631    | 672    | 677    | 677    | 583    | 583    |
| Indian Springs (1974) <sup>‡</sup> |        |        |        |        |        |        |        |        |        |        |
| Square feet                        | 42,066 | 42,066 | 42,066 | 42,066 | 42,066 | 42,066 | 42,066 | 42,066 | 21,803 | 21,803 |
| Capacity                           | 696    | 696    | 696    | 696    | -      | -      | -      | -      | -      | -      |
| Enrollment                         | 517    | 517    | 490    | 483    | -      | -      | -      | -      | -      | -      |



**Broken Arrow Public Schools  
School Building Information  
Last Nine Fiscal Years**

*Continued on Page 121*

Fiscal Year Ending June 30th

| School                        | 2010   | 2011   | 2012   | 2013   | 2014   | 2015   | 2016   | 2017   | 2018   | 2019   |
|-------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Highland Park (2012)          |        |        |        |        |        |        |        |        |        |        |
| Square feet                   | -      | -      | -      | 92,000 | 92,000 | 92,000 | 92,000 | 92,000 | 92,000 | 92,000 |
| Capacity                      | -      | -      | -      | 864    | 864    | 864    | 864    | 864    | 1,008  | 1,008  |
| Enrollment                    | -      | -      | -      | 784    | 788    | 846    | 853    | 897    | 797    | 797    |
| Leisure Park (1983)           |        |        |        |        |        |        |        |        |        |        |
| Square feet                   | 70,364 | 70,364 | 72,530 | 72,530 | 72,530 | 72,530 | 72,530 | 72,530 | 72,530 | 72,530 |
| Capacity                      | 768    | 768    | 768    | 768    | 816    | 816    | 816    | 816    | 868    | 868    |
| Enrollment                    | 543    | 539    | 566    | 578    | 545    | 661    | 669    | 658    | 648    | 648    |
| Liberty (2004)                |        |        |        |        |        |        |        |        |        |        |
| Square feet                   | 70,561 | 70,561 | 81,446 | 81,446 | 81,446 | 81,466 | 81,466 | 81,466 | 81,446 | 81,446 |
| Capacity                      | 768    | 768    | 984    | 984    | 1,032  | 1,032  | 1,032  | 1,032  | 1,092  | 1,092  |
| Enrollment                    | 677    | 672    | 775    | 829    | 739    | 732    | 749    | 713    | 684    | 684    |
| Lynn Wood (1980)              |        |        |        |        |        |        |        |        |        |        |
| Square feet                   | 46,328 | 46,328 | 65,395 | 65,395 | 65,395 | 65,395 | 65,395 | 65,395 | 65,395 | 65,395 |
| Capacity                      | 744    | 744    | 744    | 744    | 744    | 744    | 744    | 744    | 690    | 690    |
| Enrollment                    | 506    | 516    | 518    | 533    | 507    | 512    | 504    | 472    | 471    | 471    |
| Oak Crest (1964) <sup>d</sup> |        |        |        |        |        |        |        |        |        |        |
| Square feet                   | 66,462 | 66,462 | 66,462 | 66,462 | 54,020 | 54,020 | 54,020 | 54,020 | 54,020 | 54,020 |
| Capacity                      | 816    | 816    | 816    | 816    | -      | 816    | 816    | 816    | 644    | 644    |
| Enrollment                    | 531    | 540    | 522    | 514    | -      | 405    | 405    | 427    | 363    | 363    |
| Park Lane (1978) <sup>e</sup> |        |        |        |        |        |        |        |        |        |        |
| Square feet                   | 46,752 | 46,752 | 46,752 | 46,752 | 33,280 | 33,280 | 33,280 | 33,280 | 33,280 | 33,280 |
| Capacity                      | 768    | 768    | 768    | -      | -      | -      | -      | -      | -      | -      |
| Enrollment                    | 694    | 696    | 717    | -      | -      | -      | -      | -      | -      | -      |
| Rhoades (1958)                |        |        |        |        |        |        |        |        |        |        |
| Square feet                   | 54,365 | 54,365 | 68,461 | 68,461 | 68,461 | 68,461 | 68,461 | 68,461 | 68,461 | 68,461 |
| Capacity                      | 720    | 720    | 720    | 720    | 720    | 720    | 720    | 720    | 728    | 728    |
| Enrollment                    | 547    | 532    | 523    | 508    | 439    | 445    | 481    | 489    | 392    | 392    |
| Spring Creek (1987)           |        |        |        |        |        |        |        |        |        |        |
| Square feet                   | 66,178 | 66,178 | 68,314 | 68,314 | 68,314 | 68,314 | 68,314 | 68,314 | 68,314 | 68,314 |
| Capacity                      | 672    | 672    | 672    | 672    | 744    | 744    | 744    | 744    | 784    | 784    |
| Enrollment                    | 425    | 409    | 405    | 589    | 509    | 513    | 536    | 516    | 520    | 520    |
| Timber Ridge (2017)           |        |        |        |        |        |        |        |        |        |        |
| Square feet                   | -      | -      | -      | -      | -      | -      | -      | -      | 90,145 | 90,145 |
| Capacity                      | -      | -      | -      | -      | -      | -      | -      | -      | 952    | 952    |
| Enrollment                    | -      | -      | -      | -      | -      | -      | -      | -      | 566    | 566    |
| Vandever (1974)               |        |        |        |        |        |        |        |        |        |        |
| Square feet                   | 44,144 | 44,144 | 64,180 | 64,180 | 64,180 | 64,180 | 64,180 | 64,180 | 64,180 | 64,180 |
| Capacity                      | 720    | 720    | 720    | 720    | 768    | 768    | 768    | 768    | 728    | 728    |
| Enrollment                    | 488    | 461    | 450    | 483    | 417    | 445    | 478    | 454    | 421    | 421    |
| Westwood (1986) <sup>h</sup>  |        |        |        |        |        |        |        |        |        |        |
| Square feet                   | 39,448 | 39,448 | 39,448 | 39,448 | -      | -      | -      | -      | -      | -      |
| Capacity                      | 720    | 720    | 720    | 720    | -      | -      | -      | -      | -      | -      |
| Enrollment                    | 494    | 495    | 508    | 487    | -      | -      | -      | -      | -      | -      |
| Wolf Creek (1991)             |        |        |        |        |        |        |        |        |        |        |
| Square feet                   | 62,984 | 62,984 | 87,584 | 87,584 | 87,584 | 87,584 | 87,584 | 87,584 | 80,987 | 80,987 |
| Capacity                      | 864    | 864    | 864    | 864    | 864    | 864    | 864    | 864    | 924    | 924    |
| Enrollment                    | 572    | 569    | 596    | 414    | 542    | 540    | 570    | 545    | 565    | 565    |



**Broken Arrow Public Schools  
School Building Information  
Last Nine Fiscal Years**

| School   | Fiscal Year Ending June 30th |         |         |         |         |         |         |         |         |         |
|--|------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
|  | 2010                         | 2011    | 2012    | 2013    | 2014    | 2015    | 2016    | 2017    | 2018    | 2019    |
| <b>Middle</b>                                  |                              |         |         |         |         |         |         |         |         |         |
| <b>Centennial (2003)</b>                       |                              |         |         |         |         |         |         |         |         |         |
| Square feet                                    | 142,200                      | 142,200 | 142,200 | 142,200 | 142,200 | 142,200 | 142,200 | 142,200 | 142,200 | 142,200 |
| Capacity                                       | 1,400                        | 1,400   | 1,400   | 1,400   | 1,400   | 1,400   | 1,400   | 1,400   | 1,680   | 1,680   |
| Enrollment                                     | 916                          | 938     | 1,014   | 1,085   | 981     | 1,024   | 1,043   | 1,070   | 982     | 982     |
| <b>Childers (1986)</b>                         |                              |         |         |         |         |         |         |         |         |         |
| Square feet                                    | 120,395                      | 120,395 | 120,395 | 120,395 | 123,464 | 123,464 | 123,464 | 123,464 | 123,464 | 123,464 |
| Capacity                                       | 1,050                        | 1,050   | 1,050   | 1,050   | 1,110   | 1,110   | 1,110   | 1,110   | 1,320   | 1,320   |
| Enrollment                                     | 562                          | 567     | 564     | 549     | 729     | 692     | 770     | 775     | 763     | 763     |
| <b>Haskell (1958) <sup>d</sup></b>             |                              |         |         |         |         |         |         |         |         |         |
| Square feet                                    | 120,092                      | 120,092 | 120,092 | 120,092 | 120,092 | -       | -       | -       | -       | -       |
| Capacity                                       | 1,224                        | 1,224   | 1,224   | 1,224   | 1,224   | -       | -       | -       | -       | -       |
| Enrollment                                     | 870                          | 868     | 889     | 857     | 642     | -       | -       | -       | -       | -       |
| <b>Oliver (1992)</b>                           |                              |         |         |         |         |         |         |         |         |         |
| Square feet                                    | 141,305                      | 141,305 | 141,305 | 141,305 | 141,305 | 141,305 | 141,305 | 141,305 | 141,305 | 141,305 |
| Capacity                                       | 1,150                        | 1,150   | 1,150   | 1,150   | 1,150   | 1,150   | 1,150   | 1,150   | 1,380   | 1,380   |
| Enrollment                                     | 722                          | 740     | 780     | 734     | 824     | 823     | 812     | 790     | 754     | 754     |
| <b>Oneta Ridge (2013) <sup>d</sup></b>         |                              |         |         |         |         |         |         |         |         |         |
| Square feet                                    | -                            | -       | -       | -       | 132,688 | 132,688 | 132,688 | 132,688 | 132,688 | 132,688 |
| Capacity                                       | -                            | -       | -       | -       | 1,250   | 1,250   | 1,250   | 1,250   | 1,470   | 1,470   |
| Enrollment                                     | -                            | -       | -       | -       | 744     | 795     | 815     | 876     | 874     | 874     |
| <b>Sequoyah (1967)</b>                         |                              |         |         |         |         |         |         |         |         |         |
| Square feet                                    | 106,336                      | 106,336 | 106,336 | 106,336 | 99,696  | 99,696  | 99,696  | 99,696  | 131,621 | 131,621 |
| Capacity                                       | 1,025                        | 1,025   | 1,025   | 1,025   | 1,025   | 1,025   | 1,025   | 1,025   | 1,470   | 1,470   |
| Enrollment                                     | 550                          | 550     | 532     | 556     | 527     | 535     | 544     | 571     | 717     | 717     |
| <b>High</b>                                    |                              |         |         |         |         |         |         |         |         |         |
| <b>Senior High (1982) <sup>d</sup></b>         |                              |         |         |         |         |         |         |         |         |         |
| Square feet                                    | 400,255                      | 400,255 | 503,562 | 503,562 | 506,417 | 506,417 | 506,417 | 506,417 | 537,524 | 537,524 |
| Capacity                                       | 4,050                        | 4,050   | 4,050   | 4,050   | 4,050   | 4,050   | 4,050   | 4,050   | 5,160   | 5,160   |
| Enrollment                                     | 2,136                        | 2,153   | 2,197   | 2,160   | 2,147   | 3,285   | 3,403   | 3,679   | 3,692   | 3,692   |
| <b>North Intermediate (1952) <sup>h</sup></b>  |                              |         |         |         |         |         |         |         |         |         |
| Square feet                                    | 185,347                      | 185,347 | 183,715 | 183,715 | 175,150 | 175,150 | 175,150 | 53,559  | -       | -       |
| Capacity                                       | 1,890                        | 1,890   | 1,890   | 1,890   | 1,890   | -       | -       | -       | -       | -       |
| Enrollment                                     | 1,296                        | 1,301   | 1,300   | 1,242   | 1,275   | -       | -       | -       | -       | -       |
| <b>South Intermediate (1976)</b>               |                              |         |         |         |         |         |         |         |         |         |
| <b>Freshman Academy (2014) <sup>f</sup></b>    |                              |         |         |         |         |         |         |         |         |         |
| Square feet                                    | 152,636                      | 152,636 | 186,636 | 186,636 | 186,636 | 186,636 | 186,636 | 186,636 | 207,456 | 207,456 |
| Capacity                                       | 2,130                        | 2,130   | 2,130   | 2,130   | 2,130   | 2,130   | 2,130   | 2,130   | 2,220   | 2,220   |
| Enrollment                                     | 1,172                        | 1,143   | 1,066   | 1,077   | 1,122   | 1,261   | 1,249   | 1,291   | 1,344   | 1,344   |
| <b>Alternative Academy (1954) <sup>d</sup></b> |                              |         |         |         |         |         |         |         |         |         |
| Square feet                                    | 18,180                       | 18,180  | 16,548  | 16,548  | 16,548  | 120,092 | 120,092 | 120,092 | 120,440 | 120,440 |
| Capacity                                       | 300                          | 300     | 300     | 300     | 300     | 1,224   | 1,224   | 1,224   | 1,260   | 1,260   |
| Enrollment                                     | 118                          | 104     | 111     | 105     | 102     | 120     | 127     | 120     | 152     | 152     |



## Notice of Non-Discrimination

There will be no discrimination in the District because of race, color, sex, pregnancy, gender, gender expression or identity, national origin, religion, disability, veteran status, sexual orientation, age, or genetic information in its programs, services, activities and employment. The district also provides equal access to the Boy Scouts of America and other designated youth groups.

Broken Arrow Public Schools will take all necessary steps to ensure that each school and work place in the District is free from unlawful discrimination or harassment.

The following people within the District have been designated to handle inquiries regarding the District's non-discrimination policies, issues and concerns:

- ✉ For all student issues related to Title VI of the Civil Rights Act of 1964, as amended (questions or complaints based on race, color, and national origin), the Associate Superintendent should be contacted at 918-259-5700 or at 701 South Main Street, Broken Arrow, OK 74012;
- ✉ For all student issues related to Title II of the Americans with Disabilities Act of 1990, Section 504 of the Rehabilitation Act of 1973, and the Individuals with Disabilities Education Act of 2004 (IDEA) (for questions or complaints based on disability), the Director of Special Education should be contacted at 918-259-5700 or at 701 South Main Street, Broken Arrow, OK 74012;
- ✉ For all student issues related to Title IX, of the Education Amendments of 1972 (for questions or complaints based on sex, pregnancy, gender, gender expression or identity), the Chief Administrative Officer should be contacted at 918-259-5703 or at 701 South Main Street, Broken Arrow, OK 74012;
- ✉ For issues related to accessibility to facilities, services and activities pursuant to the Americans with Disabilities Act, the Chief Operating Officer should be contacted at 918-259-5700 or at 701 South Main Street, Broken Arrow, OK 74012;
- ✉ For all non-student and/or employment related issues (including questions or complaints based on age), or for any individual who has experienced some other form of discrimination, including discrimination not listed above, Chief Administrative Officer should be contacted at 918-259-5700 or at 701 South Main Street, Broken Arrow, OK 74012;

Inquiries concerning non-discrimination can also be made to, and outside assistance obtained from, the United States Department of Education's Office for Civil Rights. The contact information for the Kansas City Enforcement Office is:

Office of Civil Rights, U.S. Department of Education, One Petticoat Lane, 1010 Walnut Street, Suite 320, Kansas City, MO 64106; Telephone: (816) 268-0550; TTY: (877) 521-2172; Facsimile: (816) 823-1404; Email: [OCR.KansasCity@ed.gov](mailto:OCR.KansasCity@ed.gov).

**SINGLE AUDIT COMPLIANCE REPORTS**  
**BROKEN ARROW SCHOOL DISTRICT NO. 1-3,**  
**TULSA COUNTY, OKLAHOMA**

**JUNE 30, 2019**



**JENKINS & KEMPER**  
CERTIFIED PUBLIC ACCOUNTANTS, P.C.

**BROKEN ARROW SCHOOL DISTRICT NO. I-3  
TULSA COUNTY, OKLAHOMA  
JUNE 30, 2019**

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**INDEPENDENT SCHOOL DISTRICT NO. I-3, TULSA COUNTY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2019**

| <u>Federal Grantor/Pass Through Grantor/Program Title</u> | <u>Federal CFDA Number</u> | <u>Pass-through Grantor's Project Number</u> | <u>Program or Award Amount</u> | <u>Beginning Balance 7/1/2018</u> | <u>Revenue Collected</u> | <u>Total Expenditures</u> | <u>Ending Balance 6/30/2019</u> |
|---|----------------------------|--|--------------------------------|-----------------------------------|--------------------------|---------------------------|---------------------------------|
| <u>U.S. Department of Education</u>                       |                            |  |                                |                                   |                          |                           |                                 |
| <u>Direct Programs:</u>                                   |                            |  |                                |                                   |                          |                           |                                 |
| Title VI-Part A, Indian Education                         | 84.060                     | 561  | \$ 459,015                     |                                   | 267,500                  | 459,015                   | (191,515)                       |
| Title VI-Part A, Indian Education 2017-18                 | 84.060                     | 799  |                                | (178,208)                         | 178,208                  |                           |                                 |
| <b>Subtotal - Direct Programs</b>                         |                            |  | <u>459,015</u>                 | <u>(178,208)</u>                  | <u>445,708</u>           | <u>459,015</u>            | <u>(191,515)</u>                |
| <u>Passed Through State Department of Education:</u>      |                            |  |                                |                                   |                          |                           |                                 |
| <u>Title I Cluster:</u>                                   |                            |  |                                |                                   |                          |                           |                                 |
| Title I-Part A, Improving Basic Programs                  | 84.010                     | 511  | 2,503,054                      |                                   | 805,595                  | 2,330,374                 | (1,524,779)                     |
| Title I-Part A, Improving Basic Programs 2017-18          | 84.010                     | 799  |                                | (355,128)                         | 355,128                  |                           |                                 |
| Title I-School Improvement                                | 84.010                     | 515  | 8,026                          |                                   | 7,316                    | 7,316                     |                                 |
| Subtotal - Title I Program (Cluster)                      |                            |  | <u>2,511,080</u>               | <u>(355,128)</u>                  | <u>1,168,039</u>         | <u>2,337,690</u>          | <u>(1,524,779)</u>              |
| Title II-Part A, Teacher & Principal Training             | 84.367                     | 541  | 599,345                        |                                   | 154,717                  | 524,665                   | (369,948)                       |
| Title II-Part A 2017-18                                   | 84.367                     | 799  |                                | (76,357)                          | 76,357                   |                           |                                 |
| <u>Title III Cluster:</u>                                 |                            |  |                                |                                   |                          |                           |                                 |
| Title III-Immigrant Education                             | 84.365                     | 571  | 1,930                          |                                   | 1,920                    | 1,920                     |                                 |
| Title III-English Lang Acq.                               | 84.365                     | 572  | 145,253                        |                                   | 96,746                   | 120,058                   | (23,312)                        |
| Title III-English Lang Acq. 2017-18                       | 84.365                     | 799  |                                | (13,572)                          | 13,572                   |                           |                                 |
| Subtotal - Title III Program (Cluster)                    |                            |  | <u>147,183</u>                 | <u>(13,572)</u>                   | <u>112,238</u>           | <u>121,978</u>            | <u>(23,312)</u>                 |
| Title IV-SSAE Grant                                       | 84.424A                    | 552  | 74,785                         |                                   | 59,130                   | 63,266                    | (4,136)                         |
| <u>Special Education Cluster:</u>                         |                            |  |                                |                                   |                          |                           |                                 |
| IDEA-B Staff Development                                  | 84.027                     | 613  | 23,041                         |                                   | 7,003                    | 7,163                     | (160)                           |
| IDEA-B Monitoring   | 84.027                     | 615  | 37,792                         |                                   | 18,094                   | 18,094                    |                                 |
| IDEA-B Flowthrough  | 84.027                     | 621  | 4,571,597                      |                                   | 2,949,645                | 3,802,194                 | (852,549)                       |
| IDEA-B Flowthrough 2017-18                                | 84.027                     | 799  |                                | (607,459)                         | 607,459                  |                           |                                 |
| IDEA-B Private Schools                                    | 84.027                     | 625  | 21,777                         |                                   | 3,839                    | 4,954                     | (1,115)                         |
| IDEA-B Private Schools 2017-18                            | 84.027                     | 799  |                                | (502)                             | 502                      |                           |                                 |
| IDEA-B High Cost Fund                                     | 84.027                     | 626  | 285,000                        |                                   | 237,981                  | 285,000                   | (47,019)                        |
| IDEA-B High Cost Fund 2017-18                             | 84.027                     | 799  |                                | (41,760)                          | 41,760                   |                           |                                 |
| IDEA-B Preschool  | 84.173                     | 641  | 70,521                         |                                   | 50,274                   | 67,674                    | (17,400)                        |
| IDEA-B Preschool 2017-18                                  | 84.173                     | 799  |                                | (16,308)                          | 16,308                   |                           |                                 |
| Subtotal - Special Education Program (Cluster)            |                            |  | <u>5,009,728</u>               | <u>(666,029)</u>                  | <u>3,932,865</u>         | <u>4,185,079</u>          | <u>(918,243)</u>                |
| <b>Subtotal - Passed Through State Dept of Education</b>  |                            |  | <u>\$ 8,342,121</u>            | <u>(1,111,086)</u>                | <u>5,503,346</u>         | <u>7,232,678</u>          | <u>(2,840,418)</u>              |

**INDEPENDENT SCHOOL DISTRICT NO. I-3, TULSA COUNTY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2019**

| <u>Federal Grantor/Pass Through<br/>Grantor/Program Title</u>                  | <u>Federal<br/>CFDA<br/>Number</u> | <u>Pass-through<br/>Grantor's<br/>Project<br/>Number</u> | <u>Program<br/>or Award<br/>Amount</u> | <u>Beginning<br/>Balance<br/>7/1/2018</u> | <u>Revenue<br/>Collected</u> | <u>Total<br/>Expenditures</u> | <u>Ending<br/>Balance<br/>6/30/2019</u> |
|--|------------------------------------|--|--|---|------------------------------|-------------------------------|---|
| <u>Passed Through State Department of Career<br/>and Technology Education:</u> |                                    |  |  |   |                              |                               |   |
| Carl Perkins Grant   | 84.048                             | 421  | \$ 100,813                             |   | 91,058                       | 91,058                        |   |
| Carl Perkins Grant 2017-18   | 84.048                             | 799  |  | (19,136)                                  | 19,136                       |                               |   |
| Carl Perkins Supplementary Grant 2017-18                                       | 84.048                             | 799  |  | (6,025)                                   | 6,025                        |                               |   |
| Subtotal - Carl Perkins Grant  |                                    |  | 100,813                                | (25,161)                                  | 116,219                      | 91,058                        | -                                       |
| <u>U.S. Department of Agriculture:</u>   |                                    |  |  |   |                              |                               |   |
| <u>Passed Through State Department of Education:</u>                           |                                    |  |  |   |                              |                               |   |
| * Child Nutrition Cluster:   |                                    |  |  |   |                              |                               |   |
| Cash Assistance:   |                                    |  |  |   |                              |                               |   |
| National School Lunch Program  | 10.555                             | 763  |  |   | 3,619,079                    | 3,619,079                     |   |
| School Breakfast Program   | 10.553                             | 764  |  |   | 968,845                      | 968,845                       |   |
| Summer Food Program  | 10.559                             | 766  |  |   | 88,356                       | 88,356                        |   |
| <i>Cash Assistance Subtotal</i>  |                                    |  |  | -   | 4,676,280                    | 4,676,280                     | -                                       |
| <u>Passed Through State Department of Human Services:</u>                      |                                    |  |  |   |                              |                               |   |
| Non-cash Assistance (Commodities)  | 10.555                             | N/A  |  |   | 553,074                      | 553,074                       |   |
| <b>Subtotal - Child Nutrition Program (Cluster)</b>                            |                                    |  |  | -   | 5,229,354                    | 5,229,354                     | -                                       |
| <u>Other Federal Assistance:</u>   |                                    |  |  |   |                              |                               |   |
| Johnson O'Malley   | 15.130                             | 563  | 131,100                                |   | 41,209                       | 66,994                        | (25,785)                                |
| Johnson O'Malley 2017-18   | 15.130                             | 799  |  | (21,432)                                  | 21,432                       |                               |   |
| Johnson O'Malley 3 month   | 15.130                             | 564  | 76,859                                 |   | 76,859                       | 76,859                        |   |
| Medicaid   | 93.778                             | 698  | 248,567                                |   | 248,567                      | 248,567                       |   |
| JROTC  | 12.401                             | 773  | 79,948                                 |   | 79,948                       | 79,948                        |   |
| Flood Control  | 12.112                             | 770  | 78                                     |   | 78                           | 78                            |   |
| <b>Subtotal - Other Federal Assistance</b>                                     |                                    |  | 536,552                                | (21,432)                                  | 468,093                      | 472,446                       | (25,785)                                |
| <b>Total Federal Assistance</b>  |                                    |  | <b>\$ 9,438,501</b>                    | <b>(1,335,887)</b>                        | <b>11,762,720</b>            | <b>13,484,551</b>             | <b>(3,057,718)</b>                      |

\* Major federal programs

**BROKEN ARROW SCHOOL DISTRICT NO. I-3, TULSA COUNTY  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2019**

**1. General**

The schedule of expenditures of federal awards presents the activity of all federal award programs of Broken Arrow School District (the District). The District reporting entity is defined in the notes to the District's basic financial statements. All federal awards received directly from federal agencies as well as federal awards passed through from other government agencies are included on the schedule. There were no amounts passed to subrecipients.

**2. Basis of Accounting**

The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Expenditures are reported on the regulatory basis of accounting, as prescribed by the Oklahoma State Department of Education, which is considered an other comprehensive basis of accounting. Therefore, some material presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements. The District has also elected to not use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

**3. Non-cash Federal Awards**

The District receives food commodities from the U.S. Department of Agriculture for use in its foodservice program. The commodities, in the amount of \$553,074, are recognized as revenue when received and are reported at fair market value.

**4. Prior Year Reimbursements**

These amounts represent reimbursements for prior year expenditures which were not received until the current fiscal year.



**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**

The Honorable Board of Education  
Broken Arrow School District  
Broken Arrow, OK 74012

We have audited, in accordance with the 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 governmental activities, each major fund, and the aggregate remaining fund information of the Broken Arrow School District No. I-003, Broken Arrow, Oklahoma, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated November 11, 2019. This report was unqualified with respect to the presentation of the financial statements in conformity with accounting principles generally accepted in the United States.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the School District'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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the School District'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 School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**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.

*Jenkins & Kemper, CPAs P.C.*

Jenkins & Kemper  
Certified Public Accountants, P.C.

November 11, 2019



**JENKINS & KEMPER**  
CERTIFIED PUBLIC ACCOUNTANTS, P.C.

JACK JENKINS, CPA  
MICHAEL KEMPER, CPA

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH  
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE  
REQUIRED BY THE UNIFORM GUIDANCE**

The Honorable Board of Education  
Broken Arrow School District No. I-003  
Broken Arrow, Oklahoma 74012

**Report on Compliance for Each Major Federal Program**

We have audited the compliance of Broken Arrow School District No. I-003, Broken Arrow, Oklahoma, with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (The Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

**Opinion on Each Major Federal Program**

In our opinion, Broken Arrow District No. I-003, Broken Arrow, Oklahoma complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

### **Report on Internal Control over Compliance**

The management of Broken Arrow District No. I-003, Broken Arrow, Oklahoma is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine our auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Jenkins & Kemper, CPAs P.C.*

Jenkins & Kemper  
Certified Public Accountants, P.C.

November 11, 2019

**BROKEN ARROW SCHOOL DISTRICT NO. I-3, TULSA COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
JULY 1, 2018 TO JUNE 30, 2019**

**Summary of Auditor's Results**

1. The auditor's report expresses an unqualified opinion on the combined financial statements in conformity with generally accepted accounting principles.
2. No significant deficiencies relating to the audit of the financial statements are reported in the Schedule of Findings and Questioned Costs.
3. No instances of noncompliance material to the financial statements of the District were reported during the audit.
4. No significant deficiencies relating to the audit of the major federal award programs are reported in the "Report on Compliance with Requirements Applicable to Each Major Program and Internal Control over Compliance in Accordance with the Uniform Guidance".
5. An unqualified opinion report was issued on the compliance of major federal award programs.
6. The audit disclosed no audit findings and questioned costs, which are required to be reported under the Uniform Guidance.
7. Identification of Major Programs: Child Nutrition Program (10.553,10.555,10.559) which was clustered in the determination.
8. The dollar threshold used to determine between Type A and Type B programs was \$750,000.
9. The District did qualify to be a low-risk auditee.

**Findings – Financial Statement Audit**

None

**Findings and Questioned Costs – Major Federal Award Programs Audit**

None

**BROKEN ARROW SCHOOL DISTRICT NO. I-3, TULSA COUNTY  
DISPOSITION OF PRIOR YEAR'S SCHEDULE OF FINDINGS  
JULY 1, 2018 TO JUNE 30, 2019**

There were no material prior year audit findings.

**BROKEN ARROW SCHOOL DISTRICT NO. 1-3, TULSA COUNTY  
SCHEDULE OF ACCOUNTANT'S PROFESSIONAL  
LIABILITY INSURANCE AFFIDAVIT  
JULY 1, 2018 TO JUNE 30, 2019**

State of Oklahoma    )  
County of Tulsa        )

The undersigned auditing firm representative of lawful age, being first duly sworn on oath, says that said firm had in full force and effect Accountant's Professional Liability Insurance in accordance with the "Oklahoma Public School Audit Law" at the time of audit contract and during the entire audit engagement with Broken Arrow School District for the audit year 2018-19.

Jenkins & Kemper, CPAs, P.C.  
AUDITING FIRM

BY   
AUTHORIZED AGENT

Subscribed and sworn to before me on this  
11 day of, Nov., 2019



  
NOTARY PUBLIC

