



COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ended

June 30, 2012



BROKEN ARROW PUBLIC SCHOOLS, DISTRICT NO. I-003

701 S. MAIN STREET

BROKEN ARROW, OKLAHOMA 74012



IT'S A GREAT DAY TO BE A TIGER!



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Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2012

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December 3, 2012

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

We are pleased to present the Comprehensive Annual Financial Report (CAFR) of Broken Arrow Public Schools, Broken Arrow, Oklahoma for the year ended June 30, 2012. 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 accounting principles generally accepted and audited in accordance with auditing standards.

Management of the School 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 in conformity with accounting principles generally accepted in the United States of America (GAAP). 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 School District, namely the offices of Accounting, Budget, and Accounts Payable, regularly review expenditures of School 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 narrative introduction, overview, and analysis of the basic financial statements. The District's MD&A complements this letter of transmittal and should be read in conjunction with it.

The District's financial statements have been audited by Sanders, Bledsoe & Hewett. As part of the federally mandated "Single Audit" requirement, Sanders, Bledsoe & Hewett, also performs an annual audit of the School 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 School District's separately issued Single Audit Report.



District Profile

Broken Arrow Public Schools, Independent District #3, is the second largest school district in Tulsa County and sixth largest in the State of Oklahoma. Broken Arrow's school district is a combination suburban community with a growing business and industrial base with nearby agricultural areas. The school district has fifteen elementary schools, five middle schools, two intermediate schools, and one senior high school to serve its approximate 17,000 students.

Students in grades kindergarten through fifth attend elementary schools (thirteen are K-5, one is a K-2nd grade center, and one is a 3th-5th grade center). Middle schools serve grades six, seven, and eight. The high school is composed of three sites — two intermediate high schools for students in grades 9 and 10 and the senior high school for grades 11 and 12. All three campuses are fully accredited by the state of Oklahoma and the North Central Association of Secondary Schools and Colleges.

Our Mission

To educate, equip and empower a community of learners by providing dynamic learning opportunities which enable all students to be successful.

The administration of Broken Arrow Public Schools is separated into six divisions, and different departments are contained within each division:

- The Instructional Services Division is responsible for managing the services, resources, and extracurricular activities that support and enhance instruction.
- The Academic Services Division is responsible for ensuring academic accountability at the state and federal levels while at the same time implementing initiatives and support services that enhance academic performance.
- The Financial Services Division is responsible for managing district financial resources to ensure fiscal stability. This division also includes the administration of those departments that offer auxiliary services to support education.
- The Operating Services Division is responsible for overseeing district construction and technology implementation, as well as facility use, upkeep and daily operations.
- The Human Resource Services Division is responsible for recruitment, retention and management of human capital, as well as ensuring employer accountability at the state and federal levels.
- The Communication Services Division is responsible for managing the numerous messages and tools used for communicating with both internal and external audiences.



The BAPS Transportation Department services 115 square miles twice daily with 153 buses in the fleet. There are 203 regular bus routes and 36 special needs bus routes. The Transportation Department also houses an auto/diesel mechanic garage with employees that service all of the school district fleet.

The Child Nutrition Department has a vision to serve the best quality meals to the students and staff of Broken Arrow Public Schools, to promote healthy and nutritious choices in a fun and friendly atmosphere, and to provide support, education and information to the students, staff, parents and the community of Broken Arrow.

The Technology Services Department supports over 17,000 students and approximately 2,000 district staff using 6,000 computers in a mixed platform environment and more than 100 servers split between domain controllers and application, data, web and print servers. The fiber optic network serves all 30 district sites spanning over more than 115 square miles.

The Maintenance Department takes pride in the operation of the district schools and plays a large part in supporting education by providing the best environment conducive to learning. The maintenance employees provide routine, preventive, and corrective maintenance to the over 2.7 million square feet and 450 acres of school property. They are familiar with the design of all school sites which increases their familiarity with buildings and site specific issues allowing them to become true members of the Broken Arrow Public Schools' community. They are invested in daily operations and advocate for the needs of each site.



EVERYDAY IS A GREAT DAY TO BE A TIGER!

Board of Education

Board Goals:

- Ensure Student Success
 - Review and evaluate student and staff safety
 - Develop a School Emergency Response Team by December 2011 and implement training by December 2012
 - Organize and optimize resources for improved academic results based on multiple data points
 - Evaluate learning environments to improve district equity
- Create and Promote a Positive Culture
 - Create and implement a climate survey for students and staff patrons by the spring of 2012
 - Enhance and increase community partnerships
 - Determine measurements to improve and enhance employee professional development
 - Evaluate and enhance district-wide communication, both internal and external
- Maintain Fiscal Stability
 - Develop a strategic plan
 - Select and approve a strategic planning firm by January 2012
 - Develop and implement a strategic plan by December 2012
 - Establish business practices and organizational processes
 - Implement and submit a Comprehensive Annual Financial Report (CAFR) by December 2012
 - Implement consistent systems district-wide to recruit, develop and retain qualified personnel



**Reading Recovery®
Descubriendo la Lectura**

Reading Recovery® is a data based intensive reading intervention program that catches first grade students and brings them on-level with their peers before learning gaps occur. Broken Arrow is one of only two school districts in the state to offer this program.

What is Reading Recovery®?

- Reading Recovery® is a short-term Early Literacy Intervention for first graders identified as having difficulty learning to read and write.
- Children receive intensive, individualized instruction from a specially trained teacher.
- Students receive a 30-minute lesson each school day for 12 to 20 weeks.
- When students are able to read within the average range of their class and can continue independent literacy learning in the regular classroom, their lessons in Reading Recovery® are discontinued, and new students begin individual instruction.

What is Descubriendo la Lectura?

- Descubriendo la Lectura (DLL) is the reconstruction of Reading Recovery® for first graders who are receiving their initial literacy instruction in Spanish.
- Spanish-speaking students in bilingual classrooms who struggle to learn to read and write receive intensive, individualized instruction in Spanish from certified bilingual teachers who are specially trained to work with early literacy in Spanish.
- DLL students receive 30-minute daily lessons for 12 to 20 weeks.
- Lessons are discontinued as soon as students are able to read within the average range of their class and they are capable to continue independent literacy learning in the regular classroom.

Reading Recovery® is the world's most widely researched intervention for young children having extreme difficulty with early literacy learning. This program has been examined by high-quality experimental and quasi-experimental studies and by qualitative studies on various aspects. The strong program's experimental research received high effectiveness ratings in all four domains from USDE's What Works Clearinghouse.



Achievements

Dr. Mendenhall Named 2012 Rachel's Challenge Superintendent of the Year



During the summer of 2012, hundreds of educators from across the country gathered in Plano, Texas for the Rachel's Challenge Summit, a conference and exhibition for K-12 educators.

A group of teachers from Broken Arrow Public Schools was in attendance at this conference to discover and bring back real strategies for replacing bullying behavior with kindness and compassion – two of the tenants of Rachel's Challenge. In addition to the riveting speakers and interesting exhibits, the staff members were able to attend various teaching sessions in which they learned how to embed kindness and compassion in everyday student life.

For the past year, the entire Broken Arrow Public School district has accepted the challenge of Colorado teenager, Rachel Joy Scott. Her writings are the basis for a program called Rachel's Challenge, the mission of which is, "to start a chain reaction of kindness and compassion that will ripple around the world."

In addition to the Scott family and other special guests such as Chuck Norris and the Dallas Cowboys, Broken Arrow Public Schools' Superintendent, Dr. Jarod Mendenhall, was also present at the conference, as he was named the 2012 Rachel's Challenge Superintendent of the Year.

"I am grateful for all you have done on behalf of Rachel's Challenge," wrote Rachel's father, Daryl Scott, in a letter to Mendenhall. "I want to congratulate you on being selected as the 2012 Rachel's Challenge Superintendent of the Year."

Brandon Chitty Named 2012 District Teacher of the Year

Monday, April 16th, amidst cheers from his friends and family in the audience, Centennial Middle School science teacher Brandon Chitty was named the 2012 Broken Arrow Public Schools' Teacher of the Year.

Chitty was one of eleven finalists selected from the pool of 25 Site Teacher of the Year Candidates. Typically, only 10 finalists are selected, but a tie for 10th place resulted in eleven finalists being named. Joining Chitty on stage were: Marla Watts from South Intermediate, Heather Goodenough from Haskell, Chris Nichols from Arrow Springs, Teri Overton from Indian Springs, Lindsay Little from Lynn Wood, Catherine Graham from Oak Crest, Abby Weyen from Park Lane, Amanda Stone from Rhoades, Rachel Ellis from Spring Creek and Diana Snow from Wolf Creek.

After being nominated as the Centennial Site Teacher of the Year by his peers, Chitty and the other 24 candidates went through an evaluation and interview process to determine the 2012 District Teacher of the Year. The Professional Development Committee, a group composed of teachers, administrators and both current and previous Teachers of the Year, met to evaluate each candidate's portfolio and conduct an interview. Each candidate was scored on the various portions of the process, and after all the scores were tallied, Chitty came out on top.





Former BAHS Students Win College Broadcasting Award

Two Broken Arrow alumni and 2012 graduates of the University of Central Oklahoma were first place winners in multiple categories in this year's Oklahoma Broadcasting Education Awards.

Cody Bromley won first in TV Entertainment/Magazine Short and Radio Personality Air Check while Natasha Ewing captured first in TV Hard News. She also received the Pauline and Wendell Simmons Memorial Scholarship, given to mass communication students "who have shown passion and commitment to their major as evidenced by their strong academic performance." Ewing, whose maiden name is Irons, was graduated cum laude and Bromley was graduated with honors from UCO.

Bromley, a 2007 graduate of Broken Arrow High School, credited some of his successes to the hands-on education he received in his video production classes in high school.

"At UCO I wasn't just ahead of the curve, I was at the top of my class. When I think about all the things and people that helped me get to this point, my parents and BATV are among the first things I think of," Bromley said.

Ewing, also a 2007 BAHS graduate, shared Bromley's sentiments about her high school video experiences.

"Tiger TV prepared me for college in many ways," she said. "I had no idea what I wanted to get my degree in before joining TTV, and now I can proudly attribute my success in earning a bachelors' degree in broadcast journalism and a bachelors' degree in public relations to the skills I learned in TTV and the quality instruction I received from the staff. It was one of the best decisions I made in high school that set me up to succeed in college."

Student Achievements

Broken Arrow Varsity Cheerleaders Win National Champion Title

The Broken Arrow varsity cheerleaders dominated the competition at the National Cheerleaders Association High School Competition in Dallas, Texas this past weekend. The prestigious competition attracted 170 cheer teams from across the nation for this year.

Teams are categorized by school level, skill level, number of athletes, and all-girl or coed designation into performance divisions. The Broken Arrow varsity cheerleaders scored highest in the "Large Coed Advanced Division" to take the National Champion title, with a combined score of 93.79. They had scored 94.42 on their second performance. The preliminary score for the Broken Arrow varsity team was 91.26 which counted for 20 percent of the final score.

Competition in this division included the reigning Oklahoma State Champs and defending National champions of Choctaw High School. Choctaw's final combined score was 92.45.



Construction

Broken Arrow Public Schools held and passed a \$295 million bond issue in 2009. With buildings as old as 87 years, the passage of the bond issue has provided an opportunity to improve existing buildings by providing media centers, gymnasiums, and additional classrooms, as well as the opportunity to build new schools in order to meet the increase in student population. A recent demographic study by the district predicts maximum growth of 2,000 additional students by the year 2020. Throughout the month of May, 2012, BAPS broke ground on multiple construction projects at sites across the district. These projects were made possible by the 2009 bond.

Leisure Park acted as host for the first groundbreaking ceremony to kick off the construction on their new classrooms, as well as the addition of a new media center and gymnasium. The students and staff at Spring Creek Elementary were the next to use the gold shovels to dig in and begin the construction of their school’s new classrooms and media center.

The students and staff of Vandever Elementary gathered on the lawn on a sunny afternoon to break ground on the construction for their site – construction which includes additional classrooms, a new media center and a gymnasium. And just a few days before the end of their school year, the students of Lynn Wood joined their teachers and members of the community at their groundbreaking ceremony. The Lynn Wood staff and students are now enjoying new classrooms, a media center and gymnasium.

“One of the main goals of the 2009 bond issue was to eliminate the modular buildings in which house many of the classrooms throughout our district,” said Dr. Jarod Mendenhall, Broken Arrow Public Schools Superintendent. “We are accomplishing that goal with this new construction, but because of the support of our citizens in passing such a large bond issue, we are also able to address some of the other site needs such as media centers and gymnasiums.”

Rain delay caused the groundbreaking ceremony for Rhoades to be delayed until the fall, and the ceremonies for Liberty and Arrowhead were also postponed until later.

“It was important for the students and staff to have the opportunity to participate in these ceremonies, so rather than conduct them in the summer when so few people are here, we decided to wait until fall,” said Chief Operating Officer Michelle Bergwall. “Construction progressed throughout the summer months, and we simply rescheduled the events for early that fall.”

The construction at each of these school sites was completed in the fall of 2012, just in time for the 2012-2013 school year.





In October of 2011, the patrons of Broken Arrow passed a \$73.5 million bond issue that reallocated part of the funds originally approved in the 2009 bond.

Eight Elementary Schools and two Middle Schools have been completed; Arrowhead, Lynn Wood, Leisure Park, Vandever, Rhoades, Spring Creek, Wolf Creek, Country Lane Primary, Centennial and Clarence G. Oliver all received additions and/or renovations. Another noteworthy completion includes the grand opening of the new Highland Park Elementary which is serving as the new home for Park Lane Elementary students. South Intermediate High School will open their new Fine Arts Wing in January 2013.



Work currently continues on the projects funded from the original 2009 bond with the Broken Arrow Senior High School project now under construction. Other projects also under construction include a new Middle School, two new Elementary Schools, two new Pre-K Centers, and a renovation to the existing Park Lane Elementary which will be repurposed to house Pre-K students.



Academics

District Benchmark Assessment Program

Broken Arrow Public Schools' formative benchmark assessment program provides a foundation on which to base decisions regarding curriculum design, delivery and professional development. It serves as a vehicle for examining how well programs are achieving desired results. The assessment program evaluates student progress toward identified objectives and provides diagnostic information to help teachers adjust the delivery of curriculum to address learning gaps for all student groups identified through The No Child Left Behind Act of 2001. The district assessment program is designed to determine and monitor student progress on each learning objective for the content areas of math, language arts, social studies, and science prior to the expected time of mastery each spring.

Common Core Standards

The Common Core State Standards provide a consistent, clear understanding of what students are expected to learn as well as allowing teachers and parents to know what they need to do to help the students. The standards are designed to be robust and relevant to the real world, reflecting the knowledge and skills that young people need for success in college and careers. With American students fully prepared for the future, communities will be best positioned to compete successfully in the global economy.

Establishing common education standards is one way to address the disparity between standards to ensure that all children, regardless of geography, socioeconomic status, or life history, receive an education that values their potential.

Common standards are good for students because:

- They help prepare students with the knowledge and skills they need to succeed in college and careers.
- They help make transitions smoother for students moving to different states or districts because the learning goals remain consistent.
- Clearer standards help students understand what is expected of them and allow them to engage in more self-directed learning.

Common standards are good for parents because:

- They help parents understand exactly what students need to know and what they need to do at each step in their education.
- They help facilitate conversation between parents and teachers about how to help their children reach those education goals.
- They assure parents that their children have access to the same high-quality education other students receive in other parts of the country.



Gifted & Talented Program

The Broken Arrow School District is committed to providing opportunities which promote the growth of skills, knowledge and understanding necessary for students to reach their full potential. Through this commitment, the best possible student outcomes are achieved. There are students in Broken Arrow schools whose abilities require differentiated programs for the full development of their general intellectual ability, specific academic ability, thinking skills, leadership ability and performance or productive ability.

Gifted & Talented Mission Statement

To develop independence of thought and study by providing varied opportunities for becoming efficient and productive thinkers, and to foster within each gifted student a realistic awareness of self and comprehension of the significance of his/her potential role in society.

Kaleidoscope (Grades 1-5)

Kaleidoscope is a broad-based program which consists of a variety of options for elementary school gifted students. A resource room "send out" program gives students in grades two through five the opportunity to work with a teacher trained in the education of the gifted. Students in this class are involved in activities designed to increase their knowledge in a variety of subject areas, develop thinking, decision making, and problem solving skills, and develop research skills while applying them to units of study. Formal identification and placement of gifted students does not take place until second grade.

Middle School and High School Gifted Program (Grades 6-12)

Unique patterns of individual characteristics, interest, aptitudes, abilities and values indicate that secondary schools should offer the intellectually gifted many choices.

Students identified as gifted at the middle school may select from a variety of Pre-AP courses. These classes emphasize strategic reasoning, creative and critical thinking skills and cooperative learning strategies. Advanced course work will differ in pace, breadth and depth.

At the intermediate high school and high school level, students identified as gifted will select from a variety of options. Their course work may include Pre-AP classes and/or Advanced Placement classes. Both Pre-AP and AP classes will emphasize strategic reasoning, creative and critical thinking skill and cooperative learning strategies. Advanced course work will differ in pace, breadth and depth.



Fine Arts

Performing Arts Center

With a professional and exciting atmosphere, the Broken Arrow Performing Arts Center is the cornerstone of the arts district in downtown Broken Arrow, Oklahoma, and continues to be the premier venue for major performances from across the nation.

With its doors opened in the summer of 2009, the PAC started on the right track in bringing Broadway tours, pop concerts, specialty shows and various other events to the area, while also acting as the official location for Broken Arrow Public Schools fine arts programs.

In addition to hosting award-winning shows, the PAC is also home to the administrative offices of Broken Arrow Public Schools. From Human Resources and Payroll to Instruction and the Superintendent's Office, each of the school district's administrative offices can be found along the east wing of the PAC.

Visual Arts Program

The arts prepare students for school, work, and life. As this county works to strengthen its foothold in the global economy, the arts equip students with a creative, competitive edge. To succeed in today's economy of ideas students must masterfully use words, images, sounds, and motion to communicate. The arts provide the skills and knowledge students need to develop the creativity and determination necessary for success in today's global information age. Art education creates solution seekers that can see more than a world of black or white choices. Education in the arts helps to create synapses of critical thinking. Few will become artists; everyone, however, must problem solve daily in whatever career chosen. Today's digital learners carry an information highway in their pocket. They will need to be able to discern what information is a relevant and reliable building block for creating solutions.

In Broken Arrow, students are offered a variety of arts choices beginning in elementary school where every child experiences art through a specials time each week. Through middle school, choices expand to include opportunities in sculpture, painting, pottery, ceramics, drawing, and stained glass. At the high school level, Pre-AP offers a path into Advanced Placement art where college credit is offered in both studio and drawing portfolios. Many students from Broken Arrow have ranked nationally in the BAPS art AP program.

The Broken Arrow Band Program



The Broken Arrow Band program was founded in 1929 and over the many years has developed a tradition of musical excellence. The program has been and remains to be "a work in progress." Under the current structure the Broken Arrow Band program consists of five middle schools, two intermediate high schools (9th and 10th grades) and one senior high school. The senior high and intermediate schools each have three concert bands that meet daily and focus only on concert repertoire.

The marching band is a volunteer organization that is open for audition to anyone in the 9th through the 12th grades. The "Pride" meets after school for rehearsal and performs at home and away football games as well as various state, regional and national marching band contests. The "Pride" was named the recipient of the John Phillip Sousa foundations' Sudler Shield in 1999. The band has also been a finalist and Grand Champion at several Bands of America regional Championships.

The concert bands in Broken Arrow have long been a driving force of the program. With more than 50 Oklahoma Secondary School Activity Association Sweepstakes awards, they are recognized as some of the top Wind bands in the State. The various concert bands have performed at the Oklahoma Music Educators Convention on several different occasions. The school band program also has produced several State Champion Jazz Ensembles, Winter Guards, Percussion Ensembles and numerous district and state superior rated solos and small ensembles.

Each year the graduating class from the Broken Arrow band has accumulated scholarships in the hundreds of thousands of dollars. In addition to the work of the staff and students, the program recognizes their parent organization as the strength behind the band. The boosters organize and run the fundraising efforts for the bands all the way from car washes and football game concessions to working the local Fair Meadows horse races and the PGA's US Open one year. The parents volunteer their time for hours of credit so that they can chaperone the bands on their various trips. The parents also organize events outside the "regular band" events where they are paid for their work. Those monies are deposited directly into their student's accounts. The Broken Arrow bands enjoy rich traditions and great support from the Parents, School Administrators and the Community.

Athletics

Both BAPS staff and members of the community are very proud of the Tigers and are excited about the future of the athletic programs. Athletics is an important element in the overall education of BAPS students, providing an opportunity to extend the learning process through interscholastic competition.

The Broken Arrow athletic program is consistent with the district's overall philosophies and objectives and provides a vigorous and diverse program of opportunities to all students.

2012 Hall of Fame

- Jason Wright - Graduated 2003, was a tennis State Champion in doubles in 2001 with a season record of 39-1. He was elected All State 2003 after graduation and went on to Oklahoma State University.
- Ben Buie - Graduated 2000, as a junior named to the Tulsa World All Metro team and as a senior the Tulsa World, Daily Oklahoman and the OCA All State team. Ben went on to play football at OSU and graduated with a Bachelor of Science.
- Anna Snedeker - Graduated in 2002, played volleyball, basketball and soccer where she earned 9 letters. Anna was a two time all Frontier Valley Conference Player in basketball and an OCA All State Player in soccer.
- Dede Dorsey - Graduated in 2002, was a standout running back for BA before going onto Lindenwood University. While at LU he was the Heartland Conference Offensive & Defensive Player of the Year in 2005. He signed with the Cincinnati Bengals after college.
- Brandon Tucker - Graduated in 2003, the only four-time State Wrestling Champion in Broken Arrow school history. In his senior year, he was named outstanding wrestler in the state of Oklahoma, and was a three year starter for Purdue University.



Technology

In 2009, the Broken Arrow Community passed a \$295 million bond issue that funded a number of projects throughout the district. This bond funded the construction projects currently taking place at multiple school sites, and it also funded numerous projects and improvements that are somewhat less visible than the new construction. One of these projects has been the purchase and installation of a significant amount of technology.

“The money we received from the 2009 bond is issued in phases,” said Technology Executive Director Brian Daley. “We have just completed our second phase, and have now implemented nearly \$5 million worth of technology throughout our district.”

Two phases later, the district has 75% of its classrooms equipped with Smart Boards – this is up from the 19% previous to 2009. The installation of Smart Boards in many cases also required updated teacher computers as well as computers for computer labs and for new classrooms. In the last 15 months, 1,500 computers have been installed. More than 750 old computers have been refurbished and reconditioned for use, and the district has also used technology bond money to purchase 1,000 energy efficient flat screen monitors.

“District wide Wi-Fi has been another major endeavor for our department,” said Daley. “We have installed more than 400 access points throughout the district, each of which is managed centrally from the new data center.”

In addition to equipment purchase and installation, Daley and his staff have also been researching and piloting a number of other programs.

“We are working with Apple to set up and manage accounts as part of a major iPad purchase, we are virtualizing servers and utilizing cloud environments to phase out old, malfunctioning servers, and we have implemented a new system for archiving the millions of emails received and sent by our 2,000 employees,” said Daley. “All this in addition to making sure we have the right technology in place for all the new construction taking place across the district.”

It has been a busy two years for Daley and his staff, and with several years left on the bond, there is still much to do.

“Our focus during the past two years has been to bring our district up to current standards by spending bond money and enhancing our infrastructure,” Daley said. “We’ve actually pushed well beyond the infrastructure seen in most schools and are now ready for initiatives like one-to-one computing, paperless classrooms, evaluations on iPads, and electronic transcripts. Two years ago we could not even begin to undertake such initiatives, but now that we have the basic infrastructure, the next few years will see many of these projects come to life in Broken Arrow.”

Community

Community is an important component of Broken Arrow Public Schools. Through various volunteer and business partnerships – including adult education classes – Broken Arrow School District is committed to reaching out to the Broken Arrow area citizens and making them a part of the equation.

Communication is the ultimate tool for keeping the partnerships going. Through various publications and newsletters, as well as a cable television station, BAPS seeks to keep its constituents well informed and versed on matters important to the community.



‘Dream Big (And Then) Dream Bigger’ for the United Way

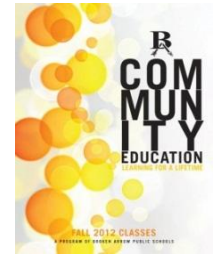
The United Way campaign offered the employees of Broken Arrow Public Schools a variety of opportunities to support the organization.

“Last year, our district was one of the largest contributors to the United Way Campaign, and I could not have been more proud of our efforts” said Superintendent Dr. Jarod Mendenhall. “People may not realize that a good portion of the funds raised stay right here in Broken Arrow supporting both the Margaret Hudson Program and Broken Arrow Neighbors.”



Community Education

During the evening hours of the school year, the Community Education program of Broken Arrow Public Schools provides classes and programs for everyone from children to adults. Classes range in areas from everyday life skills, computers and business, to leisure, athletics and youth-oriented activities. All classes are held at North Intermediate High School with the exception of Broken Arrow Dance Academy classes.



Partners in Education

The Broken Arrow Public Schools Partners in Education (PIE) Program celebrated its 16th year of excellence during the 2010-2011 school year. This program, which is dedicated to bringing together BAPS with the business community, helps provide community support to the school system and encourages communication between the community and the schools. Business partners provided more than \$140,000 worth of financial contributions and in-kind services to the school district, individual school sites and the Broken Arrow Public Schools Foundation during 2011-12.

Business Partners provided financial support for such things as field trips, classroom supplies and equipment, student school supplies, student incentive programs encouraging citizenship and leadership skills, and assistance for students to attend state and national school activities. The PIE program has provided financial support for district items or functions, such as Adopt a Tiger, Above and Beyond, Teacher of the Year and the Broken Arrow Schools Foundation.



The PIE Program has provided community pride and recognition for the districts' teachers by sponsoring the city-wide National "Teacher Appreciation Week" project and "Celebrating the Arts."

Mike's Discount Tires was named the 2011-12 Partner of the Year, Broken Arrow Nazarene Church was named the Civic Organization of the Year, and AVB Bank was given the Above and Beyond Award.

Volunteers in Education

The final report on the Broken Arrow Public Schools Volunteers in Education program for the 2011-12 school year is complete, and the results show the program enjoyed another successful year of supporting schools, students and a variety of district activities.

During the school year, volunteers ranging from 14 to 80 years of age logged 60,000 official volunteer hours. At \$7.50 per hour, the dollar equivalent for their services would be more than \$450,000.



“Volunteers have provided valuable services to our school system; as testing monitors, resource speakers, clerical help, chaperones as well as site and classroom volunteers,” said Jo McCord, Volunteers Coordinator.

McCord said another important aspect of the volunteer program is the understanding that it brings between the school and community.

“In this time when the parental role in the education of children is being emphasized, the volunteer program assumes an even greater importance. As our volunteers acquaint themselves with our school faculty and staff and gain knowledge of our programs, they become our best public relations spokesmen. Due to the insight they gain from volunteering in our schools, volunteers are instrumental in helping pass bond issues and providing positive feedback to our community.”

BAPS's Mentoring Program

Broken Arrow Public Schools' Mentoring Program is designed to match adults with students who can benefit from a mentor program. When matched, the mentor and the student will work together during school time and in the school setting for one hour per week. The activities planned may involve one or more of the following areas:

- Tutorial help
- Developing positive attitudes
- Special projects
- Goal-setting
- Self-esteem
- Looking at the world of work

The goal of the program is to help improve the child's self-esteem and ability to achieve in school. The program will also introduce the child to the importance of education to succeed in the outside work force. Most children have found their relationship with a mentor very rewarding.



Budgetary Controls

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

The level of budgetary control is maintained by fund and 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.

Relationship to Other Governments

The district, the city, and the Chamber exchange representation on board and committees so that all entities are cohesive in expanding the quality of life in the city of Broken Arrow. That is reflected by Broken Arrow being named 69th of the top 100 cities in the country and the top city to live in the state of Oklahoma by Money Magazine.

Long – Term Financial Planning

The district utilizes three community wide committees for planning; Long Range, Budget and Strategic Planning Committees. These committees review the financial condition and establish the budget for operation, review the student growth to determine long term needs and develop programmatic solutions to make the district more efficient and effective in serving the students.

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,

Jarod Mendenhall, Ed.D.

Jarod Mendenhall, Ed.D.
Superintendent

Dwayne Thompson

Dwayne Thompson
Chief Financial Officer

Donna A. Dollahon

Donna Dollahon
Treasurer

Natalie J. Eneff

Natalie Eneff
Director of Budget

Cathy A. Mitchem

Cathy Mitchem
Director of Accounting



School Officials

Board of Education

2011-2012

President	Cheryl Kelly	Zone 4	Term Ends Feb. 2014
Vice President	Steve Allen	Zone 1	Term Ends Feb. 2016
Clerk	Jerry Denton	Zone 5	Term Ends Feb. 2015
Deputy Clerk	Shari Wilkins	Zone 3	Term Ends Feb. 2013
Member	Steve Majors	Zone 2	Term Ends Feb. 2017

Executive Administration

2011-2012

Dr. Jarod Mendenhall – Superintendent

Amy Fichtner – Assistant Superintendent

Dwayne Thompson – Chief Financial Officer

Michelle Bergwall – Chief Operations Officer

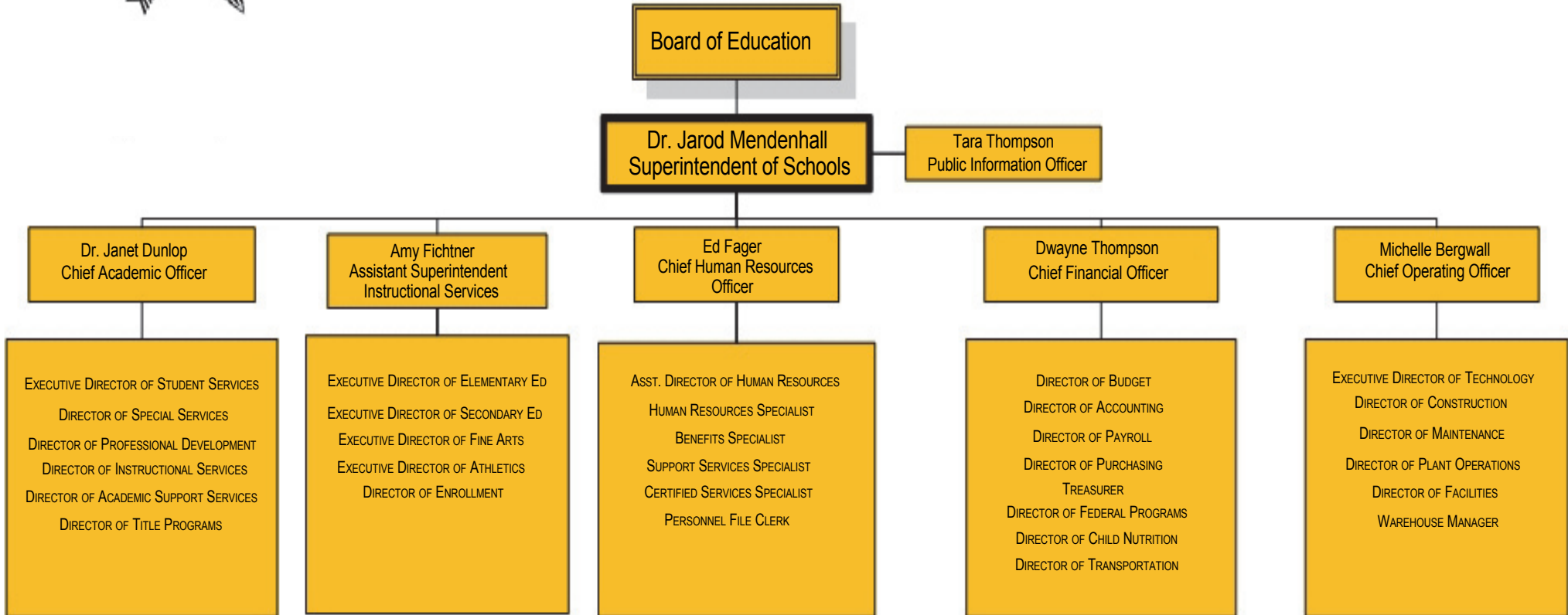
Dr. Janet Dunlop – Chief Academic Officer

Ed Fager – Chief Human Resources Officer

Tara Thompson – Public Information Officer



Administrative Organizational Chart





SANDERS, BLEDSOE & HEWETT
CERTIFIED PUBLIC ACCOUNTANTS, LLP

Stephen H. Sanders, CPA
Eric M. Bledsoe, CPA
Jeffrey D. Hewett, CPA

P.O. Box 1310 * 112 W. Dallas St. * Broken Arrow, OK 74012 * (918) 449-9991 * (800) 522-3831 * Fax (918) 449-9779

INDEPENDENT AUDITOR'S REPORT

The Honorable Board of Education
Broken Arrow School District No. I-3
Broken Arrow, Oklahoma

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Broken Arrow School District No. I-3, (the District) Tulsa County, Oklahoma, as of and for the year ended June 30, 2012, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these basic 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2012, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons of the General Fund and the Building Fund, for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report (under a separate cover) dated November 20, 2012, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and important for assessing the results of our audit.

Management's Discussion and Analysis, as listed in the table of contents, is not a required part of the basic financial statements, but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, consisting principally of inquires of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was performed for the purpose of forming an opinion on the financial statements which collectively comprise the District's financial statements. The accompanying other supplementary information, as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented, in all material respects, in relation to the financial statements taken as a whole.

The accompanying Introductory and Statistical sections, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. These sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

A handwritten signature in cursive script that reads "Sanders, Bledsoe & Hewett".

Sanders, Bledsoe & Hewett
Certified Public Accountants, LLP

November 20, 2012



Broken Arrow Public Schools Management's Discussion & Analysis

This section of Broken Arrow Public Schools' (the District's) annual financial report presents a discussion and analysis of the financial performance during the fiscal year of July 1, 2011 through June 30, 2012. In order to gain a comprehensive understanding of the District's financial performance, this analysis is intended to supplement information presented in the financial statements and notes to the 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 MD&A must be prepared by the District management staff, and it precedes the financial statements and notes. The purpose of the MD&A is to provide readers a user-friendly analysis of the district's operating results and financial position. Also, the MD&A includes a comparison to prior year results.

The Broken Arrow Public School district is considered a separate entity under Title 70 of the Oklahoma Statutes. The District is part of the Oklahoma public school system, and operates under the general direction and control of the State Board of Education. The District is governed by a five-member elected Board of Education, who in turn appoints the superintendent to serve as the executive officer of the District.

Broken Arrow Public Schools is one of the top ten largest school districts in the State of Oklahoma, with an approximate enrollment of 17,000 students. The District covers 116 square miles in Tulsa and Wagoner counties. Currently, district staff includes 1,059 certified teachers, 874 support staff, and 97 administrators. During 2011-12, school sites included 8 elementary schools (grades PK-5), 1 elementary (grades PK-2), 1 elementary (grades PK-4), 5 elementary (grades K-5), 5 middle schools (grades 6-8), 2 intermediate high schools (grades 9-10) and one senior high school (grades 11-12). The District operates 154 buses, transporting approximately 76% of all students.

Financial Highlights

Financial highlights of FY 2011-12 include:

- The District experienced an increased General Fund balance from \$18,541,590 to \$21,383,129 an increase of \$2,841,539.
- The net assessed valuation (NAV) of the District continued to grow at a steady pace, increasing 2.90% to \$700,733,473. The resulting net growth generated approximately \$750,000 in revenue for the General Fund, \$107,000 in revenue for the Building Fund, and an additional \$700,000 in overall debt capacity.



Broken Arrow Public Schools Management's Discussion & Analysis

Overview of Financial Statements

The annual financial report consists of three major components: the management's discussion & analysis, the basic financial statements, and required supplementary information. The basic financial statements consist of two types of financial statements: Government-wide financial statements and Fund financial statements.

Government-wide Financial Statements

The Government-wide financial statements are designed to present a broad overview of the District's finances, similar to the financial presentation of private sector businesses. These statements include the Statement of Net Assets, which includes assets, liabilities, and net assets – or the difference between the two. Over time, changes in the Statement of Net Assets 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 second element of the Government-wide financial statements is the Statement of Activities. This statement includes all current year revenues and expenditures, regardless of when cash is received or paid.

Fund Financial Statements

Fund financial statements provide detailed information about the various funds utilized by the District. Funds represent a group of related accounts that are grouped together for specific activities or objectives. Fund accounting requires that these related accounts be grouped together to insure compliance with legal restrictions on revenue by local, state, or federal sources. The District has two types of funds: governmental funds and fiduciary funds.

Governmental funds include most of the District's activities. These statements provide a short-term analysis of District operations and services. The Governmental fund statements help the reader determine if the District has more, or fewer, resources available to fund operations and services. Governmental funds include the General Fund, the Special Revenue Funds (Building and Child Nutrition Funds), the Debt Service (Sinking) Fund, and the Capital Projects (Bond) Funds.

Proprietary funds use the same basis of accounting as business type activities. These funds report activities generally financed and operated like businesses. These funds are one of the only areas the District compares the sources of cash during the year to the purposes for which cash was used. The Child Nutrition Fund, Broken Arrow's proprietary fund, also called an enterprise fund may be used to account for any activity that charges a fee to users. This fund is legally required to cover its cost with fees and charges rather than taxes and similar revenues.



Broken Arrow Public Schools Management's Discussion & Analysis

Fiduciary funds are those over which the District serves as a trustee, or fiduciary, but actually are 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 Expendable Trust Funds (Gifts Fund and Endowments Fund) and Agency (Student Activity) Funds.

Government-wide Financial Analysis

Statement of Net Assets

As of June 30, 2012, the District's total net assets were \$147,003,139. The table below summarizes the total assets, total liabilities, and net assets over the two year period. The District's non-current assets are in the form of capital assets (land, buildings, and equipment). Net assets include fund balances reserved for capital projects and debt service, and the remaining unrestricted fund balances. These funds are utilized to maintain positive cash flow throughout the year, and to fund future capital projects and obligations.

The following table summarizes the assets, liabilities, and net assets for FY 2010-11 and FY 2011-12. The 12% in net assets of \$15,351,789 is a result of the increase in spending for capital projects, an increased fund balance in the General Fund, and moderate spending levels.



**Broken Arrow Public Schools
Management's Discussion & Analysis**

	Governmental Activities		
	FY 2010-11	FY 2011-12	% Incr./ (Decr.)
Total Current Assets	\$ 80,623,908	\$ 77,933,768	-3%
Total Non-Current Assets	<u>137,112,243</u>	<u>148,713,235</u>	<u>8%</u>
Total Assets	217,736,151	226,647,003	4%
Total Current Liabilities	33,330,968	21,868,864	-34%
Total Non-Current Liabilities	<u>55,704,470</u>	<u>57,775,000</u>	<u>4%</u>
Total Liabilities	89,035,438	79,643,864	-11%
Net Assets			
Invested in capital assets, net of related debt	64,803,326	72,963,235	13%
Restricted for Inventories	-	161,964	100%
Reserved for capital projects	26,233,999	32,698,625	25%
Reserved for debt service	16,777,580	16,216,368	-3%
Unrestricted	23,692,500	21,383,129	-10%
Restricted for arbitrage	143,945	143,945	100%
Restricted for operations	-	3,144,045	100%
Assigned to worker's compensation	<u>-</u>	<u>291,828</u>	100%
Total Net Assets	<u>\$131,651,350</u>	<u>\$147,003,139</u>	<u>12%</u>

Beginning the 2011-12, the District adopted Generally Accepted Accounting Principles (GAAP). Prior to this adoption, the figures represented in 2010-11 reflect both government-wide and business type activities. With the new modified accrual basis of accounting beginning in 2011-12, all current and future years reflect government-wide activity only.

Statement of Activities

The Statement of Activities presents a district-wide summary of revenues and expenditures for the fiscal year. District-wide, the net assets increased by \$15,351,789 during 2011-12. The format of the presentation identifies expenditures by program areas (functions), and identifies to what extent those expenditures are offset by charges for services, operating grants, and contributions. Depreciation is defined separately on this table, however, in the Statement of Activities; it is shown by the function of the depreciated asset. The table on the following page reflects the Statement of Activities for the current and previous fiscal years.

Over the two year period, a number of shifts can be observed, such as a significant decrease in operating grants and contributions, an increase in State Aid revenue, and an increase in property taxes that reflects continuing valuation growth. The final result is an increase in net assets of 12%. This consistent increase in net assets reflects the District's philosophy of managing ongoing growth while maintaining financial stability through strong budgetary and spending controls.

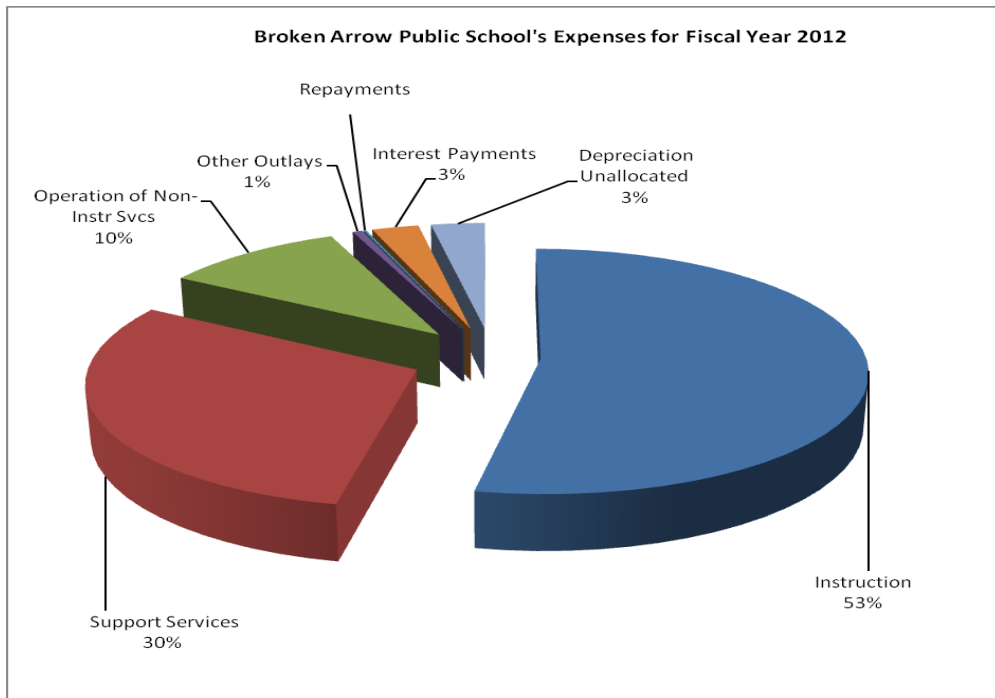
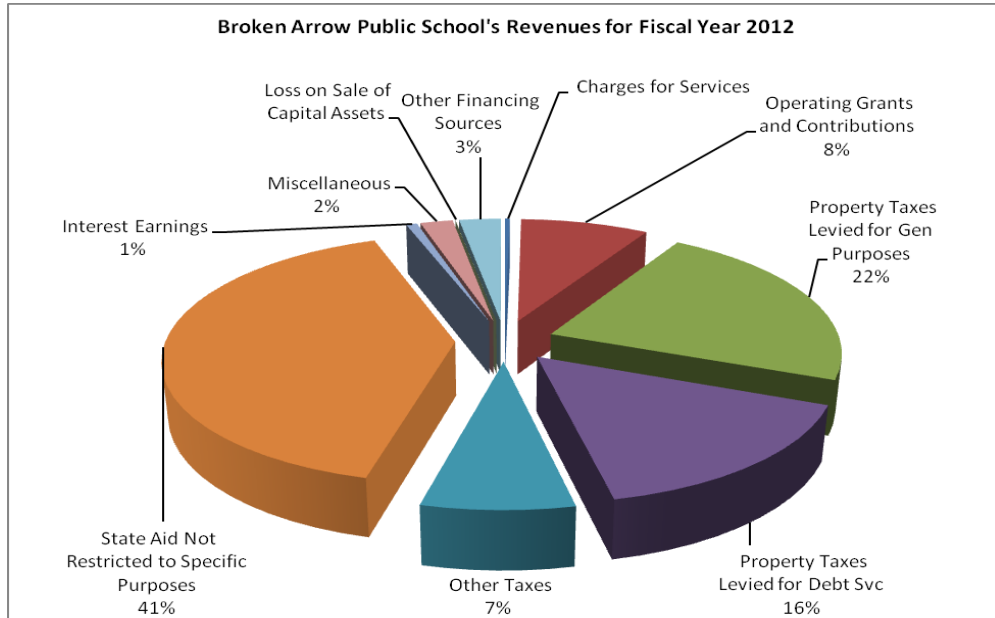


**Broken Arrow Public Schools
Management's Discussion & Analysis**

	Governmental Activities			
	FY 2010-11	FY 2011-12	Increase/ (Decrease)	Percent Increase/ (Decrease)
Revenues				
Program Revenues:				
Charges for Services	\$ 3,864,331	\$ 408,845	\$ (3,455,486)	-89%
Operating Grants and Contributions	24,076,886	10,696,486	(13,380,400)	-56%
General Revenues:				
Taxes				
Property Taxes, levied for gen. purposes	28,204,650	29,039,761	835,111	3%
Property Taxes, levied for debt service	18,799,415	20,294,054	1,494,639	8%
Other Taxes	11,824,852	9,464,365	(2,360,487)	-20%
State aid not restricted to specific purposes	38,567,628	52,638,986	14,071,358	36%
Interest earnings	367,898	907,841	539,943	147%
Miscellaneous	2,585,449	2,709,310	123,861	5%
Loss on sale of capital assets	-	9,834	9,834	100%
Transfer – capital assets – fiduciary funds	-	-	-	0%
Other financing sources	<u>988,726</u>	<u>3,477,927</u>	<u>2,489,201</u>	<u>252%</u>
Total Revenues and Special Items	<u>129,279,835</u>	<u>129,647,409</u>	<u>367,574</u>	<u>0%</u>
Expenditures				
Instruction	56,915,460	59,271,138	2,355,678	4%
Support Services	40,942,537	33,863,952	(7,078,585)	-17%
Operation of non-instructional services	6,941,311	11,337,283	4,395,972	63%
Other Outlays	404,889	603,868	198,979	49%
Repayments	159,573	169,904	10,331	6%
Interest Payments	2,550,031	2,902,285	352,254	14%
Depreciation – Unallocated	<u>3,785,208</u>	<u>3,333,497</u>	<u>(451,711)</u>	<u>-12%</u>
Total Expenditures	<u>111,699,009</u>	<u>111,481,927</u>	<u>(217,082)</u>	<u>0%</u>
Change in Net Assets	17,580,826	18,165,482	584,656	3%
Net Assets, Beginning of Year	113,508,292	128,837,657	15,329,365	14%
Prior Period Adjustment – Capital Assets	<u>562,232</u>	<u>-</u>	<u>(562,232)</u>	<u>100%</u>
Net Assets, End of Year	<u>\$131,651,350</u>	<u>\$ 147,003,139</u>	<u>\$ 15,351,789</u>	<u>12%</u>



Broken Arrow Public Schools Management's Discussion & Analysis





**Broken Arrow Public Schools
Management's Discussion & Analysis**

Fund Financial Analysis

As discussed earlier, the presentation of fund financial information is divided between Governmental funds and Fiduciary funds.

Governmental Funds

Under the District's fund accounting system, Governmental funds include the General Fund, Building Fund, Sinking Fund, and all Bond Funds. Activities in these funds are categorized among the following functional areas:

Instruction

- The activities dealing directly with the interaction between teachers and students.

Support Services

- Services that provide administrative, technical, and logistical support to facilitate and enhance instruction.

Operation of Non-Instructional Services

- Activities concerned with providing non-instructional services to students, staff, or the community.

Facilities Acquisition & Construction

- 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

- Outlays of governmental funds that are not properly classified as expenditures, but still require budgetary or accounting control.

Other Uses

- Payments such as scholarships and claims.

Repayments

- Payments issued to outside agencies for refund of a previously received overpayment or other refund.

The table below summarizes the total and net cost of services for the Governmental funds during FY 2010-11, and for FY 2011-12, by each of these functional programs.

Function	Total Cost of Services			Net Cost of Services		
	FY 2010-11	FY 2011-12	% Change	FY 2010-11	FY 2011-12	% Change
Instruction	\$ 56,915,460	\$ 58,604,438	3%	\$ 41,247,057	\$ 51,392,910	25%
Support Services	40,942,537	34,197,302	-16%	35,849,872	30,998,512	-14%
Oper. Of Non-Instr. Serv	6,941,311	11,670,633	68%	85,504	11,605,619	13473%
Other Outlays	404,889	603,868	49%	120,581	(26,131)	-122%
Repayments	159,573	169,904	6%	119,539	169,904	42%
Interest Payments	2,550,031	2,902,285	14%	2,550,031	2,902,285	0%
Depreciation - Unallocated	3,785,208	3,333,497	-12%	3,785,208	3,333,497	-12%
Total	\$ 111,699,009	\$ 111,481,927	0%	\$ 83,757,792	\$100,376,597	20%



**Broken Arrow Public Schools
Management's Discussion & Analysis**

Fund balances for the District's various governmental funds are summarized below:

Fund Type	Fund Name	Fund Balance FY 2010-11	Fund Balance FY 2011-12	Increase/ (Decrease)
Governmental Fund	General Fund	18,541,950	21,427,186	16%
Governmental Fund	Building Fund	2,336,858	3,144,045	35%
Governmental Fund	Child Nutrition Fund	2,813,692	2,996,663	7%
Governmental Fund	2007B Building Bond	131,026	36,907	-72%
Governmental Fund	2008A Building Bond	481,039	412,631	-14%
Governmental Fund	2009 Comb. Bond Fund	431,716	298,001	-31%
Governmental Fund	2010A Building Bond	4,374,767	4,685,246	7%
Governmental Fund	2010B Transportation	23,958	-	-100%
Governmental Fund	2010C Bond Fund	7,291,464	2,642,015	-64%
Governmental Fund	2011D Bond Fund	13,500,030	6,497,146	-52%
Governmental Fund	2012E Bond Fund	-	18,126,679	N/A
Governmental Fund	Sinking Fund	16,777,580	16,216,368	-3%
Governmental Fund	Arbitrage Rebate Fund	143,945	143,945	0%

Proprietary Funds

The District's Proprietary's funds consist of the Child Nutrition fund.

Fiduciary Funds

The District's Fiduciary funds include the Gifts fund, the Endowments fund, and school Activity funds. The fund balances for each of these funds is summarized in the table below:

Fund Type	Fund Name	Fund Balance FY 2010-11	Fund Balance FY 2011-12	Increase/ (Decrease)
Expendable Trust Fund	Gifts Fund	74,794	73,901	-1%
Nonexpendable Trust Fund	Endowment Fund	42,983	43,053	0%
Agency Fund	School Activity Funds	2,361,019	2,229,413	-6%

The Gifts Fund and Endowments Fund both receive revenues from donations made by individuals or organizations. These funds are used for purposes specified by the donor. School site activity 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.



**Broken Arrow Public Schools
Management's Discussion & Analysis**

Capital Assets and Debt Administration

As of June 30, 2012, the District held \$148,713,235 in fixed assets, which include land, buildings, furniture, and equipment for all funds excluding business activities. This amount represents a capitalization level of \$2,500, consistent with State accounting regulations. Depreciation on Governmental Fund assets for the 2011-12 year was \$5,052,205. The table on the following page summarizes the District's capital assets as of June 30, 2011 and 2012.

Asset Type	Value 6/30/11	Value 6/30/12	% Increase/ (Decrease)
Land and Improvements	\$ 12,038,575	\$ 16,069,000	33%
Construction in Process	9,085,403	10,692,808	18%
Buildings & Improvements	143,730,736	148,421,582	3%
Equipment/Machinery/Vehicles	19,066,559	21,472,370	13%
Subtotal	183,921,273	196,655,760	7%
Less: Accumulated Depreciation	(44,609,030)	(47,942,526)	7%
Net Capital Assets	\$ 139,312,243	\$ 148,713,235	7%

The majority of the Construction in Process consists of the construction of a new middle and elementary schools, additions and remodeling to seven elementary campuses, addition to the current high school and various other construction projects.

Bonded debt outstanding as of June 30, 2012 was \$75,750,000, an increase of \$1,750,000 from the prior fiscal year. In 2009 voters approved a \$295 million series debt issue and the district sells a portion of that authorized issue as new debt each year as old debt is retired.

FY 2011-12 Budget

For FY 2011-12, the Board of Education approved a final General Fund budget of \$99,958,286. The original approved General Fund budget by the County Excise Board was \$ 113,291,774. This budget represents an increase of 5%, or \$4,870,983 from the previous year. Actual expenditures for the General Fund were \$97,357,107. Changes highlighted in the 2011-2012 year budget included:

- Salary increases for all staff in the amount of 1.5%. The cost for this item is \$1,050,000.
- A 4% one-time stipend for qualifying returning staff at a cost of \$2,800,000.
- The addition of ten new teaching positions to accommodate for student growth at a cost of \$500,000.

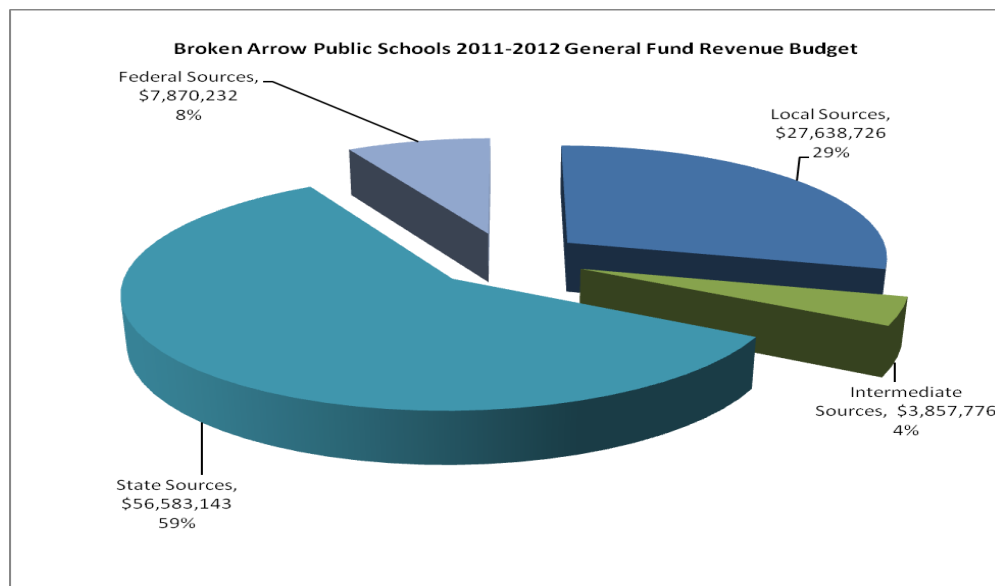
During the fiscal year the District experienced revenue collection in excess of projections in three major State sources. First, the State approved a supplemental appropriation to fully fund the flexible benefit allowance for all employees which resulted in additional payments of \$838,258. Second, as the economy of Oklahoma has recovered, taxes on the sale of motor vehicles increased by \$260,595 and the



Broken Arrow Public Schools Management's Discussion & Analysis

distribution of lease earnings on State owned land increased by \$242,308. Finally, other revenue in the amount of \$238,255 was the result of prior year outstanding liabilities that were voided or reduced. Due to the District's conservative approach to budgeting and tight controls on expenses, the District under spent the budget by 2%, or \$2,071,140.

Revenue for the District's General Fund is derived from four main sources: Local, Intermediate, State, and Federal. By far, state revenues fund most of the district's ongoing operations. The following chart summarizes the major revenue sources for the 2011-12 General Fund budget:



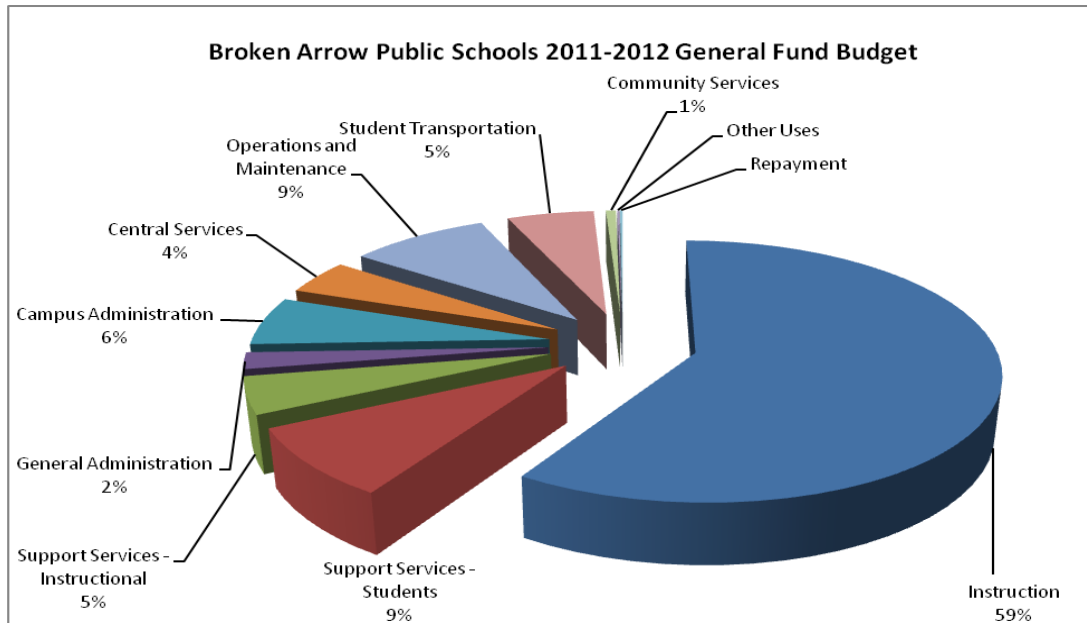
Local sources of revenue consist primarily of ad valorem revenue, which is based on an annual levy of 35 mills (one mill is equal to \$1 per \$1,000 of net assessed valuation). For 2011-12, the District's net assessed valuation grew by 2.90%, or \$700,733,473. Other local sources of revenue include fees from before and after school care, community education classes, 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.

Expenditures for the General Fund are classified by function code, which identifies the purpose for which an expense is incurred. For the 2011-12 fiscal year, 59% of the General Fund is dedicated to instruction. This category includes salaries and benefits for all classroom teachers. As seen below, the



Broken Arrow Public Schools Management's Discussion & Analysis

next largest areas of expense is the operation and maintenance of plant services and support services students, which both represents 9% of the budget. This area includes not only salaries and benefits for the maintenance and custodial staff, but also utility costs for all district facilities.



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 Mr. Dwayne Thompson, 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>.

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Broken Arrow Public Schools
Statement of Net Assets
Year Ended June 30, 2012

	Governmental Activities	Business-Type Activities	Total
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	\$ 2,335,610	\$ 944,961	\$ 3,280,571
Investments	72,150,070	2,550,000	74,700,070
Receivables:			
Property taxes-delinquent	229,128	-	229,128
Due from other governments	3,025,926	36,068	3,061,994
Accrued interest	2,715	4	2,719
Other receivables	28,355	-	28,355
Inventories	161,964	85,749	247,713
TOTAL CURRENT ASSETS	<u>77,933,768</u>	<u>3,616,782</u>	<u>81,550,550</u>
NON-CURRENT ASSETS			
Land and construction-in-progress	26,744,055	-	26,744,055
Capital assets being depreciated, net	121,969,180	352,642	122,321,822
TOTAL NON-CURRENT ASSETS	<u>148,713,235</u>	<u>352,642</u>	<u>149,065,877</u>
TOTAL ASSETS	<u>226,647,003</u>	<u>3,969,424</u>	<u>230,616,427</u>
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES			
Accounts payable	3,092,293	357,823	3,450,116
Accrued wages payable	168,512	3,800	172,312
Accrued interest payable	403,931	-	403,931
Deferred Revenue	229,128	-	229,128
Current portion of long-term obligations	17,975,000	-	17,975,000
TOTAL CURRENT LIABILITIES	<u>21,868,864</u>	<u>361,623</u>	<u>22,230,487</u>
NON-CURRENT LIABILITIES			
Non-current portion of long-term obligations	57,775,000	-	57,775,000
TOTAL NON-CURRENT LIABILITIES	<u>57,775,000</u>	<u>-</u>	<u>57,775,000</u>
TOTAL LIABILITIES	<u>79,643,864</u>	<u>361,623</u>	<u>80,005,487</u>
NET ASSETS			
Invested in capital assets, net of related debt	72,963,235	352,642	73,315,877
Restricted for:			
Debt service	16,216,368	-	16,216,368
Capital projects	32,698,624	-	32,698,624
Arbitrage	143,945		143,945
Operations	3,144,045		3,144,045
Worker's compensation	291,828	97,276	389,104
Inventories	161,964	244,147	406,110
Unrestricted	21,383,129	2,913,736	24,296,865
TOTAL NET ASSETS	<u>\$ 147,003,139</u>	<u>\$ 3,607,801</u>	<u>\$ 150,610,940</u>

See notes to financial statements.



**Broken Arrow Public Schools
Statement of Activities
Year Ended June 30, 2012**

	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Primary Government		Total
				Governmental Activities	Business- Type Activities	
GOVERNMENTAL ACTIVITIES						
Instruction	\$ 61,937,935	\$ 340,885	\$ 6,870,644	\$ (54,726,407)	\$ -	\$ (54,726,407)
Support services - Students	8,166,385	46,530	1,254,457	(6,865,398)	-	(6,865,398)
Support services - Instructional Staff	5,051,994		860,058	(4,191,936)	-	(4,191,936)
Support services - Administration	13,926,174		714,189	(13,211,985)	-	(13,211,985)
Operations and maintenance services	11,590,281		65,014	(11,525,267)	-	(11,525,267)
Student transportation services	6,563,236		323,556	(6,239,680)	-	(6,239,680)
Other support services	659,417		-	(659,417)	-	(659,417)
Child Nutrition	80,352			(80,352)	-	(80,352)
Community services	603,868	21,430	608,569	26,131	-	26,131
Interest on long-term debt	2,902,285		-	(2,902,285)	-	(2,902,285)
TOTAL GOVERNMENTAL ACTIVITIES	111,481,927	408,845	10,696,486	(100,376,597)	-	(100,376,597)
BUSINESS-TYPE ACTIVITIES						
Food services	6,581,268	3,320,643	3,472,757	-	212,132	212,132
TOTAL BUSINESS-TYPE ACTIVITIES	6,581,268	3,320,643	3,472,757	-	212,132	212,132
TOTAL SCHOOL DISTRICT	\$ 118,063,195	\$ 3,729,488	\$ 14,169,243	\$ (100,376,597)	\$ 212,132	\$ (100,164,465)



**Broken Arrow Public Schools
Statement of Activities
Year Ended June 30, 2012**

	Program Revenues		Net (Expense) Revenue and Changes in Net Assets			
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business- Type Activities	Total
GENERAL REVENUES						
Taxes						
Property tax, levied for general purposes				\$ 29,039,761	\$ 29,039,761	
Property tax, levied for debt services				20,294,054	20,294,054	
County taxes				3,905,726	3,905,726	
State taxes				5,558,639	5,558,639	
State aid not restricted to specific programs				52,638,985	460,329	
Interest and investment earnings				907,841	4,753	
Gain on disposal of capital assets				9,834	2,302	
Other sources				6,187,239	114,592	
				<u>118,542,079</u>	<u>581,976</u>	<u>119,124,055</u>
TOTAL GENERAL REVENUES				<u>118,542,079</u>	<u>581,976</u>	<u>119,124,055</u>
CHANGES IN NET ASSETS				18,165,482	794,108	18,959,590
NET ASSETS AT BEGINNING OF YEAR				<u>128,837,657</u>	<u>2,813,693</u>	<u>131,651,350</u>
NET ASSETS AT END OF YEAR				<u>\$ 147,003,139</u>	<u>\$ 3,607,801</u>	<u>\$ 150,610,940</u>

See notes to financial statements.

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Broken Arrow Public Schools
Balance Sheet - Governmental Funds
Year Ended June 30, 2012

	General Fund	Building Fund	Sinking Fund	Bond Fund	Other Governmental Funds - Arbitrage	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 921,882	\$ 428,026	\$ 210,834	\$ 630,923	\$ 143,945	\$ 2,335,610
Investments	18,399,494	2,909,774	16,409,465	34,431,338	-	72,150,070
Due from other funds	-	-	-	-	-	-
Property taxes-delinquent	123,433	19,004	86,691	-	-	229,128
Due from other governments	3,025,926	-	-	-	-	3,025,926
Other receivables	28,355	-	-	-	-	28,355
Accrued interest	2,648	67	-	-	-	2,715
Inventories	161,964	-	-	-	-	161,964
TOTAL ASSETS	\$ 22,663,702	\$ 3,356,871	\$ 16,706,990	\$ 35,062,261	\$ 143,945	\$ 77,933,768
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts payable and accrued liabilities	\$ 541,822	\$ 186,835	\$ 403,931	\$ 2,363,636	\$ -	\$ 3,496,224
Accrued wages payable	161,525	6,987	-	-	-	168,512
Due to other funds	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
Deferred revenues	123,433	19,004	86,691	-	-	229,128
TOTAL LIABILITIES	\$ 826,780	\$ 212,826	\$ 490,622	\$ 2,363,636	\$ -	\$ 3,893,864
FUND BALANCES						
Nonspendable: Inventories	161,964	-	-	-	-	161,964
Restricted for:						
Capital projects	-	-	-	32,698,624	-	32,698,624
Operations	-	3,144,045	-	-	-	3,144,045
Arbitrage	-	-	-	-	143,945	143,945
Debt service	-	-	16,216,368	-	-	16,216,368
Assigned to:						
Worker's Compensation	291,828	-	-	-	-	291,828
Unassigned	21,383,129	-	-	-	-	21,383,129
TOTAL FUND BALANCES	21,836,922	3,144,045	16,216,368	32,698,624	143,945	74,039,903
TOTAL LIABILITIES AND FUND BALANCES	\$ 22,663,702	\$ 3,356,871	\$ 16,706,990	\$ 35,062,260	\$ 143,945	

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

Capital assets used in government activities are not financial resources and, therefore, are not reported as assets in governmental funds.

Cost of assets	\$ 196,655,760	
Accumulated depreciation	(47,942,525)	
	<u>148,713,235</u>	

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. Long-term liabilities at year-end consist of:

Bonds payable	(75,750,000)	
Other post employment benefits	-	
	<u>(75,750,000)</u>	

TOTAL NET ASSETS - GOVERNMENTAL ACTIVITIES **\$ 147,003,139**

See notes to financial statements.



Broken Arrow Public Schools
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
Year Ended June 30, 2012

	General	Building	Sinking	Bond	Other Governmental Funds - Arbitrage	Total Governmental Funds
	Fund	Fund	Fund	Fund		
REVENUES						
Local sources	28,246,960	4,241,709	20,321,388	3,009,243	-	55,819,300
Intermediate sources	3,905,726	-	-	-	-	3,905,726
State sources	58,159,266	38,359	-	-	-	58,197,625
Federal sources	10,631,472	65,014	-	-	-	10,696,486
Other sources	238,255	-	-	-	-	238,255
TOTAL REVENUES	101,181,678	4,345,082	20,321,388	3,009,243	-	128,857,391
EXPENDITURES						
Current						
Instruction	58,585,950	-	-	1,945,432	-	60,531,381
Student	8,120,320	-	-	46,065	-	8,166,385
Instructional staff	4,526,860	-	-	525,134	-	5,051,994
Administration	11,928,810	315	-	1,997,049	-	13,926,174
Operations and maintenance	8,492,297	3,143,186	-	1,739,117	-	13,374,600
Student transportation	5,363,220	-	-	866,667	-	6,229,887
Non-instruction expenditures						
Child nutrition operations	-	-	-	80,352	-	80,352
Community service operations	603,868	-	-	-	-	603,868
Other	265,383	358,394	-	-	-	623,777
Capital outlay	-	36,000	-	9,844,802	-	9,880,802
Debt service						
Principal	-	-	18,750,000	-	-	18,750,000
Judgments	-	-	35,641	-	-	35,641
Interest	-	-	2,886,978	-	-	2,886,978
TOTAL EXPENDITURES	97,886,707	3,537,895	21,672,619	17,044,618	-	140,141,838
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	3,294,972	807,188	(1,351,231)	(14,035,375)	-	(11,284,447)
OTHER FINANCING SOURCES (USES)						
Issuance of debt	-	-	-	20,500,000	-	20,500,000
Premium on new issuance of debt	-	-	790,019	-	-	790,019
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	790,019	20,500,000	-	21,290,019
NET CHANGE IN FUND BALANCE	3,294,972	807,188	(561,212)	6,464,625	-	10,005,572
FUND BALANCE AT BEGINNING OF YEAR	18,541,950	2,336,858	16,777,580	26,233,999	143,945	64,034,332
FUND BALANCE AT END OF YEAR	\$ 21,836,922	\$ 3,144,045	\$ 16,216,368	\$ 32,698,624	\$ 143,945	\$ 74,039,903

See notes to financial statements



Broken Arrow Public Schools
Reconciliation of Statement of Revenues, Expenditures, and Changes
in Fund Balance Governmental Funds to the Statement of Activities
Year Ended June 30, 2012

TOTAL NET CHANGE IN FUND BALANCES-GOVERNMENTAL FUNDS \$ 10,005,572

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 assets and are allocated over their estimated useful lives as annual depreciation expenses in the statement of activities.

This is the amount by which depreciation is less than the capital outlays in the period.

Depreciation expense	(3,333,497)	
Capital outlays	12,734,489	9,400,993

Some of the capital assets acquired this year were financed with capital leases. The amount financed by the leases is reported in the governmental funds as a source of financing. On the other hand, the capital leases are not revenues in the statement of activities, but, rather, constitute long-term liabilities in the statement of net position. 524,224

Repayment of bond principal is an expenditure in the governmental funds, but it reduces long-term liabilities in the statement of net assets and does not affect the statement of activities. Proceeds from the sale of new bonds is revenue in the governmental funds, but increases long-term liabilities in the statement of net assets and does not affect the statement of activities.

Principal payments	18,750,000	
Bond sale proceeds	<u>(20,500,000)</u>	(1,750,000)

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 funds when it is due, and, thus, requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. (15,307)

	<u><u>\$ 18,165,482</u></u>
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See notes to financial statements



Broken Arrow Public Schools
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budgetary Basic)
Budgeted Governmental Fund Types - General Fund
Year Ended June 30, 2012

	Original Budget	Final Budget	Actual	Over (Under)
REVENUES				
Local sources	\$ 27,638,726	\$ 27,638,726	\$ 28,215,957	\$ 577,231
Intermediate sources	3,857,776	3,857,776	3,905,726	\$ 47,950
State sources	56,583,143	56,583,143	57,972,493	\$ 1,389,350
Federal sources	7,870,232	7,870,232	7,792,318	\$ (77,914)
Other sources	-	-	238,255	\$ 238,255
TOTAL REVENUES	95,949,877	95,949,877	98,124,749	2,174,872
EXPENDITURES				
Instruction	59,169,738	58,971,084	58,585,894	(385,189)
Support services				
Student	8,386,036	8,676,673	8,112,016	(564,657)
Instructional staff	4,435,075	4,634,176	4,516,485	(117,691)
Administration	7,736,090	12,522,777	11,898,790	(623,988)
Operation and maintenance	8,609,750	8,767,664	8,565,119	(202,545)
Student transportation	3,928,826	5,485,226	5,343,785	(141,441)
Non-instructional services				
Child nutrition operations	-	-	-	-
Community services operations	5,616,981	629,703	603,868	(25,835)
Other	827,277	270,982	261,188	(9,794)
TOTAL EXPENDITURES	98,709,776	99,958,286	97,887,145	(2,071,140)
EXCESS REVENUES (EXPENDITURES)	(2,759,899)	(4,008,409)	237,604	4,246,013
FUND BALANCE AT BEGINNING OF YEAR	18,541,950	18,541,950	18,541,950	-
FUND BALANCE AT END OF YEAR	\$ 15,782,051	\$ 14,533,541	\$ 18,779,554	\$ 4,246,013
ADJUSTMENTS TO CONFORM WITH GAAP				
Receivables at end of year			3,056,929	
Wages Payable			(161,525)	
Inventory			161,964	
Investments, change in market value			-	
FUND BALANCE AT END OF YEAR (GAAP BASIS)			\$ 21,836,922	

See notes to financial statements.



Broken Arrow Public Schools
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basic)
Budgeted Governmental Fund Types - Building Fund
Year Ended June 30, 2012

	Original Budget	Final Budget	Actual	Over (Under)
REVENUES				
Local sources	\$ 3,588,329	\$ 3,588,329	\$ 4,010,494	\$ 422,165
Intermediate sources			-	-
State sources	24,000	24,000	38,359	14,359
Federal sources	65,000	65,000	65,014	14
Other sources	-	-	231,149	231,149
TOTAL REVENUES	3,677,329	3,677,329	4,345,015	436,537
EXPENDITURES				
Instruction	-	-	-	-
Support services				
Student	-	-	-	-
Instructional staff	-	-	-	-
Administration	-	-	46,698	46,698
Operation and maintenance	3,809,631	3,845,631	3,136,514	(709,117)
Student transportation	-	-	-	-
Non-instructional services				
Child nutrition operations	-	-	-	-
Community services operations	-	-	-	-
Other	-	347,696	347,696	-
TOTAL EXPENDITURES	3,809,631	4,193,327	3,530,907	(662,419)
EXCESS REVENUES (EXPENDITURES)	(132,302)	(515,998)	814,108	1,098,956
FUND BALANCE AT BEGINNING OF YEAR	2,336,858	2,336,858	2,336,858	-
FUND BALANCE AT END OF YEAR	\$ 2,204,556	\$ 1,820,861	\$ 3,150,965	\$ 1,098,956
ADJUSTMENTS TO CONFORM WITH GAAP				
Receivables at end of year			67	
Wages Payable			(6,987)	
Inventories			-	
Investments, change in market value			-	
FUND BALANCE AT END OF YEAR (GAAP BASIS)			\$ 3,144,045	

See notes to financial statements



Broken Arrow Public Schools
Statement of Net Assets - Proprietary Funds
Year Ended June 30, 2012

	Business-Type Activities Enterprise Fund: <u>Child Nutrition Fund</u>
ASSETS	
CURRENT ASSETS	
Cash and equivalents	\$ 944,961
Investments	2,550,000
Due from other governments	36,068
Accrued interest receivable	4
Inventories	<u>85,749</u>
TOTAL CURRENT ASSETS	<u><u>3,616,782</u></u>
NON-CURRENT ASSETS	
Capital net assets	<u>352,642</u>
TOTAL NON-CURRENT ASSETS	<u><u>352,642</u></u>
TOTAL ASSETS	<u><u>\$ 3,969,424</u></u>
 LIABILITIES	
CURRENT LIABILITIES	
Accounts payable	\$ 357,823
Accrued wages payable	<u>3,800</u>
TOTAL CURRENT LIABILITIES	<u><u>361,623</u></u>
 NET ASSETS	
Invested in capital assets	352,642
Reserved for Inventory	244,147
Assigned to worker's compensation	97,276
Unrestricted	<u>2,913,736</u>
TOTAL NET ASSETS	<u><u>3,607,801</u></u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 3,969,424</u></u>

See notes to financial statements.



Broken Arrow Public Schools
Statement of Revenues, Expenditures, and Changes in Fund Net Assets
Proprietary Funds
Year Ended June 30, 2012

	Business-Type Activities Enterprise Fund: <u>Child Nutrition Fund</u>
OPERATING REVENUES	
Meals	\$ 3,320,430
Reimbursements	<u>213</u>
TOTAL OPERATING REVENUES	<u>3,320,643</u>
OPERATING EXPENSES	
Salaries and wages	2,883,312
Purchase and contracted services	119,014
Supplies and materials	3,478,557
Depreciation	2,085
Medical claims	3,004
Other operating expenses	<u>95,296</u>
TOTAL OPERATING EXPENSES	<u>6,581,268</u>
OPERATING INCOME (LOSS)	<u>(3,260,625)</u>
NON-OPERATING REVENUES	
Interest income	4,753
Federal and state grants	4,047,678
Disposal of assets	<u>2,302</u>
TOTAL NON-OPERATING REVENUES	<u>4,054,733</u>
CHANGES IN NET ASSETS	<u>794,108</u>
NET ASSETS AT BEGINNING OF YEAR	<u>2,813,693</u>
NET ASSETS AT END OF YEAR	<u><u>\$ 3,607,801</u></u>

See notes to financial statements.



Broken Arrow Public Schools
Statement of Cash Flows - Proprietary Funds
Year Ended June 30, 2012

	Business-Type Activities Enterprise Fund: Child Nutrition Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from user charges	\$ 3,181,207
Cash payment for insurance claims	-
Cash payments to suppliers for goods and services	(3,392,673)
Cash payments to employees for services	(2,832,322)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	(3,043,788)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Disposal of assets	2,302
Capital assets purchased	(2,630)
NET CASH PROVIDED BY CAPITAL AND RELATED FINANCING ACTIVITIES	(328)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
Non-operating grants received	3,720,633
NET CASH PROVIDED BY NON-CAPITAL FINANCING ACTIVITIES	3,720,633
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from sales and maturities of investments	2,200,000
Purchases of investments	(2,550,000)
Investment Income	4,753
NET CASH PROVIDED BY INVESTING ACTIVITIES	(345,247)
NET INCREASE IN CASH AND CASH EQUIVALENTS	331,269
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	613,692
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 944,961
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	
Operating loss	(3,260,625)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities	
Depreciation	2,085
Inventories	(244,147)
Accrued liabilities	357,823
Increase (decrease) in accrued wages payable	3,800
Liability for incurred claims	97,276
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	(3,043,788)
SUPPLEMENTAL DISCLOSURE OF NON-CASH ACTIVITIES	
Commodities received from Department of Human Services	409,066
Commodities consumed	233,441

See notes to financial statements.



Broken Arrow Public Schools
Statement of Net Assets - Fiduciary Funds
Year Ended June 30, 2012

	Private- Purpose Trust Fund	Agency Fund
	<u> </u>	<u> </u>
ASSETS		
Cash and cash equivalents	43,953	2,255,724
Investments	90,000	
TOTAL ASSETS	<u>\$ 133,953</u>	<u>\$ 2,255,724</u>
LIABILITIES		
Accounts Payable	9,000	\$ 26,311
Due to student groups	-	2,229,413
TOTAL LIABILITIES	<u>9,000</u>	<u>\$ 2,255,724</u>
NET ASSETS		
Held for scholarships	<u>124,953</u>	
TOTAL NET ASSETS	<u>\$ 124,953</u>	

See notes to financial statements.



Broken Arrow Public Schools
Statement of Changes in Net Assets - Fiduciary Funds
Year Ended June 30, 2012

	<u>Private- Purpose Trust Fund</u>
ADDITIONS	
Contributions	\$ 16,000
Interest income	176
TOTAL ADDITIONS	<u>16,176</u>
DEDUCTIONS	
Scholarships awarded	<u>9,000</u>
TOTAL DEDUCTIONS	<u>9,000</u>
 CHANGE IN NET ASSETS	 7,176
 NET ASSETS AT BEGINNING OF YEAR	 <u>117,776</u>
 NET ASSETS AT END OF YEAR	 <u><u>\$ 124,953</u></u>

See notes to financial statements.



**Broken Arrow Public Schools
Notes to the Basic Financial Statements
For the Period June 30, 2012**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the Broken Arrow Public Schools Independent District No. 1-3 (the "District") has been prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units. Beginning with the 2011-12 fiscal year, the District has elected to apply all applicable GASB pronouncements as well as Financial Accounting Standards Board ("FASB") Accounting Standards Codification (ASC) unless the guidance provided in the Codification conflict with or contradict GASB pronouncements. 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 elected members. The appointed superintendent is the executive officer of the District.

In evaluating how to define the District, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria established by the Governmental Accounting Standards Board (GASB). The basic - but not the only - criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of



**Broken Arrow Public Schools
Notes to the Basic Financial Statements
For the Period June 30, 2012**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - cont'd

Reporting Entity- cont'd

governing authority, the designation of management, the ability to significantly influence operations and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the District and/or its citizens, or whether the activity is conducted within the geographic boundaries of the District and is generally available to its patrons. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the District is able to exercise oversight responsibilities. Based upon the application of these criteria, there are no potential component units included in the District's reporting entity.

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 the Foundations.

Basic Financial Statements

The government-wide financial statements (i.e., the statement of net assets 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. These activities are reported separately from business-type activities, which rely to a substantial extent on fees and charges for support.

Statement of Net Assets - This statement 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 Basic Financial Statements
For the Period June 30, 2012**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - cont'd

Basic Financial Statements - cont'd

Statement of Activities - This statement demonstrates the degree to which the direct expenses of a given function or segment is 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 state aid that are not properly included among program revenues are reported as general revenues.

Funds are classified into three categories: Governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types."

Governmental Fund Types

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 fixed assets (capital projects funds), and the servicing of general long-term debt (debt service 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. The general fund includes federal and state restricted monies that must be expended for specific programs.

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, for purchasing security systems, and for paying salaries of security personnel.



**Broken Arrow Public Schools
Notes to the Basic Financial Statements
For the Period June 30, 2012**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - cont'd

Basic Financial Statements - cont'd

Sinking Fund - The District's sinking fund is a debt service and 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.

Bond Fund - The Bond fund is 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.

Arbitrage Rebate Fund - The arbitrage rebate fund holds arbitrage earnings (investment earnings on bond proceeds and certain related funds that exceed the bond yield) in order to make arbitrage rebate payments to the federal government under the Internal Revenue Code. Arbitrage is considered a non-major governmental fund.

Proprietary Fund Types

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:

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.



**Broken Arrow Public Schools
Notes to the Basic Financial Statements
For the Period June 30, 2012**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - cont'd

Basic Financial Statements - cont'd

Fiduciary Fund Types

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. The terms "non-expendable" and "expendable" refer to whether or not the District is under an obligation to maintain the trust principal. 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 Funds - Expendable trust funds include the gifts and endowments fund and arbitrage rebate fund. The gifts and endowments 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. This fund is used to promote the general welfare of the District. The endowment fund receives its assets by way of gifts from philanthropic foundations, individuals or private organizations for which no repayment or special service to the contributor is expected. The income derived from the investment of these assets is used to promote the general welfare of the District; however, the principal must remain intact.

Agency Fund - The agency fund is the school activities fund which is used to account for monies collected principally through the fundraising efforts of students and District-sponsored groups. The administration is responsible, under the authority of the Board, for collecting, disbursing and accounting for these activity funds.

Basis of Accounting

The District prepares its financial statements in a presentation format that is, in substance the format established by GASB. The government-wide financial statements are reported using the accrual basis of accounting, as are the proprietary fund and the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied.



**Broken Arrow Public Schools
Notes to the Basic Financial Statements
For the Period June 30, 2012**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - cont'd

Basis of Accounting - cont'd

Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Agency funds are reported as fiduciary fund financial statements and apply the accrual basis of accounting but do not have a measurement focus.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. All revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under modified actual accounting. However, sinking fund or debt service fund expenditures, as well as expenditures related to compensated absences are recorded only when the payment is due.

Interest and property taxes associated with the current fiscal year 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.

Budgets and Budgetary Accounting

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.



**Broken Arrow Public Schools
Notes to the Basic Financial Statements
For the Period June 30, 2012**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - cont'd

Budgets and Budgetary Accounting - cont'd

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

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. Unencumbered appropriations lapse at the end of each fiscal year.

Assets, Liabilities and Net Assets

Cash - Cash consists of cash on hand, demand deposit accounts, and interest bearing checking accounts.

Investments - The District is allowed to invest in direct obligations of the United States government and agencies; certificates of deposit of savings and loan associations, banks and trust companies; savings accounts or savings certificates of savings and loan associations, and trust companies; and warrants, bonds or judgments of the District. All investments are recorded at cost, which approximates market value.

Inventories - Inventories in the general fund consist of expendable supplies held for the District's use and are carried at cost using the first-in, first-out method. Inventories are accounted for using the purchase method where materials and supplies are recorded as an expenditure when consumed on the fund financial statements and as expenses when consumed on the government-wide financial statements. Inventories for proprietary funds are stated at the lower of cost or market on a first-in, first-out method. Inventory is not considered to be material to the basic financial statements - regulatory basis.



**Broken Arrow Public Schools
Notes to the Basic Financial Statements
For the Period June 30, 2012**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - cont'd

Assets, Liabilities and Net Assets - cont'd

Capital Assets - Capital assets that are purchased or acquired with an original cost of \$2,500 or more are reported at historical cost or estimated historical cost in the General Fixed Asset Account Group. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance is expensed as incurred.

Depreciation - Depreciation of all exhaustible capital assets is charged as an expense against their operations. Depreciation has been provided using the straight-line method over the following estimated useful lives:

Compensated Absences - The District's policies regarding accumulated unpaid leave applies only to unused vacation and accumulated sick leave for employees of ten years or more of consecutive employment upon retirement only. The government-wide financial statements do not include any liability for any rights to receive vacation, sick leave or other employee benefits.

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. An expenditure is recorded and a liability is recognized for outstanding 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.



**Broken Arrow Public Schools
Notes to the Basic Financial Statements
For the Period June 30, 2012**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - cont'd

Assets, Liabilities and Net Assets - cont'd

Long-Term Debt - Long-term debt is 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.

Net Assets- Reservations of fund balance represent amounts that are legally restricted for a specific purpose. The purpose for each reservation is indicated by the account title on the face of the basis financial statements.

Effective July 1, 2010, the District implemented GASB Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions* ("GASB 54"). The following table shows the fund balance classifications as shown on the governmental funds balance sheet in accordance with GASB 54 as of June 30, 2011:

	Major Funds				Non Major		Total
	General	Building	Sinking	Bond	Other	Governmental	
	Fund	Fund	Fund	Fund	Governmental Funds - Arbitrage	Governmental Funds	
FUND BALANCES							
Nonspendable: Inventories	161,964	-	-	-	-	-	161,964
Restricted for:							
Capital projects	-	-	-	32,698,624	-	-	32,698,624
Operations	-	3,144,045	-	-	-	-	3,144,045
Arbitrage	-	-	-	-	143,945	-	143,945
Debt service	-	-	16,216,368	-	-	-	16,216,368
Assigned to:							
Worker's Compensation	291,828	-	-	-	-	-	291,828
Unassigned	21,383,129	-	-	-	-	-	21,383,129
TOTAL FUND BALANCES	21,836,922	3,144,045	16,216,368	32,698,624	-	143,945	74,039,903



**Broken Arrow Public Schools
Notes to the Basic Financial Statements
For the Period June 30, 2012**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - cont'd

Revenue and Expenditures

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 sinking 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 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.



**Broken Arrow Public Schools
Notes to the Basic Financial Statements
For the Period June 30, 2012**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - cont'd

Revenue and Expenditures - cont'd

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 - Non-revenue receipts represent receipts deposited into a fund that is not new revenues to the District, but the return of assets and adjustments to prior year encumbrances. The total other sources representing \$6.1 million is comprised primarily of prior year lapsed encumbrances for bond funds and prior year adjustments due to the Districts' first year of applying all GASB pronouncements.



**Broken Arrow Public Schools
Notes to the Basic Financial Statements
For the Period June 30, 2012**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - cont'd

Revenue and Expenditures - cont'd

Instruction Expenditures - Instruction expenditures include the activities dealing directly with the 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).



**Broken Arrow Public Schools
Notes to the Basic Financial Statements
For the Period June 30, 2012**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - cont'd

Revenue and Expenditures - cont'd

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). Also, 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 - Quasi-external transactions 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 quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers. There were no residual equity transfers during the 2011-12 fiscal year.

2. CASH 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 associations, banks and trust companies; savings accounts or savings certificates of savings and loan associations, banks, and trust companies; and warrants, bonds or judgments of the District. Income from investments reported in one fund can be assigned directly to another fund.



**Broken Arrow Public Schools
Notes to the Basic Financial Statements
For the Period June 30, 2012**

2. CASH AND INVESTMENTS - cont'd

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 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.

Cash - The District's bank balance of deposits, cash pools (sweep accounts) and high balance savings at June 30, 2012, was \$9,165,942.

Investments - At June 30, 2012, the District's investments consisted of treasury bills, and certificates of deposits with an approximate fair market value of \$74,790,070.

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.

Credit risk - Investments - Credit risk is the risk that the issuer or other counterparty to an investment that will not fulfill its obligations. Investments held by the District in investment pools (sweep accounts) are considered unclassified as to custodial credit risk because they are not evidenced by securities that exist in physical or book entry form. These investments are held with Arvest Bank and Bancfirst, and are rated AAA by Standard and Poor's. The District does not have a formal policy limiting its exposure arising from concentration of investments.



Broken Arrow Public Schools
Notes to the Basic Financial Statements
For the Period June 30, 2012

3. RECEIVABLES

Receivables at June 30, 2012, all due within one year, for the government's individual major funds, internal service and fiduciary funds in the aggregate, are as follows:

	General	Building Fund	Sinking Fund	Bond Fund	Other Government Funds	Child Nutrition Fund	Total
Receivables:							
Interest	2,648	67	-	-	-	4	2,719
Property taxes-delinquent	123,433	19,004	86,691	-	-	-	229,128
Due from other governments	3,025,926	-	-	-	-	36,068	3,061,994
Other receivables	28,355	-	-	-	-	-	28,355
Total	\$ 3,180,362	\$ 19,071	\$ 86,691	\$ -	\$ -	\$ 36,072	\$ 3,322,196

There were no interfund receivables or payables at June 30, 2012.



Broken Arrow Public Schools
Notes to the Basic Financial Statements
For the Period June 30, 2012

4. CAPITAL ASSETS

Depreciation of all exhaustible capital assets is charged as an expense against their operations. Depreciation has been provided using the straight-line method over the following estimated useful lives:

	Useful Life	Capitalization Threshold
Buildings and structures	10-45	\$2,500
Equipment	5-10	\$2,500
Vehicles	6	\$2,500

Capital asset activity for the year ended June 30, 2012, was as follows:

	Beginning Balances	Increases	Transfers	Decreases	Ending Balances
Capital Assets:					
Land & Improvements	12,038,575	4,030,424			16,068,999
Buildings & structures	143,730,736	27,647	4,663,199		148,421,582
Machinery & equipment	19,066,559	4,132,812		(1,726,999)	21,472,372
Construction in progress	9,085,403	6,270,604	(4,663,199)		10,692,808
Total	183,921,273	14,461,488	-	(1,726,999)	196,655,762
Less: Accumulated depreciation	(44,609,030)	(5,054,290)		1,718,708	(47,944,611)
Net Capital Assets	139,312,243	9,407,198	-	(8,291)	148,711,150
Business-Type Activities					
Machinery & equipment		354,727		-	354,727
Total		354,727	-		354,727
Less: Accumulated depreciation		(2,085)			(2,085)
Net Business -Type Capital Assets	-	352,642	-	-	352,642
Net Assets All Funds:		9,759,840			149,063,792



**Broken Arrow Public Schools
Notes to the Basic Financial Statements
For the Period June 30, 2012**

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.

General long-term debt of the District consists of building bonds payable and a capital lease-purchase agreement. Debt service requirements for bonds are paid solely from the fund balance and the future revenues of the debt service fund.

The following is a summary of the long-term debt transactions of the District for the year ended June 30, 2012:

	Capital Leases	Bonds Payable	Totals
Balance, July 1, 2011	508,917	74,000,000	74,508,917
Additions	-	20,500,000	20,500,000
Retirements	(508,917)	(18,750,000)	(19,258,917)
Balance, June 30, 2012	-	75,750,000	75,750,000



**Broken Arrow Public Schools
Notes to the Basic Financial Statements
For the Period June 30, 2012**

5. GENERAL LONG-TERM DEBT - cont'd

A brief description of the outstanding long-term debt at June 30, 2012, is set forth below:

	<u>Amount Outstanding</u>
Building Bonds, Series 2004B, original issue \$10,800,000 dated 11-01-04, interest rates of 3.00% to 3.50%, due in an initial installment of \$1,200,000, annual installments of \$1,200,000, final payment due 11-01-14	\$3,600,000
Building Bonds, Series 2005B, original issue \$7,000,000 dated 12-01-05, interest rates of 3.25% to 5.00%, due in annual installments of \$775,000, final payment of \$800,000, due 12-01-15	\$3,125,000
Building Bonds, Series 2007B, original issue \$11,600,000 dated 12-01-07, interest rates of 3.50% to 4.00%, due in annual installments of \$2,900,000, final payment of \$2,900,000, due 12-01-12	\$2,900,000
Building Bonds, Series 2008A, original issue \$11,500,000 dated 6-01-08, interest rates of 3.00% to 3.25%, due in annual installments of \$2,875,000, final payment of \$2,875,000, due 6-01-13	\$2,875,000
Combined Purpose Bonds, Series 2009A, original issue \$10,000,000 dated 4-01-09, interest rates of 3.00% to 3.25%, due in annual installments of \$2,500,000, final payment of \$2,500,000, due 4-01-14	\$5,000,000



**Broken Arrow Public Schools
Notes to the Basic Financial Statements
For the Period June 30, 2012**

5. GENERAL LONG-TERM DEBT - cont'd

General Obligation Bonds, Series 2010A&B, original issue \$19,000,000 dated 4-01-10, interest rate of 5.00%, due in annual installments of \$4,750,000, final payment of \$4,750,000, due 4-01-15	\$14,250,000
Building Bonds, Series 2010C, original issue \$10,000,000 dated 12-01-10, interest rate of 1.2% to 1.45% , due in annual installments of \$2,500,000, final payment of \$2,500,000, due 12-01-15	\$10,000,000
General Obligation Bonds, Series 2011D, original issue \$13,500,000 dated 6-01-11, interest rate of 2.00% to 3.00%, due in annual installments of \$3,375,000, final payment of \$3,375,000, due 6-01-16	\$ 13,500,000
General Obligation Bonds, Series 2012E, original issue \$20,500,000 Dated 4-1-2012, interest rate of 2.00%, due in annual Installments of \$5,125,000, final payment of \$5,125,000, Due 4-1-2017	<u>\$20,500,000</u>
Total	<u>\$75,750,000</u>



**Broken Arrow Public Schools
Notes to the Basic Financial Statements
For the Period June 30, 2012**

5. GENERAL LONG-TERM DEBT- cont'd

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

Year Ending June 30	Principal	Interest	Total
2012	7,375,000	48,637	7,423,637
2013	17,975,000	486,201	18,461,201
2014	20,225,000	653,063	20,878,063
2015	16,550,000	509,375	17,059,375
2016	8,500,000	195,625	8,695,625
Thereafter	5,125,000	128,125	5,253,125
Total	<u>75,750,000</u>	<u>2,021,026</u>	<u>77,771,026</u>

Interest paid on general long-term debt during the 2011-12 fiscal years totaled \$2,902,285.

6. EMPLOYEE RETIREMENT SYSTEM AND PLAN

Description of Plan

The District participates in the state-administered Oklahoma Teachers' Retirement System, which is a cost sharing, multiple-employer defined benefit public employee retirement system (PERS), which is 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. Title 70 Section 17 of the Oklahoma Statutes establishes benefit provisions and 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 for the System. That report may be obtained by writing to the Oklahoma Teachers' Retirement System, P.O. Box 53624, Oklahoma City, OK 73152, or by calling 405-521-2387.



**Broken Arrow Public Schools
Notes to the Basic Financial Statements
For the Period June 30, 2012**

6. EMPLOYEE RETIREMENT SYSTEM AND PLAN - cont'd

Basis of Accounting

The System's financial statements are prepared using the cash basis of accounting, except for accruals of interest income. Plan member contributions are recognized in the period in which the contributions are made. Benefits and refunds are recognized when paid. The pension benefit obligation is a standardized disclosure measure of the present value of pension benefits. This pension valuation method reflects the present value of estimated pension benefits that will be paid in future years as a result of employee services performed to date and is adjusted for the effect of projected salary increases. There are no actuarial valuations performed on individual school districts. The System has an under-funded pension benefit obligation as determined as part of the latest actuarial valuation.

Funding Policy

The District, the State of Oklahoma, and the participating employee make contributions. The contribution rates for the District and its employees are established by and may be amended by Oklahoma Statutes. The rates are not actuarially determined. The rates are applied to the employee's earnings plus employer-paid fringe benefits. The required contribution for the participating members is 7.0% of compensation. Contributions received by the System from the State of Oklahoma are used to offset required employer contributions by the local school district. For the 2009-10 fiscal year, the District's contributed 9.0% (which increased to 9.5% on January 1, 2011) and the State of Oklahoma contributed the remaining amount during this year. The District is allowed by Oklahoma Teachers' Retirement System to make the required contributions on behalf of the participating members. In addition, the District is required to match the retirement paid on salaries that are funded with federal funds.

Annual Pension Cost

The District's total contributions for 2012, 2011 and 2010 are \$9,202,802, \$8,719,732, and \$9,275,273, respectively.



**Broken Arrow Public Schools
Notes to the Basic Financial Statements
For the Period June 30, 2012**

6. EMPLOYEE RETIREMENT SYSTEM AND PLAN - cont'd

Ten-year historical trend information and schedule of funding progress is presented in the Teacher's Retirement System of Oklahoma Annual Report for the year ended June 30, 2012. This information is useful in assessing the pension plan's accumulation of sufficient assets to pay pension benefits as they become due. Please visit www.ok.gov/TRS for all plan information.

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, 2012, CBR has reported an outstanding reserve for the District to be \$1,363,022.24. In order to mitigate the risk associated with this program, the District reserves and restricts a percentage of the fund balance. For 2011-12, this amount was \$389,104 for both General Activities and Business-Type Activities.

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 Basic Financial Statements
For the Period June 30, 2012**

8. CONTINGENCIES

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 sinking fund over a three year period pursuant to state law.

9. LEASE REVENUE BONDS

May 1, 2011, the Tulsa County Industrial Authority issued \$72,845,000 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. Also 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 bond funds, pursuant to the issuance of series bonds in the amount of \$285,000,000, on December 8, 2009. In June 2012, the Tulsa County Industrial Authority issued \$69,701,554 of additional Educational Facilities Lease Revenue Bonds, Series 2012, to provide for additional construction, equipment, repairs and remodeling project for the District. Broken Arrow Public Schools will gain ownership to the capital improvements incrementally as each payment is made.



Broken Arrow Public Schools
Notes to the Basic Financial Statements
For the Period June 30, 2012

9. LEASE REVENUE BONDS – con't

The lease payments will be as follows:

2011 Series		2012 Series	
Fiscal Year	Payment	Fiscal Year	Payment
2012-13	\$ 5,170,190	2012-13	2,044,823
2013-14	6,656,552	2013-14	2,769,462
2014-15	9,015,483	2014-15	5,188,621
2015-16	16,891,269	2015-16	3,459,038
2016-17	11,260,272	2016-17	13,114,000
2017-18	2,806,168	2017-18	2,395,000
2018-19	9,753,600	2018-19	265,000
2019-20	27,597,772	2019-20	5,174,000
		2021-22	21,890,000
		2022-23	31,811,145
Total Obligation:	89,151,306	Total Obligation:	88,111,089
Less amounts representing interest:	<u>(16,306,306)</u>	Less amounts representing interest:	<u>(20,811,089)</u>
Lease Purchase Payable:	<u>\$ 72,845,000</u>	Lease Purchase Payable:	<u>\$ 67,300,000</u>



**Broken Arrow Public Schools
Notes to the Basic Financial Statements
For the Period June 30, 2012**

10. COMMITMENTS AND CONTINGENCIES

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, 2012, the District had outstanding commitments (contracts and purchase orders), of approximately \$357,823 primarily for supplies and equipment.

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.

11. NOTES ON STATISTICAL INFORMATION

Trend Information

Per consultation with the Government Finance Officer's Association, for consistency purposes, and due to record retention policies, the District chose to present five years of data on all statistical information. Five years of record retention is maintained by our independent auditors, state auditor, and State Department of Education. Past this time span, the District no longer had access to the majority of records required for many of the forms in the statistical section. In all instances where period of limitations is required, the data is available for audit purposes. The District retains all records relating to property until the period of limitations expires for the year in which the property is disposed or sold.

While this is the first year the District has produced a Comprehensive Accounting Financial Report, going forward, the District will be able to add on each year to the data presented in this section and will retain this information to fulfill the ten-year requirement at that time.

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Broken Arrow Public Schools
Combining Statement of Changes in Assets and Liabilities - Agency Funds
Year Ended June 30, 2012

	Balance June 30, 2011	Additions	Deductions	Adjustments	Balance June 30, 2012
HIGH SCHOOL TOTAL	\$ 775,985.12	\$ 1,542,055.03	\$ 1,837,656.14	\$ 1,652.80	\$ 482,036.81
INTERMEDIATE HIGH TOTAL	120,490.18	151,960.97	187,118.11	475.21	85,808.25
ALTERNATIVE TOTAL	18,115.14	7,661.22	8,075.45	-	17,700.91
MIDDLE SCHOOL TOTAL	271,222.07	427,689.42	463,136.49	116.38	235,891.38
ELEMENTARY ACTIVITY FUNDS TOTAL	259,426.15	370,464.20	417,757.81	297.84	212,430.38
STUDENT CLUBS TOTAL	342,319.68	2,872,857.95	2,572,907.60	-	642,270.03
ADMINISTRATIVE TOTAL	<u>573,462.83</u>	<u>279,296.81</u>	<u>299,559.87</u>	<u>75.00</u>	<u>553,274.77</u>
TOTAL FUNDS HELD FOR					
STUDENT ACTIVITIES	<u>\$ 2,361,021</u>	<u>\$ 5,651,986</u>	<u>\$ (5,786,211)</u>	<u>\$ 2,617</u>	<u>\$ 2,229,413</u>
SUMMARY - ACTIVITY FUNDS					
ASSETS					
Cash	<u>\$ 2,361,021</u>	<u>\$ 5,678,297</u>	<u>\$ (5,786,211)</u>	<u>\$ 2,617</u>	<u>\$ 2,255,724</u>
LIABILITIES					
Accounts payable and accrued liabilities	-	26,311.25	-	-	26,311.25
Funds held for student activities	<u>\$ 2,361,021</u>	<u>\$ 5,651,986</u>	<u>\$ (5,786,211)</u>	<u>\$ 2,617</u>	<u>\$ 2,229,413</u>
TOTAL LIABILITIES	<u>\$ 2,361,021</u>	<u>\$ 5,678,297</u>	<u>\$ (5,786,211)</u>	<u>\$ 2,617</u>	<u>\$ 2,255,724</u>

See independent auditors' report

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Broken Arrow Public Schools
Capital Assets Used in the Operation of Governmental Funds
Comparative Schedules by Sources
Year Ended June 30, 2012

	<u>2012</u>	<u>2011</u>
GOVERNMENTAL FUNDS CAPITAL ASSETS		
Land	\$ 15,673,869	\$ 11,661,197
Buildings	148,421,582	143,730,735
Improvements other than buildings	395,131	377,378
Machinery and equipment	21,472,370	19,066,560
Construction-in-progress	<u>10,692,808</u>	<u>9,085,403</u>
TOTAL GOVERNMENTAL FUNDS CAPITAL ASSETS	<u>\$ 196,655,762</u>	<u>\$ 183,921,274</u>
 INVESTMENTS IN GOVERNMENTAL FUNDS		
CAPITAL ASSETS BY SOURCE		
General fund	\$ 1,747,718	\$ 1,364,631
Special revenue fund	1,108,460	1,099,295
Capital projects fund	193,558,877	181,233,673
Donations	-	-
Other sources	<u>240,707</u>	<u>223,674</u>
TOTAL GOVERNMENTAL FUNDS CAPITAL ASSETS	<u>\$ 196,655,762</u>	<u>\$ 183,921,274</u>

See independent auditors' report.



Broken Arrow Public Schools
Capital Assets Used in the Operation of Governmental Funds
Schedule by Function and Activity
Year Ended June 30, 2012

	Land	Buildings	Improvements Other Than Buildings	Machinery and Equipment	Construction In-Progress	Total
GENERAL GOVERNMENT						
Instruction	\$ 15,673,869	\$ 142,099,471	\$ 395,131	\$ 9,101,287	\$ 10,692,808	\$ 177,962,564
Student				957,892		\$ 957,892
Instructional support		1,304,427		598,560		\$ 1,902,988
General administration				163,032		\$ 163,032
School administration				747,575		\$ 747,575
Business		4,222,653		4,062,308		\$ 8,284,960
Operations and maintenance of plant services		34,813		2,153,561		\$ 2,188,375
Transportation				3,264,782		\$ 3,264,782
Non-instructional		760,218		336,867		\$ 1,097,086
Other-unclassified				86,508		\$ 86,508
				<u>86,508</u>		<u>\$ 86,508</u>
TOTAL GOVERNMENTAL FUNDS						
CAPITAL ASSETS	<u>\$ 15,673,869</u>	<u>\$ 148,421,582</u>	<u>\$ 395,131</u>	<u>\$ 21,472,370</u>	<u>\$ 10,692,808</u>	<u>\$ 196,655,762</u>

See independent auditors' report.



Broken Arrow Public Schools
Capital Assets Used in the Operation of Governmental Funds
Schedule by Changes by Function and Activity
Year Ended June 30, 2012

	Governmental Funds Capital Assets June 30, 2011	Additions	Reclassifications & Adjustments	Deductions	Governmental Funds Capital Assets June 30, 2012
GENERAL GOVERNMENT					
Instruction	\$ 167,304,000	\$ 11,561,271	\$ (4,663,199)	\$ (902,707)	\$ 177,962,564
Student	941,142	16,750			957,892
Instructional support	1,799,378	103,610			1,902,988
General administration	121,053	41,979			163,032
School administration	747,575	-			747,575
Business	6,919,618	1,365,342			8,284,960
Operations and maintenance of plant services	1,677,952	510,423			2,188,375
Transportation	3,226,962	862,112		(824,292)	3,264,782
Support services-central	1,097,086				1,097,086
Other support services	86,508				86,508
Non-instructional					-
Other-unclassified					-
TOTAL GOVERNMENTAL FUNDS CAPITAL ASSETS	<u>\$ 183,921,274</u>	<u>\$ 14,461,488</u>	<u>\$ (4,663,199)</u>	<u>\$ (1,726,999)</u>	<u>\$ 196,655,762</u>

See independent auditors' report.

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Broken Arrow Public Schools
District-Wide Net Assets/Position by Component
Last Five Fiscal Years

	2008	2009	2010	2011	2012
Governmental activities					
Invested in capital assets, net of related debt	58,653,278	63,653,655	65,696,780	64,777,360	72,963,235
Restricted for inventories	-	-	-	-	161,964
Restricted for debt service	10,009,258	13,273,470	16,211,858	16,777,580	16,216,368
Restricted for capital projects	11,670,497	13,529,823	16,741,243	26,233,999	32,698,625
Restricted for arbitrage	-	-	-	-	143,945
Restricted for operations	-	-	-	-	3,144,045
Assigned to worker's compensation	-	-	-	-	291,828
Unrestricted	7,402,375	11,352,959	12,127,691	21,412,088	21,383,129
Total Governmental activities net assets	87,735,408	101,809,907	110,777,572	129,201,027	147,003,139
Business-type activities					
Invested in capital assets, net of related debt	68,007	-	259,130	25,966	352,642
Restricted for inventories	-	-	-	-	244,147
Restricted for debt service	-	-	-	-	-
Restricted for capital projects	-	-	-	-	-
Assigned to worker's compensation	-	-	-	-	97,276
Unrestricted	1,308,354	1,676,733	2,327,646	2,280,412	2,913,736
Total business-type activities net assets	1,376,361	1,676,733	2,586,776	2,306,378	3,607,801
District-wide					
Invested in capital assets, net of related debt	58,721,285	63,653,655	65,955,910	64,803,326	73,315,877
Restricted for inventories	-	-	-	-	406,110
Restricted for debt service	10,009,258	13,273,470	16,211,858	16,777,580	16,216,368
Restricted for capital projects	11,670,497	13,529,823	16,741,243	26,233,999	32,698,625
Restricted for arbitrage	-	-	-	-	143,945
Restricted for operations	-	-	-	-	3,144,045
Assigned to worker's compensation	-	-	-	-	389,104
Unrestricted	8,710,729	13,029,692	14,455,337	23,692,500	24,296,865
Total district-wide net assets	89,111,769	103,486,640	113,364,348	131,507,405	150,610,940

Note: The district began to report net position in lieu of net assets in conformity with GASB Statement 63 beginning in 2012. Only 5 years of data is presented in the statistical section. See Note 11 in the Financial section for full disclosure.



Broken Arrow Public Schools
District-Wide Changes in Net Assets/Position
Last Five Fiscal Years
(accrual basis of accounting)

	Fiscal Year Ending June 30th				
	2008	2009	2010	2011	2012
Expenses					
Governmental activities					
Instruction	59,911,169	60,916,792	59,698,004	56,915,460	59,271,138
Support services - Students	10,433,338	12,845,772	20,727,734	8,169,317	8,166,385
Support services - Instructional Staff	4,619,108	3,898,555	4,904,472	6,569,980	5,051,994
Support services - Administration	17,321,656	15,594,220	13,503,518	12,890,477	11,749,833
Operations and maintenance services	6,932,236	6,713,008	7,467,547	12,437,218	11,337,283
Student transportation services	5,806,382	6,177,841	4,698,556	6,994,021	6,563,236
Other support services	1,264,295	249,408	792,110	487,251	659,417
Child Nutrition				-	80,352
Community services	315,802	471,260	398,450	580,860	603,868
Loss on disposal of assets			416,831	319,186	1,726,999
Judgement Paid				-	35,641
Depreciation	2,715,345	2,808,662	3,217,457	3,785,208	3,333,496
Interest on long-term debt	1,911,725	2,542,069	2,174,625	2,550,031	2,902,285
Total governmental-type activities	<u>111,231,056</u>	<u>112,217,588</u>	<u>117,999,304</u>	<u>111,699,009</u>	<u>111,481,927</u>
Business-type activities					
Food service	6,514,487	6,387,455	7,063,688	6,478,194	6,581,268
Total business-type activities expense	<u>6,514,487</u>	<u>6,387,455</u>	<u>7,063,688</u>	<u>6,478,194</u>	<u>6,581,268</u>
Total district expenses	<u>117,745,543</u>	<u>118,605,043</u>	<u>125,062,992</u>	<u>118,177,203</u>	<u>118,063,195</u>
Program Revenues					
Governmental activities					
Charges for services					
Regular instruction	504,386	479,780	466,790	418,886	340,885
Operations and maintenance services	5,052,459	5,050,996	3,713,585	3,445,445	46,530
Pupil transportation services					-
Community services					-
Other support services	151,704	37,126	480,131		21,430
Operating grants and contributions	10,633,076	11,079,609	16,232,214	24,076,886	10,696,486
Capital grants and contributions					-
Total governmental activities program revenues	<u>16,341,625</u>	<u>16,647,511</u>	<u>20,892,720</u>	<u>27,941,217</u>	<u>11,105,330</u>
Business-type activities					
Charges for services					
Food service	4,033,621	3,905,658	3,714,167	3,467,887	3,320,643
Operating grants and contributions	2,337,167	2,954,151	2,897,445	3,047,490	3,472,757
Capital grants and contributions					-
Total business-type activities	<u>6,370,788</u>	<u>6,859,809</u>	<u>6,611,612</u>	<u>6,515,377</u>	<u>6,793,400</u>
Total district program revenues	<u>22,712,413</u>	<u>23,507,320</u>	<u>27,504,332</u>	<u>34,456,594</u>	<u>17,898,730</u>



Broken Arrow Public Schools
District-Wide Changes in Net Assets/Position
Last Five Fiscal Years
(accrual basis of accounting)

	Fiscal Year Ending June 30th				
	2008	2009	2010	2011	2012
Net (Expense) Revenue					
Governmental activities	94,889,431	95,570,077	97,106,584	83,757,792	100,376,597
Business-type activities	143,699	(472,354)	452,076	(37,183)	(212,132)
Total district-wide net expense	<u>95,033,130</u>	<u>95,097,723</u>	<u>97,558,660</u>	<u>83,720,609</u>	<u>100,164,465</u>
General Revenues and Other Changes in Net Assets					
Governmental activities					
Taxes					
Property tax, levied for general purposes	23,604,816	25,319,852	26,900,743	28,204,650	29,039,761
Property tax, levied for debt services	15,009,798	17,992,301	18,234,448	18,799,415	20,294,054
Other taxes	6,827,847	7,055,450	7,641,379	7,933,296	9,464,365
State aid not restricted to specific programs	49,797,710	51,893,632	44,984,063	38,567,628	52,638,985
Interest and investment earnings	2,219,124	757,577	247,515	367,898	907,841
Gain on disposal of capital assets	(4,494)	(182,736)	(218,002)	-	9,834
Other	4,936,708	8,209,392	9,194,146	7,465,731	6,187,239
Total governmental activities	<u>102,391,509</u>	<u>111,045,468</u>	<u>106,984,292</u>	<u>101,338,618</u>	<u>118,542,079</u>
Business-type activities					
State aid not restricted to specific programs	377,222	38,004	310,695	362,871	460,329
Interest and investment earnings	4,705	15,827	20,884	8,344	4,753
Gain on disposal of capital assets	-	-	4,425	39,431	2,302
Other	-	-	-	-	114,592
Total business-type activities	<u>381,927</u>	<u>53,831</u>	<u>336,004</u>	<u>410,646</u>	<u>581,976</u>
Total district-wide	<u>102,773,436</u>	<u>111,099,299</u>	<u>107,320,296</u>	<u>101,749,264</u>	<u>119,124,055</u>
Changes in Net Assets					
Governmental activities	7,502,078	15,475,391	9,877,708	17,580,826	18,165,482
Business-type activities	238,228	526,185	(116,072)	447,829	794,108
Total district	<u>7,740,306</u>	<u>16,001,576</u>	<u>9,761,636</u>	<u>18,028,655</u>	<u>18,959,590</u>

Note: Only 5 years of data is presented in the statistical section. See Note 11 in the Financial section for full disclosure.



Broken Arrow Public Schools
Fund Balances of Governmental Funds
Last Five Fiscal Years
(modified accrual basis of accounting)

	2008	2009	2010	2011	2012
General Fund					
Reserved					453,793
Unreserved	5,925,936	9,410,693	10,878,215	18,541,950	21,383,129
Total general fund	<u>5,925,936</u>	<u>9,410,693</u>	<u>10,878,215</u>	<u>18,541,950</u>	<u>21,836,922</u>
All Other Governmental Funds					
Reserved, reported in:					
Sinking fund					
Reserved for debt service	10,009,258	13,273,470	16,211,858	16,777,580	16,216,368
Bond funds					
Reserved for capital projects	11,670,497	13,529,823	16,741,243	26,233,999	32,698,624
Other governmental funds	-	-	-	-	-
Unreserved, reported in:					
Building fund	1,108,060	1,291,353	1,858,942	2,336,858	3,144,045
Other governmental funds					-
Designated for incurred claim	-	-	-	-	-
Undesignated	1,676,733	2,327,646	2,280,411	2,813,692	143,945
Total all other governmental funds	<u>24,464,548</u>	<u>30,422,292</u>	<u>37,092,454</u>	<u>48,162,129</u>	<u>52,202,982</u>

See notes to financial statements

Only 5 years of data is presented in the statistical section. See Note 11 in the Financial section for full disclosure.



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

	2008	2009	2010	2011	2012
Revenues					
Local sources	47,289,398	50,434,186	54,182,832	53,928,541	55,819,300
Intermediate sources	3,409,448	3,433,650	3,760,192	3,891,556	3,905,726
State sources	59,151,291	61,426,418	54,511,499	54,927,548	58,197,625
Federal sources	8,114,763	10,607,155	14,339,571	15,650,262	10,696,486
Other sources	-	-	-	-	238,255
Total Revenue	117,964,900	125,901,409	126,794,094	128,397,907	128,857,392
Expenditures					
Current					
Instruction	60,095,117	61,074,372	59,698,004	57,153,774	60,531,381
Student	39,252,896	39,903,005	45,161,172	41,200,435	8,166,385
Instructional staff	-	-	-	-	5,051,994
Administration	-	-	-	-	13,926,174
Operations and maintenance	3,717	2,098	657,891	1,956,323	13,374,600
Student transportation	6,932,236	6,713,008	7,467,547	4,956,839	6,229,887
Non-Instruction expenditures					
Child Nutrition operations	-	-	-	-	80,352
Community service operations	327,458	249,409	134,219	401,379	603,868
Other	-	-	-	3,510	623,777
Capital outlay	16,864,227	5,618,198	8,238,872	10,005,932	9,880,802
Debt service					
Principal	13,825,000	12,275,000	15,425,000	15,925,000	18,750,000
Interest	1,911,725	2,542,069	2,174,625	2,550,031	35,641
Other	-	-	-	-	2,886,978
Total expenditures	139,212,376	128,377,159	138,957,330	134,153,223	140,141,839
Excess (deficiency) of revenues over (under) expenditures	(21,247,476)	(2,475,750)	(12,163,236)	(5,755,316)	(11,284,447)



Broken Arrow Public Schools
Changes in Fund Balances of Governmental Funds
Last Five Fiscal Years (con't)

(modified accrual basis of accounting)

	2008	2009	2010	2011	2012
Other financing sources (uses)					
Issuance of debt	23,100,000	10,000,000	19,000,000	23,500,000	20,500,000
Transfers in	744,310	1,918,251	1,300,920	988,726	790,019
Transfers out					
Total other financing sources (uses)	<u>23,844,310</u>	<u>11,918,251</u>	<u>20,300,920</u>	<u>24,488,726</u>	<u>21,290,019</u>
Net changes in fund balances	<u>2,596,834</u>	<u>9,442,501</u>	<u>8,137,684</u>	<u>18,733,410</u>	<u>10,005,572</u>
Debt service as a percentage of noncapital expenditures ^a	12.86%	12.07%	13.46%	14.88%	16.64%

^aNoncapital expenditures are total expenditures less capital outlay reported on the Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of Governmental Funds to the Statement of Activities.

Only 5 years of data is presented in the statistical section. See Note 11 in the Financial section for full disclosure.



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

Fiscal Year Ended June 30th	Real Property Assessed Value ^a	Personal Property Net Assessed Value ^a	Public Service Property Assessed Value ^b	Total Net Assessed Value	Total Estimated Actual Value ^c	Ratio of Gross Assessed Value to Total Estimated Actual Value	Total Direct Tax Rate ^d
2008	484,420,732	53,927,308	34,859,642	573,207,682	5,592,219,497	10.25%	68.00
2009	522,717,574	56,988,436	35,199,606	614,905,616	5,960,056,518	10.32%	71.16
2010	555,513,840	60,148,019	37,125,687	652,787,546	6,213,429,439	10.51%	69.72
2011	580,956,754	61,731,452	38,280,454	680,968,660	6,403,085,486	10.64%	69.25
2012	601,588,555	62,450,345	36,694,573	700,733,473	6,602,257,029	10.61%	70.60

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

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

^c 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.

^d Components of total direct tax rate are found on the Direct and Overlapping Property Tax Rate table.

Note: Only 5 years of data is presented in the statistical section. See Note 11 in the Financial section for full disclosure.

Source: Tulsa & Wagoner County Assessors



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

Rates for Taxpayers in the City of Broken Arrow ^a

Fiscal Year	Direct Rates			Overlapping Rates				Total Direct & Overlapping Rates
	General	Building	Sinking	Tulsa County	Tulsa Comm College	Tulsa Vo-Tech	City of Broken Arrow	
2007-08	36.4	5.2	26.40	22.21	7.21	13.33	15.30	126.05
2008-09	36.4	5.2	29.56	22.21	7.21	13.33	15.72	129.63
2009-10	36.4	5.2	28.12	22.21	7.21	13.33	15.98	128.45
2010-11	36.4	5.2	27.65	22.21	7.21	13.33	16.44	128.44
2011-12	36.4	5.2	29.00	22.24	7.21	13.33	17.13	135.51
							Five-Year Average	129.62

^a 100% of the District lies within the City of Broken Arrow.

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.

Note: Only 5 years of data is presented in the statistical section. See Note 11 in the Financial section for full disclosure.

Source: Notice of Sale and Official Statement prepared by Stephen L. Smith Corp.



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

Taxpayer	2012		2008	
	Net Assessed Valuation	Percentage of District's Net Assessed Valuation ^a	Net Assessed Valuation	Percentage of District's Net Assessed Valuation ^b
Calpine Corporation	25,664,736	3.66%	33,032,299	5.76%
AEP/Public Service Company	12,306,865	1.76%	11,910,491	2.08%
Valor Communications of Oklahoma	9,008,445	1.29%	8,326,538	1.45%
Wal-Mart Stores	5,869,392	0.84%	4,714,887	0.82%
Hanover Compression LTD	-	-	1,321,178	0.23%
Oklahoma Natural Gas	4,459,084	-	4,243,347	0.74%
Cox Communication	2,945,442	0.42%	2,901,844	0.51%
Tulsa T Corporation	-	-	2,355,252	0.41%
Greens at Broken Arrow	2,327,835	0.33%	2,317,632	0.40%
Orix Battle Creek I LLC	2,324,575	0.33%	-	-
MCI Communications	1,925,607	0.27%	-	-
Roland Investments LTD	1,707,628	0.24%	-	-
Lowe's Home Center	-	-	1,695,571	0.30%
Total	\$ 68,539,609	9.14%	\$ 72,819,039	12.70%

^a Based on FY11-12 Net Assessed Valuation of 700,733,473

^b Based on FY07-08 Net Assessed Valuation of 573,207,682

Note: Only 5 years of data is presented in the statistical section. See Note 11 in the Financial section for full disclosure.

Source: Tulsa and Wagoner County Assessors



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

Fiscal Year Ended June 30th	Gross Tax Levy	Collected within the Fiscal Year of the Levy ^a			Total Collections to Date	
		Amount	Percentage of Levy	Collected in Subsequent Years ^b	Amount	Percentage of Levy
2008	38,922,705	37,776,917	97.06%	835,853	38,612,770	99.20%
2009	43,699,361	42,415,079	97.06%	897,075	43,312,154	99.11%
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%

^aThe 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 is 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.

^bAd 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.

Note: Only 5 years of data is presented in the statistical section. See Note 11 in the Financial section for full disclosure.

Source: Tulsa and Wagoner County Treasurer's records.



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

Fiscal Year Ended June 30th	Governmental Activities General Obligation Bonds	Business-Type Activities General Obligation Bonds	Total District	Total Estimated Actual Value ^a	Ratio of Outstanding Debt to Estimated Actual Value ^a	Total Personal Income	Ratio of Outstanding Debt Per Personal Income	Average Daily Membership (ADM) ^b	Ratio of Outstanding Debt Per Student ^b
2008	65,125,000	-	65,125,000	5,592,219,497	1.16%	138,297,718	0.47	15,919	4,091
2009	62,850,000	-	62,850,000	5,960,056,518	1.05%	126,704,010	0.50	16,087	3,907
2010	66,425,000	-	66,425,000	6,213,429,439	1.07%	133,616,459	0.50	16,460	4,036
2011	74,000,000	-	74,000,000	6,403,085,486	1.16%	142,861,660	0.52	16,629	4,450
2012	75,750,000	-	75,750,000	6,602,257,029	1.15%	148,227,000	0.51	16,836	4,499

^a Estimated actual valuation is taken from the table, Assessed and Estimated Actual Value of Taxable Property

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

Note: Only 5 years of data is presented in the statistical section. See Note 11 in the Financial section for full disclosure.

Sources:

District records

Tulsa County Assessor

Oklahoma State Department of Education



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

Fiscal Year Ended June 30th	General Obligation Bonds	Less Sinking Fund Balance	Net General Bonded Debt Outstanding	Total Estimated Actual Value ^a	Ratio of Net Debt to Estimated Actual Valuation ^a	Average Daily Membership (ADM) ^b	Ratio of Net Debt Per Student ^b
2008	65,125,000	10,009,258	55,115,742	5,592,219,497	0.99%	15,919	3,462
2009	62,850,000	13,273,470	49,576,530	5,960,056,518	0.83%	16,087	3,082
2010	66,425,000	16,211,858	50,213,142	6,213,429,439	0.81%	16,460	3,051
2011	74,000,000	16,774,232	57,225,768	6,403,085,486	0.89%	16,629	3,441
2012	75,750,000	16,620,298	59,129,702	6,602,257,029	0.90%	16,836	3,512

^a Estimated actual valuation is taken from the table, Assessed and Estimated Actual Value of Taxable Property.

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

Note: Only 5 years of data is presented in the statistical section. See Note 11 in the Financial section for full disclosure.

Sources:

- District records
- Tulsa County Assessor
- Oklahoma State Department of Education



Broken Arrow Public Schools
Direct and Overlapping Governmental Activities Debt
As of June 30, 2012

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable to School District ^a	Overlapping Debt to School District ^b	Debt per Capita
Broken Arrow Schools	61,787,065	100%	61,787,065	727
Tulsa County	31,667	9.07%	2,872	0
Wagoner County	-	54.53%	-	-
Tulsa Community College	-	8.90%	-	-
Tulsa Vo-Tech #18	-	12.15%	-	-
City of Broken Arrow	88,550,195	75.40%	66,766,847	785
City of Tulsa	476,587,557	0.68%	3,240,795	38
City of Coweta	-	48.22%	-	-
Total	626,956,484		131,794,707	1,551

^a 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.

^b 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.

Source: Notice of Sale and Official Statement prepared by Stephen L. Smith Corp.



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

Legal Debt Margin Calculation for Fiscal Year 2012:

Secondary assessed valuation		700,733,473
Debt Limit (10% of assessed value)		70,073,347
Debt applicable to limit	75,750,000	
Current sinking fund balance	<u>(16,620,298)</u>	<u>59,129,702</u>
Legal debt margin		<u><u>10,943,645</u></u>

Fiscal Year Ended June 30th	Net Assessed Valuation ^a	Legal Debt Limit 10% of Net Assessed Valuation ^b	Outstanding Bonded Indebtedness	Less Sinking Fund Balance	Total Net Debt Subject to Legal Limit	Legal Debt Margin ^c	Total Net Debt Applicable to the Limit as a Percentage of Debt Limit
2008	573,207,682	57,320,768	65,125,000	10,009,258	55,115,742	2,205,026	96.15%
2009	614,905,616	61,490,562	62,850,000	13,273,470	49,576,530	11,914,032	80.62%
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	16,620,298	59,129,702	10,943,645	84.38%

^a Net assessed valuation is taken from the table, Assessed and Estimated Actual Value of Taxable Property.

^b The general obligation indebtedness of the District is limited by Oklahoma law to 10% of the net assessed value of the taxable property in the District.

^c The legal debt margin is the additional debt incurring capacity of the District as allowed by Oklahoma law.

Note: Only 5 years of data is presented in the statistical section. See Note 11 in the Financial section for full disclosure.

Sources:

Districts financial records
Tulsa and Wagoner County Assessors



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

Fiscal Year Ended June 30th	Population ^a	Total Personal Income ^c	Real Per Capita Personal Income ^a	Unemployment Rate ^b	Estimated District Student Population ^d
2008	98,354	138,297,718	28,985	3.4%	16,011
2009	101,431	126,704,010	27,238	6.9%	16,196
2010	98,850	133,616,459	28,810	7.0%	16,618
2011	100,073	142,861,660	27,239	6.1%	16,571
2012	103,118	148,227,000	24,267	4.7%	16,940

^a US Census Bureau

^b Oklahoma Employment Security Commission

^c US Bureau of Economic Analysis

^d District records

Note: Only 5 years of data is presented in the statistical section. See Note 11 in the Financial section for full disclosure.



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

Employer	2012		2008	
	Employees ^a	Percentage of Total Employment ^b	Employees ^a	Percentage of Total Employment ^c
Broken Arrow Public Schools	1,987	2.5%	2,034	3.8%
Flight Safety International	684	0.9%	650	1.2%
City of Broken Arrow	604	0.8%	746	1.4%
Walmart	360	0.5%	1,323	2.4%
Baker Oil Tools	285	0.4%	340	0.6%
Exterran	250	0.3%	-	-
Northeastern State University	215	0.3%	-	-
Blue Bell Creameries	177	0.2%	-	-
XETA Technologies	165	0.2%	-	-
Paragon Films	165	0.2%	-	-
Micahtek Inc	162	0.2%	375	0.7%
Target	160	0.2%	-	-
Reasors	153	0.2%	325	0.6%
	5,367	6.7%	5,793	10.7%

Sources:

^a Broken Arrow Chamber of Commerce

^b based on US Census Bureau population of 79,659

^c based on US Census Bureau population of 54,086



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

	Full-Time Equivalent Employees by Type					Percentage Change
	2008	2009	2010	2011	2012	2008-2012
Supervisory						
Principals	26	27	27	27	25	-3.8%
Assistant Principals	23	23	20	22	26	13.0%
Total supervisory	49	50	47	49	51	4.1%
Instruction						
Teachers	1143	1013	1115	1074	1129	-1.2%
Other professionals	200	198	193	149	146	-27.0%
Aides	94	110	102	102	98	4.3%
Total instruction	1437	1321	1410	1325	1373	-4.5%
Student Services						
Librarians	23	24	24	24	24	4.3%
Technicians	36	44	41	35	34	-5.6%
Social Workers/ Counselors	40	56	54	70	73	82.5%
Total student services	99	124	119	129	131	32.3%
Support and Administration						
Office	259	281	276	281	277	6.9%
Maintenance	165	146	134	153	150	-9.1%
Food Service	111	121	114	113	114	2.7%
Transportation	136	147	143	171	170	25.0%
Total support and administration	671	695	667	718	711	6.0%
Total	2256	2190	2243	2221	2266	0.4%

Source: State Department of Education

Total Support and Administration does not include instructional support personnel or principals/asst. principals

Note: Only 5 years of data is presented in the statistical section. See Note 11 in the Financial section for full disclosure.

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

	Fiscal Year Ending June 30th,				
	2008	2009	2010	2011	2012
Governmental Activities					
Instruction	151,819,800	156,398,025	157,122,239	167,357,145	177,962,564
Student	872,796	898,219	908,414	941,142	957,892
Instructional support	1,788,640	1,788,640	1,788,639	1,799,376	1,902,988
General administration	121,053	121,053	121,053	121,053	163,032
School administration	726,320	726,320	747,575	747,575	747,575
Business	800,627	1,117,041	6,821,682	6,919,619	8,284,960
Operations and maintenance	1,242,654	1,388,662	1,614,769	1,677,952	2,188,376
Transportation	906,167	1,207,067	3,173,817	3,173,817	3,264,782
Non-instructional	731,607	731,607	1,071,120	1,097,086	1,097,086
Other-unclassified	47,811	47,810	47,810	86,508	86,508
Total Governmental Activities	159,057,474	164,424,443	173,417,118	183,921,273	196,655,762
Business-Type Activities^a					
Child nutrition services	-	-	-	-	352,642
Total Capital Assets	159,057,474	164,424,443	173,417,118	183,921,273	197,008,404

Source: District Records

^aPrior to 2011-12, Business-Type Activities is included in Governmental Activities - See notes to financial statements
Beginning with 2011-12, the District changed the presentation of information to conform with GASB 34

Note: Only 5 years of data is presented in the statistical section. See Note 11 in the Financial section for full disclosure.

Source: District Records



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

	2012	2011	2010	2009	2008
Certified Personnel					
Bachelor's					
Minimum Salary	29,525	29,525	29,525	30,686	30,686
Maximum Salary	42,422	42,422	42,422	42,322	42,122
Average Salary	35,973	35,973	35,973	36,504	36,404
Number of Teachers	792	745	777	704	778
Master's					
Minimum Salary	30,806	30,806	30,806	31,967	31,967
Maximum Salary	46,028	46,028	46,028	45,928	45,703
Average Salary	38,417	38,417	38,417	38,947	38,835
Number of Teachers	328	322	331	304	361
Doctor's					
Minimum Salary	32,137	32,137	32,137	33,298	33,298
Maximum Salary	47,284	47,284	47,284	47,184	46,959
Average Salary	39,710	39,710	39,710	40,241	40,128
Number of Teachers	9	7	7	5	4
Total Certified Personnel	1,129	1,074	1115	1013	1143
Support Personnel					
Number of Support	734	700	725	848	827
Administrative Personnel					
Number of Administrators	88	84	88	85	90

Note: Only 5 years of data is presented in the statistical section. See Note 11 in the Financial section for full disclosure.

Source: District records



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

Fiscal Year Ended June 30th	Average Daily Membership (ADM) ^a	Operating Expenditures ^b	Cost per Pupil ^c	Percentage Change	Teaching Staff ^d	Pupil/Teacher Ratio	Percentage of Students Receiving Free or Reduced - Price Meals ^e
2008	15,919	111,231,056	6,987	N/A	778	22:1	33.00%
2009	16,087	112,217,588	6,976	-1.39%	704	23:1	31.80%
2010	16,460	117,999,304	7,169	4.08%	777	25:1	38.00%
2011	16,629	111,699,009	6,717	-6.50%	745	24:1	39.80%
2012	16,836	119,769,371	7,114	5.37%	792	23:1	38.40%

^a Final Audited average daily membership (ADM) obtained from the Oklahoma State Department of Education.

^b Operating expenditures are the total expenses of the school district as reported in the Government-Wide Statement of Activities.

^c 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.

^d Teaching staff included all certified personnel whose pay is based on the Broken Arrow Education Association's contract.

^e Percentage of free or reduced students obtained from District records maintained by the Child Nutrition Department.

Note: Only 5 years of data is presented in the statistical section. See Note 11 in the Financial section for full disclosure.

Source: District records



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

School	Fiscal Year Ending June 30th,				
	2008	2009	2010	2011	2012
Elementary					
Arrow Springs (1981)					
Square feet	38,783	38,783	38,783	38,783	38,783
Capacity	648	648	648	648	648
Enrollment	393	407	410	379	367
Arrowhead (1970)					
Square feet	70,813	70,813	70,813	70,813	83,973
Capacity	696	696	696	696	696
Enrollment	487	460	442	432	437
Country Lane (1993)					
Square feet	75,148	187,286	187,286	187,286	90,226
Capacity	984	984	984	984	984
Enrollment	984	984	817	940	845
Country Lane Int. (2007)					
Square feet	-	97,330	97,330	97,330	97,330
Capacity	-	1,176	1,176	1,176	1,176
Enrollment	-	610	672	811	697
Indian Springs (1974)					
Square feet	42,066	42,066	42,066	42,066	42,066
Capacity	696	696	696	696	696
Enrollment	475	501	517	517	490
Leisure Park (1983)					
Square feet	70,364	70,364	70,364	70,364	78,310
Capacity	768	768	768	768	768
Enrollment	603	545	543	539	566
Liberty (2004)					
Square feet	88,866	88,866	88,866	88,866	87,974
Capacity	768	768	768	768	768
Enrollment	744	855	677	672	775
Lynn Wood (1980)					
Square feet	46,328	46,328	46,328	46,328	82,358
Capacity	744	744	744	744	744
Enrollment	522	515	506	516	518
Oak Crest (1964)					
Square feet	66,462	66,462	66,462	66,462	66,462
Capacity	816	816	816	816	816
Enrollment	497	550	531	540	522
Park Lane (1978)					
Square feet	46,752	46,752	46,752	46,752	46,752
Capacity	768	768	768	768	768
Enrollment	686	674	694	696	717
Rhoades (1958)					
Square feet	54,365	54,365	54,365	54,365	71,050
Capacity	720	720	720	720	720
Enrollment	531	533	547	532	523



Broken Arrow Public Schools
School Building Information
Last Five Fiscal Years

School	Fiscal Year Ending June 30th,				
	2008	2009	2010	2011	2012
Spring Creek (1987)					
Square feet	66,178	66,178	66,178	66,178	72,477
Capacity					672
Enrollment		455	425	409	405
Vandever (1974)					
Square feet	44,144	44,144	44,144	44,144	65,407
Capacity	720	720	720	720	720
Enrollment	443	448	488	461	450
Westwood (1986)					
Square feet	39,448	39,448	39,448	39,448	39,448
Capacity	720	720	720	720	720
Enrollment	498	484	494	495	508
Wolf Creek (1991)					
Square feet	62,984	62,984	62,984	62,984	87,584
Capacity	864	864	864	864	864
Enrollment	597	592	572	569	596
Middle					
Centennial (2003)					
Square feet	142,200	142,200	142,200	142,200	142,200
Capacity	1,400	1,400	1,400	1,400	1,176
Enrollment	876	898	916	938	1,014
Childers (1986)					
Square feet	120,395	120,395	120,395	120,395	120,395
Capacity	1,050	1,050	1,050	1,050	1,050
Enrollment	608	578	562	567	564
Haskell (1958)					
Square feet	120,092	120,092	120,092	120,092	120,092
Capacity	1,224	1,224	1,224	1,224	1,224
Enrollment	865	860	870	868	889
Oliver (1992)					
Square feet	141,305	141,305	141,305	141,305	141,305
Capacity	1,150	1,150	1,150	1,150	1,150
Enrollment	764	740	722	740	780
Sequoyah (1967)					
Square feet	106,336	106,336	106,336	106,336	106,336
Capacity	1,025	1,025	1,025	1,025	1,025
Enrollment	546	551	550	550	532



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

School	Fiscal Year Ending June 30th,				
	2008	2009	2010	2011	2012
High					
Senior High (1982)					
Square feet	400,255	400,255	400,255	400,255	429,179
Capacity	4,050	4,050	4,050	4,050	4,050
Enrollment	2,063	2,096	2,136	2,153	2,197
North Intermediate (1952)					
Square feet	185,347	185,347	185,347	185,347	185,347
Capacity	1,890	1,890	1,890	1,890	1,890
Enrollment	1,246	1,235	1,296	1,301	1,300
South Intermediate (1976)					
Square feet	152,636	152,636	152,636	152,636	186,636
Capacity	2,130	2,130	2,130	2,130	2,130
Enrollment	1,144	1,116	1,172	1,143	1,066
Alternative Academy (1954)					
Square feet	18,180	18,180	18,180	18,180	18,180
Capacity	300	300	300	300	300
Enrollment	114	116	118	104	111
Other					
Central on Main (1925)					
Square feet	60,807	60,807	60,807	60,807	60,807
Southside (1955)					
Square feet	47,252	47,252	47,252	47,252	-
Education Service Center (1973) ^a					
Square feet	24,612	24,612	24,612	-	-
Education Service Center (2011)					
Square feet	-	-	-	86,230	86,230
Warehouse (1974)					
Square feet	59,217	59,217	59,217	59,217	59,217
Transportation (1974)					
Square feet	22,380	22,380	22,380	22,380	22,380
Maintenance (1974)					
Square feet	7,488	7,488	7,488	7,488	7,488
Special Services (1974)					
Square feet	6,900	6,900	6,900	-	-

Source: District records

Notes: Enrollment is based on the annual October 1 District child count required by the Oklahoma State Department of Education. Only increases for regular instructional classroom space square footage additions are shown. Renovated/rebuilt schools include information only after renovations/rebuilding.

^a New Education Service Center in 2011, old Education Service Center demolished in 2011
Only 5 years of data is presented in the statistical section. See Note 11 in the Financial section for full disclosure.

