



**BROKEN ARROW  
PUBLIC SCHOOLS**

District No. I-003  
701 South Main Street  
Broken Arrow, OK 74012

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*Comprehensive  
Annual Financial  
Report*

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FISCAL YEAR ENDED  
**JUNE 30, 2018**





# COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ending June 30, 2018

Broken Arrow Public Schools, District No. I-003

701 S. Main Street

Broken Arrow, Oklahoma 74012

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FISCAL YEAR ENDING JUNE 30, 2018**

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# *Introductory Section*



December 10, 2018

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

Management hereby presents the Comprehensive Annual Financial Report (“CAFR”) of Broken Arrow Public Schools, Broken Arrow, Oklahoma for the year ended June 30, 2018. This report was prepared by the District’s Office of Finance. State law mandates that school districts undergo an annual single audit and publish a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP), and audited in accordance with auditing standards (GAAS) by a firm of licensed certified public accountants.

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

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

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

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



# DISTRICT PROFILE

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## LOCAL ECONOMY & HISTORY

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The city of Broken Arrow is a suburban community located in northeastern Oklahoma, primarily in Tulsa County with a small section of the city in western Wagoner County. It is the largest suburb of Tulsa. According to the U.S. Census Bureau in 2013, Broken Arrow has a population of more than 100,000 residents and is the fourth largest city in the state. It is one of the fastest growing cities in the state, doubling its population since the 1980s. Census projections estimate a population of more than 110,000 residents by 2018.



Broken Arrow is a city with a wide variety of industries, including utilities, health care, education, telecommunications, real estate and retail. The manufacturing industry continues to make products and headlines in Broken Arrow, now the third largest manufacturing city in Oklahoma. More than 350 manufacturing companies are located in Broken Arrow with more on the way. Broken Arrow provides an ideal manufacturing location for many reasons. Its location in the center of the country gives companies easy access to major transportation lines, including interstate, rail and air. The Tulsa International Airport is only 15 minutes away. Government officials offer many financial incentives to companies that bring in jobs, and Broken Arrow is a business-friendly community.

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

In addition, the City of Broken Arrow has redeveloped and rebranded the downtown area into the “Rose District,” increasing business occupancy from 70 to 90 percent. The Rose District added upscale living accommodations along with arts, entertainment, retail and dining venues. Already home to several restaurants and boutiques, a Farmer’s Market pavilion and a 1,500-seat Performing Arts Center, the Rose District is primed for specialty restaurants and local retail. With the establishment of tax increment financing incentives, entrepreneurs and developers are realizing their vision through renovation of main street venues. The Rose District has had \$60 million in investments since it was branded five years ago. Tax revenue has increased to more than \$400,000 in tax revenue compared to \$11,000 just five years ago.

Broken Arrow has been repeatedly recognized on a national level. USA Today named the Rose District as one of its most charming main streets. Broken Arrow also garnered the 29th spot on the publication’s 50 Most Livable Cities



list. At the U.S. Conference of Mayors, Broken Arrow was named one of the “Most Livable” cities in America. Mayor Craig Thurmond was named a first place winner for the redevelopment and revitalization of the Rose District. Finally, Business Insider ranked Broken Arrow among the American cities with the lowest violent crime rates. Business Insider published its list of 40 cities, placing Broken Arrow at No. 9 with 6.1 violent crimes per 10,000 residents.

The school district, Broken Arrow Public Schools (BAPS), has four early childhood centers, 15 elementary schools, five middle schools, two alternative academies that serve

secondary students, one ninth grade academy and one senior high school – all of which combine to provide services to more than 19,000 students. Students in grades K-5 attend elementary schools. Of the 15 elementary schools, 12 are grades K-5, one is configured to serve students in grades K-2 and one houses students in grades 3-5. Middle schools serve grades 6-8. The high school is composed of two sites – one freshman academy for students in ninth grade and the senior high school for students in grades 10-12. All campuses are fully accredited by the state of Oklahoma and the North Central Association of Secondary Schools and Colleges.

## RELATIONSHIP TO OTHER GOVERNMENTS

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

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

## CITY PARTNERSHIP

Broken Arrow Public Schools and the City of Broken Arrow launched a unique collaborative effort to develop an outdoor environmental classroom and ecological training center along portions of the Upper Adams Creek watershed, located immediately adjacent to Broken Arrow High School.

“Having an outdoor amenity accessible to our students will provide the opportunities for hands-on engagement in critical STEM (science, technology, engineering and mathematics) areas, particularly dealing with ecological systems, environmental sustainability and water quality,” said Donna Gradel, 2018 Oklahoma Teacher of the Year and science teacher at BAHS. “It will also furnish avenues for students to collaborate in solving real-world problems in their local community with expert mentors from the City of Broken Arrow and the other professionals.”

The program may include floating wetlands, rain gardens, cascade aerators, fountains, nature preserves, walking trails, specific types of ecological-friendly vegetation and other beneficial features to enhance the environment and ecological system within the corridor while improving the overall water quality of the stream.



“The three goals of the program are to provide and maintain adequate flood control and protection for our residents, improve water quality along the stream corridor and enhance the natural habitat in the area,” said Assistant City Manager for Operations Kenneth Schwab.

Initially, the program will focus on the regional detention facility north of the high school, but will expand upstream to the regulatory wetland preserve located in the commercial area south of the high school near Hillside Drive and the Broken Arrow Expressway.

“A major benefit of the program will be to provide our students, the future leaders of our community, the opportunity to help plan what we want our community to become – a more ecologically-conscience and environmentally sustainable community,” Superintendent Dr. Janet Dunlop said.

Students and City of Broken Arrow staff developed a plan for the land during the semester and begin implementing that plan in the spring semester.

One of those plans was to create a floating wetland designed in the shape of the Broken Arrow School “BA” logo.

The floating wetland measures approximately 80 feet by 30 feet and is believed to be the largest in the state of Oklahoma. Several local businesses have generously donated materials. Advanced Drainage Systems, Inc. donated PVC pipe and fittings, the Metropolitan Environmental Trust’s recycling center in Broken Arrow provided 800 2-liter bottles to help provide buoyancy and GNC Concrete provided the concrete pipe used for anchorage. Additionally, plants were provided by Grogg’s Green Barn and split from other City of Broken Arrow watersheds.

Both groups will continue improving and maintaining the area in the following years.

“This is likely one of the largest collaborative projects between a community and a high school in the country,” Dunlop said. “We are so proud of our students for their dedication and incredibly grateful to our city leaders for their constant support.”

## BUDGETARY CONTROLS

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

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

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

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

During the 2017-18 budgeting process, one of the critical goals was to maintain a well-established fund balance. This fund balance helped combat inflationary items such as insurance, utilities and fuel. Additionally, it helped protect the district against uncertain state and federal funding.

## LONG-TERM FINANCIAL PLANNING & MAJOR INITIATIVES

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Broken Arrow Public Schools utilizes five community-wide committees for planning: Long Range, Budget, Strategic Planning, High School Configuration and Visioning Task Force. The newest of the committees are the High School

Configuration and Visioning Task Force, which have worked to address overcrowding at the high school campus over the past few years. A final recommendation to the Board will be made by the Configuration group.

# ADMINISTRATION

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

1. The Superintendent Services Division is responsible for the everyday educational operations at elementary and secondary levels, while also coordinating district functions and overseeing the district's strategic plan.
2. The Instructional Services Division is responsible for ensuring academic accountability at the state and federal level, while also implementing initiatives and support services that enhance academic performance. The Instructional Services team also oversees the before and after care program (B&A Connections), campus security, the nursing program and energy management.
3. The Student Services Division provides opportunities for student engagement. The Student Services Division includes fine arts, athletics, co-curricular activities and student leadership. Also within this division is Public Relations and ArrowVision, the district's media outlet for video production.
4. The Business Services Division is responsible for managing the district's financial services, including financial reporting, accounts payable, treasury, purchasing, student activity funds, risk management and federal finance. The Business Services Division also oversees district contracts and the financial audit.
5. The Operations Services Division is responsible for the district's facilities and vehicle fleets. The Operations Services Division manages capital improvements, the maintenance of buildings, facility use, plant operations and warehouse, and transportation services.
6. The Technology Services Division is charged with managing the district's network and all instructional technology, including the 1:1 computer initiative. Technology Services also oversees student data management and district enrollment.
7. The Administrative Services Division is responsible for human resources, child nutrition, communications and the school spirit store, Tiger Threads. The Human Resources Department is responsible for recruitment, retention and management of human capital, and payroll, which ensures employer accountability at the state and federal level. The Child Nutrition Department ensures every student receives a healthy and nutritious meal. The Communications Department is responsible for managing district publications, social media outlets and the district website.





## BOARD OF EDUCATION

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

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

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

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

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

## PROJECTED ENROLLMENT

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

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

The prediction model indicates that the 0-4 year-old population in the district should grow about 0.7 percent annually from 2013 through 2018, increasing single year of age cohorts from an average of 1,545 children today to 1,633

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

Districtwide, school-age populations are projected to grow by about 1.5 percent annually through 2018 and less than half that rate, 0.7 percent, from 2018 to 2023. The 2017-18 school year saw an increase in student population of approximately 1 percent with a student gain of over 175 from the previous school year.

## LITERACY, ENGAGEMENT, GRADUATION – THE DISTRICT'S MANTRA

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At Broken Arrow Public Schools, the district wholeheartedly follows its mantra of “100% Literacy, Engagement, Graduation – Every Student, Every Day.” The intention is that employees, parents, students and community members recognize and embrace the role played in meeting 100 percent success in these principles. BAPS wants every student to be literate, engaged in school and within the community, and to graduate on to post-secondary education and training.

To assist educators and administrators with moving students toward graduation, the district focuses on enhanced teacher collaboration and smaller learning communities, which helps teachers quickly identify struggling students or whether they need to be challenged to reach their full potential. Broken Arrow's instructional specialists and administrative staff also provide teachers with a number of high-quality professional development opportunities, as well as continued support through instructional programs,

such as Reading Recovery, Literacy First, Read 180, Think Through Math and others.

Broken Arrow educators know that student success entails much more than pure academics. Students must also be engaged by investing emotionally in learning, whether through routine requirements like attending class and submitting assignments or through student involvement in extracurricular activities such as academic clubs and sports teams. Having meaningful relationships with peers is also a key factor, and parents play a crucial role in keeping kids engaged in school. Because students spend a large portion of their day at school, educators and district employees are

in a unique position to make sure students stay engaged so they eventually cross the graduation stage.

The district thinks well beyond graduation for its students with a number of initiatives including a College and Career Readiness Center equipped with trained counselors who provide students with personal and academic guidance regarding graduation requirements and college and career preparations. Also housed within the College and Career Center is information about off-campus learning opportunities, which includes programs at Tulsa Technology Center and internships through the Career Exploration Program.

## CORE VALUES

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The district released four core values to support its vision and help shape culture, both internally and externally.

“The district’s mission statement [Broken Arrow Public Schools is to educate, equip and empower a community of learners by providing dynamic learning opportunities which enable all students to be successful] and vision statement [Educating Today, Leading Tomorrow] have been intact for years,” BAPS Superintendent Dr. Janet Dunlop said. “But what about our core values, our noble cause? You know, those statements that inspire people to action...that influence overall behavior.”

In August 2017, district administrators began to discuss the importance of core values. Together, district administrators drafted 10 core values. From there, a staff survey was created in September, in which more than 800 employees ranked each statement from most important to least important, and four core values were created.

- 1. We embrace the responsibility of our calling.** Each of us is accountable to serve our students, our district and our community. We do it with honesty, integrity and transparency.
- 2. We are passionate about learning.** We consistently seek new ways to lead and follow our students into the future.
- 3. We are a student-focused, relationship driven school district.** We strive to engage our students and community through kindness, compassion and empathy.
- 4. We celebrate and find strength in our diversity.** It takes people with different ideas, interests and backgrounds to drive our district forward.

Throughout the school year, the district focused on these core values through video, graphics, social media posts, emailed reminders to staff and more.

“My hope is that these four core values will become our way of life in years to come,” Dunlop said.



## NATIONAL MERIT FINALISTS

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All seven of Broken Arrow High School's National Merit semifinalists were honored as finalists for their prestigious academic accomplishments.

Mason Bishop, Hunter Janway, Edward Lambert, Jacob Mattke, Easton Moore, Darren Nguyen and Jake Wilcoxon were among approximately 15,000 students from across the nation who qualified and are some of the highest scoring students in the state of Oklahoma.

"There aren't many words to describe how incredibly proud I am of these seven students," Superintendent Dr. Janet Dunlop said. "The level of hard work and commitment they

have shown is admirable and a source of inspiration for our younger students."

Established in 1955, the National Merit Scholarship Program is a long-standing academic competition for recognition and scholarships. High school students enter the National Merit Program by taking the Preliminary SAT/National Merit Scholarship Qualifying Test, which serves as an initial screen of nearly 1.5 million entrants each year.

From there, 34,000 students are commended and 16,000 semifinalists are chosen. Every year in February, 15,000 finalists are chosen based on their abilities, skills and accomplishments.

## STATE SUPERINTENDENT AWARD FOR EXCELLENCE IN CAREER & TECHNOLOGY EDUCATION

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Because of its efforts in providing students with opportunities that prepare them for the workforce, Broken Arrow Public Schools was awarded the 2017-18 State Superintendent Award for Excellence in Career and Technology Education from the Oklahoma Department of Career and Technology Education.

"Broken Arrow Public Schools has created a K-12 pathway where students collaborate and use critical thinking skills and technology to engage in science, technology, engineering and math (STEM) projects," said Superintendent Dr. Janet. Dunlop. "We offer our students a number of opportunities to experience career and technology education through a variety of programs."

Among those programs is Project Lead the Way (PLTW), a K-12 project and problem based contextual learning curriculum that prepares students for success in engineering and technology programs. This program is funded by the Charles and Lynn Schusterman Family Foundation, Paragon Films, Zeeco and CareerTech.

PLTW's Launch modules and various STEM activities provide hands-on instruction to elementary students, allowing them to explore in a safe environment. Gateway to Technology (GTT) is a separate course offering from PLTW, which is offered to middle schools as an introduction to the later high school courses. The high school courses include

engineering, manufacturing, family and consumer science, Future Farmers of America, business and information technology and many others.

In addition, students are able to attend Tulsa Technology Center and participate in more than 12 different pathways, allowing them to finish high school with an industry certification.

"Oklahoma is doing something completely unheard of," said Charles Young, a Tulsa Technology Center employee who teaches at Broken Arrow High School. "We are becoming pioneers of career and technical education, and we continue to take things to the next level. The high school and Tulsa Tech are coming together to provide students with an opportunity to help them find a high paying, rewarding and highly-skilled career – not a job, but a career."





## DUAL CREDIT TO COLLEGE DEGREE

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For the first time ever, the Dual Credit to College Degree program is offering a select group of Broken Arrow High School students the opportunity to graduate high school with a diploma and earn an associate degree from Tulsa Community College. Then, the student has the option to seamlessly transfer to Northeastern State University to complete a bachelor's degree.

The program is a partnership between Broken Arrow Public Schools, TCC and NSU. The college courses are taught by TCC faculty with a majority of the classes held on the NSUBA campus. Students are "triple-enrolled," allowing them access to writing labs, libraries, advising and other support services at TCC and NSU while also remaining part of their BAHS class and eligible for student activities.

Broken Arrow students are identified to participate based on PSAT scores. Participating students can earn up to 60 hours of college credit and complete a TCC Associate of Arts degree in Liberal Arts while also satisfying their high school graduation requirements. From start to finish, the Dual Credit to College Degree program will cost significantly less to complete an associate degree compared to enrolling directly after high school.

The Dual Credit to College Degree program offers significant cost savings for students to complete a college degree. Research shows students who take college courses while still in high school are more likely to graduate high school and earn a college degree.

## CLASS OF 2018 SCHOLARSHIPS

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Amidst a number of achievements both inside and outside the classroom, Broken Arrow Public Schools' Class of 2018 accepted more than \$8.8 million in scholarships, a record-setting amount for Broken Arrow High School.

Seniors received scholarships from universities located across the nation, including the U.S. Air Force Academy, Baylor University, Oberlin Conservatory, Spring Hill College and the University of Arkansas.

## AMERICA'S MOST SPIRITED HIGH SCHOOL

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Broken Arrow High School was named as America's Most Spirited High School for 2017 by Varsity Brands. This video contest honors one high school that demonstrates unparalleled school spirit and community pride. At Broken Arrow High School, school spirit means participating in student activities, wearing black and gold, cheering on sporting teams and groups, and coming together to form "The Jungle." As part of the district's mantra of "100 percent Literacy, Engagement, Graduation," high school students and staff have transformed and created a renewed energy that is being recognized across the nation. In addition to winning bragging rights, the school also received a \$25,000 grand prize.



## DONNA GRADEL: 2018 OKLAHOMA TEACHER OF THE YEAR



Broken Arrow Public Schools teacher Donna Gradel was named Oklahoma's 2018 Teacher of the Year by State Superintendent Joy Hofmeister at a ceremony in Oklahoma City. She is the third Broken Arrow teacher to be honored since 1955.

Gradel, a graduate of West Virginia University, has taught science at Broken Arrow High School for 21 years. She specializes in utilizing differentiated instruction to teach biology, environmental science and advanced placement courses. It's in these classes where she integrates real-world problems into yearlong projects for her students. The most recent project aimed at supplying clean water and food for orphans in Kenya.

Last April, Gradel was named Broken Arrow's Teacher of the Year for her innovative teaching style. Three months later, she was named as one of 12 finalists for Oklahoma Teacher of the Year by the Oklahoma State Department of Education (OSDE). Of those 12 finalists, Gradel was chosen as Oklahoma's winner by a panel of educators, members of the business community, legislators and nonprofit partners after an intensive evaluation and interview process.

The Oklahoma Teacher of the Year program is organized by OSDE in conjunction with the national competition.

State Superintendent of Public Instruction Joy Hofmeister said Gradel's commitment to teaching has translated into positive change well beyond the Broken Arrow district.

"Donna understands the true potential of each of her students," said Hofmeister. "She differentiates instruction to meet the needs of each individual, challenges them to solve real-world problems, then goes one step further by modeling opportunities to implement their innovations to make a difference in the lives of people in Oklahoma and across the globe."

Gradel remained in her classroom for the rest of the school year. Starting July 1, 2018, she began serving as the Oklahoma Ambassador of Teaching, representing Oklahoma in the national competition by sharing knowledge and resources with fellow educators around the state and encouraging education as a profession.

One of her projects that gained national attention was creating a low-cost, sustainable fish food for developing countries.

In 2014, Gradel and a group of students were awarded a \$10,000 grant through the Lemelson Foundation and Massachusetts Institute of Technology. Her team was the first in Oklahoma to receive this grant and was one of only 15 in the nation.

In the summer of 2016, a group of Broken Arrow students traveled to Kenya to train the residents at a local orphanage on how to produce their own tilapia fish food, which was a protein-rich formula of indigenous, all-natural fish food made of a mealworm and algae mixture.

One of those students who traveled alongside Gradel was BAHS alumnus Jacob Taylor, who was a former National Merit Finalist and Presidential Scholar Semifinalist.

"Mrs. Gradel gave me direction and confidence in my abilities as a student, leader and servant in the world," Taylor said. "I love sharing about how she has impacted my life in particular, but it is important to note that I can think of 30 other kids who could stand in the same place with more incredible stories to tell about her. She is truly a vanguard of education in this school and in the world."



## SHELLY SWISHER: 2018 DISTRICT TEACHER OF THE YEAR

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Before she became the 2018 District Teacher of the Year for Broken Arrow Public Schools, Shelly Swisher grew up in a poor, uneducated family. None of her grandparents had above an eighth grade education. Her parents worked more hours in a week than she could count, scraping pennies to keep the electricity on.

“I watched how hard my parents worked for so little,” Swisher said. “I made a promise to myself that I was going to get an education and live a financially better life. I wasn’t afraid of hard work because my family had taught me what hard work looked like.”

In 1991, Swisher received her Bachelor of Arts in Education from Northeastern State University. Since then, she has spent 26 years changing the lives of Broken Arrow High School students, making certain they have the same educational opportunities regardless of their background.

It’s in her English classes where she lives by her three R’s of education – rigor, relevance and relationships. She continually challenges students to think critically and analytically, properly preparing and encouraging them for the next level.

“On the first day of school, I always promise my students that if they give me a chance, they will quickly realize I not only care about their academic success, but more importantly, I



care deeply about them personally. As teachers, sometimes we forget that students don’t really care how much we know until they know how much we care.”

As the 2018 Teacher of the Year, she received a monetary gift from the Broken Arrow Public Schools Foundation and the opportunity to drive the Teacher of the Year SUV, a Ford Escape generously provided by Matthews Ford in Broken Arrow.

## TERRY AUSTIN: SUPPORT EMPLOYEE OF THE YEAR

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Known as the Beyond and Above Award, Broken Arrow’s support staff recognition program honors five employees who consistently demonstrate excellence, going that extra mile for the district’s goals and objectives. Nominations were made by teachers, administrators, supervisors and coworkers. For the 2017-18 school year, Leisure Park custodian Terry Austin was named Support Employee of the Year.

“Terry ‘Awesome’ is the hardest working person I know. Not only does she pour her heart into the kids here (who all lovingly call her grandma) but she cares deeply about doing her job to keep the teachers happy,” said coworker Taylor Sawyer. “She would do anything for anyone, and our school is beyond blessed to have her.”



# STRATEGIC PLAN 2.0

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

## ACADEMIC ACHIEVEMENT

Define and address academic achievement focused on college and career pathways

### Strategies:

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

## ENGAGEMENT

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

### Strategies:

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

## INSTRUCTIONAL TECHNOLOGY

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

### Strategies:

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

## HUMAN RESOURCES

Develop a comprehensive plan to improve district culture

### Strategies:

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

## FINANCE

Develop opportunities to generate revenue

### Strategies:

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

## DISTRICT DEVELOPMENT & CONFIGURATION

Create a roadmap and plan to accomplish the configuration decision

### Strategies:

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



# HIGH SCHOOL CONFIGURATION STUDY & VISIONING TASK FORCE

After working diligently over the past year to research academic and extracurricular programs best meeting the needs of Broken Arrow Public Schools' students, the Visioning Task Force presented their recommendations to the High School Configuration Steering Committee regarding the future of Broken Arrow High School.

"The Visioning Task Force focused on exploring academic initiatives, not the facilities, that would be best for both current and future students as well as our community," Visioning member and Oral Roberts University Professor of Curriculum and Design Dr. Chancey Bosch said during the meeting. "The three initiatives we are presenting include Early College High School, STEM/STEAM focused programming and career pathways."

In June 2017, the Visioning Task Force was assembled when the high school configuration recommendation was pending until more answers about academic programming and extracurricular activities could be answered.

Task force members were chosen to serve on the committee based on their participation in curriculum and program development, innovative instructional design in a classroom setting and how well they foster community partnerships.

"The High School Configuration Study has been in the works for nearly three years, and from the beginning, we have known that community and stakeholder input is crucial in determining our next steps as a district," Superintendent Dr. Janet Dunlop said. "As we heard feedback from the community during public forums in April 2017, it was evident the community wanted equitable facilities and academic programming, smaller learning communities and more opportunities for students to connect with their learning in relevant ways; and so the Visioning Task Force was created."

The recommendation to the High School Configuration Steering Committee included the following:

**5. Early College High School Academy:** Relationships between high school and college/university partner institutions allow high school students to take college credit courses part-time or full-time on a college campus, in addition to more common dual-credit course options.

Early College High School programs can allow students to earn an associate degree or equivalent credit hours (approx. 60), while also obtaining their high school diploma. This allows students to pursue their major focus earlier and typically saves parents on tuition expense or loans. This will not replace current concurrent opportunities, but instead will be another option that results in a dual degree.

**6. STEM/STEAM programming, which would also be known as The Innovative Academy:** The Innovative Academy would be geared towards solving real world, relevant problems through collaboration in a multidisciplinary project-based platform. Opportunities and space should be provided for student exploration, experimentation and implementation of curricular offerings.

**7. Career Pathways/Academies:** With locally developed sequences of courses, students use project-based learning to explore all aspects of various career interest areas with other students having similar interests. Often with local advisory boards and community partnerships, students may be able to experience off-campus job shadowing or internships in addition to themed coursework, which allows them to narrow their focus for post-high school college or training especially in the junior and senior years. Pathways could include health/environmental/animal science; creative arts/music production/graphic design and video/marketing and blogging; computer science/cyber security/e-communications/e-commerce; etc.

Now that the Visioning Task Force has provided its research and recommendation to the Steering Committee, it is the job of the Steering Committee, plus three members from the Visioning Task Force, to reconvene to discuss bond dollars, the framework of Broken Arrow High School, financial forecasts and more.

From there, the Steering Committee will provide a final recommendation and roadmap to the Board of Education at a regularly scheduled Board meeting, which will be announced as soon as the district hears from the Steering Committee.



# HISTORY OF DISTRICT BUILDINGS

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

In 1924, Broken Arrow's first school building was damaged by a fire, and because of the damage, the structure was razed.

The facility was later rebuilt on the same site and utilized for decades to educate children living in the community.

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

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

# NET ASSESSED VALUE

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The district's net assessed valuation (NAV) refers to the local property wealth. For 2017-18 school year, the NAV was \$889,371,848. Since 2000, the district has seen a steady increase in the NAV, which has grown at a rate of 3 to 4 percent each year. The NAV determines the bonding capacity of

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

# HERE WE GROW - BOND ISSUE 2015 PHASE ONE PROJECTS

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In February 2015, Broken Arrow patrons passed the 2015 Broken Arrow Public Schools bond proposal, allowing the district to begin its next phase of transformation to meet the needs of a district that is growing at a rate of 3 percent per year.

The 2015 bond issue projects total \$370 million and will be completed over the course of 12 years. Phase one of the four-part project has begun and includes a new elementary school, Sequoyah Middle School expansions and renovations, Broken Arrow High School additions and Kirkland Field Activity Complex construction.



**Timber Ridge:** With over half of our growth at the elementary school level, Timber Ridge became the district's 15th elementary school. The school is located in the northeast section of the district to alleviate overcrowding issues. Amenities include a media center, full-size gymnasium, music room, art room and science room as well as hardened areas of refuge for storm safety.

**Sequoyah:** At Sequoyah, the oldest parts of the building were updated and a larger cafeteria was added. The old cafeteria was converted to a new media center and additional classrooms were added. The project also included the addition of an elevator to the two-story section of the building along with other upgrades to meet ADA accessibility requirements. The new addition also provides a hardened area of refuge for storm safety.

Classroom additions to the high school: With more than 22,000 square feet added and 5,000 square feet renovated, construction of 11 state-of-the-art classrooms and a commons area was completed on Broken Arrow High School's campus.

Kirkland Field Activity Complex: The site formerly used as North Intermediate High School is being repurposed with special recognition given to its historical significance in the district. Plans included renovations to the current auditorium and gymnasium. Kirkland Field was repurposed as the Kirkland Soccer Complex, which features a full-size competition soccer field.

## TECHNOLOGY

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

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

By providing students with increased access to technology, the classroom becomes more interactive, assignments are more collaborative and students are more engaged in school. Parents also benefit by having online access to the same information as their children, enabling them to better track student progress. Additionally, students will be better



prepared for post-secondary education and the workforce because they are learning to use the same cloud-based technologies utilized by colleges and employers.

During the 2017-18 school year, the one-to-one computer initiative was fully implemented to include students in grades 9-12 totaling more than 5,000 students.

## TRANSPORTATION, MAINTENANCE & CUSTODIAL SERVICES

The transportation department services 115 square miles twice daily. During the 2017-18 school year, there were 172 buses in the fleet, which included 123 regular buses, 41 special needs buses and eight activity buses. The BAPS transportation department runs 72 regular education bus routes (32 high school, 26 Freshman Academy, 54 middle school, 57 elementary and five Tulsa Technology routes), as well as 34 special education bus routes. The transportation department is self-contained, housing the auto/diesel mechanic garages which service the entire BAPS fleet. Over the course of the year, there were 1,934,499 route miles driven, 301,764 gallons of diesel fuel used for buses and

approximately 12,000 students eligible to be transported daily on buses.

The maintenance and custodial services department takes pride in the operation of schools, supporting education by providing the best possible environment conducive to learning. Maintenance and plant operations employees provide routine, preventative and corrective service to the millions of square feet and hundreds of acres of school property. More than 3.5 million square feet and 700 acres were maintained daily by the custodial services staff during the 2017-18 school year.

## CHILD NUTRITION

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The child nutrition department has a vision to serve quality meals to Broken Arrow Public Schools' students and staff. It also strives to promote healthy and nutritious choices in a fun and friendly atmosphere while also providing support, education and information to the students, staff, parents, and community of Broken Arrow. There were more than 2,500,000 meals served during the 2017-18 school year.

In addition, the child nutrition food truck, dubbed BA's Curbside Café, continues its success by serving Broken

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

## UNITED WAY DISTRICT CAMPAIGN

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As a longtime supporter of the Tulsa Area United Way, the employees of Broken Arrow Public Schools raised nearly \$109,000. In addition to monetary donations, district

employees participated in various community service projects benefiting local organizations, such as Broken Arrow Neighbors and A New Leaf.

## DISTRICTWIDE FOOD DRIVE

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To help reduce hunger in Broken Arrow, Broken Arrow Public Schools once again partnered with Move For Hunger and Accent Moving and Storage for the sixth annual districtwide food drive. For five days in March, students and staff from 27 school sites donated non-perishable food items in support of Broken Arrow Neighbors, a nonprofit providing basic needs and emergency assistance to Broken Arrow families.

The effort resulted in 6,835 pounds of food. Nationwide, the BAPS event is the largest school-related drive for Move For Hunger, and the district's assistance throughout the school year makes it the top contributor of food donations to Broken Arrow Neighbors.

## FINANCE DEPARTMENT RECEIVES HONORS FOR SUPERIOR FINANCIAL REPORTING

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Broken Arrow Public Schools was awarded the Government Finance Officers Association of the United States and Canada (GFOA) Certificate of Achievement for Excellence in Financial Reporting for its CAFR for the fiscal year ended June 30, 2017. This marks the fifth consecutive year the district received the award. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. The report must satisfy both accounting

principles generally accepted in the United States of America and applicable legal requirements.

Additionally, the district was awarded the Certificate of Excellence in Financial Reporting by the Association of School Business Official International (ASBO) for its Comprehensive Annual Financial Report for the year ended June 30, 2017. The district believes the Comprehensive Annual Financial Report continues to conform to the standards for which this award was granted.



# COMMUNICATIONS AND FINANCE HONORED FOR POPULAR ANNUAL FINANCIAL REPORT

The communications and finance departments at Broken Arrow Public Schools were honored with the Popular Annual Financial Reporting (PAFR) award from the Government Finance Officers Association for the fiscal year ending 2017.

This first-ever PAFR, which is centered on the district’s mantra of “Literacy, Engagement and Graduation,” combines high-level financial information with district highlights and accomplishments from the 2016-17 school year. It was designed to be readily accessible and easily understandable to the general public and other interested parties without a background in public finance.

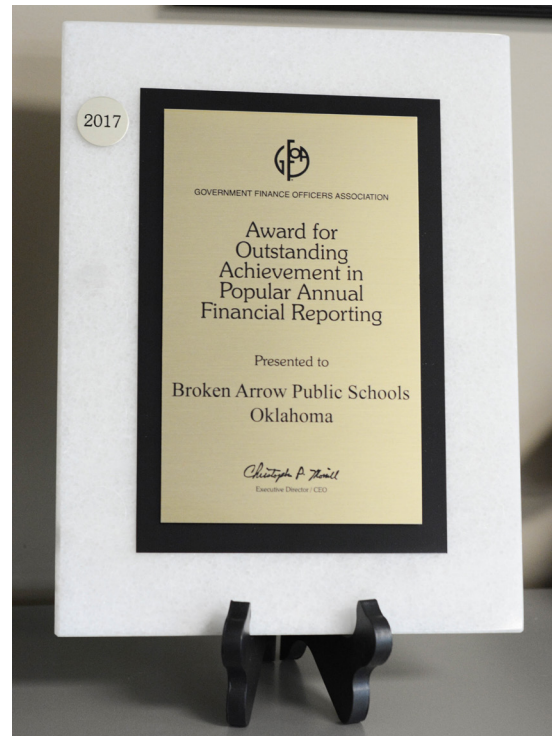
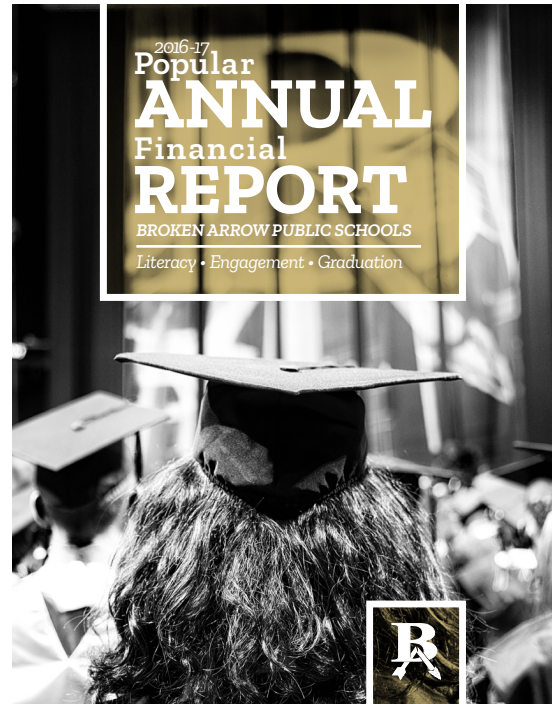
Broken Arrow Public Schools is the first school district in Oklahoma to receive this honor.

“Every year, the communications team creates an annual report that provides our patrons with our breakthrough moments from the previous school year,” Broken Arrow Public Schools Director of Communications Christina Dixon said. “However, this year, we teamed up with our incredible finance department to integrate our annual report with additional financial information, which was presented in an easy-to-follow manner for our patrons.”

Chief Financial Officer Natalie Eneff was ecstatic to hear the district won this prestigious honor.

“The PAFR has been a goal of ours for several years, and it’s great to see everyone’s efforts come to completion,” Eneff said. “Our district has participated in the Comprehensive Annual Financial Report program for the past six years. While this is a wonderful publication that we are very proud of, the report is targeted toward financially savvy individuals. The PAFR appeals to all patrons who want to read about our district while also seeking some detailed financial information.”

Patrons can view the PAFR at [www.baschools.org](http://www.baschools.org) or pick up a copy at the Education Service Center.





**Closing**

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

Sincerely,



Janet Dunlop, Ph.D.  
Superintendent



Natalie Eneff  
Chief Financial Officer



Donna Dollahon  
Director of Treasury



Cathy Mitchem  
Executive Director of Financial Reporting



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

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

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2017**

*Christopher P. Morill*

Executive Director/CEO



ASSOCIATION OF  
SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL

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

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

**for its Comprehensive Annual Financial Report (CAFR)  
for the Fiscal Year Ended June 30, 2017.**

The CAFR has been reviewed and met or exceeded  
ASBO International's Certificate of Excellence standards.



A handwritten signature in black ink, reading 'Charles E. Peterson, Jr.' The signature is written in a cursive style and is positioned above a horizontal line.

Charles E. Peterson, Jr., SFO, RSBA, MBA  
President

A handwritten signature in black ink, reading 'John D. Musso'. The signature is written in a cursive style and is positioned above a horizontal line.

John D. Musso, CAE  
Executive Director



## Broken Arrow Public Schools

### School Officials

#### Board of Education 2017-2018

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**Steve Allen**  
President



**Steve Majors**  
Vice President



**Jerry Denton**  
Board Clerk



**Cheryl Kelly**  
Board Deputy Clerk



**John Cockrell**  
Member

#### Leadership Team 2017-2018



**Dr. Janet Dunlop**  
Superintendent



**Chuck Perry**  
Associate Superintendent



**Karla Dyess**  
Assistant Superintendent



**Natalie Eneff**  
Chief Financial Officer



**Lori Kerns**  
Chief Administrative Officer



**Michelle Bergwall**  
Chief Operating officer



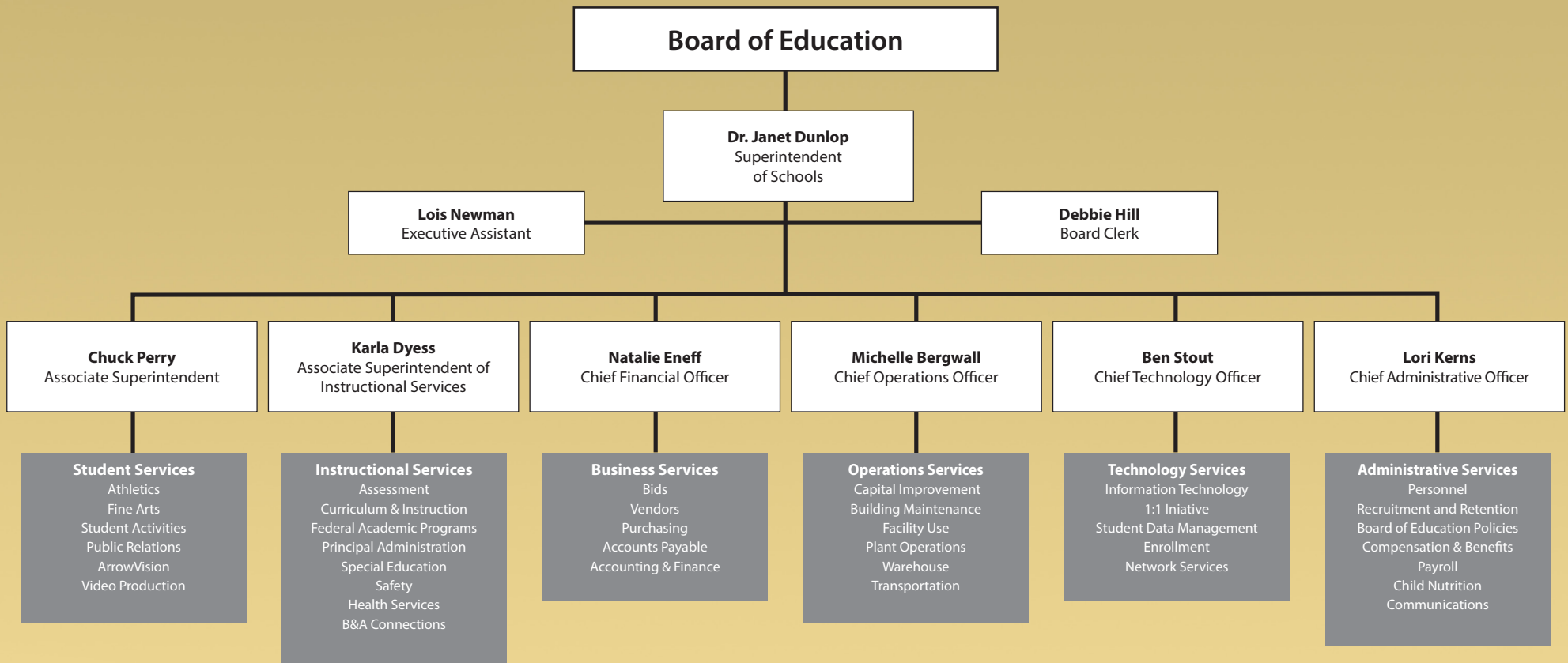
**Ben Stout**  
Chief Technology Officer





# BROKEN ARROW PUBLIC SCHOOLS

## 2017-2018 Organizational Chart



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***Financial  
Section***





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

JACK JENKINS, CPA  
MICHAEL KEMPER, CPA

**INDEPENDENT AUDITOR'S REPORT**

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

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Broken Arrow School District No. I-003, Broken Arrow, Oklahoma (the "School District") as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

**Management's Responsibility for the Financial Statements**

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

**Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

**Opinions**

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Broken Arrow School District No. I-003, Tulsa County, Oklahoma as of June 30, 2018, and the respective changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matters**

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 28-40, budgetary comparison information on pages 50, 51 and 95, Schedule of Proportionate Share of the Net Pension Liability on page 91 and Schedule of Contributions on page 92 be presented to supplement the basic financial



statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the method of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### **Other Information**

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

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

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

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

In accordance with *Government Auditing Standards*, we have also issued a report (under a separate cover) dated October 29, 2018, on our consideration of the School 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* in considering the School District's internal control over financial reporting and compliance.

*Jenkins & Kemper, CPAs P.C.*

Jenkins & Kemper  
Certified Public Accountants, P.C.

October 29, 2018



## MANAGEMENT'S DISCUSSION & ANALYSIS JUNE 30, 2018

In this section of the Comprehensive Annual Financial Report, Broken Arrow Public School District (the "District") discusses and analyzes its financial performance for the year ended June 30, 2018. Readers should review this section in conjunction with the transmittal letter, the independent auditors' report, and the District's Basic Financial Statements.

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

### FINANCIAL HIGHLIGHTS

The District's financial status improved substantially for a fourth consecutive year. Financial highlights of fiscal year 2018 include:

- ✦ The District ended the year with an unassigned fund balance for the general fund of \$16.7 million, or 15.2% of the total general fund expenditures. The District's governmental funds reported combined ending fund balance of \$60.4 million, an increase of \$6.3 million from June 30, 2017. Increases were the result of late spring fiscal year bond sales for capital projects and conservative spending in the general fund. The building fund increased in fund balance due to higher current year ad valorem tax collected, recovery of damaged school property, and a conservative cash forward balance. The District will maintain unrestricted fund balances to provide necessary working capital to avoid cash flow interruptions and short-term borrowing to fund daily operations and to maintain the District's Aaa/AAA bond ratings.
- ✦ The assets plus deferred outflows of resources of the District exceeded its liabilities plus deferred inflows of resources at the close of the period ended June 30, 2018 resulting in a government-wide total net position of \$112.9 million. Government-wide net position increased \$12.0 million from June 30, 2017.
- ✦ The governmental activities net investment in capital assets increased by \$11.4 million as the District continues to renovate and construct new buildings as part of its capital projects program. During fiscal year 2018, the District completed the renovation and construction of five school sites projects and a new transportation fuel tank.
- ✦ The net position of business-type activities, food services, decreased by 2.9% to \$4.9 million from the previous year. This decrease was due to the rise in wages payable for a new payroll process, construction expenditure increases for a new child nutrition facility, and one time equipment purchases for new school projects in year ending June 30, 2018.
- ✦ During the year, the District's expenses were \$27.5 million less than the \$157.3 million generated in taxes and other revenues for governmental-wide activities. Expenses totaled \$135.0 million



## MANAGEMENT'S DISCUSSION & ANALYSIS JUNE 30, 2018

after charges for services and operating grants and contributions (revenue). Total revenue from property taxes, state aid, investment income, and miscellaneous revenues is \$146.9 million.

- ✦ The District issued \$23.3 million in bonds during the fiscal year 2017-2018, and ended the year with \$87.6 million outstanding in commercial paper.

### OVERVIEW OF FINANCIAL STATEMENTS

Both the discussion and analysis presented are intended to serve as an introduction to the District's basic financial statements. The basic financial statements consist of two kinds of statements that present different views of the District; 1) government-wide financial statements, 2) fund financial statements.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements.

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

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

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

The government-wide financial statements distinguish the functions of the District as being principally supported by taxes and intergovernmental revenues (governmental activities) as opposed to business-type activities that are intended to recover all or a significant portion of their costs through user fees and charges. The District has only one business-type activity, the Child Nutrition Fund.

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

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



**MANAGEMENT'S DISCUSSION & ANALYSIS**  
**JUNE 30, 2018**

**R** *Governmental Funds* - These funds include most of the District's activities, which provide a short-term analysis of the District operations and services. Because the focus of Governmental Funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for Governmental Funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Governmental Funds include the General Fund, the Special Revenue Funds, the Debt Service (Sinking) Fund, and the Capital Projects (Bond) Funds, all of which are considered to be major funds. Data from other government funds, or non-major funds are combined in a single, aggregated presentation column. The District's non-major fund is the Permanent Fund (Endowment). Both the Governmental Fund balance sheet and the Governmental Fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between Governmental Funds and governmental activities.

Budgetary Comparison - In addition to the basic financial statements, this report also presents certain budgetary reporting comparisons that governments must present. The District has presented this information as part of the basic financial statements rather than required supplemental information. These reports are statements rather than schedules as directed by Governmental Accounting Auditing, and Financial Reporting ("GAAFR") and GASB Statement No. 34. The District adopts an annual expenditure budget for all Governmental Funds.

The requirement for budgetary reporting applies only to governmental funds. Governments are not required to present a budgetary comparison for enterprise funds, even if the District legally adopts an annual or biennial budget for its enterprise fund. The District voluntarily presents a budgetary comparison schedule as other supplementary information.

**R** *Proprietary Funds* - These funds report two types of funds; enterprise and internal service. These funds are generally reported in the same manner as the government-wide financial statements, only in more detail. Enterprise fund activities are 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, which is the District's Enterprise Fund, is 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. Internal Service Funds are an accounting device used to accumulate and allocate costs internally among the various functions. The District uses the Internal Service Fund to report activities for its self-insured workers' compensation fund.

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





## MANAGEMENT'S DISCUSSION & ANALYSIS JUNE 30, 2018

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

**Required Supplementary Information.** In addition to the basic financial statements and accompanying notes, this report also presents certain Required Supplementary Information. The Schedule of the District's Proportionate Share of the Net Position Liability, and the Schedule of the District's Contributions which concern the Districts' cost-sharing pension liability, mandated by GASB, Statement No. 68, *Accounting and Financial Reporting for Pensions*.

**Other Supplementary Information – Budgetary Comparison Schedule and Combining Statements.** This section immediately follows the required supplementary information and includes a budgetary comparison schedule for the Enterprise Fund. This information, as previously stated, is not required of the district but voluntary for detailed comparisons of expenditures, original budgets, and final budget information. The combining statements are prepared in connection with Fiduciary Funds. Agency Funds are used to account for assets held by the District as an agent for certain individuals and organizations. They are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

### GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

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

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

The District experienced a decrease in governmental activities long-term debt payable or non-current liabilities in the fiscal year 2018 primarily due to a decrease in the net pension liability. The implementation of GASB Statements 68 and 71, which became effective for fiscal years beginning after June 15, 2014, significantly changed pension accounting and financial reporting for governmental employees who participate in a pension plan, such as the state-administered Oklahoma Teachers' Retirement System. The amount of calculated pension liability for the District ending June 30, 2018 was \$109.5 million compared to \$138.9 million at June 30, 2017, a decrease of \$29.5 million. Deferred pension plan outflows were \$20.9 million at June 30, 2018 compared to \$42.6 million at June 30, 2017, a decrease of \$21.6 million. This decrease was due to the Changes of Assumptions for the measurement period and



**MANAGEMENT'S DISCUSSION & ANALYSIS**  
**JUNE 30, 2018**

a decrease in the net difference between expected and actual experience. Deferred pension plan inflows were \$16.9 million at June 30, 2018 compared to \$3.2 million at June 30, 2017, an increase of \$13.7 million.

The following table presents a summary of the change in net position for the fiscal years ended June 30, 2018, and 2017:

**Net Position**  
**As of June 30, 2018**  
**(Dollars in Millions)**  
**Table 1**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Government-Wide Totals</u>		<u>Total Increase/ Decrease</u>	<u>Percentage Change</u>
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>		
<b><u>Assets</u></b>								
Current and Other Assets	\$ 66.8	\$ 56.9	\$ 3.1	\$ 2.5	\$ 69.3	\$ 59.4	\$ 9.9	17%
Capital Assets	239.1	231.3	5.7	2.8	311.0	234.0	76.9	33%
Total Assets	<u>305.9</u>	<u>288.2</u>	<u>8.8</u>	<u>5.3</u>	<u>380.3</u>	<u>293.4</u>	<u>86.9</u>	<u>30%</u>
Deferred Outflows of Resources	21.0	42.6	-	-	21.0	42.6	(21.6)	100%
<b><u>Liabilities</u></b>								
Other Liabilities	30.3	27.5	0.7	0.2	31.0	27.7	3.3	12%
Long Term Liabilities	171.8	204.2	-	-	171.8	204.2	(32.4)	-15.9%
Total Liabilities	<u>202.0</u>	<u>231.7</u>	<u>0.7</u>	<u>0.2</u>	<u>202.8</u>	<u>231.9</u>	<u>(29.1)</u>	<u>-13%</u>
Deferred Inflows of Resources	16.9	3.2	-	-	16.9	3.2	13.7	100%
<b><u>Net Position</u></b>								
Net Investment in								
Capital Assets	174.9	163.5	2.6	2.8	177.5	166.3	11.2	7%
Restricted	18.9	18.7	-	-	18.9	18.7	0.2	1%
Unrestricted	<u>(85.9)</u>	<u>(86.3)</u>	<u>2.3</u>	<u>2.3</u>	<u>(83.5)</u>	<u>(84.0)</u>	<u>0.5</u>	<u>1%</u>
Total Net Position	<u>\$ 107.9</u>	<u>\$ 95.9</u>	<u>\$ 4.9</u>	<u>\$ 5.1</u>	<u>\$ 112.9</u>	<u>\$ 101.0</u>	<u>\$ 11.9</u>	<u>12%</u>

*(figures may be different due to rounding)*

Government-wide net investment in capital assets increased \$11.2 million or 6.7% over the prior fiscal year, representing significant progress in the completion of major projects, which include; school building renovations, transportation fuel upgrades, special education upgrades, and the additional capital assets for a new elementary completed in 2016-17. The District uses these capital assets to provide services to its students and programs for the students; consequently, these assets are not available for future spending.

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

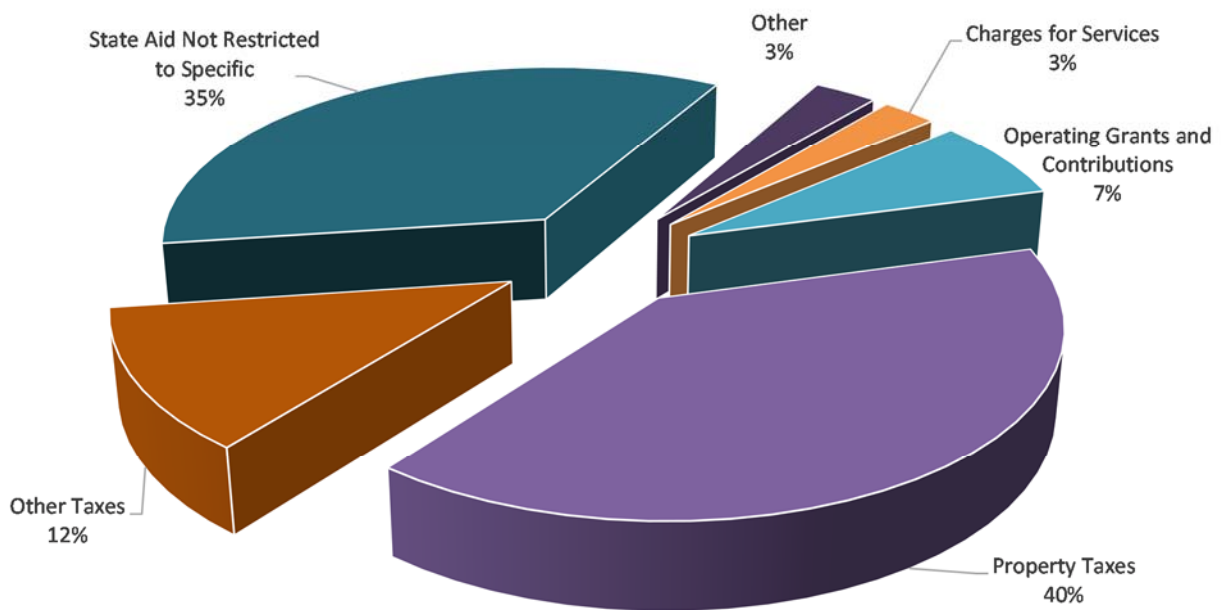
The government-wide total net position of \$112.9 million, which represents resources that are unrestricted, \$(83.5) million, which consists of \$2.3 million unrestricted Business-Type Activities and \$(85.9) million unrestricted governmental activities, may be used to meet the District's ongoing obligations to citizens and creditors.



**MANAGEMENT'S DISCUSSION & ANALYSIS  
JUNE 30, 2018**

**Changes in Net Position.** The District's government-wide total revenues were \$162.6 million, an increase of \$5.3 million from the prior fiscal year total of \$157.3 million. A significant portion, 40%, of the District's revenue comes from property taxes; 35% comes from state aid formula grants, 12% from other taxes, while 7% is related to other operating grants and contributions; the remaining 3% comes from charges for services and other sources.

**District Government- Wide Revenues for Year Ended June 30, 2018**



Governmental activities increased in District net position by \$12.0 million. The total cost of all governmental activities programs and services was \$141.4 million. The amount our taxpayers paid for these activities through property taxes was \$64.8 million or 45.8%. Government-wide, our taxpayers paid for the total programs and services of \$150.8 million through property taxes of \$64.8 million or 42.9%.

Business-type activities, consisting of child nutrition services, had total revenues of \$9.2 million, a decrease of 0.6%. Expenses for Business-type activities were \$9.4 million for fiscal year 2018, an increase of \$0.6 million or 6.7% from fiscal year 2017. The final result is a decrease in business-type activities net position of 3.7%.

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



**MANAGEMENT'S DISCUSSION & ANALYSIS**  
**JUNE 30, 2018**

Changes in Net Position  
As of June 30, 2018  
(Dollars in Millions)  
Table 2

	Governmental Activities		Business-Type Activities		Total		Change	Total Percentage Change
	2018	2017	2018	2017	2018	2017		
<b>Revenues</b>								
Program Revenues:								
Charges for Services	\$ 0.5	\$ 0.4	\$ 3.8	\$ 3.8	\$ 4.3	\$ 4.3	\$ (0.0)	-0.85%
Operating Grants and Contributions	7.0	6.7	4.5	4.6	11.5	11.3	0.2	1.84%
General Revenues:								
Property Taxes	64.8	60.5	-	-	64.8	60.5	4.3	7.03%
Other Taxes	19.9	14.5	-	-	19.9	14.5	5.4	37.24%
State Aid Not Restricted to Specific	56.4	61.7	0.9	0.9	57.4	62.6	(5.2)	-8.31%
	4.9	4.1	0.0	0.0	4.9	4.1	0.8	18.21%
<b>Total Revenues</b>	<b>\$ 153.4</b>	<b>\$ 148.0</b>	<b>\$ 9.2</b>	<b>\$ 9.3</b>	<b>\$ 162.6</b>	<b>\$ 157.3</b>	<b>\$ 5.3</b>	<b>3.39%</b>
<b>Expenses</b>								
Instruction	79.6	68.3	-	-	79.6	68.3	11.3	16.53%
Student Support Services	12.1	9.7	-	-	12.1	9.7	2.4	24.72%
Instructional and School Leadership	7.2	6.7	-	-	7.2	6.7	0.5	6.84%
Administrative Support & Other	16.9	11.3	-	-	16.9	11.3	5.6	49.69%
Operation & Maintenance	15.4	13.3	-	-	15.4	13.3	2.1	16.05%
Pupil Transportation Services	6.7	6.6	-	-	6.7	6.6	0.1	2.14%
Operation of Non-instructional Services	1.2	1.3	-	-	1.2	1.3	(0.1)	-6.14%
Other uses	1.2	2.8	-	-	1.2	2.8	(1.6)	-57.39%
Interest on Long-Term Debt	1.1	1.0	-	-	1.1	1.0	0.1	13.93%
Food Services	-	-	9.4	8.8	8.8	8.8	0.0	0.01%
<b>Total Expenses</b>	<b>\$ 141.4</b>	<b>\$ 121.0</b>	<b>\$ 9.4</b>	<b>\$ 8.8</b>	<b>\$ 150.8</b>	<b>\$ 129.8</b>	<b>\$ 21.1</b>	<b>16.23%</b>
Change in Net Position	12.0	27.0	(0.2)	0.4	11.8	27.4	(15.6)	175.93%
Net Position, Beginning	95.9	68.9	5.1	4.6	101.0	73.5		
Net Position, Ending	<u>\$ 107.9</u>	<u>\$ 95.9</u>	<u>\$ 4.9</u>	<u>\$ 5.1</u>	<u>\$ 112.8</u>	<u>\$ 101.0</u>	<u>\$ 11.9</u>	<u>11.74%</u>

*(figures may be different due to rounding)*

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

The District reports its activities in the following functional categories: instruction and instruction-related services, support services, operation and maintenance, pupil transportation services, other support services, community services, interest on long-term debt and food services.

Over the two year period, a number of shifts can be observed, such as an increase in property taxes, an increase in operating grants and contributions, and an increase in other taxes that reflects continuing growth in areas where the District pioneers new revenue streams while surviving the shortages in the revenue categories which normally produce stable proceeds.

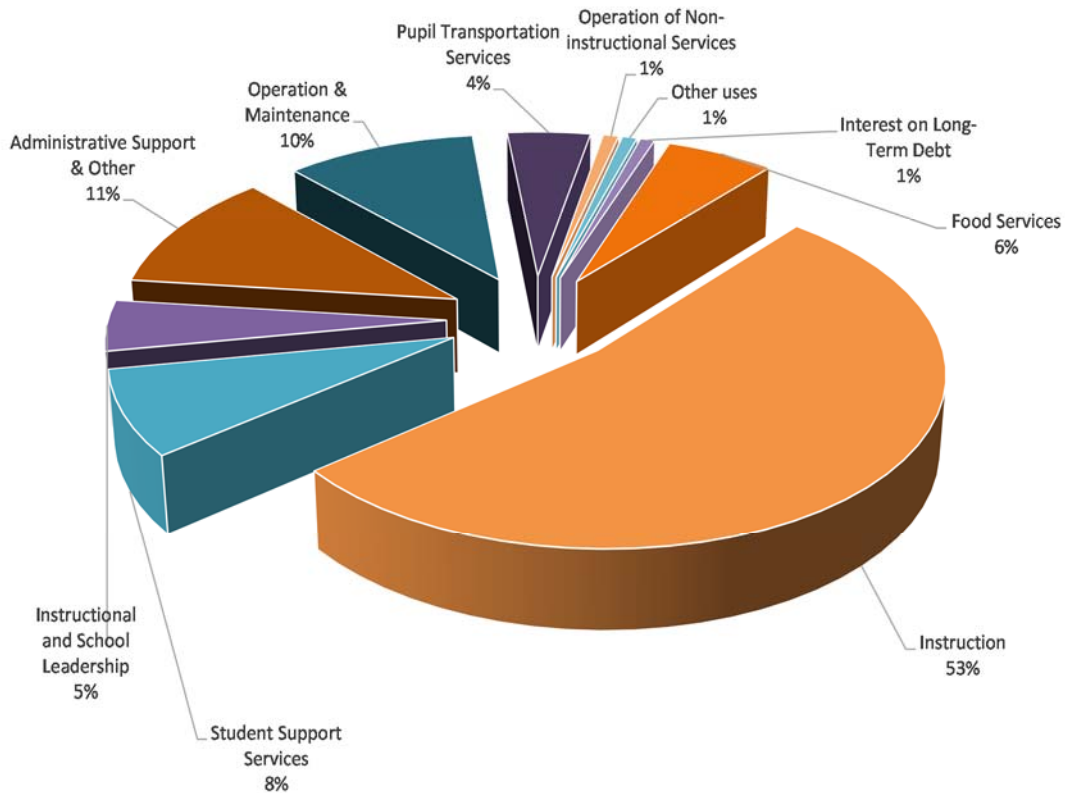
The expenses of all government-wide programs and services increased including Business-Type Activities, which increased 6.7%. The District's expenses are predominantly related to instruction of students (53.0%).





## MANAGEMENT'S DISCUSSION & ANALYSIS JUNE 30, 2018

### District Government - Wide Expenses for Year Ended June 30, 2018



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

### **FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS**

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

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

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



**MANAGEMENT'S DISCUSSION & ANALYSIS**  
**JUNE 30, 2018**

GOVERNMENTAL FUNDS

FUND BALANCES

	<u>2018</u>		<u>2017</u>	
Nonspendable:				
Inventory	\$ 337,135	0.6%	\$ 284,852	0.5%
Permanent fund principal	40,000	0.1%	40,000	0.1%
Restricted for:				
Capital projects	24,452,256	40.5%	22,896,512	42.4%
Building	3,434,872	5.7%	2,724,918	5.0%
Debt service	15,425,669	25.5%	15,717,771	29.1%
Assigned to:				
Endowment - Scholarships	3,598	0.0%	3,422	0.0%
Unassigned	<u>16,690,971</u>	<u>27.6%</u>	<u>12,385,812</u>	<u>22.9%</u>
	<u>\$ 60,384,500</u>	<u>100.0%</u>	<u>\$ 54,053,287</u>	<u>100.0%</u>

As of the end of the current fiscal year, the District's Governmental Funds reported combined ending total fund balances of \$60.4 million, an increase of \$6.3 million over last year. This increase was primarily due to an increase in Ad Valorem for the building fund, an increase in capital projects fund balance, and conservative spending practices in the general fund. Funding provided by the new bond sale provided the means to increase capital assets and finish multiple capital projects.

The General Fund is the primary operating fund of the District. At June 30, 2018, the General Fund's unassigned fund balance was \$16.7 million. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to the total General Fund actual expenditures. General Fund unassigned fund balance represents 15.2% of the total General Fund actual expenditures, which total \$110.1 million while the General Fund total fund balance of \$17.0 million represents 15.5% of that same amount. Of this General Fund total fund balance, \$0.3 million is nonspendable for investment in inventories. The General Fund's total fund balance increased \$4.4 million during the current fiscal year. This is the result of purposeful ending balance saving or conservative management to prepare for risk, future teacher salary needs, and stabilization during a political year in Oklahoma.

The Building Fund balance had an increase of \$0.7 million mainly due to utility conservation projects, an increase in rental of facilities, and higher State sources. This increased the Building Fund balance to \$3.4 million in 2018 from \$2.7 million in 2017. The District continues to address higher utility costs in the Building Fund with analysis and rebate programs.

The Debt Service Fund (Sinking Fund) had a total fund balance of \$15.4 million, all of which is restricted for the payment of debt service requirements. Millage rates for Sinking Fund levies are not controlled by the District but are set annually by the Tulsa County Excise Board after a thorough review of property valuations and the District's debt service needs.

The Capital Projects Fund accounts for the construction of school buildings and improvements. At the end of the current fiscal year, the fund balance was \$24.5 million balance which increased by \$1.5 million, or



## MANAGEMENT'S DISCUSSION & ANALYSIS JUNE 30, 2018

6.8% from the 2017 fiscal year. This increase was primarily due to the capital outlay expenditure projects' timeframes for completion. More information regarding capital project funds and millage levies may be found in the Statistical Section.

**Proprietary Funds.** The District's proprietary's funds consist of the Enterprise Fund (Child Nutrition Fund) and the Internal Service Fund (Workers' Compensation Fund) and provide the same type of information found in the government-wide financial statements but in more detail. The Proprietary Funds have operating revenues of \$4.6 million and non-operating revenues of \$5.3 million. This represents an increase in total proprietary fund revenue of 0.4% primarily due to an increase in reimbursements. Operating expenses were \$10.0 million, which increased slightly due to an increase in workers' compensation claims for the District.

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

### **BUDGETARY HIGHLIGHTS**

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

For FY 2017-18, the District budgeted original General Fund revenues of \$112.8 million and budgeted original expenditures of \$113.3 million. The Board of Education approved a final revenue General Fund budget of \$112.1 million and an amended final expenditure budget of \$113.3 million. The General Fund final expenditure budget approved by the Board of Education represents a decrease of 0.9%, or \$1.0 million from the previous year. Actual expenditures for the General Fund of \$109.7 million were \$3.6 million below the final expenditure budget.

Actual revenue collected, at \$115.2 million, for the General Fund, experienced an increase from the final budget projection due to \$3.1 million in increased federal funding sources, rentals, investments, and other District sources of revenue.

During the course of the year, the Board of Education approved several revisions to the budgeted revenue and expenditures original appropriations. These revisions resulted from amendments during the year for changes in programs, amendments to revise estimates for Local and State revenue based on the latest information on official student count numbers and tax collections and amendments to revise estimates for Federal grant collections based on budget revisions.

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



**MANAGEMENT'S DISCUSSION & ANALYSIS  
JUNE 30, 2018**

*General Fund Revenues:*

- ✦ *A net favorable variance of over \$3.1 million in total revenues was due to the following variances:*
- Local property tax collections, including current year, prior year, and penalty and interest, were \$1.7 million or 5.5% higher than anticipated.
  - District sources of revenue, such as; Earnings-Investments and bond sales, rentals, and commissions were \$0.8 million higher than anticipated and a 23.7% increase from prior year.
  - Federal sources of revenue and foundation & salary incentives were 0.8% higher than anticipated.

*General Fund Expenditures:*

- ✦ *A net favorable variance of almost \$3.6 million in expenditures was due to the following variances:*
- Employee payroll, payroll taxes, and benefits, including the related TRS on behalf payments, were \$1.9 million less than budgeted.
  - Instructional programs conservatively spent 1.3 million less than budgeted.
  - Professional and contracted services were \$0.1 million less than estimated.
  - The District spent \$0.3 million less on maintenance supplies and repairs than budgeted.

*The Building Fund:*

- ✦ *A net favorable variance of \$5.7 million due to the following variances:*
- \$0.4 million less spent on operating costs. Expenditures for maintenance related services, repair services, and utilities were lower than budgeted.
  - \$5.0 million increase in local sources of revenue. Local property tax collections were higher than anticipated. A \$0.3 million slight increase in both State and Other sources of revenue also contributed to the favorable variance.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

As of June 30, 2018, the District had invested \$241.7 million, net of accumulated depreciation, in a broad range of government-wide capital assets including school buildings, athletic facilities, buses and other operational vehicles, computers, and other equipment. This represented a net increase of \$7.9 million, or 3.4%. Table 3, below, displays a comparison of fiscal years 2018 and 2017 balances:

**Capital Assets**  
(Net of depreciation, in Millions)  
Table 3

	Governmental		Business - Type		Total		Total Percentage Change
	Activities		Activities				
	2018	2017	2018	2017	2018	2017	
Land	\$ 15.2	\$ 15.2	\$ 0.0	\$ 0.0	\$ 15.2	\$ 15.2	0.0%
Construction in progress	0.9	1.3	-	-	0.9	1.3	-28.1%
Land Improvements, net	8.3	8.1	-	0.0	8.3	8.1	1.7%
Buildings/Improvements, net	209.9	195.6	1.4	1.1	211.3	196.7	7.4%
Equipment, net	4.8	11.1	1.2	1.4	5.9	12.5	-52.3%
<b>Total:</b>	<b>\$ 239.1</b>	<b>\$ 231.3</b>	<b>\$ 2.6</b>	<b>\$ 2.6</b>	<b>\$ 241.7</b>	<b>\$ 233.8</b>	<b>3.4%</b>

*(figures may be different due to rounding)*





**MANAGEMENT'S DISCUSSION & ANALYSIS  
JUNE 30, 2018**

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

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

Bonded debt outstanding as of June 30, 2018 was \$87.6 million, a decrease of less than \$1.1 million from the prior fiscal year, and \$25.7 million due within one year. Detailed information on the long-term debt activity can be found in Note 5 of the Notes to the Financial Statements.

Table 4, below, summarizes bonds outstanding for fiscal years 2017 and 2018.

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

	<u>2018</u>	<u>2017</u>
General Obligation Bonds:		
Series 2013F	0.0	4.5
Series 2014G	5.4	10.8
Series 2014B	2.8	4.3
Series 2015A	14.5	21.8
Series 2015B	2.4	3.0
Series 2016	15.7	20.9
Series 2017	23.5	23.5
Series 2018	23.3	0.0
<b>Total</b>	<b>\$87.6</b>	<b>\$88.7</b>

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

Budgetary resource allocations are distributed to campuses and central organizations that support the programs of the District. The District's budget process begins with the development of enrollment projections by the District's Budget Committee. Enrollment projections are then used to determine initial



## MANAGEMENT'S DISCUSSION & ANALYSIS JUNE 30, 2018

campus allocations through the use of Board level approval. The District uses line-item and site-based budgetary approaches to provide campuses with a standard allocation based on student enrollment. Enrollment projections also drive general operating staffing levels and non-position allocations. Staffing ratios adhere to the Oklahoma legislature mandated by House Bill 1017. Enrollment projections for the year ended June 30, 2018, show enrollment numbers to increase slightly due to the growing population of the District.

Local sources of revenue consist primarily of ad valorem revenue, which is based on an annual levy of 36 mills (one mill is equal to \$1 per \$1,000 of net assessed valuation). For 2017-18, the District's net assessed valuation grew by 6.0% primarily due to an increase in personal real property within the boundaries of the District. Additional information on the District's net assessed valuation can be found in the Statistical Section of this report. Other local sources of revenue include fees from before and after school care, donations, and interest earnings.

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

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

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

### **Contacting the District's Financial Management**

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



# *Basic Financial Statements*



**Broken Arrow Public Schools**  
**Statement of Net Position**  
**June 30, 2018**

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	\$ 7,151,520	\$ 1,764,925	\$ 8,916,445
Investments	54,919,140	1,000,000	55,919,140
Receivables net of allowance for uncollectibles	4,414,308	431	4,414,739
Inventories	337,135	323,410	660,545
TOTAL CURRENT ASSETS	<u>66,822,103</u>	<u>3,088,766</u>	<u>69,910,869</u>
<b>NON-CURRENT ASSETS</b>			
Land and construction-in-progress	16,100,484	-	16,100,484
Capital assets being depreciated, net	222,969,660	2,586,182	225,555,842
TOTAL NON-CURRENT ASSETS	<u>239,070,144</u>	<u>2,586,182</u>	<u>241,656,326</u>
TOTAL ASSETS	<u>305,892,247</u>	<u>5,674,948</u>	<u>311,567,195</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>20,978,080</u>	<u>-</u>	<u>20,978,080</u>
<b>LIABILITIES AND NET POSITION</b>			
<b>CURRENT LIABILITIES</b>			
Accounts payable and other current	2,784,679	522,419	3,307,098
Accrued wages and benefits payable	768,526	89,314	857,840
Accrued interest payable	376,900	-	376,900
Unearned Revenues	-	131,853	131,853
Special termination benefits and compensated absences	-	-	-
Current portion of long-term obligations	26,327,167	-	26,327,167
TOTAL CURRENT LIABILITIES	<u>30,257,272</u>	<u>743,586</u>	<u>31,000,858</u>
<b>NON-CURRENT LIABILITIES</b>			
Non-current portion of long-term obligations	62,318,302	-	62,318,302
Net pension liability	109,466,199	-	109,466,199
TOTAL NON-CURRENT LIABILITIES	<u>171,784,501</u>	<u>-</u>	<u>171,784,501</u>
TOTAL LIABILITIES	<u>202,041,773</u>	<u>743,586</u>	<u>202,785,359</u>
DEFERRED INFLOWS OF RESOURCES	<u>16,902,101</u>	<u>-</u>	<u>16,902,101</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	174,876,931	2,586,182	177,463,113
Restricted for:			-
Debt Service	15,425,669	-	15,425,669
Building	3,434,872	-	3,434,872
Non-Expendable - Endowment	40,000	-	40,000
Expendable - Endowment	3,598	-	3,598
Unrestricted	(85,854,617)	2,345,180	(83,509,437)
TOTAL NET POSITION	<u>\$ 107,926,453</u>	<u>\$ 4,931,362</u>	<u>\$ 112,857,815</u>

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





**Broken Arrow Public Schools**  
**Statement of Activities**  
**For the Year Ended June 30, 2018**

	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business- Type Activities	Total
<b>GOVERNMENTAL ACTIVITIES</b>						
Instruction	\$ 79,592,639	\$ 450,376	\$ 5,287,369	\$ (73,854,894)	\$ -	\$ (73,854,894)
Support services - Students and staff	12,055,143	18,162	700,829	(11,336,152)	-	(11,336,152)
Instructional and school leadership	7,153,295	-	520,890	(6,632,405)	-	(6,632,405)
Administrative support services	16,854,305	-	187,092	(16,667,213)	-	(16,667,213)
Operation and maintenance of plant services	15,435,010	-	122,253	(15,312,757)	-	(15,312,757)
Student transportation services	6,741,607	-	9,935	(6,731,672)	-	(6,731,672)
Operation of non-instructional services	1,249,001	-	-	(1,249,001)	-	(1,249,001)
Other uses	1,180,431	-	139,612	(1,040,819)	-	(1,040,819)
Private, Nonprofit schools	12,904	-	-	(12,904)	-	(12,904)
Interest on long-term debt	1,143,994	-	-	(1,143,994)	-	(1,143,994)
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>141,418,329</b>	<b>468,538</b>	<b>6,967,980</b>	<b>(133,981,811)</b>	<b>-</b>	<b>(133,981,811)</b>
<b>BUSINESS-TYPE ACTIVITIES</b>						
Food services	9,357,479	3,795,513	4,502,001	-	(1,059,965)	(1,059,965)
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>	<b>9,357,479</b>	<b>3,795,513</b>	<b>4,502,001</b>	<b>-</b>	<b>(1,059,965)</b>	<b>(1,059,965)</b>
<b>TOTAL SCHOOL DISTRICT</b>	<b>\$ 150,775,808</b>	<b>\$ 4,264,051</b>	<b>\$ 11,469,981</b>	<b>\$ (133,981,811)</b>	<b>\$ (1,059,965)</b>	<b>\$ (135,041,776)</b>



**Broken Arrow Public Schools  
Statement of Activities  
For the Year Ended June 30, 2018**

	Program Revenues		Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business- Type Activities	Total
<b>GENERAL REVENUES</b>						
Taxes						
Property tax, levied for general purposes				\$ 36,848,832	\$ -	\$ 36,848,832
Property tax, levied for debt services				27,903,706	-	27,903,706
State aid - formula grants				56,448,209	798,893	57,247,102
Unrestricted dedicated state revenue				15,001,236	-	15,001,236
County 4 mill levy and apportionment				4,911,914	-	4,911,914
Interest and investment earnings				661,763	14,205	675,968
Gain on sale of capital assets				39,057	-	39,057
Other local revenue				4,235,141	100,670	4,335,811
<b>TOTAL GENERAL REVENUES</b>				<u>146,049,858</u>	<u>913,768</u>	<u>146,963,626</u>
<b>CHANGES IN NET POSITION</b>				<u>12,068,047</u>	<u>(146,197)</u>	<u>11,921,850</u>
<b>NET POSITION - BEGINNING</b>				95,858,406	5,077,559	100,935,965
<b>NET POSITION AT END OF YEAR</b>				<u>\$ 107,926,453</u>	<u>\$ 4,931,362</u>	<u>\$ 112,857,815</u>

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



**Broken Arrow Public Schools**  
**Balance Sheet - Governmental Funds**  
**June 30, 2018**

	Major Funds				Non Major	Total Governmental Funds
	General Fund	Building Fund	Debt Service Fund	Capital Projects Fund	Other Governmental Fund	
<b>ASSET</b>						
Cash and cash equivalents	\$ 4,387,283	\$ 258,921	\$ 1,843,681	\$ 552,120	\$ 3,598	\$ 7,045,602
Investments	13,979,140	3,500,000	13,500,000	23,900,000	40,000	54,919,140
Receivables net of allowance for uncollectibles	2,072,041	102,496	2,239,635	136	-	4,414,309
Inventories	337,135	-	-	-	-	337,135
<b>TOTAL ASSETS</b>	<b>20,775,599</b>	<b>3,861,417</b>	<b>17,583,316</b>	<b>24,452,256</b>	<b>43,598</b>	<b>66,716,186</b>
<b>LIABILITIES AND FUND BALANCES</b>						
<b>LIABILITIES</b>						
Accounts payable	2,403,543	325,977	-	-	-	2,729,520
Accrued wages payable	752,434	16,092	-	-	-	768,526
<b>TOTAL LIABILITIES</b>	<b>3,155,977</b>	<b>342,069</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,498,046</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable revenue - delinquent property taxes	591,516	84,477	2,157,647	-	-	2,833,640
<b>FUND BALANCES</b>						
<b>Nonspendable:</b>						
Inventory	337,135	-	-	-	-	337,135
Permanent fund principal	-	-	-	-	40,000	40,000
<b>Restricted for:</b>						
Capital projects	-	-	-	24,452,256	-	24,452,256
Debt service	-	-	15,425,669	-	-	15,425,669
Building	-	3,434,872	-	-	-	3,434,872
<b>Assigned to:</b>						
Endowment	-	-	-	-	3,598	3,598
Unassigned	16,690,971	-	-	-	-	16,690,971
<b>TOTAL FUND BALANCES</b>	<b>17,028,106</b>	<b>3,434,872</b>	<b>15,425,669</b>	<b>24,452,256</b>	<b>43,598</b>	<b>60,384,501</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 20,775,599</b>	<b>\$ 3,861,417</b>	<b>\$ 17,583,316</b>	<b>\$ 24,452,256</b>	<b>\$ 43,598</b>	

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



**Broken Arrow Public Schools**  
**Reconciliation of the Governmental Funds**  
**Balance Sheet to the Statement of Net Position**  
**June 30, 2018**

Total fund balances - Governmental Funds \$ 60,384,501

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

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

Cost of assets	\$ 327,674,656	
Accumulated depreciation	<u>(88,604,512)</u>	239,070,144

An Internal Service Fund is used by the District's management to charge the costs of the workers' compensation insurance program to the individual funds. The assets and liabilities of the Internal Service Fund are included in the governmental activities. 50,758

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

Long-term liabilities at year-end consist of:

Bonds, capital leases, and contracts	(88,645,469)	
Interest Payable	<u>(376,900)</u>	(89,022,369)

Receivables recorded but the related revenues not available soon enough after year-end were reported as deferred inflows of resources in the governmental funds in accordance with GASB, Statement No. 65, Items Previously Reported as Assets and Liabilities. 2,833,639

Some liabilities, including net pension obligations, are not due and payable in the current period and, therefore, are not reported in the funds.  
 Net pension liability (109,466,199)

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

Deferred pension plan outflows		20,978,080
Deferred pension plan inflows		<u>(16,902,101)</u>

**TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES \$ 107,926,453**

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





**Broken Arrow Public Schools**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Governmental Funds**  
**For the Year Ended June 30, 2018**

	Major Funds				Non Major	Total Governmental Funds
	General Fund	Building Fund	Debt Service Fund	Capital Projects Fund	Other Governmental Fund	
<b>REVENUES</b>						
Local sources	\$ 33,943,384	\$ 5,003,561	\$ 26,235,023	\$ 389	\$ -	\$ 65,182,356
Intermediate sources	4,911,914	-	-	-	-	4,911,914
State sources	66,345,307	112,151	-	-	-	66,457,459
Federal sources	6,481,122	-	-	-	-	6,481,122
Other sources	2,764,703	188,612	-	639	176	2,954,130
<b>TOTAL REVENUES</b>	<b>114,446,430</b>	<b>5,304,324</b>	<b>26,235,023</b>	<b>1,028</b>	<b>176</b>	<b>145,986,981</b>
<b>EXPENDITURES</b>						
<b>Current</b>						
Instruction	64,564,562	8,171	-	1,656,594	-	66,229,327
Student	9,567,243	-	-	32,890	-	9,600,133
Instructional staff	4,807,562	-	-	1,790,308	-	6,597,870
Administration	14,629,867	10,818	-	225,393	-	14,866,078
Operations and maintenance	9,182,117	4,566,162	-	1,323,944	-	15,072,223
Student transportation	5,741,038	-	-	436,332	-	6,177,370
Child nutrition operations	42,453	-	-	-	-	42,453
Community service operations	1,001,928	-	-	-	-	1,001,928
Other	591,275	239	22,331	-	-	613,845
Capital outlay	-	8,980	-	16,304,823	-	16,313,803
<b>Debt service</b>						
Principal	-	-	24,370,000	-	-	24,370,000
Interest	-	-	2,159,275	-	-	2,159,275
<b>TOTAL EXPENDITURES</b>	<b>110,128,045</b>	<b>4,594,370</b>	<b>26,551,606</b>	<b>21,770,284</b>	<b>-</b>	<b>163,044,305</b>



**Broken Arrow Public Schools**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Governmental Funds**  
**For the Year Ended June 30, 2018**

	Major Funds				Non Major	Total Governmental Funds
	General Fund	Building Fund	Debt Service Fund	Capital Projects Fund	Other Governmental Fund	
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	4,318,385	709,954	(316,583)	(21,769,256)	176	(17,057,324)
OTHER FINANCING SOURCES (USES)						
Issuance of debt	-	-	-	23,325,000	-	23,325,000
Premium on new issuance of debt	-	-	24,482	-	-	24,482
Sales of capital assets	39,057	-	-	-	-	39,057
TOTAL OTHER FINANCING SOURCES (USES)	39,057	-	24,482	23,325,000	-	23,388,539
NET CHANGE IN FUND BALANCE	4,357,442	709,954	(292,102)	1,555,744	176	6,331,214
FUND BALANCE AT BEGINNING OF YEAR	12,670,664	2,724,918	15,717,771	22,896,512	43,422	54,053,287
FUND BALANCE AT END OF YEAR	<u>\$ 17,028,106</u>	<u>\$ 3,434,872</u>	<u>\$ 15,425,669</u>	<u>\$ 24,452,256</u>	<u>\$ 43,598</u>	<u>\$ 60,384,501</u>

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



**Broken Arrow Public Schools**  
**Reconciliation of the Governmental Funds Statement of Revenues,**  
**Expenditures, and Changes in Fund Balance with the**  
**District-Wide Statement of Activities**  
**For the Year Ended June 30, 2018**

TOTAL NET CHANGE IN FUND BALANCES-GOVERNMENTAL FUNDS \$ 6,331,214

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

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

Capital outlays	\$ 18,939,095	
Depreciation expense	(11,136,470)	
Retirements and adjustment	-	7,802,625

Receivables recorded but the related revenues not available soon enough after year-end were reported as deferred inflows of resources in the governmental funds in accordance with GASB Statements No. 65. This is the net change between 2017 and 2018.

1,694,481

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

Repayments of Principal	24,370,000	
Loan Proceeds	(23,325,000)	1,045,000

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

Current Year Bond Premium	(24,482)	
Amortization of Bond Premium	1,027,806	1,003,324

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

(12,525)

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

50,758

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

(5,846,828)

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 12,068,047

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



**Broken Arrow Public Schools**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual (Budgetary Basis)**  
**Budgeted Governmental Fund Types - General Fund**  
**For the Year Ended June 30, 2018**

	Original Budget	Final Budget	Actual	Variances - Positive (Negative)
<b>REVENUES</b>				
Local sources	\$ 32,049,826	\$ 31,561,164	\$ 34,139,208	\$ 2,578,045
Intermediate sources	4,761,319	4,761,319	4,911,914	150,595
State sources	66,869,333	66,605,199	66,345,307	(259,892)
Federal sources	7,049,617	7,049,617	7,109,845	60,228
Other sources	2,115,509	2,115,509	2,712,421	596,912
<b>TOTAL REVENUES</b>	<u>112,845,604</u>	<u>112,092,807</u>	<u>115,218,695</u>	<u>3,125,888</u>
<b>EXPENDITURES</b>				
Instruction	66,950,326	67,291,198	64,385,888	2,905,310
Support services				
Student	9,225,128	9,516,109	9,514,162	1,947
Instructional staff	5,288,705	4,860,062	4,811,605	48,457
Administration	15,129,780	14,582,295	14,587,386	(5,091)
Operation and maintenance	9,017,275	9,480,236	9,181,291	298,945
Student transportation	5,748,104	5,663,339	5,632,241	31,097
Non-instructional services				
Child nutrition operations	-	41,868	-	41,868
Community services operations	1,105,668	992,138	1,028,111	(35,973)
Other	857,544	895,286	591,276	304,010
<b>TOTAL EXPENDITURES</b>	<u>113,322,530</u>	<u>113,322,530</u>	<u>109,731,960</u>	<u>3,590,570</u>
<b>EXCESS REVENUES (EXPENDITURES)</b>	(476,926)	(1,229,723)	5,486,735	6,716,458
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<u>12,670,664</u>	<u>12,670,664</u>	<u>12,670,664</u>	-
<b>FUND BALANCE AT END OF YEAR</b>	<u>\$ 12,193,738</u>	<u>\$ 11,440,941</u>	<u>\$ 18,157,399</u>	<u>\$ 6,716,458</u>
<b>ADJUSTMENTS TO CONFORM WITH GAAP</b>				
Receivables at end of year			(785,491)	
Wages Payable			(404,381)	
Inventory			52,283	
Investments, change in market value, adjustments			<u>8,296</u>	
<b>FUND BALANCE AT END OF YEAR (GAAP BASIS)</b>			<u>\$ 17,028,106</u>	

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



**Broken Arrow Public Schools**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual (Budgetary Basis)**  
**Budgeted Governmental Fund Types - Building Fund**  
**For the Year Ended June 30, 2018**

	Original Budget	Final Budget	Actual	Variances - Positive (Negative)
<b>REVENUES</b>				
Local sources	\$ 4,671,201	\$ 4,671,201	\$ 5,000,567	\$ 329,366
State sources	73,146	73,146	112,151	39,005
Other sources	5,929	5,929	188,612	182,683
<b>TOTAL REVENUES</b>	<u>4,750,276</u>	<u>4,750,276</u>	<u>5,301,330</u>	<u>551,054</u>
<b>EXPENDITURES</b>				
Support services				
Student	3,270	8,171	8,171	0
Instructional staff	738	-	-	-
Administration	14,294	19,590	10,818	8,772
Operation and maintenance	5,008,929	4,999,499	4,584,828	414,671
Non-instructional services				
Other	769	740	239	501
<b>TOTAL EXPENDITURES</b>	<u>5,028,000</u>	<u>5,028,000</u>	<u>4,604,056</u>	<u>423,944</u>
<b>EXCESS REVENUES (EXPENDITURES)</b>	<u>(277,724)</u>	<u>(277,724)</u>	<u>697,274</u>	<u>974,998</u>
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<u>2,724,918</u>	<u>2,724,918</u>	<u>2,724,918</u>	<u>-</u>
<b>FUND BALANCE AT END OF YEAR</b>	<u>\$ 2,447,194</u>	<u>\$ 2,447,194</u>	<u>\$ 3,422,192</u>	<u>\$ 974,998</u>
<b>ADJUSTMENTS TO CONFORM WITH GAAP</b>				
Receivables at end of year			2,993	
Wages Payable			9,687	
<b>FUND BALANCE AT END OF YEAR (GAAP BASIS)</b>			<u>\$ 3,434,872</u>	

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





**Broken Arrow Public Schools**  
**Statement of Net Position - Proprietary Funds**  
**June 30, 2018**

	Business-Type Activities Enterprise Fund: Child Nutrition Fund	Governmental Activities - Internal Service Fund: Workers' Compensation Fund
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and equivalents	\$ 1,764,925	\$ 105,917
Investments	1,000,000	-
Receivables net of allowance for uncollectibles	16	-
Accrued interest receivable	415	-
Inventories	323,410	-
<b>TOTAL CURRENT ASSETS</b>	<b>3,088,766</b>	<b>105,917</b>
<b>NON-CURRENT ASSETS</b>		
Capital assets being depreciated, net	2,586,182	-
<b>TOTAL NON-CURRENT ASSETS</b>	<b>2,586,182</b>	<b>-</b>
<b>TOTAL ASSETS</b>	<b>5,674,948</b>	<b>105,917</b>
 <b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	522,419	49,010
Liability for incurred claims	-	6,149
Unearned Revenue	131,853	-
Accrued wages payable	89,313	-
<b>TOTAL CURRENT LIABILITIES</b>	<b>743,586</b>	<b>55,159</b>
 <b>NET POSITION</b>		
Investment in capital assets	2,586,182	-
Unrestricted	2,345,180	50,758
<b>TOTAL NET POSITION</b>	<b>4,931,362</b>	<b>50,758</b>
<b>TOTAL LIABILITIES AND NET POSTION</b>	<b>\$ 5,674,948</b>	<b>\$ 105,917</b>

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



**Broken Arrow Public Schools**  
**Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Proprietary Funds**  
**For the Year Ended June 30, 2018**

	Business-Type Activities Enterprise Fund: Child Nutrition Fund	Governmental Activities - Internal Service Fund: Workers' Compensation Fund
OPERATING REVENUES		
Meals	\$ 3,795,513	\$ -
Reimbursements	100,670	706,907
TOTAL OPERATING REVENUES	3,896,183	706,907
OPERATING EXPENSES		
Salaries and wages	3,991,004	-
Purchase and contracted services	89,730	50,000
Supplies and materials	4,628,373	-
Depreciation	271,606	-
Management Fees	107,086	-
Medical claims	265,630	606,149
Other operating expenses	4,050	-
TOTAL OPERATING EXPENSES	9,357,479	656,149
OPERATING INCOME (LOSS)	(5,461,296)	50,758
NON-OPERATING REVENUES		
Interest income	14,205	-
Federal and state grants	5,300,894	-
TOTAL NON-OPERATING REVENUES	5,315,099	-
CHANGES IN NET POSITION	(146,197)	50,758
NET POSITION AT BEGINNING OF YEAR	5,077,559	-
NET POSITION AT END OF YEAR	\$ 4,931,362	\$ 50,758

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



**Broken Arrow Public Schools**  
**Statement of Cash Flows - Proprietary Funds**  
**For the Year Ended June 30, 2018**

	Business-Type Activities Enterprise Fund: Child Nutrition Fund	Governmental Activities - Internal Service Fund: Workers' Compensation Fund
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from user charges	\$ 3,896,183	\$ -
Interfund services provided	-	706,907
Cash payment for insurance claims	(265,630)	(612,962)
Cash payments to suppliers for goods and services	(4,657,806)	(27,114)
Cash payments to employees for services	(3,835,873)	-
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	(4,863,125)	66,831
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Capital assets purchased	(76,275)	-
NET CASH PROVIDED BY CAPITAL AND RELATED FINANCING ACTIVITIES	(76,275)	-
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>		
Non-operating grants received	5,300,894	-
NET CASH PROVIDED BY NON-CAPITAL FINANCING ACTIVITIES	5,300,894	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Investment Income	14,205	-
NET CASH PROVIDED BY INVESTING ACTIVITIES	14,205	-
NET INCREASE IN CASH AND CASH EQUIVALENTS	375,699	66,831
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	1,389,226	39,086
CASH AND CASH EQUIVALENTS AT END OF YEAR	1,764,925	105,917
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>		
Operating Income (loss)	(5,461,296)	50,758
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities		
Depreciation	271,606	-
Change in assets, deferred outflows, liabilities, and deferred inflows:		
Decrease (Increase) in Receivables	624	-
Decrease (Increase) in Inventories	(159,073)	-
Increase (decrease) in Accounts payable	407,673	36,118
Increase (decrease) in Unearned revenue	(225)	-
Increase (decrease) in Accrued wages payable	77,565	-
Increase (decrease) in Workers' comp payable	-	(20,044)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	\$ (4,863,126)	\$ 66,831
<b>SUPPLEMENTAL DISCLOSURE OF NON-CASH ACTIVITIES</b>		
Commodities received from Department of Human Services	728,629	
Commodities consumed	467,463	

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



**Broken Arrow Public Schools**  
**Statement of Net Position - Fiduciary Funds**  
**June 30, 2018**

	Private- Purpose Trust Fund	Agency Fund
<b>ASSETS</b>		
Cash and cash equivalents	\$ 38,517	\$ 2,975,368
Investments	50,000	-
<b>TOTAL ASSETS</b>	<b>88,517</b>	<b>2,975,368</b>
<b>LIABILITIES</b>		
Due to student groups	-	2,975,368
<b>TOTAL LIABILITIES</b>	<b>\$ -</b>	<b>\$ 2,975,368</b>
<b>NET POSITION</b>		
Held for scholarships	88,517	
<b>TOTAL NET POSITION</b>	<b>\$ 88,517</b>	

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



**Broken Arrow Public Schools**  
**Statement of Changes in Net Position - Fiduciary Funds**  
**For the Year Ended June 30, 2018**

	<u>Private-Purpose Trust Fund - Gift Fund</u>
ADDITIONS	
Contributions	\$ 18,500
Interest income	254
TOTAL ADDITIONS	<u>18,754</u>
DEDUCTIONS	
Scholarships awarded	<u>15,750</u>
TOTAL DEDUCTIONS	<u>15,750</u>
 CHANGE IN NET POSITION	 3,004
 NET POSITION AT BEGINNING OF YEAR	 <u>85,513</u>
 NET POSITION AT END OF YEAR	 <u>\$ 88,517</u>

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





## NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2018

### **Note 1. Summary of Significant Accounting Policies**

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

#### **Reporting Entity**

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

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

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

#### **Government-wide and Fund Financial Statements**

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

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



**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

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

These activities are reported separately from business-type activities, which rely to a substantial extent on fees and charges for support.

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

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

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

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

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

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

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



## NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2018

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

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

### **Fund Accounting**

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

### **Governmental Funds**

Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of earmarked monies (special revenue funds), the acquisition or construction of general capital assets (Capital Project Funds), and the servicing of general long-term debt (debt service funds). Government Fund reporting focuses on the sources, uses, and balances of current financial resources.

Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as the fund balance. The following are the District's major governmental funds:

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

*Cooperative Fund* - The Cooperative Fund, a Special Revenue Fund, is used to establish the Title II Part B Mathematics and Science Partnership Grant from the government to collect money that must be used for a specific project. This special revenue fund provides an extra level of accountability and transparency to taxpayers that their tax dollars will go toward an intended purpose.



**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

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

*Building Fund* - The Building Fund, a Special Revenue Fund, consists mainly of monies derived from specific revenue sources. These sources include property taxes levied for the purpose of erecting, remodeling, repairing, or maintaining school buildings and purposes other than debt services or capital projects.

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

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

*Other Funds* – The other fund category includes the following non-major fund:

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

The Texaco/F.A. Petrick Endowment Fund accounts for a donor-restricted endowment whose earnings, in the amount of \$3,598.13 are restricted to expenditures for awarding college scholarships to Broken Arrow high school graduates. The available amounts for expenditure are reflected in the net position as restricted expendable. State law allows for expending available net appreciation of donor-restricted endowment to support the reporting government's programs as per the endowment terms. The investment of endowment funds is governed under State of Oklahoma Title 70, Oklahoma Section 3952 (70 O.S. 3952) which states investment return on each endowment account for the purpose of the reporting government's endowment terms with the district's education programs.

**Proprietary Funds**

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



**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2018**

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

*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.

*Internal Service Fund* – The District has established an Internal Service Fund to account for the transactions of its self-insured workers' compensation plan. Income from this fund is derived primarily from charges to governmental funds based on usage. Accrued liabilities include provisions from claims reported and claims incurred but not reported for workers' compensation insurance. The provision for reported claims is determined by estimating the amount that will ultimately be paid to each claimant.

**Fiduciary Funds**

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

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

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

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

**Budgetary Data**

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

A budget is legally adopted by the Board of Education for the General Fund, the Building Fund, and the Child Nutrition Fund (Enterprise Fund) that includes revenues and expenditures. These budgets are



**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

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

prepared on a cash basis for revenues and the modified accrual basis for expenditures. Governments that issue a Comprehensive Annual Financial Report are not required to present a budgetary comparison for enterprise funds, even if the government legally adopts an annual or biennial budget for its enterprise funds. The District voluntarily presents a comparison for the enterprise fund as supplementary information.

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.

**Other Accounting Policies**

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

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

*Property Tax* – The District records its property taxes receivable as levied. Taxes are levied by the County annually on October 1 and are due one-half by December 31 and one-half by March 31. Major tax payments are received from the County in the months of January through May, and are recognized as revenue in the year received. Lien dates for personal and real property are in June and October, respectively.

Uncollected taxes assessed on valuations made each year are recorded in the District's governmental fund financial statements. The delinquent property taxes which are not collected within 60 days of the year end are recorded in the governmental fund financial statements as deferred inflows of resources, as per GASB Statement No. 65. Uncollectible personal and real property taxes are deemed to be immaterial because the real property can be sold for the amount of the taxes due.

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

*Capital Assets* - Capital assets, which include land, land improvements, building, building improvements, furniture and equipment, are reported in the government-wide financial statements.





**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

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

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

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

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

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

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

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

*Deferred Outflows of Resources* – In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources until that period. The District reports pension employer contributions that qualify for this category as of June 30, 2018, with implementation of GASB 68, Accounting and Financial Reporting for Pensions.

*Deferred Inflows of Resources* – Material revenues received prior to normal time of receipt should be recorded as liabilities, unless the revenues are a result of a non-exchange transaction and all eligibility requirements, excluding time requirements, have been met. The governmental fund balance sheet



**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

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

includes deferred inflows of resources related to unavailable property taxes receivable; such amounts received in advance should be recorded as a deferred inflow of resources and recognized as revenue of the period to which they apply. At June 30, 2018, the government-wide financial statements reflect deferred inflows of resources related to pensions.

*Encumbrances* - Encumbrances represent commitments related to purchase orders, contracts, other commitments for expenditures or resources, and goods or services received by the District for which a warrant has not been issued. Expenditures are recorded and liabilities are recognized for outstanding encumbrances at year end in accordance with the regulatory basis of accounting.

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

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

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as administrative support service expenditures.

*Fund Balances and Equity* - Fund balance refers to the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources in the governmental funds balance sheet. The District has a minimum annual General Fund balance Board of Education policy of 5.0% of annual revenue. Fund balance consists of five categories, defined in Governmental Accounting Standards Board Statement No. 54, as follows:

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

*Restricted* – includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts restricted due to constitutional provisions



**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

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

or enabling legislation. This classification includes the child nutrition program, retirement of long term debt, construction programs, and other federal and state grants.

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

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

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

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

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

*Net Investment in Capital Assets* – the component of net position that reports the difference between capital assets less both the accumulated depreciation and the outstanding balance of debt, excluding unexpended proceeds, that is directly attributable to the acquisition, construction, or improvement of those assets. The total unexpended Bond-Capital Purposes is \$24.5 million at June 30, 2018.

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



**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2018**

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

The following information provides the fund balance classifications as shown in the governmental funds balance sheet as of June 30, 2018:

	Major Funds			Non Major		Total Governmental Funds
	General Fund	Building Fund	Debt Service Fund	Capital Projects Fund	Other Governmental Fund	
<b>FUND BALANCES</b>						
Nonspendable:						
Inventory	337,135	-	-	-	-	337,135
Permanent fund principal	-	-	-	-	40,000	40,000
Restricted for:						
Capital projects	-	-	-	24,452,256	-	24,452,256
Debt service	-	-	15,425,669	-	-	15,425,669
Building	-	3,434,872	-	-	-	3,434,872
Assigned to:						
Arbitrage	-	-	-	-	-	-
Endowment	-	-	-	-	3,598	3,598
Unassigned	16,690,971	-	-	-	-	16,690,971
<b>TOTAL FUND BALANCES</b>	<u>\$ 17,028,105</u>	<u>\$ 3,434,872</u>	<u>\$ 15,425,669</u>	<u>\$ 24,452,256</u>	<u>\$ 43,598</u>	<u>\$ 60,384,501</u>

**Revenues**

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

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



**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

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

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

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

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

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

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

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

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

**Expenditures**

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



**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

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

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

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

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

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

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

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

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

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

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





**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

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

The District's investment policies are governed by state statute. Permissible investments include direct obligations of the United States government and agencies; certificates of deposit of savings and loan associations, banks and trust companies; savings accounts or savings certificates of savings and loan associations, banks, and trust companies; warrants, bonds or judgments of the District. Income from investments reported in one fund can be assigned directly to another fund. Investments are measured at fair value as defined in GASB Statement No. 72, *Fair Value Measurement and Application*.

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

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

The District's policy 6130 requires collateral equal to 110% of the deposit amount for all deposits not covered by F.D.I.C. insurance. The bank balance was completely covered by federal depository insurance and by collateral held by the District's third party agent in the District's name. As of June 30, 2018 all of the District's deposits were either covered by federal deposit insurance or were collateralized at 110% of the investment principal.

*Custodial credit risk - investments* – This is the risk that, in the event of failure of the counterparty, the District will not be able to recover the value of its investment or collateral securities that are in the possession of out outside party. The District's policy requires that all investments in excess of amounts covered by federal deposit insurance be fully collateralized by the entity holding the investments. As of June 30, 2018, all of the District's investments were either covered by federal deposit insurance or were fully collateralized. Further, all of the District's investments are held by its agent in the District's name. Accordingly, no investments are subject to custodial credit risk.

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

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



**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2018**

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

investment performance on an ongoing basis to limit the District’s interest rate risk. Maturities of investments as of June 30, 2018 are as follows (000’s):

<u>Investment Type</u>	<u>Investment Maturities (in Years)</u>		
	<u>Fair Value</u>	<u>Less Than 1</u>	<u>1-3</u>
Certificates of deposit	\$ 50,990	\$ 50,990	\$ -
United States Treasury Bills	\$ 4,979	\$ 4,979	\$ -
Total	<u>\$ 55,969</u>	<u>\$ 55,969</u>	<u>\$ -</u>

*Foreign Currency Risk* – As of June 30, 2018, the District does not hold any foreign currency investments in the investment portfolio.

*Cash* - The District's bank balance of deposits, cash pools (sweep accounts) and high balance savings at June 30, 2018, was \$23,740,872 of which \$11,810,542 is obligated for outstanding checks.

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

The District Treasurer shall limit investments to:

- ✎ Direct obligations of the United States Government to the payment of which the full faith and credit of the Government of the United States is pledged; provided the District Treasurer, after completion of an investment education program in compliance with applicable law, may invest funds in the investment account in other obligations of the United States Government, its agencies or instrumentalities;
- ✎ Obligations to the payment of which the full faith and credit of this state is pledged;
- ✎ Certificates of deposits of banks when such certificates of deposits are secured by acceptable collateral as in the deposit of other public monies;
- ✎ Savings accounts or savings certificates of savings and loan associations to the extent that such accounts or certificates are fully insured by the Federal Savings and Loan Insurance Corporation;
- ✎ Repurchase agreements that have underlying collateral consisting of those items specified in paragraphs 1 and 2 above, including obligations of the United States, its agencies and instrumentalities, and where the collateral has been deposited with a trustee or custodian bank in an irrevocable trust or escrow account established for such purposes;
- ✎ County, municipal or school district direct debt obligations for which an ad valorem tax may be levied or bond and revenue anticipation notes, money judgments against such county, municipality or school district ordered by a court of record or bonds or bond and revenue



**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2018**

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

anticipation notes issued by a public trust for which such county, municipality or school district is a beneficiary thereof. All collateral pledged to secure public funds shall be valued at no more than market value;

- ⌘ Money market mutual funds regulated by the Securities and Exchange Commission and which investments consist of obligations of the United States, its agencies and instrumentalities, and investments in those items and those restrictions specified in paragraphs 1 through 6 above;
- ⌘ Warrants, bonds, or judgments of the District;
- ⌘ Qualified pooled investment programs through an interlocal cooperative agreement formed pursuant to applicable law and to which the board of education has voted to be a member, the investment of which consist of those items specified in paragraphs 1 through 8 above, as well as obligations of the United States, its agencies and instrumentalities; or
- ⌘ Any other investment that is authorized by law

At June 30, 2018, the District's investments consisted of certificates of deposits and United States Treasury Bills with an approximate fair market value of \$55.9 million.

**Note 3. Receivables**

The major receivables for governmental activities are federal revenue and taxes receivables. Amounts are aggregated into a single accounts receivable (net of allowance for uncollectibles) line for governmental funds.

The majority of the receivable balance is attributable to Due from Other Governments. The District participates in a variety of Federal and State programs which it receives grants to partially or fully finance certain activities.

At June 30, 2018, \$2,833,640 of receivables were considered to be unavailable and were recorded as deferred inflows of resources in governmental funds.

Amounts due from Federal governments as of June 30, 2018 are presented in the table on the next page. Other receivables were the result of child nutrition catering charges, and building rental amounts not received as of June 30, 2018. These amounts are expected to be collected within the next fiscal year.

*Interfund Receivables, Payables and Transfers* – Interfund activities among governmental funds and between governmental funds and proprietary funds, which are due within one year, appear as due to/due from other funds on the Governmental Fund Balance Sheet.

They also appear on the Proprietary Fund Statement of Net Position and as other financing sources and uses on the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund balance as well as the Proprietary Fund Statement of Revenues, Expenses and Changes in Fund Net Position. These amounts, except for amounts from Fiduciary Funds, are eliminated from the government wide and business-type activities columns of the Statement of Net Position.



**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2018**

**Note 3. Receivables – cont’d**

Interfund receivables and payables represent amounts involving both reciprocal interfund activity and interfund reimbursements for repayment of expenditures or expenses to the fund that initially paid for them.

Any unpaid balance at the end of the fiscal year is reported as an interfund receivable and/or payable. Any outstanding balances between funds results mainly from the time lag between the dates (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. There were no outstanding interfund receivables or payables as of June 30, 2018.

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

Receivables at June 30, 2018, all due within one year, for the District’s governmental and proprietary funds, in detail, are as follows:

	Major Funds			Non Major Funds		Total	
	General Fund	Building Fund	Debt Service Fund	Capital Projects Fund	Other Government Fund		Business-Type Activities
Receivables:							
Interest	\$ 10,814	\$ 3,580	\$ -	\$ 136	\$ -	\$ 415	\$ 14,945
Property taxes - current	101,104	14,439	81,988	-	-	-	197,531
Property taxes-delinquent	591,516	84,477	2,157,647	-	-	-	2,833,640
Due from other governments							
Federal	1,335,888	-	-	-	-	-	1,335,888
Other receivables	32,719	-	-	-	-	16	32,735
Total	<u>\$ 2,072,041</u>	<u>\$ 102,496</u>	<u>\$ 2,239,635</u>	<u>\$ 136</u>	<u>\$ -</u>	<u>\$ 431</u>	<u>\$ 4,414,739</u>

**Note 4. Capital Assets**

Capital asset activity for the year ended June 30, 2018, was as follows:



**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2018**

**Note 4. Capital Assets –cont’d**

	Beginning Balance				Ending Balance
	June 30, 2017	Increases	Transfers	Adjustments **	June 30, 2018
<b><u>Governmental Activities:</u></b>					
Capital assets, not being depreciated:					
Land	\$ 15,163,837	\$ -	\$ -	\$ -	\$ 15,163,837
Construction in progress	1,303,155	16,366,708	(16,733,217)	-	936,647
Total capital assets not being depreciated:	<u>16,466,992</u>	<u>16,366,708</u>	<u>(16,733,217)</u>	<u>-</u>	<u>16,100,484</u>
Capital assets being depreciated:					
Land Improvements	8,652,126	175,020	-	-	8,827,146
Buildings and Building Improvements	246,684,194	522,528	16,733,217	-	263,939,938
Furniture and Equipment	36,932,250	1,874,838	-	-	38,807,088
Total capital assets being depreciated:	<u>292,268,569</u>	<u>2,572,386</u>	<u>16,733,217</u>	<u>-</u>	<u>311,574,172</u>
Total assets	<u>308,735,562</u>	<u>18,939,095</u>	<u>-</u>	<u>-</u>	<u>327,674,656</u>
Less: Accumulated depreciation for:					
Land Improvements	(507,608)	(58,084)	-	-	(565,692)
Buildings and Building Improvements	(51,086,447)	(2,940,252)	-	-	(54,026,699)
Furniture and Equipment	(25,873,987)	(8,138,134)	-	-	(34,012,121)
Total accumulated depreciation :	<u>(77,468,042)</u>	<u>(11,136,470)</u>	<u>-</u>	<u>-</u>	<u>(88,604,512)</u>
	<u>\$ 231,267,520</u>	<u>\$ 7,802,625</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 239,070,144</u>
	Beginning Balance				Ending Balance
	June 30, 2015	Increases	Transfers	Adjustments **	June 30, 2016
<b><u>Business-Type Activities</u></b>					
Capital assets, not being depreciated:					
Land	-	-	-	-	-
Construction in progress	348,734	-	(348,734)	-	-
Total capital assets not being depreciated:	<u>348,734</u>	<u>-</u>	<u>(348,734)</u>	<u>-</u>	<u>-</u>
Capital assets being depreciated:					
Land Improvements	23,837	-	-	-	23,837
Buildings and improvements	1,153,610	-	348,734	-	1,502,344
Furniture and equipment	3,087,358	76,275	-	-	3,163,633
Total capital assets being depreciated	<u>4,264,805</u>	<u>76,275</u>	<u>348,734</u>	<u>-</u>	<u>4,689,813</u>
Total assets	<u>4,613,539</u>	<u>76,275</u>	<u>-</u>	<u>-</u>	<u>4,689,813</u>
Less: Accumulated depreciation for:					
Land Improvements	(2,837)	(3,675)	-	-	(6,512)
Buildings and improvements	(53,333)	(31,825)	-	-	(85,158)
Furniture and equipment	(1,775,855)	(236,106)	-	-	(2,011,961)
Total accumulated depreciation :	<u>(1,832,025)</u>	<u>(271,606)</u>	<u>-</u>	<u>-</u>	<u>(2,103,631)</u>
Business-Type activities capital assets, net	<u>2,781,513</u>	<u>(195,332)</u>	<u>-</u>	<u>-</u>	<u>2,586,182</u>
Net Assets All Funds:	<u>\$ 234,049,033</u>	<u>\$ 7,607,293</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 241,656,326</u>



**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2018**

**Note 4. Capital Assets –cont’d**

Depreciation expense was charged to governmental functions as follows:

<u>Governmental Activities:</u>	Depreciation			<u>Business-Type Activities:</u>
	Expense:	Adjustments:	Balance:	
Instruction	\$ 5,818,764	-	\$ 5,818,764	Child Nutrition Fund \$ (180,795)
Support services - Students and staff	191,842	-	191,842	
Instructional support services	660,533	-	660,533	
Administrative support services	785,061	-	785,061	
Operations and maintenance of plant services	915,133	(84,900)	830,233	
Transportation	879,483	(438,618)	440,865	
Non-instructional	194,309	-	194,309	
Other-unclassified	-	-	-	
Total Depreciation:	<u>\$ 9,445,126</u>	<u>\$ (523,518)</u>	<u>\$ 8,921,608</u>	Total Depreciation: <u>\$ (180,795)</u>

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

*(figures may be different due to rounding)*

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

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

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

The following is a summary of the long-term debt transactions, with deductions, which includes premium on bonds sold for the District for the year ended June 30, 2018:

	2017	Additions	Deductions	2018	Due in One Year
Governmental activities					
Bonds payable	\$ 88,675,000	\$ 23,325,000	\$ (24,370,000)	\$ 87,630,000	\$ 25,745,000
Premium on debt issuance	2,018,794	24,482	(1,027,806)	1,015,469	582,167
Total	<u>\$ 90,693,794</u>	<u>\$ 23,349,482</u>	<u>\$ (25,397,806)</u>	<u>\$ 88,645,469</u>	<u>\$ 26,327,167</u>

In compliance with GASB Statement No. 62–187, the District amortizes all premiums on bonds sold. The amortization for the 2017-18 fiscal year was \$1,027,806, which reduces long-term interest expense.





**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2018**

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

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

Bonds sold at discounts decrease the carrying value of the bond, and bonds sold at a premium increase the carrying value. The discount or premium is then amortized as an increase or decrease, respectively, to the coupon interest payment in reporting interest expense. Interest expense on general long-term debt during the 2017-18 fiscal year totaled \$2.2 million. Amortization on bond premiums for the year ended June 30, 2018 decreased long-term interest expense per GASB, Statement No. 23.

A brief description of the outstanding long-term debt at June 30, 2018, is set forth below:

	Amount <u>Outstanding</u>
General Obligation Bonds, Series 2014G, original issue \$21,500,000 Dated 4-01-2014, interest rate of 2.00%, due in annual Installments of \$5,375,000, final payment of \$5,375,000, due 4-01-2019	\$ 5,375,000
Building Bonds, Series 2014B, original issue \$5,665,000 Dated 8-01-2014, interest rate of .050% to 2.00%, due in annual Installments of \$1,415,000, final payment of \$1,420,000, due 8-01-2019	\$ 2,835,000
General Obligation Bonds, Series 2015A, original issue \$29,000,000 Dated 5-01-2015, interest rate of 2.00% to 4.00%, due in annual Installments of \$7,250,000, final payment of \$7,250,000, due 5-01-2020	\$ 14,500,000
Building Bonds, Series 2015B, original issue \$3,000,000 Dated 12-01-2015, interest rate of 2.00%, due in annual Installments of \$600,000, final payment of \$600,000, due 12-01-2021	\$ 2,400,000
General Obligation Bonds, Series 2016, original issue \$20,925,000 Dated 4-01-2016, interest rate of 3.00%, due in annual Installments of \$5,230,000, final payment of \$5,235,000, due 4-01-2021	\$ 15,695,000
General Obligation Bonds, Series 2017, original issue \$23,500,000 Dated 4-01-2017, interest rate of 2.00%, due in annual Installments of \$5,875,000, final payment of \$5,875,000, due 4-01-2022	\$ 23,500,000
General Obligation Bonds, Series 2018, original issue \$23,325,000 Dated 4-02-2018, interest rate of 2.78%, due in annual Installments of \$5,830,000, final payment of \$5,835,000 due 5-01-2023	\$ 23,325,000
<b>TOTAL</b>	<b>\$ 87,630,000</b>



**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2018**

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

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

Fiscal Year Outstanding	Principal	Interest	Total
2018-2019	25,745,000	2,151,694	\$ 27,896,694
2019-2020	26,205,000	1,557,961	\$ 27,762,961
2020-2021	17,540,000	856,234	\$ 18,396,234
2021-2022	12,305,000	440,007	\$ 12,745,007
2022-2023	5,835,000	141,013	\$ 5,976,013
Total	<u>\$ 87,630,000</u>	<u>\$ 5,146,909</u>	<u>\$ 92,776,909</u>

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

**General Information about the Pension Plan**

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

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

*Benefits Provided* - TRS provides retirement, disability, and death benefits. Retirement benefits are determined as 2.0 percent of final average salary times the employee's years of service. Combination 80 clients (joined prior to 7/1/92) use their highest three salaries in the average salary calculation. Combination 90 and Combination 90/Minimum Age 60 clients use their highest consecutive five salaries in the average salary calculation. Employees with 5 years of continuous service are eligible to retire at age 62.

- Ⓜ Employees are eligible for service-related disability when they have at least 10 years of Oklahoma Contributory Service. The same rules apply to nonservice-related disability eligibility. Disability benefits are determined in the same manner as retirement benefits but are payable immediately without an actuarial reduction.



**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2018**

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

- ⌘ The retirement plan provides a lifetime benefit to client in addition to a \$5,000 death benefit paid to the surviving beneficiary(ies).

*Employees Covered* – At June 30, 2018, the following employees were covered by the benefit terms for each Plan:

	Governmental Funds
Inactive employees or beneficiaries currently receiving benefits	41
Active employees participating in the plan	1753
Total	1794

*Contributions* - Per Article 17 of the State Statutes, contribution requirement of the active employees and the District are established and may be amended by the TRS Board. Employees are required to contribute 7.0% of their annual pay. The District’s contractually required contribution rate for the year ended June 30, 2018, was 9.5% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District total contribution to OTRS in 2018 was \$6.4 million.

The State makes a contribution on behalf of each teacher meeting minimum salary requirements (known as the OTRS year of service credit). The State is also required to contribute to the System on behalf of the participating employers. For 2017, the State of Oklahoma contributed 5 percent of state revenues from sales and use taxes and individual income taxes, to the System on behalf of participating employers. The District has estimated the amounts contributed to the System by the State of Oklahoma on its behalf based on a contribution rate provided to the District.

For the year ended June 30, 2018, the total amount contributed to the System by the State of Oklahoma on behalf of the District was approximately \$4.9 million. In accordance with generally accepted accounting practices, District recognized the on-behalf-of payments as revenue and expense/expenditure in the government wide and fund financial statements. These on-behalf payments do not meet the definition of a special funding situation.

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

At June 30, 2018, the District reported a net pension liability of \$109.5 million for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District’s proportion of the net pension liability was based on the District’s contributions to OTRS relative to total contributions of OTRS for all participating employers for the year ended June 30, 2017. Based upon this information, the District’s proportion was 1.65323926 percent.



**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2018**

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

For the period ended June 30, 2018, the District recognized pension expense of \$11.5 million. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 7,473,548
Changes of assumptions	12,990,628	6,543,684
Net difference between projected and actual investment earnings on pension plan investments	1,556,016	-
Changes in proportion and differences between District contributions and proportionate share of contributions		2,884,868
Total deferred amount to be recognized in pension expense in future periods	\$ 14,546,644	\$ 16,902,100
District contributions subsequent to the measurement date	6,431,436	\$ -
Totals	\$ 20,978,080	\$ 16,902,100

Deferred pension outflows totaling approximately \$6.4 million resulting from the District's contributions after the measurement date of the net pension liability will be recognized as a reduction of the net pension liability in the subsequent fiscal year. The net deferred pension inflows totaling approximately \$16.9 million resulting from the difference between expected and actual experience, deferred outflows totaling \$12.9 million resulting from changes of assumptions, and deferred outflows of \$1.6 million resulting from the net difference between projected and actual investment earnings on pension plan investments will be recognized in pension expense using the average expected remaining life of the Plan. The average expected remaining life of the Plan is determined by taking the calculated total future service years of the Plan divided by the number of people in the Plan including retirees. The total future service years of the Plan are estimated at 5.59 years at June 30, 2017 and are determined using the mortality, termination, retirement, and disability assumptions associated with the Plan. Deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year ended June 30:

	2018	\$	(952,559)
	2019	\$	5,138,128
	2020	\$	2,992,190
	2021	\$	(3,026,803)
	2022	\$	(784,289)
	thereafter	\$	709,313
	Total	\$	4,075,980



**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

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

Actuarial Assumptions - The total pension liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study, dated May 13, 2015, for the period July 1, 2009- June 30, 2014 and in conjunction with the five year experience study for the period ending June 30, 2014.

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

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



**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

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

The target asset allocation and best estimates of arithmetic expected real rates of return for each major asset class as of the June 30, 2016 actuarial, are summarized in the following table:

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

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

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

**Changes in the Net Pension Liability**

*Sensitivity of the Net Pension Liability to the Single Discount Rate Assumption* - The following table provides the sensitivity of the net pension liability to changes in the discount rate as of the June 30, 2017 actuarial report. In particular, the table presents the plan's net pension liability, if it were calculated using a single discount rate that is one-percentage-point lower or one-percentage-point higher than the single discount rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Net pension liability	\$ 156,049,914	\$ 109,466,199	\$ 75,050,149

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



**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2018**

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

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

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

**Note 7. - Risk Management**

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

The District utilizes Consolidated Benefits Resources, LLC (CBR), to provide services for workers' compensation claims and administration. CBR will operate a claims management program for the prevention, investigation, processing, accounting and payment of workers' compensation claims. The District's General Fund pays for claims as they are incurred. As of June 30, 2018, CBR has reported an outstanding reserve for the District to be \$1.2 million. In order to mitigate the risk associated with this program, the District reserves and restricts a percentage of the fund balance. For 2017-18, this amount was \$50,758 for both general activities and business-type activities.

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

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

Settled claims resulting from risks have not exceeded the commercial insurance coverage in any of the past three fiscal years.

The District has purchased specific excess and aggregate excess workers' compensation and employers' liability insurance so the District's liability for claim loss is limited.

**Note 8. – Commitments and Contingencies**

Encumbrance accounting is utilized to assure effective budgetary control and accountability and to facilitate effective cash planning and control. Encumbrances represent commitments related to unperformed contracts for goods or services.





**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

**Note 8. Commitments and Contingencies – cont'd**

At year end, the amount of encumbrances expected to be honored upon performance by the vendor in the next year were as follows:

General Fund	\$ 2,403,543
Building Fund	325,977
Other Funds	571,429
Total	<u>\$ 3,300,949</u>

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

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

As of June 30, 2018, the District had outstanding commitments (contracts and purchase orders), of approximately \$3.3 million primarily for supplies and equipment. Construction in progress had \$0.9 million in outstanding projects not completed. These projects consist of renovations to six school buildings, improvements to a community facility, renovations for the performing arts center, and additional space for child nutrition.

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

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

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



**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2018**

**Note 9. Lease Revenue Bonds**

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

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

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

The lease revenue bond payments will be as follows:

2011 Series		2012 Series		2016 Series	
Fiscal Year	Payment	Fiscal Year	Payment	Fiscal Year	Payment
2018-19	9,751,516	2018-19	2,276,700	2018-19	3,211,913
2019-20	27,600,250	2019-20	2,276,700	2019-20	5,113,163
		2020-21	5,174,988	2020-21	3,114,413
		2021-22	21,883,888	2021-22	3,114,413
		2022-23	31,817,250	2022-23	9,383,663
				2023-24	16,852,413
				2024-25	3,935,706
				2025-26	19,857,375
				2026-27	22,862,625
Total Obligation:	<u>37,351,766</u>	Total Obligation:	<u>63,429,525</u>	Total Obligation:	<u>87,445,681</u>
Less amounts representing interest:	<u>(2,096,766)</u>	Less amounts representing interest:	<u>(9,069,525)</u>	Less amounts representing interest:	<u>(22,170,681)</u>
Lease Revenue Bonds Payable:	<u>\$ 35,255,000</u>	Lease Revenue Bonds Payable:	<u>\$ 54,360,000</u>	Lease Revenue Bonds Payable:	<u>\$ 65,275,000</u>



**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2018**

**Note 10. Tax Abatements**

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

For the fiscal year ended June 30, 2018, the District is subject to tax abatements granted by the State of Oklahoma - Oklahoma Tax Commission (Tulsa County). Ad valorem exemptions are available for capital investments made by certain types of companies provided that qualified investment exceeds \$250,000 within the calendar year, and the company complies with certain payroll thresholds; qualifications are sometimes industry specific. County property taxes were reduced under the agreements entered into by the State of Oklahoma – Oklahoma Tax Commission.

All information within the records of the State of Oklahoma Tax Commission is considered confidential unless public disclosure is provided for by law. The Tax Commission provides only those data sources which they deemed were authorized for release under state law. The Tax Commission declines to provide any information about the breakdown of the exemption by value or type of investment made.

Information relevant to disclosure of these programs includes the following:

Fiscal Year Ended June 30, 2018	Number of Abatements during the Fiscal Year	Amount of Abatements during the Fiscal Year
<b>State of Oklahoma Tax Commission:</b>		
Tax Exemptions and Credits for Ad Valorem Exemptions	37	\$ 1,960,042

The District also is subject to tax abatements granted by the City of Broken Arrow through its Retail Incentive Policy with the stated purpose of stabilizing and enhancing the City’s sales tax base and to incentivize the eligible retail businesses that are included in a mixed use development.

The forms of incentive are to provide infrastructure improvements, assistance with public processes, site acquisition of property for public infrastructure, sales tax rebates on a limited basis, and participation in the State of Oklahoma’s Quality Jobs Program. Incentives are based on the estimated amount of new City sales taxes generated that can be reasonably defined and determined to result from new development.

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

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



**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2018**

**Note 10. Tax Abatements – cont’d**

Fiscal Year Ended June 30, 2018	Base Value of Assets during the Fiscal Year	Amount of Abatements during the Fiscal Year
Tax Abatement Program (TIF)		
<b>City of Broken Arrow:</b>		
Broken Arrow FlightSafety and Downtown Economic Development District No. One	\$ 4,857,612	\$ 464,757
Indian Housing Authority Owned Properties	450,035	32,060
<b>Total</b>	<b>\$ 5,307,647</b>	<b>\$ 496,817</b>

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

**Note 11. New/Adopted Pronouncements**

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

**Adopted: Fiscal Year Ended June 30, 2018**

- ✓ GASB, Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. GASB No. 74 was issued in June 2015 and will be effective for the District beginning with its fiscal year ending June 30, 2018. The Statement replaces GASB Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, and addresses the financial reports of defined benefit OPEB plans that are administered through trusts that meet specified criteria. The Statement follows the framework for financial reporting of defined benefit OPEB plans in Statement No. 45 by requiring a statement of fiduciary net position and a statement of changes in fiduciary net position but requires more extensive note disclosures and Required Supplementary Information related to the measurement of the OPEB liabilities for which assets have been accumulated, including information about the annual money-weighted rates of return on plan investments. The Statement also sets forth note disclosure requirement of defined contribution OPEB plans. The District does not currently participate or sponsor postemployment benefits plans other than pensions held in trusts.
- ✓ GASB, Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. GASB No. 75 was issued in June 2015 and will be effective for the District beginning with its fiscal year ending June 30, 2018. The Statement replaces the requirements of GASB Statement No. 45,



**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

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

**Adopted: Fiscal Year Ended June 30, 2018**

*Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* and requires governments to report a liability on the face of the financial statements for the OPEB they provide and outlines the reporting requirements by governments for defined benefit OPEB plans administered through a trust. The Statement also requires governments to present more extensive note disclosures and required supplementary information about their OPEB liabilities. Some governments are legally responsible to make contributions directly to an OPEB plan or make benefit payments directly as OPEB comes due for employees of other governments. The District does not currently participate or sponsor postemployment benefits plans other than pensions held in trusts.

- ✓ GASB issued Statement No. 81, *Irrevocable Split-Interest Agreements*. This Statement requires that a government that receives resources pursuant to an irrevocable split-interest agreement recognize assets, liabilities, and deferred inflows of resources at the inception of the agreement. The requirements of this Statement are effective for periods beginning after December 15, 2016. The District does not currently receive resources pursuant to an irrevocable split-interest agreement. The District will continue to evaluate the impact this new standard may have on future financial statements.
- ✓ GASB issued Statement No. 83, *Certain Asset Retirement Obligations*. Statement No. 83 requires the measurement and recognition of a legally enforceable liability for retirement of an asset. Also requires the measurement of an Asset Retirement Obligation (ARO) be based on the best estimate of the current value of outlays to be incurred. This estimate should include the probability weighting of all potential outcomes, when the information is available or can be obtained at a reasonable cost. The Statement pertains to certain kinds of assets, i.e., sewage treatment plants, magnetic resonance imaging machines, research facilities owned by public universities like nuclear research reactors, and retirement of x-ray machines. These kinds of assets may have to be disposed in a certain way due to regulations. The effective date of the Statement is for reporting periods beginning after June 15, 2018. Earlier application is encouraged. The District currently does not have any asset retirement obligations which fit the criteria for this Statement. The District will continue to evaluate this Statement for future disclosure requirements.
- ✓ GASB issued Statement No. 85, *Omnibus 2017*. The object of Statement No. 85 is to address practice issues that have been identified during implementation and application of certain GASB Statements. The topics are related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pension and other postemployment benefits (OPEB)). The ten topics addressed in the Statement are as follows, 1) Blending a component unit in circumstances in which the primary government is a business-type activity that reports in a single column for financial statement presentation, 2) Reporting amounts previously reported as goodwill and “negative” goodwill, 3) Classifying real estate held by insurance entities, 4) Measuring certain money market investments and participating interest-earning investment contracts at amortized cost, 5) Timing of the measurement of pension or OPEB liabilities and expenditures recognized in financial statements prepared. Using the



**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2018**

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

**Adopted: Fiscal Year Ended June 30, 2018**

current financial resources measurement focus, 6) Recognizing on-behalf payments for pensions or OPEB in employer financial statements, 7) Presenting payroll-related measures in required supplementary information for purposes of reporting by OPEB plans and employers that provide OPEB, 8) Classifying employer-paid member contributions for OPEB, 9) Simplifying certain aspects of the alternative measurement method for OPEB, and 10) Accounting and financial reporting for OPEB provided through certain multiple-employer defined benefit OPEB plans. The requirements of this Statement are effective for reporting periods beginning after June 15, 2017. Earlier application is encouraged. The District currently does not have blending component units or currently participate in multi-employer OPEB plans. The District will continue to evaluate the effects of this Statement on future financial reporting.

**New Accounting Pronouncements Issued Not Yet Adopted**

- ✓ GASB issued Statement No. 84, *Fiduciary Activities*. Statement No. 84 improves guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The Statement addresses the categorization of fiduciary activities for financial reporting, how fiduciary activities are to be reported, and when liabilities to beneficiaries must be disclosed. The requirements for the Statement are effective for reporting periods beginning after December 15, 2018. Earlier application is encouraged. The District currently has fiduciary activities and will evaluate the fiduciary activities that meet the criteria state in Statement No. 84 and prepare disclosures under fiduciary funds in basic financial statements. The District will report agency funds as custodial funds as specified in the Statement. In addition, the District will continue to evaluate the effects of this Statement on future financial reporting.
  
- ✓ GASB issued Statement No. 86, *Certain Debt Extinguishment Issues*. The object of Statement No. 86 is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources. The Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. Criteria for determining an in-substance defeasance is that the trust hold only monetary assets that are essentially risk-free. If substitution of essentially risk-free monetary assets with monetary assets that are not essentially risk-free is not prohibited, governments should disclose that fact in the period in which the debt is defeased in substance. The requirements of this Statement are effective for reporting periods beginning after June 15, 2017. The District does not currently have in-substance defeasance transactions nor do we have prepaid insurance related to debt that has been extinguished. The District will continue to evaluate the effects of this Statement on future financial reporting.



**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

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

**New Accounting Pronouncements Issued Not Yet Adopted**

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



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# Required Supplementary Information



**Broken Arrow Public Schools  
Required Supplementary Information  
Schedule of Proportionate Share of the Net Pension Liability  
Year Ended June 30, 2018  
Last 10 Years\***

	As of June 30, 2017	As of June 30, 2016	As of June 30, 2015	As of June 30, 2014
Proportion of the net pension liability	1.65%	1.66%	1.65%	1.64%
Proportionate share of the net pension liability	\$ 109,466,199	\$ 138,929,572	\$ 100,474,905	\$ 88,199,969
Covered payroll	\$ 70,027,456	\$ 71,777,099	\$ 70,566,602	\$ 67,558,937
Proportionate share of the net pension liability as percentage of covered-employee payroll	156.32%	193.56%	142.38%	130.55%
Plan's fiduciary net position	\$ (99,873,967)	\$ (99,543,391)	\$ (112,981,726)	\$ (81,317,541)
Plan fiduciary net position as a percentage of the total pension liability	91.24%	71.65%	112.45%	92.20%

Notes to schedule:

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

See Independent auditors' report



**Broken Arrow Public Schools  
Required Supplementary Information  
Schedule of District's Pension Plan Contributions  
Year Ended June 30, 2018  
Last 10 Years\***

	2018	2017	2016	2015
Contractually required contribution (actuarially determined)	\$ 6,779,505	\$ 7,072,456	\$ 6,902,353	\$ 6,656,684
Contributions in relation to the actuarially determined contributions	6,779,505	7,072,456	6,902,353	6,656,684
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered - employee payroll	\$ 67,298,802	\$ 70,027,104	\$ 71,777,099	\$ 70,566,602
Contributions as a percentage of covered - employee payroll	10.07%	10.10%	9.62%	9.43%

Notes to schedule:

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

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

See Independent auditors' report

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*Other  
Supplementary  
Information*



**Broken Arrow Public Schools**  
**Enterprise Fund: Child Nutrition Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2018**

	Original Budget	Final Budget	Actual Amounts Budgetary Basis	Variances - Positive (Negative)
<b>REVENUES</b>				
Charges for services	\$ 3,883,324	\$ 3,946,139	\$ 3,810,131	\$ (136,008)
Intermediate sources	-	-	-	-
State sources	839,442	722,887	798,893	76,006
Federal sources	4,581,035	4,390,841	4,502,001	111,160
Other sources	3,845	8,019	100,577	92,557
<b>TOTAL REVENUES</b>	<b>9,307,646</b>	<b>9,067,886</b>	<b>9,211,602</b>	<b>143,716</b>
<b>EXPENDITURES</b>				
Non-instructional services				
Food Procurement Services	8,720,000	8,367,537	7,644,135	723,402
Food and Supplies Delivery Services	225,000	217,098	187,037	30,061
Other Related Child Nutrition Services	1,275,000	1,635,365	1,412,484	222,881
<b>TOTAL EXPENDITURES</b>	<b>10,220,000</b>	<b>10,220,000</b>	<b>9,243,655</b>	<b>976,345</b>
<b>EXCESS REVENUES (EXPENDITURES)</b>	<b>(912,354)</b>	<b>(1,152,114)</b>	<b>(32,054)</b>	<b>1,120,060</b>
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<b>2,296,046</b>	<b>2,296,046</b>	<b>2,296,046</b>	<b>-</b>
<b>FUND BALANCE AT END OF YEAR</b>	<b>\$ 1,383,692</b>	<b>\$ 1,143,932</b>	<b>\$ 2,263,992</b>	<b>\$ 1,120,060</b>
<b>ADJUSTMENTS TO CONFORM WITH GAAP</b>				
Receivables at end of year			(95)	
Wages Payable			(77,565)	
Inventories			159,073	
Unearned Revenue			(225)	
<b>FUND BALANCE AT END OF YEAR (GAAP BASIS)</b>			<b>\$ 2,345,180</b>	

See Independent auditors' report





**Broken Arrow Public Schools**  
**Other Supplementary information**  
**Combining Statement of Changes in Assets and Liabilities - Agency Funds**  
**Year Ended June 30, 2018**

	Balance June 30, 2017	Additions	Deductions	Adjustments	Balance June 30, 2018
HIGH SCHOOL TOTAL	\$ 695,089	\$ 2,600,825	\$ (2,599,687)	\$ -	\$ 696,227
FRESHMAN ACADEMY TOTAL	68,138	141,844	(125,176)	-	84,806
ALTERNATIVE SCHOOL TOTAL	26,895	20,685	(20,450)	-	27,130
MIDDLE SCHOOLS TOTAL	305,170	637,374	(594,581)	-	347,964
ELEMENTARY SCHOOLS TOTAL	268,443	384,763	(385,642)	-	267,564
EARLY CHILDHOOD CENTERS TOTAL	47,765	109,319	(95,292)	-	61,792
STUDENT CLUBS TOTAL	1,073,835	3,449,835	(3,392,280)	-	1,131,390
ADMINISTRATIVE TOTAL	<u>280,115</u>	<u>459,752</u>	<u>(381,373)</u>	<u>-</u>	<u>358,494</u>
TOTAL FUNDS HELD FOR STUDENT ACTIVITIES	<u>2,765,451</u>	<u>7,804,397</u>	<u>(7,594,481)</u>	<u>-</u>	<u>2,975,368</u>
SUMMARY - ACTIVITY FUNDS					
ASSETS					
Cash	<u>2,765,451</u>	<u>7,804,397</u>	<u>(7,594,481)</u>	<u>-</u>	<u>2,975,368</u>
LIABILITIES					
Funds held for student activities	<u>2,765,451</u>	<u>7,804,397</u>	<u>(7,594,481)</u>	<u>-</u>	<u>2,975,368</u>
TOTAL LIABILITIES	<u>\$ 2,765,451</u>	<u>\$ 7,804,397</u>	<u>\$ (7,594,481)</u>	<u>\$ -</u>	<u>\$ 2,975,368</u>

See independent auditors' report

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*Statistical  
Information*



# COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDING JUNE 30, 2018

## STATISTICAL SECTION

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

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#### **Sources:**

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





*Financial  
Trends*



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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Governmental activities</b>										
Net investment in capital assets	\$ 77,183,478	\$ 82,438,023	\$ 91,011,359	\$ 105,661,860	\$ 115,812,420	\$ 125,810,009	\$ 137,739,696	\$ 150,609,755	\$ 163,470,238	\$ 174,876,931
Restricted for:										
Debt service	13,273,470	16,211,858	16,777,580	16,216,368	15,080,820	15,515,172	15,657,564	16,318,127	15,825,923	15,425,669
Building	-	-	-	3,144,045	2,762,215	2,333,899	1,016,052	1,881,808	2,808,231	3,434,872
Endowment	-	-	-	-	-	-	40,000	43,316	43,422	43,598
Unrestricted	11,352,959	12,127,691	21,412,088	21,980,866	20,080,655	17,648,608	(89,007,984)	(99,961,854)	(86,289,408)	(85,854,617)
<b>Total Governmental activities net position</b>	<b>101,809,907</b>	<b>110,777,572</b>	<b>129,201,027</b>	<b>147,003,139</b>	<b>153,736,110</b>	<b>161,307,688</b>	<b>65,445,328</b>	<b>68,891,152</b>	<b>95,858,406</b>	<b>107,926,453</b>
<b>Business-type activities</b>										
Net investment in capital assets	-	259,130	25,966	352,642	719,273	1,370,958	2,511,342	2,589,356	2,781,513	2,586,182
Unrestricted	1,676,733	2,327,646	2,280,412	3,255,159	3,149,060	2,845,581	1,818,332	2,033,177	2,296,046	2,345,180
<b>Total business-type activities net position</b>	<b>1,676,733</b>	<b>2,586,776</b>	<b>2,306,378</b>	<b>3,607,801</b>	<b>3,868,334</b>	<b>4,216,539</b>	<b>4,329,674</b>	<b>4,622,533</b>	<b>5,077,559</b>	<b>4,931,362</b>
<b>Government-wide</b>										
Net investment in capital assets	77,183,478	82,697,153	91,037,325	106,014,502	116,531,693	127,180,967	140,251,037	153,199,111	166,251,751	177,463,113
Restricted for:										
Debt service	13,273,470	16,211,858	16,777,580	16,216,368	15,080,820	15,515,172	15,657,564	16,318,127	15,825,923	15,425,669
Building	-	-	-	3,144,045	2,762,215	2,333,899	1,016,052	1,881,808	2,808,231	3,434,872
Endowment	-	-	-	-	-	-	40,000	43,316	43,422	43,598
Unrestricted	13,029,692	14,455,337	23,692,500	25,236,025	23,229,716	20,494,188	(87,189,652)	(97,928,677)	(83,993,362)	(83,509,437)
<b>Total government-wide net position</b>	<b>\$ 103,486,640</b>	<b>\$ 113,364,348</b>	<b>\$ 131,507,405</b>	<b>\$ 150,610,940</b>	<b>\$ 157,604,444</b>	<b>\$ 165,524,227</b>	<b>\$ 69,775,002</b>	<b>\$ 73,513,686</b>	<b>\$ 100,935,965</b>	<b>\$ 112,857,815</b>

Source: Statement of Net Position - audited financial reports

Note: The District began to report pension net position in conformity with GASB Statement No. 68, Accounting and Financial Reporting for Pensions in 2015.

Permanent Fund - restricted for Nonexpendable principal was corrected in the June 30, 2015 fiscal year to be included in Governmental Activities



**Broken Arrow Public Schools**  
**Government-Wide Changes in Net Position**  
**Last Ten Fiscal Years**  
*(accrual basis of accounting)*  
*Continued on Page 103*

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Expenses</b>										
<b>Governmental activities</b>										
Instruction	\$ 60,916,792	\$ 59,698,004	\$ 56,915,460	\$ 59,271,138	\$ 58,117,540	\$ 65,495,842	\$ 65,330,950	\$ 75,087,668	\$ 62,518,919	\$ 72,327,553
Support services - Students	12,845,772	20,727,734	8,169,317	8,166,385	7,951,821	8,390,280	8,662,516	9,855,840	9,475,049	11,852,416
Instructional and school leadership	3,898,555	4,904,472	6,569,980	5,051,994	5,906,085	5,619,036	5,894,528	6,594,731	6,034,706	6,393,335
Administrative support services	15,594,220	13,503,518	12,890,477	11,749,833	12,608,451	12,040,169	19,254,851	17,069,178	10,474,526	16,039,368
Operations and maintenance services	6,713,008	7,467,547	12,437,218	11,337,283	10,225,839	12,428,523	14,381,484	10,855,305	12,474,582	14,462,651
Student transportation services	6,177,841	4,698,556	6,994,021	6,563,236	5,438,306	5,774,785	5,610,686	6,464,193	6,178,821	5,814,517
Operation of non-instructional services	249,408	792,110	487,251	659,417	656,673	631,639	1,512,250	1,604,731	1,136,458	1,054,692
Child Nutrition	-	-	-	80,352	-	1,952,800	-	-	-	-
Other outlays and uses	471,260	398,450	580,860	603,868	688,638	1,827,511	973,423	1,002,869	2,842,198	1,171,003
Loss on disposal of assets	182,736	198,809	319,186	1,726,999	4,502,515	2,532,717	-	-	-	-
Judgement Paid	-	-	-	35,641	-	-	-	-	-	22,331
Depreciation	2,808,662	3,217,457	3,785,208	3,333,496	3,195,337	4,904,420	5,048,754	7,605,398	8,921,607	11,136,470
Interest on long-term debt	2,542,069	2,174,625	2,550,031	2,902,285	1,703,318	1,726,882	1,286,326	1,189,964	1,003,215	1,143,994
<b>Total governmental-type activities expense</b>	<b>112,400,324</b>	<b>117,781,282</b>	<b>111,699,009</b>	<b>111,481,927</b>	<b>110,994,523</b>	<b>123,324,604</b>	<b>127,955,768</b>	<b>137,329,878</b>	<b>121,060,080</b>	<b>141,418,330</b>
<b>Business-type activities</b>										
Food service	6,387,455	7,063,688	6,478,194	6,581,268	7,390,973	7,675,095	9,916,922	8,892,758	8,807,997	9,357,479
<b>Total business-type activities expense</b>	<b>6,387,455</b>	<b>7,063,688</b>	<b>6,478,194</b>	<b>6,581,268</b>	<b>7,390,973</b>	<b>7,675,095</b>	<b>9,916,922</b>	<b>8,892,758</b>	<b>8,807,997</b>	<b>9,357,479</b>
<b>Total district expenses</b>	<b>118,787,779</b>	<b>124,844,970</b>	<b>118,177,203</b>	<b>118,063,195</b>	<b>118,385,496</b>	<b>130,999,699</b>	<b>137,872,690</b>	<b>146,222,636</b>	<b>129,868,077</b>	<b>150,775,809</b>
<b>Program Revenues</b>										
<b>Governmental activities</b>										
<b>Charges for services</b>										
Regular instruction	479,780	466,790	418,886	340,885	333,432	321,387	316,066	320,928	410,372	450,376
Operations and maintenance services	5,050,996	3,713,585	3,445,445	46,530	25,946	24,410	-	-	-	-
Pupil transportation services	-	-	-	-	-	8,225	-	-	-	-
Community services	-	-	-	-	-	-	-	-	-	-
Other support services	37,126	480,131	-	21,430	-	273,365	31,410	35,530	27,110	18,162
Operating grants and contributions	11,079,609	16,232,214	24,076,886	10,696,486	5,918,539	5,926,899	6,380,736	6,194,363	6,681,660	6,967,980
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
<b>Total governmental activities program revenues</b>	<b>16,647,511</b>	<b>20,892,720</b>	<b>27,941,217</b>	<b>11,105,330</b>	<b>6,277,917</b>	<b>6,554,286</b>	<b>6,728,212</b>	<b>6,550,821</b>	<b>7,119,142</b>	<b>7,436,518</b>
<b>Business-type activities</b>										
<b>Charges for services</b>										
Food service	3,905,658	3,714,167	3,467,887	3,320,643	3,494,344	3,816,946	3,741,850	4,024,001	3,821,960	3,795,513
Operating grants and contributions	2,954,151	2,897,445	3,047,490	3,472,757	3,596,662	3,762,302	3,921,853	4,390,841	4,581,035	4,502,001
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
<b>Total business-type activities revenues</b>	<b>6,859,809</b>	<b>6,611,612</b>	<b>6,515,377</b>	<b>6,793,400</b>	<b>7,091,006</b>	<b>7,579,249</b>	<b>7,663,703</b>	<b>8,414,842</b>	<b>8,402,994</b>	<b>8,297,514</b>
<b>Total district program revenues</b>	<b>\$ 23,507,320</b>	<b>\$ 27,504,332</b>	<b>\$ 34,456,594</b>	<b>\$ 17,898,730</b>	<b>\$ 13,368,923</b>	<b>\$ 14,133,535</b>	<b>\$ 14,391,915</b>	<b>\$ 14,965,663</b>	<b>\$ 15,522,136</b>	<b>\$ 15,734,032</b>





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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Net (Expense) Revenue</b>										
Governmental activities	\$ (95,752,813)	\$ (96,888,562)	\$ (83,757,792)	\$ (100,376,597)	\$ (104,716,606)	\$ (116,770,318)	\$ (121,227,556)	\$ (130,779,056)	\$ (113,940,938)	\$ (133,981,811)
Business-type activities	472,354	(452,076)	37,183	212,132	(299,967)	(95,846)	(2,253,220)	(477,916)	(405,002)	(1,059,965)
Total district net expense	<u>(95,280,459)</u>	<u>(97,340,638)</u>	<u>(83,720,609)</u>	<u>(100,164,465)</u>	<u>(105,016,573)</u>	<u>(116,866,164)</u>	<u>(123,480,776)</u>	<u>(131,256,972)</u>	<u>(114,345,940)</u>	<u>(135,041,776)</u>
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities										
Taxes:										
Property tax, levied for general purposes	25,319,852	26,900,743	28,204,650	29,039,761	25,814,046	31,156,969	32,019,102	33,431,998	35,931,361	36,848,832
Property tax, levied for debt services	17,992,301	18,234,448	18,799,415	20,294,054	20,656,717	21,702,367	22,628,030	22,676,491	24,634,668	27,903,706
Other taxes	7,055,450	7,641,379	7,933,296	9,464,365	10,288,974	10,828,630	11,043,588	11,499,443	14,471,579	4,911,914
State aid not restricted to specific programs	51,893,632	44,984,063	38,567,628	52,638,985	53,022,412	57,167,677	66,211,831	62,958,660	61,725,150	71,449,446
Interest and investment earnings	757,577	247,515	367,898	907,841	90,436	60,895	114,489	149,464	231,258	661,763
Gain on sale of capital assets	-	-	-	9,834	16,050	114,259	139,493	32,222	695	39,057
Other	8,209,392	9,194,146	7,465,731	6,187,239	1,560,942	3,311,098	3,680,702	3,645,992	3,913,483	4,235,141
Total governmental activities	<u>111,228,204</u>	<u>107,202,294</u>	<u>101,338,618</u>	<u>118,542,079</u>	<u>111,449,577</u>	<u>124,341,896</u>	<u>135,837,236</u>	<u>134,394,271</u>	<u>140,908,194</u>	<u>146,049,859</u>
Business-type activities										
State aid not restricted to specific programs	38,004	310,695	362,871	460,329	528,414	410,442	716,967	722,887	839,442	798,893
Interest and investment earnings	15,827	20,884	8,344	4,753	3,331	2,654	921	2,819	5,300	14,205
Gain on disposal of capital assets	-	4,425	39,431	2,302	-	-	-	-	-	-
Capital contribution	-	-	-	-	-	-	1,636,418	-	-	-
Other	-	-	-	114,592	28,755	30,956	12,050	45,071	15,286	100,670
Total business-type activities	<u>53,831</u>	<u>336,004</u>	<u>410,646</u>	<u>581,976</u>	<u>560,500</u>	<u>444,052</u>	<u>2,366,355</u>	<u>770,776</u>	<u>860,028</u>	<u>913,768</u>
Total district-wide	<u>111,282,035</u>	<u>107,538,298</u>	<u>101,749,264</u>	<u>119,124,055</u>	<u>112,010,077</u>	<u>124,785,948</u>	<u>138,203,591</u>	<u>135,165,047</u>	<u>141,768,222</u>	<u>146,963,627</u>
<b>Changes in Net Position</b>										
Governmental activities	15,475,391	10,313,732	17,580,826	18,165,482	6,732,971	7,571,578	14,609,680	3,615,214	26,967,256	12,068,047
Business-type activities	526,185	(116,072)	447,829	794,108	260,533	348,206	113,135	292,860	455,026	(146,197)
Total district	<u>\$ 16,001,576</u>	<u>\$ 10,197,660</u>	<u>\$ 18,028,655</u>	<u>\$ 18,959,590</u>	<u>\$ 6,993,503</u>	<u>\$ 7,919,783</u>	<u>\$ 14,722,816</u>	<u>\$ 3,908,074</u>	<u>\$ 27,422,283</u>	<u>\$ 11,921,850</u>

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



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

*(modified accrual basis of accounting)*

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>General Fund</b>										
Reserved										
Unreserved	\$ 9,410,693	\$ 10,878,215	\$ 18,541,950							
Nonspendable				\$ 161,964	\$ 284,978	\$ 272,414	\$ 312,927	\$ 306,257	\$ 284,852	\$ 337,135
Restricted				-	-	-	-	-	-	-
Committed				-	-	-	-	-	-	-
Assigned				291,828	117,317	-	-	-	-	-
Unassigned				21,383,129	19,534,415	17,113,895	14,294,922	12,886,722	12,385,812	16,690,971
<b>Total general fund</b>	<b>\$ 9,410,693</b>	<b>\$ 10,878,215</b>	<b>\$ 18,541,950</b>	<b>\$ 21,836,922</b>	<b>\$ 19,936,710</b>	<b>\$ 17,386,308</b>	<b>\$ 14,607,849</b>	<b>\$ 13,192,980</b>	<b>\$ 12,670,664</b>	<b>\$ 17,028,106</b>
<b>All Other Governmental Funds</b>										
Reserved, reported in:										
Sinking fund										
Reserved for debt service	\$ 13,273,470	\$ 16,211,858	\$ 16,777,580							
Bond funds										
Reserved for capital projects	13,529,823	16,741,243	26,233,999							
Other governmental funds	-	-	-							
Unreserved, reported in:										
Building fund	1,291,353	1,858,942	2,336,858							
Other governmental funds	2,327,646	2,280,411	2,813,692							
Nonspendable				\$ -	\$ -	\$ -	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000
Restricted				52,202,982	50,911,640	43,937,170	45,964,574	38,004,360	41,339,201	43,312,797
Committed				-	-	-	-	-	-	-
Assigned				-	-	143,945	147,182	3,316	3,422	3,598
<b>Total all other governmental funds</b>	<b>\$ 30,422,292</b>	<b>\$ 37,092,454</b>	<b>\$ 48,162,129</b>	<b>\$ 52,202,982</b>	<b>\$ 50,911,640</b>	<b>\$ 44,081,115</b>	<b>\$ 46,151,756</b>	<b>\$ 38,047,676</b>	<b>\$ 41,382,623</b>	<b>\$ 43,356,395</b>

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



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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Revenues</b>										
Local sources	\$ 50,434,186	\$ 54,182,832	\$ 53,928,541	\$ 55,819,300	\$ 53,024,547	\$ 54,093,898	\$ 57,876,782	\$ 57,646,172	\$ 61,677,116	\$ 65,182,356
Intermediate sources	3,433,650	3,760,192	3,891,556	3,905,726	4,220,581	4,163,544	4,365,060	4,573,947	4,761,319	4,911,914
State sources	61,426,418	54,511,499	54,927,548	58,197,625	59,090,805	63,919,714	68,040,801	69,884,157	66,180,379	66,457,459
Federal sources	10,607,155	14,339,571	15,650,262	10,696,486	5,918,539	6,076,809	6,172,973	5,926,438	6,200,370	6,481,122
Other sources	-	-	-	238,255	485,031	2,116,807	219,210	2,287,169	2,428,275	2,954,130
<b>Total Revenue</b>	<b>125,901,409</b>	<b>126,794,094</b>	<b>128,397,907</b>	<b>128,857,392</b>	<b>122,739,503</b>	<b>130,370,771</b>	<b>136,674,826</b>	<b>140,317,882</b>	<b>141,247,459</b>	<b>145,986,981</b>
<b>Expenditures</b>										
<b>Current</b>										
Instruction	61,074,372	59,698,004	57,153,774	60,531,381	60,804,635	64,929,255	67,331,278	69,260,186	67,216,520	66,229,327
Student	39,903,005	45,161,172	41,200,435	8,166,385	8,341,730	8,564,110	9,256,082	9,160,746	9,102,254	9,600,133
Instructional staff	-	-	-	5,051,994	6,000,678	6,060,517	7,149,975	7,054,784	6,651,380	6,597,870
Administration	-	-	-	13,926,174	13,371,104	15,053,772	15,959,607	16,085,306	15,472,790	14,866,078
Operations and maintenance	2,098	657,891	1,956,323	13,374,600	14,848,672	21,025,001	15,513,467	18,298,238	14,587,040	15,072,223
Student transportation	6,713,008	7,467,547	4,956,839	6,229,887	6,600,049	6,140,707	6,846,658	7,134,523	6,479,865	6,177,370
<b>Non-Instruction expenditures</b>										
Child Nutrition operations	-	-	-	80,352	-	-	-	-	-	42,453
Community service operations	249,409	134,219	401,379	603,868	712,139	631,639	982,404	985,006	1,103,343	1,001,928
Other	-	-	3,510	623,777	49,881	562,330	835,544	644,169	910,491	613,845
Capital outlay	5,618,198	8,238,872	10,005,932	9,880,802	10,867,181	20,712,239	24,794,259	23,043,842	15,169,844	16,313,803
<b>Debt service</b>										
Principal	12,275,000	15,425,000	15,925,000	18,750,000	20,875,000	20,225,000	23,021,882	21,675,000	23,665,000	24,370,000
Interest	2,542,069	2,174,625	2,550,031	35,641	1,700,488	1,827,511	1,732,960	1,842,961	2,118,963	2,159,275
Other	-	-	-	2,886,978	-	-	-	-	-	-
<b>Total expenditures</b>	<b>\$ 128,377,159</b>	<b>\$ 138,957,330</b>	<b>\$ 134,153,223</b>	<b>\$ 140,141,839</b>	<b>\$ 144,171,559</b>	<b>\$ 165,732,081</b>	<b>\$ 173,424,117</b>	<b>\$ 175,184,760</b>	<b>\$ 162,477,491</b>	<b>\$ 163,044,305</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(2,475,750)</b>	<b>(12,163,236)</b>	<b>(5,755,316)</b>	<b>(11,284,447)</b>	<b>(21,432,056)</b>	<b>(35,361,310)</b>	<b>(36,749,291)</b>	<b>(34,866,878)</b>	<b>(21,230,031)</b>	<b>(17,057,324)</b>
<b>Other financing sources (uses)</b>										
Issuance of debt	\$ 10,000,000	\$ 19,000,000	\$ 23,500,000	\$ 20,500,000	\$ 18,000,000	\$ 21,613,300	\$ 34,551,700	\$ 23,925,000	\$ 23,500,000	\$ 23,325,000
Capital Leases	-	-	-	-	(486,652)	3,500,000	-	-	-	-
Premium on new issuance of debt	-	-	-	790,019	727,155	752,823	1,307,103	1,390,707	541,969	24,482
Proceeds on disposal of capital asse	-	-	-	-	-	114,259	139,493	32,222	695	39,057
Transfers in	1,918,251	1,300,920	988,726	-	-	140,000	-	-	-	-
Transfers out	-	-	-	-	-	(140,000)	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>11,918,251</b>	<b>20,300,920</b>	<b>24,488,726</b>	<b>21,290,019</b>	<b>18,240,503</b>	<b>25,980,382</b>	<b>35,998,297</b>	<b>25,347,929</b>	<b>24,042,664</b>	<b>23,388,539</b>
<b>Net changes in fund balances</b>	<b>\$ 9,442,501</b>	<b>\$ 8,137,684</b>	<b>\$ 18,733,410</b>	<b>\$ 10,005,572</b>	<b>\$ (3,191,553)</b>	<b>\$ (9,380,928)</b>	<b>\$ (750,994)</b>	<b>\$ (9,518,949)</b>	<b>\$ 2,812,632</b>	<b>\$ 6,331,214</b>
<b>Debt service as a percentage of noncapital expenditures<sup>a</sup></b>	<b>12.07%</b>	<b>13.46%</b>	<b>14.88%</b>	<b>14.74%</b>	<b>17.68%</b>	<b>16.16%</b>	<b>17.19%</b>	<b>16.18%</b>	<b>17.91%</b>	<b>18.41%</b>

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





*Revenue  
Capacity*



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

Fiscal Year Ended June 30th	Agriculture Assessed Value <sup>a</sup>	Commercial Property Assessed Value <sup>a</sup>	Residential Property Assessed Value <sup>a</sup>	Personal Property Net Assessed Value <sup>a</sup>	Public Service Property Assessed Value <sup>b</sup>	Total Net Assessed Value	Total Estimated Actual Value <sup>c</sup>	Ratio of Net Assessed Value to Total Estimated Actual Value	Total Direct Tax Rate <sup>d</sup>
2009	\$ 6,010,342	\$ 87,029,692	\$ 429,677,540	\$ 56,988,436	\$ 35,199,606	\$ 614,905,616	\$ 5,592,219,497	11.00%	\$ 71.16
2010	6,387,442	92,490,096	456,636,302	60,148,019	37,125,687	652,787,546	5,960,056,518	10.95%	69.72
2011	6,679,991	96,726,206	477,550,558	61,731,452	38,280,454	680,968,660	6,213,429,439	10.96%	69.25
2012	6,917,221	100,161,291	494,510,044	62,450,345	36,694,573	700,733,473	6,403,085,486	10.94%	70.60
2013	7,073,275	102,420,961	505,666,349	67,790,732	38,357,583	721,308,901	6,602,257,029	10.93%	70.22
2014	7,292,368	105,593,423	521,329,229	80,940,052	36,992,320	752,147,392	6,891,879,682	10.91%	70.51
2015	7,571,784	107,639,361	543,304,579	77,554,379	32,953,314	769,023,417	7,069,347,080	10.88%	71.10
2016	7,582,194	107,617,112	575,970,648	82,030,524	26,793,531	799,994,008	7,383,360,050	10.84%	69.73
2017	7,621,300	110,076,646	606,911,004	81,614,623	33,712,941	839,936,514	7,718,321,096	10.88%	71.00
2018	7,535,036	119,991,928	645,041,130	80,977,179	35,826,575	889,371,848	8,160,962,344	10.90%	71.24

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

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

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

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

**Source:** Tulsa & Wagoner County Assessors



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

Fiscal Year	Direct Rates Broken Arrow School District			Rates for Taxpayers in the City of Broken Arrow Overlapping Rates				Total Direct & Overlapping Rates	
	General	Building	Sinking	Tulsa County	Tulsa Community College	Tulsa Vo-Tech	City of Broken Arrow		
2009	\$ 36.40	\$ 5.20	\$ 29.56	\$ 71.16	\$ 22.21	\$ 7.21	\$ 13.33	\$ 15.72	\$ 200.79
2010	36.40	5.20	28.12	69.72	22.21	7.21	13.33	15.98	198.17
2011	36.40	5.20	27.65	69.25	22.21	7.21	13.33	16.44	197.69
2012	36.40	5.20	29.00	70.60	22.24	7.21	13.33	17.13	206.11
2013	36.40	5.20	28.62	70.22	22.24	7.21	13.33	16.50	199.72
2014	36.40	5.20	28.91	70.51	22.23	7.21	13.33	17.32	201.11
2015	36.40	5.20	29.50	71.10	22.23	7.21	13.33	17.14	202.11
2016	36.40	5.20	28.13	69.73	22.22	7.21	13.33	17.10	199.32
2017	36.40	5.20	29.40	71.00	22.24	7.21	13.33	16.92	201.70
2018	36.40	5.20	29.64	71.24	22.24	7.21	13.33	16.84	202.10
<b>Ten-Year Average</b>								<b>\$</b>	<b>200.88</b>

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

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





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

Taxpayer	2018			2009		
	Net Assessed Valuation	Percentage of District's Net Assessed Valuation <sup>a</sup>	Rank	Net Assessed Valuation	Percentage of District's Net Assessed Valuation <sup>b</sup>	Rank
Public Service Company of Oklahoma	\$ 9,428,943	1.06%	1	\$ 8,480,074	1.38%	1
Wal-Mart Stores	6,053,154	0.68%	2	4,858,752	0.79%	3
Greens at Broken Arrow Battle Creek	5,709,103	0.64%	3	2,788,342	0.45%	5
Park at Mission Hills	3,901,573	0.44%	4	-		
Valor Comm of OK/Windstream Comm	3,851,542	0.43%	5	4,945,647	0.80%	2
Flight Safety International	3,584,477	0.40%	6	-		
St. Johns Hospital	3,519,543	0.40%	7	-		
Auburndale Halifax Broken Arrow LLC	3,507,594	0.39%	8	-		
Warren Theater	2,994,057	0.34%	9	-		
Oklahoma Natural Gas	2,892,053	0.33%	10	3,340,968	0.54%	4
AT&T	-			2,470,722	0.40%	6
Cox Communications	-			2,383,739	0.39%	7
ORIX at Battle Creek LLC	-			1,903,000	0.31%	8
Lowe's Home Center	-			1,710,207	0.28%	9
SJS Hospitality	-			1,461,072	0.24%	10
<b>Total</b>	<b>\$ 45,442,039</b>	<b>5.11%</b>		<b>\$ 34,342,523</b>	<b>5.59%</b>	

<sup>a</sup> Based on FY17-18 District Net Assessed Valuation of \$889,371,848

<sup>b</sup> Based on FY08-09 District Net Assessed Valuation of \$614,905,616

**Source:** Tulsa and Wagoner County Assessors



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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy <sup>a</sup>		Collected in Subsequent Years <sup>b</sup>	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
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%
2013	50,582,304	49,326,775	97.52%	998,599	50,325,374	99.49%
2014	52,957,704	51,631,605	97.50%	1,050,963	52,682,567	99.48%
2015	54,599,566	53,295,303	97.61%	971,679	54,266,983	99.39%
2016	55,704,874	54,964,159	98.67%	996,621	55,960,780	100.46%
2017	59,552,346	58,212,751	97.75%	1,260,346	59,473,097	99.87%
2018	63,275,425	61,916,217	97.85%	1,021,194	62,937,410	99.47%

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

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

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

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*Debt  
Capacity*



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

Fiscal Year Ended June 30th	Governmental Activities General Obligation Bonds	Governmental Activities Capital Leases	Total District	Total Estimated Actual Value <sup>a</sup>	Ratio of Outstanding Debt to Estimated Actual Value <sup>a</sup>	Total Personal Income	Ratio of Outstanding Debt Per Personal Income	Average Daily Membership (ADM) <sup>b</sup>	Ratio of Outstanding Debt Per Student <sup>b</sup>
2009	\$ 62,850,000	-	\$ 62,850,000	\$ 5,592,219,497	1.12%	\$ 138,297,718	45.45%	16,087	\$ 3,907
2010	66,425,000	-	66,425,000	5,960,056,518	1.11%	126,704,010	52.43%	16,460	4,036
2011	74,000,000	-	74,000,000	6,213,429,439	1.19%	133,616,459	55.38%	16,629	4,450
2012	75,750,000	-	75,750,000	6,403,085,486	1.18%	142,861,660	53.02%	16,836	4,499
2013	73,602,155	1,013,348	74,615,503	6,602,257,029	1.13%	148,798,993	50.15%	17,145	4,352
2014	75,642,649	4,013,468	79,656,117	6,891,879,682	1.16%	161,187,913	49.42%	17,916	4,446
2015	88,817,178	3,124,376	91,941,554	7,069,347,080	1.30%	167,291,805	54.96%	18,372	5,004
2016	91,495,050	-	91,495,050	7,383,360,050	1.24%	173,186,712	52.83%	18,796	4,868
2017	90,693,794	-	90,693,794	7,718,321,096	1.18%	167,502,814	54.14%	18,899	4,799
2018	88,645,469	-	88,645,469	8,160,962,344	1.09%	173,817,578	51.00%	19,081	4,646

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

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

**Sources:**

District records  
Oklahoma State Department of Education



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

Fiscal Year Ended June 30th	General Obligation Bonds	Less Sinking Fund Balance	Net General Bonded Debt Outstanding	Total Estimated Actual Value <sup>a</sup>	Ratio of Net Debt to Estimated Actual Valuation <sup>a</sup>	Average Daily Membership (ADM) <sup>b</sup>	Ratio of Net Debt Per Student <sup>b</sup>
2009	\$ 62,850,000	\$ 13,273,470	\$ 49,576,530	\$ 5,592,219,497	0.89%	16,087	\$ 3,082
2010	66,425,000	16,211,858	50,213,142	5,960,056,518	0.84%	16,460	3,051
2011	74,000,000	16,774,232	57,225,768	6,213,429,439	0.92%	16,629	3,441
2012	75,750,000	16,620,298	59,129,702	6,403,085,486	0.92%	16,836	3,512
2013	72,875,000	15,080,820	57,794,180	6,602,257,029	0.88%	17,145	3,371
2014	75,642,649	15,515,172	60,127,477	6,891,879,682	0.87%	17,916	3,356
2015	88,817,178	15,657,564	73,159,614	7,069,347,080	1.03%	18,372	3,982
2016	91,495,050	16,234,350	75,260,700	7,383,360,050	1.02%	18,796	4,004
2017	90,693,794	15,717,771	74,976,023	7,718,321,096	0.97%	18,899	3,967
2018	88,645,469	15,425,669	73,219,800	8,160,962,344	0.90%	19,081	3,837

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

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

**Sources:**

District records

Oklahoma State Department of Education





**Broken Arrow Public Schools**  
**Direct and Overlapping Governmental Activities Debt**  
**As of June 30, 2018**

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable <sup>a</sup>	Estimated Share of Direct and Overlapping Debt <sup>b</sup>
Tulsa County	\$ 249,558	10.19%	\$ 25,430
Wagoner County	-	N/A	-
Tulsa Community College	-	N/A	-
Tulsa Vo-Tech #18	-	N/A	-
City of Broken Arrow	104,445,234	100.00%	104,445,234
City of Tulsa	456,286,836	0.68%	3,102,750
City of Coweta	-	N/A	-
Subtotal, overlapping debt			107,573,414
<b>District direct debt <sup>c</sup></b>			<b>88,645,469</b>
<b>Total direct and overlapping debt</b>			<b>\$ 196,218,883</b>

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

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

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

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



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

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

Secondary assessed valuation		\$ 889,371,848
Debt Limit (10% of assessed value)		88,937,185
Debt applicable to limit	88,645,469	
Current sinking fund balance	<u>(15,425,669)</u>	73,219,800
Legal debt margin		<u><u>\$ 15,717,385</u></u>

Fiscal Year Ended June 30th	Net Assessed Valuation <sup>a</sup>	Legal Debt Limit 10% of Net Assessed Valuation <sup>b</sup>	Outstanding District Indebtedness	Less Sinking Fund Balance	Total Net Debt Subject to Legal Limit	Legal Debt Margin <sup>c</sup>	Applicable to the Limit as a Percentage of Debt Limit
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	16,216,368	59,533,632	10,539,715	84.96%
2013	721,308,901	72,130,890	73,888,348	15,080,820	58,807,528	13,323,362	81.53%
2014	752,147,392	75,214,739	79,656,117	15,515,172	64,140,945	11,073,794	85.28%
2015	769,023,417	76,902,342	91,941,554	15,657,564	76,283,990	618,352	99.20%
2016	799,994,008	79,999,401	91,495,050	16,235,350	75,259,700	4,739,701	94.08%
2017	839,936,514	83,993,651	90,693,794	15,717,771	74,976,023	9,017,628	89.26%
2018	889,371,848	88,937,185	88,645,469	15,425,669	73,219,800	15,717,385	82.33%

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

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

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

**Sources:**

District financial records  
Tulsa and Wagoner County Assessors

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*Demographic  
and Economic  
Information*



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

Fiscal Year Ended June 30th	Population <sup>a</sup>	Total Personal Income <sup>c</sup>	Real Per Capita Personal Income <sup>a</sup>	Unemployment Rate <sup>b</sup>	District Average Daily Membership Population <sup>d</sup>
2009	101,431	\$ 138,297,718	\$ 24,974	6.90%	16,087
2010	98,850	126,704,010	24,548	7.00%	16,460
2011	100,073	133,616,459	23,776	6.10%	16,629
2012	102,103	142,861,660	23,838	4.70%	16,836
2013	103,500	148,798,993	24,085	3.40%	17,145
2014	103,808	161,187,913	24,284	3.90%	17,916
2015	107,506	167,291,805	24,208	3.70%	18,372
2016	106,563	173,186,712	29,802	4.20%	18,796
2017	107,403	167,502,814	25,762	3.60%	19,074
2018	108,303	173,817,578	30,508	3.50%	19,081

<sup>a</sup> US Census Bureau

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

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

<sup>d</sup> District records



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

Employer	2018			2009		
	Employees <sup>a</sup>	Rank	Percentage of Total Employment <sup>b</sup>	Employees <sup>a</sup>	Rank	Percentage of Total Employment <sup>c</sup>
Broken Arrow Public Schools	2,326	1	2.09%	1,983	1	2.02%
Walmart	900	2	0.81%	1,200	2	1.22%
Northeastern State University	800	3	0.72%	-		-
FlightSafety International	735	4	0.66%	-		0.00%
City of Broken Arrow	675	5	0.61%	625	4	0.64%
Zeeco	647	6	0.58%	700	3	0.71%
Oklahoma HealthCare Services	460	7	0.41%	-		-
Exterran, Inc.	350	8	0.31%	-		-
Micahtek Inc.	350	9	0.31%	-		-
McDaniel Technical Services	325	10	0.29%	-		-
Micahtek Inc.	-		-	345	5	0.35%
Baker Hughes Oilfield Ops.	-		-	330	6	0.34%
Reasors	-		-	300	7	0.31%
Rhema Bible Church	-		-	275	8	0.28%
Continental Industries	-		-	200	9	0.20%
Davis H. Elliot/Oklahoma	-		-	185	10	0.19%
	7,568		6.80%	6,143		6.25%

**Sources:**

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

<sup>b</sup> Based on US Census Bureau population of 111,318

<sup>c</sup> Based on US Census Bureau population of 98,354





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

	Full-Time Equivalent Employees by Type										Percentage
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	Change
											2009-2018
Supervisory											
Principals	27	27	27	25	25	28	28	29	27	30	11.11%
Assistant Principals	23	20	22	26	26	25	29	28	28	26	13.04%
<b>Total supervisory</b>	<b>50</b>	<b>47</b>	<b>49</b>	<b>51</b>	<b>51</b>	<b>53</b>	<b>57</b>	<b>57</b>	<b>55</b>	<b>56</b>	<b>12.00%</b>
Instruction											
Teachers	806	785	858	875	873	946	1,068	1,090	1,066	967	19.98%
Other professionals	198	193	149	146	150	149	122	113	108	140	-29.29%
Aides	110	102	102	98	95	135	239	435	506	280	154.55%
<b>Total instruction</b>	<b>1,114</b>	<b>1,080</b>	<b>1,109</b>	<b>1,119</b>	<b>1,118</b>	<b>1,230</b>	<b>1,429</b>	<b>1,638</b>	<b>1,680</b>	<b>1,387</b>	<b>24.51%</b>
Student Services											
Librarians	24	24	24	24	24	23	21	18	20	20	-16.67%
Technicians	44	41	35	34	44	67	54	23	25	31	-29.55%
Social Workers/ Counselors	56	54	70	73	76	75	39	42	42	40	-28.57%
<b>Total student services</b>	<b>124</b>	<b>119</b>	<b>129</b>	<b>131</b>	<b>144</b>	<b>165</b>	<b>114</b>	<b>83</b>	<b>87</b>	<b>91</b>	<b>-26.61%</b>
Support and Administration <sup>a</sup>											
Office	281	276	281	277	246	250	184	209	211	216	-23.13%
Maintenance	146	134	153	150	146	172	195	231	251	177	21.23%
Food Service	121	114	113	114	141	153	83	238	237	205	69.42%
Transportation	147	143	171	170	175	170	159	237	205	194	31.97%
<b>Total support and administration</b>	<b>695</b>	<b>667</b>	<b>718</b>	<b>711</b>	<b>708</b>	<b>745</b>	<b>621</b>	<b>915</b>	<b>904</b>	<b>792</b>	<b>13.96%</b>
<b>Total</b>	<b>1,983</b>	<b>1,913</b>	<b>2,005</b>	<b>2,012</b>	<b>2,021</b>	<b>2,193</b>	<b>2,221</b>	<b>2,693</b>	<b>2,726</b>	<b>2,326</b>	<b>17.30%</b>

Source: State Department of Education and District records

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



*Operating  
Information*



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

	Fiscal Year Ending June 30th,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Governmental Activities										
Instruction	\$ 156,398,025	\$ 157,122,239	\$ 167,357,145	\$ 177,962,564	\$ 185,376,462	\$ 204,322,573	\$ 226,222,682	\$ 249,359,547	\$ 265,238,327	\$ 281,092,680
Student	898,219	908,414	941,142	957,892	2,457,892	6,200,306	6,258,506	6,258,506	6,307,726	6,324,456
Instructional support	1,788,640	1,788,639	1,799,376	1,902,988	2,307,628	3,067,692	4,005,821	4,880,445	5,715,149	6,419,824
General administration	121,053	121,053	121,053	163,032	163,032	163,032	176,427	176,427	448,952	448,952
School administration	726,320	747,575	747,575	747,575	747,575	747,575	812,784	975,507	975,507	975,507
Business	1,117,041	6,821,682	6,919,619	8,284,960	8,891,941	9,866,374	10,649,898	10,649,898	10,649,898	10,649,898
Operations and maintenance	1,388,662	1,614,769	1,677,952	2,188,376	3,386,270	5,480,740	6,605,416	10,978,022	11,565,686	12,581,160
Transportation	1,207,067	3,173,817	3,173,817	3,264,782	4,121,614	4,333,934	5,416,963	6,280,370	6,639,624	7,987,486
Non-instructional	731,607	1,071,120	1,097,086	1,097,086	1,102,205	1,102,204	1,102,204	1,102,204	1,108,185	1,108,185
Other-unclassified	47,810	47,810	86,508	86,508	86,508	86,509	86,509	86,509	86,509	86,509
Total Governmental Activities	<u>164,424,443</u>	<u>173,417,118</u>	<u>183,921,273</u>	<u>196,655,762</u>	<u>208,641,127</u>	<u>235,370,939</u>	<u>261,337,209</u>	<u>290,747,435</u>	<u>308,735,562</u>	<u>327,674,656</u>
Business-Type Activities <sup>a</sup>										
Child nutrition services	-	-	-	354,727	725,774	1,526,603	4,002,097	4,240,587	4,613,539	4,689,813
Total Business-Type Activities										
<b>Total Capital Assets</b>	<u><u>\$ 164,424,443</u></u>	<u><u>\$ 173,417,118</u></u>	<u><u>\$ 183,921,273</u></u>	<u><u>\$ 197,010,489</u></u>	<u><u>\$ 209,366,901</u></u>	<u><u>\$ 236,897,542</u></u>	<u><u>\$ 265,339,307</u></u>	<u><u>\$ 294,988,021</u></u>	<u><u>\$ 313,349,100</u></u>	<u><u>\$ 332,364,469</u></u>

<sup>a</sup>Prior to 2011-12, Business-Type Activities are included in Governmental Activities. See notes to financial statements. Beginning with 2011-12, the District changed the presentation of information to conform with GASB Statement No.34.

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

**Source:** District Records



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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Certified Personnel</b>										
<b>Bachelor's</b>										
Minimum Salary	\$ 30,686	\$ 30,686	\$ 29,525	\$ 29,525	\$ 29,525	\$ 29,525	\$ 29,525	\$ 29,525	\$ 29,525	\$ 29,525
Maximum Salary	\$ 41,272	\$ 41,460	\$ 41,460	\$ 41,560	\$ 41,560	\$ 42,123	\$ 44,222	\$ 44,822	\$ 45,422	\$ 44,822
Average Salary	\$ 35,979	\$ 36,073	\$ 35,492	\$ 35,542	\$ 35,543	\$ 35,824	\$ 35,272	\$ 35,253	\$ 35,167	\$ 35,922
Number of Teachers	704	777	745	792	824	845	856	730	833	907
<b>Master's</b>										
Minimum Salary	\$ 31,967	\$ 31,967	\$ 31,967	\$ 30,806	\$ 30,806	\$ 30,806	\$ 30,806	\$ 30,806	\$ 30,806	\$ 30,806
Maximum Salary	\$ 44,428	\$ 44,653	\$ 44,653	\$ 44,753	\$ 44,753	\$ 45,428	\$ 48,053	\$ 48,728	\$ 49,403	\$ 48,728
Average Salary	\$ 38,197	\$ 38,310	\$ 38,310	\$ 37,779	\$ 37,780	\$ 38,117	\$ 38,830	\$ 38,687	\$ 38,583	\$ 39,964
Number of Teachers	304	331	322	328	323	342	317	292	330	306
<b>Doctoral</b>										
Minimum Salary	\$ 33,298	\$ 33,298	\$ 33,298	\$ 32,137	\$ 32,137	\$ 32,137	\$ 32,137	\$ 35,909	\$ 33,298	\$ 32,137
Maximum Salary	\$ 46,959	\$ 47,184	\$ 47,184	\$ 47,284	\$ 47,284	\$ 47,959	\$ 42,559	\$ 42,559	\$ 43,459	\$ 59,259
Average Salary	\$ 40,129	\$ 40,241	\$ 40,241	\$ 39,711	\$ 39,711	\$ 40,048	\$ 36,844	\$ 38,500	\$ 38,674	\$ 40,651
Number of Teachers	5	7	7	9	5	6	5	6	9	9
<b>Total Certified Personnel<sup>a</sup></b>	<b>1,013</b>	<b>1,115</b>	<b>1,074</b>	<b>1,129</b>	<b>1,152</b>	<b>1,193</b>	<b>1,178</b>	<b>1,028</b>	<b>1,172</b>	<b>1,222</b>
<b>Support Personnel</b>										
Number of Support	885	710	847	797	781	912	942	1,582	991	1,010
<b>Administrative Personnel</b>										
Number of Administrators	85	88	84	86	88	88	101	83	97	94

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

Source: District records



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

Fiscal Year Ended June 30th	Average Daily Membership (ADM) <sup>a</sup>	Operating Expenditures <sup>b</sup>	Cost per Pupil <sup>c</sup>	Percentage Change	Teaching Staff <sup>d</sup>	Pupil/Teacher Ratio	Percentage of Students Receiving Free or Reduced - Price Meals <sup>e</sup>
2009	16,087	\$ 112,217,588	\$ 6,976	-0.0139	806	23:1	31.80%
2010	16,460	117,999,304	7,169	4.08%	785	25:1	38.00%
2011	16,629	111,699,009	6,717	-6.50%	858	24:1	39.80%
2012	16,836	119,769,371	7,114	5.37%	875	23:1	38.40%
2013	17,145	118,385,496	6,905	3.03%	873	21:1	41.00%
2014	17,916	131,100,328	7,317	-5.63%	946	24:1	42.00%
2015	18,372	132,538,686	7,214	1.43%	1,068	24:1	42.00%
2016	18,796	146,222,636	7,780	-7.28%	1,090	24:1	42.00%
2017	18,899	129,868,077	6,872	13.21%	1,066	24:1	42.00%
2018	19,081	150,775,808	7,902	-13.03%	967	26:1	48.00%

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

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

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

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

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





**Broken Arrow Public Schools  
School Building Information**

**Last Ten Fiscal Years**

*Continued on Page 127*

Fiscal Year Ending June 30th

School	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Early Childhood Center</b>										
Arrow Springs (2014) <sup>a</sup>										
Square Feet	-	-	-	-	-	-	28,479	28,479	28,479	28,479
Capacity	-	-	-	-	-	-	260	260	260	286
Enrollment	-	-	-	-	-	-	239	225	228	218
Aspen Creek (2013)										
Square Feet	-	-	-	-	-	28,712	28,712	28,712	28,712	28,712
Capacity	-	-	-	-	-	320	320	320	320	352
Enrollment	-	-	-	-	-	310	299	294	301	306
Creekwood (2013)										
Square Feet	-	-	-	-	-	28,400	28,400	28,400	28,400	28,400
Capacity	-	-	-	-	-	320	320	320	320	352
Enrollment	-	-	-	-	-	326	339	314	307	309
Park Lane (2013) <sup>b</sup>										
Square Feet	-	-	-	-	-	33,280	33,280	33,280	33,280	33,280
Capacity	-	-	-	-	-	360	360	360	360	396
Enrollment	-	-	-	-	-	300	299	251	305	321
<b>Elementary</b>										
Arrow Springs (1981) <sup>a</sup>										
Square feet	38,783	38,783	38,783	38,783	38,783	28,479	28,479	28,479	28,479	28,479
Capacity	648	648	648	648	432	-	-	-	-	-
Enrollment	407	410	379	367	337	-	-	-	-	-
Arrowhead (1970)										
Square feet	70,813	70,813	70,813	68,960	68,960	68,960	68,960	68,960	68,960	68,960
Capacity	696	696	696	696	696	696	696	696	696	728
Enrollment	460	442	432	437	485	480	466	436	454	449
Aspen Creek (2013) <sup>c</sup>										
Square feet	-	-	-	-	-	92,539	92,539	92,539	92,539	92,539
Capacity	-	-	-	-	-	792	792	792	792	896
Enrollment	-	-	-	-	-	627	633	673	705	680
Country Lane (1993)										
Square feet	90,226	90,226	90,226	90,226	90,226	90,226	90,266	90,266	90,266	90,266
Capacity	984	984	984	984	984	984	984	984	984	1,092
Enrollment	984	817	940	845	924	818	834	828	853	764
Country Lane Int. (2007)										
Square feet	97,330	97,330	97,330	97,330	97,330	97,330	97,330	97,330	97,330	97,330
Capacity	1,176	1,176	1,176	1,176	1,176	1,224	1,224	1,224	1,224	1,232
Enrollment	610	672	811	697	708	750	769	845	845	746
Creekwood (2013)										
Square feet	-	-	-	-	-	92,539	92,539	92,539	92,539	93,067
Capacity	-	-	-	-	-	792	792	792	792	952
Enrollment	-	-	-	-	-	631	672	677	677	583
Indian Springs (1974) <sup>c</sup>										
Square feet	42,066	42,066	42,066	42,066	42,066	42,066	42,066	42,066	42,066	21,803
Capacity	696	696	696	696	696	-	-	-	-	-
Enrollment	501	517	517	490	483	-	-	-	-	-





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

*Continued on Page 128*

Fiscal Year Ending June 30th

School	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Highland Park (2012)										
Square feet	-	-	-	-	92,000	92,000	92,000	92,000	92,000	92,000
Capacity	-	-	-	-	864	864	864	864	864	1,008
Enrollment	-	-	-	-	784	788	846	853	897	797
Leisure Park (1983)										
Square feet	70,364	70,364	70,364	72,530	72,530	72,530	72,530	72,530	72,530	72,530
Capacity	768	768	768	768	768	816	816	816	816	868
Enrollment	545	543	539	566	578	545	661	669	658	648
Liberty (2004)										
Square feet	70,561	70,561	70,561	81,446	81,446	81,446	81,466	81,466	81,466	81,446
Capacity	768	768	768	984	984	1,032	1,032	1,032	1,032	1,092
Enrollment	855	677	672	775	829	739	732	749	713	684
Lynn Wood (1980)										
Square feet	46,328	46,328	46,328	65,395	65,395	65,395	65,395	65,395	65,395	65,395
Capacity	744	744	744	744	744	744	744	744	744	690
Enrollment	515	506	516	518	533	507	512	504	472	471
Oak Crest (1964) <sup>d</sup>										
Square feet	66,462	66,462	66,462	66,462	66,462	54,020	54,020	54,020	54,020	54,020
Capacity	816	816	816	816	816	-	816	816	816	644
Enrollment	550	531	540	522	514	-	405	405	427	363
Park Lane (1978) <sup>b</sup>										
Square feet	46,752	46,752	46,752	46,752	46,752	33,280	33,280	33,280	33,280	33,280
Capacity	768	768	768	768	-	-	-	-	-	-
Enrollment	674	694	696	717	-	-	-	-	-	-
Rhoades (1958)										
Square feet	54,365	54,365	54,365	68,461	68,461	68,461	68,461	68,461	68,461	68,461
Capacity	720	720	720	720	720	720	720	720	720	728
Enrollment	533	547	532	523	508	439	445	481	489	392
Spring Creek (1987)										
Square feet	66,178	66,178	66,178	68,314	68,314	68,314	68,314	68,314	68,314	68,314
Capacity	672	672	672	672	672	744	744	744	744	784
Enrollment	455	425	409	405	589	509	513	536	516	520
Timber Ridge (2017)										
Square feet	-	-	-	-	-	-	-	-	-	90,145
Capacity	-	-	-	-	-	-	-	-	-	952
Enrollment	-	-	-	-	-	-	-	-	-	566
Vandever (1974)										
Square feet	44,144	44,144	44,144	64,180	64,180	64,180	64,180	64,180	64,180	64,180
Capacity	720	720	720	720	720	768	768	768	768	728
Enrollment	448	488	461	450	483	417	445	478	454	421
Westwood (1986) <sup>e</sup>										
Square feet	39,448	39,448	39,448	39,448	39,448	-	-	-	-	-
Capacity	720	720	720	720	720	-	-	-	-	-
Enrollment	484	494	495	508	487	-	-	-	-	-
Wolf Creek (1991)										
Square feet	62,984	62,984	62,984	87,584	87,584	87,584	87,584	87,584	87,584	80,987
Capacity	864	864	864	864	864	864	864	864	864	924
Enrollment	592	572	569	596	414	542	540	570	545	565



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

*Continued on Page 129*

Fiscal Year Ending June 30th

School	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Middle</b>										
Centennial (2003)										
Square feet	142,200	142,200	142,200	142,200	142,200	142,200	142,200	142,200	142,200	142,200
Capacity	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,680
Enrollment	898	916	938	1,014	1,085	981	1,024	1,043	1,070	982
Childers (1986)										
Square feet	120,395	120,395	120,395	120,395	120,395	123,464	123,464	123,464	123,464	123,464
Capacity	1,050	1,050	1,050	1,050	1,050	1,110	1,110	1,110	1,110	1,320
Enrollment	578	562	567	564	549	729	692	770	775	763
Haskell (1958) <sup>d</sup>										
Square feet	120,092	120,092	120,092	120,092	120,092	120,092	-	-	-	-
Capacity	1,224	1,224	1,224	1,224	1,224	1,224	-	-	-	-
Enrollment	860	870	868	889	857	642	-	-	-	-
Oliver (1992)										
Square feet	141,305	141,305	141,305	141,305	141,305	141,305	141,305	141,305	141,305	141,305
Capacity	1,150	1,150	1,150	1,150	1,150	1,150	1,150	1,150	1,150	1,380
Enrollment	740	722	740	780	734	824	823	812	790	754
Oneta Ridge (2013) <sup>d</sup>										
Square feet	-	-	-	-	-	132,688	132,688	132,688	132,688	132,688
Capacity	-	-	-	-	-	1,250	1,250	1,250	1,250	1,470
Enrollment	-	-	-	-	-	744	795	815	876	874
Sequoyah (1967)										
Square feet	106,336	106,336	106,336	106,336	106,336	99,696	99,696	99,696	99,696	131,621
Capacity	1,025	1,025	1,025	1,025	1,025	1,025	1,025	1,025	1,025	1,470
Enrollment	551	550	550	532	556	527	535	544	571	717
<b>High</b>										
Senior High (1982) <sup>f</sup>										
Square feet	400,255	400,255	400,255	503,562	503,562	506,417	506,417	506,417	506,417	537,524
Capacity	4,050	4,050	4,050	4,050	4,050	4,050	4,050	4,050	4,050	5,160
Enrollment	2,096	2,136	2,153	2,197	2,160	2,147	3,285	3,403	3,679	3,692
North Intermediate (1952) <sup>h</sup>										
Square feet	185,347	185,347	185,347	183,715	183,715	175,150	175,150	175,150	53,559	-
Capacity	1,890	1,890	1,890	1,890	1,890	1,890	-	-	-	-
Enrollment	1,235	1,296	1,301	1,300	1,242	1,275	-	-	-	-
South Intermediate (1976)										
Freshman Academy (2014) <sup>f</sup>										
Square feet	152,636	152,636	152,636	186,636	186,636	186,636	186,636	186,636	186,636	207,456
Capacity	2,130	2,130	2,130	2,130	2,130	2,130	2,130	2,130	2,130	2,220
Enrollment	1,116	1,172	1,143	1,066	1,077	1,122	1,261	1,249	1,291	1,344
Alternative Academy (1954) <sup>d</sup>										
Square feet	18,180	18,180	18,180	16,548	16,548	16,548	120,092	120,092	120,092	120,440
Capacity	300	300	300	300	300	300	1,224	1,224	1,224	1,260
Enrollment	116	118	104	111	105	102	120	127	120	152



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

School	Fiscal Year Ending June 30th									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Other										
<b>Central on Main (1925)</b>										
Square feet	60,807	60,807	60,807	60,807	60,807	60,807	60,807	60,807	60,807	73,574
Southside (1955)										
Square feet	47,252	-	-	-	-	-	-	-	-	-
Education Service Center (1973) <sup>g</sup>										
Square feet	24,612	24,612	-	-	-	-	-	-	-	-
Education Service Center (2009)										
Square feet	-	-	86,230	86,230	86,230	86,230	86,230	86,230	86,260	90,303
Warehouse (1974)										
Square feet	59,217	59,217	59,217	59,217	59,217	59,217	59,217	59,217	59,217	59,218
Transportation (1974)										
Square feet	22,380	22,380	22,380	22,380	22,380	22,380	22,380	22,380	22,380	22,380
Maintenance (1974)										
Square feet	7,488	7,488	7,488	7,488	7,488	7,488	7,488	7,488	7,488	7,488
Maintenance/Transportation (2015)										
Square feet	-	-	-	-	-	-	-	20,000	20,000	20,000
Special Services (1974)										
Square feet	6,900	6,900	-	-	-	-	-	-	-	-
Indoor Practice Facility (2014)										
Square feet	-	-	-	-	-	-	71,624	71,624	71,624	71,624
Kirkland Activity Complex (2018) <sup>h</sup>										
Square feet	-	-	-	-	-	-	-	-	-	42,630

<sup>a</sup> Arrow Springs Elementary was under construction during the 2013-14 school year as it was being transformed into an early childhood center, opening August 2014.

<sup>b</sup> Park Lane Elementary was re-purposed to an early childhood center in 2013-14.

<sup>c</sup> Indian Springs Elementary was vacant during the 2013-14 school year as students moved into the new Aspen Creek Elementary, opening August 2013.

<sup>d</sup> Students from Oak Crest Elementary and Arrow Springs Early Childhood Center temporarily resided at Haskell Middle school for the 2013-14 school year only while Oak Crest was under renovation. Haskell students were moved to Oneta Ridge when it opened August 2013. The building now houses the Alternative Academy students.

<sup>e</sup> Westwood Elementary was absorbed by the High School campus as part of their athletic facility upgrade as students moved into the new Creekwood Elementary.

<sup>f</sup> During the 2014-15 school year the sophomore class was moved to the high school campus, changing South Intermediate High School to the Freshman Academy.

<sup>g</sup> New Education Service Center built in 2009, old Education Service Center demolished in 2011.

<sup>h</sup> Kirkland Activity complex opened on the grounds of the former North Intermediate High School.

**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.

**Source:** District records



## Notice of Non-Discrimination

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

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

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

- For all student issues related to Title VI of the Civil Rights Act of 1964, as amended (questions or complaints based on race, color, and national origin), the Associate Superintendent, Chuck Perry, should be contacted at 918-259-5700 or at 701 South Main Street, Broken Arrow, OK 74012
- For all student issues related to Title II of the Americans with Disabilities Act of 1990, Section 504 of the Rehabilitation Act of 1973, and the Individuals with Disabilities Education Act of 2004 (IDEA) (for questions or complaints based on disability), The Director of Special Education, Daylene Oxford, should be contacted at 918-259-5700 or at 701 South Main Street, Broken Arrow, OK 74012
- For all student issues related to Title IX, of the Education Amendments of 1972 (for questions or complaints based on sex, pregnancy, gender, gender expression or identity), the Assistant Athletic Director, Melenda Knight, should be contacted at 918-259-4310 or at 1901 E. Albany, Broken Arrow, OK 74012
- For issues related to accessibility to facilities, services and activities pursuant to the Americans with Disabilities Act, The Chief Operating Officer, Michelle Bergwall, should be contacted at 918-259-5700 or at 701 South Main Street, Broken Arrow, OK 74012
- For all non-student and/or employment related issues (including questions or complaints based on age), or for any individual who has experienced some other form of discrimination, including discrimination not listed above, the Executive Director of Human Resources, Rusty Stecker, should be contacted at 918-259-5700 or at 701 South Main Street, Broken Arrow, OK 74012

Inquiries concerning non-discrimination can also be made to the United States Department of Education's Office for Civil Rights. The contact information for the Kansas City Enforcement Office is included below:

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