



FY-16 COMPILATION ENGAGEMENT LETTER

April 8, 2016

City of Broken Arrow
Broken Arrow, Oklahoma

We are pleased to confirm our understanding of the services we are to provide for the City of Broken Arrow (the "City") for the year ended June 30, 2016.

We will prepare the schedules of revenues, expenditures, debt, and cash and investments of the City as of and for the year ended June 30, 2016, and perform a compilation engagement with respect to those financial schedules.

Our Responsibilities

The objective of our engagement is to:

- 1) Assist you in presenting, in the form prescribed by the Office of the State Auditor & Inspector of the State of Oklahoma (SA&I), from information provided by you, and
- 2) Apply accounting and financial reporting expertise to assist you in the presentation of the financial schedules without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the schedules in order for them to be in accordance with the requirements of SA&I.

We will conduct our compilation engagement in accordance with the Statements on Standards for Accounting and Review Services (SSARS) promulgated by the Accounting and Review Services Committee of the AICPA and comply with the AICPA's *Code of Professional Conduct*, including the ethical principles of integrity, objectivity, professional competence, and due care, when performing the compilation engagement.

We are not required to, and will not, verify the accuracy or completeness of the information you will provide to us for the engagement or otherwise gather evidence for the purpose of expressing an opinion or a conclusion. Accordingly, we will not express an opinion or a conclusion nor provide any assurance on the financial schedules.

Our engagement cannot be relied upon to identify or disclose any financial schedules misstatements, including those caused by fraud or error, or to identify or disclose any wrongdoing within the entity or noncompliance with laws and regulations. However, we will inform the appropriate level of management of any material errors and any evidence or information that comes to our attention during the performance of our procedures that fraud may have occurred. In addition, we will inform you of any evidence or information that comes to our attention during the performance of our compilation procedures regarding any wrongdoing within the entity or noncompliance with laws and regulations that may have occurred, unless they are clearly inconsequential. We have no responsibility to identify and communicate deficiencies or material weaknesses in your internal control as part of this engagement.

Your Responsibilities

The engagement to be performed is conducted on the basis that you acknowledge and understand that our role is to prepare the schedules in accordance with the requirements of SA&I. You have the following overall responsibilities that are fundamental to our undertaking the engagement in accordance with SSARS:

- 1) The preparation and fair presentation of financial schedules in accordance with reporting requirements of SA&I.
- 2) The design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial schedules.
- 3) The prevention and detection of fraud.
- 4) To ensure that the City complies with the laws and regulations applicable to its activities.
- 5) The accuracy and completeness of the records, documents, explanations, and other information, including significant judgments, you provide to us for the engagement.
- 6) To provide us with—
 - access to all information of which you are aware is relevant to the preparation and fair presentation of the financial schedules, such as records, documentation, and other matters.
 - additional information that we may request from you for the purpose of the compilation engagement.
 - unrestricted access to persons within the entity of whom we determine it necessary to make inquiries.

You are also responsible for all management decisions and responsibilities and for designating an individual with suitable skills, knowledge, and experience to oversee our services. You are responsible for evaluating the adequacy and results of the services performed and accepting responsibility for such services.

Our Report

As part of our engagement, we will issue a report that will state that we did not audit or review the financial schedules and that, accordingly, we do not express an opinion, a conclusion, nor provide any assurance on them. If, for any reason, we are unable to complete the compilation of your financial schedules, we will not issue a report on such schedules as a result of this engagement.

Other Relevant Information

LaDonna Sinning, CPA is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

Our fees for these services are included in the FY-16 Single Audit Engagement Letter, dated April 8, 2016.

We appreciate the opportunity to be of service to you and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you acknowledge and agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Respectfully,



Arledge & Associates, P.C.

RESPONSE:

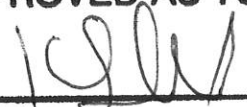
This letter correctly sets forth the understanding of the City of Broken Arrow, Oklahoma.

By: _____

Title: _____

Date: _____

APPROVED AS TO FORM:



ASSISTANT CITY ATTORNEY