



## FY-2017 COMPILATION ENGAGEMENT LETTER

May 25, 2017

To the Governance and Management  
City of 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”), Oklahoma for the year ended June 30, 2017.

We will prepare the Annual Survey of City and Town Finances (“Annual Survey”) of the City of Broken Arrow, Oklahoma as of and for the year ended June 30, 2017, and perform a compilation engagement with respect to that form.

### **Our Responsibilities**

The objective of our engagement is to:

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

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 American Institute of Certified Public Accountants (AICPA) and comply with applicable professional standards, including the AICPA’s *Code of Professional Conduct* and its 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 statements.

Our engagement cannot be relied upon to identify or disclose any misstatements, including those caused by fraud or error, or to identify or disclose any wrongdoing within the City or noncompliance with laws and regulations.

We, in our sole professional judgement, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

### **Your Responsibilities**

The engagement to be performed is conducted on the basis that you acknowledge and understand that our role is to prepare the Annual Survey in accordance with the format prescribed by the Office of the SA&I of the State of Oklahoma and assist you in the presentation of the schedules in accordance with the requirements of the SA&I of the State of Oklahoma.

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 the reporting requirements of the Office of the SA&I of the State of Oklahoma.
- 2) The preparation and fair presentation of the Annual Survey in accordance with the format prescribed by the Office of the SA&I of the State of Oklahoma.
- 3) The design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial schedules.
- 4) The prevention and detection of fraud.
- 5) To ensure that the City complies with the laws and regulations applicable to its activities.
- 6) The accuracy and completeness of the records, documents, explanations, and other information, including significant judgments, you provide to us for the engagement.
- 7) To provide us with—
  - access to all information of which you are aware is relevant to the preparation and fair presentation of the financial statements, 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 City 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 Annual Survey of City and Town Finances and that, accordingly, we do not express an opinion, a conclusion, or provide any assurance on them. If, for any reason, we are unable to complete the compilation of your schedules, we will not issue a report on such statements as a result of this engagement.

Our report will disclose that the Annual Survey is presented in a prescribed form in accordance with the format prescribed by the Office of the SA&I of the State of Oklahoma and are not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America.

You agree to include our accountant's compilation report in any document containing the Annual Survey that indicates we have performed a compilation engagement on such financial statements and, prior to inclusion to the report, to ask our permission to do so.

### **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-2017 Single Audit Engagement letter, dated May 25, 2017.

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.

Sincerely,



Arledge & Associates, P.C.

RESPONSE:

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

Management signature: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Governance signature: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_