

Pre-application Guidelines

HIGHWAY SAFETY GRANT GUIDELINES

This document describes the Oklahoma Highway Safety Grant Program that provides funding to Local, State, and Nonprofit agencies to address specific traffic safety problems identified by the applicant.

Grant Program Background

The Federal Traffic Safety Grant is a grant program from the National Highway Traffic Safety Administration (NHTSA). It is intended to support state and local efforts to improve highway safety by providing funding for initiating programs directed at identified highway safety problems. These funds cannot be used to replace existing funding sources (supplanting). In Oklahoma, this grant program is administered by the Oklahoma Highway Safety Office, a division of the Department of Public Safety. The OHSO's grant projects are funded for one year periods, based on the availability of federal funding and the performance of the grantee. Applications for new projects or continuation of existing projects must be submitted each year by the established deadline.

All applicants must apply through the State of Oklahoma Grant Exchange system available at <https://ogx.ok.gov>.

Applicants approved for funding will be required to enroll in the Oklahoma Office of Management Enterprise Services (OMES) ePay system. Go to the following website to enroll if needed: <https://www.ok.gov/dcs/vendors2/app/index.php>.

Applicants must have a FEI and DUNS number, and must enter it into the Applicant Information page of the eGrants system.

Highway Safety Grants - Guidelines & Required Elements

The OHSO uses strategic planning to help determine the state's priority highway safety problems and to develop program strategies for addressing these problems. The results of this process are reported annually in the State's Highway Safety Plan (HSP). State and local governmental agencies and nonprofit organizations can submit applications to receive funding for traffic safety projects directed at solving problems identified in the HSP. The HSP is prepared by the OHSO staff, based on input from the traffic safety community. The published HSP is available on our website at <http://www.ohso.ok.gov>.

The Highway Safety Grant Program is intended to allow applicants to address any traffic safety issue identified in the HSP. The applicant must submit a grant application that states the problem to be addressed by the grant project and provides supporting data and detail. The grant narrative must address all of the elements outlined in this guide. The budget should be justified and reasonable and only include allowable costs. Highway Safety Grant applications must clearly identify the highway safety problem(s) to be addressed and the solution(s) to be implemented. Applicants should prioritize and limit the number of problems you address in your grant application. Resources are limited; be specific in your focus.

Budget

Be sure your budget request is reasonable and appropriate to the needs of your project and follows the guidelines for allowable costs. When preparing a budget, keep in mind that federal guidelines permit the funding of some costs and specifically prohibit the funding of others.

The general principles used by this federal program to determine if costs are eligible for reimbursement include the following: costs charged to the grant need to be necessary, reasonable and allocable; activities and items being charged to the grant must be directly related to the approved project's objectives; **approved expenses must be incurred during the grant period and any items purchased must be received before the end grant period.**

All allowable costs incurred during the grant year must be invoiced and submitted to OHSO by November 1 following the end of the grant year. While we do not intend that costs go un-reimbursed, grantees must claim costs promptly or be subject to non-reimbursement.

If you have any questions on allowable or unallowable costs, contact the OHSO while planning your budget and always check before incurring the costs. If an item is not listed in the table below, do not purchase it until you check with OHSO for prior approval. If you do not seek prior approval or purchase items not listed in your grants approved budget you do so at the risk of non-reimbursement. All purchases with grant funds are subject to prior approval from OHSO before reimbursement vouchers are paid. We strongly recommend that you receive prior approval from OHSO before making such purchases.

Following are the general guidelines for our grant program budgets:

ALLOWABLE COSTS

Contractual services	Professional memberships & Subscriptions
Equipment ¹	PI & E materials and products ⁴
Fringe benefits	Telephone charges (project related)
Materials and supplies	Travel ²
Salary, both regular and overtime	Postage
Training	Printing and Reproduction
Paid media	Computer Hardware and software ¹

UNALLOWABLE COSTS (These items are NOT funded by OHSO):

Incentives or prizes of cash, gift cards or services.	Any purchase or expense made outside of the approved grant period.
Land	Capital expenditures/capital construction
Legislative expenses (lobbying is prohibited)	Tint meters
Police/emergency communications	Entertainment
Alcoholic beverages including controlled training settings)	Maintenance and repairs to existing/non-project funded equipment
Fines and penalties	Furniture, fixtures and equipment ³
Supplanting (Meaning grant funds cannot be used to support existing activities.)	Highway safety Oppurtenances (guard rails, utility poles, sign supports, etc.)
Uniforms	Traffic signal preemption systems
Interest and other financial costs	Contributions and donations

¹Equipment or hardware that costs \$5,000 or more per item needs prior written approval from OHSO and NHTSA before the purchase is made.

²All travel must be in accordance with the provisions of the Oklahoma Travel Reimbursement Act.

³Tables, desks, chairs, file cabinets, clocks, lighting, coat racks, drapes, shelves, floor covering, bookcases, etc.

⁴PI&E items and activities must be directly related to the project objectives and have a highway safety message.

EQUIPMENT / PROJECT RELATED COMMODITIES

Large commodity orders and equipment required to conduct the project activities as described in the approved grant budget must be ordered and received by December 1 if at all possible. Equipment that costs \$5,000 or more per item needs written approval from OHSO and NHTSA **before** it is purchased. Any grantee purchasing equipment with a value of \$500 or more per item must provide OHSO a copy of the agency's Purchasing Policy and Inventory Control Policy prior to reimbursement of the cost.

PUBLIC INFORMATION CAMPAIGNS AND PROMOTIONAL MATERIALS

A project's promotional activities, which encourage or educate the general public to adopt highway safety practices, are an allowable cost. Education and information materials are pamphlets, books, booklets, brochures or broadsheets that are used to inform the public about safety topics. Promotional items are items that have a slogan or message imprinted on them, meant to reinforce the education message. Examples of promotional items are pens, key chains, reflectors or other inexpensive items that can be imprinted.

Promotional items and activities must directly relate to the project objectives and contain a traffic safety message, for example, "Buckle Up in Your Truck" or "Head Out with a Helmet." Simply printing the name of your traffic safety program with no additional message is NOT acceptable. Promotional materials should be distributed in conjunction with activities like training programs or at events where traffic safety is emphasized and where program staff interact directly with the public, such as fair exhibits or safety day events.

Educational material produced or purchased should include the following acknowledgement: "Funded by the National Highway Traffic Safety Administration with a grant from the Oklahoma Highway Safety Office."

All public awareness media or promotional campaigns and public information and educational (PI&E) materials **developed using grant funds** require the submission of a distribution plan and approval by OHSO **before** they are ordered. This would include radio or television PSAs, brochures, posters, pamphlets, or other media messages. OHSO will review the message for accuracy and consistency with the state's safety goals. If the items are not pre-approved, OHSO may not reimburse you. Please contact the OHSO for assistance on meeting these requirements before you order your materials.

Safety equipment such as bicycle helmets or car seats may be distributed only in conjunction with an educational program. Promotional items of nominal value with the appropriate safety message, e.g. pens, pencils or key chains, may be purchased and distributed to support program activities.

REPORTING

Progress Reports: Grantees will be required to submit monthly progress reports as well as a final summary report. The final report is due by November 1 and should summarize your accomplishments and present the results of the evaluation to determine if the project goal(s) were met.

Invoices: Grantees will be required to submit a monthly invoice for grant funded expenditures, unless a greater time frame is approved by the OHSO. The invoice must be accompanied by sufficient backup documentation to justify the expenditures contained in the invoice.

MONITORING

The OHSO will conduct quarterly monitoring of grant funded projects during the project period, or more frequently if deemed necessary, or at any time within 3 years after the end of the project period. The staff of the OHSO will schedule visits at the mutual convenience of the OHSO and the project director or designee.

During the monitoring visit, the OHSO staff may ask to view: grant records, correspondence, financial records, traffic records, examples of work performed, appointment books, financial and payroll records and equipment purchased with grant funds.

It is expected that you document the work of your grant project. The OHSO may request proof of the work done under the grant. Scheduling diaries, correspondence, meeting minutes, media archives, reports and other materials will help to document your use of grant funding. For enforcement, project surveys, copies of warnings and citations, and crash reports should be maintained locally by the project director and made available upon request.

Guide for Writing a General Highway Safety Grant Proposal Narrative

The grant application must have a narrative that addresses the following components:

- I. Problem Identification
- II. Project Description/Work Plan
- III. Activities and Milestones
- IV. Goal(s)
- V. Evaluation

Use this guide when writing your grant to develop an acceptable application. Applications will be reviewed based on completeness, potential impact, reasonableness of the budget request and the past performance of the applicant. All proposals must address a problem described in the Oklahoma Highway Safety Plan (HSP). The HSP and crash data may be found on the OHSO website, www.ohso.ok.gov

I. Problem Identification

In narrative form, describe the problem(s) that you have identified in your community. The problem(s) you describe should be identified through an analysis and assessment of data and information related to highway safety in your community. The data used in identifying the problem(s) must be included to support your problem identification statement.

II. Project Description/Work Plan

Describe the solution to your highway safety problem. Explain what you intend to do and how it will impact your problem.

Provide specific and measurable action statements that indicate what you would like to accomplish by the end of your project period.

Provide a statement for each problem that you will be addressing in the project. Use the SMART guidelines in developing your plan.

Differentiating between goals, objectives and activities:

- A goal is a general statement that gives a desired outcome for the project.
- An objective is one or more detailed strategy(s) to attain the stated goal.
- Activities are detailed actions that will be done to achieve the objective(s) and are measured by quantitative milestones.

S.M.A.R.T. Goals and Objectives

III. Activities and Milestones

Activities: What are the specific activities that you will be performing? Consider how you will implement them, as well as when, how often and to whom they will be directed. Provide a brief description of each type of activity or event.

Example: Make bicycle and pedestrian safety presentations at school assembly to every grammar school in our county (8 schools) during the school year.

Milestones: A milestone is a quantitative indicator that can be monitored over time and is directly related to a goal or objective. Identify the measures you will use to track progress toward the achievement of your goals and objectives. (Examples: number of speeding tickets issued, number of overtime hours worked, number of car seats distributed, number of safety presentations, etc.)

IV. Goal(s)

The goal of your project is the ultimate end result you hope to achieve over time. In highway safety programs, the ultimate goal is to reduce crashes, fatalities and injuries. The goal should be measurable; it should also be ambitious, but realistic. In stating the goal, include where you are starting from (baseline) using the latest data available for your city or county from the Oklahoma Crash Facts Book, the target you expect to reach, and a timeframe for achieving your goal. (Examples: Reduce the number of pedestrians injured in crashes from 214 in 2010 to 200 in 2013. Reduce the number of KAB crashes that are alcohol-related from 142 in 2010 to 135 in 2013. Increase the seat belt use rate from 83% in 2010 to 87% in 2013.)

V. Evaluation

To determine if the project will be doing what it is intended to do, describe how you will assess your project's accomplishments, achievements and shortcomings. The evaluation should focus on documenting your activities and linking these activities to the achievement of your objectives. Did you conduct the activities you planned? If you did, were the activities effective?

You will also want to determine whether there has been progress toward meeting the stated goal of your project. Because of the time lag in receiving up-to-date crash data, it may not be possible to link your project activities with any change in your measure. Rather, you should review the current status of your measure to determine whether there has been a change (compared to the established baseline) and if the change is in the right direction.

Conducting the Evaluation:

Obtain or collect updated information/data for each of the performance measures related to your project activities, objectives, and goal. Establish a baseline for each measure.

Assess the implementation of your project by comparing the activities that were conducted with the activities that were planned. Include quantitative terms in describing your activities. (Examples: number of presentations, number of participants, number of police officers, number of brochures distributed.)

Evaluate the effectiveness of your activities by comparing the updated measure with the baseline measure related to each objective. Determine if each objective was "met", "unmet", or "exceeded". Look for linkages between your activities and your objectives.

Operational Plan (Work Plan)

You *may* be asked to provide a more detailed description of how your project will be organized, including such things as staffing, location, schedules and frequencies. What are the specific activities that you will be performing, how will you implement them, when, how often and to whom will they be directed? If requested, your operational plan should provide the following in a few concise paragraphs:

1. Describe the activities that you will conduct to address each problem.
2. Address the reasoning behind the proposed solutions for each problem.
3. Include the names, titles, and duties of those who will carry out the project.
4. Provide detailed milestones for each activity

[X]

I agree to the terms and guidelines as outlined above. *

Click the **Save** button at the top of the screen, and proceed to the rest of the application by using either the links in the navigation panel on the left side of the page.

Applicant Info

Applicant Organization Name *

Broken Arrow Police Department

Organization Mailing Address *

P.O. Box 610

City *

Broken Arrow

State *

OK

Zip *

74013

Area Code/Phone Number *

(918) 259-8400

Area Code/Fax Number

Organization Physical Address *

1101 N 6th Street

City *

Broken Arrow

State *

OK

Zip *

74012

County *

Tulsa County

FEI Number *

73-6005109

DUNS Number

078655495

UEI Number - If not known, click [here](#). *

gaesb5p9q933

Authorizing Official *

Michael Spurgeon

Title *

City Manager

Mailing Address *

P.O. Box 610

City *

Broken Arrow

State *

OK

Zip *

74013

Area Code/Phone Number *

(918) 451-8200 ext. 5332

Area Code/Fax Number

E-mail Address *

jsawyer@brokenarrowok.gov

Project Director *

Jordan Sawyer

Title *

Sergeant – Public Relations Unit

Physical Address *

1101 N 6th Street

City *

Broken Arrow

State *

OK

Zip *

74012

Area Code/Phone Number *

(918) 451-8200 ext. 8451

Area Code/Fax Number

(918) 451-8242

E-mail Address *

jwallace@brokenarrowok.gov

Finance Officer *

Tom Cook Jr.

Title *

Controller

Address where reimbursement is to be mailed *

P.O. Box 610

City *

Broken Arrow

State *

OK

Zip *

74013

Area Code/Phone Number *

(918) 451-8200 ext. 5322

Area Code/Fax Number

E-mail Address *

tcookjr@brokenarrowok.gov

Project Info

WHAT TYPE OF PROJECT ARE YOU PROPOSING?

Occupant Protection

*

PROBLEM IDENTIFICATION

The City of Broken Arrow is the fourth largest city in Oklahoma with approximate population of 121,021 residents and continues to grow. The City of Broken Arrow had approximately 678,527,783 vehicle miles traveled. Geographically, the city limits encompass 55 square miles with a fence line of 107 miles. The Broken Arrow Police Department provides traffic services for over 1,681 lane miles of roadway-much of which is multi-lane arterial streets- and one state highway.

In 2021 OHSO crash data, The City of Broken Arrow ranked 39 out of 74 cities for KA crashes. The fatalities consisted of (5) unsafe speed, (2) distracted driving, (2) alcohol related, (4) drug related, & (2) unrestrained. The city has a lower crash rate per 100M VMT at 5.47 compared to the statewide crash rate of 5.93.

Trend Charts KA shows upward trend for unrestrained, KA crashes, & motorcyclists with KA injuries.

The 2023 Child Restraint Survey shows the State of Oklahoma was 87.8%, lower than the previous years of 89.3% to 93.4%. However, Tulsa area received a score of 85.1%.

*

PROJECT GOALS

[Crash data and statistics:](#)

To conduct 940 hours or more of overtime high visibility enforcement with an emphasis on occupant protection and speed in Broken Arrow in support to state and national goals contributing to statewide traffic safety improvement goals and reduce the incidence of KA crashes for FFY25.

*

PROJECT DESCRIPTION/WORK PLAN

Will this project involve traffic enforcement activity?

Yes

No *

Approximate population served:

121,021

Number of sworn officers:

163

The Broken Arrow Police Department will conduct overtime high-visibility occupant protection/speed enforcement and any other allowable traffic safety activities in support of state and national goals. To identify times and locations for enforcement activity, the Project Director shall utilize state and local data and reference sources available as well as observational surveys. Data suggests that belt use is lower at night, therefore this grant requires that at least 10% of the occupant protection enforcement hours be worked during nighttime hours. Public information and education (PI&E) supporting enforcement activities will be conducted monthly as part of the high visibility enforcement (HVE) effort to inform and educate the public on occupant protection and speed as well as the agency's ongoing effort to encourage consistent behavior.

Funding is provided for CPS inspections.

Funding is provided for in-state travel for project personnel to attend the Project Directors Training Course.

Funding is provided for out-of-state travel for project personnel to attend the Lifesaver conference, or other nationally recognized traffic safety conference with pre-approval from OHSO program manager, to learn new and improved traffic safety strategies. The Broken Arrow Police Department will submit a report to the OHSO outlining conference takeaways and possible strategies to support local and statewide traffic safety efforts.

Funding is provided for the purchase of (2) lidars to assist in the identification and adjudication of speed related offenses.

The Broken Arrow Police Department will participate in all NHTSA mobilizations in accordance with the terms of the grant agreement, and employ the following evidence-based strategies in conducting grant related activities:

*1) Countermeasure: Seat Belt and Child Restraint
Planned Activity: Primary Enforcement Set Belt Use Laws*

*2) Countermeasure: Speeding and Speed Management
Planned Activity: High Visibility Enforcement*

*

PROJECT EVALUATION

Project Director will maintain contact with OHSO Program Manager to report activity and evaluate project progress throughout the year.

At the end of the project year and no later than November 1st, the Project Director will submit the End of Year Project Summary. This report will outline the project accomplishments and whether the project met established goals.

*

If the OHSO is not able to fund this project as proposed, would your agency be interested in an alternative type of project? If so, please select a second and third preference based on your local problem identification.

2nd

Preference: *Motorcycle Safety*

3rd

Preference:

Countermeasures and Performance Measures

Countermeasure selection and justification

Describe the evidence-based countermeasure selected, including any supporting documentation or reference to show this countermeasure is likely to reduce crashes, fatalities and injuries.

Countermeasure: High Visibility Enforcement According to NHTSA's "Countermeasures That Work," high-visibility enforcement programs are in widespread use to "deter speeding and aggressive driving through specific and general deterrence." NHTSA suggests that successful agencies are those which emphasize enforcing traffic laws. JHTSA also stresses the importance of integrated nighttime enforcement as nighttime seat belt use is lower than daytime use. The 2021 OHSO Highway Safety Plan also states, "The evidence-based traffic enforcement program instituted by the OHSO and its various law enforcement partners endeavors to use high-visibility enforcement practices supported by high-visibility media campaigns to decrease and prevent motor vehicle crashes resulting from driver error in those locations deemed at risk for such incidents" Enhanced enforcement is one of the countermeasures expected to reduced fatal and injury crashes.

*

Performance Measure

Describe the expected level of performance which will need to be accomplished in order to support the countermeasure selected.

We plan to use 87 hours of overtime per month of high-visibility enforcement and saturation patrol in support of statewide mobilization efforts. Officers will be scheduled in 4-hour increments at times and locations determined to have a higher incidence of KAB crashes. At least 10% of the enforcement hours will be worked during nighttime hours. Our goal during these enforcement activities is a minimum of two contact per hour per officers.

*

Countermeasures and Performance Measures

Countermeasure selection and justification

Describe the evidence-based countermeasure selected, including any supporting documentation or reference to show this countermeasure is likely to reduce crashes, fatalities and injuries.

Countermeasure: Child Restraint System Inspection Stations Child restraint system inspection stations are considered to be an effective countermeasure and are included in NHTSA's "Countermeasures That Work" publication. Child restraint misuse is an area of concern for NHTSA as the misuse rate is stated to be 46% or greater nationally. Safe Kids Worldwide studies have shown that a vast majority of parents/caregivers struggle with properly installing and using car seats. One study cited by NHTSA found that child restraint inspection stations "positively changed parents' behavior and increased their knowledge." The 2021 Oklahoma Highway Safety Plan states that "efforts in occupant protection education and enforcement to the greatest extent possible, with particular emphasis on the increased risk of death or injury as a result of ejection from the vehicle when not properly restrained.

*

Performance Measure

Describe the expected level of performance which will need to be accomplished in order to support the countermeasure selected.

The Broken Arrow Police Department will use 6 overtime hours per month for officers who are certified Child Passenger Safety Technicians to conduct a minimum of one child restraint system inspection station per month. The inspection stations will be held in cooperation with Safe Kids Tulsa and will be announced to the public via our City webpage, in our City newsletter on social media, and in community calendars. During these events, we will be checking that child safety seats are correctly installed and being properly used and we will educate and inform participants on the importance of child passenger safety.

*

Countermeasures and Performance Measures

Countermeasure selection and justification

Describe the evidence-based countermeasure selected, including any supporting documentation or reference to show this countermeasure is likely to reduce crashes, fatalities and injuries.

Countermeasure: Public Information and Education As stated in "Countermeasures That Work," NHTSA considers communications and outreach to be an effective countermeasure and "an essential part" of enforcement programs targeting speed, aggressive driving, and occupant protection. NHTSA has collaborated with other agencies to provide tools and resources for use by States and local governments in creating effective programs dedicated to eliminating risky driving behavior. State and national mobilization efforts such as "Click It or Ticket It" and "Drive Sober or Get Pulled Over" are evidence-based, high-visibility strategies.

*

Performance Measure

Describe the expected level of performance which will need to be accomplished in order to support the countermeasure selected.

We plan to conduct a minimum of 2 public information and education (PI&E) activities per month to include media contacts, traffic safety presentations, and/or social media posts. These activities will be geared toward encouraging drivers to adopt safe driving practices, as well as toward deterring risky driving behaviors like unsafe speed and unrestrained occupants.

We will enhance community engagement in our project goals by conducting in -person PI&E activities at community events such as Night Out Against Crime and at our monthly child restraint system inspection stations. We will also use social media and traditional media (PSAs, press releases, media events, etc.) to educate and inform our community on the detrimental effects of unsafe driving behaviors; this includes PI&E activities in support of statewide mobilizations including "Click It or Ticket It" and "Drive Sober or Get Pulled Over".

*

Personnel Services

Entry info

Personnel Services is the salary and fringe benefits of people who will work on this project. If the project is to partially fund a full-time position, indicate as Full Time.

Check box if Personnel Services is not being requested for this project. Click SAVE.

Job Title *

Police Officer

Full Time

Part Time

Overtime

*

Approximate number of overtime hours annually?

1,044

Average Hourly Overtime Rate?

\$68.00

OT Salary Amount

\$70,992.00

OT Fringe Rate

%

(Enter 0 if fringe benefits are not requested)

OT Fringe Amount

\$00.00

Total Amount

\$70,992.00

Description of grant-related duties to be performed by this job title:

Officers will work in an overtime capacity for high-visibility enforcement, to conduct child restraint system inspection stations, and to conduct PI&E activities related to the project.

*

Operating Costs

Entry info: Costs to support the project not specific to other cost areas, such as: Indirect Costs, Media costs paid by a subrecipient directly to a media outlet, car seats for distribution, postage, phone, or other items of nominal cost to support approved grant-related activities. Add each type of cost separately.

Check box if Operating Costs is not being requested for this project. Click SAVE.

Description *

Dollar Amount *

\$

(If for Indirect Costs, attach copy of approval letter to application. If De minimis rate requested, identify in the Justification section below.)

Justification *

Equipment

Entry info: Equipment are nonexpendable items that have more than a nominal value, and a useful life of more than one year. Examples of equipment include computers, printers, video equipment and radar units.

Check box if Equipment is not being requested for this project. Click SAVE.

Type of Equipment *

Computer Equipment (hardware)

Description of Item *

Dell Latitude 5430 Rugged 5G Laptop

Number of items requested *

1

Cost Per Item *

\$2,635.00

Dollar Amount

\$2,635.00

Justification *

This laptop would be purchased and used specifically by Sergeant Schatz who is responsible for overseeing the OHSO enforcement grant from the patrol side. This laptop would assist him in assigning grant shifts out to officers and with other grant related tasks throughout the award period.

Equipment

Entry info: Equipment are nonexpendable items that have more than a nominal value, and a useful life of more than one year. Examples of equipment include computers, printers, video equipment and radar units.

Check box if Equipment is not being requested for this project. Click SAVE.

Type of Equipment *

Computer Equipment (hardware)

Description of Item *

HP LaserJet Pro M283fdw Wireless All in One Printer

Number of items requested *

1

Cost Per Item *

\$429.00

Dollar Amount

\$429.00

Justification *

This printer would be assigned to Sergeant Schatz' office to assist him in printing and posting grant assignments on the shared patrol white board.

Equipment

Entry info: Equipment are nonexpendable items that have more than a nominal value, and a useful life of more than one year. Examples of equipment include computers, printers, video equipment and radar units.

Check box if Equipment is not being requested for this project. Click SAVE.

Type of Equipment *

Radar

Description of Item *

Stalker DSR 2X Radar

Number of items requested *

1

Cost Per Item *

\$3,250.00

Dollar Amount

\$3,250.00

Justification *

This radar would serve in our patrol and traffic vehicle fleet.

Equipment

Entry info: Equipment are nonexpendable items that have more than a nominal value, and a useful life of more than one year. Examples of equipment include computers, printers, video equipment and radar units.

Check box if Equipment is not being requested for this project. Click SAVE.

Type of Equipment *

Radar

Description of Item *

Stalker Patrol 2 Radars

Number of items requested *

4

Cost Per Item *

\$1,675.00

Dollar Amount

\$6,700.00

Justification *

These radars would serve in our patrol and traffic vehicle fleet.

Equipment

Entry info: Equipment are nonexpendable items that have more than a nominal value, and a useful life of more than one year. Examples of equipment include computers, printers, video equipment and radar units.

Check box if Equipment is not being requested for this project. Click SAVE.

Type of Equipment *

Radar

Description of Item *

Stalker RLR Lidars with rechargeable battery pack

Number of items requested *

5

Cost Per Item *

\$2,500.00

Dollar Amount

\$12,500.00

Justification *

These would outfit the newest members of our traffic unit, and replace one current broken Lidar. As of 2024, we have four officers that have been added to our traffic unit.

Travel In-State

Entry info: Travel In-State may be for auto mileage and tolls incurred during grant-related activities, or travel, lodging and registration to attend or participate in grant-related training, symposia, meetings or conferences within the State of Oklahoma. Reimbursement must be compliant with the Oklahoma Travel Reimbursement Act.

Check box if Travel In-State is not being requested for this project. Click SAVE.

Description *

Traffic Safety Summit

Dollar Amount *

\$1,340.00

Reason: *

Travel Reimbursement: 133 miles from Broken Arrow to Norman, OK. Driving to and from each day (133x9) equals 1,197 miles for 3 days. $1,197 \times .67$ (the IRS standard mileage reimbursement rate) equals \$802.00

Per Diem (based off the GSA's rate): \$107 per day, per person. ($\$107 \times 5$ officers) equals \$535.00

Travel Out-of-State

Entry info: Travel: Out-of-State travel may be for mileage, transportation, fares, lodging, per diem and registration costs to attend or participate in approved grant-related training, symposia, meetings or conferences that take place outside of Oklahoma. Out-of-state travel not specifically identified requires prior approval in writing from OHSO before incurring travel costs. Reimbursement must be compliant with the Oklahoma Travel Reimbursement Act.

Check box if Travel Out-of-State is not being requested for this project. Click SAVE.

Description of Travel *

Lifesavers Conference

Dollar Amount *

\$6,000.00

Reason: *

*To send two officers to attend the Lifesavers Conference in accordance with State Travel Reimbursement Act to include: any registration costs, lodging, MI&E, and transportation expenses. OHSO pre-approval required.
We have a total of five new traffic officers who would significantly benefit from attending the Lifesavers Conference.*

Contractual Services

Entry Info: Contractual Costs are those expenses not usually covered under personnel costs, travel, equipment, supplies or other specific operating expenses. Examples of these would include: training courses, professional audits, and media contracts.

[X]

Check box if Contractual Services is not being requested for this project. Click SAVE.

Item *

Training

Audit

Media (To be used only for subcontractor's media costs. Subrecipients list direct media costs under Operating Costs.)

Professional Services

Other

Dollar Amount *

\$

Description *

Budget Summary

Expense Item	Amount
Personnel Services	\$70,992.00
Operating Costs	\$00.00
Equipment	\$25,514.00
Travel In-State	\$1,340.00
Travel Out-of-State	\$6,000.00
Contractual Services	\$00.00
TOTAL	\$103,846.00

Attachments

Instructions:

Please complete this page, then click the **Save** button.

Clicking the Save button will upload new files to the server.

If more upload fields are required, save the page and more upload fields will appear.

There is a limit of 20 MB per page save. If you receive an error when uploading attachments, please check the size of the files and be sure not to upload more than 20 MB's at a time.

Description	Attachments
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Award Packet Instructions

1. On the Application Menu - Forms page, review the following pages in the Award Documents section:
 - a. Grant Agreement Summary - Part I
 - b. Budget Summary Projections
 - c. Budget Detail Projections
 - d. Activity/Milestone Projections
 - e. General Provisions - Part II
 - f. Specific Agreements
2. The Authorized Official must review the Certification page in the Award Documents section and acknowledge acceptance of the terms of the agreement by clicking the SAVE button on that page.
3. After Certification by the Authorized Official, the Agency Administrator or Authorized Official must submit the proposal for OHSO Certification by clicking the OHSO Certification Apply Status button in the Change the Status section of the application on the Application Menu page.

Grant Agreement Summary – Part 1

Title of Contract:

Broken Arrow Police Department OP/SC

*

OHSO Project Number:	Award Amount:	CFDA Number:	FAIN Number:	TTA Number:
<i>OP-25-03-02-25</i>	<i>\$76,992.00</i>	<i>206002400</i>	<i>69A37524300004020OK0</i>	
<i>SC-25-03-28-25</i>	<i>\$5,000.00</i>	<i>206002500</i>	<i>69A37523300004020OK0</i>	
TOTAL AWARD:	\$81,992.00			

\$00.00

Project Period: *Oct 01, 2024 - Sep 30, 2025* **Primary Program Area:** *Occupant Protection*

Organization: *Broken Arrow Police Department*

Address: *P.O. Box 610*

City: *Broken Arrow* **State:** *OK* **Zip:** *74013*

FEI Number: *73-6005109* **DUNS Number:** *078655495*

Project Director: *Jordan Sawyer* **Title:** *Sergeant – Public Relations Unit*

Phone Number: *(918) 451-8200 ext. 8451* **Fax Number:** *(918) 451-8242*

Project Goals:

To conduct 940 hours or more of overtime high visibility enforcement with an emphasis on occupant protection and speed in Broken Arrow in support to state and national goals contributing to statewide traffic safety improvement goals and reduce the incidence of KA crashes for FFY25.

Problem Identification:

The City of Broken Arrow is the fourth largest city in Oklahoma with approximate population of 121,021 residents and continues to grow. The City of Broken Arrow had approximately 678,527,783 vehicle miles traveled. Geographically, the city limits encompass 55 square miles with a fence line of 107 miles. The Broken Arrow Police Department provides traffic services for over 1,681 lane miles of roadway-much of which is multi-lane arterial streets- and one state highway.

In 2021 OHSO crash data, The City of Broken Arrow ranked 39 out of 74 cities for KA crashes. The fatalities consisted of (5) unsafe speed, (2) distracted driving, (2) alcohol related, (4) drug related, & (2) unrestrained. The city has a lower crash rate per 100M VMT at 5.47 compared to the statewide crash rate of 5.93.

Trend Charts KA shows upward trend for unrestrained, KA crashes, & motorcyclists with KA injuries.

The 2023 Child Restraint Survey shows the State of Oklahoma was 87.8%, lower than the previous years of 89.3% to 93.4%. However, Tulsa area received a score of 85.1%.

Project Description:

The Broken Arrow Police Department will conduct overtime high-visibility occupant protection/speed enforcement and any other allowable traffic safety activities in support of state and national goals. To identify times and locations for enforcement activity, the Project Director shall utilize state and local data and reference sources available as well as observational surveys. Data suggests that belt use is lower at night, therefore this grant requires that at least 10% of the occupant protection enforcement hours be worked during nighttime hours. Public information and education (PI&E) supporting enforcement activities will be conducted monthly as part of the high visibility enforcement (HVE) effort to inform and educate the public on occupant protection and speed as well as the agency's ongoing effort to encourage consistent behavior.

Funding is provided for CPS inspections.

Funding is provided for in-state travel for project personnel to attend the Project Directors Training Course.

Funding is provided for out-of-state travel for project personnel to attend the Lifesaver conference, or other nationally recognized traffic safety conference with pre-approval from OHSO program manager, to learn new and improved traffic safety strategies. The Broken Arrow Police Department will submit a report to the OHSO outlining conference takeaways and possible strategies to support local and statewide traffic safety efforts.

Funding is provided for the purchase of (2) lidars to assist in the identification and adjudication of speed related offenses.

The Broken Arrow Police Department will participate in all NHTSA mobilizations in accordance with the terms of the grant agreement, and employ the following evidence-based strategies in conducting grant related activities:

- 1) Countermeasure: Seat Belt and Child Restraint
Planned Activity: Primary Enforcement Set Belt Use Laws*
- 2) Countermeasure: Speeding and Speed Management
Planned Activity: High Visibility Enforcement*

This grant is subject to the terms and conditions set forth in the Pre-Application guidelines and any modifications agreed to during negotiation and reflected in the Award Documents, or by Contract Change Order hereafter, including; Part I-Grant Agreement Summary; Budget Summary; Budget Detail; Activity/Milestones; General Provisions – Part II; Specific Agreements – Part III; and Certification pages.

In addition, the grantee agrees to the following:

1. If the grantee is a law enforcement agency, the grantee agrees to participate in and support NHTSA's national goals and law enforcement mobilizations ("Click It or Ticket" and "Drive Sober or Get Pulled Over"), including submitting both pre and post reports through the OHSO online Mobilization Reporting System.
2. At the end of the project year and no later than November 1, the Project Director will submit the End of Year Project Summary Report outlining the project accomplishments and whether the project goal(s) was met.

In accordance with OMB Circular A-133, the Oklahoma Highway Safety Office (OHSO) is required to supply each grantee with pertinent information regarding the grant awarded. The Oklahoma Highway Safety Office (OHSO) is a pass-through agency for federal funds provided by the U.S. Dept of Transportation, National Highway Traffic Safety Administration (NHTSA).

On the chart below, locate the "Start of Project Number for each grant awarded to obtain the information your agency's financial department will need for Federal/State reporting purposes.

Start of Project Number	Program Area	CFDA No.	Award Name	Section No.
-------------------------	--------------	----------	------------	-------------

AI	Accident Investigation	20.6000000	State and Community Highway Safety	402
AL	Alcohol	20.6000000	State and Community Highway Safety	402
DE	Driver Education	20.6000000	State and Community Highway Safety	402
MC	Motorcycle Safety	20.6000000	State and Community Highway Safety	402
OP	Occupant Protection	20.6000000	State and Community Highway Safety	402
PS	Pedestrian Safety	20.6000000	State and Community Highway Safety	402
PT	Police Traffic Services	20.6000000	State and Community Highway Safety	402
RH	Railroad/Highway Crossings	20.6000000	State and Community Highway Safety	402
SE	Speed Enforcement	20.6000000	State and Community Highway Safety	402
TR	Traffic Records	20.6000000	State and Community Highway Safety	402
TSP	Teen Safety Programs	20.6000000	State and Community Highway Safety	402
M2	405b OP Low	20.6160000	Occupant Protection	405b
M3	21 405c Data Program	20.6160000	State Traffic Safety Information Systems Improvements	405c
M5	405d Impaired Driving Mid	20.6160000	Impaired Driving Countermeasures	405d
M9	405f Motorcycle Programs	20.6160000	Motorcyclist Safety	405f

If you have any questions, please contact your Program Manager.

General Provisions – Part II

GLOSSARY OF DEFINITIONS

This glossary defines terms with meanings which may be unclear in the context in which they are used. These definitions are meant to apply only to the usage of these terms in this contract agreement.

Activity - The smallest unit of work that can be time-framed, quantified, and is critical to the success of a project.

Actual - The attained level of resources and/or accomplishments

Authorizing Official - The duly authorized representative of the State Agency, Local Subdivision or subrecipient agency having signatory authority and the responsibility of executing the contract agreement.

C. F. R. - Code of Federal Regulations

Director - The Director authorized by the Governor's Representative to direct the activities of the Oklahoma Highway Safety Office

DUNS Number – Data Universal Numbering System

FAIN Number – Federal Award Identification Number

FY - Fiscal year which starts October 1 and ends September 30 each year

Governor's Representative - A representative appointed by the Governor of Oklahoma to oversee the activities of the Oklahoma Highway Safety Office

Grantor Agency - Oklahoma Highway Safety Office

Local Subdivision - An administrative division of local government

Milestone - A level of accomplishment of an activity within a specific period of time

Obligated - The proposed level of resources and/or accomplishments

OMB - Office of Management and Budget (Federal)

OHSO - Oklahoma Highway Safety Office

OS - Oklahoma Statute

Program Manager - An OHSO staff member authorized to act as the liaison between the Highway Safety Office and the State Agency or Local Subdivision in all matters pertaining to a contract.

Project Director - A representative of the State Agency, Local Subdivision or subrecipient agency responsible for directing the activities of the project as outlined in the contract agreement

Projection - An anticipated level of performance or expenditure necessary to attain the stated project goal(s).

Project Number - A number assigned to one of the highway safety program areas as defined by the Highway Safety Act of 1966.

QTD - Quarter-to-date.

State Agency - An administrative division of state government.

Subrecipient - An agency or organization receiving pass-through funds from the OHSO through a duly authorized grant agreement, Memorandum or Agreement or Memorandum of Understanding

TTA Number – Taxpayer's Transparency Act number

U. S. C. - United States Code

YTD - Year-to-date

REGULATIONS AND DIRECTIVES

The subrecipient, its assignee(s), successor(s) in interest, subcontractor(s), supplier(s), or anyone who is a recipient of financial assistance through this grant shall agree to all applicable provisions of the following; however, nothing here should be interpreted to limit the requirements to comply with regulations and directives not included in this list:

1. Project Implementation

Grantee agrees to implement the project in accordance with federal statutes, local statutes and regulations, as well as the policies and procedures established by the Oklahoma Highway Safety Office.

2. Nondiscrimination (applies to subrecipients as well as States)

The State highway safety agency will comply with all Federal statutes and implementing regulations relating to nondiscrimination ("Federal Nondiscrimination Authorities "). These include but are not limited to:

- Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq., 78 stat. 252), (prohibits discrimination on the basis of race, color, national origin) and 49 CFR part 21;
- The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, (42 U.S.C. 4601), (prohibits unfair treatment of persons displaced or whose property has been acquired because of Federal or Federal-aid programs and projects);
- Federal-Aid Highway Act of 1973, (23 U.S.C. 324 et seq.), and Title IX of the Education Amendments of 1972, as amended (20 U.S.C. 1681-1683 and 1685-1686) (prohibit discrimination on the basis of sex);
- Section 504 of the Rehabilitation Act of 1973, (29 U.S.C. 794 et seq.), as amended, (prohibits discrimination on the basis of disability) and 49 CFR part 27;
- The Age Discrimination Act of 1975, as amended, (42 U.S.C. 6101 et seq.), (prohibits discrimination on the basis of age);
- The Civil Rights Restoration Act of 1987, (Pub. L. 100-209), (broadens scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, The Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms "programs or activities" to include all of the programs or activities of the Federal aid recipients, subrecipients and contractors, whether such programs or activities are Federally-funded or not);
- Titles II and III of the Americans with Disabilities Act (42 U.S.C. 12131-12189) (prohibits discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing) and 49 CFR parts 37 and 38;
- Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations (prevents discrimination against minority populations by discouraging programs, policies, and activities with disproportionately high and adverse human health or environmental effects on minority and low-income populations);
- Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency (guards against Title VI national origin discrimination/discrimination because of limited English proficiency (LEP) by ensuring that funding recipients take reasonable steps to ensure that LEP persons have meaningful access to programs (70 FR 74087-74100).

3. Political Activity (Hatch Act) (applies to subrecipients as well as States)

The state will comply with provisions of the Hatch Act (5 U.S.C. 1501-1508), which limits the political activities of employees whose principal employment activities are funded in whole or in part with Federal funds.

4. Buy America Act (applies to subrecipients as well as States)

The state and each subrecipient will comply with the Buy America requirement (23 U.S.C. 313) when purchasing items using Federal funds. Buy America requires a State, or subrecipient, to purchase with Federal funds only steel, iron and manufactured products produced in the United States, unless the Secretary of Transportation determines that such domestically produced items would be inconsistent with the public interest, that such materials are not reasonably available and of a satisfactory quality, or that inclusion of domestic materials will increase the cost of the overall project contract by more than 25 percent. In order to use Federal funds to purchase foreign produced items, the State must submit a waiver request that provides an adequate basis and justification for approval by the Secretary of Transportation.

5. Prohibition on using grant funds to check for helmet usage. (applies to subrecipients as well as State)

The State and each subrecipient will not use 23 U.S.C. Chapter 4 grant funds for programs to check helmet usage or to create checkpoints that specifically target motorcycles.

6. Certification Regarding Federal Lobbying; Certification for Contracts, Grant, Loans, and Cooperative Agreements.

The undersigned certifies, to the best of his or her knowledge and belief, that:

- A. No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence any officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan or cooperative agreement.
- B. If any funds other than Federal appropriated funds have been paid or will be paid to any person for the influencing or attempting to influence any officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-L.L., "Disclosure Form to Report Lobbying," in accordance with its instructions.
- C. Then undersigned shall require that the language of this certification be included in the award documents for all sub-award at all tiers (including subcontracts, sub-grants, and contracts under grant, loans, and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.
- D. Restriction on State Lobbying; None of the funds under this program will be used for any activity specifically designed to urge or influence a State or local legislator to favor or oppose the adoption of any specific legislative proposal pending before any state or local legislative body. Such activities include both direct and indirect (e.g., "grassroots") lobbying activities, with one exception. This does not preclude a State official whose salary is supported with NHTSA funds from engaging in direct communications with State or local legislative officials, in accordance with customary State practice, even if such communications urge legislative officials to favor or oppose the adoption of a specific pending legislative proposal.

7. Equipment Purchased with Highway Safety Funds:

- Ownership of equipment purchased is vested in the subrecipient, who must use the property only for the authorized purpose of this project (2 CFR Part 200.313)
- Equipment must be entered into, and tracked through, the Grantee's inventory system and the OHSO inventory;
- Equipment maintenance and liability coverage are the subrecipient's responsibility;
- Subrecipient shall not remove, transfer, or dispose of the property without prior written approval from OHSO;
- If equipment is lost or stolen, the OHSO must be notified immediately, in writing, accompanied by a police report.

To dispose of ANY equipment, the subrecipient *MUST*:

1. Write a letter of request to OHSO;
2. State how the disposal will occur (auction, transfer, etc.) and/or provide three (3) appraisals;
3. Maintain equipment until subrecipient receives letter of approval;
4. Return Equipment to OHSO

Nothing herein contained shall be construed as incurring for the Grantor Agency any liability for Workmen's Compensation, F.I.C.A., Withholding Tax, Unemployment Compensation, or any other payment which is not a part of this contract.

CERTIFICATION REGARDING DEBARMENT AND SUSPENSION (applies to subrecipients as well as States)

Instructions for Primary Tier Participant Certification (States)

1. By signing and submitting this proposal, the prospective primary tier participant is providing the certification set out below and agrees to comply with the requirements of 2 CFR parts 180 and 1200.
2. The inability of a person to provide the certification required below will not necessarily result in denial of participation in this covered transaction. The prospective primary tier participant shall submit an explanation of why it cannot provide the certification set out below. The certification or explanation will be considered in connection with the department or agency's determination whether to enter this transaction. However, failure of the prospective primary tier participant to furnish a certification or an explanation shall disqualify such person from participation in this transaction.
3. The certification in this clause is a material representation of fact upon which reliance was placed when the department or agency determined to enter this transaction. If it is later determined that the prospective primary tier participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department or agency may terminate this transaction for cause or default or may pursue suspension or debarment.
4. The prospective primary tier participant shall provide immediate written notice to the department or agency to which this proposal is submitted if at any time the prospective primary tier participant learns its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
5. The terms covered transaction, civil judgment, debarment, suspension, ineligible, participant, person, principal, and voluntarily excluded, as used in this clause, are defined in 2 CFR parts 180 and 1200. You may contact the department or agency to which this proposal is being submitted for assistance in obtaining a copy of those regulations.
6. The prospective primary tier participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency entering into this transaction.
7. The prospective primary tier participant further agrees by submitting this proposal that it will include the clause titled "Instructions for Lower Tier Participant Certification" including the "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion-Lower Tier Covered Transaction," provided by the department or agency entering into this covered transaction, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions and will require lower tier participants to comply with 2 CFR parts 180 and 1200.
8. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant is responsible for ensuring that its principals are not suspended, debarred, or otherwise ineligible to participate in covered transactions. To verify the eligibility of its principals, as well as the eligibility of any prospective lower tier participants, each participant may, but is not required to, check the System for Award Management Exclusions website (<https://www.sam.gov>).
9. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
10. Except for transactions authorized under paragraph 6 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal government, the department or agency may terminate the transaction for cause or default.

Certification Regarding Debarment, Suspension, and Other Responsibility Matters-Primary Tier Covered Transactions

1. The prospective primary tier participant certifies to the best of its knowledge and belief, that it and its principals:
 - a. Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participating in covered transactions by any Federal department or agency;
 - b. Have not within a three-year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
 - c. Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or Local) with commission of any of the offenses enumerated in paragraph (l)(b) of this certification; and
 - d. Have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State, or local) terminated for cause or default.
2. Where the prospective primary tier participant is unable to certify to any of the Statements in this certification, such prospective participant shall attach an explanation to this proposal.

Instructions for Lower Tier Participant Certification

1. By signing and submitting this proposal, the prospective lower tier participant is providing the certification set out below and agrees to comply with the requirements of 2 CFR parts 180 and 1200.
 2. The certification in this clause is a material representation of fact upon which reliance was placed when this transaction was entered into. If it is later determined that the prospective lower tier participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal government, the department or agency with which this transaction originated may pursue available remedies, including suspension or debarment.
 3. The prospective lower tier participant shall provide immediate written notice to the person to which this proposal is submitted if at any time the prospective lower tier participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
 4. The terms covered transaction, civil judgment, debarment, suspension, ineligible, participant, person, principal, and voluntarily excluded, as used in this clause, are defined in 2 CFR parts 180 and 1200. You may contact the person to whom this proposal is submitted for assistance in obtaining a copy of those regulations.
 5. The prospective lower tier participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency with which this transaction originated.
 6. The prospective lower tier participant further agrees by submitting this proposal that it will include the clause titled "Instructions for Lower Tier Participant Certification" including the "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transaction," without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions and will require lower tier participants to comply with 2 CFR parts 180 and 1200.
 7. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant is responsible for ensuring that its principals are not suspended, debarred, or otherwise ineligible to participate in covered transactions. To verify the eligibility of its principals, as well as the eligibility of any prospective lower tier participants, each participant may, but is not required to, check the System for Award Management Exclusions website (<https://www.sam.gov>).
 8. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
 9. Except for transactions authorized under paragraph 5 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal government, the department or agency with which this transaction originated may pursue available remedies, including suspension or debarment.

Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion – Lower Tier Covered Transactions:

1. The prospective lower tier participant certifies, by submission of this proposal, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participating in covered transactions by any Federal department or agency.
2. Where the prospective lower tier participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

Specific Agreements – Part III

1. Subrecipient shall adopt (if none presently exists) and enforce a written safety belt use policy requiring all employees and others riding in Subrecipient owned or leased vehicles and/or on Subrecipient business to use safety belts in all seating positions and provide a copy of the same prior to initiation of a grant.
2. Regular compensation and/or overtime compensation provided in this grant award will be paid in accordance with established policies and regulations of the subrecipient's entity. Any deviation from the established policies and regulations must be specifically addressed in the written grant agreement.
3. Subrecipient shall verify that any officer using a grant purchased radar or grant purchased video camera has received training in the proper use of the equipment.
4. Subrecipient shall require all law enforcement officers participating in impaired driving enforcement programs to obtain certification in NHTSA sanctioned Standard Field Sobriety Test (SFST) procedures prior to working grant funded enforcement shifts.
5. Subrecipient shall submit activity and reimbursement reports to OHSO monthly through the OKGrants system unless otherwise pre-approved. Reports shall include all appropriate and required backup documentation. Reports shall be submitted within 30 days of the end of the reporting month. Failure to timely submit reports may result in denial of the reimbursement claim or delay in reimbursement of the same.

The Oklahoma Highway Safety Office (OHSO) is a pass-through agency for federal funds provided by the U.S. Dept of Transportation, National Highway Traffic Safety Administration (NHTSA). In accordance with 2 CFR 200, the Oklahoma Highway Safety Office (OHSO) is required to supply each subrecipient with pertinent information regarding the grant award to assist in providing the subrecipient's financial department information which may be needed for Federal/State reporting purposes. Said information is contained within the Grant Agreement Summary-Part 1 of the award documents. A subrecipient agency may be subject to audit under 2 CFR 200. Unless other arrangements are made, any required audit cost is the responsibility of the Subrecipient.
6. Any activities or cost items not specifically addressed in this agreement or any revisions to the items which are included in the agreement must be approved, in writing, by the OHSO Director/Governor's Representative or designee before they will be considered eligible activities and/or cost items. (For example, any out-of-state travel expenses not specifically identified in one's agreement require prior written permission from the OHSO Director/Governor's Representative or designee or the costs will not be reimbursed.) These "Specific Agreement topics have been provided in an effort to assist subrecipients. This is not in any way a complete list of all requirements. Any questions and/or concerns not addressed here or in other areas of this grant agreement should be directed to the OHSO Program Manager assigned responsibility for oversight of this project.
7. The continuation of this project is contingent on the availability and receipt by OHSO of Federal Funds.
- 8.

Certification

As the Authorizing Official, I certify that all data in this application is true and correct. The application and proposed agreement have been reviewed and authorized by the governing body of the applicant agency. The typed name, in lieu of a signature, represents this agency's legal acceptance of the terms of this proposal and a statement of veracity of the representations made in this application.

Printed Name of Authorizing Official:
(Chief Executive Officer) *Michael Spurgeon*

Title: *City Manager*

Date: *Sep 26 2024 11:47AM*

NOTE: The Authorizing Official is the person with official signature authority to make financial and programmatic commitments on behalf of the applicant agency. The Authorizing Official must be a state agency head, mayor, city manager, chairperson of the County Commission or an authorized tribal leader. The Chief of Police or Sheriff is not generally an authorized signatory.

Signature:

End of Year Summary Report

Agency Name

Title of Contract

Name of person submitting report

Project Description:

Summarize the overall nature of this project, what countermeasures were employed, what types of activities were conducted and what personnel were involved. *

Stated Project Goal(s)

Were the stated project goal(s) listed above met if analysis is possible? For any goals not met where analysis is possible, describe any contributing factors or problems encountered which contributed to goals not being met? *

Budget Utilization:

Did the project utilize all the funding provided? If not, what factors contributed to the less than projected expenditure level? *

Projected Milestones:

Summarize whether each of the projected milestones were met. For those not met, describe any contributing factors or problems encountered which contributed to the less than projected activity level. *

Describe any significant successes or achievements of the project other than meeting projected activity levels. *

What additional resources or assistance would you like to have seen provided, if any? *

Participation in statewide mobilizations

If you are a law enforcement agency, did your agency participate in and submit the required reports for all statewide mobilizations as designated by the OHSO?

Yes No Not a Law Enforcement Agency *

If No, explain why.

Other Comments:

Please add any additional comments you may wish to have included in the summary report.

OHSO Program Manager Comments:

Peoplesoft Application Information



Project Number

Vendor ID

Vendor Location

PO ID

PO Distribution Line

Business Unit

Account

Sub Account

Fund

Class

Department

Budget Reference

CFDA

PO Line Number

PO Schedule

Project Costing Business Unit

Activity

Operating Unit

Project ID

Resource Type

Resource Category

Resource Sub-Category

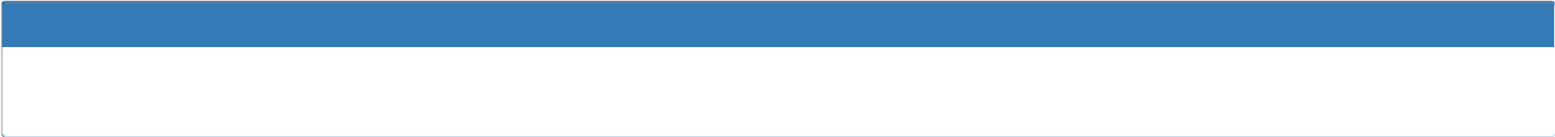
Program Code

*

Chartfield 2

Print Copy of Executed Agreement

Please click the link of the Agreement copy version you would like to generate.



Modification Comments

OHSO Comments:

Grantee Comments:

Uploads

Grantee Uploads

REG 303 Vehicle Operation.pdf

OHSO Uploads

Purchasing Manual City of Broken Arrow.pdf
600-5022-00 Stalker Terms and Conditions Rev C.pdf
Risk Assessment_Broken Arrow PD_FY25.pdf
Single Audit_Broken Arrow_FY22.pdf
FFY2025 FAIN Memo_Broken Arrow PD OP.pdf
Quote_2088665.pdf
Broken Arrow PO 5859027807.pdf

Comments

Seat Belt Policy

Comments

Purchasing Manual
Stalker Radar Terms and Conditions
Risk Assessment_FY25
Single Audit_FY22
FY25 FAIN Memo
(2) Lidars Quote_FY25
Purchase Order



BROKEN ARROW

PURCHASING MANUAL

2022

Approved by Council 11/2/2010
Updated 01/04/2022

CITY OF BROKEN ARROW

PURCHASING MANUAL

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I. INTRODUCTION

This purchasing manual will promote and maintain the integrity of the purchasing process and protect Council, staff and vendors involved in the process, by providing clear direction and accountabilities that comply with state statutes and City ordinances.

This purchasing manual provides guidelines and procedures for the City and its Trusts to ensure that all purchases of materials, supplies and services provide the lowest costs consistent with the required quality and service.

An open and honest process shall be maintained that is fair and impartial. City employees involved in the purchasing process should be familiar with, and adhere to, the guidelines set forth in this manual. The cooperation of all employees is essential if the City is to obtain the maximum value for each tax and utility dollar spent. While this manual does not answer all questions related to purchasing, it does provide the foundation for a sound, centralized purchasing system.

This manual is written in compliance with all Oklahoma Statutes, and local ordinances contained in the Broken Arrow Municipal Code. In the event of a conflict, however, state statute prevails.

Questions arising from the information contained therein may be referred to the Logistics Division for clarification and definition.

Any and all references in this document to the “City” shall be understood to include all funds of the City of Broken Arrow as well as all funds of the Broken Arrow Municipal Authority and the Broken Arrow Economic Development Authority.

Note: This manual does not apply to public construction contracts, which are governed by the Public Competitive Bidding Act. Policies for the bidding and purchasing of construction projects are covered in a separate manual established in the Engineering & Construction Department.

a. Purchasing Procedures Flow Chart:



II. PURCHASING OBJECTIVES

Public purchasing is a public trust. Public employees must discharge their duties impartially so as to assure fair, competitive access to governmental procurement by responsible vendors. Moreover, they should conduct themselves in such a manner as to foster public confidence in the integrity of the City of Broken Arrow's procurement practices.

Objectives

- Purchase for the City of Broken Arrow in accordance with the City's ordinances and in accordance with the Statutes of the State of Oklahoma.
- Procure the necessary quality and quantity of goods and/or services in an efficient, timely and cost-effective manner, while maintaining the controls necessary for a public institution, in accordance with accepted purchasing practices as otherwise specified herein.
- Encourage the most open, competitive purchasing process practicable for the acquisition of goods and/or services with the objective of obtaining maximum possible value while maintaining fair and equitable treatment of vendors.
- Constantly strive for better knowledge of methods and commodities needed.
- Promote the professionalism of the activity of purchasing.
- No contract or purchase shall be divided (known as "ticket splitting") to avoid any requirements of this policy. By stating specific monetary limitations, it is the intent of this policy to prohibit this practice. However, it is expected that unanticipated purchases over the course of any fiscal year may, when taken together, exceed the limitations for a single purchase. To the degree that such purchases are made, that when taken together, exceed the single purchase limitations such purchases shall not be deemed a violation of this policy.

III. PURCHASING RESPONSIBILITIES

The Logistics Division is established in the General Services Department of the City of Broken Arrow. The Logistics Division is headed by the Purchasing Manager. The Purchasing Manager shall be responsible for ensuring that all purchases are made in accordance with these policies, the Broken Arrow Code, and State Law.

This division shall:

- Purchase or contract for all supplies and contractual services needed by the city in accordance with the procedures established by § 2-23 of the Broken Arrow Code;
- Perform all duties required by law for municipal purchases.
- Have charge of general storerooms and warehouses.
- Sell or transfer between departments, agencies and individuals, any surplus, obsolete or unused supplies, materials, and equipment owned by the city.

a. Logistics Division Responsibilities:

- Adhering to the prescribed financial, accounting and purchasing systems.
- Assisting City departments with the development of specifications which allow for open competition.
- Requiring proper substantiation that a purchase can only be from a "sole source" vendor.
- Consolidating purchases of like or common items in order to obtain maximum economical

benefits.

- Developing the standardization of goods and services when appropriate.
- Maintaining a site for the receipt of surplus property.
- Arranging for the disposition of surplus property.
- Negotiating with vendors when no vendors have responded to Requests for Quotes or Proposals.
- Shipping, delivery and pickup of requisitioned items.

b. Purchasing Manager Responsibilities:

- Manage the Logistics Division and the Purchasing/Inventory Program.
- Develop purchasing procedures, objectives, programs and policies for the acquisition and/or the negotiation of goods and services.
- To encourage uniform bidding and endeavor to obtain a full and open competition on all purchases and sales.
- To open all sealed bids, be responsible for tabulating all bids, and determining the lowest responsible bidder.
- To enforce written specifications.
- To keep informed of current developments in the field of purchasing, prices, market conditions and new products, and secure for the City the benefits of research done in the field of purchasing by other governmental jurisdictions, national technical societies, trade associations having national recognition, and by private businesses and organizations.
- To prescribe and maintain such forms that are reasonably necessary for the City's operation.
- To prepare, adopt and maintain a vendor's file, according to materials utilized, complete with commodity codes and descriptions.
- To explore the possibilities of buying "in bulk" so as to take full advantage of discounts.
- To preserve the integrity of the purchasing system.

c. Logistics Division Buyer Responsibilities:

- Create and issue Purchase Orders in the name of the City of Broken Arrow.
- Understand that Purchase Orders constitute a commitment by the City of Broken Arrow to honor the purchase of goods and services from vendors.
- Understand that no purchases shall be made unless approved in the annual budget or authorized by Council, department head, or City Manager/Assistant City Manager.
- Keep competition open and fair.
- Not take advantage of a vendor's obvious and inadvertent error.
- Adhere to the policies and procedures outlined in this manual.
- Be honest with vendors.
- Remain free of any obligation to a vendor.
- Keep an open mind to new methods, materials, products or delivery of service.
- Make fair adjustments, if needed, with vendor.

IV. WAREHOUSE FUNCTIONS/PROCEDURES

The objective of the City of Broken Arrow Logistics Warehouse is to ensure that an adequate supply of essential items and materials are on hand to meet the demands of City Departments. Additionally, it is tasked with acquiring, storing, securing, inventory accuracy, issue of those items and minimizing costs in investments in inventory.

a. Adding or Changing Stock Items to Warehouse:

The decision of what is stocked in the warehouse is driven by demand and the requirements of City Departments. As space is limited, only essential items should be added to the warehouse as determined by the Department Directors and the Logistics Manager.

When the need arises to add an item, or the need to increase or decrease the quantity of an existing stock item in the warehouse, an inventory item status change form must be filled out by the requesting Department. This form is available upon request from the Logistics Division. This form shall be filled out by the requesting department and approved by the Department Director and submitted to the Logistics Manager. Upon approval, the Logistics Division will take action based on the approved request.

b. Issuing Inventoried Items:

Any department wishing to draw an item from the warehouse shall enter a stock requisition in the PI system under the Issuing/Allocation menu. Once the stock requisition is entered, it must be approved by a person within that department having the authority to approve such requisitions. After being approved, the requisition will be processed by the Logistics Division to be issued and available for pickup at the warehouse. All persons picking up items issued from the warehouse shall be required to sign an issue ticket upon receipt of requisitioned items.

In the case of an emergency or under certain circumstances, the Logistics personnel have the ability to issue inventory directly to the end user, bypassing the stock requisition entry/approval level. If this is necessary, contact the Logistics Division.

c. Receiving Inventoried Items:

All items stocked in the warehouse are purchased by the buyers when the re-order point is reached. Purchase orders are issued for all material stocked in the Logistics warehouse. When the order arrives it is received by Logistics Division Personnel and entered into the PI system thereby updating inventory stock levels. The material is then restocked in its proper location for future issue. All items with limited shelf life are rotated to insure the oldest items are issued first.

d. Restocking Inventory:

When an item is placed in inventory it is assigned a stock number, and given minimum and maximum quantity stock levels. The Logistics division will run an inventory item re-order report daily for the purpose of ensuring all stock items are kept at the proper stocking levels. If the quantity of a stocked item falls below the minimum stock level on a frequent basis the Logistic Division will contact the Department primarily using that item to see if stock levels need to be adjusted. Conversely, if an inventoried item is rarely used, the Department will be asked to determine if stocking that item is necessary. Low use items will be reviewed annually.

e. Annual/Perpetual Inventory Counts:

Inventoried items tie up large amounts of funds. As such, keeping accurate track of inventory is essential to ensure accountability.

Perpetual Inventory--During the first week of each month, a partial inventory count (perpetual inventory) is conducted. Items to be counted are randomly selected by the PI system and during the course of a year all items end up being counted. If the inventory count is found to be incorrect it will be researched to determine why there is a discrepancy.

Annual Inventory—During the last two days of the fiscal year an annual inventory is conducted of all stocked items in the warehouse. The results of this inventory are forwarded to the Finance Department to be reviewed by the auditors.

f. Surplus Inventory:

When the Logistics Division or a Department determines that a stocked item is no longer needed or obsolete, logistics will fill out an inventory item status change form and will then make the item inactive. During this inactive period, logistics will try to return items to vendor to get a full or partial credit. If this is not possible then the items will be declared surplus and disposed of via surplus auction. When item is physically taken off inactive status and removed from inventory.

V. PURCHASES IN GENERAL

Generally all purchases for goods and services will be requisitioned through the Purchasing Inventory (PI) computer program. The purchasing cycle begins with the user department recognizing a need for goods or services. The first step in the purchasing cycle is the preparation of the Purchase Requisition within the PI System. Its preparation is a request for goods or services. A requisition is a formal request to place an order for goods and services. Users wishing to enter requisitions within the PI system must be set up in the system to do so.

All requisitions are subject to an electronic approval process. This typically starts with the Director (or their designee) of the department requisitioning the purchase, followed by the Finance Department. (Requisitions entered for Fleet repairs up to \$1000 are approved by the Fleet Division, followed by the Finance Department). After the approval process is complete, the requisition is processed by the Logistics Buyers to issue a Purchase Order. In certain cases other forms of purchase may be available such as petty cash, credit card, issued check, and payment authorizations. For information on these types of purchase, see section pertaining to that item.

a. Purchasing Guidelines for Purchases less than \$2,500

The City of Broken Arrow Departments shall have the authority to purchase goods and services through the purchasing system up to the value of \$2,500 in the open market without adherence to quotations or to the procedure for formal bids in accordance with the following:

- Departments shall seek to obtain the highest quality goods or services at the best possible price available at the right time and in the right quantities.
- Departments shall seek to acquire goods and/or services required from qualified suppliers in a manner in which promotes fair and equitable vendor relationships.
- All purchases must be carried out in accordance with the limits of approved budgets.
- The Department shall award the purchase to the most responsible vendor whose product or service represents the greatest overall value to the City.

- All requisitions for these purchases will be approved through the normal electronic approval process in the PI system.

b. Purchasing Guidelines for Purchases more than \$2,500 and less than \$25,000

The City of Broken Arrow Departments shall have the authority to purchase goods and services through the purchasing system up to the value of more than \$2,500 and less than \$25,000 in the open market without adherence to the procedure for formal bids in accordance with the following:

- The Department shall prepare a minimum set of specifications or an explanation of services to be provided to the Logistics Division.
- The Logistics Division will obtain at least three (3) written quotations, the results of which shall be analyzed and tabulated prior to the award of purchase by the requesting Department.
- All quotes shall be filed by the Logistics Division for purpose of documentation and future reference.
- Basis of such purchases shall be awarded based on: lowest price, delivery time, and quality.
- Quotations shall be entered into the requisition via the quote section.
- Departments shall seek to obtain the highest quality goods or services at the best possible price available at the right time and in the right quantities.
- Departments shall seek to acquire goods and/or services required from qualified suppliers in a manner in which promotes fair and equitable vendor relationships.
- All purchases must be carried out in accordance with the limits of approved budgets.
- The Department shall award the purchase to the most responsible vendor whose product or service represents the greatest overall value to the City.
- The Department shall have the authority to reject any and all quotes if they determine, in their discretion, that additional solicitation may yield a more desirable result for the City of Broken Arrow.
- Quoting may be waived by purchasing goods, products, or services through vendors with existing contracts to supply those goods on a City wide basis.
- All requisitions for these purchases will be approved through the normal electronic approval process in the PI system.

c. Purchasing Guidelines for Purchases \$25,000 or more

All purchases of whatever nature, except as otherwise directed by the City Council, for labor, service, material, equipment or supplies will be subject to the competitive bidding process for amounts of \$25,000 or more and shall be let, by free and open competitive bidding after advertisement, to the lowest responsible bidder or any other bidder to whom the award would be determined by the City Council to be in the best interest of the City of Broken Arrow.

- All requisitions for these purchases will be approved through the normal electronic approval process in the PI system.
- Bids shall be entered into the requisition via the quote section.
- These purchases will require City Council approval prior to purchase.
- This does not apply to public construction contracts.

d. Purchasing from the State Contract

The City and its Trusts may purchase supplies, materials, equipment or contractual services when purchased at a price not exceeding a price set therefore by the state purchasing agency or any other

state agency authorized to regulate prices for things purchased by the state (whether such price is determined by a contract negotiated with a vendor or otherwise); or from purchasing consortiums.

Purchasing from the state contract or other purchasing consortiums eliminates the need for formal competitive bidding.

Due consideration should be given to purchases made from state contracts or purchasing consortiums. Department Directors should be actively involved in the process to ensure that the supplies, materials, equipment or contractual services cannot be acquired at a better price than if bids were let and awarded.

e. Sole Source Purchases

Goods or services can be purchased as a “sole source” under the following conditions:

- If the good or service needed can be supplied by only one vendor who has an exclusive dealership.
- If the good needed is considered to be a “captive” part.
- If the warranty would be voided by purchasing the good from another vendor.
- If the good is a patented product and can only be purchased from the manufacturer itself.
- If a department stipulates that a good or service has to meet unique specifications and/or can only be supplied by a specific vendor, this request has to be fully documented and submitted to the Logistics Division.

Sole source items are items performing a certain function for which no other items are known to exist. With the technology advances in today’s market place there will be on occasion a clearly superior product to perform a function or patents may limit us to a sole source. If it is to the City’s economic advantage to use such a product, it should not be ignored. Justification for specifying such items is extremely important and should be clearly stipulated and documented.

Other instances of sole-source or proprietary purchases are contracts for utility services such as natural gas, electricity, and telephone, which are not subject to competitive bidding, or contracts for the purchase of magazines, books, periodicals and similar articles of an educational or instructional nature. By ordinance, these items are not subject to the competitive bidding requirements, provided, however, that such contracts of \$25,000.00 or more shall be presented to the City Council requesting permission to waive bids, approve, and to enter into a formal contract.

Sole source situations can be minimized by use of performance specifications and requests for proposals. This conveys to the supplier the performance or results needed or desired. It lets the vendor determine how best and most economically he can meet those needs.

f. Performance-based Efficiency Contracts

Performance-based efficiency contracting is a performance-based procurement method and financial mechanism for building renewal whereby utility bill savings that result from the installation of new building systems (reducing energy use) pay for the cost of the building renewal project. The contract typically provides for "Guaranteed Energy Savings" which includes language that obligates the contractor, a qualified Energy Services Company (ESCO), to pay the difference if at any time the savings fall short of the guarantee.

This can enable the City to obtain long-term energy and cost savings by facilitating prompt incorporation of energy conservation improvements or possibly energy production equipment, or

both, in connection with buildings or facilities owned, operated or under the supervision and control of the City.

The performance-based efficiency contracts will be governed by Title 62 Section 318 of the Oklahoma Statutes.

VI. STOCK REQUISITIONS

a. Ordering Items From The Logistics Warehouse

The City of Broken Arrow stocks and maintains a variety of items used by various departments. When an item is needed from the Logistics warehouse, a stock requisition is used to obtain that item/s. A stock requisition is a formal request to remove stock from inventory. Users wishing to enter stock requisitions within the Purchasing Inventory (PI) system must be set up in the system to do so. An authorized person can approve, cancel, or return the stock requisition to the originator for more information. When approving the stock requisition, an authorized person can also verify expense account information and the availability of funds. Warehouse personnel can then issue the items from inventory or return the stock requisition to the sender. PI verifies the accounting information you enter on a stock requisition with the general ledger.

b. Stock Requisition Approval

After you enter a stock requisition, its status becomes "Waiting Department Approval." Authorized people can then approve, return, or cancel the stock requisition. At the department approval level, an authorized person reviews basic stock requisition information, as well as:

- Comments
- Account information
- Additional stock requisition information

Information cannot be added or changed on the stock requisition at the department approval level. Changes can be made only when the stock requisition is entered.

VII. PURCHASE REQUISITIONS

a. Purchases From Vendors

Purchase requisitions, commonly referred to as "requisitions," are used to request items or services not available in the City's warehouse inventory. To request items needed for purchase, a purchase requisition is initiated. Requisitions pass through one or more levels of approval. Buyers then process items from approved requisitions onto purchase orders to approved vendors.

General guidelines:

- When a department needs goods or services a requisition must be completed in the PI system.
- Requisitions generally will be processed on a first come, first serve basis. If requisitions result in purchase orders of less than \$2,500, the buyers will try to process those first.
- Purchase orders cannot be issued until the requesting department's funds have been verified as being available through the requisition approval process.

- Buyers will not substitute goods requested unless the requesting department has approved it.
- If a requesting department needs to amend a purchase order (e.g. change in quantity, size, gauge, color, model, brand, destination, etc.) which has already been issued, it must notify the Logistics Division Buyers who will then make the needed change provided it does not change the cost more than 5%. If the change increases cost more than 5%, the approval to make that change must be received from the Department Director.
- Vendors are allowed to make partial shipments, providing that the delivery time for the balance of the purchase order is completed within a reasonable length of time. If the vendor informs the buyer of this possibility, the buyer should inform the requesting department accordingly.
- All requisitions should include any shipping or delivery charges as part of the price.
- If the vendor insists that the shipping or delivery charges have to be paid by the City, then it needs to be listed as a separate line item on the requisition and the purchase order.

VIII. PETTY CASH PURCHASES

A petty cash fund shall be established to be used for immediate and necessary purchases. It provides an alternative timely, efficient method for the acquisition of small, low priced items necessary to conduct the business of the City for which the use of the standard purchasing process would be neither timely nor cost effective. The amount of the petty cash fund shall be determined by the city manager or a designee, subject to a maximum sum of \$2,000. Portions of this single petty cash fund may be located within various user departments. The Finance Director shall administer the petty cash fund by:

- Providing adequate security and storage of cash and receipts.
- Developing appropriate regulations setting forth the policies and procedures to be followed in the use of petty cash funds.
- Ensuring the adopted policies and procedures set forth are followed.

a. Establishment of Petty Cash Funds

Finance Department Management must authorize the establishment and amount of any petty cash supply requested by user departments. The checking accounts used for petty cash are maintained by the City Manager's office and the Finance Department. No other department shall have a petty cash checking account.

b. Responsibilities

The department head of each department utilizing petty cash shall name one person as primary custodian of the fund and if necessary, a backup custodian. The custodian is responsible for the petty cash funds in his or her possession, the accurate and timely recording of all expenditures and the submission of the request for reimbursement/replenishment of the petty cash supply. The department head is ultimately responsible for the proper use of petty cash. Improper use will result in the removal of the petty cash supply. The decision to remove any petty cash supply shall be made by the Finance Department Management.

c. Petty Cash Transaction Limits

Purchases made from petty cash shall not exceed fifty dollars (\$50.00) except with the advance approval of the City Manager or Finance Department Management. This **does not apply** to the

petty cash checking transactions exceeding \$50.00 for the purpose of reimbursing user departments petty cash supplies.

d. Reporting Requirements

The custodian of the petty cash supply shall maintain a record of all expenditures. An expenditure log shall include the date, name of vendor, purpose, appropriate account number, amount and name of the person making the expenditure. The log shall be signed or initialed and dated by the person receiving reimbursement for the expenditure. Receipts for all expenditures shall be attached or accompany the log when submitted for reimbursement/replenishment. Petty cash expenditures shall be reviewed, approved and recorded in the ERP system by the Finance Department.

IX. PURCHASE ORDERS

The City of Broken Arrow provides for the acquisition of goods and services through the use of a purchase order system. A purchase order is an agreement between the City and the seller for the purchase of items or services at an agreed price and delivery date. The purchase order issued by the City is the supplier's authority to ship and charge for the goods/services specified in the order. The purchase order is also the City's commitment to pay for the goods/services specified in the order. Approved requisitions for purchases entered by the various departments are processed by the Buyers in Logistics Division onto purchase orders to approved vendors.

Each purchase through the PI (Purchasing Inventory) system has a purchase order number. This number is used to retrieve purchase orders for review.

Information entered on purchase orders created by the Buyers in the Logistics division include:

- Purchase order information, such as purchase order date, type, and buyer name
- Vendor information, such as vendor number, name, and terms
- Quantities of items ordered
- Unit cost of each item ordered
- Inventory information for each item on the purchase order

a. Purchase Order Receipt Information

When an order arrives, the Logistics Division checks the order for the correct quantity, item/s, and condition. The order is then received in through the PI system, and the ordering department is notified of the delivery.

Information available through the PI system for a specific purchase order after receipt includes:

- Received by – The name of the person who received the items.
- Received date – The date the items were received.
- Packing slip number – The merchandise list that accompanies the vendor shipment of the purchase order items. When an invoice is processed, accounting personnel can enter a purchase order number and packing slip number to view a list of the items received. This allows them to verify receipt of the items listed on the vendor invoices before they are paid.
- Quantity received – The quantity received for each line item on the purchase order. This serves as authorization for payment for the items.
- Receiving comments – The receiving person can type general comments about the entire receipt such as "Items damaged upon receipt" or for individual line items, such as "Received one extra widget #10001."

In the event an order arrives without documentation, a packing/receiving/delivery ticket a form is filled out to document receipt of the order. This form will be completed & forwarded to

Accounts Payable and is attached to the Purchase Order or Requisition.

b. Items not Requiring Purchase Orders

Regular periodic utility bills, payroll, taxes, pension fund payments and periodic insurance payments may be made without first issuing a purchase order.

X. BLANKET PURCHASE ORDERS

- A blanket purchase order is the same as an 'open-ended' purchase order. The Logistics Division issues blanket purchase orders whenever a department is unable to declare a specific quantity of goods or services that it will need throughout the year.
- A blanket purchase covers the estimated amount of purchases from a specific vendor. The vendor generally bills the City on a weekly or a monthly basis for the goods or services provided to a department during that time period covered by the blanket Purchase Order.
- A blanket purchase order is processed just the same as if it were a regular purchase order.
- Departments may request that a blanket PO be issued to a contracted vendor for a specific amount of money within the contract period.

Blanket purchase orders should be used only when a need justifies its use. They are not designed to take care of all purchases. Rather, they should be used to supplement the normal purchasing process for special immediate, undeterminable needs.

Department Directors can request the use of a blanket purchase order by making arrangements with the Logistics Purchasing Manager.

a. Generally blanket purchase orders may be issued when:

- No contract exists for the type of commodity being requested.
- The quantity needed cannot be determined.
- It is not feasible to issue purchase orders for frequent smaller purchases from a specific vendor.
- A condition exists for recurring purchases from a vendor for immediate needs.

b. Some examples of blanket purchase order use include:

- Aggregates, asphalt, concrete supplies
- Building, electrical and fleet maintenance miscellaneous parts and supplies
- Propane, welding/cutting gas supplies
- Pike Pass billing
- Pool, treatment plant chemicals
- First aid supplies
- Sod and topsoil supplies

IMPORTANT: Under no circumstances should a blanket PO be issued to a non-contract holding vendor which can be purchased from a contract-holding vendor.

c. Making purchases under a blanket purchase order.

- In order to control purchases, each department should identify and authorize which employees may purchase items from a vendor with a blanket purchase.
- When an employee purchases an item from a vendor a receipt must be issued by the vendor, signed by the employee. A copy must be given to the employee.
- If the employee's signature is not readable, the employee shall also print their name on the receipt.
- All receipts shall be reviewed and initialed by their respective supervisor.
- The supervisor shall ensure at a minimum that the department name and the proper account number is written on the receipt. It should also include the following if applicable:
 1. Project number
 2. Fleet equipment, reference, job, job order and fleet cost charge code
 3. Work order number
 4. Any other billing information that may be needed to properly identify the charge
- Receipts must be turned into the Logistics Division no later than the start of the next business day. (See note below)

Note: It is very important that all receipts for purchases made under a blanket purchase order be turned in promptly. Accounting for each and every purchase is necessary to make proper payments to the vendor on time.

d. A blanket purchase order may be removed if:

- Receipts cannot be turned in on time.
- Abuse of blanket purchase order by using it to avoid the use of the normal purchasing procedure.
- A need no longer exists to maintain a blanket purchase order for a vendor.
- The Logistics Division Manager, working with the Department Directors, will review all blanket purchase orders semi-annually to determine which blanket orders should be continued.

XI. CREDIT CARD PURCHASES

a. General

It is the policy of the City to offer purchasing cards to the City Council and Trustees of the City's Authorities, City Manager, Assistant City Manager, Department Directors and other employees as approved by their Department Director for use in conducting City business. Permitted uses shall include travel, registrations and purchases when such use is in the best interest of the City. The purchase card shall be used as described under the "Card User Responsibilities" section of this policy.

b. Purchasing Card Management

Purchasing cards shall be administered and managed by the Purchase Card Manager in the Finance Department under the direction of the Finance Director. The Purchase Card Manager will be responsible for procurement and cancellation of cards, setting the proper credit limits as defined below and administration of this policy.

c. Approval for Purchase Card

Purchasing cards will be provided for all personnel identified above and additional departmental personnel when requested by the Department Director. Requests in writing or by e-mail with an explanation as to the need for the card for the individual should be directed to the Finance Director who will determine if the card shall be issued. A decision to deny the card will be communicated in writing or e-mail to the requesting Department Director and may be appealed to the Assistant City Manager or City Manager.

Purchase cards may be issued for an ongoing basis or a temporary time frame based on the request by the Department Director. An example of a temporary card would be a card issued for an employee assigned to an on out-of-town business trip for an extended period of time which is not in the normal course of business, or an employee in a temporary assignment for which a purchase card is required.

The Department Director will promptly secure and notify the Purchase Card Manager of any card which is no longer needed by an employee in that department. The card shall be forwarded to the Purchase Card Manager who shall promptly deactivate and destroy the card.

d. Credit Limits

Credit limits for purchase cards will be up to Five Thousand Dollars (\$5,000) for the City Council and Trustees, City Manager and Assistant City Manager and Two Thousand Five Hundred Dollars (\$2,500) for Department Directors.

Initial credit limits for all other personnel shall be determined on the basis of need as requested by the Department Director and approved by the Finance Director. These limits may be adjusted if needed for specified time periods. In no instance shall this limit exceed \$2,500 without the express approval of the Finance Director, Assistant City Manager or City Manager.

e. Cardholder Responsibilities

Cardholders are required to properly account for and report the use of their purchase card on a monthly basis. The report shall be in a format prescribed by the Finance Department Purchase Card Manager and approved by the Finance Director. Reports must be signed and dated by the Cardholder and **detailed receipts** must be attached to support the charge ticket.

Users are expected to use these cards with the highest sense of ethics. The following rules apply to users of purchase cards:

- Cardholders must keep cards and card number/s secured.
- Purchase cards shall not be used for personal business.
- Purchase cards shall not be used to avoid following the City's purchasing rules.
- Purchase cards shall be used **only** by the Cardholder.
- The Cardholder shall only purchase for accounts within his Department's budget, **except for the Logistics Division and Information Services which may make purchases on behalf of other departments within their available budgets.** Information Services, however, must advise the affected Department by memo or email and receive authorization from that Department Director or designee prior to initiating the purchase. Authorization copies must be attached to the Cardholder's monthly report of transactions.

- No cash back may be received for purchase card credit transactions. All credits must be processed through the purchasing card.
- All transaction discrepancies and lost purchasing cards shall be immediately reported to the Finance Department's Purchase Card Manager.

Improper use of purchasing cards will result in revocation of one's card and may result in other disciplinary action.

XII. PAYMENT AUTHORIZATIONS

The purchase order system shall be used for most purchases. However, some services provided to the City do not require purchase orders. To authorize payment of these services, a payment authorization form is used. Payment authorizations are usually used for something that cannot be tangibly received in. If you can physically count or receive an item, the purchase order system should be used.

Items/Services for which a payment authorization may be used, include, but are not limited to:

- Utility Bills
- Professional Services
- Technical Services
- Short Term contract payments
- Progress payments on approved contracts not utilizing a purchase order
- Expense reimbursements

Questions regarding the appropriate uses payment authorizations should be directed to the Finance Department.

When an invoice is received for which a payment authorization is to be used, the invoice shall be paper clipped to the back of a completed payment authorization form and sent to Accounts Payable in the Finance Department.

Note: As with all purchases, timely payment to our vendors is important. When an invoice is received it is important to submit the payment authorization in a prompt manner. The cut-off for an item to be on the Claims List is 5:00 PM on the Monday of the week preceding a City Council meeting.

a. Offline Checks

Offline checks are manual checks that do not go through the normal approval process for payment.

Offline checks are the exception rather than the rule and will only be given with the express approval of the Finance Department.

b. Filling Out the Payment Authorization Form

The following information shall be filled out on the payment authorization form:

Vendor's Name/Number—Enter the vendor's name and Number (if known) for which payment is to be made.

Description/Justification—Enter a brief description of what the payment is for.

Expense Account—Enter the account for which the invoice is to be charged to.
Project—Enter the project number if applicable.
Amount—Enter the cost to be charged to the account.
Initiated By—Enter the name and title of person filling out form.
Approved by—Signature of Department Head/designee approving purchase.
Return Check—If a check is requested to be delivered to the department check yes and use colored paper for the Payment Authorization.

The remaining information on form will be filled out by the Finance Department:

Expense Accounts Verified by—Name of person verifying expense accounts
Approved for Inclusion on Claims List—Finance Director/designee
Check Number—Number of check issued
Check Date—Date of check
Total Check Amount—Amount check was written for

XIII. REQUEST FOR QUOTES

A quote is a term for an informal bid or solicitation. Quotes are sometimes called a “Request for Quotations” or RFQ.

The goal of quoting is to:

- Ensure adequate, fair, and open competition
- Give all bidders an opportunity to bid
- Invite bidders to offer their best products and services

All such purchases shall be awarded to the lowest quote received meeting specifications with respect to the following:

1. Design and durability of goods
2. Ability to provide the goods or services requested
3. Ability to deliver goods or services within time specified
4. Experience level in providing the goods or services
5. Past quality of service to the City of Broken Arrow
6. Ability to provide future service to the goods ordered

An RFQ is generally used for:

- Smaller purchases of quantifiable or describable items or services
- Items or services in which there are no formal time or date requirements
- No bond requirements
- No sealed bid requirements

a. Requests for Proposals

Sometimes quotes or bids are used to secure services or solutions that do not have specification. These types of quotes/bids are sometimes called a “Request for Proposal” or RFP.

An RFP is generally used for:

- Goods or services designed for an award based upon criteria other than price alone
- For hard to quantify or describe items or services because it allows the vendor to suggest the item or service that might best suit the City's needs

An RFP should clearly spell out the results you want to achieve with the item or service.

An RFP that will be \$25,000 or more must follow the formal bidding procedures.

b. Obtaining Quotes

- Quotes are not required for purchases which are less than \$2,500.
- For purchases between \$2,500 and \$25,000 the Logistics Division shall obtain the quotes and attempt to obtain a minimum of three quotes.
- For written quotes a standardized quote form shall be used and is available from the Logistics Division.
- The Solicitation Guidelines should be used in preparing quotes.
- Logistics personnel will assist you in preparing RFQ's and RFP's if requested.
- Buyers generally try to send out quotes within 2 working days of the receipt of a requisition requiring quotes and usually allow a vendor up to five (5) working days to respond to a quote. However, if an emergency exists, that timeframe can be reduced.
- Responses to the quotes/proposals shall be reviewed by the buyer and the requesting department to determine the most advantageous bid.
- Quotations shall be entered into the requisition via the quote section.

XIV. BIDS

FORMAL BIDDING PROCEDURES

Except as otherwise directed by the City Council, for labor, service, or work, or for professional services and public construction contracts, all Purchase Orders or Contracts of whatever nature for the purchase, lease or sale of personal property, material, equipment, supplies, or services will be subject to the formal competitive bidding process for amounts of twenty five thousand dollars (\$25,000) or more and shall be let, by free and open competitive bidding after advertisement, to the lowest responsible bidder, or any other bidder to whom the award would be determined by the City Council to be in the best interest of the City of Broken Arrow.

a. Formal Sealed Bid Procedure

The **formal bid** process is required for any purchase of goods and services which cost \$25,000 or more. These bids are submitted as sealed bids. All bids will be made equally and uniformly known by the City to all prospective bidders and the public through advertisement in a newspaper of general circulation and will be published for two consecutive weekly issues. The first publication will be at least 20 day prior to the date set for the bid opening. Our due date is always set on a Tuesday by 3:30 P.M. The bids are then opened the following Wednesday at 10:30 A.M. at a location designated by the Purchasing Department.

For bids that are estimated to exceed \$50,000 notice will also be published in a trade or construction publication.

Note: These particular days may have to be rescheduled to other days whenever the City is closed due to observance of national holidays and the holidays fall on a Tuesday or a Wednesday.

Note: The bid number is preceded by the current fiscal year (e.g. FY 08-09 would see the bid listed as 09-000).

b. Bid Request Procedure:

1. When a Department is ready to purchase goods or services through the bid process, the Logistics Manager should be notified. The Logistics Manager will work with the Finance Department to verify that funds have been appropriated and available prior to bid letting.
2. The Department shall provide the technical specifications for the equipment or service to the Logistics Manager. For vehicles and equipment specifications, the department shall contact the Fleet Maintenance Division. The departments shall provide Fleet with vehicle/equipment performance requirements so specifications can be developed.
3. Departments should use the Solicitation Guidelines in preparing bid specifications.
4. A bid packet is prepared by the Logistics Division, assigned a bid number and is placed into the bid file. Then a copy of the bid packet is sent to the requesting department.
5. After the bid packet has been approved or modified by the requesting department, it is then returned to the Logistics Division, an invitation to bid notice is sent to each vendor from the bidders list and an advertisement is placed in Bid News and a local newspaper.
6. After the bids are received, the bids are opened at the appointed place and time.
7. The opened bids are sent to the department requesting the bid.
8. The requesting department then reviews the bids and submits any comments or

exceptions taken to the bids and returns all bids to the Logistics Division.

9. The recommendation to award the bid is then submitted by the Department to the City Council agenda for approval.
10. After the award of bid is approved by the City Council, the Department will notify the Logistics Division. A requisition is entered for the purchase by the Logistics Division. After going through the normal requisition approval process, the buyers will issue a purchase order.

Exception. If the bid requires a contract to be written rather than a purchase order issued, the contract is sent to the Legal Department for review. If the bid requires the submission of a bond and/or a certificate of insurance, it must be reviewed and approved by the Legal Department as well.

A copy of the approved contract should be included in the agenda item. The original contract (three copies, one for City Clerk, one for Vendor, one for Department) must be left with the City Clerk's office for signing by a City Official after Council Approval. It is recommended to have the vendor sign the contracts prior to approval by Council. After the contract has been executed by both the City and the vendor, the City Clerk's office will retain one original for filing. The other two copies will be picked up by the department. A copy of the contract should be sent to the Logistics Division to be filed with bid file. If contract has not been previously signed by vendor prior to Council approval, the contract must then be picked up by the Department to get contracts signed by vendor and then return one original to the City Clerk's office for filing.

c. Content of Bid Packets

The bid packets are assembled by the Logistics Division. The Logistics Manager is responsible for including all necessary general instructions, requirements and special provisions that may apply.

All bid packets shall, at a minimum, contain the following information:

- General provisions for invitation to bid
- Bid specifications
- Proposal Sheet
- Terms and Signature Sheet
- Bid Affidavit
- Interest (Non-Collusion) Affidavit
- Statement of No Interest

d. Solicitation Guidelines

Any solicitation must disclose to the prospective bidders all of the provisions which will become part of the contract/purchase. This will ensure that the successful bidder is fully aware of what is expected by the City in fulfillment of the contract/purchase. The bidders must be made fully aware of all terms and conditions, because it will have a significant bearing on the price being quoted to the City.

In order to provide all of the provisions, the buyers must insist that the requesting department provides all specific information with respect to the goods or services being requested:

- Specific details on size, gauge, color, model, options, capacities, quantities, quality, brand, etc.
- Indication if the bid can be quoted on an 'all or part' basis.
- Delivery date required, delivery location.
- What special skills, experience, and/or certifications if any, are required.
- If generic or alternate commodities will be acceptable, packaging requirements.
- Indication that partial shipments will be accepted with the balance due within a specified time period.
- Indication what specified percentage will be accepted as a payable overrun.
- Any provision that allow the City to increase or decrease estimated usage.
- Any special bonding and/or insurance requirements.
- Any discount terms expected.
- If renewal options are acceptable.
- Conditions which would result in cancellation or non-renewal of contract.
- Name of person and telephone number for bidders to call if clarification of provisions is needed.

Exception: Some information should not be disclosed to prospective bidders:

- The requesting department's estimates of cost(s).
- The requesting department's available funds.
- The names of other bidders and their quotes prior to the bid opening date.

e. Bid Award

The bid is awarded to the lowest responsible bidder meeting specifications. The award shall be made within ~~365-90~~ days after the opening of bids. In order to determine the lowest secure bidder, in addition to the price quoted, the Department will also evaluate the vendor's:

- a) The ability, capacity and skill of the bidder to perform the contract or provide the goods or service required;
- b) Whether the bidder can perform the contract or provide the goods or service promptly, or within time specified, without delay or interference;
- c) The character, integrity, reputation, judgment, experience and efficiency of the bidder;
- d) The quality of performance of previous contracts, goods or services;
- e) The previous and existing compliance by the bidder with laws and ordinances relating to the contract or service;
- f) The sufficiency of the financial resources and ability of the bidder to perform the contract, provide the goods or service;
- g) The quality, availability and adaptability of the supplies or services to the particular use required;
- h) The ability of the bidder to provide future maintenance and service for the use of the subject of the contract;
- i) The ability of the bidder to provide maintenance, performance of warranties, guaranties, the proximity to the city of the bidder with reference to providing maintenance, warranty or service;
- j) Whether the bidder can perform the maintenance, warranty or service to the equipment, locally or otherwise; and

- k) Whether the bidder owns or operates a business within the corporate city limits of the City of Broken Arrow.

If a request for bid stipulates that "the City reserves the right to award the bid per item to the lowest bidders", the buyers may make multiple awards; providing that by doing so, the City will realize a greater savings than if only awarded to the overall low bidder.

f. Bid Rejection

A bid will be rejected if it does not conform to the bid provisions. In the event the rejected bid is the lowest price, it cannot be considered a low bid nor should it not be used in the evaluation process.

If it is found that acceptance of all bids would not be in the best interest of the City, the bids may be rejected. Rejections of bids on contracts over \$25,000 shall be the exclusive responsibility of the City Council.

The Purchasing Manager, with the approval of the Finance Director and City Manager, shall have the authority to reject the bid of a contractor/vendor who is in default on the payment of taxes, license fees or other monies due the City of Broken Arrow, or in default on a current contract with the City for services, equipment, supplies or labor.

Other than stated above, bids should be awarded to the lowest responsible bidder or to any other bidder the City Council determines to be in the best interest of the City of Broken Arrow.

g. Exceptions to Bid Rejection:

If the bidder discovers that they failed to: (a) sign the Sealed Bid form, (b) complete the proposal sheet, (c) complete and attach the Interest Affidavit, and/or (d) attach the Bid Bond (if so required), the buyer shall give the bidder the opportunity to sign and/or submit the uncompleted documents by 3:30 P.M. of the day before the bid opening.

If a bidder has satisfied all of the "essential" provisions, but some information was not submitted as requested (e.g. catalogs, brochures, business status, place of business, etc.) such can be construed as being minor irregularities which can be waived at the time of the bid opening, if it is to the best interest of the City.

Important Information About Bid Rejections. Each situation should be carefully considered based on the unique circumstances involved and whether or not it might be subject to criticism by the other bidders or establish an unwise precedent for future situations. The prudent policy to follow is to confer with the Legal Department as to what should be done in each case that occurs.

h. Openings

Most bid openings for goods and services are held at the Broken Arrow Purchasing Division, 1700 West Detroit, Broken Arrow, OK. 74012. If not held at the Purchasing Division, the bid documents & publications will identify the location.

All bid openings are open to the public and interested parties. The bids are read aloud and recorded. The Bid Proposal, once opened and read publicly, cannot be altered or revised. After

the meeting, the bids are tabulated with the results forwarded to the respective departments to review. The public is allowed to review the tabulations if so requested.

If the lowest bid submitted meets all specifications and the requesting department concurs that the vendor has and can meet all specifications, an award recommendation is then presented to City Council for approval.

i. Delayed/Extended Bid Opening Date:

An extension of time may be granted for the opening of bids upon publication in at least one newspaper stating that the bid opening date has been extended. The time of the bid extension shall not be less than seven (7) days after publication. Notice of the bid opening extension shall also be mailed to all bidders of record, i.e.; those holding copies of the specifications.

j. Tie Bids

If a tie bid occurs between a local vendor and a vendor outside of the City, and the bid price and quality are all equal, the bid shall be awarded to the local vendor. If a tie bid occurs between two local vendors or two vendors outside the City, and the bid price and quality are all equal, the bid shall be awarded to the vendor with the best past performance with the City.

k. Award to Other Than Low Bidder

In the event it is determined to award a bid to other than the lowest bidder meeting specifications, the department should document the reasons in their bid evaluation to be included on the agenda item submitted to the City Council for approval.

l. Amendments

If solicitations for bids or proposals are carefully prepared, there should be very few occurrences when amending a solicitation is needed. However, when an amendment is needed (e.g. an error in the provisions is discovered or incorrect wording is found in the text, or something has occurred that changes the original requirements), the following steps are required:

- The buyers should immediately advise all the bidders, who received the original requests for bids or proposals, of the need for an amendment which can be done orally or by FAX followed with the amendment confirmed in writing.
- If possible, the amendments should be done on the original document; however if this is not possible, it should be submitted to the bidders in the same format and each change be prepared on a separate sheet which can be inserted to replace that of the original document; OR, submit the changes in the same format and under the title of the affected section of the document.
- The original due date for response to the bid or proposal may be extended for a reasonable length of time, usually one week, to allow the bidders time to consider any additional costs that might occur from the changes and modify their responses accordingly.

m. Discussions with Prospective Bidders

Bidders seeking clarification or additional information on requests for bids or proposals should obtain that information from the buyer handling that particular solicitation - not from the requesting department. If the buyer cannot answer the request, the buyer will contact the department for this information and reply back to bidder/s. This helps to ensure that each bidder

will be informed of any information made available to another bidder. If a buyer furnishes any requested information to a bidder which was not covered in the request, the buyer should likewise notify all the other bidders of what was released. This ensures that each bidder was given equal opportunity and information to submit their bid.

n. Modifications or Withdrawal

- A bidder may request, in writing, the acceptance of a modification to its bid prior to the date and time of the bid opening. The bidder must be instructed to clearly mark the sealed envelope that it is a modification to the specific bid involved. The modification shall be attached to the bidder's original bid and shall not be opened until the bid opening.
- A bidder may request, in writing, the withdrawal of its bid prior to the date and time of the bid opening without penalty or forfeiture of its bid bond - if one was required.

o. Advertising

An advertisement for the solicitation of bids is typically performed by the Logistics Division. Advertisements must contain the following information:

- The goods or services to be bought.
- The due date and location to submit the bid.
- Time and place where bid plans and/or specifications can be obtained.
- Time and place for the bid opening.
- Telephone and/or FAX numbers to get additional bid information.
- Any substantial bonding and/or insurance requirements.
- A statement that the City has the right to reject any and all bids based upon established criteria.

p. Late bids

Bids received after the due date and times are late and will not be considered. Any bid received after the time set for bid opening, shall be returned unopened to the bidder.

q. No Bids

In the event no timely bid is received after bid notices have been published, the City may direct the Department or Purchasing Manager to negotiate a contract with a prospective vendor up to budgeted amount. The supplies or services shall be as specified in the initial bid documents and shall be executed within six months after the date initially set for opening of bids. All other approval processes will still apply and be followed according to this policy.

r. Alternate Bids

Alternate bids can be accepted if all the bidders were given the same opportunity to submit alternate bids as well. The alternate bids must be a close substitute and perform similarly to the original items requested. The requesting department must agree to the substitution before the purchase order or contract is issued.

s. Mistakes in Bids

Mistakes which are due to obvious clerical errors (i.e. an error in unit price extension, arithmetic error in total bid compilation, error in unit designation, decimal point incorrectly placed, etc.) may be corrected by the Logistics Division during the bid compilation process with the approval of

the bidder. Other errors should be referred to the Legal department with a request for advice. Appropriate documentation should be included with the request.

XV. EMERGENCY PURCHASES

In case of an emergency affecting the public health and safety, the City Manager or other City personnel in accordance with authorizations issued by the City Manager, may authorize a vendor to perform any and all work necessary to resolve such emergency without public advertisement. Documentation of the emergency and the need for immediate action shall be presented to the City Manager by the Department Director prior to such authorization and be ratified by the City Council where the cost exceeds \$25,000.00, as provided by the Broken Arrow Municipal Code & State Statute.

Such documentation shall include a complete description of the materials and equipment required and the estimated costs to be incurred. A full report of the circumstances surrounding the emergency purchase shall be filed with the City Council and shall be entered into the minutes.

XVI. CONTRACTS IN GENERAL

Contracts should be in writing and include the following:

- Description of goods or services to be provided
- Cost of the goods or services
- Stipulation of any bond and/or insurance requirements
- Reviewed and approved by Legal Department if non-routine or non-recurring
- Signed by the vendor
- Signed by Mayor, City Manager, the Assistant City Manager, or the Chair of the Trust
- Department Directors may sign contracts that do not exceed \$5,000.00, so long as sufficient funds are appropriated.

Contracts may include a mutual renewal clause of up to four (4) annual renewal options.

- Contracts (initial or renewal) can be issued for only a one (1) year period of time and only if sufficient funds are appropriated.
- All contracts are between a vendor and the City or Trust. Occasionally a contract will indicate that it is issued for and in behalf of a specific department due to the unique nature of the goods or services requested. In any case, other departments may make purchases from any City contract.

XVII. SURPLUS DISPOSAL

a. The Receipt and Disposition of City Property Deemed as Being Surplus

It is the responsibility of all Department Directors to identify surplus fixed assets and non-fixed assets. Surplus property is considered to be City property which is:

- Too expensive to maintain
- Obsolete
- No longer repairable
- Badly worn
- Aesthetically unattractive for public use
- Too many on hand

- Not operational
- Unsafe to use

All Departments shall submit the SURPLUS PROPERTY DISPOSAL form identifying pertinent information that is needed to conduct further disposition actions to the Logistics Manager.

The Purchasing Manager is authorized to transfer usable surplus materials to another department requesting such materials.

- The Logistics department is essentially responsible for the receiving and storage of property which has been declared as surplus by the City departments due to the property being obsolete, too costly to repair, worn out, damaged, no longer needed or used, or was scheduled for replacement.
- The surplus operation may set aside a small quantity of property, when available, which is still in relatively good condition and can be re-utilized by other City departments. Examples include chairs, desks, tables, file/storage cabinets, chalkboards, marking boards, electric typewriters, calculators, PC equipment, etc. The City realizes more of a benefit from re-utilization than it would from sale at its surplus auctions.
- Any department that is needing property may look over the surplus property and request transfer of same to its inventory.

The Logistics division will be responsible for the following:

- Marking of the sale items
- Arranging the surplus property for sale
- Advertising in the local newspaper
- Making arrangements for the orderly release and verification of purchases of each buyer

If the estimated aggregate value of the surplus materials, supplies or equipment is \$15,000.00 or less, the Purchasing Manager is authorized, upon approval by the City Manager, to sell the materials, supplies or equipment to the highest responsible bidder.

If the estimated value of the surplus materials, supplies, or equipment is in excess of fifteen thousand dollars \$15,000.00, the Purchasing Manager is authorized, upon approval by the City Council, to advertise for bids to the general public for award to the highest responsible bidder following the formal bid procedures; or, order a public auction to sell the surplus materials to the highest bidder.

XVIII. JOINT OR COOPERATIVE PURCHASING

The Purchasing Manager shall investigate all possibilities of cooperating in a joint purchasing program with other government entities in order to obtain lower prices through volume purchases. All purchases made in cooperation with any other governmental unit must be made within the rules and guidelines established by the Broken Arrow Code.

In a joint or cooperative purchasing arrangement, two or more government entities buy under the same contract or agreement. From a practical viewpoint, usually the largest participating jurisdiction is the focal point for purposes of contract administration. Cooperative purchasing also tends to aid and encourage the development, manufacture and distribution of new or modified products which would not be commercially available.

XIX. PROHIBITED ACTS OR CONDITIONS

Any Purchase Order or Contract, in which the Purchasing Manager or any employee of the City is financially interested, directly or indirectly, shall be void. The Purchasing Manager and every other employee of the City are expressly prohibited from accepting, directly or indirectly, from any person to which any Purchase Order or Contract is, or might be awarded, any rebate, gift, money or anything of value whatsoever, except where given for the use and benefit of the city or in compliance with the Broken Arrow Code. The use of the Logistics Division for personal gain shall be grounds for immediate dismissal and for appropriate legal action against such acts.

XX. FORMS

a. Example Purchase Order



PURCHASE ORDER
 City of Broken Arrow
 P.O. BOX 610
 BROKEN ARROW, OK 74013-0610

PURCHASE ORDER NO. 069311
--

DATE: 9/27/2010

VENDOR PHONE: (207)377-2626
VENDOR FAX: (207)377-2629
VENDOR #: 6634
VENDOR ADDRESS: FILTER BELTS, INC.
 12 WINADA DRIVE
 WINTHROP, ME 04364

SHIP TO: PURCHASING WAREHOUSE
 1700 WEST DETROIT
 BROKEN ARROW, OK 74012

*Our P.O. # **MUST** Appear on **ALL** Invoices, Packages and Correspondence*

DELIVER BY	REQUISITION #	REQUISITION DATE	CONFIRMED BY
10/05/2010	0000111093	09/24/2010	
FOB	ACCOUNT NUMBER		AUTHORIZED BY
	02054104356045		PAUL VLERICK
ITEM #	QUANTITY/ UNIT	DESCRIPTION ARTICLE OR SERVICE	UNIT COST
			EXTENDED COST

1	1.00 / EA	SENSOR SWITCH	268.4000	268.40
---	-----------	---------------	----------	--------

TOTAL APPROVED PURCHASE AMOUNT	\$268.40
---------------------------------------	-----------------

I hereby certify that the amount of this encumbrance has been entered against the designated appropriation account and that this encumbrance is within the unencumbered available balance of said appropriation

SEND INVOICE TO: CITY OF BROKEN ARROW Accounts Payable P.O. Box 610 Broken Arrow, Okla. 74013-0610

AUTHORIZED SIGNATURE _____

DATE ENCUMBERED _____ CLERK _____


I hereby certify that the merchandise and/or services described above have been satisfactorily received and that the purchase order is now a true and just debt of the City of Broken Arrow. The purchase order is therefore approved for consideration for payment by the City Council in compliance with 62 O.S. §310.

DATE RECEIVED _____ RECIEVED BY _____

TERMS AND CONDITIONS:


- 1) Invoices to be rendered in duplicate. ATTN: Accounts Payable Department.
- 2) No back orders accepted. No payment to be made until order is complete.
- 3) No substitutions of material described will be accepted without prior approval.
- 4) The City of Broken Arrow is exempt from payment of Oklahoma Sales Tax and Federal Excise Tax by State Statute 0568, Article 13, Section 1305, Para. 1.
- 5) Deliveries acknowledged subject to inspection by purchaser.
- 6) It is agreed that purchaser shall be entitled to any and all cash discounts allowed by seller if payment is made within 30 days after receipt of invoice.


b. Example of Receipt Turned in for a Petty Cash Purchase




FRONTIER INTERNATIONAL TRUCKS

For Parts Toll Free 1 - 800 - 722-2397
FRONTIER INTERNATIONAL TRUCKS, INC.
 1023 No. Garnett Rd. - P.O. Box 3666
 TULSA, OKLAHOMA 74102-3666
 918 - 438 - 0100







Cummins




CATERPILLAR




OTTAWA



FLEETRITE



Allison



MITSUBISHI FUSO

IDELEASE
 NO REFUND WITHOUT THIS INVOICE

NO RETURN ON ELECTRICAL OR SPECIAL ORDER PARTS.
 15% HANDLING CHARGE ON ALL RETURNED PARTS.
 NO PARTS RETURNABLE AFTER 10 DAYS.
 Care must be returned within 30 days to receive refund.

TERMS: NET 30 DAYS
 ALL ACCOUNTS DUE AND PAYABLE IN
 TULSA, TULSA COUNTY, OKLA.

THIS ONLY WARRANTY APPLIES TO THE PARTS AND SERVICE WHICH MAY BE CITED BY THE MANUFACTURER. THE SELLER DISCLAIMS ALL OTHER WARRANTIES INCLUDING ANY IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. THE SELLER SHALL NOT BE LIABLE TO RECOVER FROM THE BUYER OR ANY OTHER PARTY FOR ANY LOSS OF PROFITS, LOSS OF BUSINESS, LOSS OF REVENUE, LOSS OF CONTRACTS OR FOR ANY OTHER SPECIAL DAMAGES. THE BUYER SHALL BE RESPONSIBLE FOR THE PROTECTION OF THE PARTS AND SERVICE FROM THE DATE OF DELIVERY. THE BUYER SHALL BE RESPONSIBLE FOR THE PROTECTION OF THE PARTS AND SERVICE FROM THE DATE OF DELIVERY. THE BUYER SHALL BE RESPONSIBLE FOR THE PROTECTION OF THE PARTS AND SERVICE FROM THE DATE OF DELIVERY.

DATE ENTERED	YOUR CHIT/ID NO.	DATE SHIPPED	TYPE OF PART	INVOICE NUMBER	
27 AUG 09	ZAMMERLA	31 AUG 09	31 AUG 09	774837	14:57

ACCOUNT NO. 11585

CITY OF BROKEN ARROW
 PO BOX 61C
 BROKEN ARROW, OK 74013

SHIP TO

SHIP FROM

SHIP VIA	SLIP NO.	SLIP NO.	TERMS	F.O.B. POINT
	0		CASH	TULSA, OK

QTY	DESCRIPTION	LIST	NET	AMOUNT
17.04	98-5230 LIGHT	17.04	12.78	12.78

020 5725 436 6020

09. XXX

FRONTIER

E 1026
 R 0102
 50 73497
 5 1

INTERNATIONAL PARTS AND SERVICE	PARTS	12.78
SCHEDULE VEHICLE PM OR REPAIR TODAY	SUBLET	
EASTERN OKLAHOMA PARTS/SERVICE SOURCE	FREIGHT	0.00
!!!! THANK YOU FOR YOUR BUSINESS!!!!	SALES TAX	0.00
**** FRONTIER SALES/SERVICE/PARTS ****	TOTAL	12.78

DELIVERY COPY

Account number -----
 Project number -----
 (if applicable)

Fleet Work Order information -----
 (if applicable)

c. Example of Receipt Turned in for a Blanket Purchase Order-Fleet

Fleet ticket turned in on blanket PO

Control No. **4802646**

NAPA NAPA BROKEN ARROW
 215 E. KENDISHA Y DCR Y
 Ref by _____ Ver by _____
 Broken Arrow 74012

8000020045288042

Remit to: Genuine Parts
 PO BOX 848033
 DALLAS, TX 75284-8033
 BY: *John Doe*
 X

ALL GOODS RETURNED MUST BE ACCOMPANIED BY THIS INVOICE

ACCT. NO.	SOLD TO		DATE	INVOICE NO.	STORE NO.	EMP	SR
	06080 CITY OF BROKEN ARROW 26 200 MUNICIPAL CENTER		3/26/09	528804	102004	2	40
	(22) BROKEN ARROW, OK 74012-0000		TIME	PURCHASE ORDER NO.	ATTENTION		
			14:48	62795			
			INVOICE TYPE		CHARGE SALE		
QUANTITY	PART NUMBER	LINE	DESCRIPTION	PRICE	NET	TOTAL	CODE
3.00	1060	FIL	OIL FIL	10.970	3.190	9.57	T1R
1.00	1N-3130	ANE	NEW ALTER	308.120	173.200	173.20	T1
SUB TOTAL						182.77	
	MISC.	0.00	0.000	% TAX	0.00	TOTAL	182.77

R-9506
E-694
JO-74583
J-1
CC-P

Fleet information (does not require account number)

Printed name

If signature is unreadable

d. Example of Receipt Turned in for a Blanket Purchase Order-General



LOWE'S HOME CENTERS, INC.
1900 EAST HILLSIDE DRIVE
BROKEN ARROW, OK 74012
(918)355-4926

-SALE-

SALES #: S1536GB1 228466 03-25-09
TE#: 153600050 City of Broken Arrow

23821 3/4"X5' TYPE L COPPER PIP 12.33
23505 1.70Z TINNING PLUMBING FL 2.48

SUBTOTAL: 14.81
TAX: 0.00
INVOICE 01343 TOTAL: 14.81

BALANCE DUE: 14.81

LAR: 14.81

LAR XXXXXXXXXXXX3164 000499

LAR PO: BLANKET

ACCOUNT NAME: CITY OF BROKEN ARROW

AUTH BUYER: BLANKET PO

Project Number if applicable
Account number to be charged to

→ 053031
→ 058-3001-421-7015

AMOUNT: 14.81

ACCOUNT WILL BE BILLED UPON MERCHANDISE
RECEIPT OR NO LATER THAN 60 DAYS FROM
TRANSACTION DATE FOR STOCK MERCHANDISE
AND NO LATER THAN 90 DAYS FROM TRANSACTION
DATE FOR SOS OR DIRECT DELIVERY MERCHANDISE.

Printed name if signature is un-readable

→ John Doe

1536 TERMINAL: 01 03/25/09 14:25:50

OF ITEMS PURCHASED: 2
EXCLUDES FEES, SERVICES AND SPECIAL ORDER ITEMS



THANK YOU
FOR SHOPPING LOWE'S

RECEIPT REQUIRED FOR CASH REFUND.
CHECK PURCHASE REFUNDS REQUIRE
15 DAY WAIT PERIOD FOR CASH BACK.
STORE MGR: KEITH KUNZE

HAVE A COMMENT OR FEEDBACK? LET US KNOW AT:
WWW.LOWES.COM/FEEDBACK
STORE CODE: 15360-32509-01343

e. Missing Packing/Receiving/Delivery Form

PACKING / RECEIVING / DELIVERY SLIP

DATE _____

**CITY PERSONNEL TO COMPLETE
WITH TICKET RECEIVED WITH
GOODS. ATTACH TO REQ OR PO**

RECEIVED FROM _____

ADDRESS: _____

CITY & STATE: _____

CARRIER NAME: (CHECK ONE)

___ UPS

___ SHIPPER'S TRUCK

___ PARCEL POST

___ EXPRESS MAIL

___ TRUCK

___ AIR EXPRESS

___ RAIL

___ OTHER

ITEM	QUANTITY	DESCRIPTION

OUR PURCHASE ORDER #	SHIPMENT ___ COMPLETE RECEIVED ___ PARTIAL	NUMBER OF CARTONS:
-------------------------	---	--------------------

ALL CARTONS RECEIVED OK _____ CARTONS RECEIVED DAMAGED _____

RECEIVED BY : _____

This receiving slip is to be completed & forwarded to Accounts Payable if packing slip does not accompany order.

f. Finance Payment Authorization Form

ENCUMBRANCE/PAYMENT AUTHORIZATION FORM

I hereby authorize the payment of the following services/items for which funds are budgeted in the accounts indicated. I believe this to be a true and accurate record of the owed.

VENDOR NAME: Vendor

DESCRIPTION/JUSTIFICATION: Description

EXPENSE ACCOUNT	PROJECT	AMOUNT
<u>Account</u>	<u>Project#</u>	<u>Amount</u>
<u>Account</u>	<u>Project#</u>	<u>Amount</u>
<u>Account</u>	<u>Project#</u>	<u>Amount</u>
<u>Account</u>	<u>Project#</u>	<u>Amount</u>

TOTAL \$Total
Initiated By:

Name & Title **Date**

Approved By: _____

DIVISION/DEPARTMENT HEAD **Date**

Expense Accounts Verified By: _____

NAME **Date**

Approved for Inclusion on Claims List By: _____

FINANCE DIRECTOR **Date**

RETURN CHECK TO REQUESTING DEPARTMENT YES ___ NO ___

TO BE COMPLETED BY FINANCE DEPARTMENT

CHECK NUMBER _____ **CHECK DATE** _____ **TOTAL CHECK AMOUNT**

g. Quote Form



LOGISTICS DIVISION
 1700 W. Detroit, Broken Arrow, OK 74012
 Office (918) 259-7367 Fax (918) 259-8376

Quote # _____

Date Due: _____

Date Issued: _____

QUOTE

Time Due: 4:00 P.M.

Fax or deliver your quote by the time & date due or your quote will not be considered for award. Quotes must be submitted on this form or they will not be considered for award.

All items must be quoted FOB – 1700 W. Detroit, Broken Arrow, OK 74012					
	Qty	Unit	Description	Unit Price	Total
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					

Do **NOT** include sales tax, Broken Arrow is tax exempt

Shipping

Comments: _____

GRAND TOTAL

Bidders should direct questions to: _____ at the above number

Important Notice: The City reserves the right to reject any or all parts thereof, and accept the quote most advantageous to the City. The City reserves the right to accept by item, groups of items or all items.

Bidder must complete the following section:

Quote is valid for _____ days

Name of Bidder: _____

Address: _____
Street City State Zip

Telephone # _____

Fax # _____

Signature of Bidder's Authorized Representative Date

h. Surplus Property Disposal Form

SURPLUS OR OBSOLETE ITEMS FORM	
DATE _____	SURPLUS _____
OBSOLETE _____	
Is this a Fixed Asset? Yes _____ No _____	
If it is a fixed asset please note the tag number and asset number if known.	
ASSET NUMBER _____	TAG NUMBER _____
DEPARTMENT _____	
UNIT NUMBER (IF APPLICABLE) _____	
DESCRIPTION _____	
VIN/SERIAL NUMBER _____	
CURRENT LOCATION _____	
DISPOSAL TYPE (CHECK ONE)	
SCRAP _____	SELL _____
AUCTION _____	DONATE _____
OTHER (EXPLAIN) _____	
PERSON SUBMITTING THIS FORM _____	
PHONE NUMBER _____	
DEPARTMENT HEAD SIGNATURE _____	
PLEASE FORWARD THIS FORM TO LOGISTICS DIVISION WITH SURPLUSSED ITEM.	
DISPOSAL INFORMATION TO BE COMPLETED BY LOGISTICS	
SOLD TO _____	
PICKED UP BY _____	DATE _____
SOLD THROUGH _____	
AMOUNT RECEIVED _____	
COMMENTS _____	

i. Inventory Item Status Change Form

INVENTORY ITEM STATUS CHANGE REQUEST

REQUEST TO:

CHECK ALL THAT APPLY:

ADD NEW ITEM _____

CHANGE/SET MIN/MAX _____

CHANGE ITEM DESCRIPTION _____

ACTIVE/INACTIVE STATUS _____

INVENTORY ITEM STOCK# _____

BIN LOCATION _____

EXPLAIN REQUEST _____

DATE _____

SIGNED _____

(MANAGER OR ACTING MANAGER)

ITEM NUMBER IF NEW TO STOCK _____

DATE CHANGES MADE _____

CHANGES MADE BY LOGISTICS BUYER _____

COMMENTS BY BUYER _____

Applied Concepts, Inc. (d/b/a Stalker Radar) Product Terms and Conditions

- (1) **Purpose.** The terms set forth herein govern the sale and delivery of the Stalker Radar and other products (collectively "**Products**") sold by Applied Concepts, Inc. (d/b/a Stalker Radar "**we**," "**us**," "**our**," etc.) and purchased by the purchaser ("**you**," "**your**," etc.).
- (2) **Price and Product Changes; Errors.** Prices of Products are subject to change without notice, and all references in sales brochures, technical data sheets and offers on our website or otherwise as to size, weight, and other details of the Products are approximate only. No such term shall be binding on us unless expressly incorporated in a purchase order which is approved and accepted by us in accordance with these terms. In the event that a Product is mistakenly listed at an incorrect price or with other incorrect information, we reserve the right to refuse or cancel any orders placed for a Product listed at the incorrect price or based on incorrect product information. In addition, we are not responsible for any inability to fulfill orders due to reasons beyond our control. We reserve the right to refuse or cancel any such orders whether the order has been confirmed and you have paid for the Product. If you have already paid for the Product and your order is cancelled, we will issue a refund in the amount paid.
- (3) **Cancellation.** Cancellation of an order for standard Products will be accepted without penalty, prior to shipment. Cancellation of an order for non-standard or customized Products will not be accepted once item is in production or shipped.
- (4) **Delivery.** Unless separate arrangements have been agreed upon in writing with you to the contrary, the terms of delivery are F.O.B. our loading dock. We will use commercially reasonable efforts to make your purchased Products available for pick-up and delivery by you within a reasonable time after acceptance of an order from you, or, if you so specify, to place the purchased Products with a common carrier at your expense for delivery to you. You bear the risk of loss or destruction of the purchased Products upon and after the first to occur of (a) pick-up or acceptance of the Products by you or your common carrier at our place of business, or (ii) five (5) days after confirmation from us that the Products are ready for pick-up at our place of business. If we are required to store the Products due to any delay caused by you, you will reimburse us for reasonable storage charges. We reserve the right to make the Products available for pick-up and delivery in installments provided that such installment shall not be less than one Product unit, unless otherwise expressly confirmed in a written communication to the contrary by us. Delay in delivery of any installment shall not relieve you of your obligation to accept remaining deliveries.
- (5) **Returns.** We must authorize all returns and a Return Material Authorization (RMA), prior to shipping. All returns must be made within thirty (30) days after delivery as specified in Section (4). Returns will be shipped at your expense. An RMA number can be obtained by e-mailing Customer Service: csd@aconcepts.com. We will not be responsible for, nor guarantee credit or replacement on, any product returned to us without an RMA. Under no circumstances will we accept collect shipments. Products returned must be received by us in re-salable condition. Product that cannot go back to stock as received will not be accepted. Please securely pack the Product and write the RMA number on the outside of the shipping box, not the product box. All returns are subject to a restocking charge of 25% of net price. Specific items may require additional charges.
- (6) **Payment.** You will pay the purchase price and applicable taxes and duties for Products without setoff, deduction, or withholding net 30. You hereby grant us a purchase money security interest in and to the Products until the purchase price and other applicable charges are paid in full. You consent to filing of a UCC-1 or other applicable document that we deem necessary to perfect this security interest and appoint our designee as your attorney-in-fact to execute and file such UCC-1 or other document in our sole discretion.
- (7) **Proprietary Information.** We have and claim various proprietary rights in the Products. You will not directly or indirectly cause any proprietary rights to be violated or any proprietary information to be disclosed to any third party without our prior written consent.
- (8) **Warranty.** We warrant Products to be free of defects and (a) that Products will perform materially in accordance with the user guides, quick reference guides, and other technical and operations manuals and specifications for Products provided by us. At our election, we will repair or replace at our cost all Product

hardware components that fail due to defective materials or workmanship during the warranty period specified in your owner's manual or a longer period specified in your quote or invoice. You must return failed Product to the factory or an authorized service center, freight prepaid. Return shipping on any components that fail within 6 months from shipment date, will be paid for by us through a shipping label we provide to you. We will pay standard UPS ground on all return shipping. This warranty excludes normal wear-and-tear such as frayed cords, broken connectors, scratched or broken cases, or physical abuse. The foregoing warranty is exclusive, in lieu of all other warranties, of quality, fitness, or merchantability, whether written, oral, or implied. We will not be liable for any direct, indirect, consequential or incidental damages arising out of the use or inability to use Product even if you have advised us of the possibility of such damages. As a further limit on warranty, and as an expressed warning, you should be aware that harmful personal contact may be made with a Product in the event of violent maneuvers, collisions, or other circumstances, even though said Product is installed and used according to instructions. We specifically disclaim any liability for injury caused by a Product in all such circumstances. **Any attempt to repair a Product on your own will void this warranty.**

- (9) **Limitations of Liability.** WHETHER IN CONTRACT, TORT OR UNDER ANY OTHER THEORY OF LIABILITY, OUR AND OUR AFFILIATES' AND LICENSORS' AGGREGATE LIABILITY UNDER THIS AGREEMENT WILL BE LIMITED TO THE GREATER OF \$100,000 OR THE AMOUNT YOU ACTUALLY PAID US UNDER THIS AGREEMENT FOR PRODUCTS DURING THE 12 MONTHS PRECEDING THE CLAIM.
- (10) **Miscellaneous**
 - a) **Force Majeure.** We and our partners will not be liable for any delay or failure to perform any obligation under this Agreement where the delay or failure results from any cause beyond our reasonable control, including acts of God, labor disputes or other industrial disturbances, systemic electrical, telecommunications, or other utility failures, earthquake, storms or other elements of nature, blockages, embargoes, riots, acts or orders of government, acts of terrorism, or war.
 - b) **Assignment.** You may not assign or otherwise transfer Products or any of your rights and obligations specified herein without our prior written approval. Subject to the foregoing, these terms and conditions will be binding upon, and inure to the benefit of us, you and our and your respective successors and permitted assigns.
 - c) **Jurisdiction.** Your purchase of Product and these terms and conditions shall be governed by, construed, and enforced in accordance with the laws of the State of Texas without regard to its conflicts of laws provisions. Any controversy or claim arising out of or relating to this agreement, or the breach thereof, shall be settled by arbitration administered by the American Arbitration Association under its Commercial Arbitration Rules, and judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. Such Arbitration shall take place only in Collin or Dallas Counties, State of Texas. There is no recourse beyond the Binding Arbitration mentioned herein and that no civil litigation or action will be brought by either party as a direct result of your purchase or use of Product or these terms and conditions. The non-prevailing party (as exclusively determined by the arbitrator) shall pay all of the prevailing party's arbitration fees, attorneys' fees, costs (including costs of investigation), expert witness fees, and all other related expenses of every kind and nature whatsoever. Notwithstanding the foregoing, we may seek any equitable or injunctive relief in a court having proper jurisdiction to protect our rights under these terms and conditions or to protect any of our proprietary interest or goodwill.
 - d) **Severability.** In the event that any provision of these terms and conditions is held by a court of competent jurisdiction to be unenforceable because it is invalid or in conflict with any law or any relevant jurisdiction, the validity of the remaining provisions shall not be affected, and the rights and obligations of the parties shall be construed and enforced as if these terms and conditions did not contain the particular provisions held to be unenforceable.



Applicant agency:		UEI #:			
Project Title:					
IntelliGrants Application Name:					
Federal Fiscal Year:		Review Date:		Completed by:	
1. Award Amount		<u>Small</u> <\$25,000	<u>Medium</u> \$25,000 to \$100,000	<u>Large</u> >\$100,000	
Amount of the award (if award amount is unknown, an estimated award amount should be used.)					
2. Accounting System		<u>Automated</u>	<u>Manual</u>	<u>Combination</u>	
Type of accounting system used by the entity.					
3. Program Complexity		<u>Not Complex</u>	<u>Slightly Complex</u>	<u>Moderately Complex</u>	<u>Highly Complex</u>
Rate the complexity of the program.					
<p>Programs with complex compliance requirements have a higher risk of non-compliance. In your determination of complexity consider whether the program has complex grant requirements (if you choose one, select slightly complex; if you choose two, select moderately complex; if you choose three or four, select highly complex). The following are some examples of reasons a program would be considered more complex:</p> <ul style="list-style-type: none"> ▶ Complex programmatic requirements and/or must adhere to regulations ▶ Matching Funds or Maintenance of Effort are required ▶ Various types of program reports are required ▶ The entity further subcontracts out the program 					
Entity Risk				All questions must be answered with a Yes, No, or NA.	Yes No N/A
4. Determine if the applicant has experience with same or similar sub-awards.					
<ul style="list-style-type: none"> a. Has the applicant previously had Federal or State grants similar to this award? b. Has the applicant had at least 3 year's experience with Federal grants? c. Did the Federal agency determine that there were no financial or compliance issues. 					
5. Determine the results of previous audits.					
<ul style="list-style-type: none"> a. Has the applicant received a single audit in accordance with 2 CFR part 200.501 Subpart F within the preceding 3 years? b. If yes to 5.a, did the <i>last available</i> single audit report cover letter or summary report contain specific language stating they had an "Unqualified Opinion" or "Unmodified Opinion" of the audit report? (a "No" response to question 5.b requires automatic medium or high risk) c. In the last available audit, the findings did not directly impact a grant with OHSO. (True="Yes", False="No") 					
6. Determine if the applicant has new personnel, or new or substantially changed systems?					
<ul style="list-style-type: none"> a. Has the applicant staff remained essentially unchanged during the prior year? b. Is the designated Project Director the same as in the previous year grant? c. Does the entity have an accounting system that will allow them to completely and accurately track the receipt and disbursements of funds related to the award? 					
7. If the subrecipient has had an OHSO award within the previous 3 years, during the latest year was the agency consistently on time and accurate in the submission of the following:					
<ul style="list-style-type: none"> a. Progress Reports b. Fiscal Reporting c. Change requests/revisions d. Annual Inventory Certification e. Evaluation summary 					

Entity Risk	All questions must be answered with a Yes, No, or NA.	Yes	No	N/A
8.	<p>If subrecipient received grant funding from OHSO within the previous 3 years, for the latest year did the project:</p> <p>a. Utilize at least 85% of initial funding provided without a reduction in funding level?</p> <p>b. Did Monitoring Reports for that year(s) reflect good performance without documentation of significant sub-par performance levels?</p> <p>c. Did the EOY evaluation(s) indicate that target goals were achieved and milestone projections consistently met, including participation in mobilizations?</p> <p>d. Agency had no "scope of activity" problems identified requiring corrective action. (True="Yes", False="No")</p>			

Low Risk		High Risk	
<i>Most of the following attributes should be present to be considered <u>low</u> risk</i>		<i>One or more of the following attributes may be present to be considered <u>high</u> risk</i>	
▶	Entity has complied with the terms and conditions of prior grant awards.	▶	History of unsatisfactory performance or failure to adhere to prior grant terms and conditions
▶	No known financial management problems or financial instability	▶	Financial management problems and/or instability; inadequate financial management system
▶	High quality programmatic performance	▶	Program has highly complex compliance requirements
▶	No, or very insignificant, audit or other monitoring findings	▶	Significant findings or questioned costs from prior audit
▶	Timely and accurate financial and performance reports	▶	Untimely, inadequate, inaccurate reports
▶	Program likely does not have complex compliance requirements	▶	Recurring/unresolved issues
▶	Entity has received some form of monitoring (e.g., single audit, on-site review, etc.)	▶	Lack of contract with entity or any prior monitoring
		▶	Large award amount
Medium Risk ▶ Agencies that fall between low and high risk are considered <u>medium</u> risk.			

Rating Assigned

Total No responses

Additional notes or comments specific to the subrecipient

RATING SCALE

0-7 No responses	Low
8-13 No responses	Medium
14-18 No responses	High

Risk Actions	High	Medium	Low
Standard monitoring – including phone calls, emails and onsite visits with subrecipient.	X	X	X
Reviewing monthly activity reports.	X	X	X
Require 100% documentation for reimbursement.	X	X	X
Required attendance at annual Project Directors Training Course	X	X	
Schedule an in-depth financial review prior to the end of the first quarter of the project year.	X	X	
Consider discontinuing grant activity or not providing entity with a grant until such time as high risk classification is resolved.	X		
Withhold full or partial payments if documentation is found to be incomplete or incorrect.	X		
Review corrective actions to determine if subrecipient has come into compliance.	X		
Request review by State Auditor's Office or take enforcement action if necessary.	X		
Consider taking enforcement action against the non-compliant subrecipient.	X		



BROKEN ARROW

Where opportunity lives



**ANNUAL FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORTS**

**AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2022**



**FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

JUNE 30, 2022

**WITH
INDEPENDENT AUDITOR'S REPORT**

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City of Broken Arrow, Oklahoma

**List of Principal Officials
June 30, 2022**

City Council

**Debra Wimpee, Mayor
Christi Gillespie, Vice-Mayor
Scott Eudey
Johnnie Parks
Lisa Ford**

City Manager

Michael L. Spurgeon

Clerk

Curtis Green

Finance Director/Treasurer

Cynthia Arnold





INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Members of the City Council
City of Broken Arrow

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Broken Arrow, Oklahoma (the "City"), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City as of June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Change in Accounting Principle

As discussed in Note 1 to the financial statements, in 2022 the City adopted new accounting guidance, GASB No. 87 Leases. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedules, pension plan information, and other post-employment benefits fundings schedules, as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 methods 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining and individual nonmajor fund financial statements, debt service, debt reserve schedule as listed in the table of contents, and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 24, 2023, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.



Arledge & Associates, P.C.

Edmond, Oklahoma
April 24, 2023





CITY OF BROKEN ARROW, OKLAHOMA
MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2022

Our discussion and analysis of the City of Broken Arrow's (the City) financial performance provides an overview of the City's financial activities for the fiscal year ended June 30, 2022. Please read it in conjunction with the City's financial statements, which follow this section.

Financial Highlights

- At June 30, 2022, the assets and deferred outflows of the City exceeded its liabilities and deferred inflows by \$446,389,601.
- For the fiscal year ended June 30, 2022, the City's total net position increased by \$37,753,591 or 9.2% from the prior year's net position.
- During the year, the City's expenses for governmental activities were \$96,019,272 and were funded by program revenues of \$25,658,711, and further funded with taxes and other general revenues that totaled \$105,272,697.
- In the City's business-type activities, such as utilities, total program revenues exceeded expenditures by \$2,207,290.
- At June 30, 2022, the General Fund reported a total fund balance of \$25,943,426, as compared to the prior year total fund balance of \$19,989,352.
- For budgetary reporting purposes, the General Fund reported revenues less than final estimates in the amount of \$27,866 or 0.03%, while expenditures were less than final appropriations by \$5,602,917 or 5.78%.

Overview of the Financial Statements

The financial statements presented herein include all of the activities of the City and its component units using the integrated approach as prescribed by GASB Statement No. 34. Included in this report are government-wide statements for three categories of activities – governmental, business-type and discretely-presented component units. The government-wide financial statements present the complete financial picture of the City from the economic resources measurement focus using the accrual basis of accounting. They present governmental activities and business-type activities separately and combined. These statements include all assets of the City (including infrastructure capital assets) and deferred outflows, as well as all liabilities (including all long-term debt) and deferred inflows.

Reporting the City as a Whole

The statement of net position and the statement of activities

One of the most frequently asked questions about the City's finances is "Has the City's overall financial condition improved, declined, or remained steady over the past year?" The statement of net position and statement of activities report information about the City as a whole and about its activities in a way that helps answer this question. These statements include all assets, deferred outflows, liabilities, and deferred inflows using the accrual basis of accounting. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two government-wide statements report the City's net position and changes in net position from the prior year. You can think of the City's net position – the difference between assets and deferred outflows, and liabilities and deferred inflows – as one way to measure the City's financial condition or position. Over time, increases or decreases in the City's net position are one indicator of whether its financial health is improving, deteriorating, or remaining steady. However, you must consider other nonfinancial factors, such as changes in the City's tax base, the condition of the City's roads, and the quality of services to assess the overall health and performance of the City.

As mentioned above, in the statement of net position and statement of activities, we divide the City into three kinds of activities:

- Governmental activities – Most of the City's basic services are reported here, including the police, fire, general administration, public services and parks. Sales taxes, franchise fees, fines and state and federal grants finance most of these activities.
- Business-type activities – The City charges a fee to customers to help cover all or most of the cost of certain services it provides. The City's water, wastewater, sanitation, stormwater, golf and economic development activities are reported here.
- Discretely presented component units – These account for activities of the City's reporting entity that do not meet the criteria for blending. The City has two discretely presented component units to report which include the Broken Arrow Home Finance Authority and the Broken Arrow Hospital Authority.

Reporting the City's Most Significant Funds

Fund financial statements

The fund financial statements provide detailed information about the most significant funds – not the City as a whole. Some funds are required to be established by state law and by bond covenants. However, management establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants and other money.

Governmental funds – Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operation and the basic services it provides. Governmental fund information helps determine whether there are adequate financial resources available to be spent in the near future to finance the City's programs. The differences in results between the governmental fund financial statements in relation to those in the government-wide financial statements are explained in a reconciliation following each governmental fund financial statement.

Proprietary funds – When the City charges customers for services it provides, whether to outside customers or to other units of the City, these services are generally reported in proprietary funds. The City's enterprise funds are essentially the same as business-type activities in the government-wide statements but provide more detail and additional information, such as cash flows.

A Financial Analysis of the City as a Whole

Net position

The City's combined net position increased from \$408,636,010 to \$446,389,601 between fiscal years 2021 and 2022. Looking at the net position of governmental and business-type activities separately, governmental activities increased \$34,912,136 while business-type activities increased \$2,841,455. A comparative, condensed presentation of net position follows (reported in thousands).

TABLE 1
NET POSITION (In Thousands)

	<u>Governmental Activities</u>		<u>% Inc.</u>	<u>Business-Type Activities</u>		<u>% Inc.</u>	<u>Total</u>		<u>% Inc.</u>
	<u>2022</u>	<u>2021</u>	<u>(Dec.)</u>	<u>2022</u>	<u>2021</u>	<u>(Dec.)</u>	<u>2022</u>	<u>2021</u>	<u>(Dec.)</u>
Current and other assets	\$ 216,286	\$167,218	29%	\$ 45,707	\$ 50,044	-9%	\$ 261,993	\$ 217,262	21%
Capital assets, net	367,802	350,700	5%	237,729	226,304	5%	605,531	577,004	5%
Other non-current assets	-	-	-	38,246	37,574	2%	38,246	37,574	2%
Total assets	584,088	517,918	13%	321,682	313,922	2%	905,770	831,840	9%
Deferred Outflows of Resources	20,293	24,670	-18%	82	93	-12%	20,375	24,763	-18%
Current liabilities	44,734	36,363	23%	16,928	15,642	8%	61,662	52,005	19%
Non-current liabilities	196,776	221,260	-11%	173,116	169,568	2%	369,892	390,828	-5%
Total liabilities	241,510	257,623	-6%	190,044	185,210	3%	431,554	442,833	-3%
Deferred Inflows of Resources	48,068	5,075	847%	133	59	125%	48,201	5,134	839%
	48,068	5,075	847%	133	59	125%	48,201	5,134	839%
Net position									
Net investment in capital assets	193,577	183,702	5%	94,504	86,766	9%	288,081	270,468	7%
Restricted	126,087	114,821	10%	2,621	2,433	8%	128,708	117,254	10%
Unrestricted (deficit)	(4,861)	(18,633)	-74%	34,462	39,547	-13%	29,601	20,914	42%
Total net position	\$ 314,803	\$279,890	12%	\$131,587	\$128,746	2%	\$ 446,390	\$408,636	9%

Changes in net position

For the years ended June 30, 2021 and 2022, the change in net position of the primary government was the result of the following (amounts are reported in thousands):

TABLE 2
CHANGES IN NET POSITION (In Thousands)

	<u>Governmental Activities</u>		<u>% Inc.</u>	<u>Business-Type Activities</u>		<u>% Inc.</u>	<u>Total</u>		<u>% Inc.</u>
	<u>2022</u>	<u>2021</u>	<u>(Dec.)</u>	<u>2022</u>	<u>2021</u>	<u>(Dec.)</u>	<u>2022</u>	<u>2021</u>	<u>(Dec.)</u>
Revenues									
Program revenue:									
Charges for service	\$ 16,724	\$15,566	7%	\$ 58,121	\$53,638	8%	\$ 74,845	\$69,204	8%
Operating grants and contributions	6,164	16,506	-63%	39	89	-56%	6,203	16,595	-63%
Capital grants and contributions	2,771	4,765	-42%	6,590	6,051	9%	9,361	10,816	-13%
General Revenue:									
Sales and use taxes	77,414	69,159	12%	-	-	-	77,414	69,159	12%
Property taxes	18,181	17,271	5%	-	-	-	18,181	17,271	5%
Franchise and other taxes	7,355	6,518	13%	-	-	-	7,355	6,518	13%
Intergovernmental revenue	894	326	174%	-	-	-	894	326	174%
Investment income	339	612	-45%	22	9	144%	361	621	-42%
Miscellaneous	1,702	1,653	3%	-	-	-	1,702	1,653	3%
Total Revenues	<u>131,544</u>	<u>132,376</u>	-1%	<u>64,772</u>	<u>59,787</u>	8%	<u>196,316</u>	<u>192,163</u>	2%
Program Expenses:									
General government	17,793	15,163	17%	-	-	-	17,793	15,163	17%
Public safety	51,598	67,114	-23%	-	-	-	51,598	67,114	-23%
Public services	14,724	14,128	4%	-	-	-	14,724	14,128	4%
Culture and recreation	7,484	6,560	14%	-	-	-	7,484	6,560	14%
Interest on long-term debt	4,421	4,634	-5%	-	-	-	4,421	4,634	-5%
Water	-	-	-	24,510	23,120	6%	24,510	23,120	6%
Sewer	-	-	-	19,625	15,182	29%	19,625	15,182	29%
Sanitation	-	-	-	8,438	10,771	-22%	8,438	10,771	-22%
Stormwater	-	-	-	7,116	7,124	0%	7,116	7,124	0%
Golf	-	-	-	1,579	1,605	-2%	1,579	1,605	-2%
Economic development	-	-	-	1,275	1,324	-4%	1,275	1,324	-4%
Total Expenses	<u>96,020</u>	<u>107,599</u>	-11%	<u>62,543</u>	<u>59,126</u>	6%	<u>158,563</u>	<u>166,725</u>	-5%
Excess before transfers	35,524	24,777	43%	2,229	661	237%	37,753	25,438	48%
Net transfers in (out)	(612)	(750)	-18%	612	750	-18%	-	-	-
Increase in net position	<u>\$ 34,912</u>	<u>\$24,027</u>	45%	<u>\$ 2,841</u>	<u>\$ 1,411</u>	101%	<u>\$ 37,753</u>	<u>\$25,438</u>	48%

The City's governmental activities increase in net position of \$34,912,136 represents a 45% increase from the prior year's increase in net position. This increase was mainly the result of an increase in total general revenues of approximately \$10.5 million. The business-type activities increase in net position of \$2,841,455 represents a 101% increase from the prior year's increase in net position. This increase was the result of an increase in total expenses of approximately \$3.4 million and an increase in charges for services of approximately \$4.5 million. The results indicate the City's total net position as a whole increased from the prior year.

Governmental activities

To aid in understanding the statement of activities, some additional explanation is given. Of particular interest is the format that is significantly different than a typical statement of revenues, expenses and changes in fund balance. You will notice that expenses are listed in the first column with revenues from that particular program reported to the right. The result is a net revenue (expense). The reason for this format is to highlight the relative financial burden of each of the functions on the City's taxpayers. It also

identifies how much each function draws from the general revenues or if it is self-financing through fees and grants or contributions. All other governmental revenues are reported as general. It is important to note all taxes are classified as general revenue, even if it is restricted for a specific purpose.

For the year ended June 30, 2022, the City's governmental activities were funded as follows:

Governmental Activities Sources	
Sales and Use Taxes	58.85%
Other Taxes	19.41%
Charges for Service	12.71%
Grants	6.79%
Other	2.23%

Governmental Activities Uses	
General government	18.53%
Public safety	53.74%
Public services	15.33%
Culture and recreation	7.79%
Interest on long-term debt	4.60%

For the year ended June 30, 2022, total expenses for governmental activities amounted to \$96,019,272. To fund these activities, taxpayers and other general revenues funded \$105,272,697 while those directly benefiting from the program funded \$8,934,796 from grants and other contributions and \$16,723,915 from charges for services.

Net Revenue (Expense) of Governmental Activities

	Total Expense of Services		% Inc. (Dec.)	Net Revenue (Expense) of Services		% Inc. (Dec.)
	2022	2021		2022	2021	
	General government	\$ 17,792,911		\$ 15,163,243	17%	
Public safety	51,597,946	67,114,066	-23%	(37,769,809)	(43,568,440)	-13%
Public services	14,723,873	14,128,172	4%	(9,635,632)	(7,623,661)	26%
Culture and recreation	7,483,963	6,559,893	14%	(6,744,092)	(5,782,445)	17%
Interest on long-term debt	4,420,579	4,633,835	-5%	(4,420,579)	(4,633,835)	-5%
TOTAL	\$ 96,019,272	\$ 107,599,209	-11%	\$ (70,360,561)	\$ (70,762,626)	-1%

Business-type activities

In reviewing the business-type activities net revenue (expense), the following highlights should be noted:

- Total business-type activities reported net revenues of \$2,207,290 for the year ended June 30, 2022.
- Water and stormwater activities reported net revenues of \$7,662,459 and \$724,562 for the year ended June 30 2022, while sewer, sanitation, golf and economic development activities reported net expenses of \$3,609,481, \$1,276,341, \$66,559 and \$1,227,350, respectively.
- Net revenue (expense) of services for almost all functions changed significantly from prior year. Water increase in net revenues of 350% was primarily due to an increase in capital grants and contributions of \$4,866,250. Sewer decrease in net revenues of 283% was primarily due to a decrease in grants and contributions of \$2,268,803 along with an increase in expense of \$4,443,506. Sanitation decrease in net expense of 62% was primarily due to a decrease in expense of \$2,333,973. Stormwater decrease in net revenue of 59% was primarily due to a decrease in capital grants and contributions of \$1,753,632.

Net Revenue (Expense) of Business-Type Activities

	Total Expense of Services		% Inc. (Dec.)	Net Revenue (Expense) of Services		% Inc. (Dec.)
	<u>2022</u>	<u>2021</u>		<u>2022</u>	<u>2021</u>	
	Water	\$ 24,510,192		\$ 23,120,410	6%	
Sewer	19,625,378	15,181,872	29%	(3,609,481)	1,976,778	-283%
Sanitation	8,437,663	10,771,636	-22%	(1,276,341)	(3,382,823)	-62%
Stormwater	7,116,283	7,123,672	0%	724,562	1,777,263	-59%
Golf	1,578,920	1,604,691	-2%	(66,559)	(115,595)	-42%
Economic Development	<u>1,274,727</u>	<u>1,324,012</u>	-4%	<u>(1,227,350)</u>	<u>(1,307,432)</u>	-6%
TOTAL	<u>\$ 62,543,163</u>	<u>\$ 59,126,293</u>	6%	<u>\$ 2,207,290</u>	<u>\$ 652,063</u>	239%

A financial analysis of the City's funds

As the City completed its 2022 fiscal year, the governmental funds reported a combined fund balance of \$163,065,013 or an 11.1% increase from 2021. The combined proprietary funds reported a combined total net position of \$128,718,450 or a 2.4% increase from 2021.

Other fund highlights include:

- For the year ended June 30, 2022, the General Fund's total fund balance increased by \$5,954,074 or 29.8%.
- The Public Safety Sales Tax-Police Fund's total fund balance increased by \$4,418,987 or 40.7%.
- The Public Safety Sales Tax-Fire Fund's total fund balance increased by \$133,284 or 2.5%.
- The Sales Tax Capital Improvement Fund's total fund balance increased by \$3,989,979 or 28.6%.
- The 2018 General Obligation Bond Fund's total fund balance increased by \$5,141,240 or 13.5% due to the proceeds from the issuance of debt exceeding the related capital outlay expenditures during the year.

General fund budgetary highlights

Over the course of the year, the City Council revised the General Fund budget at various times. The revised budget included an increase in overall appropriations of 6.96% or \$6,298,820, due primarily to an increase in budget for "Transfers to other funds" in the amount of \$5,290,073.

Capital Asset and Debt Administration

Capital assets

At the end of June 30, 2022, the City had \$605,531,074 invested in capital assets, net of depreciation, including police and fire equipment, buildings, park facilities, water lines and sewer lines (see table below). This represents a net increase in net capital assets of \$28,526,642 or 4.9% over last year.

**Primary Government Capital Assets
(Net of accumulated depreciation)**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Land	\$ 38,530,863	\$ 38,530,863	\$ 9,340,888	\$ 4,320,406	\$ 47,871,751	\$ 42,851,269
Buildings	49,592,701	44,588,531	4,097,532	4,320,624	53,690,233	48,909,155
Improvements	41,316,564	26,509,312	111,039,314	117,131,803	152,355,878	143,641,115
Machinery and equipment	21,525,505	19,703,843	11,009,002	11,064,583	32,534,507	30,768,426
Infrastructure	154,933,168	156,693,625	82,178,961	69,511,724	237,112,129	226,205,349
Construction in progress	61,903,475	64,674,063	20,063,101	19,955,055	81,966,576	84,629,118
Totals	\$ 367,802,276	\$ 350,700,237	\$ 237,728,798	\$ 226,304,195	\$ 605,531,074	\$ 577,004,432

This year's more significant capital asset additions included:

- Hillside Wall project totaling \$1,917,266-Governmental
- Fire Station #3 project totaling \$4,422,206-Governmental
- 9th St/Elgin-El Paso street project totaling \$2,229,988-Governmental
- ISSC Baseball/Soccer project totaling \$971,648-Governmental
- Arts Center project totaling \$1,338,313-Governmental
- Washington Garnett-Olive signal project totaling \$2,860,746-Governmental
- Kenosha – Date/Main 5 lane signal project totaling \$2,216,418-Governmental
- Chisholm Trail – Adult 5 Pl park project totaling \$3,872,404-Governmental
- CL Trunk Sewer project totaling \$7,107,820-Proprietary
- Innovation Land totaling \$5,020,482-Proprietary (ED)

See the notes to the financial statements for more detail information on the City's capital assets and changes therein.

Long-term debt

At year end, the City had \$366,591,603 in long-term debt outstanding which represents a \$10,823,586 or 3.0% increase from prior year amount. The City's change in long-term debt by type of debt is as follows:

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>		<u>Total Percentage Change</u>
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	
Accrued compensated absences	\$ 3,791,230	\$ 4,517,212	\$ 784,137	\$ 783,394	\$ 4,575,367	\$ 5,300,606	-14%
General obligation bond	165,380,000	156,645,000	-	-	165,380,000	156,645,000	6%
Notes payable	5,911,432	7,716,362	174,432,018	170,636,201	180,343,450	178,352,563	1%
Unamortized premium	3,342,944	3,113,399	5,655,325	5,409,976	8,998,269	8,523,375	6%
Judgments payable	128,847	339,572	-	-	128,847	339,572	-62%
Automotive and general liability	1,245,000	1,316,000	-	-	1,245,000	1,316,000	-5%
Meter deposit liability	-	-	1,029,633	1,025,091	1,029,633	1,025,091	0%
Claims payable	4,891,037	4,265,810	-	-	4,891,037	4,265,810	15%
Totals	\$ 184,690,490	\$ 177,913,355	\$ 181,901,113	\$ 177,854,662	\$ 366,591,603	\$ 355,768,017	3%

See the notes to the financial statements for more detail information on the City's long-term debt and changes therein.

Economic Factors and Next Year's Budget and Rates

Sales tax continues to be strong the last few year's but it is still a volatile source of revenue. With the nation and the state's economic slowdown due to the Coronavirus, the City of Broken Arrow has fared very well. For FY 22 we had budgeted a 1% increase in Sales Tax. As of June 2022, the City's sales tax is 12.37% over the prior year.

Building permits both residential and commercial remain strong and we continued our campaign "Back to BA" explaining to the citizens that they need to shop local and that their city sales tax pays for City services such as police and fire.

The City was a recipient of funds from the Cares Act through the State of Oklahoma and funds from the American Rescue Plan to help to provide for allowable expenditures through legislative acts.

In the fall of 2018, the voters approved propositions for a \$210 million G.O. bond package over the next ten years. This will provide for needed infrastructure improvements and quality of life projects that are needed in the future.

- Proposition 1: Transportation \$142.625 million
- Proposition 2: Public Safety \$20.35 million
- Proposition 3: Parks and Recreation \$17.75 million
- Proposition 4: Public Facilities \$16.8 million
- Proposition 5: Stormwater \$7.5 million
- Proposition 6: Drainage \$5.5 million

The City has sold four series:

- December 2018 \$12,500,000
- December 2019 \$23,250,000
- December 2020 \$20,000,000
- December 2021 \$20,500,000

The Municipal Authority continues to add utility customers, water, sewer, trash, and stormwater, as the City grows. In the fall of 2016, the City Council approved a 5-year rate model and the related increases for utility services. The rate model covers the reasonable estimated expenses for operations and pay as you go capital improvements. The year 4 increase was approved effective October 1, 2019 and year 5 was to be effective October 1, 2020 but due to the Coronavirus the City Council voted to place the year 5 rate increase on hold. For FY 2022 the Authority authorized the 5th and final rate increase from the study from 2016. FY 23 the Authority used year 5 increases as has finished the new rate for FY 24 and will be presented to Council in early summer of 2023. In addition to the water, sewer, and stormwater rates, the authority did a refuse and recycling study and that will also be out in early summer.

City will continue monitor the current economic situation due to the Coronavirus and will respond with appropriate action as time goes on.

Contacting the City's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Finance Director's Office at 220 South First Street, P.O. Box 610, Broken Arrow, Oklahoma 74013-0610 or phone at (918) 259-2400, extension 5411.

CITY OF BROKEN ARROW, OKLAHOMA
ANNUAL FINANCIAL REPORT
Year Ending June 30, 2022

Statement of Net Position

	Broken Arrow Statement of Net Position June 30, 2022				
	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Broken Arrow Home Finance Authority	Broken Arrow Hospital Authority
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 79,125,512	\$ 32,928,361	\$ 112,053,873	\$ 2,786	\$ 10,998
Investments	93,777,957	-	93,777,957	-	-
Taxes receivable	1,579,876	-	1,579,876	-	-
Internal Balances	158,842	(158,842)	-	-	-
Due from other governments	13,875,015	2,297,220	16,172,235	-	-
Accrued interest receivable	170,519	4,200	174,719	-	-
Accounts receivable, net of allowance	2,558,414	9,022,745	11,581,159	-	-
Inventory	-	1,369,966	1,369,966	-	-
Prepaid assets	473,941	243,779	717,720	-	-
Investment in joint venture	-	38,245,607	38,245,607	-	-
Leases receivable	7,103,969	-	7,103,969	-	-
Net pension asset	17,461,926	-	17,461,926	-	-
Capital Assets:					
Non-depreciable	100,434,338	29,403,989	129,838,327	-	-
Depreciable, net of depreciation	267,367,938	208,324,809	475,692,747	-	-
Total assets	584,088,247	321,681,834	905,770,081	2,786	10,998
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflow related to fair value of hedging derivative	299,405	-	299,405	-	-
Deferred outflow related to refunding of debt	409,267	34,813	444,080	-	-
Deferred outflows related to pension	19,579,789	-	19,579,789	-	-
Deferred outflows related to OPEB	4,018	47,335	51,353	-	-
Total deferred outflow of resources	20,292,479	82,148	20,374,627	-	-
LIABILITIES					
Accounts payable	5,498,688	4,917,030	10,415,718	-	-
Accrued payroll	4,345,772	849,695	5,195,467	-	-
Accrued interest payable	981,537	1,623,160	2,604,697	-	-
Due to other governments	11,840	7,673	19,513	-	-
Due to bondholders	81,271	-	81,271	-	-
Other payables	-	94,656	94,656	-	-
Amounts held in escrow	1,193,565	351,982	1,545,547	-	-
Unearned revenue	13,444,642	-	13,444,642	-	-
Long term liabilities:					
Due within one year	19,177,063	9,084,010	28,261,073	-	-
Due in more than one year	196,776,090	173,115,722	369,891,812	-	-
Total liabilities	241,510,468	190,043,928	431,554,396	-	-
DEFERRED INFLOWS					
Deferred inflows related to pensions	40,101,661	-	40,101,661	-	-
Deferred inflows related to OPEB	362,614	133,058	495,672	-	-
Deferred inflows related to leases	7,603,378	-	7,603,378	-	-
Total deferred inflow of resources	48,067,653	133,058	48,200,711	-	-
NET POSITION					
Net investment in capital assets	193,577,167	94,504,212	288,081,379	-	-
Restricted for:					
Capital projects	85,293,309	-	85,293,309	-	-
Debt service	14,254,584	2,621,063	16,875,647	-	-
Public Safety	22,952,596	-	22,952,596	-	-
Other purposes	3,585,897	-	3,585,897	-	-
Unrestricted (deficit)	(4,860,948)	34,461,721	29,600,773	2,786	10,998
Total net position	\$ 314,802,605	\$ 131,586,996	\$ 446,389,601	\$ 2,786	\$ 10,998

See accompanying notes to the basic financial statements.

CITY OF BROKEN ARROW, OKLAHOMA
ANNUAL FINANCIAL REPORT
Year Ending June 30, 2022

Statement of Activities

Broken Arrow
Statement of Activities
For the Year Ended June 30, 2022

Functions/Programs	Program Revenue				Net (Expense) Revenue and Changes in Net Position			Component Units	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Broken Arrow Home Finance Authority	Broken Arrow Hospital Authority
					Governmental Activities	Business-type Activities	Total		
Primary government									
Governmental Activities									
General government	\$ 17,792,911	\$ 5,386,894	\$ 615,568	\$ -	\$ (11,790,449)	\$ -	\$ (11,790,449)	\$ -	\$ -
Public safety	51,597,946	9,214,144	4,450,073	163,920	(37,769,809)	-	(37,769,809)	-	-
Public services	14,723,873	1,383,006	1,097,937	2,607,298	(9,635,632)	-	(9,635,632)	-	-
Cultural and recreation	7,483,963	739,871	-	-	(6,744,092)	-	(6,744,092)	-	-
Interest on long-term debt	4,420,579	-	-	-	(4,420,579)	-	(4,420,579)	-	-
Total governmental activities	<u>96,019,272</u>	<u>16,723,915</u>	<u>6,163,578</u>	<u>2,771,218</u>	<u>(70,360,561)</u>	<u>-</u>	<u>(70,360,561)</u>	<u>-</u>	<u>-</u>
Business-type activities									
Water	24,510,192	25,543,006	39,597	6,590,048	-	7,662,459	7,662,459	-	-
Sewer	19,625,378	16,015,897	-	-	-	(3,609,481)	(3,609,481)	-	-
Sanitation	8,437,663	7,161,322	-	-	-	(1,276,341)	(1,276,341)	-	-
Stormwater	7,116,283	7,840,845	-	-	-	724,562	724,562	-	-
Golf	1,578,920	1,512,361	-	-	-	(66,559)	(66,559)	-	-
Economic Development	1,274,727	47,377	-	-	-	(1,227,350)	(1,227,350)	-	-
Total business-type activities	<u>62,543,163</u>	<u>58,120,808</u>	<u>39,597</u>	<u>6,590,048</u>	<u>-</u>	<u>2,207,290</u>	<u>2,207,290</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 158,562,435</u>	<u>\$ 74,844,723</u>	<u>\$ 6,203,175</u>	<u>\$ 9,361,266</u>	<u>(70,360,561)</u>	<u>2,207,290</u>	<u>(68,153,271)</u>		
Component Units									
Finance	\$ -	\$ -	\$ -	\$ -				-	-
Health	-	-	-	-				-	-
Total component units	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>				<u>-</u>	<u>-</u>
General revenues:									
Taxes:									
Sales and use taxes					77,413,552	-	77,413,552	-	-
Property taxes					18,181,292	-	18,181,292	-	-
Franchise and miscellaneous taxes					4,771,791	-	4,771,791	-	-
Hotel/motel taxes					863,736	-	863,736	-	-
Tobacco taxes					511,865	-	511,865	-	-
E-911 taxes					1,207,084	-	1,207,084	-	-
Intergovernmental revenue not restricted to specific programs					894,057	-	894,057	-	-
Unrestricted investment earnings					339,173	22,556	361,729	-	-
Miscellaneous					1,701,756	-	1,701,756	-	-
Transfers					(611,609)	611,609	-	-	-
Total general revenues and transfers					<u>105,272,697</u>	<u>634,165</u>	<u>105,906,862</u>	<u>-</u>	<u>-</u>
Change in net position					<u>34,912,136</u>	<u>2,841,455</u>	<u>37,753,591</u>	<u>-</u>	<u>-</u>
Net position - beginning					<u>279,890,469</u>	<u>128,745,541</u>	<u>408,636,010</u>	<u>2,786</u>	<u>10,998</u>
Net position - ending					<u>\$ 314,802,605</u>	<u>\$ 131,586,996</u>	<u>\$ 446,389,601</u>	<u>\$ 2,786</u>	<u>\$ 10,998</u>

See accompanying notes to the basic financial statements.

CITY OF BROKEN ARROW, OKLAHOMA
ANNUAL FINANCIAL REPORT
Year Ending June 30, 2022

Governmental Funds – Balance Sheet

City of Broken Arrow, Oklahoma Balance Sheet Governmental Funds June 30, 2022									
	General Fund	Public Safety Sales Tax- Police	Public Safety Sales Tax-Fire	Sales Tax Capital Improvement Fund	American Relief Fund	2018 General Obligation Bond Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
ASSETS									
Cash and cash equivalents	\$ 9,844,650	\$ 6,152,622	\$ 3,463,056	\$ 11,619,533	\$ 8,476,454	\$ 5,757,565	\$ 6,722,581	\$ 25,586,566	\$ 77,623,027
Investments	9,063,367	9,874,463	2,951,810	4,998,035	4,894,601	39,893,080	6,127,445	15,975,156	93,777,957
Taxes receivable, net	427,611	-	-	-	-	-	1,152,265	-	1,579,876
Due from other funds	3,280,154	-	-	128,453	-	-	30,389	765	3,439,761
Receivable from other governments	10,153,835	521,965	492,022	1,640,076	-	-	7,632	1,059,485	13,875,015
Accrued interest receivable	23,110	29,074	9,609	1,493	23,244	37,354	2,984	43,651	170,519
Leases receivable	7,103,969	-	-	-	-	-	-	-	7,103,969
Other receivables, net	1,935,248	-	-	-	-	-	-	286,062	2,221,310
Prepaid expenses	220,233	2,630	1,110	-	-	-	211,288	38,680	473,941
Total assets	<u>\$ 42,052,177</u>	<u>\$ 16,580,754</u>	<u>\$ 6,917,607</u>	<u>\$ 18,387,590</u>	<u>\$ 13,394,299</u>	<u>\$ 45,687,999</u>	<u>\$ 14,254,584</u>	<u>\$ 42,990,365</u>	<u>\$ 200,265,375</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES									
Liabilities:									
Accounts payable	\$ 456,200	\$ 189,493	\$ 296,067	\$ 461,305	\$ 153,580	\$ 2,516,686	\$ -	\$ 853,251	\$ 4,926,582
Accrued payroll	2,756,680	1,063,855	1,056,474	-	-	-	-	-	4,877,009
Due to other funds	3,280,919	-	-	-	-	-	-	-	3,280,919
Due to other governments	11,840	-	-	-	-	-	-	-	11,840
Due to bondholders	81,271	-	-	-	-	-	-	-	81,271
Amounts held in escrow	1,193,479	-	-	-	-	-	-	86	1,193,565
Unearned revenue	217,550	-	-	-	13,227,092	-	-	-	13,444,642
Total liabilities	<u>7,997,939</u>	<u>1,253,348</u>	<u>1,352,541</u>	<u>461,305</u>	<u>13,380,672</u>	<u>2,516,686</u>	<u>-</u>	<u>853,337</u>	<u>27,815,828</u>
DEFERRED INFLOWS OF RESOURCES									
Deferred inflows-leases	7,603,378	-	-	-	-	-	-	-	7,603,378
Unavailable revenue	507,434	44,547	9,609	1,493	23,244	37,354	1,042,676	114,799	1,781,156
Total deferred inflows of resources	<u>8,110,812</u>	<u>44,547</u>	<u>9,609</u>	<u>1,493</u>	<u>23,244</u>	<u>37,354</u>	<u>1,042,676</u>	<u>114,799</u>	<u>9,384,534</u>
Fund balances:									
Restricted	-	15,282,859	5,555,457	17,924,792	-	43,133,959	13,211,908	29,740,294	124,849,269
Committed	-	-	-	-	-	-	-	4,989,332	4,989,332
Assigned	11,306,342	-	-	-	-	-	-	7,292,603	18,598,945
Unassigned	14,637,084	-	-	-	(9,617)	-	-	-	14,627,467
Total fund balances	<u>25,943,426</u>	<u>15,282,859</u>	<u>5,555,457</u>	<u>17,924,792</u>	<u>(9,617)</u>	<u>43,133,959</u>	<u>13,211,908</u>	<u>42,022,229</u>	<u>163,065,013</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 42,052,177</u>	<u>\$ 16,580,754</u>	<u>\$ 6,917,607</u>	<u>\$ 18,387,590</u>	<u>\$ 13,394,299</u>	<u>\$ 45,687,999</u>	<u>\$ 14,254,584</u>	<u>\$ 42,990,365</u>	<u>\$ 200,265,375</u>

See accompanying notes to the basic financial statements.

CITY OF BROKEN ARROW, OKLAHOMA
ANNUAL FINANCIAL REPORT
Year Ending June 30, 2022

Broken Arrow
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net
Position
June 30, 2022

Total fund balance, governmental funds	\$ 163,065,013
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds, but are reported in the governmental activities of the Statement of Net Position	
	<u>367,802,276</u>
Certain other long-term assets and deferred outflows are not available to pay current period expenditures and therefore are deferred or not reported in the funds:	
Receivable from other governments	1,111,935
Court fines receivable	301,559
Cemetery receivable	9,151
Street light fee	3,348
Interest receivable	170,519
Miscellaneous receivables	184,644
Deferred outflow - derivative fair value	299,405
Deferred outflows related to pensions	19,579,789
Deferred outflow on refunding	409,267
Deferred outflow - OPEB	4,018
	<u>22,073,635</u>
Certain assets are not reported in the funds on the modified accrual basis of accounting, however, at the government-wide financial statements are reported due to the accrual basis of accounting:	
Net pension asset	17,461,926
	<u>17,461,926</u>
Certain special revenue funds are used by management to perform business-type activities. The assets and liabilities of these special revenue funds are included in the business-type activities on the Statement of Net Position:	
Excess Capacity Sewer Fund	(1,662,568)
Stormwater Capital Fund	(1,205,978)
	<u>(2,868,546)</u>
The assets and liabilities of certain internal services funds are not included in this fund financial statement, but are included in the governmental activities of the Statement of Net Position	
	<u>(223,771)</u>
Certain long-term liabilities are not due and payable from current financial resources and therefore they, along with deferred inflows, are not reported in the funds:	
Unamortized premium	(3,342,944)
General obligation bonds payable	(165,380,000)
Notes payable	(5,911,432)
Accrued compensated absences	(3,791,230)
Accrued interest payable	(981,537)
Derivative investment liability-interest rate swap	(299,405)
Automotive and general liability	(1,245,000)
Judgments payable	(128,847)
Deferred inflows related to OPEB	(362,614)
Total OPEB liability	(711,361)
Net pension liability	(30,251,897)
Deferred inflows related to pensions	(40,101,661)
	<u>(252,507,928)</u>
Net Position of Governmental Activities in the Statement of Net Position	<u>\$ 314,802,605</u>

CITY OF BROKEN ARROW, OKLAHOMA
ANNUAL FINANCIAL REPORT
Year Ending June 30, 2022

Governmental Funds – Statement of Revenues, Expenditures and Changes in Fund Balance

City of Broken Arrow, Oklahoma Statement of Revenues, Expenditures and Changes in Fund Balances Governmental Funds For the Year Ended June 30, 2022									
	General Fund	Public Safety Sales Tax- Police	Public Safety Sales Tax-Fire	Sales Tax Capital Improvement Fund	American Relief Fund	2018 General Obligation Bond Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
REVENUES									
Sales and use taxes	\$ 57,571,965	\$ 2,834,512	\$ 2,834,512	\$ 9,448,375	\$ -	\$ -	\$ -	\$ 4,724,188	\$ 77,413,552
Property tax	-	-	-	-	-	-	18,068,813	-	18,068,813
Franchise and miscellaneous taxes	5,283,656	-	-	-	-	-	-	863,736	6,147,392
Intergovernmental	894,935	1,703,303	4,540,795	-	541,374	-	-	1,650,878	9,331,285
Charges for services	13,126,308	-	-	-	-	-	-	2,869,033	15,995,341
Fines and forfeitures	818,349	-	-	-	-	-	-	4,155	822,504
Licenses and permits	1,393,690	-	-	-	-	-	-	-	1,393,690
Rental income	615,346	-	-	-	-	-	-	-	615,346
Investment income	99,751	(21,760)	(12,400)	11,655	(9,617)	129,347	24,266	71,309	292,551
Miscellaneous	458,576	58,591	12,237	563,897	-	-	-	317,334	1,410,635
Total revenues	80,262,576	4,574,646	7,375,144	10,023,927	531,757	129,347	18,093,079	10,500,633	131,491,109
EXPENDITURES									
Current:									
General government	14,375,533	-	-	-	4,741	-	-	391,684	14,771,958
Public safety	-	28,960,719	29,667,885	-	-	-	-	177,849	58,806,453
Public services	3,262,233	-	-	-	-	-	-	554,943	3,817,176
Parks and recreation	4,928,243	-	-	-	-	-	-	-	4,928,243
Debt Service:									
Principal	-	-	-	1,804,930	-	-	11,975,725	-	13,780,655
Interest and other charges	-	-	-	428,795	-	-	4,316,090	-	4,744,885
Bond issuance costs	-	-	-	-	-	-	235,696	-	235,696
Capital Outlay	-	-	-	-	-	183,325	-	-	183,325
Total expenditures	22,566,520	29,724,476	31,142,025	3,798,506	536,633	15,304,762	16,527,511	12,513,627	135,658,347
Excess (deficiency) of revenues over expenditures	57,696,056	(25,149,830)	(23,764,881)	3,991,696	(9,617)	(15,358,760)	1,565,568	(3,137,470)	(4,167,238)
OTHER FINANCING SOURCES (USES)									
Proceeds from long-term debt	-	-	-	-	-	20,500,000	-	-	20,500,000
Accrued interest on debt issue	-	-	-	-	-	-	31,164	-	31,164
Bond premium	-	-	-	-	-	-	559,658	-	559,658
Transfers in	16,951,940	29,568,817	23,898,165	-	-	-	-	-	70,418,922
Transfers out	(68,693,922)	-	-	(1,717)	-	-	(50,000)	(2,284,892)	(71,030,531)
Total other financing sources and uses	(51,741,982)	29,568,817	23,898,165	(1,717)	-	20,500,000	540,822	(2,284,892)	20,479,213
Net change in fund balances	5,954,074	4,418,987	133,284	3,989,979	(9,617)	5,141,240	2,106,390	(5,422,362)	16,311,975
Fund balances - beginning	19,989,352	10,863,872	5,422,173	13,934,813	-	37,992,719	11,105,518	47,444,591	146,753,038
Fund balances - ending	\$ 25,943,426	\$ 15,282,859	\$ 5,555,457	\$ 17,924,792	\$ (9,617)	\$ 43,133,959	\$ 13,211,908	\$ 42,022,229	\$ 163,065,013

See accompanying notes to the basic financial statements.

CITY OF BROKEN ARROW, OKLAHOMA
ANNUAL FINANCIAL REPORT
Year Ending June 30, 2022

Broken Arrow

**Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund
Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2022**

Net change in fund balances - total governmental funds: \$ 16,311,975

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

Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:

Capital asset purchases capitalized	27,655,713
Book value on capital assets disposed	(36,698)
Capital assets contributed	2,614,968
Depreciation expense	(13,131,944)
	<u>17,102,039</u>

Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position:

GO bond principal payment	11,765,000
Bond proceeds	(20,500,000)
Premium on bonds	(559,658)
Amortization of premium on bonds	330,113
Principal paid on judgments	210,725
Notes payable principal payment	1,804,930
	<u>(6,948,890)</u>

Certain assets are not reported in the funds on the modified accrual basis of accounting, however, at the government-wide financial statements are reported due to the accrual basis of accounting:

Change in net pension asset	17,461,926
Changes in deferred outflow - fair value derivative	(533,632)
Changes in deferred outflows related to OPEB	(640)
Changes in deferred outflows related to pensions	(3,776,024)
	<u>13,151,630</u>

Governmental funds do not present revenues that are not available to pay current obligations. In contrast, such revenues are reported in the Statement of Activities when earned:

Change in unavailable revenue	<u>(230,979)</u>
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Some expenses reported in the statement of activities do not require the use of current financial resources and these are not reported as expenditures in governmental funds:

Accrued interest not reflected on Governmental funds	30,548
Accrued compensated absences change	725,982
Change in derivative investment liability- interest rate swap	533,632
Changes in deferred inflows related to OPEB	(166,949)
Total OPEB liability change	159,749
Change in net pension liability	30,258,425
Change in deferred inflows related to pensions	(35,222,023)
Change in deferred outflow on refunding	(67,519)
Change in claims liability	71,000
	<u>(3,677,155)</u>

Certain special revenue funds are used by management to perform business-type activities. The net change in fund balances of these special revenue funds are included in the business-type activities on the Statement of Activities:

Change in Excess Capacity Sewer Fund	(71,358)
Change in Stormwater Capital Fund	279,379
	<u>208,021</u>

Internal service fund activity is reported as a proprietary fund in the fund financial statements, but certain net revenues are reported in governmental activities on the statement of Activities:

Total change in net position for internal service funds	<u>(1,004,505)</u>
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Change in net position of governmental activities \$ 34,912,136

See accompanying notes to the basic financial statements.

CITY OF BROKEN ARROW, OKLAHOMA
ANNUAL FINANCIAL REPORT
Year Ending June 30, 2022

Proprietary Funds – Statement of Net Position

Broken Arrow
Statement of Net Position
Proprietary Funds
June 30, 2022

	Enterprise Funds			Total	Internal Service Funds
	Broken Arrow Municipal Authority	Broken Arrow Economic Development Authority	Battle Creek Golf Course		
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 344,423	\$ 969,617	\$ 104,999	\$ 1,419,039	\$ 4,389,740
Restricted cash and cash equivalents	19,800,378	6,648,277	-	26,448,655	-
Investments	-	-	-	-	-
Accounts receivable, net	9,012,244	-	-	9,012,244	-
Due from other funds	3,745,178	-	-	3,745,178	-
Due from other governments	2,297,220	-	-	2,297,220	-
Interest receivable	-	4,200	-	4,200	-
Other receivable	-	3,000	7,501	10,501	337,104
Inventories	1,297,477	-	72,489	1,369,966	-
Prepaid assets	231,476	-	12,303	243,779	-
Total current assets	<u>36,728,396</u>	<u>7,625,094</u>	<u>197,292</u>	<u>44,550,782</u>	<u>4,726,844</u>
Noncurrent assets:					
Restricted cash and cash equivalents	1,673,412	500,000	-	2,173,412	-
Investment in joint venture	38,245,607	-	-	38,245,607	-
Capital assets:					
Land and other nondepreciable assets	19,955,613	9,218,699	229,677	29,403,989	-
Other capital assets, net of accumulated depreciation	202,347,905	1,878,757	4,098,147	208,324,809	-
Total noncurrent assets	<u>262,222,537</u>	<u>11,597,456</u>	<u>4,327,824</u>	<u>278,147,817</u>	<u>-</u>
Total assets	<u>298,950,933</u>	<u>19,222,550</u>	<u>4,525,116</u>	<u>322,698,599</u>	<u>4,726,844</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred charge on refunding	34,813	-	-	34,813	-
Deferred amounts related to OPEB	47,335	-	-	47,335	-
Total deferred outflows of resources	<u>82,148</u>	<u>-</u>	<u>-</u>	<u>82,148</u>	<u>-</u>
LIABILITIES					
Current liabilities:					
Accounts payable	3,659,085	612,506	626,730	4,898,321	59,578
Accrued payroll payable	849,695	-	-	849,695	-
Accrued interest payable	1,375,337	247,823	-	1,623,160	-
Due to other funds	3,280,154	30,389	593,477	3,904,020	-
Other accrued expenses	-	-	94,656	94,656	-
Amounts held in escrow	351,982	-	-	351,982	-
Due to other governments	-	-	7,673	7,673	-
Compensated absences	522,758	-	-	522,758	-
Claims liability	-	-	-	-	1,002,000
Meter deposit liability	205,927	-	-	205,927	-
Bonds, notes and loans payable, net	7,535,325	820,000	-	8,355,325	-
Total current liabilities	<u>17,780,263</u>	<u>1,710,718</u>	<u>1,322,536</u>	<u>20,813,517</u>	<u>1,061,578</u>
Non-current liabilities:					
Compensated absences	261,379	-	-	261,379	-
Claims liability	-	-	-	-	3,889,037
Meter deposit liability	823,706	-	-	823,706	-
Bonds, notes and loans payable	152,137,018	19,595,000	-	171,732,018	-
Total OPEB liability	298,619	-	-	298,619	-
Total non-current liabilities	<u>153,520,722</u>	<u>19,595,000</u>	<u>-</u>	<u>173,115,722</u>	<u>3,889,037</u>
Total liabilities	<u>171,300,985</u>	<u>21,305,718</u>	<u>1,322,536</u>	<u>193,929,239</u>	<u>4,950,615</u>
DEFERRED INFLOW OF RESOURCES					
Deferred amounts related to pensions	133,058	-	-	133,058	-
Total deferred inflow of resources	<u>133,058</u>	<u>-</u>	<u>-</u>	<u>133,058</u>	<u>-</u>
NET POSITION					
Net investment in capital assets	79,078,932	11,097,456	4,327,824	94,504,212	-
Restricted for debt service	2,621,063	-	-	2,621,063	-
Unrestricted (deficit)	45,899,043	(13,180,624)	(1,125,244)	31,593,175	(223,771)
Total net position	<u>\$ 127,599,038</u>	<u>\$ (2,083,168)</u>	<u>\$ 3,202,580</u>	<u>\$ 128,718,450</u>	<u>\$ (223,771)</u>

Some amounts reported for business-type activities in the Statement of Net Position are different because certain special revenue funds are used by management to perform business-type activities. The assets and liabilities of certain special revenue funds are included in the business-type activities in the Statement of Net Position.

2,868,546

Total net position per Government-Wide financial statements

\$ 131,586,996

See accompanying notes to the basic financial statements.

CITY OF BROKEN ARROW, OKLAHOMA
ANNUAL FINANCIAL REPORT
Year Ending June 30, 2022

Proprietary Funds – Statement of Revenues, Expenses and Changes in Net Position

Broken Arrow
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2022

	Enterprise Funds			Total	Internal Service Funds
	Broken Arrow Municipal Authority	Broken Arrow Economic Development Authority	Battle Creek Golf Course		
OPERATING REVENUES					
Water charges	\$ 24,869,926	\$ -	\$ -	\$ 24,869,926	\$ -
Sewer charges	15,501,981	-	-	15,501,981	-
Sanitation charges	6,972,712	-	-	6,972,712	-
Stormwater fees	7,326,259	-	-	7,326,259	-
Fees and fines	928,992	-	-	928,992	-
Golf	-	-	1,512,361	1,512,361	-
Miscellaneous	550,305	-	-	550,305	-
Self insurance charges	-	-	-	-	12,110,510
Total operating revenues	<u>56,150,175</u>	<u>-</u>	<u>1,512,361</u>	<u>57,662,536</u>	<u>12,110,510</u>
OPERATING EXPENSES					
General government	1,100,471	633,573	-	1,734,044	-
Finance and administration	2,311,974	-	-	2,311,974	-
Engineering and construction	3,743,718	-	-	3,743,718	-
Water distribution	11,993,928	-	-	11,993,928	-
Sanitary sewer system	9,982,185	-	-	9,982,185	-
Sanitation services	6,675,514	-	-	6,675,514	-
Support services	2,953,839	-	-	2,953,839	-
Stormwater	3,569,798	-	-	3,569,798	-
Claims expense	-	-	-	-	13,149,121
Golf	-	-	1,432,345	1,432,345	-
Depreciation	12,416,772	46,223	146,575	12,609,570	-
Total operating expenses	<u>54,748,199</u>	<u>679,796</u>	<u>1,578,920</u>	<u>57,006,915</u>	<u>13,149,121</u>
Operating income (loss)	<u>1,401,976</u>	<u>(679,796)</u>	<u>(66,559)</u>	<u>655,621</u>	<u>(1,038,611)</u>
NON-OPERATING REVENUES (EXPENSES)					
Interest and investment revenue	2,688	13,401	3,718	19,807	4,369
Miscellaneous revenue	-	47,377	-	47,377	29,737
Gain on disposal of capital assets	80,212	-	-	80,212	-
Operating grant	39,597	-	-	39,597	-
Bond issuance costs	(584,058)	-	-	(584,058)	-
Interest expense and fiscal charges	(4,412,859)	(594,931)	-	(5,007,790)	-
Total non-operating revenue (expenses)	<u>(4,874,420)</u>	<u>(534,153)</u>	<u>3,718</u>	<u>(5,404,855)</u>	<u>34,106</u>
Income (loss) before contributions and transfers	<u>(3,472,444)</u>	<u>(1,213,949)</u>	<u>(62,841)</u>	<u>(4,749,234)</u>	<u>(1,004,505)</u>
Capital contributions	7,187,101	-	-	7,187,101	-
Transfers in	15,638,549	1,200,000	-	16,838,549	-
Transfers out	(16,226,940)	-	-	(16,226,940)	-
Change in net position	<u>3,126,266</u>	<u>(13,949)</u>	<u>(62,841)</u>	<u>3,049,476</u>	<u>(1,004,505)</u>
Total net position - beginning	<u>124,472,772</u>	<u>(2,069,219)</u>	<u>3,265,421</u>	<u>125,668,974</u>	<u>780,734</u>
Total net position - ending	<u>\$ 127,599,038</u>	<u>\$ (2,083,168)</u>	<u>\$ 3,202,580</u>	<u>\$ 128,718,450</u>	<u>\$ (223,771)</u>

Change in net position, per above

3,049,476

Some amounts reported for business-type activities in the Statement of Activities are different because certain special revenue funds are used by management to perform business-type activities. The activities of certain special revenue funds are included in the business-type activities in the Statement of Activities.

(208,021)

Change in Business-Type Activities in Net Position per Government-Wide Financial Statements

\$ 2,841,455

See accompanying notes to the basic financial statements.

CITY OF BROKEN ARROW, OKLAHOMA
ANNUAL FINANCIAL REPORT
Year Ending June 30, 2022

Proprietary Funds – Statement of Cash Flows

Broken Arrow
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2022

	Enterprise Funds				Internal Service Funds
	Broken Arrow Municipal Authority	Broken Arrow Economic Development Authority	Battle Creek Golf Course	Total Enterprise Funds	
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers	\$ 54,998,969	\$ (3,000)	\$ 1,504,860	\$ 56,500,829	\$ 11,804,522
Payments to suppliers	(21,451,496)	(121,862)	(1,436,574)	(23,009,932)	-
Payments to employees	(20,480,304)	-	-	(20,480,304)	-
Receipts of customer meter deposits	283,874	-	-	283,874	-
Payment of customer meter deposits	(279,332)	-	-	(279,332)	-
Claims paid	-	-	-	-	(12,487,028)
Interfund receipts	(6,991,273)	(3,329,611)	(85,178)	(10,406,062)	-
Net cash provided by (used in) operating activities	6,080,438	(3,454,473)	(16,892)	2,609,073	(682,506)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers from other funds	15,638,549	1,200,000	-	16,838,549	-
Transfer to other funds	(16,226,940)	-	-	(16,226,940)	-
Net cash provided by (used in) noncapital financing activities	(588,391)	1,200,000	-	611,609	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Purchase of capital assets	(9,405,715)	(7,438,570)	(3,650)	(16,847,935)	-
Proceeds from issuance of debt	39,812,174	-	-	39,812,174	-
Note issuance costs	(584,058)	-	-	(584,058)	-
Premium on issuance of debt	466,093	-	-	466,093	-
Proceeds from sale of capital assets	81,075	-	-	81,075	-
Principal paid on capital debt	(29,077,976)	(795,000)	-	(29,872,976)	-
Interest paid on capital debt	(4,585,243)	(395,394)	-	(4,980,637)	-
Net cash provided by (used in) capital and related financing activities	(3,293,650)	(8,628,964)	(3,650)	(11,926,264)	-
CASH FLOWS FROM INVESTING ACTIVITIES					
Sale of investments	8,333	-	-	8,333	-
(Increase) decrease in investment in joint venture	(672,039)	-	-	(672,039)	-
Interest and dividends	2,688	13,401	3,718	19,807	4,369
Net cash provided by (used in) investing activities	(661,018)	13,401	3,718	(643,899)	4,369
Net Increase (decrease) in cash and cash equivalents	1,537,379	(10,870,036)	(16,824)	(9,349,481)	(678,137)
Balances-beginning of year	20,280,834	18,987,930	121,823	39,390,587	5,067,877
Balances-end of year	\$ 21,818,213	\$ 8,117,894	\$ 104,999	\$ 30,041,106	\$ 4,389,740
Reconciliation to Combining Statement of Net Position:					
Cash and cash equivalents	\$ 344,423	\$ 969,617	\$ 104,999	\$ 1,419,039	\$ 4,389,740
Restricted cash and cash equivalents-current	19,800,378	6,648,277	-	26,448,655	-
Restricted cash and cash equivalents-noncurrent	1,673,412	500,000	-	2,173,412	-
Total cash and cash equivalents, end of year	\$ 21,818,213	\$ 8,117,894	\$ 104,999	\$ 30,041,106	\$ 4,389,740
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:					
Operating income (loss)	\$ 1,401,976	\$ (679,796)	\$ (66,559)	\$ 655,621	\$ (1,038,611)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation expense	12,416,772	46,223	146,575	12,609,570	-
Miscellaneous non-operating revenue (expense)	-	47,377	-	47,377	29,737
Operating grant	39,597	-	-	39,597	-
Change in assets, liabilities and deferrals:					
Receivables, net	(1,139,454)	-	-	(1,139,454)	-
Due from other funds	(187,185)	-	-	(187,185)	-
Due from other governments	3,540	-	-	3,540	-
Other receivable	-	(3,000)	(7,501)	(10,501)	(333,745)
Inventories	394,103	-	(8,205)	385,898	-
Prepaid assets	(210,976)	-	1,930	(209,046)	-
Deferred amounts related to OPEB	80,701	-	-	80,701	-
Accounts payables	(65,951)	464,334	47,739	446,122	36,866
Accrued payroll	262,671	-	-	262,671	-
Due to other funds	(6,804,088)	(3,329,611)	(85,178)	(10,218,877)	-
Other payables	-	-	(46,763)	(46,763)	-
Amounts held in escrow	(54,889)	-	-	(54,889)	(1,980)
Due to other governments	-	-	1,070	1,070	-
Accrued compensated absences	743	-	-	743	-
Customer meter deposits payable	4,542	-	-	4,542	-
Claims and judgments	-	-	-	-	625,227
Total OPEB liability	(61,664)	-	-	(61,664)	-
Net cash provided by (used in) operating activities	\$ 6,080,438	\$ (3,454,473)	\$ (16,892)	\$ 2,609,073	\$ (682,506)
Non-cash Activities:					
Capital assets contributed	\$ 7,187,101	\$ -	\$ -	\$ 7,187,101	\$ -
Total Non-cash Activities	\$ 7,187,101	\$ -	\$ -	\$ 7,187,101	\$ -

See accompanying notes to the basic financial statements.

CITY OF BROKEN ARROW, OKLAHOMA

NOTES TO BASIC FINANCIAL STATEMENTS

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CITY OF BROKEN ARROW, OKLAHOMA
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ending June 30, 2022

Note 1 – Summary of Significant Accounting Policies

Organization and operations

The City's accounting and financial reporting policies conform to accounting principles generally accepted in the United States of America (GAAP). GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note.

Financial reporting entity

The City's financial reporting entity is comprised of the following:

Primary Government:	City of Broken Arrow
Blended Component Units:	Broken Arrow Municipal Authority Broken Arrow Economic Development Authority
Discretely Presented Component Units:	Broken Arrow Home Finance Authority Broken Arrow Hospital Authority

In determining the financial reporting entity, the City complies with the provisions of Governmental Accounting Standards Board Statement No. 14, *The Financial Reporting Entity as amended by GASB 61* and other subsequent standards, and includes all component units of which the City is fiscally accountable. Each of these component units are Public Trusts established pursuant to Title 60 of Oklahoma State law. Public Trusts (Authorities) have no taxing power. The Authorities are generally created to finance city services through issuance of revenue bonds or other non-general obligation debt and to enable the City Council to delegate certain functions to the governing body (Trustees) of the Authority. The Authorities generally retain title to assets which are acquired or constructed with Authority debt or other Authority generated resources. In addition, in most cases, the City has leased certain existing assets at the creation of the Authorities to the trustees on a long-term basis. The City, as beneficiary of the Public Trusts, receives title to any residual assets when a Public Trust is dissolved.

Blended component units

Blended component units are separate legal entities that meet the component unit criteria described above and whose governing body is the same or substantially the same as the City council or the component unit provides services entirely to the City. These component units' funds are blended into those of the City's by appropriate fund type to comprise part of the primary government presentation.

Two component units are blended in to the primary government's fund types as presented below:

Component Unit	Brief Description/Inclusion Criteria	Reporting Fund
Broken Arrow Municipal Authority (BAMA)	Created July 1, 1979, to finance, develop and operate the water, sewer and solid waste activities. The current City Council serves as its entire governing body (Trustees). Any issuance of debt would require a two-thirds approval of the City Council.	Enterprise Fund

CITY OF BROKEN ARROW, OKLAHOMA
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ending June 30, 2022

Broken Arrow Economic Development Authority (BAEDA)	Created November 19, 1973, to promote and encourage development of industry and commerce and other related activities on behalf of the City. Five trustees are appointed by the City Council and may be removed at will by the City Council. During 2008, the current City Council began serving as its entire governing body (Trustees). As a result, BAEDA is presented as a blended component unit, whereas in years prior to 2008, it was presented as a discretely presented component unit. Any issuance of debt would require two-thirds approval of the City Council.	Enterprise Fund
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Discretely presented component units

Discretely presented component units are separate legal entities that meet the component unit criteria described above but do not meet the criteria for blending. The City has two component units that are discretely presented in the City's report as presented below.

Component Unit	Brief Description/Inclusion Criteria
Broken Arrow Home Finance Authority (BAHFA)	Created May 9, 1980, to provide, improve and secure decent safe and sanitary housing facilities, especially for low to moderate income families and to prevent blight, hazardous and unhealthy housing conditions. The governing body consists of five members appointed by the City Council. One of these members must also serve on the City Council. The governing body members may be removed at will by the City Council. Any issuance of debt would require a two-thirds approval of the City Council.

Component Unit	Brief Description/Inclusion Criteria
Broken Arrow Hospital Authority (BAHA)	Created May 1, 1974, to construct, maintain and operate the hospital and medical facilities of the City. Trustees are appointed by the City Council from a list supplied by the hospital board. They may be removed at will by the City Council. Any issuance of debt would require a two-thirds approval of the City Council.

The Broken Arrow Home Finance Authority and the Broken Arrow Hospital Authority do not issue separate annual financial statements.

CITY OF BROKEN ARROW, OKLAHOMA
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ending June 30, 2022

Related organizations

The following related organizations are not included in the financial reporting entity:

Broken Arrow Housing Development Corporation – a nonstock, nonprofit corporation acting as an instrumentality of the City for the purpose of assisting in financial dwelling accommodations for persons of low income. The Corporation issued first lien revenue bonds after approval by the City Council. The bonds do not constitute debt of the City and are secured by revenues received from the United States Department of Housing and Urban Development. The revenues represent monthly housing assistance payments for project units occupied by eligible low-income tenants.

Broken Arrow Economic Development Corporation – a nonstock, nonprofit corporation acting as an instrumentality of the City for the purpose of assisting in economic development.

Broken Arrow Industrial Trust Authority – A Title 60 Public Trust created November 1, 1962, to own, acquire, construct, improve, maintain and operate facilities used in securing or developing industry in the City. The City Manager serves as trustee along with two appointees made by the Broken Arrow Chamber of Commerce. This trust currently is inactive.

Joint venture

The City is currently a participant (with equity interest) in the general operating portion of the Regional Metropolitan Utility Authority (RMUA). The RMUA is a Title 60 Public Trust created to provide, operate, and maintain water supply, wastewater and pollution control facilities for the benefit of various governmental entities. Currently, the RMUA is providing wastewater facilities at the Haikey Creek sewage treatment plants. On dissolution of the RMUA, the net position will be distributed to the beneficiaries based upon their pro-rata interest. Separate audited financial statements of RMUA for the year ended June 30, 2022, are available from the Office of Finance, City of Tulsa, Oklahoma.

Basis of presentation

Government-wide financial statements

The statement of net position and statement of activities display information about the City as a whole including component units. They include all financial activities of the reporting entity. Eliminations have been made to minimize the double reporting of transactions involving internal activities. Individual funds are not displayed in these statements. Instead, the statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The statement of activities presents a comparison between the expenses and program revenues directly associated with the different governmental functions and business-type activities to arrive at the net revenue or expense of the function or activity prior to the use of taxes and other general revenues. Program revenues include 1) fees, fines and service charges generated by the program or activity, 2) operating grants and contributions that are restricted to meeting the operational requirements of the program or activity, and 3) capital grants and contributions that are restricted to meeting the capital requirements of the program or activity.

CITY OF BROKEN ARROW, OKLAHOMA
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ending June 30, 2022

Fund financial statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts which constitute its assets, deferred outflows, liabilities, deferred inflows, fund equity, revenues, and expenditures/expenses. Separate financial statements are presented for two major fund categories: governmental and proprietary. An emphasis of the fund financial statements is placed on major governmental and enterprise funds. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

- a. Total assets plus deferred outflows, liabilities plus deferred inflows, revenues or expenditures/expenses of that individual governmental or enterprise fund are at least 10% of the corresponding total for all funds of that category or type, and
- b. Total assets plus deferred outflows, liabilities plus deferred inflows, revenues or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5% of the corresponding total for all governmental and enterprise funds combined.
- c. A fund not meeting the criteria of (a) and (b), however, management has elected to report the fund as a major fund due to its significance to users of the financial statements.

All remaining governmental and enterprise funds not meeting the above criteria are aggregated and reported as nonmajor funds. The funds of the financial reporting entity are described below:

Governmental funds:

General fund

The General Fund is the primary operating fund of the City. It is used to account for all activities except those legally or administratively required to be accounted for in other funds.

Special revenue funds

Special revenue funds are used to account for the proceeds of specific revenue sources that are legally or administratively restricted to expenditures for certain purposes. The reporting entity includes the following special revenue funds:

Fund	Brief Description
Public Safety Sales Tax-Police	Accounts for revenues generated by a 0.15% sales tax to be used strictly for police expenditures.
Public Safety Sales Tax-Fire	Accounts for revenues generated by a 0.15% sales tax to be used strictly for fire expenditures.
Excess Capacity Sewer Escrow	Accounts for acreage fees limited in use to expenditures for excess capacity sewer lines.
Stormwater Capital	Accounts for funds received in lieu of building a detention facility to be used for future or ongoing stormwater improvement and regional detention projects.

CITY OF BROKEN ARROW, OKLAHOMA
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ending June 30, 2022

Convention and Visitors Bureau	Accounts for funds received in relation to leisure, cultural and recreational activities within the City.
Police Enhancement	Accounts for monies limited in use for police department education and drug prevention activities.
Street and Alley	Accounts for commercial vehicle tax and gasoline excise tax legally restricted for street and alley repairs and maintenance.
Housing and Urban Development	Accounts for revenue and expenditures of Community Development Block Grants and the Home program.
CARES Act Fund	Accounts for funds received from the Federal Coronavirus Aid, Relief and Economic Security Act and expended for special designated purposes approved by City Council.
E-911 Escrow	Accounts for the City's share of E-911 customer assessment that is legally restricted for public safety.
Crime Prevention	Accounts for revenues and expenditures of a grant from the U.S. Department of Justice.
Alcohol Enforcement	Accounts for funds received limited in use for juvenile education and enforcement related to alcohol.
Street Light Fee	Accounts for funds received limited in use for operating, maintaining and construction of the street light program.
Admin Technology	Accounts for revenues generated by a technology fee to be used for acquisition and maintenance of court computers and video arraignment equipment.
Creek TIF Apportionment Fund	Accounts for revenues and expenditures of the Creek 51 Tax Increment Financing.

Debt Service Fund

The Debt Service Fund is used to account for ad-valorem taxes levied by the City for use in retiring general obligation bonds, court-assessed judgments, and their related interest expense and fiscal agent fees.

Capital project funds

Capital project funds are used to account for resources restricted for the acquisition or construction of specific capital projects or items. The reporting entity includes the following capital project funds:

Fund	Brief Description
Sales Tax Capital Improvement	Accounts for the revenues generated by a 0.5% sales tax to be used strictly for capital improvements. This fund is the primary funding source for capital outlay expenditures of General Fund departments.

CITY OF BROKEN ARROW, OKLAHOMA
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ending June 30, 2022

American Relief Fund	Accounts for funds received from the Federal American Recovery Plan Act and expended for special designated purposes as prescribed by the Act and approved by City Council.
2014 General Obligation Bond Fund	Accounts for bond proceeds to be used for street, public safety, park and recreation, stormwater improvements and the purchase and construction of public buildings
2018 General Obligation Bond Fund	Accounts for bond proceeds to be used for street, public safety, park and recreation and stormwater improvements and the purchase and construction of public buildings.
Parks and Recreation	Accounts for fees collected on the construction of new residences which are restricted in use for park and recreation improvements.
Cemetery Care	Accounts for 12.5% of cemetery revenue restricted by state law and an additional 12.5% contributed by the City for cemetery capital improvement.
Street Sales Tax	Accounts for revenues generated by a 0.25% sales tax to be used strictly for street improvements.
1994 General Obligation Bond Fund	Accounts for bond proceeds to be used for industrial development purposes within the City.
2008 General Obligation Bond Fund	Accounts for bond proceeds to be used for street, public safety, park and recreation and stormwater improvements.
2011 General Obligation Bond Fund	Accounts for bond proceeds to be used for street, public safety, park and recreation and stormwater improvements.

Proprietary funds

Proprietary funds include both enterprise funds and internal service funds. Enterprise funds are used to account for business-like activities provided to the general public. Internal service funds are used to account for business-like activities provided and charged to other funds or entities within the reporting entity. Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund.

Non-operating revenues of the proprietary funds include such items as investment earnings, interest expense and subsidies. The reporting entity includes the following enterprise funds and internal service funds:

CITY OF BROKEN ARROW, OKLAHOMA
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ending June 30, 2022

Enterprise funds

Fund	Brief Description
Broken Arrow Municipal Authority	Accounts for activities of the public trust in providing water, wastewater and solid waste services to the public.
Broken Arrow Economic Development Authority	Accounts for revenue and expenses of the public trust used to promote economic development.
Battle Creek Golf Course	Accounts for recreational activities of the municipal golf course.

Internal service funds

Fund	Brief Description
Workers Compensation	Accounts for charges to the operating funds of the City used to pay worker's compensation claims.
Group Health and Life	Accounts for charges to the operating funds of the City used to pay the expenses of the City's shared risk group health and life insurance plans.

Component units

Discretely presented component units are separate legal entities whose governing body (in majority) is appointed by the Mayor or City Council, but whose governing body is not substantially the same as the City Council nor an entity established to provide services primarily to the City. Since these component units are not as closely associated with the City as are the blended component units, they are reported in a discretely presented column on the combined financial statements labeled Component Units. The reporting entity includes the following discretely presented component units:

Component Unit	Brief Description
Broken Arrow Home Finance Authority	Accounts for revenue and expenses of the public trust used to assist in providing single family, owner occupied residential housing facilities.
Broken Arrow Hospital Authority	Accounts for revenue and expenses of the public trust used in establishing and developing healthcare facilities.

Measurement focus and basis of accounting

Measurement focus is a term used to describe how transactions are recorded within the financial statements. Basis of accounting refers to when transactions are recorded regardless of the measurement focus applied.

Measurement focus:

Government-wide and proprietary fund financial statements

In the government-wide statement of net position and statement of activities, and the proprietary fund statements the *economic resources* measurement focus is applied. The accounting objectives of this

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measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position and cash flows. All assets, deferred outflows, liabilities and deferred inflows (whether current or noncurrent, financial or nonfinancial) associated with their activities are reported.

Governmental fund financial statements

In the governmental fund financial statements, a *current financial resources* measurement focus is applied. Under this focus, only current financial assets and liabilities, along with certain deferred outflows and deferred inflows, are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

Basis of accounting:

Government-wide and proprietary fund financial statements

In the government-wide statement of net position and statement of activities, and the proprietary fund financial statements the accrual basis of accounting is applied. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, deferred outflows, liabilities and deferred inflows resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Governmental fund financial statements

In the governmental fund financial statements, the modified accrual basis of accounting is applied. Under this modified accrual basis of accounting, revenues are recognized when *measurable and available*. Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or soon enough thereafter to pay current liabilities. The City has defined "available" as collected within 60 days after year end. Sales and use taxes, franchise taxes, hotel/motel taxes, court fines and interest are considered susceptible to accrual. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general long-term debt principal and interest, claims and judgments, and accrued compensated absences, which are recorded as expenditures to the extent they have matured. Proceeds of general long-term debt and capital leases are reported as other financial sources.

Assets, deferred outflows, liabilities, deferred inflows and net position

Cash and cash equivalents

Cash and cash equivalents include all demand and savings accounts and certificates of deposits or short-term investments with an original maturity of three months or less. Investments in open-ended, mutual-fund money-market accounts are also considered cash equivalents and reported at the funds current share price.

Investments

Investments consist of certificates of deposit whose original maturing term exceeds three months and U.S. government securities. Investment in long-term U.S. government securities are carried at fair value from quoted market prices. All other investments are carried at cost or amortized cost.

CITY OF BROKEN ARROW, OKLAHOMA
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Receivables

Material receivables in governmental funds and governmental activities include revenue accruals such as sales tax, franchise tax and grants and other similar intergovernmental revenues, since they are usually both measurable and available. Non-exchange transactions collectible, but not available, are deferred in accordance with GASB 33. Interest and investment earnings are recorded when earned, only if paid within 60 days, since they would be considered both measurable and available at the fund level.

Proprietary type funds, business-type activities and similar component unit's material receivables consist of all revenues earned at year end and not yet received. Utility accounts receivable and interest earnings comprise the majority of proprietary fund receivables.

Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable.

Leases Receivable

The City is a party as lessor for fifteen long-term leases of land and infrastructure. The corresponding leases receivable are recorded in an amount equal to the present value of the expected future minimum lease payments received or received, respectively, discounted by an applicable interest rate.

Lease-related amounts are recognized at the inception of leases in which the city is the lessor and are recorded in an amount equal to the corresponding lease receivable plus certain additional amounts received from the lessee at or before the commencement of the lease term that relates to future periods, less any lease incentives paid to, or on behalf of, the lessee at or before the commencement of the lease term. The inflow of resources is recognized in a systematic and rational manner over the term of the lease.

The total amount of inflows of resources, including lease revenue and interest revenue recognized during the fiscal year was \$484,948.

Inventories

The City has chosen to record consumable materials and supplies as an asset when purchased and expended as consumed. Such inventory is valued at cost.

Capital assets and depreciation

The accounting treatment of property, plant and equipment (capital assets) depends on whether the assets are used in governmental fund type or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

Government-wide statements

In government-wide financial statements, property, plant and equipment are accounted for as capital assets. The City's capitalization threshold is \$5,000 for all capital assets with the exception of the Battle Creek Golf Course, which has a threshold of \$2,500. All capital assets are valued at historical cost or estimated historical cost if actual is unavailable, except for donated capital assets which are recorded at their estimated fair value at the date of donation. General infrastructure assets (such as roads, bridges, and traffic systems) acquired prior to July 1, 2002, are reported at estimated historical cost using deflated replacement costs. The cost of normal maintenance and repairs to these assets that do not add materially to the value of the

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asset or materially extend the assets' useful lives are not capitalized. Interest costs, net of interest earned on any invested capital debt proceeds, are capitalized when incurred by proprietary funds.

Depreciation of all exhaustible capital assets is recorded as an operating expense in proprietary fund financial statements and an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings	25 – 50 years
Other improvements	10 – 50 years
Infrastructure	25 – 50 years
Machinery and equipment	3 – 20 years

In the governmental fund financial statements, capital assets acquired are accounted for as capital outlay expenditures.

Restricted assets

Restricted assets include cash and investments of enterprise funds and business-type activities that are legally restricted as to their use. The primary restricted assets are related to utility customer deposits, revenue bonds, and Oklahoma Water Resources Board (OWRB) trustee accounts.

Long-term debt

Accounting treatment of long-term debt varies depending upon the source of repayment and the measurement focus applied, and whether the debt is reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental activities, business-type activities, proprietary fund and component unit resources are reported as liabilities as incurred. The long-term debt consists primarily of accrued compensated absences, judgments payable, liability for claims, general obligation bonds payable, notes payable, revenue notes payable and revenue bonds payable. This long-term debt is reported net of unamortized premiums, discounts, and amounts deferred from refundings.

Long-term debt of governmental funds is not reported as a liability in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures.

Compensated absences

The City's policies regarding vacation and compensatory time permit employees to accumulate varying amounts as determined by management and contracts with employee groups. Sick leave does not vest to the employee.

The estimated liabilities for vested benefits also include salary-related payments such as employment taxes. Compensated absences are reported as accrued in the government-wide, proprietary and component unit financial statements. Governmental funds report only the matured compensated absences payable to currently terminating or retiring employees.

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Equity classifications:

Government-wide and proprietary fund financial statements

Equity is classified as net position and displayed in three components:

- a. Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
- b. Restricted net position – Consists of net position with constraints placed on the use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or 2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – All other net position that does not meet the definition of "restricted" or "net investment in capital assets."

It is the City's policy to first use restricted net position prior to the use of unrestricted net position when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

Governmental fund financial statements

Governmental fund equity is classified as fund balance. Fund balance is further classified as follows:

1. Nonspendable – amounts not in spendable form, such as inventory legally or contractually required to be maintained intact.
2. Restricted – amounts constrained to be being used for a specific purpose by either external parties, constitutional provisions or enabling legislation.
3. Committed – amounts with constraint on use imposed by the government itself, using its highest level of decision-making authority that can be removed or changed only by taking the same action. The City's highest level of decision-making authority is made by ordinance.
4. Assigned – amounts intended to be used for specific purposes as expressed by the governing body or official authorized by the governing body.
5. Unassigned – amounts available for any purpose.

Internal and interfund balances and activities

In the process of aggregating the financial information for the government-wide financial statements, some amounts reported as interfund activity and balances in the fund financial statements have been eliminated or reclassified.

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Government-wide financial statements:

1. Interfund balances – amounts reported in the fund financial statements as interfund receivables and payables are eliminated in the governmental and business-type activities columns of the Statement of Net Position, except for the net residual amounts due between governmental and business-type activities, which are reported as internal balances.
2. Internal activities – amounts reported as interfund transfers in the fund financial statements are eliminated in the government-wide statement of activities except for the net amount of transfers between governmental and business-type activities, which are reported as transfers – internal activities. The effects of interfund services between funds are not eliminated in the statement of activities.
3. Primary government and component unit activity and balances – resource flows between the primary government, the City and BAMA, are reported as if they were external transactions.

Fund financial statements

Interfund activity, if any, within and among the governmental and proprietary fund categories is reported as follows in the fund financial statements:

1. Interfund loans – amounts provided with a requirement for repayment are reported as interfund receivables and payables.
2. Interfund services – sales or purchases of goods and services between funds are reported as revenues and expenditures/expenses.
3. Interfund reimbursements – repayments from funds responsible for certain expenditures/expenses to the funds that initially paid for them are not reported as reimbursements but as adjustments to expenditures/expenses in the respective funds.
4. Interfund transfers – flow of assets from one fund to another where repayment is not expected are reported as transfers in and out.

Revenues, expenditures and expenses

Sales tax

The City levies a 3.55% sales tax on taxable sales within the City. The sales tax is collected by the Oklahoma Tax Commission and remitted to the City in the month following receipt by the Tax Commission. The sales tax recorded is allocated 1.5 cent (42.3%) for General Fund operations, 1 cent (28.2%) for the Broken Arrow Municipal Authority, 0.5 cent (14.1%) for capital improvements, 0.25 cent (7%) for Street Sales Tax Fund, 0.15 cent (4.2%) for the Public Safety Sales Tax-Police Fund, and 0.15 cent (4.2%) for the Public Safety Sales Tax-Fire Fund. Sales tax resulting from sales occurring prior to year-end and received by the City after year end have been accrued and are included under the caption *due from other governments*, since they represent taxes on sales occurring during the reporting period.

CITY OF BROKEN ARROW, OKLAHOMA
NOTES TO BASIC FINANCIAL STATEMENTS
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Property tax

Under State law, municipalities are limited in their ability to levy a property tax. Such tax may only be levied to repay principal and interest on general obligation bonded debt approved by voters and any court-assessed judgments. At the present time, the City levies a property tax to fund the annual debt service requirements of the general obligation bonds and court-assessed judgments.

The property tax levy, as determined by the City's debt service needs, is submitted to the County Excise Board for approval. County assessors and elected officials determine the taxable value of real estate and personal property in the County. A State Board of Equalization hears complaints on real estate values with the power to equalize assessments. Under present State law, the ratio of assessed value to true value cannot be less than 11% or more than 13.5%.

Property taxes levied by the City are billed and collected by the County Treasurer's Office and remitted to the City in the month following collection. Property taxes are levied normally in October and are due in equal installments on December 31 and March 31. Property taxes unpaid for the fiscal year are attached by an enforceable lien on property in the following October. For the year ended June 30, 2022, the City's net assessed valuation of taxable property was \$1,051,629,134. The taxes levied by the City per \$1,000 of net assessed valuation for the year ended June 30, 2022, was \$16.05.

Program revenues

In the statement of activities, revenues are derived directly from each activity or from parties outside the City's taxpayers and are reported as program revenues. The City has the following program revenues in each activity:

1. General government – Cemetery fees, licenses, permits, planning and zoning fees; operating and capital grants and contributions including U.S. Department of Housing and Urban Development.
2. Public safety – Ambulance revenue, court fines and administrative fees; operating and capital grants and contributions including U.S. Department of Justice, Federal Emergency Management Agency and miscellaneous donations.
3. Public services – Operating and capital grants and contributions including Federal Emergency Management Agency, U.S. Department of Housing and Urban Development, motor fuel and commercial vehicle intergovernmental revenues.
4. Culture and recreation – Park and recreation fees, swimming pool fees, rents and royalties; operating and capital grants and contributions including Oklahoma Arts Council and miscellaneous donations.

Expenditures and expenses

In the government-wide statement of activities, expenses, including depreciation of capital assets, are reported by function or activity. In the governmental fund financial statements, expenditures are reported by class as current (further reported by function), capital outlay and debt service. In proprietary fund financial statements, expenses are reported by object or activity.

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NOTES TO BASIC FINANCIAL STATEMENTS
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Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures.

Note 2 – Stewardship, Compliance and Accountability

By its nature as a local government unit, the City and its component units are subject to various federal, state and local laws and contractual regulations.

Deposits and investments laws and regulations

In accordance with State law, all uninsured deposits of municipal funds in financial institutions must be secured with acceptable collateral valued at the lower of market or par. Acceptable collateral includes certain U.S. Government or Government Agency securities, certain State of Oklahoma or political subdivision debt obligations or surety bonds. As required by 12 U.S.C.A., Section 1823(e), all financial institutions pledging collateral to the City must have a written collateral agreement approved by the board of directors or loan committee.

Investments of the City (excluding Public Trusts) are limited by State law to the following:

1. Direct obligations of the U.S. Government, its agencies and instrumentalities to which the full faith and credit of the U.S. Government is pledged, or obligations to the payment of which the full faith and credit of the State of Oklahoma is pledged.
2. Certificates of deposit or savings accounts that are either insured or secured with acceptable collateral with in-state financial institutions, and fully insured certificates of deposit or savings accounts in out-of-state financial institutions.
3. With certain limitation, negotiable certificates of deposit, prime banker's acceptances, prime commercial paper and repurchase agreements.
4. County, municipal or school district tax supported debt obligations, bond or revenue anticipation notes, money judgments, or bond or revenue anticipation notes of public trusts whose beneficiary is a county, municipality or school district.
5. Notes or bonds secured by mortgage or trust deed insured by the Federal Housing Administrator and debentures issued by the Federal Housing Administrator, and in obligations of the National Mortgage Association.
6. Money market funds regulated by the SEC and in which investments consist of the investments mentioned in the previous paragraphs 1, 2, 3, and 4.

Public trusts created under O.S. Title 60, are not subject to the above noted investment limitations and are primarily governed by any restrictions in their trust or bond indenture.

CITY OF BROKEN ARROW, OKLAHOMA
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Debt restrictions and covenants

Other long-term debt

As required by the Oklahoma State Constitution, the City (excluding Public Trusts) may not incur any indebtedness that would require payment from resources beyond the current fiscal year revenue, without first obtaining voter approval. During Fiscal Year 2022, the City issued General Obligation Bonds Series 2021A and 2021B in the amount of \$19,500,000 and \$1,000,000, respectively, which were approved by the citizens of the City.

Revenue bond and promissory note debt

The various bond and note indentures relating to the revenue bond and promissory note issuances of the Broken Arrow Municipal Authority contain a number of restrictions or covenants that are financial related. These include covenants such as a required flow of funds through special accounts, a debt service coverage requirement and required reserve account balances. The following schedule presents a brief summary of the most significant requirements and the Authority's level of compliance thereon as of June 30, 2022.

Requirement	Level of Compliance
a. Flow of Funds:	
OWRB Loans:	
<ul style="list-style-type: none"> • Utility Revenue Fund • Sales Tax Fund • Operation and Maintenance Fund • Bond Fund (interest, principal and reserve accounts) 	All funds, except for a separate Utility Revenue Fund have been established. Utility revenue is deposited directly into O & M Fund. Method of actual transfers of funds is not made specifically in accordance with bond covenants; however, the end result of the flow of funds is being accomplished.
b. Reserve Account Requirement:	
OWRB Loans:	
<ul style="list-style-type: none"> • Account balance on the 2015 OWRB note payable should equal \$849,706. • Account balance on the 2019 BAEDA note payable should equal \$500,000. 	<p>Account balance at June 30, 2022 for the 2015 OWRB note payable is \$849,706.</p> <p>Account balance at June 30, 2022 for the 2019 BAEDA note payable is \$500,000.</p>
c. Revenue Bond Coverage:	
OWRB Loans and Sales Tax Revenue Note:	
<ul style="list-style-type: none"> • Net revenues of the Authority plus 125% of maximum annual debt service of all obligations on a parity with the OWRB 2004, 2007, 2012, 2016 A&B, 2017 A&B, 2018, 2019 A&B, 2020 A,B&C, 2021 notes and 2019 and 2021 Sales Tax Revenue Notes. 	Maximum annual debt service on all parity debt is \$12,788,696. Coverage is 230%.

CITY OF BROKEN ARROW, OKLAHOMA
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Year Ending June 30, 2022

Fund equity/net position restrictions

Fund equity deficit

Title 11, section 17-211 of the Oklahoma statutes prohibits the creation of a deficit fund balance in any individual fund of the City (excluding Public Trusts). The City had no fund balance deficits at June 30, 2022, except for \$9,617 in the American Relief Fund caused by the deferral of a receivable at year end.

Budgetary compliance

The City prepares its annual operating budget under the provisions of the Municipal Budget Act (the Budget Act). In accordance with those provisions, the following process is used to adopt the annual budget.

- a. Prior to June 1, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following July 1.
- b. Public hearings are conducted to obtain citizen comments. At least one public hearing must be held no later than 15 days prior to July 1.
- c. Subsequent to the public hearings, but no later than seven days prior to July 1, the budget is adopted by resolution of the City Council.
- d. By July 1, the adopted budget is filed with the Office of State Auditor and Inspector.

All funds of the City with revenues and expenditures are required to have annual budgets. The legal level of control at which expenditures may not legally exceed appropriations is the departmental level.

All transfers of appropriations between departments and supplemental appropriations require City Council approval. The City Manager may transfer appropriations within a department without City Council approval. Budget supplements must also be filed with the Office of State Auditor and Inspector.

In accordance with Title 60 of the Oklahoma State Statutes, all of the City's Title 60 Public Trusts (accounted for as enterprise funds and similar component units) are required to prepare an annual budget and submit a copy to the City as beneficiary. However, there are no further requirements such as form of budget, approval of the budget or definition of a legal level of control.

For the year ended June 30, 2022, the City complied in all material respects with the applicable budget laws relating to expenditures and appropriations at the legal level of control.

Workers Compensation internal service fund has a net position deficit of \$813,526 primarily due to actuarially determined unfunded liabilities. It is the City's intent to fund the liabilities as soon as economically feasible.

Note 3 – Detail Notes on Transaction Classes/Accounts

The following notes present detail information to support the amounts reported in the basic financial statements for the City's various assets, deferred outflows, liabilities, deferred inflows, equity, revenues and expenditures/expenses.

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Deposits

As of June 30, 2022, the City held the following deposits and investments:

<u>Primary Government:</u>	<u>Carrying Value</u>	<u>Maturities in Years</u>		
		<u>On Demand</u>	<u>Less than One</u>	<u>1-5</u>
Deposits:				
Cash on hand	\$ 4,163	\$ 4,163	\$ -	\$ -
Demand deposits	83,661,076	83,661,076	-	-
Time deposits - certificate of deposits	45,253,140	-	43,186,528	2,066,612
	<u>Credit Rating</u>	<u>Fair Value Categories</u>		
Investments:				
United States Treasury Notes/Bills	AAA	Level I	48,395,970	-
Judgments	N/A	N/A	128,847	-
Bond Trustee Accounts:				
Federated Hermes Treas Obl-Trst #0702	AAA	Level I	6,404,823	-
Cavanal Hill US Treasury-Admin #0002	AA	Level I	21,983,811	-
Total deposits and investments			<u>\$ 205,831,830</u>	<u>\$ 112,053,873</u>
				<u>\$ 91,711,345</u>
				<u>\$ 2,066,612</u>
Reconciliation to Statement of Net Position:				
Cash and cash equivalents	\$ 112,053,873			
Investments	93,777,957			
	<u>\$ 205,831,830</u>			
Component Units:				
Broken Arrow Home Finance Authority	\$ 2,786			
Broken Arrow Hospital Authority	10,998			
	<u>\$ 13,784</u>			

The City's policies and applicable laws regarding investments are discussed in Notes 1 and 2.

Interest rate risk. The City's investment policy allows the City to invest in any securities authorized by the State of Oklahoma Statutes, Title 62, Section 348.1-348.3. The City attempts to match investment maturities with expected cash flow requirements and will generally invest in securities with maturities of three years or less.

Credit risk. In accordance with state statute, the City is required to collateralize uninsured deposits with financial institutions with a minimum security pledge of 110% of acceptable securities. Certificates of deposit above include no under collateralized investments.

Concentration of credit risk. The City's investment policy restricts a single issuer to hold no more than 50% of the City's total investments.

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Interest rate swap agreement

In May 2004, the City entered into a twenty-year interest rate swap agreement as a cash flow hedge for \$15,035,000 of its variable rate portion of a Construction and Term loan. The City owes interest on this portion of the loan at a variable rate of LIBOR plus 100 basis points not to exceed 6.2975%. The counterparty to the swap agreement owes the City interest if the LIBOR rate exceeds 6.2975%. The counterparty has not made any payments to the City since the LIBOR rate has not yet exceeded 6.2975%. The objective of the hedge is to cap the interest rate paid at 6.2975% plus 100 basis points (7.2975%). The City has achieved that objective and is reporting the derivative under hedge accounting standards. The

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interest rate swap liability is measured at fair value and is considered a level 2 valuation. The notional amount of the hedging derivative at June 30, 2022 is \$4,530,000.

The expected future net cash flows of the hedging derivative are as follows:

<u>Year Ending June 30,</u>	<u>Assumed Interest Rate</u>	<u>Hedging Derivative Cash Flow</u>
2023	< 6.2975%	\$ (150,964)
2024	< 6.2975%	(83,822)
2025	< 6.2975%	(53,557)
2026	< 6.2975%	(11,062)
Total		<u>\$ (299,405)</u>

Accounts receivable

Other receivables of the governmental activities include customers' ambulance services provided, court receivables and other receivables, reported net of allowance for uncollectible amounts. Accounts receivable of the business-type activities include customers' utilities services provided, both billed and unbilled, and other receivables, reported net of allowance for uncollectible amounts.

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Accounts receivable	\$ -	\$ 12,437,798
Accounts receivable-ambulance	3,207,033	-
Accounts receivable-court	2,243,484	-
Accounts receivable-other	1,530,779	-
Less: allowance for uncollectible accounts	<u>(4,422,882)</u>	<u>(3,415,053)</u>
Other receivables, net of allowance	<u>\$ 2,558,414</u>	<u>\$ 9,022,745</u>

Lease receivables:

The City as a lessor, has entered into lease agreements involving infrastructure and land. The total amount of inflows of resources, including lease revenue and interest revenue recognized during the fiscal year was \$557,145. Lease receivable balances at June 30, 2022, were as follows:

	<u>Governmental Activities</u>
Tower Holdings	\$ 366,523
New Cingular	132,022
SW Bell AT&T	419,367
Sprint	107,278
T-Mobile Elm	630,477
T-Mobile Tiger Hill	596,191
T-Mobile	191,317
Bass Pro	1,713,984
Sprint	286,276
American Tower	535,139
Verizon Lion's Park	518,114
Verizon Rhema Park	643,876
Verizon Elm & Albany	501,068
Tower Holdings	364,521
Verizon Kenosha	97,816
Total Lease Receivable-Governmental	<u>\$ 7,103,969</u>

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Year Ending June 30, 2022

Restricted assets

The amounts reported as restricted assets of the enterprise funds on the proprietary funds statement of net position are comprised of cash and investments held by the trustee bank on behalf of the various public trusts (authorities) related to their required revenue bond and note accounts as described in Note 2. The restricted assets as of June 30, 2022, were as follows:

Type of Restricted Assets	Current Cash and Cash Equivalents	Noncurrent Cash and Cash Equivalents	Total
BAMA			
Revenue bond and note trustee accounts	\$ 19,594,451	\$ 849,706	\$ 20,444,157
Meter deposits	205,927	823,706	1,029,633
Total BAMA	\$ 19,800,378	\$ 1,673,412	\$ 21,473,790
BAEDA			
Revenue bond and note trustee accounts	\$ 6,648,277	\$ 500,000	\$ 7,148,277
Total BAEDA	\$ 6,648,277	\$ 500,000	\$ 7,148,277

Capital assets

Capital asset activity for the fiscal year ended June 30, 2022, was as follows:

	Balance at June 30, 2021	Additions	Deductions	Balance at June 30, 2022
Governmental activities:				
Nondepreciable:				
Land	\$ 38,530,863	\$ -	\$ -	\$ 38,530,863
Construction-in-progress	64,674,063	26,108,895	(28,879,483)	61,903,475
Total nondepreciable assets at historical cost	\$ 103,204,926	\$ 26,108,895	\$ (28,879,483)	\$ 100,434,338
Depreciable:				
Buildings	64,409,387	6,536,254	-	70,945,641
Improvements	45,440,642	17,143,375	-	62,584,017
Machinery and equipment	51,315,928	5,629,951	(1,561,270)	55,384,609
Infrastructure	264,345,863	3,731,689	-	268,077,552
Total depreciable assets at historical cost	425,511,820	33,041,269	(1,561,270)	456,991,819
Less accumulated depreciation:				
Buildings	(19,820,856)	(1,532,084)	-	(21,352,940)
Improvements	(18,931,330)	(2,336,123)	-	(21,267,453)
Machinery and equipment	(31,612,085)	(3,771,591)	1,524,572	(33,859,104)
Infrastructure	(107,652,238)	(5,492,146)	-	(113,144,384)
Total accumulated depreciation	(178,016,509)	(13,131,944)	1,524,572	(189,623,881)
Net depreciable assets	247,495,311	19,909,325	(36,698)	267,367,938
Governmental activities capital assets, net	\$ 350,700,237	\$ 46,018,220	\$ (28,916,181)	\$ 367,802,276

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Year Ending June 30, 2022

Capital assets – (continued)

	Balance at June 30, 2021	Additions	Deductions	Balance at June 30, 2022
Business-type activities:				
Nondepreciable:				
Land	\$ 4,320,406	\$ 5,020,482	\$ -	\$ 9,340,888
Construction-in-progress	19,955,055	14,947,052	(14,839,006)	20,063,101
Total nondepreciable assets at historical cost	<u>24,275,461</u>	<u>19,967,534</u>	<u>(14,839,006)</u>	<u>29,403,989</u>
Depreciable:				
Buildings	9,278,888	-	-	9,278,888
Improvements	272,428,973	-	-	272,428,973
Machinery and equipment	25,133,089	2,229,396	(210,677)	27,151,808
Infrastructure – drainage	95,398,361	16,677,112	-	112,075,473
Total depreciable assets at historical cost	<u>402,239,311</u>	<u>18,906,508</u>	<u>(210,677)</u>	<u>420,935,142</u>
Less accumulated depreciation:				
Buildings	(4,958,264)	(223,092)	-	(5,181,356)
Improvements	(155,297,170)	(6,092,489)	-	(161,389,659)
Machinery and equipment	(14,068,506)	(2,284,114)	209,814	(16,142,806)
Infrastructure – drainage	(25,886,637)	(4,009,875)	-	(29,896,512)
Total accumulated depreciation	<u>(200,210,577)</u>	<u>(12,609,570)</u>	<u>209,814</u>	<u>(212,610,333)</u>
Net depreciable assets	<u>202,028,734</u>	<u>6,296,938</u>	<u>(863)</u>	<u>208,324,809</u>
Business-type capital assets, net	<u>\$ 226,304,195</u>	<u>\$ 26,264,472</u>	<u>\$ (14,839,869)</u>	<u>\$ 237,728,798</u>

Depreciation expense was charged to functions in the statement of activities as follows:

Depreciation expense charged to governmental activities:	
General government	\$ 1,550,014
Public safety	2,874,321
Public services	6,704,545
Culture and recreation	<u>2,003,064</u>
Total government activities depreciation expense	<u>\$ 13,131,944</u>
Depreciation expense charged to business-type activities:	
Water	\$ 5,483,414
Sewer	4,267,479
Sanitation	473,123
Stormwater management	2,192,756
Economic development	46,223
Golf	<u>146,575</u>
Total business-type activities depreciation expense	<u>\$ 12,609,570</u>

CITY OF BROKEN ARROW, OKLAHOMA
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ending June 30, 2022

Investment in joint venture

As discussed in Note 1, the City participates (with equity interest) in the general operations portion of the Regional Metropolitan Utility Authority (RMUA). The City of Broken Arrow and the City of Tulsa each maintain approximately 50% equity interest in the Haikey Creek portion of the RMUA. The City of Broken Arrow makes annual capital contributions to the joint venture in addition to making payments to RMUA for wastewater treatment services. For the year ended June 30, 2022, the "investment in joint venture" balance changed as follows:

Beginning investment in joint venture	\$ 37,573,569
Current year contributions	<u>672,038</u>
Ending investment in joint venture	<u>\$ 38,245,607</u>

Long-term debt

The reporting entity's long-term debt is segregated between the amounts to be repaid from governmental funds (governmental activities long-term debt) and amount to be repaid from proprietary funds (business-type activities debt).

Governmental activities long-term debt

As of June 30, 2022, the governmental activities long-term debt consisted of the following:

\$12,000,000 General Obligation Bonds Series 2012, due in annual installments of \$630,000, final installment of \$660,000 due November 1, 2032, with interest rates at 1.00% to 4.00%	\$6,960,000
\$3,700,000 General Obligation Bonds Series 2013A, due in annual installments of \$410,000, final installment of \$420,000 due December 1, 2023, with interest rates at 1.00% to 2.375%	830,000
\$6,200,000 General Obligation Bonds Series 2013B, due in annual installments of \$325,000, final installment of \$350,000 due December 1, 2033, with interest rates at 1.00% to 4.00%	3,925,000
\$11,705,000 General Obligation Bonds Series 2014A, due in annual installments of \$615,000, final installment of \$635,000 due December 1, 2034, with interest rates at 3.00% to 5.00%	8,015,000
\$3,175,000 General Obligation Bonds Series 2014B, due in annual installments of \$350,000, final installment of \$375,000 due December 1, 2024 with interest rates at 2.00% to 3.00%	1,075,000
\$11,575,000 General Obligation Bonds Series 2016A, due in annual installments of \$605,000, final installment of \$685,000 due January 1, 2036, with interest rates at 2.00% to 4.00%	8,550,000
\$6,625,000 General Obligation Bonds Series 2016B, due in annual installments of \$345,000, final installment of \$341,000 due January 1, 2036, with interest rates at 2.50% to 3.250%	4,900,000
\$18,720,000 General Obligation Refunding Bonds Series 2016D, due in annual installments ranging from \$20,000 to \$1,265,000 commencing October 1, 2020, final installment due October 1, 2044 with interest rates at 2.00% to 5.00%	14,780,000

CITY OF BROKEN ARROW, OKLAHOMA
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ending June 30, 2022

\$18,755,000 General Obligation Bonds Series 2018A, due in annual installments of \$985,000, final installment of \$1,025,000 due May 1, 2038, final installment due October 1, 2044 with interest rates at 2.00% to 4.00%	15,800,000
\$10,860,000 General Obligation Bonds Series 2018B, due in annual installments of \$570,000, final installment of \$600,000 due December 1, 2038 with interest rates at 3.00% to 4.00%	9,720,000
\$11,500,000 General Obligation Bonds Series 2018C, due in annual installments of \$605,000, final installment of \$610,000 due December 1, 2038 with interest rates at 3.00% to 4.00%	10,290,000
\$1,000,000 General Obligation Bonds Series 2018D, due in annual installments of \$250,000, final installment of \$250,000 due December 1, 2023 with interest rates at 3.00% to 3.50%	500,000
\$7,490,000 General Obligation Bonds Series 2018E, due in annual installments varying from \$1,445,000 to \$1,465,000, final installment of \$1,460,000 due April 1, 2023 with interest rates at 3.00% to 5.00%	1,460,000
\$23,250,000 General Obligation Bonds Series 2019A, due in annual installments of \$1,220,000, final installment of \$1,290,000 due December 1, 2039 with interest rates at 2.00% to 3.00%	22,030,000
\$3,280,000 General Obligation Bonds Series 2019B, due in annual installments varying from \$645,000 to \$675,000, final installment of \$645,000 due December 1, 2024 with interest rates at 4.00% (Issued to refund the 2009C and 2009D GO Bonds)	1,955,000
\$6,395,000 General Obligation Bonds Series 2019C, due in annual installments varying from \$540,000 to \$615,000, final installment of \$540,000 due August 1, 2030 with interest rates at 1.65% to 2.75% (Issued to refund the 2010B GO Bonds)	5,170,000
\$10,060,000 General Obligation Bonds Series 2020A, due in annual installments varying from \$770,000 to \$1,140,000, final installment of \$770,000 due August 1, 2031 with interest rates at 0.45% to 1.91% (Issued to refund the 2011 A&B GO Bonds)	8,920,000
\$19,000,000 General Obligation Bonds Series 2020B, due in annual installments of \$1,000,000, final installment due December 1, 2040 with interest rates at 2.00%	19,000,000
\$1,000,000 General Obligation Bonds Series 2020C, due in annual installments of \$250,000, final installment due December 1, 2025 with interest rates at 1.00% to 2.00%	1,000,000
\$19,500,000 General Obligation Bonds Series 2021A, due in annual installments of \$1,025,000, final installment of \$1,050,000 due December 1, 2041 with interest rates at 0.50% to 3.00%	19,500,000
\$1,000,000 General Obligation Bonds Series 2021B, due in annual installments of \$110,000, final installment of \$120,000 due December 1, 2031 with interest rates at 1.25% to 2.00%	1,000,000
Total general obligation bonds	165,380,000
Unamortized premium on bonds	3,342,944
Total general obligations bonds	<u>\$ 168,722,944</u>
Current portion	\$ 13,196,869
Noncurrent portion	155,526,075
Total general obligations bonds	<u><u>\$ 168,722,944</u></u>

CITY OF BROKEN ARROW, OKLAHOMA
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ending June 30, 2022

Notes payable-direct borrowings

\$765,000 Note with BOK Financial Equipment Finance dated 1-15-20, secured by equipment, due in annual payments of \$205,265, with interest at 2.89%, final installment due April 1, 2024. In the event of default, the lender may: 1) declare agreement in default; 2) require City to deliver equipment to point of origin; 3) repossess and sell or lease collateral; 4) file suit to enforce or enjoin action or inaction of parties under provisions of the note. \$393,395

\$20,300,000 Construction and Term Loan with Bank of America dated May 10, 2004, assumed by the City on May 19, 2004. Converted to term loan effective November 1, 2005, due in semi-annual installments ranging from \$15,000 to \$925,000, final installment due November 1, 2025, with interest at the six-month LIBOR rate plus 1.0% (0.081% at June 30, 2020), secured by real and personal property, assignment of rents and leases and a Sales Tax Pledge agreement of sales tax levied by City Ordinance No. 432 in the amount of \$2,750,000 annually. In the event of default, the lender may: 1) accelerate indebtedness, termination; 2) enforce or assign rents; 3) foreclose, including judicial foreclosure and power of sale; 4) declare rights of enforcement with respect to collateral or any part thereof under the UCC; 5) pursue lawsuits; 6) enter property, or any part thereof, and take possession of property; 7) terminate commitment to lend; 8). pursue any and all other rights and remedies available under loan documents, at law or in equity. 5,518,037

Total Notes payable \$ 5,911,432

Current portion \$ 1,718,896
 Noncurrent portion 4,192,536

Total notes payable \$ 5,911,432

Accrued compensated absences

Accrued compensated absences reported in the governmental activities are comprised of accrued vacation leave and compensatory time

Current portion \$ 2,527,487
 Noncurrent portion 1,263,743

Total accrued compensated absences \$ 3,791,230

Judgments payable

\$25,211 judgment in favor of Angela & Hugh Abercrombie, held by sinking fund, final maturity August 2022, with interest at 6.75% \$8,404

\$75,000 judgment in favor of Lamont Tharps, held by sinking fund, final maturity August 2022, with interest at 6.75% 25,000

\$30,000 judgment in favor of Francis Patrick Charon, held by sinking fund, final maturity November 2022, with interest at 6.75% 10,000

\$44,280 judgment in favor of William R. Quick, held by sinking fund, final maturity March 2023 with interest at 6.75% 14,760

CITY OF BROKEN ARROW, OKLAHOMA
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ending June 30, 2022

\$178,000 judgment in favor of CWP, Inc., held by sinking fund, final maturity August 2022 with interest at 6.75%	59,333
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\$34,050 judgment in favor of Elias Nauman, held by sinking fund, final maturity March 2023 with interest at 6.75%	11,350
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Total judgments payable	<u>\$ 128,847</u>
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Current portion	\$ 128,847
Noncurrent portion	<u>-</u>

Total judgments payable	<u>\$ 128,847</u>
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Other claims payable

Actuarial determined automotive and general liability payable, funded by General Fund resources, reported in the governmental activities at June 30, 2020

Current portion	\$ 452,000
Noncurrent portion	<u>793,000</u>

Total automotive and general insurance liabilities	<u>\$ 1,245,000</u>
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Claims payable

Actuarial determined workers compensation and health claims, funded by General Fund resources, reported in the governmental activities at June 30, 2020

Current portion	\$ 1,002,000
Noncurrent portion	<u>3,889,037</u>

Total claims payable	<u>\$ 4,891,037</u>
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Total OPEB liability

Current portion	\$ -
Noncurrent portion	<u>711,361</u>

Total other post-employment benefit obligation	<u>\$ 711,361</u>
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Business-type activities long-term debt

The Broken Arrow Municipal Authority's notes payable to the Oklahoma Water Resources Board are secured by utility revenues and pledged sales tax. In the event of default, the lender may: 1) file suit for specific performance of any or all of the covenants; 2) accelerate indebtedness; 3) appoint temporary trustees to take over, operate, maintain the System on a profitable basis; 4) pursue any available remedy by suit at law or equity. The notes are subject to maximum annual debt service requirement coverage of at least 125%. Coverage at June 30, 2022, was 230%.

CITY OF BROKEN ARROW, OKLAHOMA
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ending June 30, 2022

As of June 30, 2022, the long-term debt payable from enterprise fund resources consisted of the following:

Notes payable-direct borrowings

2004 Drinking Water SRF Promissory Note payable to Oklahoma Water Resources Board, original amount of \$11,500,000, dated August 2004, by Broken Arrow Municipal Authority, secured by utility revenues and pledged sales tax, interest rate at 3.5%, final maturity September 2025	\$1,492,821
2007 SRF Promissory Note payable to Oklahoma Water Resources Board, original amount \$15,000,000 dated June 1, 2008, by Broken Arrow Municipal Authority, providing for expansion of the Lynn Lane Wastewater Treatment Plant, secured by pledged sales tax, interest rate at 3.10%, final maturity March 2024	2,468,423
2012 Clean Water SRF Promissory Note payable to Oklahoma Water Resources Board, original amount \$6,540,000 dated December 4, 2012, by Broken Arrow Municipal Authority, providing for construction, inspection and design of improvements to the Haikey Creek wastewater treatment plant, secured by pledged sales tax, interest rate at 2.01%, final maturity September 2034	5,020,754
2015 Note Payable to Oklahoma Water Resources Board, original amount \$11,900,000 dated July 30, 2015, by Broken Arrow Municipal Authority, providing for engineering, design and construction of various water and sewer projects, secured by pledged sales tax with interest rates at 2.20% to 4.04%, final maturity September 2035	9,105,000
2016 Clean Water SRF Promissory Note payable to Oklahoma Water Resources Board, original amount \$6,700,000 dated August 12, 2016, by Broken Arrow Municipal Authority, providing for construction and installation of various capital improvements at the Haikey Creek wastewater treatment plant, secured by pledged sales tax, interest rate at 1.96%, final maturity September 2038	4,491,547
2017A Note payable to Oklahoma Water Resources Board, original amount \$6,505,000 dated February 1, 2017, by Broken Arrow Municipal Authority, providing for construction of Haikey Creek capital improvements, secured by pledged sales tax, interest rates at 2.20% to 5.20%, final maturity September 2046	6,095,000
2017B Note payable to Oklahoma Water Resources Board, original amount \$18,565,000 dated February 1, 2017, by Broken Arrow Municipal Authority, providing for construction of improvement to the sanitary sewer system, secured by pledged sales tax, interest rates at 2.20% to 5.20%, final maturity September 2044	18,175,000
2018 Clean Water SRF Promissory Note payable to Oklahoma Water Resources Board, original amount \$2,100,000 dated January 11, 2018, by Broken Arrow Municipal Authority, providing for Phase II of automated water meter project, secured by pledged sales tax, interest rate at 1.80%, final maturity March 2025	1,282,805
2018D Note payable to Oklahoma Water Resources Board, original amount \$19,770,000 dated October 25, 2018, by Broken Arrow Municipal Authority, providing for engineering, design and construction of various water and sewer projects, secured by pledged sales tax, interest rates at 4.20% to 5.20%, final maturity September 2048	19,670,000
2019A Clean Water SRF Promissory Note payable to Oklahoma Water Resources Board, original amount \$4,255,000 dated January 24, 2019, by Broken Arrow Municipal Authority, providing for construction of improvements to the sanitary sewer system, secured by pledged sales tax, interest rate at 2.57%, final maturity September 2046	4,150,002

CITY OF BROKEN ARROW, OKLAHOMA
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ending June 30, 2022

2019B Clean Water SRF Promissory Note payable to Oklahoma Water Resources Board, original amount \$11,415,000 dated June 10, 2019, by Broken Arrow Municipal Authority, providing for construction of improvements to the sanitary sewer system, secured by pledged sales tax, interest rate at 2.09%, final maturity March 2041	9,858,002
2020A Note payable to Oklahoma Water Resources Board, original amount \$26,335,000 dated October 1, 2020, by Broken Arrow Municipal Authority, providing for the refinancing of the 2012 OWRB FAP note, secured by utilities and pledged sales tax, interest rates at 0.509% to 2.625%, final maturity September 2040	25,900,000
2020B Note payable to Oklahoma Water Resources Board, original amount \$7,585,000 dated October 1, 2020, by Broken Arrow Municipal Authority, providing for engineering, design and construction of various water and sewer projects, secured by utilities and pledged sales tax, interest rates at 4.20%, final maturity September 2050	7,585,000
2020C Clean Water SRF Promissory Note payable to Oklahoma Water Resources Board, original amount \$19,695,000 dated October 22, 2020, by Broken Arrow Municipal Authority, providing for engineering, design and construction of various water and sewer projects, secured by utilities and pledged sales tax, interest rate at 1.82%, final maturity September 2050	4,933,943
2019 Utility System & Sales Tax Revenue Note payable to BOK Financial, original amount \$5,675,000 dated November 22, 2019, by Broken Arrow Municipal Authority, providing for the refunding of the 2009 and 2011 OWRB loans, secured by utilities and pledged sales tax, interest rate at 2.54%, final maturity April 2032	4,730,000
2020 Term Loan Facility Agreement Note payable to Closed Loop Fund, LP, original amount \$2,600,000 dated December 25, 2020, by Broken Arrow Municipal Authority, providing for the purchase of sanitation equipment, secured by said equipment, interest rate at 0.00%, final maturity December 2028. In the event of default, the lender may: 1) charge interest on overdue amount at an annual rate of 2%; 2) require reimbursement of legal fees.	2,042,857
2022 Term Loan Facility Agreement Note payable to Closed Loop Fund, LP, original amount \$1,000,000 dated May 30, 2022, by Broken Arrow Municipal Authority, providing for the purchase of sanitation equipment, secured by said equipment, interest rate at 0.00%, final maturity December 2027. In the event of default, the lender may: 1) charge interest on overdue amount at an annual rate of 2%; 2) require reimbursement of legal fees.	985,075
2021B Note payable to Oklahoma Water Resources Board, original amount \$3,435,000 dated December 22, 2021, by Broken Arrow Municipal Authority, providing for engineering, design and construction of various water and sewer projects, secured by utilities and pledged sales tax, interest rate at 3.2%, final maturity October 2051	3,435,000
2021C Clean Water SRF Promissory Note payable to Oklahoma Water Resources Board, original amount \$16,285,000 dated December 21, 2021, by Broken Arrow Municipal Authority, engineering, design and construction of various water and sewer projects, secured by utilities and pledged sales tax, interest rate at 1.78%, final maturity March 2053	320,789

CITY OF BROKEN ARROW, OKLAHOMA
NOTES TO BASIC FINANCIAL STATEMENTS
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2021A Utility System & Sales Tax Revenue Note payable to BOK Financial, original amount \$22,640,000 dated November 17, 2021, by Broken Arrow Municipal Authority, providing for the refunding of the 2012 OWRB loan, secured by utilities and pledged sales tax, interest rate at 2.48%, converts to tax-exempt on January 3, 2023 at 2.03% interest rate, final maturity March 2034

	22,275,000
	<hr/>
Total Notes Payable	\$ 154,017,018
Unamortized premium on notes payable	5,655,325
	<hr/>
Total Notes Payable	<u>\$ 159,672,343</u>
Current portion	\$ 7,535,325
Noncurrent portion	152,137,018
	<hr/>
Total Notes Payable	<u>\$ 159,672,343</u>

Total OPEB liability

Current portion	\$ -
Noncurrent portion	298,619
	<hr/>
Total other post-employment benefit obligation	<u>\$ 298,619</u>

Accrued compensated absences

Accrued compensated absences reported in the business-type activities are comprised of accrued vacation leave and compensatory time.

Current portion	\$ 522,758
Noncurrent portion	261,379
	<hr/>
Total accrued compensated absences	<u>\$ 784,137</u>

Customer meter deposit reserves

Current portion	\$ 205,927
Noncurrent portion	823,706
	<hr/>
Total customer meter deposit reserves	<u>\$1,029,633</u>

CITY OF BROKEN ARROW, OKLAHOMA
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ending June 30, 2022

Broken Arrow Economic Development Authority (BAEDA)-Direct Borrowing

Taxable Series 2019 Tax Increment Revenue Note payable, original amount \$7,565,000 dated March 29, 2019, by Broken Arrow Economic Development Authority, for the purpose of refunding the 2010 Promissory Note to BOK dated November 15, 2010, funding the reserve requirement of the note, and paying certain costs of issuance. The Agreement allowed for total borrowing up to \$7,565,000 and is secured by the tax increment financing revenue and the funds in the BAEDA 2019 Reserve Account. The note calls for semi-annual principal payments ranging from \$365,000 to \$485,000 commencing April 1, 2019 together with interest at 3.35%. Currently, TIF revenues generated from the Broken Arrow FlightSafety and Downtown Economic Development District No. One is the source of repayment for this debt.	\$4,890,000
Taxable Series 2021 Tax Increment Revenue Note payable, original amount \$15,525,000 dated June 29, 2021, by Broken Arrow Economic Development Authority, for the purpose paying costs of the project as described in the South Broken Arrow Economic Development Project Plan and paying certain costs of issuance. The Agreement allowed for total borrowing up to \$15,525,000 and is secured by the tax increment financing revenue. The note calls for semi-annual principal payments ranging from \$440,000 to \$570,000 commencing July 1, 2023 together with interest at 2.67%. Currently, TIF revenues generated from the South Broken Arrow TIF District is the source of repayment for this debt.	<u>15,525,000</u>
Total TIF notes payable	<u>\$ 20,415,000</u>
Current portion	\$ 820,000
Noncurrent portion	<u>19,595,000</u>
Total TIF notes payable	<u>\$ 20,415,000</u>

Changes in long-term liabilities

The following is a summary of changes in long-term liabilities for the year ended June 30, 2022:

CITY OF BROKEN ARROW, OKLAHOMA
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ending June 30, 2022

	Balance June 30, 2021	Additions	Deductions	Balance June 30, 2022	Amount due in one year
Governmental Activities :					
General obligation bonds	\$ 156,645,000	\$ 20,500,000	\$ 11,765,000	\$ 165,380,000	\$ 12,875,000
Notes payable-direct borrowings	7,716,362	-	1,804,930	5,911,432	1,718,896
Accrued Compensated Absences	4,517,212	-	725,982	3,791,230	2,527,487
Judgments payable	339,572	-	210,725	128,847	128,847
Automotive and general liability	1,316,000	-	71,000	1,245,000	452,000
Claims payable	4,265,810	13,149,121	12,523,894	4,891,037	1,002,000
	<u>\$ 174,799,956</u>	<u>\$ 33,649,121</u>	<u>\$ 27,101,531</u>	<u>\$ 181,347,546</u>	<u>\$ 18,704,230</u>
Add:					
Unamortized premium				3,342,944	321,869
Net pension liability				30,251,897	-
Total OP EB liability				711,361	-
Total Derivative Investment Liability-Interest Rate Swap				299,405	150,964
				<u>\$ 215,953,153</u>	<u>\$ 19,177,063</u>

	Balance June 30, 2021	Additions	Deductions	Balance June 30, 2022	Amount due in one year
Business-type Activities :					
Bonds, Notes and Loans Payable-direct borrowings	\$ 149,426,201	\$ 33,668,793	\$ 29,077,976	\$ 154,017,018	\$ 7,307,076
BAEDA-Notes Payable-direct borrowings	212,10,000	-	795,000	20,415,000	820,000
Accrued Compensated Absences	783,394	743	-	784,137	522,758
	<u>\$ 171,419,595</u>	<u>\$ 33,669,536</u>	<u>\$ 29,872,976</u>	<u>\$ 175,216,155</u>	<u>\$ 8,649,834</u>
Add:					
Unamortized premium				5,655,325	228,249
Total OP EB liability				298,619	-
Customer Meter Deposit Reserves	1,025,091	283,874	279,332	1,029,633	205,927
				<u>\$ 182,199,732</u>	<u>\$ 9,084,010</u>

Annual debt service requirements – primary government

The annual debt service requirements to maturity, including principal and interest, for long-term debt, excluding accrued compensated absences, claims payable and customer meter deposit reserves, of the primary government as of June 30, 2022, are as follows:

CITY OF BROKEN ARROW, OKLAHOMA
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ending June 30, 2022

Governmental Activities

Year Ending June 30,	General Obligation Bonds		Notes Payable-Direct Borrowings		Judgments Payable	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 12,875,000	\$ 4,609,983	1,718,896	386,682	128,847	8,697
2024	12,520,000	3,999,689	1,834,499	267,785	-	-
2025	11,830,000	3,671,092	1,638,037	140,698	-	-
2026	10,775,000	3,385,149	720,000	26,272	-	-
2027	10,500,000	3,096,630	-	26,272	-	-
2028-2032	51,485,000	11,258,415	-	-	-	-
2033-2037	39,105,000	4,911,971	-	-	-	-
2038-2042	16,290,000	716,094	-	-	-	-
Total	<u>\$ 165,380,000</u>	<u>\$ 35,649,023</u>	<u>\$ 5,911,432</u>	<u>\$ 847,709</u>	<u>\$ 128,847</u>	<u>\$ 8,697</u>

Business-Type Activities

Year Ending June 30,	Bonds, Notes & Loans Payable-Direct Borrowings	
	Principal	Interest
2023	\$ 8,127,076	\$ 6,228,711
2024	9,416,454	5,519,562
2025	9,004,770	5,368,501
2026	9,036,247	5,177,452
2027	9,272,202	4,961,905
2028-2032	42,923,454	21,298,153
2033-2037	44,187,079	15,015,752
2038-2042	36,600,000	8,518,908
2043-2047	22,970,000	3,578,339
2048-2052	13,850,000	680,782
2053	1,417,000	680,782
Total	<u>\$ 206,804,282</u>	<u>\$ 77,028,847</u>
Less: Amount not drawn	<u>(32,372,264)</u>	
	<u>\$ 174,432,018</u>	

Sources of debt repayments

General obligation bonds are issued for governmental activity purposes and are paid through the collection of property taxes by the Debt Service Fund. Sales tax revenue notes and the term loan included in governmental activities are paid by the Sales Tax Capital Improvement Fund and the General Fund, respectively. Compensated absences incurred by governmental activities are paid by the General Fund. Judgments are paid through the collection of property taxes by the Debt Service Fund. Automotive and general insurance liabilities are paid by the General Fund. The other postemployment benefit obligation will be paid by the General Fund. The workers' compensation unfunded liability will be paid by the General Fund and BAMA according to their respective portion of the liability. Revenue bonds and promissory notes issued for business-type activities are paid by those activities. Compensated absences incurred by business-type activities are paid by those activities. Customer meter deposits will be paid by BAMA. The revenue notes issued by BAEDA will be paid by BAEDA through the collection of the incremental increase in sales and ad valorem tax revenue generated by the development within their respective Tax Increment Districts.

CITY OF BROKEN ARROW, OKLAHOMA
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ending June 30, 2022

Pledge of future revenues

Sales Tax and Utility Net Revenues Pledge – The City has pledged a one cent (\$0.01) sales tax and utility revenues to repay the \$11,500,000 2004 Drinking Water SRF note payable, \$15,000,000 2007 SRF note payable, \$35,000,000 2012 Drinking Water SRF note payable, \$6,540,000 2012 Clean Water SRF note payable, \$11,900,000 2015 Drinking Water SRF note payable, \$6,700,000 2016 Clean Water SRF note payable, \$6,505,000 2017A Drinking Water SRF note payable, \$18,565,000 2017B Drinking Water SRF note payable, \$2,100,000 2018 Clean Water SRF note payable, \$19,770,000 2018D Drinking Water SRF note payable, \$4,255,000 2019A Clean Water SRF note payable, \$11,415,000 2019B Clean Water SRF note payable, \$26,335,000 2020A Drinking Water SRF note payable, \$7,585,000 2020B Drinking Water SRF note payable, \$19,695,000 2020C Clean Water SRF note payable to the Oklahoma Water Resources Board (OWRB), \$5,675,000 2019 Utility System & Sales Tax Revenue Note payable to BOK Financial, \$3,435,000 2021B Drinking Water SRF note payable, \$16,285,000 2021C Clean Water SRF note payable, and \$22,640,000 2021A Utility System & Sales Tax Revenue Note payable to BOK Financial. These notes are payable through 2053. The total remaining principal and interest payable for the life of these notes is \$223,596,269. Pledged sales taxes received in the current year were \$15,638,549 and net utility revenues were \$13,821,436 for total pledged net revenues of \$29,459,985. Debt service payments of \$10,729,466 (excluding the \$22,547,900 refinanced portion of the 2012 OWRB loan) for the current year were 36.4% of net pledged revenues for these notes.

Interfund balances and activities

Interfund receivables and payables at June 30, 2022, consist of the following:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Nature of Interfund Balance</u>
General Fund	Police Enhancement	\$ 765	Operational advances
General Fund	BAMA	3,280,154	Operational subsidy
Sales Tax Capital Improvement	Battle Creek Golf Course	128,453	Operational advances
Debt Service Fund	BAEDA	30,389	Deposit to wrong account
BAMA	General	3,280,154	Sales tax collections
BAMA	Battle Creek Golf Course	465,024	Operational advances
		\$ 7,184,939	

Due From/Due To:

Reconciliation to Fund Financial Statements:

	<u>Due from</u>	<u>Due to</u>	<u>Net Interfund Balances</u>
Governmental Funds	\$ 3,439,761	\$ (3,280,919)	\$ 158,842
Proprietary Funds	3,745,178	(3,904,020)	(158,842)
	\$ 7,184,939	\$ (7,184,939)	\$ -

CITY OF BROKEN ARROW, OKLAHOMA
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Year Ending June 30, 2022

Interfund transfers for the year ended June 30, 2022, were as follows:

<u>Transfer from</u>	<u>Transfer to</u>	<u>Amount</u>	<u>Nature of Transfer</u>
General Fund	BAMA	\$ 15,626,940	Sales Tax Collections
General Fund	Public Safety Sales Tax-Police	28,568,817	Sales Tax Collections
General Fund	Public Safety Sales Tax-Fire	23,898,165	Sales Tax Collections
General Fund	BAEDA	600,000	Economic Development
Sales Tax Capital Improvement Func	BAMA	1,717	Operating subsidy
Debt Service Fund	General Fund	50,000	Operational/Interest
2014 General Obligation Bond Fund	BAMA	9,892	Operational/General Government
Convention and Visitor's Bureau	General Fund	275,000	Operational/General Government
Street and Alley	General Fund	1,000,000	Operational/Streets
E911	Public Safety Sales Tax-Police	1,000,000	Operational/Public Safety
BAMA	General Fund	15,626,940	Operating subsidy
BAMA	BAEDA	600,000	Economic Development
		<u><u>\$ 87,257,471</u></u>	

Transfers:

Reconciliation to Fund Financial Statements:

	<u>Transfers In</u>	<u>Transfers Out</u>	<u>Net Transfers</u>
Governmental Funds	\$ 70,418,922	\$ (71,030,531)	\$ (611,609)
Proprietary Funds	16,838,549	(16,226,940)	611,609
Total Transfers	<u><u>\$ 87,257,471</u></u>	<u><u>\$ (87,257,471)</u></u>	<u><u>\$ -</u></u>

Reconciliation to Statement of Net Position:

	<u>Governmental</u>	<u>Business-Type</u>	<u>Net Interfund Balances</u>
Net transfers	\$ (611,609)	\$ 611,609	\$ -
Business type expenses in special revenue funds	-	-	-
Net transfers	<u><u>\$ (611,609)</u></u>	<u><u>\$ 611,609</u></u>	<u><u>\$ -</u></u>

Fund Balance:

The following tables show the fund balance classifications as shown on the Governmental Fund Balance Sheet:

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	General Fund	Public Safety Sales Tax - Police	Public Safety Sales Tax - Fire	Sales Tax Capital Improvement Fund	American Relief Fund	2018 General Obligation Bond Fund	Debt Service Fund	Other Governmental Funds	Total
Fund Balance									
Restricted For:									
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,211,908	\$ -	\$ 13,211,908
Capital improvements	-	-	-	17,924,792	-	43,133,959	-	24,185,978	85,244,729
Convention and Visitor's Bureau	-	-	-	-	-	-	-	1,387,564	1,387,564
Public safety	-	15,282,859	5,555,457	-	-	-	-	189,002	2,102,738
Cemetery care	-	-	-	-	-	-	-	153,958	153,958
Street and alley operations	-	-	-	-	-	-	-	1,694,697	1,694,697
Housing and Urban Development	-	-	-	-	-	-	-	245,872	245,872
E911	-	-	-	-	-	-	-	1,612,013	1,612,013
Industrial Development	-	-	-	-	-	-	-	33,160	33,160
Crime Prevention	-	-	-	-	-	-	-	143,871	143,871
Alcohol enforcement	-	-	-	-	-	-	-	94,179	94,179
Sub-total restricted	-	15,282,859	5,555,457	17,924,792	-	43,133,959	13,211,908	29,740,294	124,849,269
Committed for:									
Excess capacity sewer escrow	-	-	-	-	-	-	-	1,662,568	1,662,568
Stormwater capital improvements	-	-	-	-	-	-	-	1,205,978	1,205,978
Parks and recreation	-	-	-	-	-	-	-	736,394	736,394
Cemetery care	-	-	-	-	-	-	-	253,121	253,121
Street lights	-	-	-	-	-	-	-	932,739	932,739
Economic development	-	-	-	-	-	-	-	198,532	198,532
Sub-total committed	-	-	-	-	-	-	-	4,989,332	4,989,332
Assigned for:									
Subsequent year budget/activities	11,306,342	-	-	-	-	-	-	7,292,603	18,598,945
Sub-total assigned	11,306,342	-	-	-	-	-	-	7,292,603	18,598,945
Unassigned (deficit):	14,637,084	-	-	-	(9,617)	-	-	-	14,627,467
TOTAL FUND BALANCE	\$ 25,943,426	\$ 15,282,859	\$ 5,555,457	\$ 17,924,792	\$ (9,617)	\$ 43,133,959	\$ 13,211,908	\$ 42,022,229	\$ 163,065,013

Note 4 – Employee Pension and Other Benefit Plans

The City participates in three employee pension systems as follows:

Name of Plan/System	Type of Plan
Oklahoma Police Pension and Retirement Fund Plan	Cost Sharing Multiple Employer – Defined Benefit Plan
Oklahoma Firefighters Pension and Retirement Fund Plan	Cost Sharing Multiple Employer – Defined Benefit Plan
Oklahoma Municipal Retirement Fund (OMRF) Plan	Agent Multiple Employer – Defined Contribution Plan

Oklahoma Police Pension and Retirement System

Summary of Significant Accounting Policies

Plan description - The City of Broken Arrow, as the employer, participates in the Oklahoma Police Pension and Retirement Plan—a cost-sharing multiple-employer defined benefit pension plan administered by the Oklahoma Police Pension and Retirement System (OPPRS). Title 11 of the Oklahoma State Statutes, through the Oklahoma Legislature, grants the authority to establish and amend the benefit terms to the OPPRS. OPPRS issues a publicly available financial report that can be obtained at www.ok.gov/OPPRS

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Benefits provided - OPPRS provides retirement, disability, and death benefits to members of the plan. The normal retirement date under the Plan is the date upon which the participant completes 20 years of credited service, regardless of age. Participants become vested upon completing 10 years of credited service as a contributing participant of the Plan. No vesting occurs prior to completing 10 years of credited service. Participants' contributions are refundable, without interest, upon termination prior to normal retirement. Participants who have completed 10 years of credited service may elect a vested benefit in lieu of having their accumulated contributions refunded. If the vested benefit is elected, the participant is entitled to a monthly retirement benefit commencing on the date the participant reaches 50 years of age or the date the participant would have had 20 years of credited service had employment continued uninterrupted, whichever is later. Monthly retirement benefits are calculated at 2.5% of the final average salary (defined as the average paid base salary of the officer over the highest 30 consecutive months of the last 60 months of credited service) multiplied by the years of credited service, with a maximum of 30 years of credited service considered.

Monthly benefits for participants due to permanent disability incurred in the line of duty are 2.5% of the participants' final average salary multiplied by 20 years. This disability benefit is reduced by stated percentages for partial disability based on the percentage of impairment. After 10 years of credited service, participants who retire due to disability incurred from any cause are eligible for a monthly benefit based on 2.5% of their final average salary multiplied by the years of service. This disability benefit is also reduced by stated percentages for partial disability based on the percentage of impairment. Effective July 1, 1998, once a disability benefit is granted to a participant, that participant is no longer allowed to apply for an increase in the dollar amount of the benefit at a subsequent date.

Survivor's benefits are payable in full to the participant's beneficiary upon the death of a retired participant. The beneficiary of any active participant killed in the line of duty is entitled to a pension benefit.

Contributions – The contributions requirements of the Plan are at an established rate determined by Oklahoma Statute and are not based on actuarial calculations. Members of the OPPRS are required to pay 8% of their base pay to the pension plan. The City is contractually required to pay 13% of base salary. For the year ended June 30, 2022 the total contribution to the system amounted to \$2,841,717 of which \$1,759,158 was made by the City and \$1,082,559 was made by the employees. The State of Oklahoma also made on-behalf contributions to OPPRS in the amount of \$1,544,115 during the calendar year and this is reported as both an expenditure and revenue in the General Fund Statement of Revenues, Expenditures, and Changes in Fund Balance. In the government-wide Statement of Activities, revenue is recognized for the state's on-behalf contributions on an accrual basis of \$1,032,611. These on-behalf payments did not meet the criteria of a special funding situation.

Pension liabilities (assets), pension expense, deferred outflows, and deferred inflows of resources related to pensions – At June 30, 2022, the City reported an asset of \$17,461,926 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2021, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of July 1, 2021. The City's proportion of the net pension asset was based on the City's contributions received by the pension plan relative to the total contributions received by pension plan for all participating employers as of June 30, 2021. Based upon this information, the City's proportion was 3.6401%.

For the year ended June 30, 2022, the City recognized pension expense (benefit) of (\$1,759,354). At June 30, 2022 the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 250,711	\$ 689,220
Changes of assumptions	265,538	-
Net difference between projected and actual earnings on pension plan investments	-	12,737,870
Changes in proportion	5,291	69,890
City contributions during measurement date	26,740	20,317
City contributions subsequent to the measurement date	1,759,158	-
Total	<u>\$ 2,307,438</u>	<u>\$ 13,517,297</u>

In the year ending June 30, 2023, the \$1,759,158 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date reported above will be recognized as a reduction of or addition to the net pension liability (asset). Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2023	\$ (2,924,699)
2024	(2,573,011)
2025	(3,246,395)
2026	(4,257,394)
2027	32,482
	<u>\$ (12,969,017)</u>

Actuarial assumptions – The total pension liability in the July 1, 2021 actuarial valuations was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Salary increases	3.5% to 12% average, including inflation
Investment rate of return	7.5% net of pension plan investment expense
Cost of living adjustments	Police officers eligible to receive increased benefits according to repealed Section 50-120 of Title 11 of the Oklahoma Statutes pursuant to a court order receive an adjustment of 1/3 to 1/2 of the increase or decrease of any adjustment to the base salary of a regular police officer, based on an increase in base salary of 3.5% (wage inflation)
Mortality rates	Active employees (pre-retirement) RP-2000 Blue Collar Healthy Combined table with age set back 4 years with fully generational improvement using Scale AA.

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Active employees (post-retirement) and nondisabled pensioners: RP-2000 Blue Collar Healthy Combined table with fully generational improvement using Scale AA.

Disabled pensioners: RP-2000 Blue Collar Healthy Combined table with age set forward 4 years with fully generational improvement using Scale AA..

The actuarial assumptions used in the July 1, 2021, valuation was based on the results of an actuarial experience study for the period July 1, 2012, through June 30, 2017.

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. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2021, are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
Fixed income	3.22%
Domestic equity	4.55%
International equity	8.50%
Real estate	7.97%
Private equity	9.36%
Commodities	0.00%

The current allocation policy is that approximately 60% of assets in equity instruments, including public equity, long-short hedge, venture capital, and private equity strategies; approximately 25% of assets in fixed income to include investment grade bonds, high yield and non-dollar denominated bonds, convertible bonds, and low volatility hedge fund strategies; and 15% of assets in real assets to include real estate, commodities, and other strategies.

Discount Rate-The discount rate used to measure the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at contractually required rates, determined by State statutes. Projected cash flows also assume the State of Oklahoma will continue contributing 14% of the insurance premium, as established by statute. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make 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.

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate-The following presents the net pension liability (asset) of the employers calculated using the discount rate of 7.5%, as well as what the Plan's net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage point lower (6.5%) or 1-percentage-point higher (8.5%) than the current rate:

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	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Police Pension net pension liability (asset)	\$ (6,548,750)	\$ (17,461,926)	\$ (26,689,829)

Pension plan fiduciary net position - Detailed information about the pension plan’s fiduciary net position is available in the separately issued financial report of the OPPRS; which can be located at www.ok.gov/OPPRS.

Oklahoma Fire Pension and Retirement System

Summary of Significant Accounting Policies

Plan description - The City of Broken Arrow, as the employer, participates in the Firefighters Pension & retirement—a cost-sharing multiple-employer defined benefit pension plan administered by the Oklahoma Firefighters Pension & Retirement System (FPRS). Title 11 of the Oklahoma State Statutes grants the authority to establish and amend the benefit terms to the FPRS. FPRS issues a publicly available financial report that can be obtained at www.ok.gov/fprs

Benefits provided - FPRS provides defined retirement benefits based on members’ final average compensation, age, and term of service. In addition, the retirement program provides for benefits upon disability and to survivors upon death of eligible members. The Plan’s benefits are established and amended by Oklahoma statute. Retirement provisions are as follows:

Normal Retirement:

- **Hired Prior to November 1, 2013**
 Normal retirement is attained upon completing 20 years of service. The normal retirement benefit is equal to 50% of the member’s final average compensation. Final average compensation is defined as the monthly average of the highest 30 consecutive months of the last 60 months of participating service. For volunteer firefighters, the monthly pension benefit for normal retirement is \$150.60 per month.
- **Hired After November 1, 2013**
 Normal retirement is attained upon completing 22 years of service. The normal retirement benefit is equal to 55% of the member’s final average compensation. Final average compensation is defined as the monthly average of the highest 30 consecutive months of the last 60 months of participating service. Also, participants must be age 50 to begin receiving benefits. For volunteer firefighters, the monthly pension benefit for normal retirement is \$165.66 per month.

All firefighters are eligible for immediate disability benefits. For paid firefighters, the disability in-the-line-of-duty benefit for firefighters with less than 20 years of service is equal to 50% of final average monthly compensation, based on the most recent 30 months of service. For firefighters with over 20 years of service, a disability in the line of duty is calculated based on 2.5% of final average monthly compensation, based on the most recent 30 months, per year of service, with a maximum of 30 years of service. For disabilities not in the line of duty, the benefit is limited to only those with less than 20 years of service and is 50% of final average monthly compensation, based on the most recent 60-month salary as opposed to 30 months. For volunteer firefighters, the not-in-the-line-of-duty disability is also limited to only those with less than 20 years of service and is \$7.53 per year of service. For volunteer firefighters, the in-the-line-of-duty

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pension is \$150.60 with less than 20 years of service or \$7.53 per year of service, with a maximum of 30 years.

A \$5,000 lump sum death benefit is payable to the qualified spouse or designated recipient upon the participant's death. The \$5,000 death benefit does not apply to members electing the vested benefit.

Contributions – The contributions requirements of the Plan are at an established rate determined by Oklahoma Statute and are not based on actuarial calculations. Employees are required to contribute 9% percent of their annual pay. Participating cities are required to contribute 14% of the employees' annual pay. For the year ended June 30, 2022, the total contribution to the system amounted to \$3,671,989 of which \$2,235,125 was made by the City and \$1,436,864 was made by the employees. The State of Oklahoma also made on-behalf contributions to FPRS in the amount of \$4,540,795 during the calendar year and this is reported as both an expenditure and revenue in the General Fund Statement of Revenues, Expenditures, and Changes in Fund Balance. In the government-wide Statement of Activities, revenue is recognized for the state's on-behalf contributions on an accrual basis of \$3,349,831. These on-behalf payments did not meet the criteria of a special funding situation.

Pension liabilities, pension expense, and deferred outflows/inflows of resources related to pensions – At June 30, 2022, the City reported a liability of \$30,251,897 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. The City's proportion of the net pension liability was based on the City's contributions received by the pension plan relative to the total contributions received by pension plan for all participating employers as of June 30, 2021. Based upon this information, the City's proportion was 4.5936%.

For the year ended June 30, 2022, the City recognized pension expense of \$1,413,775. At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 10,971,678	\$ 531,273
Changes of assumptions	-	670,985
Net difference between projected and actual earnings on pension plan investments	-	24,048,965
Changes in proportion	3,985,123	1,333,134
City contributions during measurement date	80,424	7
City contributions subsequent to the measurement date	2,235,125	-
Total	<u>\$ 17,272,350</u>	<u>\$ 26,584,364</u>

In the year ending June 30, 2023, the \$2,235,125 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date reported above will be recognized as a reduction of the net pension liability. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

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Year ended June 30:

2023	\$	(794,557)
2024		(2,080,971)
2025		(2,999,434)
2026		(5,672,177)
	\$	<u>(11,547,139)</u>

Actuarial Assumptions- The total pension liability was determined by an actuarial valuation as of July 1, 2021, using the following actuarial assumptions, applied to all prior periods included in the measurement:

Inflation:	2.75%
Salary increases:	2.75% to 10.5% average, including inflation
Investment rate of return:	7.5% net of pension plan investment expense

Mortality rates were based on the RP2000 combined healthy with blue collar adjustment as appropriate, with adjustments for generational mortality improvement using scale AA for healthy lives and no mortality improvement for disabled lives.

The actuarial assumptions used in the July 1, 2021, valuation were based on the results of an actuarial experience study for the period July 1, 2013, to June 30, 2018.

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. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2021, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed income	20%	3.53%
Domestic equity	47%	5.73%
International equity	15%	8.50%
Real estate	10%	7.97%
Other assets	8%	4.73%
	<u>100%</u>	

Discount Rate- The discount rate used to measure the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at contractually required rates, determined by State statutes. Projected cash flows also assume the State of Oklahoma will continue contributing 36% of the insurance premium, as established by statute. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make 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.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate-The following presents the net pension liability of the employers calculated using the discount rate of 7.5%, as well as what the Plan's net

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pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.5%) or 1-percentage-point higher (8.5%) than the current rate:

	1% Decrease <u>(6.5%)</u>	Current Discount <u>Rate (7.5%)</u>	1% Increase <u>(8.5%)</u>
Fire Pension net pension liability	\$ 47,274,854	\$ 30,251,897	\$ 16,000,199

Pension plan fiduciary net position - Detailed information about the pension plan’s fiduciary net position is available in the separately issued financial report of the FPRS which can be located at www.ok.gov/FPRS.

Related-party investments

As of June 30, 2022, the Systems held no related-party investments of the City or of its related entities.

Defined contribution plan – OMRF

The City has also provided effective November 1, 1990, a defined contribution plan and trust known as the City of Broken Arrow Plan and Trust (the Plan) in the form of The Oklahoma Municipal Retirement System Master Defined Contribution Plan (OMRF). OMRF operations are supervised by a nine-member Board of Trustees elected by the participating municipalities. The Plan is administered by the OMRF. The defined contribution plan is available to all full-time employees not already participating in another plan. The employee may contribute to the Plan an amount not less than 2% or more than 10% of their compensation. The City Council determines the City's contribution rate each year and for the year ended June 30, 2022, contributed at the rate of 10% of employee compensation. City contributions for each employee begin vesting after three years of service and are fully vested after seven years. If an employee terminates before becoming fully vested, the employer's contributions that are forfeited may be used to reduce the City's current-period contribution requirements. The authority to establish and amend the provisions of the Plan rests with the City Council.

For the year ended June 30, 2022, the following amounts related to actual contributions to the defined contribution plan:

Employee contributions made	\$ 231,002
Employer (City) contributions made	\$ 2,901,766

Post-employment benefits other than pensions

Plan description. The City sponsors and administers a self-funded, single employer defined benefit plan providing medical, prescription drug, life, dental, vision and long-term disability insurance for active eligible employees. The City also provides medical, prescription drug and dental coverage for retirees and their dependents who elect to make the required contributions.

Funding policy. The City funds the benefits on a pay-as-you-go basis. Eligible employees are required to pay premiums for a set percentage of the cost, with the City subsidizing the remaining costs. Contribution requirements are established and amended as needed by the City Council on an annual basis.

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Employees covered by benefit terms. At June 30, 2022 the following employees were covered by the benefit terms:

Active Employees	601
Inactive or beneficiaries currently receiving benefit payments	<u>8</u>
Total	<u>609</u>

Total OPEB Liability. The City’s total OPEB liability of \$1,009,980 was measured as of June 30, 2022, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions- The total OPEB liability was determined based on an actuarial valuation prepared as of June 30, 2022 using the following actuarial assumptions:

- Actuarial Cost Method - Entry Age Normal
- Discount Rate – 3.54%, based on June 30, 2021 published Bond Pay Go-20 bond index
- Termination – Civilian employees are based on actual experience of the Oklahoma Municipal Retirement Fund. Rates for police and firefighters are based on rates for these groups in Oklahoma.

Retirement Age:

<u>Age</u>	<i>Civilian Retirement</i>	
	<u>Rate</u>	
55	25%	
60	17%	
61	17%	
62	30%	
63	20%	
64	15%	
65	30%	
70	100%	

Retirement Rate

<u>Years of Service</u>	<i>Retirement Rate</i>	
	<u>Police</u>	<u>Fire</u>
20	20%	10%
25	20%	15%
30	100%	20%
35		100%

- Participation – 100% of all retirees who currently have healthcare coverage will continue with the same coverage. 20% of all actives who currently have individual coverage will continue with individual coverage upon retirement. 20% of all actives who currently have dependent coverage will continue coverage upon retirement with 70% continuing as individual coverage and 30% as individual with spouse coverage.
- Healthcare cost trend rates - Level 4.5%
- Mortality Rates - RPH-2014 Mortality Table with cohort mortality projection

Changes in Total OPEB Liability –The following table reports the components of changes in total OPEB liability:

CITY OF BROKEN ARROW, OKLAHOMA
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ending June 30, 2022

	Total OPEB Liability
Balances at Beginning of Year	\$ 1,231,393
Changes for the Year:	
Service Cost	98,191
Interest expense	28,388
Difference between expected and actual experience	(166,329)
Change of assumptions	(151,024)
Expected net benefit payments	(30,639)
Net Changes	(221,413)
Balances at End of Year	\$ 1,009,980
Governmental Activities	\$ 711,361
Business-Type Activities	298,619
	\$ 1,009,980

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate-The following presents the total OPEB liability of the employer calculated using the discount rate of 3.54%, as well as what the Plan's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (2.54%) or 1-percentage-point higher (4.54%) than the current rate:

	1% Decrease (2.54%)	Current Discount Rate (3.54%)	1% Increase (4.54%)
OPEB liability	\$ 1,117,102	\$ 1,009,980	\$ 914,642

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate-The following presents the total OPEB liability of the employer calculated using the healthcare cost trend rate of 4.50%, as well as what the Plan's total OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1-percentage point lower (3.50%) or 1-percentage-point higher (5.50%) than the current rate:

	1% Decrease 3.50%	Healthcare Cost Trend Rates 4.50%	1% Increase 5.50%
OPEB liability	\$ 886,766	\$ 1,009,980	\$ 1,156,637

OPEB Expense and Deferred Outflows of Resources and Deferred Outflows/Inflows of Resources Related to OPEB For the year ended June 30, 2022, the City recognized OPEB expense of \$57,516. At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

CITY OF BROKEN ARROW, OKLAHOMA
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ending June 30, 2022

	Governmental Activities		Business-Type Activities		Total Activities	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 128,293	\$ -	\$ 53,856	\$ -	\$ 182,149
Changes of assumptions	4,018	188,673	1,687	79,202	5,705	267,875
Changes in proportion	-	45,648	45,648	-	45,648	45,648
Total	<u>\$ 4,018</u>	<u>\$ 362,614</u>	<u>\$ 47,335</u>	<u>\$ 133,058</u>	<u>\$ 51,353</u>	<u>\$ 495,672</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	Governmental Activities	Business-Type Activities	Total Activities
Year ended June 30:			
2023	\$ (59,734)	\$ (9,329)	\$ (69,063)
2024	(59,734)	(9,329)	(69,063)
2025	(59,734)	(9,329)	(69,063)
2026	(54,384)	(14,679)	(69,063)
2027	(51,463)	(17,600)	(69,063)
Thereafter	(73,547)	(25,457)	(99,004)
	<u>\$ (358,596)</u>	<u>\$ (85,723)</u>	<u>\$ (444,319)</u>

Note 5 – Tax Abatements

The City enters into sales tax rebate agreements with local businesses as allowed in the Oklahoma State Constitution, Article 10, Section 14. Under this law, the City may establish economic development programs and provide sales tax increments for development as part of its economic development plan.

The sales tax rebate program allows a retail store business or developer to receive rebated sales tax in an amount equal to various percentages of reported annual total taxable sales of each business, based solely upon each agreement. To be eligible for this program, the project area should be developed or redeveloped after a significant vacancy to provide economic opportunity to the City and its' citizens.

Due to the confidentiality laws in Oklahoma Statutes, Title 68, Section 1354.11, the amounts of sales taxes rebated will not be disclosed. The following businesses had rebate agreements with the City as of June 30, 2022:

- A developer received rebated sales taxes during 2022. The sales tax rebated cannot exceed the lesser of (i) 1.375% of the gross sales tax generated over a 15 year period, or (ii) \$3,250,000. This sales tax rebate period is for fifteen years from the sales tax commencement date (the date the City first receives sales tax). The agreement must be renewed for the City Council annually to ensure a continuing public benefit. This agreement was entered into October 2012 and will terminate no later than April 2030.

The City is subject to ad valorem tax abatements granted by the State of Oklahoma in accordance with the Oklahoma Constitution, Article X, Section 6B for qualifying manufacturing concerns.

CITY OF BROKEN ARROW, OKLAHOMA
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ending June 30, 2022

Under this program, a 5-year ad valorem tax exemption exempts all real and personal property that is necessary for the manufacturing of a product and facilities engaged in research and development which meet the requirements set by the Oklahoma Constitution and Statutes. In exchange for the five-year exemption, qualifying manufacturing concerns must incur investment costs of \$250,000 or more for construction, acquisition, or expansion of a manufacturing facility. In addition, there are general minimal payroll requirements that must be met and qualifying manufacturing concern must offer a basic health benefit plan to all full-time employees within 180 days of employment.

The City of Broken Arrow had \$42,964 of ad valorem taxes abated under this program for the fiscal year ended June 30, 2022.

The State has an Ad Valorem Reimbursement Fund in accordance with Title 62 O.S., Section 193 that is used to reimburse the City for the loss of revenue. Contributions to this Fund come from a dedicated tax stream comprised of one percent of net state personal and corporate income tax revenues. The City received \$0 during the fiscal year 2022 and has an outstanding, unpaid claim of \$42,964 of reimbursement from the State as of June 30, 2022.

Note 6 – Risk Management

The City is exposed to various risks of loss related to torts, theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; employees' health and life; and natural disasters. The City manages these various risks of loss as follows:

Type of Loss	Method Managed	Risk of Loss Retained
a. General Liability: - Torts - Errors and omissions	Self-insured with limits of the Oklahoma Tort Liability Act as follows: - \$25,000 property loss - \$100,000 per individual - \$1,000,000 per incident	Entire risk of loss retained.
b. Physical Property: - Theft - Damage to assets - Natural disasters	All physical property except vehicles is insured through commercial insurance with deductibles ranging from \$10,000 to \$50,000. Vehicle damage is covered through self-insurance.	All physical property except vehicles subject to \$10,000 to \$50,000 risk of loss. Vehicles – entire risk of loss retained through fund incurring the loss.
c. Workers Compensation: - Employee injuries	Self-insured with third-party administration of the claims process. Workers Compensation Internal Service Fund used to account for activities with participating funds charged through an estimated annual claim cost for each fund.	Entire risk of loss retained. Claim liability determined through estimate of loss by the City's Risk Management staff and third-party.

CITY OF BROKEN ARROW, OKLAHOMA
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ending June 30, 2022

<p>d. Health and Life:</p> <ul style="list-style-type: none"> - Medical - Dental - Vision 	<p>Self-insured with third-party administration of the claims provided by CoreSource, Inc.</p> <p>Participation in Vision Service Plan. City purchases annual eye examination benefits for insured at a monthly cost of \$.63 per month for single coverage, \$.93 per month for employee and children, \$1.00 per month for employee and spouse and \$1.59 per month for family coverage.</p> <p>Group Health & Life Internal Service Fund used to account for self-insurance activities with participating funds making payments to the internal service fund based upon factors determined by the City's benefit consultant.</p>	<p>Claims up to \$125,000 per individual are self-funded. Individual specific stop loss reinsurance covers claims in excess of \$125,000 per insured once a \$100,000 deductible has been met. The City does not carry Aggregate stop loss coverage.</p>
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⁽¹⁾ H.M. Insurance Group

Life and health benefit plan

The City offers group health and dental benefits to all full-time employees and their dependents except for fire fighters covered by the labor agreement between the City and the International Association of Fire Fighters Local # 2551. The City funds over 85% of the program with employees paying a monthly fee to purchase single or family coverage.

The City is self-funded for health and dental benefits and has an Administrative Services Agreement with CoreSource Inc. to process claim payments, provide preferred provider medical and dental service networks, recovery litigation services and other third-party administration services.

All assets acquired by the plan are vested in the plan and remain assets of the City. Monthly contributions are transferred to a reserve fund and such funds are used to reimburse CoreSource Inc. for claims paid, administrative services and stop loss coverage.

The plan has excess stop loss coverage agreements which cover losses in excess of specific and aggregate retention levels. Stop loss coverage is purchased from Unimerica Insurance Company.

Life insurance benefits are funded entirely by the City through Minnesota Life.

Claims liability analysis

The claims liabilities related to the above noted risks of loss that are retained are determined in accordance with the requirements of Statement of Financial Accounting Standard No. 5., which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

For the two internal service self-insurance funds, changes in the claims liability for the City from June 30, 2019 to June 30, 2022, are as follows:

CITY OF BROKEN ARROW, OKLAHOMA
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ending June 30, 2022

	Workers' Compensation	Health Care	Total
Claim liability, June 30, 2019	\$ 4,090,000	\$ 1,087,049	\$ 5,177,049
Claims and changes in estimates	534,559	8,312,101	8,846,660
Claims payments	(934,559)	(8,679,302)	(9,613,861)
Claim liability, June 30, 2020	\$ 3,690,000	\$ 719,848	\$ 4,409,848
Claims and changes in estimates	634,941	10,517,233	11,152,174
Claims payments	(951,941)	(10,344,271)	(11,296,212)
Claim liability, June 30, 2021	\$ 3,373,000	\$ 892,810	\$ 4,265,810
Claims and changes in estimates	1,333,018	11,816,103	13,149,121
Claims payments	(1,071,018)	(11,452,876)	(12,523,894)
Claim liability, June 30, 2022	<u>\$ 3,635,000</u>	<u>\$ 1,256,037</u>	<u>\$ 4,891,037</u>
Assets available to pay claims at June 30, 2022	<u>\$ 2,836,500</u>	<u>\$ 1,890,344</u>	<u>\$ 4,726,844</u>
Reconciliation to Statement of Net Position:			
Current portion			\$ 1,002,000
Noncurrent portion			3,889,037
Total			<u>\$ 4,891,037</u>

Note 7 – Commitments and Contingencies

Construction commitments

At June 30, 2022 the following construction commitments were outstanding:

	Original Contract	Balance Remaining
Belt Construction	\$ 42,058	\$ 42,058
Belt Construction	33,852	33,852
Grade Line Construction, LLC	218,423	37,459
Regional Metropolitan Utility	10,765	10,765
Holloway, Updike and Bellen	100,000	66,700
Crossland Heavy Contractors	2,539,172	1,182,813
Timber Wolf Excavating LLC	1,847,544	201,045
Isai Gomez Mendez	668,544	176,231
Becco Contractors Inc	47,384	47,384
Becco Contractors Inc	2,622,000	5,405
Jerry's Excavation Inc	769,697	210,919
Regional Metropolitan Utility	9,062,133	46,558
Regional Metropolitan Utility	1,472,116	96,672
Regional Metropolitan Utility	3,499,061	3,312,153
Regional Metropolitan Utility	345,879	20,461
Crossland Heavy Contractors	996,200	40,398
Crossland Heavy Contractors	10,407	10,407
Poe and Associates, Inc	30,040	8,764
Ground Zero Roofing & Construction	89,260	8,510
Ground Zero Roofing & Construction	159,260	94,897
Ground Zero Roofing & Construction	76,260	10,596
Ground Zero Roofing & Construction	192,060	143,311

CITY OF BROKEN ARROW, OKLAHOMA
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ending June 30, 2022

Construction commitments, (continued)

	Original Contract	Balance Remaining
Ground Zero Roofing & Construction	\$ 351,660	\$ 129,798
Cherokee Pride Construction, Inc	2,375,316	901,234
Cherokee Pride Construction, Inc	25,440	25,440
Cherokee Pride Construction, Inc	914,534	405,481
Timber Wolf Excavating LLC	1,775,704	22,133
Scissor Tail Construction LLC	303,508	12,841
RGROUP Inc	2,519,320	393,334
Cherokee Pride Construction, Inc	477,085	28,217
Cherokee Pride Construction, Inc	30,000	30,000
Cherokee Pride Construction, Inc	3,931,544	2,445,091
Diversified Civil Contractors	390,217	16,731
Diversified Civil Contractors	104,530	104,530
R&L Construction LLC	400,000	160,911
R&L Construction LLC	1,813,239	686,213
R.L. Shears Company PC	10,200	2,083
R.L. Shears Company PC	22,580	22,580
Westech Engineering LLC	641,655	641,655
Xylem Water Solutions USA Inc	550,381	550,381
Crossland Heavy Contractors	4,569,764	4,191,376
Crossland Heavy Contractors	881,193	696,301
Crossland Heavy Contractors	41,615	41,615
Diversified Civil Contractors	149,881	101,992
Benchmark Enterprises LLC	18,550	18,550
Benchmark Enterprises LLC	414,050	414,050
TLS Group Inc	159,000	159,000
Daris Contractors LLC	1,646,183	1,309,517
Diversified Civil Contractors	394,000	394,000
Diversified Civil Contractors	400,000	230,314
Diversified Civil Contractors	200,000	115,157
Diversified Civil Contractors	1,400,000	806,099
Diversified Civil Contractors	1,571,993	905,130

Contingencies

Grant program involvement

In the normal course of operations, the City participates in various federal or state grant/loan programs from year to year. The grant/loan programs are often subject to additional audits by agents of the granting or loan agency, the purpose of which is to ensure compliance with the specific conditions of the grant or loan. Any liability for reimbursement which may arise as a result of these audits cannot be reasonably determined at this time, although it is believed the amount, if any, would not be material.

Litigation

The City is a party to various legal proceedings which normally occur in the course of government operations. The financial statements do not include accrual or provisions for loss contingencies that may result from these proceedings. State statutes provide for the levy of an ad valorem tax over a three-year period by a City "Sinking Fund" for the payment of any court assessed judgment rendered against the City. These statutory provisions do not apply to the City's public trust or Authorities.

CITY OF BROKEN ARROW, OKLAHOMA
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ending June 30, 2022

While the outcome of the above noted proceedings cannot be predicted, due to the insurance coverage maintained by the City and the State statute relating to judgments, the City feels that any settlement or insurance would not have a material adverse effect on the financial condition of the City, but could substantially increase the City's ad valorem tax levy.

Note 8 – Subsequent Events

City:

On July 19, 2022, the City approved the sale of \$40,000,000 of General Obligation Bond Series 2022A to be issued as of December 1, 2021 payable in annual payments.

Broken Arrow Municipal Authority:

On December 6, 2022, the trustees of the Broken Arrow Municipal Authority (BAMA) approved resolution #1502 authorizing BAMA to issue Rural Development debt to construct a fertilizer production facility at Haikey Creek WW Treatment Facility in the amount not to exceed \$18,000,000.

REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF BROKEN ARROW, OKLAHOMA
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 Year ended June 30, 2022**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	Budgetary Basis	Positive (Negative)
Beginning budgetary fund balance	\$ 18,761,251	\$ 18,761,251	\$ 19,989,352	\$ 1,228,101
Resources (inflows):				
Taxes:				
Sales tax	41,647,071	46,728,971	47,241,881	512,910
Use tax	9,000,000	10,066,600	10,330,084	263,484
Tobacco tax	550,000	550,000	511,865	(38,135)
Franchise tax	4,502,000	4,502,000	4,771,791	269,791
Total taxes	<u>55,699,071</u>	<u>61,847,571</u>	<u>62,855,621</u>	<u>1,008,050</u>
Intergovernmental:				
Intergovernmental	300,000	452,878	542,252	89,374
Alcoholic beverage tax	345,000	345,000	352,683	7,683
Total intergovernmental	<u>645,000</u>	<u>797,878</u>	<u>894,935</u>	<u>97,057</u>
Charges for services:				
Planning and zoning	170,000	170,000	185,785	15,785
Sale of material	20,000	20,000	24,134	4,134
BAMA PILOT	4,150,000	4,150,000	3,757,787	(392,213)
Rural fire runs & subscriptions	47,500	47,500	46,088	(1,412)
Inspection fees	875,000	875,000	832,040	(42,960)
Ambulance revenue	6,320,000	6,320,000	7,406,567	1,086,567
Training	2,500	2,500	-	(2,500)
Special Events	10,000	10,000	900	(9,100)
Cemetery fee	170,000	170,000	223,131	53,131
Animal control fees	50,000	50,000	54,564	4,564
Nuisance abatement	50,000	50,000	47,825	(2,175)
Parks and recreation	165,000	165,000	239,523	74,523
Swimming pools	200,000	200,000	242,866	42,866
Administrative fees	15,000	15,000	15,069	69
Schools	48,000	48,000	-	(48,000)
Juvenile court	45,000	45,000	50,029	5,029
Total charges for services	<u>12,338,000</u>	<u>12,338,000</u>	<u>13,126,308</u>	<u>788,308</u>

(Continued)

CITY OF BROKEN ARROW, OKLAHOMA
BUDGETARY COMPARISON SCHEDULE (continued)
GENERAL FUND
Year ended June 30, 2022

	Budgeted		Actual	Variance with
	Amounts		Amounts	Final Budget
	Original	Final	Budgetary Basis	Positive (Negative)
Fines, forfeitures and assessments	1,303,000	1,303,000	818,349	(484,651)
Licenses and permits:				
Occupational licenses	290,000	290,000	269,902	(20,098)
Peddlers licenses	2,400	2,400	2,519	119
Food licenses	48,000	48,000	37,241	(10,759)
Other fees	80,000	80,000	56,375	(23,625)
Special events	-	-	11,212	11,212
Farmer's market	-	-	24,750	24,750
Building permits	900,000	900,000	991,691	91,691
Total licenses and permits	1,320,400	1,320,400	1,393,690	73,290
Investment income	32,000	32,000	99,751	67,751
Miscellaneous:				
Rental property	1,300,000	1,300,000	615,346	(684,654)
Donations	-	-	1,316	1,316
Miscellaneous	100,000	100,000	168,477	68,477
Sale of capital assets	-	-	115,083	115,083
Insurance proceeds	25,000	25,000	173,700	148,700
Total miscellaneous	1,425,000	1,425,000	1,073,922	(351,078)
Other financing sources:				
Transfers in from other funds	18,178,533	18,178,533	16,951,940	(1,226,593)
Total other financing sources	18,178,533	18,178,533	16,951,940	(1,226,593)
Total revenues and other financing sources	90,941,004	97,242,382	97,214,516	(27,866)
Amounts available for appropriation	109,702,255	116,003,633	117,203,868	1,200,235

(Continued)

**CITY OF BROKEN ARROW, OKLAHOMA
BUDGETARY COMPARISON SCHEDULE (continued)
GENERAL FUND
Year ended June 30, 2022**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	Budgetary Basis	Positive (Negative)
Charges to appropriations (outflows):				
General government:				
City manager	2,017,536	2,023,286	1,840,080	183,206
Finance	1,417,920	1,537,920	1,478,624	59,296
City attorney	1,322,562	1,326,502	1,178,740	147,762
Human resources	1,343,200	1,384,950	1,228,476	156,474
Information services	1,984,643	2,245,138	2,045,433	199,705
Community development	3,764,265	3,770,960	3,582,732	188,228
General government	2,227,035	2,495,233	2,128,350	366,883
City Clerk	861,600	1,093,600	893,609	199,991
Total general government	<u>14,938,761</u>	<u>15,877,589</u>	<u>14,376,044</u>	<u>1,501,545</u>
Public services:				
Streets	3,467,875	3,498,517	3,262,075	236,442
General services	-	158	158	-
Total public services	<u>3,467,875</u>	<u>3,498,675</u>	<u>3,262,233</u>	<u>236,442</u>
Parks and recreation	<u>5,660,780</u>	<u>5,699,899</u>	<u>4,928,243</u>	<u>771,656</u>
Other financing uses:				
Transfers to other funds	66,497,123	71,787,196	68,693,922	3,093,274
Total charges to appropriations	<u>90,564,539</u>	<u>96,863,359</u>	<u>91,260,442</u>	<u>5,602,917</u>
Ending budgetary fund balance	<u>\$ 19,137,716</u>	<u>\$ 19,140,274</u>	<u>\$ 25,943,426</u>	<u>\$ 6,803,152</u>

**CITY OF BROKEN ARROW, OKLAHOMA
REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2022**

**Broken Arrow
Budgetary Comparison Schedule
Major Special Revenue Fund - Public Safety Sales Tax Fund - Police
For the year ended June 30, 2022**

Public Safety Sales Tax Fund - Police				
	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Beginning Budgetary Fund Balance	\$ 10,760,509	\$ 10,760,509	\$ 10,863,872	\$ 103,363
Resources (Inflows):				
Taxes	2,479,353	2,479,353	2,834,512	355,159
Intergovernmental	100,000	100,000	159,188	59,188
Investment income	6,000	6,000	(21,760)	(27,760)
Miscellaneous	12,500	82,500	58,591	(23,909)
Transfers from other funds	27,704,744	27,704,744	29,568,817	1,864,073
Amounts available for appropriation	30,302,597	30,372,597	32,599,348	2,226,751
Charges to Appropriations (Outflows):				
Police	29,418,945	29,575,636	28,180,361	1,395,275
Ending Budgetary Fund Balance	\$ 11,644,161	\$ 11,557,470	\$ 15,282,859	\$ 3,725,389

**Broken Arrow
Budgetary Comparison Schedule
Major Special Revenue Fund - Public Safety Sales Tax Fund - Fire
For the year ended June 30, 2022**

Public Safety Sales Tax Fund - Fire				
	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Beginning Budgetary Fund Balance (restated)	\$ 5,409,343	\$ 5,409,343	\$ 5,422,173	\$ 12,830
Resources (Inflows):				
Taxes	2,479,353	2,479,353	2,834,512	355,159
Investment income	3,000	3,000	(12,400)	(15,400)
Miscellaneous	8,000	8,000	12,237	4,237
Transfers from other funds	22,338,846	23,897,846	23,898,165	319
Amounts available for appropriation	24,829,199	26,388,199	26,732,514	344,315
Charges to Appropriations (Outflows):				
Fire	24,786,683	26,901,800	26,599,230	302,570
Ending Budgetary Fund Balance	\$ 5,451,859	\$ 4,895,742	\$ 5,555,457	\$ 659,715

NOTES TO BUDGETARY COMPARISON SCHEDULES

Note 1 - Budgetary Accounting

The annual operating budgets are prepared and presented on the modified accrual basis of accounting. Per City ordinance, the City utilizes encumbrance accounting during the year on a limited basis for certain purchase orders and other commitments for the expenditure of funds which are recorded in order to reserve a portion of the applicable appropriation. Encumbrances outstanding at year end are not considered expenditures for budgetary purposes, and are considered lapsed, as are all unused appropriations. Any open purchase orders to be honored in the subsequent budget year are re-appropriated and re-encumbered in the next year's budget. As a result, no reserve for encumbrances is reported at year end; however, they are disclosed as commitments by fund type in Note 6, where applicable.

Under the provisions of the Oklahoma Municipal Budget Act of 1979 (the "Budget Act"), the legal level of control at which expenditures may not legally exceed appropriations is the department level within a fund. At June 30, 2022, the City's expenditures did not exceed appropriations in any department.

Note 2 – Reconciliation of Budgetary Basis to Modified Accrual Basis – General Fund

The budgetary basis differs from the modified accrual basis as shown in the schedule below:

	<u>General Fund</u>
Total budgetary resources (inflows)	\$ 97,214,516
Less: transfers in from other funds	<u>(16,951,940)</u>
Total revenues as reported on the statement of revenues, expenditures and changes in fund balance - governmental funds	<u>\$ 80,262,576</u>
Total budgetary expenditures and transfers	\$ 91,260,442
Less: transfers to other funds	<u>(68,693,922)</u>
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balance - governmental funds	<u>\$ 22,566,520</u>

**CITY OF BROKEN ARROW, OKLAHOMA
REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2022**

Note 2 – Reconciliation of Budgetary Basis to Modified Accrual Basis – Major Special Revenue Funds

	Public Safety Sales Tax Fund - Police
Total budgetary resources (inflows)	\$ 32,599,348
Add: On-behalf payments	1,544,115
Less: Transfers in from other funds	<u>(29,568,817)</u>
Total revenues as reported on the statement of revenues, expenditures and changes in fund balance - governmental funds	<u>\$ 4,574,646</u>
Total budgetary expenditures and transfers	\$ 28,180,361
Add: On-behalf payments	<u>1,544,115</u>
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balance - governmental funds	<u>\$ 29,724,476</u>
	Public Safety Sales Tax Fund - Fire
Total budgetary resources (inflows)	\$ 26,732,514
Add: On-behalf payments	4,540,795
Less: Transfers in from other funds	<u>(23,898,165)</u>
Total revenues as reported on the statement of revenues, expenditures and changes in fund balance - governmental funds	<u>\$ 7,375,144</u>
Total budgetary expenditures and transfers	\$ 26,599,230
Add: On-behalf payments	<u>4,540,795</u>
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balance - governmental funds	<u>\$ 31,140,025</u>

CITY OF BROKEN ARROW, OKLAHOMA
REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2022

Schedules of Required Supplementary Information
SCHEDULE OF THE CITY OF BROKEN ARROW'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)
OKLAHOMA POLICE PENSION & RETIREMENT SYSTEM
Last 10 Fiscal Years*

For the year June 30,	2015	2016	2017	2018	2019	2020	2021	2022
City's proportion of the net pension liability (asset)	3.1323%	3.2237%	3.1605%	3.3097%	3.4646%	3.5076%	3.6693%	3.6401%
City's proportionate share of the net pension liability (asset)	\$(1,054,626)	\$ 131,444	\$4,840,062	\$ 254,584	\$ (1,650,356)	\$ (223,922)	\$ 4,213,955	\$(17,461,926)
City's covered-employee payroll	** N/A	\$9,112,431	\$9,320,477	\$10,248,277	\$10,594,254	\$11,433,128	\$12,091,461	\$ 12,594,259
City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	** N/A	1.44%	51.93%	2.48%	15.58%	1.96%	34.85%	138.65%
Plan fiduciary net position as a percentage of the total pension liability	101.53%	99.82%	93.50%	99.68%	101.89%	100.24%	95.80%	117.07%

Notes to Schedule:

* Only eight fiscal years are presented because 10-year data is not yet available. Current year measurement date is June 30, 2021.

** Information was not available.

SCHEDULE OF CITY CONTRIBUTIONS
OKLAHOMA POLICE PENSION & RETIREMENT SYSTEM
Last 10 Fiscal Years *

	2015	2016	2017	2018	2019	2020	2021	2022
Statutorily required contribution	\$ 1,184,616	\$ 1,211,662	\$ 1,332,276	\$ 1,377,253	\$ 1,486,307	\$ 1,597,656	\$ 1,637,241	\$ 1,759,158
Contributions in relation to the statutorily required contribution	<u>1,184,616</u>	<u>1,211,662</u>	<u>1,332,276</u>	<u>1,377,253</u>	<u>1,486,307</u>	<u>1,597,656</u>	<u>1,637,241</u>	<u>1,759,158</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered-employee payroll	\$9,112,431	\$9,320,477	\$10,248,277	\$10,594,254	\$11,433,128	\$12,091,461	\$12,594,259	\$13,872,246
Contributions as a percentage of covered-employee payroll	13%	13%	13%	13%	13%	13%	13%	13%

Notes to Schedule:

Only eight fiscal years are presented because 10-year data is not yet available.

**CITY OF BROKEN ARROW, OKLAHOMA
REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2022**

**Schedules of Required Supplementary Information
SCHEDULE OF THE CITY OF BROKEN ARROW'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
OKLAHOMA FIREFIGHTERS PENSION & RETIREMENT SYSTEM
Last 10 Fiscal Years***

For the year June 30,	2015	2016	2017	2018	2019	2020	2021	2022
City's proportion of the net pension liability	3.6826%	3.8107%	3.9641%	4.2472%	4.4499%	4.1400%	4.5698%	4.5936%
City's proportionate share of the net pension liability	\$37,869,951	\$40,447,082	\$48,430,529	\$53,418,020	\$50,090,663	\$43,746,453	\$56,296,367	\$30,251,897
City's covered-employee payroll	** N/A	\$10,409,757	\$11,090,514	\$12,517,279	\$13,237,331	\$13,875,665	\$14,699,910	\$14,908,009
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	** N/A	388.55%	436.68%	426.75%	378.40%	315.27%	382.97%	202.92%
Plan fiduciary net position as a percentage of the total pension liability	68.12%	68.27%	64.87%	66.61%	70.73%	72.85%	69.98%	84.24%

Notes to Schedule:

* Only eight fiscal years are presented because 10-year data is not yet available. Current year measurement date is June 30, 2021.

** Information was not available.

**SCHEDULE OF CITY CONTRIBUTIONS
OKLAHOMA FIREFIGHTERS PENSION & RETIREMENT SYSTEM
Last 10 Fiscal Years ***

	2015	2016	2017	2018	2019	2020	2021	2022
Statutorily required contribution	\$ 1,457,366	\$ 1,552,672	\$ 1,752,419	\$ 1,852,898	\$ 1,942,593	\$ 2,057,989	\$ 2,087,122	\$ 2,235,125
Contributions in relation to the statutorily required contribution	<u>1,457,366</u>	<u>1,552,672</u>	<u>1,752,419</u>	<u>1,852,898</u>	<u>1,942,593</u>	<u>2,057,989</u>	<u>2,087,122</u>	<u>2,235,125</u>
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered-employee payroll	\$ 10,409,757	\$ 11,090,514	\$ 12,517,279	\$ 13,237,331	\$ 13,875,665	\$ 14,699,910	\$ 14,908,009	\$ 15,996,124
Contributions as a percentage of covered-employee payroll	14%	14%	14%	14%	14%	14%	14%	14%

Notes to Schedule:

* Only eight fiscal years are presented because 10-year data is not yet available.

CITY OF BROKEN ARROW, OKLAHOMA
REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2022

Schedules of Required Supplementary Information
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY
AND RELATED RATIOS
Last 10 Years*

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Total OPEB Liability					
Service cost	\$ 81,277	\$ 84,431	\$ 84,431	\$ 97,491	\$ 98,191
Interest	44,794	45,537	52,705	27,902	28,388
Difference between expected and actual experience	-	-	-	(47,742)	(166,329)
Change in assumptions	-	-	(210,425)	7,465	(151,024)
Benefit payments, including refunds of member contributions	<u>(25,646)</u>	<u>(25,646)</u>	<u>(33,656)</u>	<u>(37,547)</u>	<u>(30,639)</u>
Net change in total OPEB liability	100,425	104,322	(106,945)	47,569	(221,413)
Total OPEB liability - beginning	<u>1,086,022</u>	<u>1,186,447</u>	<u>1,290,769</u>	<u>1,183,824</u>	<u>1,231,393</u>
Total OPEB liability - ending	<u>\$ 1,186,447</u>	<u>\$ 1,290,769</u>	<u>\$ 1,183,824</u>	<u>\$ 1,231,393</u>	<u>\$ 1,009,980</u>
Covered employee payroll	\$ 30,068,853	\$ 30,068,853	\$ 33,734,659	\$ 33,734,659	\$ 39,094,305
Total OPEB liability as a percentage of covered employee payroll	3.95%	4.29%	3.51%	3.65%	2.58%

Notes to Schedule:

* Only five fiscal years are presented because 10-year data is not yet available.

OTHER SUPPLEMENTARY INFORMATION

CITY OF BROKEN ARROW, OKLAHOMA
OTHER SUPPLEMENTARY INFORMATION
June 30, 2022

Combining Balance Sheet – General Fund Accounts

Broken Arrow
Balance Sheet
General Fund Accounts
June 30, 2022

	General Fund	Escrow Fund	Total General Fund
ASSETS			
Cash and cash equivalents	\$ 8,723,022	\$ 1,121,628	\$ 9,844,650
Investments	9,063,367	-	9,063,367
Taxes receivable, net	427,611	-	427,611
Due from other funds	3,280,154	-	3,280,154
Receivable from other governments	10,153,835	-	10,153,835
Accrued interest receivable	23,110	-	23,110
Leases receivable	7,103,969	-	7,103,969
Other receivables, net	1,890,794	44,454	1,935,248
Prepaid expenses	220,233	-	220,233
Total assets	40,886,095	1,166,082	42,052,177
 LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	446,325	9,875	456,200
Accrued payroll	2,756,680	-	2,756,680
Due to other funds	3,280,919	-	3,280,919
Due to other governments	11,840	-	11,840
Due to bondholders	-	81,271	81,271
Unearned revenue	-	217,550	217,550
Amounts held in escrow	336,093	857,386	1,193,479
Total liabilities	6,831,857	1,166,082	7,997,939
 DEFERRED INFLOWS OF RESOURCES			
Deferred inflows-leases	7,603,378	-	7,603,378
Deferred revenue	507,434	-	507,434
Total deferred inflows of resources	8,110,812	-	8,110,812
 Fund balances:			
Assigned	11,306,342	-	11,306,342
Unassigned	14,637,084	-	14,637,084
Total fund balances	25,943,426	-	25,943,426
Total liabilities, deferred inflows of resources and fund balances	\$ 40,886,095	\$ 1,166,082	\$ 42,052,177

CITY OF BROKEN ARROW, OKLAHOMA
OTHER SUPPLEMENTARY INFORMATION
June 30, 2022

Combining Schedule of Revenues, Expenditures and Changes in Fund Balance – General Fund Accounts

Broken Arrow
Statement of Revenues, Expenditures and Changes in Fund Balances
General Fund Accounts
For the Year Ended June 30, 2022

	<u>General Fund</u>	<u>Escrow Fund</u>	<u>Total General Fund</u>
REVENUES			
Sales and use taxes	\$ 57,571,965	\$ -	\$ 57,571,965
Franchise and miscellaneous taxes	5,283,656	-	5,283,656
Intergovernmental	894,935	-	894,935
Charges for services	13,126,308	-	13,126,308
Fines and forfeitures	818,349	-	818,349
Licenses and permits	1,393,690	-	1,393,690
Rental income	615,346	-	615,346
Investment income	99,751	-	99,751
Miscellaneous	458,576	-	458,576
Total revenues	<u>80,262,576</u>	<u>-</u>	<u>80,262,576</u>
EXPENDITURES			
Current:			
General government	14,375,533	-	14,375,533
Public services	3,262,233	-	3,262,233
Parks and recreation	4,928,243	-	4,928,243
Capital Outlay	511	-	511
Total Expenditures	<u>22,566,520</u>	<u>-</u>	<u>22,566,520</u>
Excess (deficiency) of revenues over expenditures	<u>57,696,056</u>	<u>-</u>	<u>57,696,056</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	16,951,940	-	16,951,940
Transfers out	(68,693,922)	-	(68,693,922)
Total other financing sources and uses	<u>(51,741,982)</u>	<u>-</u>	<u>(51,741,982)</u>
Net change in fund balances	5,954,074	-	5,954,074
Fund balances - beginning	19,989,352	-	19,989,352
Fund balances - ending	<u>\$ 25,943,426</u>	<u>\$ -</u>	<u>\$ 25,943,426</u>

CITY OF BROKEN ARROW, OKLAHOMA
OTHER SUPPLEMENTARY INFORMATION
June 30, 2022

Combining Balance Sheet – Nonmajor Governmental Funds

Broken Arrow
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2022

	SPECIAL REVENUE FUNDS						
	Excess Capacity Sewer Escrow	Stormwater Capital	Convention and Visitor's Bureau	Police Enhancement	Street and Alley	Housing and Urban Development	CARES Act Fund
ASSETS							
Cash and cash equivalents	\$ 1,662,568	\$ 1,224,687	\$ 1,317,986	\$ 195,201	\$ 1,574,652	\$ 250,434	\$ 2,449,854
Investments	-	-	-	-	-	-	4,895,465
Due from other funds	-	-	-	765	-	-	-
Receivable from other governments	-	-	-	-	174,676	36,993	-
Accrued interest receivable	-	-	-	-	-	-	23,640
Other receivables, net	-	-	90,679	-	-	-	-
Prepaid expense	-	-	38,680	-	-	-	-
Total assets	<u>1,662,568</u>	<u>1,224,687</u>	<u>1,447,345</u>	<u>195,966</u>	<u>1,749,328</u>	<u>287,427</u>	<u>7,368,959</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES							
Liabilities:							
Accounts payable	-	18,709	50,111	6,964	54,631	4,476	52,716
Amounts held in escrow	-	-	-	-	-	86	-
Total liabilities	<u>-</u>	<u>18,709</u>	<u>50,111</u>	<u>6,964</u>	<u>54,631</u>	<u>4,562</u>	<u>52,716</u>
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue	-	-	9,670	-	-	36,993	23,640
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>9,670</u>	<u>-</u>	<u>-</u>	<u>36,993</u>	<u>23,640</u>
Fund balances:							
Restricted	-	-	1,387,564	189,002	1,694,697	245,872	-
Committed	1,662,568	1,205,978	-	-	-	-	-
Assigned	-	-	-	-	-	-	7,292,603
Total fund balances	<u>1,662,568</u>	<u>1,205,978</u>	<u>1,387,564</u>	<u>189,002</u>	<u>1,694,697</u>	<u>245,872</u>	<u>7,292,603</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,662,568</u>	<u>\$ 1,224,687</u>	<u>\$ 1,447,345</u>	<u>\$ 195,966</u>	<u>\$ 1,749,328</u>	<u>\$ 287,427</u>	<u>\$ 7,368,959</u>

(Continued)

CITY OF BROKEN ARROW, OKLAHOMA
OTHER SUPPLEMENTARY INFORMATION
June 30, 2022

Combining Balance Sheet – Nonmajor Governmental Funds, (Continued)

Broken Arrow Combining Balance Sheet Nonmajor Governmental Funds June 30, 2022							
	SPECIAL REVENUE FUNDS						CAPITAL PROJECT FUNDS
	E911	Crime Prevention	Alcohol Enforcement	Street Light	Admin Technology Fund	Creek TIF Apportionment Fund	2014 General Obligation Bond Fund
ASSETS							
Cash and cash equivalents	\$ 1,516,800	\$ 142,778	\$ 93,929	\$ 957,720	\$ 97,621	\$ 33,160	\$ 7,445,603
Investments	-	-	-	-	-	-	8,142,930
Due from other funds	-	-	-	-	-	-	-
Receivable from other governments	-	27,777	-	-	-	-	-
Accrued interest receivable	-	-	-	-	-	-	9,733
Other receivables, net	102,159	-	1,532	74,581	2,745	-	-
Prepaid expense	-	-	-	-	-	-	-
Total assets	<u>1,618,959</u>	<u>170,555</u>	<u>95,461</u>	<u>1,032,301</u>	<u>100,366</u>	<u>33,160</u>	<u>15,598,266</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES							
Liabilities:							
Accounts payable	6,946	6,907	-	96,214	5,588	-	48,212
Amounts held in escrow	-	-	-	-	-	-	-
Total liabilities	<u>6,946</u>	<u>6,907</u>	<u>-</u>	<u>96,214</u>	<u>5,588</u>	<u>-</u>	<u>48,212</u>
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue	-	19,777	1,282	3,348	-	-	9,733
Total deferred inflows of resources	<u>-</u>	<u>19,777</u>	<u>1,282</u>	<u>3,348</u>	<u>-</u>	<u>-</u>	<u>9,733</u>
Fund balances:							
Restricted	1,612,013	143,871	94,179	-	94,778	33,160	15,540,321
Committed	-	-	-	932,739	-	-	-
Assigned	-	-	-	-	-	-	-
Total fund balances	<u>1,612,013</u>	<u>143,871</u>	<u>94,179</u>	<u>932,739</u>	<u>94,778</u>	<u>33,160</u>	<u>15,540,321</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,618,959</u>	<u>\$ 170,555</u>	<u>\$ 95,461</u>	<u>\$ 1,032,301</u>	<u>\$ 100,366</u>	<u>\$ 33,160</u>	<u>\$ 15,598,266</u>

(Continued)

CITY OF BROKEN ARROW, OKLAHOMA
OTHER SUPPLEMENTARY INFORMATION
June 30, 2022

Combining Balance Sheet – Nonmajor Governmental Funds, (Continued)

Broken Arrow
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2022

	CAPITAL PROJECT FUNDS						
	Parks and Recreation	Cemetery Care	Street Sales Tax	1994 General Obligation Bond Issue	2008 General Obligation Bond Fund	2011 General Obligation Bond Fund	Total Governmental Funds
ASSETS							
Cash and cash equivalents	\$ 756,419	\$ 407,129	\$ 2,303,384	\$ 198,532	\$ 81,218	\$ 2,876,891	\$ 25,586,566
Investments	-	-	2,936,761	-	-	-	15,975,156
Due from other funds	-	-	-	-	-	-	765
Receivable from other governments	-	-	820,039	-	-	-	1,059,485
Accrued interest receivable	-	-	10,278	-	-	-	43,651
Other receivables, net	14,288	78	-	-	-	-	286,062
Prepaid expense	-	-	-	-	-	-	38,680
Total assets	<u>770,707</u>	<u>407,207</u>	<u>6,070,462</u>	<u>198,532</u>	<u>81,218</u>	<u>2,876,891</u>	<u>42,990,365</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES							
Liabilities:							
Accounts payable	34,313	50	398,610	-	18,110	50,694	853,251
Amounts held in escrow	-	-	-	-	-	-	86
Total liabilities	<u>34,313</u>	<u>50</u>	<u>398,610</u>	<u>-</u>	<u>18,110</u>	<u>50,694</u>	<u>853,337</u>
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue	-	78	10,278	-	-	-	114,799
Total deferred inflows of resources	<u>-</u>	<u>78</u>	<u>10,278</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>114,799</u>
Fund balances:							
Restricted	-	153,958	5,661,574	-	63,108	2,826,197	29,740,294
Committed	736,394	253,121	-	198,532	-	-	4,989,332
Assigned	-	-	-	-	-	-	7,292,603
Total fund balances	<u>736,394</u>	<u>407,079</u>	<u>5,661,574</u>	<u>198,532</u>	<u>63,108</u>	<u>2,826,197</u>	<u>42,022,229</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 770,707</u>	<u>\$ 407,207</u>	<u>\$ 6,070,462</u>	<u>\$ 198,532</u>	<u>\$ 81,218</u>	<u>\$ 2,876,891</u>	<u>\$ 42,990,365</u>

CITY OF BROKEN ARROW, OKLAHOMA
OTHER SUPPLEMENTARY INFORMATION
June 30, 2022

Combining Statement of Revenues, Expenditures and Changes in Fund Balance – Nonmajor Governmental Funds

Broken Arrow
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2022

	SPECIAL REVENUE FUNDS						
	Excess Capacity Sewer Escrow	Stormwater Capital	Convention and Visitor's Bureau	Police Enhancement	Street and Alley	Housing and Urban Development	CARES Act Fund
REVENUES							
Sales and use tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Franchise and miscellaneous taxes	-	-	863,736	-	-	-	-
Intergovernmental	-	-	-	17,584	1,097,937	488,607	-
Charges for services	-	316,508	-	-	-	-	-
Fees and fines	-	-	-	-	-	-	-
Investment earnings	1,583	1,166	1,256	368	1,500	-	(6,284)
Miscellaneous	94,387	-	317	-	-	-	-
Total revenues	<u>95,970</u>	<u>317,674</u>	<u>865,309</u>	<u>17,952</u>	<u>1,099,437</u>	<u>488,607</u>	<u>(6,284)</u>
EXPENDITURES							
Current:							
General government	24,612	-	292,850	-	-	74,222	-
Public safety	-	-	-	82,187	-	-	-
Public services	-	-	-	-	-	-	-
Capital outlay	-	597,053	-	9,424	54,631	417,585	1,155,192
Total expenditures	<u>24,612</u>	<u>597,053</u>	<u>292,850</u>	<u>91,611</u>	<u>54,631</u>	<u>491,807</u>	<u>1,155,192</u>
Excess (deficiency) of revenues over expenditures	<u>71,358</u>	<u>(279,379)</u>	<u>572,459</u>	<u>(73,659)</u>	<u>1,044,806</u>	<u>(3,200)</u>	<u>(1,161,476)</u>
OTHER FINANCING SOURCES (USES)							
Transfers out	-	-	(275,000)	-	(1,000,000)	-	-
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>(275,000)</u>	<u>-</u>	<u>(1,000,000)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	71,358	(279,379)	297,459	(73,659)	44,806	(3,200)	(1,161,476)
Fund balances - beginning	1,591,210	1,485,357	1,090,105	262,661	1,649,891	249,072	8,454,079
Fund balances - ending	<u>\$ 1,662,568</u>	<u>\$ 1,205,978</u>	<u>\$ 1,387,564</u>	<u>\$ 189,002</u>	<u>\$ 1,694,697</u>	<u>\$ 245,872</u>	<u>\$ 7,292,603</u>

(Continued)

CITY OF BROKEN ARROW, OKLAHOMA
OTHER SUPPLEMENTARY INFORMATION
June 30, 2022

Combining Statement of Revenues, Expenditures and Changes in Fund Balance – Nonmajor Governmental Funds, (Continued)

Broken Arrow
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2022

	SPECIAL REVENUE FUNDS					Creek TIF	CAPITAL PROJECT FUNDS
	E911	Crime Prevention	Alcohol Enforcement	Street Light	Admin Technology Fund	Apportionment Fund	2014 General Obligation Bond Fund
REVENUES							
Sales and use tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Franchise and miscellaneous taxes	-	-	-	-	-	-	-
Intergovernmental	-	46,750	-	-	-	-	-
Charges for services	1,207,084	-	-	997,140	25,498	-	-
Fees and fines	-	-	4,155	-	-	-	-
Investment earnings	1,445	151	89	912	92	-	47,321
Miscellaneous	-	-	-	86,258	-	-	-
Total revenues	<u>1,208,529</u>	<u>46,901</u>	<u>4,244</u>	<u>1,084,310</u>	<u>25,590</u>	<u>-</u>	<u>47,321</u>
EXPENDITURES							
Current:							
General government	-	-	-	-	-	-	-
Public safety	-	94,201	1,461	-	-	-	-
Public services	-	-	-	554,943	-	-	-
Capital outlay	372,900	-	-	247,101	43,225	-	3,090,467
Total expenditures	<u>372,900</u>	<u>94,201</u>	<u>1,461</u>	<u>802,044</u>	<u>43,225</u>	<u>-</u>	<u>3,090,467</u>
Excess (deficiency) of revenues over expenditures	<u>835,629</u>	<u>(47,300)</u>	<u>2,783</u>	<u>282,266</u>	<u>(17,635)</u>	<u>-</u>	<u>(3,043,146)</u>
OTHER FINANCING SOURCES (USES)							
Transfers out	<u>(1,000,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(9,892)</u>
Total other financing sources and uses	<u>(1,000,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(9,892)</u>
Net change in fund balances	<u>(164,371)</u>	<u>(47,300)</u>	<u>2,783</u>	<u>282,266</u>	<u>(17,635)</u>	<u>-</u>	<u>(3,053,038)</u>
Fund balances - beginning	1,776,384	191,171	91,396	650,473	112,413	33,160	18,593,359
Fund balances - ending	<u>\$ 1,612,013</u>	<u>\$ 143,871</u>	<u>\$ 94,179</u>	<u>\$ 932,739</u>	<u>\$ 94,778</u>	<u>\$ 33,160</u>	<u>\$ 15,540,321</u>

(Continued)

CITY OF BROKEN ARROW, OKLAHOMA
OTHER SUPPLEMENTARY INFORMATION
June 30, 2022

Combining Statement of Revenues, Expenditures and Changes in Fund Balance – Nonmajor Governmental Funds, (Continued)

Broken Arrow
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2022

	CAPITAL PROJECT FUNDS						Total-Other Governmental Funds
	Parks and Recreation	Cemetery Care	Street Sales Tax	1994 General Obligation Bond Issue	2008 General Obligation Bond Fund	2011 General Obligation Bond Fund	
REVENUES							
Sales and use tax	\$ -	\$ -	\$ 4,724,188	\$ -	\$ -	\$ -	\$ 4,724,188
Franchise and miscellaneous taxes	-	-	-	-	-	-	863,736
Intergovernmental	-	-	-	-	-	-	1,650,878
Charges for services	257,482	65,321	-	-	-	-	2,869,033
Fees and fines	-	-	-	-	-	-	4,155
Investment earnings	717	387	9,663	189	77	10,677	71,309
Miscellaneous	136,372	-	-	-	-	-	317,334
Total revenues	<u>394,571</u>	<u>65,708</u>	<u>4,733,851</u>	<u>189</u>	<u>77</u>	<u>10,677</u>	<u>10,500,633</u>
EXPENDITURES							
Current:							
General government	-	-	-	-	-	-	391,684
Public safety	-	-	-	-	-	-	177,849
Public services	-	-	-	-	-	-	554,943
Capital outlay	551,921	26,589	4,385,220	-	37,519	1,524,800	12,513,627
Total expenditures	<u>551,921</u>	<u>26,589</u>	<u>4,385,220</u>	<u>-</u>	<u>37,519</u>	<u>1,524,800</u>	<u>13,638,103</u>
Excess (deficiency) of revenues over expenditures	(157,350)	39,119	348,631	189	(37,442)	(1,514,123)	(3,137,470)
OTHER FINANCING SOURCES (USES)							
Transfers out	-	-	-	-	-	-	(2,284,892)
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,284,892)</u>
Net change in fund balances	(157,350)	39,119	348,631	189	(37,442)	(1,514,123)	(5,422,362)
Fund balances - beginning	893,744	367,960	5,312,943	198,343	100,550	4,340,320	47,444,591
Fund balances - ending	<u>\$ 736,394</u>	<u>\$ 407,079</u>	<u>\$ 5,661,574</u>	<u>\$ 198,532</u>	<u>\$ 63,108</u>	<u>\$ 2,826,197</u>	<u>\$ 42,022,229</u>

CITY OF BROKEN ARROW, OKLAHOMA
OTHER SUPPLEMENTARY INFORMATION
June 30, 2022

Combining Schedule of Net Position – BAMA Enterprise Fund Accounts

Broken Arrow
Combining Schedule of Net Position
Broken Arrow Municipal Authority Accounts
June 30, 2022

	<u>Municipal Authority</u>	<u>BAMA Sales Tax Account</u>	<u>Sanitary Capital Account</u>	<u>Total</u>
ASSETS				
Current assets:				
Cash and cash equivalents	\$ (27,001,911)	\$ 26,018,061	\$ 1,328,273	\$ 344,423
Restricted cash and cash equivalents	205,927	19,594,451	-	19,800,378
Accounts receivable, net	9,012,244	-	-	9,012,244
Due from other funds	3,745,178	-	-	3,745,178
Due from other governments	48,880	2,248,340	-	2,297,220
Inventories	1,297,477	-	-	1,297,477
Prepaid assets	231,476	-	-	231,476
Total current assets	<u>(12,460,729)</u>	<u>47,860,852</u>	<u>1,328,273</u>	<u>36,728,396</u>
Non-current assets:				
Restricted cash and cash equivalents	823,706	849,706	-	1,673,412
Investment in joint venture	38,245,607	-	-	38,245,607
Capital Assets:				
Land and other nondepreciable assets	19,955,613	-	-	19,955,613
Other capital assets, net of accumulated depreciation	202,347,905	-	-	202,347,905
Total non-current assets	<u>261,372,831</u>	<u>849,706</u>	<u>-</u>	<u>262,222,537</u>
Total assets	<u>248,912,102</u>	<u>48,710,558</u>	<u>1,328,273</u>	<u>298,950,933</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charge on refunding	-	34,813	-	34,813
Deferred amounts related to OPEB	47,335	-	-	47,335
Total deferred outflows of resources	<u>47,335</u>	<u>34,813</u>	<u>-</u>	<u>82,148</u>
LIABILITIES				
Current liabilities:				
Accounts payable	3,658,585	500	-	3,659,085
Accrued payroll payable	849,695	-	-	849,695
Accrued interest payable	-	1,375,337	-	1,375,337
Due to other funds	3,280,154	-	-	3,280,154
Amounts held in escrow	351,982	-	-	351,982
Compensated absences	522,758	-	-	522,758
Meter deposit liability	205,927	-	-	205,927
Bonds, notes and loans payable, net	550,533	6,984,792	-	7,535,325
Total current liabilities	<u>9,419,634</u>	<u>8,360,629</u>	<u>-</u>	<u>17,780,263</u>
Non-current liabilities:				
Compensated absences	261,379	-	-	261,379
Meter deposit liability	823,706	-	-	823,706
Bonds, notes and loans payable, net	2,477,400	149,659,618	-	152,137,018
Total OPEB liability	298,619	-	-	298,619
Total non-current liabilities	<u>3,861,104</u>	<u>149,659,618</u>	<u>-</u>	<u>153,520,722</u>
Total liabilities	<u>13,280,738</u>	<u>158,020,247</u>	<u>-</u>	<u>171,300,985</u>
DEFERRED INFLOW OF RESOURCES				
Deferred amounts related to OPEB	133,058	-	-	133,058
Total deferred inflow of resources	<u>133,058</u>	<u>-</u>	<u>-</u>	<u>133,058</u>
NET POSITION				
Net Investment in capital assets	219,275,585	(140,196,653)	-	79,078,932
Restricted for debt service	-	2,621,063	-	2,621,063
Unrestricted	16,270,056	28,300,714	1,328,273	45,899,043
Total net position	<u>\$ 235,545,641</u>	<u>\$ (109,274,876)</u>	<u>\$ 1,328,273</u>	<u>\$ 127,599,038</u>

CITY OF BROKEN ARROW, OKLAHOMA
OTHER SUPPLEMENTARY INFORMATION
June 30, 2022

Combining Schedule of Revenues, Expenses and Changes in Net Position – BAMA Enterprise Fund Accounts

Broken Arrow
Combining Schedule of Revenues, Expenses and Changes in Fund Net Position
Broken Arrow Municipal Authority Accounts
For the Year Ended June 30, 2022

	<u>Municipal Authority</u>	<u>BAMA Sales Tax Account</u>	<u>Sanitary Capital Account</u>	<u>Total</u>
REVENUES				
Water charges	\$ 24,869,926	\$ -	\$ -	\$ 24,869,926
Sewer charges	15,501,981	-	-	15,501,981
Sanitation charges	6,972,712	-	-	6,972,712
Stormwater fees	7,326,259	-	-	7,326,259
Fees and fines	928,992	-	-	928,992
Miscellaneous	550,305	-	-	550,305
Total operating revenues	<u>56,150,175</u>	<u>-</u>	<u>-</u>	<u>56,150,175</u>
OPERATING EXPENSES				
General government	1,100,471	-	-	1,100,471
Finance and administration	2,311,974	-	-	2,311,974
Engineering and construction	3,743,718	-	-	3,743,718
Water distribution	11,993,928	-	-	11,993,928
Saitary sewer system	9,982,185	-	-	9,982,185
Sanitation services	6,675,514	-	-	6,675,514
Support services	2,953,839	-	-	2,953,839
Stormwater	3,569,798	-	-	3,569,798
Depreciation	12,416,772	-	-	12,416,772
Total Operating Expenses	<u>54,748,199</u>	<u>-</u>	<u>-</u>	<u>54,748,199</u>
Operating income	<u>1,401,976</u>	<u>-</u>	<u>-</u>	<u>1,401,976</u>
NON-OPERATING REVENUES (EXPENSES)				
Interest and investment revenue	1,309	114	1,265	2,688
Gain on disposal of capital assets	80,212	-	-	80,212
Operating grant	39,597	-	-	39,597
Bond issuance costs	-	(584,058)	-	(584,058)
Interest expense and fiscal charges	-	(4,412,859)	-	(4,412,859)
Total non-operating revenue (expenses)	<u>121,118</u>	<u>(4,996,803)</u>	<u>1,265</u>	<u>(4,874,420)</u>
Income (loss) before contributions and transfers	1,523,094	(4,996,803)	1,265	(3,472,444)
Capital contributions	7,187,101	-	-	7,187,101
Transfers in	15,638,549	-	-	15,638,549
Transfers out	(16,226,940)	-	-	(16,226,940)
Change in net position	<u>8,121,804</u>	<u>(4,996,803)</u>	<u>1,265</u>	<u>3,126,266</u>
Total net position - beginning	<u>227,423,837</u>	<u>(104,278,073)</u>	<u>1,327,008</u>	<u>124,472,772</u>
Total net position - ending	<u>\$ 235,545,641</u>	<u>\$ (109,274,876)</u>	<u>\$ 1,328,273</u>	<u>\$ 127,599,038</u>

CITY OF BROKEN ARROW, OKLAHOMA
OTHER SUPPLEMENTARY INFORMATION
June 30, 2022

Combining Schedule of Cash Flows – BAMA Enterprise Fund Accounts

Broken Arrow
Combining Schedule of Cash Flows
Broken Arrow Municipal Authority Accounts
For the Year Ended June 30, 2022

	Municipal Authority	BAMA Sales Tax Account	Sanitary Capital Account	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 54,998,969	\$ -	\$ -	\$ 54,998,969
Payments to suppliers	(21,451,496)	-	-	(21,451,496)
Payments to employees	(20,480,304)	-	-	(20,480,304)
Receipts of customer meter deposits	283,874	-	-	283,874
Payment of customer meter deposits	(279,332)	-	-	(279,332)
Interfund payments & receipts	(2,255,137)	(4,736,136)	-	(6,991,273)
Net cash provided by (used in) operating activities	<u>10,816,574</u>	<u>(4,736,136)</u>	<u>-</u>	<u>6,080,438</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers from other funds	15,638,549	-	-	15,638,549
Transfer to other funds	(16,226,940)	-	-	(16,226,940)
Net cash provided by (used in) noncapital financing activities	<u>(588,391)</u>	<u>-</u>	<u>-</u>	<u>(588,391)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchase of capital assets	(9,405,715)	-	-	(9,405,715)
Proceeds from issuance of debt	1,000,000	38,812,174	-	39,812,174
Note issuance costs	-	(584,058)	-	(584,058)
Premium on issuance of debt	-	466,093	-	466,093
Proceeds from sale of capital assets	81,075	-	-	81,075
Principal paid on capital debt	(386,353)	(28,691,623)	-	(29,077,976)
Interest paid on capital debt	-	(4,585,243)	-	(4,585,243)
Net cash provided by (used in) capital and related financing activities	<u>(8,710,993)</u>	<u>5,417,343</u>	<u>-</u>	<u>(3,293,650)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Sales of investments	8,333	-	-	8,333
(Increase) decrease in investment in joint venture	(672,039)	-	-	(672,039)
Interest and dividends	1,309	114	1,265	2,688
Net cash provided by (used in) investing activities	<u>(662,397)</u>	<u>114</u>	<u>1,265</u>	<u>(661,018)</u>
Net Increase in cash and cash equivalents	854,793	681,321	1,265	1,537,379
Balances-beginning of year	<u>(26,827,071)</u>	<u>45,780,897</u>	<u>1,327,008</u>	<u>20,280,834</u>
Balances-end of year	<u>\$ (25,972,278)</u>	<u>\$ 46,462,218</u>	<u>\$ 1,328,273</u>	<u>\$ 21,818,213</u>
Reconciliation to Combining Statement of Net Position:				
Cash and cash equivalents	\$ (27,001,911)	\$ 26,018,061	\$ 1,328,273	\$ 344,423
Restricted cash and cash equivalents-current	205,927	19,594,451	-	19,800,378
Restricted cash and cash equivalents-noncurrent	823,706	849,706	-	1,673,412
Total cash and cash equivalents, end of year	<u>(25,972,278)</u>	<u>46,462,218</u>	<u>1,328,273</u>	<u>21,818,213</u>
Reconciliation of Operating Income to Net Cash Provided by (Used in) Operating Activities:				
Operating income	\$ 1,401,976	\$ -	\$ -	\$ 1,401,976
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:				
Depreciation expense	12,416,772	-	-	12,416,772
Operating grants and contributions	39,597	-	-	39,597
Change in assets, liabilities and deferrals:				
Receivables, net	(1,139,454)	-	-	(1,139,454)
Due from other funds	(187,185)	-	-	(187,185)
Due from other governments	3,540	-	-	3,540
Inventories	394,103	-	-	394,103
Prepaid assets	(210,976)	-	-	(210,976)
Deferred amounts related to OPEB	80,701	-	-	80,701
Accounts payables	(65,951)	-	-	(65,951)
Accrued payroll	262,671	-	-	262,671
Due to other funds	(2,067,952)	(4,736,136)	-	(6,804,088)
Amounts held in escrow	(54,889)	-	-	(54,889)
Accrued compensated absences	743	-	-	743
Customer meter deposits payable	4,542	-	-	4,542
Total OPEB liability	(61,664)	-	-	(61,664)
Net cash provided by (used in) operating activities	<u>\$ 10,816,574</u>	<u>\$ (4,736,136)</u>	<u>\$ -</u>	<u>\$ 6,080,438</u>
Non-cash Activities:				
Capital assets contributed	\$ 7,187,101	\$ -	\$ -	\$ 7,187,101
Total Non-cash Activities	<u>\$ 7,187,101</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,187,101</u>

CITY OF BROKEN ARROW, OKLAHOMA
OTHER SUPPLEMENTARY INFORMATION
June 30, 2022

Combining Statement of Net Position – Internal Service Funds

Broken Arrow			
Combining Statement of Net Position			
Internal Service Funds			
June 30, 2022			
	Worker's Compensation	Group Health & Life	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 2,836,500	\$ 1,553,240	\$ 4,389,740
Other receivables	-	337,104	337,104
Total assets	2,836,500	1,890,344	4,726,844
LIABILITIES			
Current Liabilities:			
Accounts payable	15,026	44,552	59,578
Claims liability	1,002,000	-	1,002,000
Total current liabilities	1,017,026	44,552	1,061,578
Non-current liabilities:			
Claims liability	2,633,000	1,256,037	3,889,037
Total non-current liabilities	2,633,000	1,256,037	3,889,037
Total liabilities	3,650,026	1,300,589	4,950,615
NET POSITION			
Unrestricted (deficit)	(813,526)	589,755	(223,771)
Total Net Position	\$ (813,526)	\$ 589,755	\$ (223,771)

Combining Statement of Revenues, Expenses and Changes in Net Position – Internal Service Funds

Broken Arrow			
Combining Statement of Revenues, Expenses and Changes in Fund Net Position			
Internal Service Funds			
For the Year Ended June 30, 2022			
	Worker's Compensation	Group Health & Life	Total
OPERATING REVENUES			
Self insurance charges	\$ 1,072,000	\$ 11,038,510	\$ 12,110,510
Total operating revenues	1,072,000	11,038,510	12,110,510
OPERATING EXPENSES			
Claims expense	1,333,018	11,816,103	13,149,121
Total operating expenses	1,333,018	11,816,103	13,149,121
Operating income (loss)	(261,018)	(777,593)	(1,038,611)
NON-OPERATING REVENUES (EXPENSES)			
Interest and investment revenue	2,804	1,565	4,369
Miscellaneous revenue	29,737	-	29,737
Total non-operating revenue (expenses)	32,541	1,565	34,106
Change in net position	(228,477)	(776,028)	(1,004,505)
Total net position - beginning	(585,049)	1,365,783	780,734
Total net position - ending	\$ (813,526)	\$ 589,755	\$ (223,771)

CITY OF BROKEN ARROW, OKLAHOMA
OTHER SUPPLEMENTARY INFORMATION
June 30, 2022

Combining Statement of Cash Flows – Internal Service Funds

Broken Arrow			
Combining Statement of Cash Flows			
Internal Service Funds			
For the Year Ended June 30, 2022			
	Worker's Compensation	Group Health & Life	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 1,099,757	\$ 10,704,765	\$ 11,804,522
Claims paid	(1,071,513)	(11,415,515)	(12,487,028)
Net cash provided by (used in) operating activities	28,244	(710,750)	(682,506)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and dividends	2,804	1,565	4,369
Net cash provided by investing activities	2,804	1,565	4,369
Net increase (decrease) in cash and cash equivalents	31,048	(709,185)	(678,137)
Balances-beginning of year	2,805,452	2,262,425	5,067,877
Balances-end of year	\$ 2,836,500	\$ 1,553,240	\$ 4,389,740
Reconciliation to Combining Statement of Net Position:			
Cash, including time deposits	\$ 2,836,500	\$ 1,553,240	\$ 4,389,740
Total cash and cash equivalents, end of year	\$ 2,836,500	\$ 1,553,240	\$ 4,389,740
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used In)			
Operating Activities:			
Operating income (loss)	\$ (261,018)	\$ (777,593)	\$ (1,038,611)
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:			
Miscellaneous non-operating revenue	29,737	-	29,737
Change in assets and liabilities:			
Other receivable	-	(333,745)	(333,745)
Accounts and other payables	(495)	37,361	36,866
Amounts held in escrow	(1,980)	-	(1,980)
Claims liability	262,000	363,227	625,227
Net cash provided by (used in) operating activities	\$ 28,244	\$ (710,750)	\$ (682,506)

CITY OF BROKEN ARROW
(BROKEN ARROW MUNICIPAL AUTHORITY)

SCHEDULE OF DEBT SERVICE COVERAGE

Year Ended June 30, 2022

	OWRB 2004, 2007, 2012, 2016, 2017, 2018, 2019, 2020 and 2021 Notes Payable and 2019 STRN, 2021 STRN
Gross revenue available for debt service:	
Charges for services	\$ 56,150,175
Investment income	2,688
Sales tax transferred from the City General Fund	<u>15,638,549</u>
Total gross revenues available	<u>71,791,412</u>
Operating expenses (1)	
General government	1,100,471
Finance and administration	2,311,974
Engineering and construction	3,743,718
Water distribution	11,993,928
Sanitary sewer system	9,982,185
Sanitation services	6,675,514
Support services	2,953,839
Stormwater	<u>3,569,798</u>
Total operating expenses	<u>42,331,427</u>
Net revenue available for debt service	<u>\$ 29,459,985</u>
Debt service requirements	
Maximum annual debt service on all BAMA parity debt	<u>\$ 12,788,696</u>
Computed coverage	<u>230%</u>
Coverage requirement	<u>125%</u>

(1) Operating expenses exclude such noncash items as depreciation, amortization and bad debt expenses.

CITY OF BROKEN ARROW, OKLAHOMA

SCHEDULE OF DEBT RESERVE ACCOUNT BALANCE REQUIREMENTS

Year ended June 30, 2022

	Series 2019 BAEDA Note Payable	Series 2015 OWRB Note Payable
	<u> </u>	<u> </u>
Required balance	\$ 500,000	\$ 849,706
Balance in Trustee Account, June 30, 2022	<u>500,000</u>	<u>849,706</u>
Excess of account balance over (under) required balance	<u>\$ -</u>	<u>\$ -</u>

CITY OF BROKEN ARROW, OKLAHOMA
SINGLE AUDIT REPORTS
AND SUPPLEMENTARY SCHEDULES

June 30, 2022

CITY OF BROKEN ARROW, OKLAHOMA

June 30, 2022

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SINGLE AUDIT REPORTS AND SUPPLEMENTARY SCHEDULES:

**Reports related to financial statements of the reporting entity
Required by GAO *Government Auditing Standards*:**

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Reports related to Federal Assistance Programs Required by the Uniform Guidance:

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Honorable Mayor and Members of the City Council
City of Broken Arrow, Oklahoma

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Broken Arrow, Oklahoma (the "City"), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated April 24, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as Finding 2022-01.

City's Response to Finding

The City's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the auditing procedures applied in the audit of financial statements and, accordingly, we express no opinion on it.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Arledge & Associates, P.C.

Edmond, Oklahoma
April 24, 2023





INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE; AND
REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM
GUIDANCE

To the Honorable Mayor and Members of the City Council
City of Broken Arrow, Oklahoma

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited City of Broken Arrow, Oklahoma's (the "City") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2022. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated April 24, 2023 which contained unmodified opinions on those financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

Arledge & Associates, P.C.

Edmond, Oklahoma
April 24, 2023



City of Broken Arrow
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2022

<i>Federal Grantor/Program or Cluster Title</i>	<i>Federal AL Number</i>	<i>Pass-through Grantor and Number</i>	<i>Passed-Through to Subrecipients</i>	<i>Federal Expenditures(\$)</i>
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:				
Passed through Tulsa county CDBG Urban County				
Community Development Block Grant--Entitlement Program	14.218	B-19-UC-40-0001	\$ -	\$ 63,139
Community Development Block Grant--Entitlement Program	14.218	B-20-UC-40-0001	-	353,561
Community Development Block Grant--Entitlement Program	14.218	B-21-UC-40-0001	72,408	74,221
TOTAL DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			72,408	490,921
U.S. DEPARTMENT OF TREASURY:				
Passed through Office of Management and Enterprise Serv:				
Coronavirus State and Local Fiscal Recovery Funds-ARPA	21.027		-	541,374
Equitable Sharing Program	21.016		-	56,131
TOTAL U.S. DEPARTMENT OF TREASURY			-	597,505
U.S. DEPARTMENT OF JUSTICE:				
Passed through Oklahoma District Attorney's Council				
Crime Victim Assistance-2021	16.575	2021-VOCA-BA CI-143	-	28,000
Crime Victim Assistance-2020	16.575	2020-VOCA-BA CI-143	-	9,375
Subtotal CFDA 16.575			-	37,375
Edward Bynre Memorial Justice Assurance Grant	16.738	15PBJA-21-GG-01746-JAGX	-	9,152
Edward Bynre Memorial Justice Assurance Grant	16.738	2020-DJ-BX-0512	-	10,625
Subtotal CFDA 16.738			-	19,777
Equitable Sharing Program	16.922		-	19,701
TOTAL U.S. DEPARTMENT OF JUSTICE			-	76,853
U.S. DEPARTMENT OF TRANSPORTATION:				
Passed through Oklahoma Highway Safety Office				
State and Community Highway Safety	20.600	PT-22-03-04-22	-	41,139
State and Community Highway Safety	20.600	PT-21-03-02-21	-	11,896
Subtotal CFDA 20.600			-	53,035
TOTAL U.S. DEPARTMENT OF TRANSPORTATION			-	53,035
U.S. DEPARTMENT OF HOMELAND SECURITY:				
Pass through Oklahoma Department of Emergency Managment	97.039	4438DR-OK	-	47,665
Hazard Mitigation Grant Program			-	47,665
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY			-	95,330
Total EXPENDITURES OF FEDERAL AWARDS			\$ 72,408	\$ 1,265,979

The accompanying notes are an integral part of this schedule

CITY OF BROKEN ARROW, OKLAHOMA

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

June 30, 2022

NOTE A—BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (SEFA) includes the federal award activity of the City under programs of the federal government for the year ended June 30, 2022. The information in this SEFA is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the SEFA presents only a selected portion of the operations of City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City.

NOTE B—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the SEFA are reported on the accrual basis of accounting. Expenditures of federal awards are recognized in the accounting period when the liability is incurred. Such expenditures are recognized following, as applicable, either the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available. The City has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE C—SUBRECIPIENTS

During the year end June 30, 2022, the City provided federal awards to subrecipients as reported in SEFA.

NOTE D—SUBSEQUENT EVENTS

The City has evaluated the effects of all subsequent events from June 30, 2022, through April 24, 2023, the date the SEFA was available to be issued, for potential recognition or disclosure in this SEFA. The City is not aware of any subsequent events which would require recognition or disclosure in the SEFA.

CITY OF BROKEN ARROW, OKLAHOMA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

June 30, 2022

Section I--Summary of Auditor's Results

Financial statements

Type of auditor's report issued on whether the financial statements were in accordance with GAAP:

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? yes X no
- Significant deficiency(ies) identified? yes X none reported

Noncompliance material to financial statements noted? X yes no

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? yes X no
- Significant deficiency(ies) identified? yes X none reported

Type of auditor's report issued on compliance for major federal programs: *Unmodified*

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? yes X no

Identification of major federal programs:

<u>Program</u>	<u>Federal AL Number</u>
Coronavirus State and Local Fiscal Recovery Funds	21.027

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? yes X no

CITY OF BROKEN ARROW, OKLAHOMA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS--Continued

June 30, 2022

Section II--Findings Required to be Reported in Accordance with *Government Auditing Standards*:

A. Internal control

No matters were reported.

B. Compliance Findings

Finding: 2022-01 – Filing with the State Auditor

Criteria: In order to comply with filing of reports with the Oklahoma State Auditor and Inspector (State Auditor), management needs to appropriately monitor the timing of the submission of the filing of the audit report six months after the end of the fiscal year.

Condition: The implementation of the Enterprise Resources Planning system was not timely implemented to ensure that the filing of the 2022 audit was within the required time frame.

Cause and Effect: Enterprise Resources Planning implementation was the cause due to the City not being able to close the year end financial statement within the required time frame to file with the State Auditor.

Recommendation: We recommend the internal controls for reporting with the state auditor be reviewed to ensure that future filings are completed within the prescribed timeline.

Management Response: Fiscal year 2022 was the second year with the new ERP (Enterprise Resources Planning) and it was difficult due to new accounts numbers and just getting familiar with the system. We feel better prepared to file with the State Auditor within the required time frame.

Section III—Findings Required to be Reported in Accordance with the Uniform Guidance:

A. Internal control

No matters were reported.

B. Compliance Findings

No matters were reported.

CITY OF BROKEN ARROW, OKLAHOMA

SUMMARY SCHEDULE OF PRIOR FINDINGS AND QUESTIONED COSTS

June 30, 2022

Section II—Findings Required to be Reported in Accordance with *Government Auditing Standards*:

C. Internal control

No matters were reported.

D. Compliance Findings

Finding: 2021-01 – Filing with the State Auditor

Criteria: In order to comply with filing of reports with the Oklahoma State Auditor and Inspector (State Auditor), management needs to appropriately monitor the timing of the submission of the filing of the audit report six months after the end of the fiscal year.

Condition: The implementation of the Enterprise Resources Planning system was not timely implemented to ensure that the filing of the 2021 audit was within the required time frame.

Cause and Effect: Enterprise Resources Planning implementation was the cause due to the City not being able to close the year end financial statement within the required time frame to file with the State Auditor.

Recommendation: We recommend the internal controls for reporting with the state auditor be reviewed to ensure that future filings are completed within the prescribed timeline.

Management Response: Fiscal year 2021 was the first year with the new ERP (Enterprise Resources Planning) and it was difficult due to new accounts numbers and just getting familiar with the system. We feel better prepared to file with the State Auditor within the required time frame.

Section III—Findings Required to be Reported in Accordance with the Uniform Guidance:

C. Internal control

No matters were reported.

D. Compliance Findings

No matters were reported.



Oklahoma Highway Safety Office

200 N.E. 21st Street
Oklahoma City, OK 73105
www.ohso.ok.gov

A division of the Oklahoma Department of Public Safety

RE: Applicable FAINs

Pursuant to the Federal Award Identification Number (FAIN) guidance from the National Highway Traffic Safety Administration, dated November 2022, applicable FAINs for this FFY2025 award may include:

Fund Source: 402 – Traffic Safety

69A375233000040200K0
69A375243000040200K0

69A375253000040200K1
69A3752430SUP40200K0

Paul J. Harris
Paul Harris
Director



QUOTE
2088665

applied concepts, inc.

855 E. Collins Blvd
Richardson, TX 75081
Phone: 972-398-3780
Fax: 972-398-3781

National Toll Free: 1-800- STALKER

Page 1 of 1

Date: 05/23/24

Inside Sales Partner:	Brooke Journet +1-469-656-8011 brookej@stalkerradar.com	Reg Sales Mgr:	Stephen Barlag 972-398-3780 stephen@a-concepts.com
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Effective From : 05/02/2024

Valid Through: 07/31/2024

Lead Time: 45 working days

Bill To: City of Broken Arrow PO Box 610 Broken Arrow, OK 74013-0610	Customer ID: 740131 Accounts Payable	Ship To: Broken Arrow Police Department 1700 W Detroit St Broken Arrow, OK 74012-3623	<i>FedEx Ground</i> Sergeant Zack Schatz
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Grp	Qty	Package	Description	Wrnty/Mo	Price	Ext Price
1	2	808-6125-00	Stalker Lidar RLR - w/BT, DL & FTC, 2 Batteries, D	24	\$2,775.00	\$5,550.00
	Ln	Qty	Part Number	Description	Price	Ext Price
	1	2	200-1602-53	Ruggedized RLR Lidar		\$0.00
	2	4	200-1053-10	Lidar RLR Battery Cell, ACI Build		\$0.00
	3	2	200-1092-01	Lidar RLR Dual Bay Battery Charger		\$0.00
	4	2	035-0211-00	Soft Storage Bag		\$0.00
	5	2	011-0002-00	Lidar Certificate of Accuracy		\$0.00
	6	2	011-0231-00	Lidar RLR Quick Start Guide		\$0.00
	7	2	035-0389-00	Lidar Shipping Box w/Foam		\$0.00
	8	2	060-1000-24	24-Month Warranty		\$0.00
Group Total						\$5,550.00

Product	\$5,550.00	Sub-Total:	\$5,550.00
Discount	\$0.00	Sales Tax 0%	\$0.00
Payment Terms: Net 30 days		Shipping & Handling:	\$0.00
		Total: USD	\$5,550.00

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This Quote or Purchase Order is subject in all respects to the Terms and Conditions detailed at the back of this document. These Terms and Conditions contain limitations of liability, waivers of liability even for our own negligence, and indemnification provisions, all of which may affect your rights. Please review these Terms and Conditions carefully before proceeding.



REGULATIONS 303	Page 1 of 3	Effective Date 09.11.19
Subject: Vehicle Maintenance and Operation		
Approved By: Chief Brandon Berryhill	Supersedes REG 303	Previous Date 01.12.16
OACP : OPS.02.04, OPS.02.09, PER.02.04, PER.02.09 CALEA: 17.5.3, 17.5.3, 41.1.3, 41.3.3		

It is the policy of the Broken Arrow Police Department that all personnel shall make proper use of vehicle safety equipment while operating a city-owned or authorized vehicle. Personnel shall drive city vehicles in a safe and prudent manner to ensure the safety of themselves, other motorists, and pedestrians, and to save fuel and maintain operating efficiency.

DEFINITIONS:

Special Purpose Vehicle: Vehicles used for specific tasks not associated with normal uniformed patrol or investigative functions. Vehicles requiring a specific license endorsement are governed by Title 47, Oklahoma Statute.

Examples:

- Mobile Command Post
- Prisoner Transport Van
- SOT Vehicles
- Police Mountain Bicycles
- Motorized all-terrain vehicles
- Trailers and/or non-motorized cargo transport systems

Fleet Manager: Police Department employee who will act as the contact between employees of the department and the City’s Fleet Maintenance Department. Responsible for all matters concerning, assignment, reassignment, and equipment of department vehicles.

PROCEDURE:

A. Employee’s Responsibilities:

1. The assigned vehicle operator is responsible for ensuring that his/her vehicle is operating properly. When a vehicle needs to be repaired (outside of scheduled maintenance) the operator shall:
 - a. Complete a Fleet Maintenance repair request on the “J” Drive (<J:\BAPD Library\2016 E-Forms\000-099 All PD- Administrative>) under Fleet Maintenance Repair Request. Email the request to (VMaint Request) ,the Fleet Maintenance Supervisors, with a ‘Cc’ to the officer’s immediate supervisor.
 - b. The employee is responsible for leaving their unit at the shop for necessary repairs.
 - c. All communications with shop personnel concerning the vehicle will be made through the department’s Fleet Manager.
2. A pool unit shall be used if assigned unit is in for repairs. If pool units are not available, the oldest units will be used first. All vehicles must be returned clean, refueled, and ready for use.
3. Pool units will be parked in the PD parking area at the end of the shift. Pool units will not be taken home unless approved by the Fleet Manager or Watch Commander.

4. Keys for pool units are maintained on the sign-out board in the Sergeants Office. It is the officer's responsibility to complete a fleet maintenance request and shut the unit down if they see anything needing repair on a pool car.
5. All regular maintenance will be scheduled ahead of time.
6. Personnel will not presume any special privilege with city-owned vehicles. Vehicles will not be used for personal trips, except to clean or service a vehicle while off-duty.
7. Vehicles may be used for off-duty employment only when authorized by the Chief or his designee.
8. Off-duty officers operating a fully marked city-owned police vehicle will be properly attired in a Class A, Class B or Training uniform. Business casual attire is appropriate when attending approved college classes.
9. While operating a city-owned police vehicle, officers shall leave their police radio on. Radio communication is restricted to departmental business only.
10. To conserve fuel, personnel should turn off the engine rather than allow the vehicle to idle where possible. Try to avoid long engine warm-ups during the winter months. Vehicles should not be left unattended while the engine is running.
11. Vehicles shall be properly secured while unattended.
12. Department-issued equipment that should be kept in the marked police vehicles:
 - a. Fire extinguisher.
 - b. Personal protective equipment (i.e. gloves, biohazard bags, CPR mask, etc.)
 - c. Bail out bag
 - d. Other issued equipment (i.e. camera, roll-a-tape, hand sanitizer, reflective vest, etc.)
 - e. Patrol division vehicles will also contain:
 - 1) Stop Sticks;
 - 2) Evidence collection material (i.e. bags, sharps containers);
 - 3) Traffic control equipment (i.e. cones, traffic vest); and
 - 4) Crime scene tape.
13. Department-issued weapons and mobile data computers will be removed from the passenger compartment of the vehicles when off-duty. They will either be secured in the trunk of the unit or in the officer's residence.

B. Specialty Vehicle/Orientation:

1. The department possesses numerous special-purpose vehicles that may not require additional endorsements/certifications through the Department of Public Safety. Unit Supervisors are responsible for ensuring all personnel given access to special-purpose vehicles have completed an appropriate orientation/training course for the vehicle being operated. Training courses will be specific to the special-purpose vehicle and must be completed prior to operation.
2. The LEDT Supervisor in coordination with the Unit Supervisor will develop the training curriculum for that specialty vehicle.

REGULATIONS 303	Page 3 of 3	Effective Date 09.11.19
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REGULATIONS:

- A. Only sworn police personnel are permitted to operate a marked city-owned police vehicle. Officers shall not allow unauthorized people to operate their assigned city vehicles.
- B. Police vehicles not equipped with push bars shall not be used to push another vehicle or other movable object for any reason, except in an immediate life-threatening situation.
- C. All persons shall wear a properly adjusted and fastened safety seatbelt system while operating or riding in a department vehicle.
- D. Personnel shall not operate any automobile or truck until first ascertaining that all passengers are wearing a properly adjusted and fastened safety seatbelt system.
- E. When juveniles under eight (8) years of age are transported, they shall be properly secured by means of a child passenger restraint system, available in the jail booking area or squad room.