



# BROKEN ARROW

*Where opportunity lives*

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

**AS OF AND FOR THE FISCAL YEAR ENDED  
JUNE 30, 2024**



**BROKEN ARROW**

*Where opportunity lives*

**FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION**

**JUNE 30, 2024**

**WITH  
INDEPENDENT AUDITOR'S REPORT**

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**City of Broken Arrow, Oklahoma**

**List of Principal Officials  
June 30, 2024**

**City Council**

**Debra Wimpee, Mayor  
Johnnie Parks, Vice-Mayor  
Justin Green  
David Pickel  
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, 2024, 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, 2024, 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.

#### ***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***

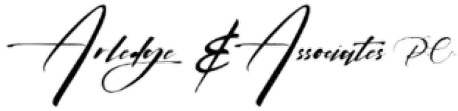
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining schedules and individual nonmajor fund financial statements, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information 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 schedules and individual nonmajor fund financial statements 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 September 29, 2025, 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 the City's internal control over financial reporting and compliance.



Oklahoma City, Oklahoma  
September 29, 2025



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

**June 30, 2024**

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, 2024. Please read it in conjunction with the City's financial statements, which follow this section.

**Financial Highlights**

- At June 30, 2024, the assets and deferred outflows of the City exceeded its liabilities and deferred inflows by \$523,989,928.
- For the fiscal year ended June 30, 2024, the City's total net position increased by \$38,231,773 or 7.3% from the prior year's restated net position.
- During the year, the City's expenses for governmental activities were \$118,928,106 and were funded by program revenues of \$36,009,215, and further funded with taxes and other general revenues that totaled \$122,236,274.
- In the City's business-type activities, such as utilities, total program revenues were less than expenditures by \$3,369,911.
- At June 30, 2024, the General Fund reported a total fund balance of \$35,398,323, as compared to the prior year total fund balance of \$31,164,184.
- For budgetary reporting purposes, the General Fund reported revenues less than final estimates in the amount of \$8,070,411 or 7.8%, while expenditures were more than final appropriations by \$3,509,659 or 3.4%.

**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. 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 \$485,758,155 to \$523,989,928 between fiscal years 2023 and 2024. Looking at the net position of governmental and business-type activities separately, governmental activities increased \$17,814,661 while business-type activities increased \$20,417,112. 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>(Dec.)</u>	<u>Business-Type Activities</u>		<u>% Inc.</u> <u>(Dec.)</u>	<u>Total</u>		<u>% Inc.</u> <u>(Dec.)</u>
	<u>2024</u>	<u>2023</u>		<u>2024</u>	<u>2023</u>		<u>2024</u>	<u>2023</u>	
Current and other assets	\$ 272,444	\$ 241,896	13%	\$ 122,063	\$ 88,021	39%	\$ 394,507	\$ 329,917	20%
Capital assets, net	<u>393,277</u>	<u>384,461</u>	2%	<u>275,687</u>	<u>251,899</u>	9%	<u>668,964</u>	<u>636,360</u>	5%
<b>Total assets</b>	<u>665,721</u>	<u>626,357</u>	6%	<u>397,750</u>	<u>339,920</u>	17%	<u>1,063,471</u>	<u>966,277</u>	10%
Deferred Outflows of Resources	<u>27,409</u>	<u>28,257</u>	-3%	<u>172</u>	<u>67</u>	157%	<u>27,581</u>	<u>28,324</u>	-3%
Current liabilities	21,597	39,422	-45%	12,437	21,648	-43%	34,034	61,070	-44%
Non-current liabilities	<u>292,538</u>	<u>254,486</u>	15%	<u>227,782</u>	<u>181,072</u>	26%	<u>520,320</u>	<u>435,558</u>	19%
<b>Total liabilities</b>	<u>314,135</u>	<u>293,908</u>	7%	<u>240,219</u>	<u>202,720</u>	18%	<u>554,354</u>	<u>496,628</u>	12%
Deferred Inflows of Resources	<u>12,571</u>	<u>12,097</u>	4%	<u>138</u>	<u>118</u>	17%	<u>12,709</u>	<u>12,215</u>	4%
	<u>12,571</u>	<u>12,097</u>	4%	<u>138</u>	<u>118</u>	17%	<u>12,709</u>	<u>12,215</u>	4%
Net position									
Net investment in capital assets	175,934	183,914	-4%	108,685	96,498	13%	284,619	280,412	2%
Restricted	198,186	167,282	18%	2,938	2,938	0%	201,124	170,220	18%
Unrestricted (deficit)	<u>(7,696)</u>	<u>(2,587)</u>	197%	<u>45,943</u>	<u>37,713</u>	22%	<u>38,246</u>	<u>35,126</u>	9%
<b>Total net position</b>	<u>\$ 366,424</u>	<u>\$ 348,609</u>	5%	<u>\$ 157,566</u>	<u>\$ 137,149</u>	15%	<u>\$ 523,989</u>	<u>\$ 485,758</u>	8%

## Changes in net position

For the years ended June 30, 2023 and 2024, 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>(Dec.)</u>	<u>Business-Type Activities</u>		<u>% Inc.</u> <u>(Dec.)</u>	<u>Total</u>		<u>% Inc.</u> <u>(Dec.)</u>
	<u>2024</u>	<u>2023</u>		<u>2024</u>	<u>2023</u>		<u>2024</u>	<u>2023</u>	
<b>Revenues</b>									
<b>Program revenue:</b>									
Charges for service	\$ 22,957	\$18,644	23%	\$ 70,601	\$63,568	11%	\$ 93,558	\$82,212	14%
Operating grants and contributions	11,941	10,355	15%	718	23	3022%	12,659	10,378	22%
Capital grants and contributions	1,111	2,408	-54%	-	3,069	-100%	1,111	5,477	-80%
<b>General Revenue:</b>									
Sales and use taxes	85,449	82,246	4%	-	-	-	85,449	82,246	4%
Property taxes	21,983	20,061	10%	-	-	-	21,983	20,061	10%
Franchise and other taxes	4,734	8,424	-44%	-	-	-	4,734	8,424	-44%
Intergovernmental revenue	3,092	3,502	-12%	-	-	-	3,092	3,502	-12%
Investment income	5,542	5,122	8%	1,707	737	132%	7,249	5,859	24%
Miscellaneous	1,437	1,631	-12%	578	-	-	2,015	1,631	24%
<b>Total Revenues</b>	<u>158,246</u>	<u>152,393</u>	4%	<u>73,604</u>	<u>67,397</u>	9%	<u>231,850</u>	<u>219,790</u>	5%
<b>Program Expenses:</b>									
General government	20,438	17,154	19%	-	-	-	20,438	17,154	19%
Public safety	72,882	68,067	7%	-	-	-	72,882	68,067	7%
Public services	12,175	15,270	-20%	-	-	-	12,175	15,270	-20%
Culture and recreation	6,917	8,152	-15%	-	-	-	6,917	8,152	-15%
Interest on long-term debt	6,516	4,930	32%	-	-	-	6,516	4,930	32%
Water	-	-	-	33,987	27,491	24%	33,987	27,491	24%
Sewer	-	-	-	18,511	17,531	6%	18,511	17,531	6%
Sanitation	-	-	-	9,002	9,561	-6%	9,002	9,561	-6%
Stormwater	-	-	-	6,580	7,607	-14%	6,580	7,607	-14%
Golf	-	-	-	2,109	1,626	30%	2,109	1,626	30%
Economic development	-	-	-	4,501	1,135	297%	4,501	1,135	297%
<b>Total Expenses</b>	<u>118,928</u>	<u>113,573</u>	5%	<u>74,690</u>	<u>64,951</u>	15%	<u>193,618</u>	<u>178,524</u>	8%
Excess before transfers	39,318	38,820	1%	(1,086)	2,446	-144%	38,232	41,266	-7%
Net transfers in (out)	(21,503)	(5,013)	329%	21,503	5,013	329%	-	-	-
<b>Increase in net position</b>	<u>\$ 17,815</u>	<u>\$33,807</u>	-47%	<u>\$ 20,417</u>	<u>\$ 7,459</u>	174%	<u>\$ 38,232</u>	<u>\$41,266</u>	-7%

The City's governmental activities increase in net position of \$17,814,661 represents a 47.30% decrease from the prior year's increase in net position. This decrease was mainly the result of an increase in total transfers of approximately \$16.5 million. The business-type activities increase in net position of \$20,417,112 represents a 173.72% increase from the prior year's increase in net position. This increase was mainly the result of an increase in total expenses of approximately \$9.7 million, an increase in charges for services of approximately \$6.3 million and an increase in transfers of approximately \$16.5 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, 2024, the City's governmental activities were funded as follows:

Governmental Activities Sources	
Sales and Use Taxes	54.00%
Other Taxes	18.84%
Charges for Service	14.51%
Grants	8.25%
Other	4.41%

Governmental Activities Uses	
General government	17.19%
Public safety	61.28%
Public services	10.24%
Culture and recreation	5.82%
Interest on long-term debt	5.48%

For the year ended June 30, 2024, total expenses for governmental activities amounted to \$118,928,106. To fund these activities, taxpayers and other general revenues funded \$122,236,274 while those directly benefiting from the program funded \$13,051,731 from grants and other contributions and \$22,957,484 from charges for services.

Net Revenue (Expense) of Governmental Activities						
	Total Expense of Services		% Inc. (Dec.)	Net Revenue (Expense) of Services		% Inc. (Dec.)
	2024	2023		2024	2023	
General government	\$ 20,437,582	\$ 17,153,765	19%	\$ (10,994,084)	\$ (10,058,831)	9%
Public safety	72,882,369	68,067,278	7%	(50,688,658)	(48,965,818)	4%
Public services	12,174,811	15,270,256	-20%	(8,709,290)	(10,805,512)	-19%
Culture and recreation	6,917,055	8,152,375	-15%	(6,010,570)	(7,406,226)	-19%
Interest on long-term debt	6,516,289	4,929,926	32%	(6,516,289)	(4,929,926)	32%
<b>TOTAL</b>	<b>\$ 118,928,106</b>	<b>\$ 113,573,600</b>	<b>5%</b>	<b>\$ (82,918,891)</b>	<b>\$ (82,166,313)</b>	<b>1%</b>

### **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 \$3,369,911 for the year ended June 30, 2024.
- Water, sewer and stormwater activities reported net revenues of (\$1,723,064), (\$585,878) and \$2,427,241 for the year ended June 30 2024, while sanitation, golf and economic development activities reported net expenses of \$544,676, (\$272,038) and (\$3,760,848), respectively.
- Net revenue (expense) of services for almost all functions changed significantly from prior year. Water decrease in net revenues of 448% was primarily due to an increase in related expenses of \$6,495,603. Sewer decrease in net revenues of 133% was primarily due to an decrease in grants and contributions of \$1,446,512 along with an increase in expenses of \$979,394. Sanitation increase in net revenue of

135% was primarily due to an increase in charges ofr services of \$1,522,356. Stormwater increase in net revenue of 13% was primarily due to an increase in charges for services of \$269,613.

	<b>Total Expense of Services</b>		<b>% Inc. (Dec.)</b>	<b>Net Revenue (Expense) of Services</b>		<b>% Inc. (Dec.)</b>
	<u>2024</u>	<u>2023</u>		<u>2024</u>	<u>2023</u>	
Water	\$ 33,986,550	\$ 27,490,947	24%	\$ (1,723,064)	\$ 495,129	-448%
Sewer	18,510,575	17,531,181	6%	(585,878)	1,780,897	-133%
Sanitation	9,002,549	9,560,684	-6%	544,676	(1,535,815)	-135%
Stormwater	6,580,057	7,606,994	-13%	2,427,241	2,146,911	13%
Golf	2,108,562	1,626,097	30%	(272,038)	(42,899)	534%
Economic Development	4,500,931	1,135,656	296%	(3,760,848)	(1,135,656)	231%
<b>TOTAL</b>	<u>\$ 74,689,224</u>	<u>\$ 64,951,559</u>	15%	<u>\$ (3,369,911)</u>	<u>\$ 1,708,567</u>	-297%

### **A financial analysis of the City's funds**

As the City completed its 2024 fiscal year, the governmental funds reported a combined fund balance of \$239,386,860 or a 16.6% increase from 2023. The combined proprietary funds reported a combined total net position of \$155,006,057 or a 15.7% increase from 2023.

Other fund highlights include:

- For the year ended June 30, 2024, the General Fund's total fund balance increased by \$4,234,141 or 13.6%.
- The Public Safety Sales Tax-Police Fund's total fund balance increased by \$3,549,157 or 17.3%.
- The Public Safety Sales Tax-Fire Fund's total fund balance increased by \$2,833,033 or 29.4%.
- The Sales Tax Capital Improvement Fund's total fund balance decreased by \$2,365,107 or 11.2%.
- The American Relief Fund's total fund balance decreased by \$17,805 or 8.9%.
- The 2018 General Obligation Bond Fund's total fund balance increased by \$24,585,965 or 34.2% due to the proceeds from the issuance of debt exceeding the related capital outlay expenditures during the year.
- The Debt Service Fund's total fund balance increased by \$4,680,237 or 27.9%.

### **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 3.1% or \$3,373,600, due primarily to an increase in budget for "Transfers to other funds" in the amount of \$3,373,600.

## Capital Asset and Debt Administration

### Capital assets

At the end of June 30, 2024, the City had \$668,964,146 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 \$32,603,723 or 5.1% over last year.

Primary Government Capital Assets (Net of accumulated depreciation and amortization)						
	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Land	\$ 39,944,872	\$ 39,215,676	\$ 15,200,896	\$ 8,198,205	\$ 55,145,768	\$ 47,413,881
Buildings	55,507,603	53,274,427	2,270,764	2,181,090	57,778,367	55,455,517
Improvements	37,708,566	39,602,277	119,189,635	105,093,793	156,898,201	144,696,070
Machinery and equipment	23,639,328	23,294,505	11,517,991	10,916,289	35,157,319	34,210,794
Infrastructure	158,643,150	155,023,592	83,714,213	88,975,188	242,357,363	243,998,780
Construction in progress	77,725,144	73,892,607	43,793,251	36,534,430	121,518,395	110,427,037
Subscription assets	108,733	158,344	-	-	108,733	158,344
<b>Totals</b>	<b>\$ 393,277,396</b>	<b>\$ 384,461,428</b>	<b>\$ 275,686,750</b>	<b>\$ 251,898,995</b>	<b>\$ 668,964,146</b>	<b>\$ 636,360,423</b>

This year's more significant capital asset additions included:

- Land Purchase for commercial development \$7,000,000-Governmental
- Fire Station #7 \$3,754,666-Governmental
- Washington& Aspen Intersection -Governmental
- Creekside at Forest Ridge Sewer \$986,204-Proprietary
- Secondary Clarifier-\$1,468,539-Proprietary

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 \$458,059,368 in long-term debt outstanding which represents a \$57,260,757 or 14.3% increase from prior year amount. The City's change in long-term debt by type of debt is as follows:

Primary Government Long-Term Debt							Total Percentage Change
Governmental Activities		Business-Type Activities		Total			
2024	2023	2024	2023	2024	2023		
Accrued compensated absences	\$ 5,539,957	\$ 3,890,226	\$ 942,107	\$ 820,680	\$ 6,482,064	\$ 4,710,906	38%
General obligation bond	214,985,000	192,505,000	-	-	214,985,000	192,505,000	12%
Notes payable	2,358,037	4,192,536	220,022,214	183,886,409	222,380,251	188,078,945	18%
Unamortized premium	3,729,645	4,036,837	5,427,076	5,427,076	9,156,721	9,463,913	-3%
Judgments payable	623,333	38,000	-	-	623,333	38,000	1540%
Automotive and general liability	1,218,000	1,196,000	-	-	1,218,000	1,196,000	2%
Meter deposit liability	-	-	955,807	1,015,233	955,807	1,015,233	-6%
Claims payable	2,197,000	3,630,200	-	-	2,197,000	3,630,200	-39%
Subscription liability	61,192	160,414	-	-	61,192	160,414	-62%
Totals	\$ 230,712,164	\$ 209,649,213	\$ 227,347,204	\$ 191,149,398	\$ 458,059,368	\$ 400,798,611	14%

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 have continued to be strong for the last few years, but they are still a volatile source of revenue. For FY 24 we had budgeted a 1.5% increase in Sales Tax. As of June 2024, the City's sales tax was 1.4% over the prior year and the overall increase in revenue was 9.75%. FY 25 revenue is coming in strong. Sales tax has stabilized but we anticipate an increase going forward due to all the recent development. In the fall of 24 a large grocery store along with other sales tax generating businesses opened in the south end of our city,

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. Development in the south part of the city is growing rapidly and in the fall of FY 24 approved a 12,500-seat amphitheater which will bring a strong tourism presence within the city. It is scheduled to open in the summer of 2026, and we anticipate seeing additional development.

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 six series:

- December 2018 \$12,500,000
- December 2019 \$23,250,000
- December 2020 \$20,000,000
- December 2021 \$20,500,000
- December 2022 \$40,000,000
- December 2023 \$35,000,000

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. During FY 23 the authority updated the study, and the rates change October 1 of every year. Infrastructure for the authority is paid by loans from the Oklahoma Resource Board.

### **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 539-250-4191, extension 2500.

**Broken Arrow  
Statement of Net Position  
June 30, 2024**

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Broken Arrow Home Finance Authority	Broken Arrow Hospital Authority
<b>ASSETS</b>					
<b>Current assets:</b>					
Cash and cash equivalents	\$ 83,148,951	\$ 67,353,405	\$ 150,502,356	\$ 2,786	\$ 10,998
Investments	142,719,644	-	142,719,644	-	-
Taxes receivable	1,739,106	-	1,739,106	-	-
Internal Balances	14,312,028	(14,312,028)	-	-	-
Due from other governments	16,624,747	19,278,533	35,903,280	-	-
Accrued interest receivable	3,522,771	-	3,522,771	-	-
Accounts receivable, net of allowance	2,670,078	10,293,752	12,963,830	-	-
Inventory	-	1,468,585	1,468,585	-	-
Prepaid assets	3,341	39,488	42,829	-	-
Investment in joint venture	-	37,942,324	37,942,324	-	-
Leases receivable	7,765,225	-	7,765,225	-	-
Net pension asset	1,156,028	-	1,156,028	-	-
Capital Assets:					
Non-depreciable	117,670,016	58,994,147	176,664,163	-	-
Depreciable, net of depreciation	275,607,380	216,692,603	492,299,983	-	-
<b>Total assets</b>	<b>666,939,315</b>	<b>397,750,809</b>	<b>1,064,690,124</b>	<b>2,786</b>	<b>10,998</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred outflow related to fair value of hedging derivative	16,912	-	16,912	-	-
Deferred outflow related to refunding of debt	304,885	31,244	336,129	-	-
Deferred outflows related to pension	26,773,359	-	26,773,359	-	-
Deferred outflows related to OPEB	313,900	141,199	455,099	-	-
<b>Total deferred outflow of resources</b>	<b>27,409,056</b>	<b>172,443</b>	<b>27,581,499</b>	<b>-</b>	<b>-</b>
<b>LIABILITIES</b>					
Accounts payable	5,820,637	8,606,456	14,427,093	-	-
Accrued payroll	4,414,638	1,065,758	5,480,396	-	-
Accrued interest payable	1,411,795	2,331,626	3,743,421	-	-
Due to other governments	89,015	8,348	97,363	-	-
Due to bondholders	55,624	-	55,624	-	-
Other payables	-	268,093	268,093	-	-
Amounts held in escrow	518,517	156,659	675,176	-	-
Unearned revenue	9,287,232	-	9,287,232	-	-
Long term liabilities:					
Due within one year	23,799,556	10,816,993	34,616,549	-	-
Due in more than one year	271,300,294	216,965,343	488,265,637	-	-
<b>Total liabilities</b>	<b>316,697,308</b>	<b>240,219,276</b>	<b>556,916,584</b>	<b>-</b>	<b>-</b>
<b>DEFERRED INFLOWS</b>					
Deferred inflows related to pensions	3,098,668	-	3,098,668	-	-
Deferred inflows related to OPEB	314,046	137,990	452,036	-	-
Deferred inflows related to leases	9,158,407	-	9,158,407	-	-
<b>Total deferred inflow of resources</b>	<b>12,571,121</b>	<b>137,990</b>	<b>12,709,111</b>	<b>-</b>	<b>-</b>
<b>NET POSITION</b>					
Net investment in capital assets	175,934,359	108,684,999	284,619,358	-	-
Restricted for:					
Capital projects	115,114,737	-	115,114,737	-	-
Debt service	21,469,742	2,937,840	24,407,582	-	-
Public Safety	36,509,867	-	36,509,867	-	-
Pension	1,156,028	-	1,156,028	-	-
Other purposes	23,935,001	-	23,935,001	-	-
Unrestricted (deficit)	(9,039,792)	45,943,147	36,903,355	2,786	10,998
<b>Total net position</b>	<b>\$ 365,079,942</b>	<b>\$ 157,565,986</b>	<b>\$ 522,645,928</b>	<b>\$ 2,786</b>	<b>\$ 10,998</b>

See accompanying notes to the basic financial statements.

**Broken Arrow**  
**Statement of Activities**  
**For the Year Ended June 30, 2024**

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		
<b>Primary government</b>									
Governmental Activities									
General government	\$ 21,781,582	\$ 9,441,106	\$ 2,392	\$ -	\$ (12,338,084)	\$ -	\$ (12,338,084)	\$ -	\$ -
Public safety	72,882,369	10,919,747	10,856,435	417,529	(50,688,658)	-	(50,688,658)	-	-
Public services	12,174,811	1,690,146	1,081,695	693,680	(8,709,290)	-	(8,709,290)	-	-
Cultural and recreation	6,917,055	906,485	-	-	(6,010,570)	-	(6,010,570)	-	-
Interest on long-term debt	6,516,289	-	-	-	(6,516,289)	-	(6,516,289)	-	-
Total governmental activities	120,272,106	22,957,484	11,940,522	1,111,209	(84,262,891)	-	(84,262,891)	-	-
Business-type activities									
Water	33,986,550	31,544,732	718,754	-	-	(1,723,064)	(1,723,064)	-	-
Sewer	18,510,575	17,924,697	-	-	-	(585,878)	(585,878)	-	-
Sanitation	9,002,549	9,547,225	-	-	-	544,676	544,676	-	-
Stormwater	6,580,057	9,007,298	-	-	-	2,427,241	2,427,241	-	-
Golf	2,108,562	1,836,524	-	-	-	(272,038)	(272,038)	-	-
Economic Development	4,500,931	740,083	-	-	-	(3,760,848)	(3,760,848)	-	-
Total business-type activities	74,689,224	70,600,559	718,754	-	-	(3,369,911)	(3,369,911)	-	-
Total primary government	\$ 194,961,330	\$ 93,558,043	\$ 12,659,276	\$ 1,111,209	(84,262,891)	(3,369,911)	(87,632,802)		
<b>Component Units</b>									
Finance	\$ -	\$ -	\$ -	\$ -				-	-
Health	-	-	-	-				-	-
Total component units	\$ -	\$ -	\$ -	\$ -				-	-
<b>General revenues:</b>									
Taxes:									
Sales and use taxes					85,448,775	-	85,448,775	-	-
Property taxes					21,982,845	-	21,982,845	-	-
Franchise and miscellaneous taxes					4,734,178	-	4,734,178	-	-
Hotel/motel taxes					795,093	-	795,093	-	-
Tobacco taxes					439,527	-	439,527	-	-
E-911 taxes					1,504,047	-	1,504,047	-	-
Intergovernmental revenue not restricted to specific programs					352,716	-	352,716	-	-
Unrestricted investment earnings					5,542,450	1,706,592	7,249,042	-	-
Miscellaneous					1,397,643	-	1,397,643	-	-
Gain (loss) on sale of capital assets					39,000	577,709	616,709	-	-
Transfers					(21,502,722)	21,502,722	-	-	-
Total general revenues and transfers					100,733,552	23,787,023	124,520,575	-	-
Change in net position					16,470,661	20,417,112	36,887,773	-	-
Net position - beginning					348,609,281	137,148,874	485,758,155	2,786	10,998
Net position - ending					\$ 365,079,942	\$ 157,565,986	\$ 522,645,928	\$ 2,786	\$ 10,998

See accompanying notes to the basic financial statements.

**City of Broken Arrow, Oklahoma**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2024**

	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
<b>ASSETS</b>									
Cash and cash equivalents	\$ 1,782,245	\$ 12,308,650	\$ 10,805,742	\$ 12,292,919	\$ 3,952,557	\$ 12,096,595	\$ 5,841,496	\$ 25,596,361	\$ 84,676,565
Investments	10,826,860	13,121,822	3,156,742	5,198,707	5,196,220	85,749,312	15,236,082	4,233,899	142,719,644
Taxes receivable, net	394,149	-	-	-	-	-	1,264,720	80,237	1,739,106
Due from other funds	17,501,198	4,047	-	363,170	-	-	30,389	765	17,899,569
Receivable from other governments	11,198,405	561,461	528,306	2,120,468	-	387,734	61,403	1,766,970	16,624,747
Accrued interest receivable	85,768	273,884	58,008	59,035	119,072	1,423,530	227,118	42,170	2,288,585
Leases receivable	7,765,225	-	-	-	-	-	-	-	7,765,225
Other receivables, net	1,908,482	-	-	-	-	-	-	761,596	2,670,078
Prepaid expenses	3,341	-	-	-	-	-	-	-	3,341
Total assets	<u>\$ 51,465,673</u>	<u>\$ 26,269,864</u>	<u>\$ 14,548,798</u>	<u>\$ 20,034,299</u>	<u>\$ 9,267,849</u>	<u>\$ 99,657,171</u>	<u>\$ 22,661,208</u>	<u>\$ 32,481,998</u>	<u>\$ 276,386,860</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>									
Liabilities:									
Accounts payable	\$ 1,082,684	\$ 278,392	\$ 317,305	\$ 1,011,514	\$ 56,974	\$ 1,892,341	\$ -	\$ 1,181,427	\$ 5,820,637
Accrued payroll	904,482	1,741,098	1,769,058	-	-	-	-	-	4,414,638
Due to other funds	3,517,905	-	-	-	-	-	-	5,909	3,523,814
Due to other governments	89,015	-	-	-	-	-	-	-	89,015
Due to bondholders	55,624	-	-	-	-	-	-	-	55,624
Amounts held in escrow	518,431	-	-	-	-	-	-	86	518,517
Unearned revenue	258,690	-	-	-	9,028,542	-	-	-	9,287,232
Total liabilities	<u>6,426,831</u>	<u>2,019,490</u>	<u>2,086,363</u>	<u>1,011,514</u>	<u>9,085,516</u>	<u>1,892,341</u>	<u>-</u>	<u>1,187,422</u>	<u>23,709,477</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>									
Deferred inflows-leases	9,158,407	-	-	-	-	-	-	-	9,158,407
Unavailable revenue	482,112	202,942	-	199,827	-	1,473,051	1,191,466	786,178	4,335,576
Total deferred inflows of resources	<u>9,640,519</u>	<u>202,942</u>	<u>-</u>	<u>199,827</u>	<u>-</u>	<u>1,473,051</u>	<u>1,191,466</u>	<u>786,178</u>	<u>13,493,983</u>
Fund balances:									
Restricted	-	24,047,432	12,462,435	18,822,958	182,333	96,291,779	21,469,742	25,430,905	198,707,584
Committed	-	-	-	-	-	-	-	5,077,493	5,077,493
Assigned	14,913,066	-	-	-	-	-	-	-	14,913,066
Unassigned	20,485,257	-	-	-	-	-	-	-	20,485,257
Total fund balances	<u>35,398,323</u>	<u>24,047,432</u>	<u>12,462,435</u>	<u>18,822,958</u>	<u>182,333</u>	<u>96,291,779</u>	<u>21,469,742</u>	<u>30,508,398</u>	<u>239,183,400</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 51,465,673</u>	<u>\$ 26,269,864</u>	<u>\$ 14,548,798</u>	<u>\$ 20,034,299</u>	<u>\$ 9,267,849</u>	<u>\$ 99,657,171</u>	<u>\$ 22,661,208</u>	<u>\$ 32,481,998</u>	<u>\$ 276,386,860</u>

See accompanying notes to the basic financial statements.

**City of Broken Arrow, Oklahoma**

**Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position  
June 30, 2024**

Total fund balance, governmental funds \$ 239,183,400

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 393,277,396

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	2,002,853
Court fines receivable	245,876
Street light fee	3,348
Interest receivable	1,441,643
Miscellaneous receivables	641,856
Deferred outflow - derivative fair value	16,912
Deferred outflows related to pensions	26,773,359
Deferred outflow on refunding	304,885
Deferred outflow - OPEB	313,900
	<u>31,744,632</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	<u>1,156,028</u>
	<u>1,156,028</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	(2,044,330)
Stormwater Capital Fund	(515,599)
	<u>(2,559,929)</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

1,032,315

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	(3,729,645)
General obligation bonds payable	(214,985,000)
Notes payable	(2,358,037)
Subscription liabilities	(108,733)
Accrued compensated absences	(5,539,957)
Accrued interest payable	(1,411,795)
Derivative investment liability-interest rate swap	(16,912)
Claims liability	(3,415,000)
Judgments payable	(1,967,333)
Deferred inflows related to OPEB	(314,046)
Total OPEB liability	(1,103,990)
Net pension liability	(60,704,784)
Deferred inflows related to pensions	(3,098,668)
	<u>(298,753,900)</u>

Net Position of Governmental Activities in the Statement of Net Position \$ 365,079,942

See accompanying notes to the basic financial statements.

**City of Broken Arrow, Oklahoma**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the year ended June 30, 2024**

	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
<b>REVENUES</b>									
Sales and use taxes	\$ 64,296,443	\$ 3,022,010	\$ 3,022,010	\$ 10,072,539	\$ -	\$ -	\$ -	\$ 5,035,773	\$ 85,448,775
Property tax	-	-	-	-	-	-	21,880,976	101,869	21,982,845
Franchise and miscellaneous taxes	5,416,323	-	-	-	-	-	-	2,056,522	7,472,845
Intergovernmental	824,534	2,208,719	6,479,031	476,355	1,055,991	387,734	-	1,783,618	13,215,982
Charges for services	15,370,877	-	-	-	-	-	-	3,217,525	18,588,402
Fines and forfeitures	1,559,327	-	-	-	-	-	-	4,875	1,564,202
Licenses and permits	2,457,430	-	-	-	-	-	-	-	2,457,430
Rental income	619,677	-	-	-	-	-	-	-	619,677
Investment income	728,662	586,319	158,028	162,018	238,458	2,625,947	745,155	691,813	5,936,400
Miscellaneous	110,700	9,996	11,093	921	-	-	1,903	1,460,313	1,594,926
Total revenues	<u>91,383,973</u>	<u>5,827,044</u>	<u>9,670,162</u>	<u>10,711,833</u>	<u>1,294,449</u>	<u>3,013,681</u>	<u>22,628,034</u>	<u>14,352,308</u>	<u>158,881,484</u>
<b>EXPENDITURES</b>									
Current:									
General government	16,617,406	-	-	-	-	-	-	470,948	17,088,354
Public safety	-	35,501,675	35,505,680	-	-	-	-	51,036	71,058,391
Public services	3,461,716	-	-	-	-	-	-	519,841	3,981,557
Parks and recreation	6,308,232	-	-	-	-	-	-	-	6,308,232
Debt Service:									
Principal	-	-	-	1,635,000	-	-	12,520,000	-	14,155,000
Interest and other charges	-	-	-	265,488	-	-	6,067,761	-	6,333,249
Bond issuance costs	-	-	-	-	-	143,019	36	-	143,055
Capital Outlay	10,897	1,256,294	37,948	9,176,452	1,052,254	12,584,697	-	7,485,942	31,604,484
Total expenditures	<u>26,398,251</u>	<u>36,757,969</u>	<u>35,543,628</u>	<u>11,076,940</u>	<u>1,052,254</u>	<u>12,727,716</u>	<u>18,587,797</u>	<u>8,527,767</u>	<u>150,672,322</u>
Excess (deficiency) of revenues over expenditures	<u>64,985,722</u>	<u>(30,930,925)</u>	<u>(25,873,466)</u>	<u>(365,107)</u>	<u>242,195</u>	<u>(9,714,035)</u>	<u>4,040,237</u>	<u>5,824,541</u>	<u>8,209,162</u>
<b>OTHER FINANCING SOURCES (USES)</b>									
Proceeds from long-term debt	-	-	-	-	-	35,000,000	-	-	35,000,000
Bond premium	-	-	-	-	-	-	700,000	-	700,000
Transfers in	21,505,297	34,480,082	28,706,499	-	-	-	-	-	84,691,878
Transfers out	(82,256,878)	-	-	(2,000,000)	(260,000)	(700,000)	(60,000)	(9,275,000)	(94,551,878)
Total other financing sources and uses	<u>(60,751,581)</u>	<u>34,480,082</u>	<u>28,706,499</u>	<u>(2,000,000)</u>	<u>(260,000)</u>	<u>34,300,000</u>	<u>640,000</u>	<u>(9,275,000)</u>	<u>25,840,000</u>
Net change in fund balances	<u>4,234,141</u>	<u>3,549,157</u>	<u>2,833,033</u>	<u>(2,365,107)</u>	<u>(17,805)</u>	<u>24,585,965</u>	<u>4,680,237</u>	<u>(3,450,459)</u>	<u>34,049,162</u>
Fund balances - beginning	31,164,184	20,498,275	9,629,402	21,188,065	200,138	71,705,814	16,789,505	33,958,857	205,134,240
Fund balances - ending	<u>\$ 35,398,325</u>	<u>\$ 24,047,432</u>	<u>\$ 12,462,435</u>	<u>\$ 18,822,958</u>	<u>\$ 182,333</u>	<u>\$ 96,291,779</u>	<u>\$ 21,469,742</u>	<u>\$ 30,508,398</u>	<u>\$ 239,183,402</u>

See accompanying notes to the basic financial statements.

**City of Broken Arrow, Oklahoma**  
**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, 2024**

Net change in fund balances - total governmental funds: \$ 34,049,162

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	25,342,456
Gain on capital assets disposed	39,000
Depreciation expense	(15,639,643)
Amortization expense-subscriptions	(49,611)
	<u>9,692,202</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	12,520,000
Bond proceeds	(35,000,000)
Premium on bonds	(700,000)
Amortization of premium on bonds	307,192
Issuance of judgments	(1,942,000)
Subscription liability principal payments	49,611
Principal paid on judgments	38,000
Notes payable principal payment	1,635,000
	<u>(23,092,197)</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	(1,951,453)
Changes in deferred outflow - fair value derivative	(34,109)
Changes in deferred outflows related to OPEB	302,003
Changes in deferred outflows related to pensions	(1,073,257)
	<u>(2,756,816)</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>(96,250)</u>
-------------------------------	-----------------

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	(183,040)
Accrued compensated absences change	(1,649,731)
Change in derivative investment liability- interest rate swap	34,109
Changes in deferred inflows related to OPEB	(9,223)
Total OPEB liability change	(323,340)
Change in net pension liability	2,074,037
Change in deferred inflows related to pensions	(952,815)
Change in deferred outflow on refunding	(42,927)
Change in claims liability	(2,219,000)
	<u>(3,271,930)</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	(201,624)
Change in Stormwater Capital Fund	762,761
	<u>561,137</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>1,385,353</u>
---	------------------

Change in net position of governmental activities	<u>\$ 16,470,661</u>
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See accompanying notes to the basic financial statements.



**Broken Arrow  
Statement of Net Position  
Proprietary Funds  
June 30, 2024**

	<b>Enterprise Funds</b>				
	<b>Broken Arrow Municipal Authority</b>	<b>Broken Arrow Economic Development Authority</b>	<b>Battle Creek Golf Course</b>	<b>Total</b>	<b>Internal Service Funds</b>
<b>ASSETS</b>					
Current assets:					
Cash and cash equivalents	\$ (10,824,145)	\$ 1,142,551	\$ 140,509	\$ (9,541,085)	\$ 4,036,604
Restricted cash and cash equivalents	46,200,920	26,031,175	-	72,232,095	-
Accounts receivable, net	10,197,044	-	-	10,197,044	-
Due from other funds	4,047,753	-	-	4,047,753	-
Due from other governments	19,278,533	-	-	19,278,533	-
Interest receivable	-	-	-	-	-
Other receivable	-	-	31,119	31,119	435,759
Inventories	1,373,533	-	95,052	1,468,585	-
Prepaid assets	20,500	-	18,988	39,488	-
Total current assets	70,294,138	27,173,726	285,668	97,753,532	4,472,363
Noncurrent assets:					
Restricted cash and cash equivalents	1,602,466	500,000	-	2,102,466	-
Investment in joint venture	37,942,324	-	-	37,942,324	-
Capital assets:					
Land and other nondepreciable assets	42,628,690	16,135,780	229,677	58,994,147	-
Other capital assets, net of accumulated depreciation	207,806,042	4,979,042	3,907,519	216,692,603	-
Total noncurrent assets	289,979,522	21,614,822	4,137,196	315,731,540	-
Total assets	360,273,660	48,788,548	4,422,864	413,485,072	4,472,363
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred charge on refunding	31,244	-	-	31,244	-
Deferred amounts related to OPEB	141,199	-	-	141,199	-
Total deferred outflows of resources	172,443	-	-	172,443	-
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable	6,395,005	1,454,900	756,551	8,606,456	25,048
Accrued payroll payable	1,065,758	-	-	1,065,758	-
Accrued interest payable	2,032,241	299,385	-	2,331,626	-
Due to other funds	17,501,198	30,389	762,605	18,294,192	-
Other accrued expenses	181,939	-	86,154	268,093	-
Amounts held in escrow	156,659	-	-	156,659	-
Due to other governments	-	-	8,348	8,348	-
Compensated absences	729,842	-	-	729,842	-
Claims liability	-	-	-	-	1,138,000
Meter deposit liability	203,047	-	-	203,047	-
Bonds, notes and loans payable, net	8,049,104	1,835,000	-	9,884,104	-
Capital lease obligation	-	-	-	-	-
Total current liabilities	36,314,793	3,619,674	1,613,658	41,548,125	1,163,048
Non-current liabilities:					
Compensated absences	212,265	-	-	212,265	-
Claims liability	-	-	-	-	2,277,000
Meter deposit liability	752,760	-	-	752,760	-
Bonds, notes and loans payable	174,200,186	41,365,000	-	215,565,186	-
Capital lease obligation	-	-	-	-	-
Total OPEB liability	435,132	-	-	435,132	-
Total non-current liabilities	175,600,343	41,365,000	-	216,965,343	2,277,000
Total liabilities	211,915,136	44,984,674	1,613,658	258,513,468	3,440,048
<b>DEFERRED INFLOW OF RESOURCES</b>					
Accumulated increase in fair value of hedging derivatives	-	-	-	-	-
Deferred amounts related to pensions	137,990	-	-	137,990	-
Total deferred inflow of resources	137,990	-	-	137,990	-
<b>NET POSITION</b>					
Net investment in capital assets	68,185,442	21,614,822	4,209,884	94,010,148	-
Restricted for debt service	20,386,023	-	-	20,386,023	-
Unrestricted (deficit)	59,821,512	(17,810,948)	(1,400,678)	40,609,886	1,032,315
Total net position	\$ 148,392,977	\$ 3,803,874	\$ 2,809,206	\$ 155,006,057	\$ 1,032,315

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.

2,559,929

Total net position per Government-Wide financial statements

\$ 157,565,986

See accompanying notes to the basic financial statements.

**Broken Arrow**  
**Statement of Revenues, Expenses and Changes in Fund Net Position**  
**Proprietary Funds**  
**For the Year Ended June 30, 2024**

	<b>Enterprise Funds</b>				
	<b>Broken Arrow Municipal Authority</b>	<b>Broken Arrow Economic Development Authority</b>	<b>Battle Creek Golf Course</b>	<b>Total</b>	<b>Internal Service Funds</b>
<b>OPERATING REVENUES</b>					
Water charges	\$ 30,347,459	\$ -	\$ -	\$ 30,347,459	\$ -
Sewer charges	17,924,697	-	-	17,924,697	-
Sanitation charges	9,547,225	-	-	9,547,225	-
Stormwater fees	9,007,298	-	-	9,007,298	-
Fees and fines	1,136,027	-	-	1,136,027	-
Golf	-	-	1,836,524	1,836,524	-
Miscellaneous	551,610	740,083	-	1,291,693	-
Self insurance charges	-	-	-	-	13,639,119
Total operating revenues	68,514,316	740,083	1,836,524	71,090,923	13,639,119
<b>OPERATING EXPENSES</b>					
General government	1,565,534	2,698,193	-	4,263,727	-
Finance and administration	2,665,140	-	-	2,665,140	-
Engineering and construction	3,931,868	-	-	3,931,868	-
Water distribution	14,058,750	-	-	14,058,750	-
Sanitary sewer system	8,177,529	-	-	8,177,529	-
Sanitation services	8,586,005	-	-	8,586,005	-
Support services	3,717,770	-	-	3,717,770	-
Stormwater	4,077,062	-	-	4,077,062	-
Geographic information system	795,387	-	-	795,387	-
Claims expense	-	-	-	-	12,318,648
Golf	-	-	2,108,562	2,108,562	-
Bond issuance costs	154,170	521,475	-	675,645	-
Depreciation	14,214,013	11,835	72,689	14,298,537	-
Total operating expenses	61,943,228	3,231,503	2,181,251	67,355,982	12,318,648
Operating income (loss)	6,571,088	(2,491,420)	(344,727)	3,734,941	1,320,471
<b>NON-OPERATING REVENUES (EXPENSES)</b>					
Interest and investment revenue	1,479,285	260,645	771	1,740,701	15,191
Miscellaneous revenue	-	-	-	-	49,691
Gain on disposal of capital assets	825	576,884	-	577,709	-
Operating grant	718,754	-	-	718,754	-
Interest expense and fiscal charges	(6,020,157)	(1,269,428)	(6,993)	(7,296,578)	-
Total non-operating revenue (expenses)	(3,821,293)	(431,899)	(6,222)	(4,259,414)	64,882
Income (loss) before contributions and transfers	2,749,795	(2,923,319)	(350,949)	(524,473)	1,385,353
Capital contributions	11,642,722	-	-	11,642,722	-
Transfers in	20,170,297	10,460,000	-	30,630,297	-
Transfers out	(20,770,297)	-	-	(20,770,297)	-
Change in net position	13,792,517	7,536,681	(350,949)	20,978,249	1,385,353
Total net position - beginning	134,600,460	(3,732,807)	3,160,155	134,027,808	(353,038)
Total net position - ending	\$ 148,392,977	\$ 3,803,874	\$ 2,809,206	\$ 155,006,057	\$ 1,032,315

Change in net position, per above

20,978,249

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.

(561,137)

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

\$ 20,417,112

See accompanying notes to the basic financial statements.

**Broken Arrow  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended June 30, 2024**

	<b>Enterprise Funds</b>				
	<b>Broken Arrow Municipal Authority</b>	<b>Broken Arrow Economic Development Authority</b>	<b>Battle Creek Golf Course</b>	<b>Total Enterprise Funds</b>	<b>Internal Service Funds</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from customers	\$ 69,093,091	\$ 743,083	\$ 1,805,405	\$ 71,641,579	\$ 13,544,290
Payments to suppliers	(27,886,074)	(3,731,614)	(2,097,391)	(33,715,079)	-
Payments to employees	(20,918,710)	-	-	(20,918,710)	-
Receipts of customer meter deposits	378,911	-	-	378,911	-
Payment of customer meter deposits	(438,337)	-	-	(438,337)	-
Claims paid	-	-	-	-	(12,534,739)
Interfund receipts	3,184,058	-	297,581	3,481,639	-
Net cash provided by (used in) operating activities	23,412,939	(2,988,531)	5,595	20,430,003	1,009,551
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Transfers from other funds	20,170,297	10,460,000	-	30,630,297	-
Transfer to other funds	(20,770,297)	-	-	(20,770,297)	-
Net cash provided by (used in) noncapital financing activities	(600,000)	10,460,000	-	9,860,000	-
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Purchase of capital assets	(14,400,125)	(9,659,169)	-	(24,059,294)	-
Proceeds from issuance of debt	25,056,484	25,365,000	-	50,421,484	-
Note issuance costs	-	521,475	-	521,475	-
Proceeds from sale of capital assets	3,700	-	-	3,700	-
Principal paid on capital debt	(11,085,299)	(1,760,000)	-	(12,845,299)	-
Interest paid on capital debt	(6,020,157)	(1,327,792)	(6,994)	(7,354,943)	-
Net cash provided by (used in) capital and related financing activities	(6,445,397)	13,139,514	(6,994)	6,687,123	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
(Increase) decrease in investment in joint venture	148,757	-	-	148,757	-
Interest and dividends	759,095	260,645	771	1,020,511	15,191
Net cash provided by investing activities	907,852	260,645	771	1,169,268	15,191
Net Increase (decrease) in cash and cash equivalents	17,275,394	20,871,628	(628)	38,146,394	1,024,742
Balances-beginning of year	19,703,847	6,802,098	141,137	26,647,082	3,011,862
Balances-end of year	\$ 36,979,241	\$ 27,673,726	\$ 140,509	\$ 64,793,476	\$ 4,036,604
<b>Reconciliation to Combining Statement of Net Position:</b>					
Cash and cash equivalents	\$ (10,824,145)	\$ 1,142,551	\$ 140,509	\$ (9,541,085)	\$ 4,036,604
Restricted cash and cash equivalents-current	46,200,920	26,031,175	-	72,232,095	-
Restricted cash and cash equivalents-noncurrent	1,602,466	500,000	-	2,102,466	-
<b>Total cash and cash equivalents, end of year</b>	<b>\$ 36,979,241</b>	<b>\$ 27,673,726</b>	<b>\$ 140,509</b>	<b>\$ 64,793,476</b>	<b>\$ 4,036,604</b>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:</b>					
Operating income (loss)	\$ 6,571,088	\$ (2,491,420)	\$ (344,727)	\$ 3,734,941	\$ 1,320,471
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation expense	14,214,013	11,835	72,689	14,298,537	-
Miscellaneous non-operating revenue (expense)	-	-	-	-	49,691
Operating grant	718,754	-	-	718,754	-
Change in assets, liabilities and deferrals:					
Receivables, net	(117,895)	-	-	(117,895)	-
Due from other funds	(154,081)	-	-	(154,081)	-
Due from other governments	(41,094)	-	-	(41,094)	-
Other receivable	-	3,000	(31,119)	(28,119)	(144,520)
Inventories	(92,766)	-	(10,396)	(103,162)	-
Prepaid assets	-	-	(1,179)	(1,179)	-
Deferred amounts related to OPEB	(85,522)	-	-	(85,522)	-
Accounts payables	(1,270,762)	(511,946)	22,746	(1,759,962)	(891)
Accrued payroll	97,518	-	-	97,518	-
Due to other funds	3,338,139	-	297,581	3,635,720	-
Other payables	-	-	-	-	-
Amounts held in escrow	19,010	-	-	19,010	-
Due to other governments	-	-	-	-	-
Accrued compensated absences	157,970	-	-	157,970	-
Customer meter deposits payable	(59,426)	-	-	(59,426)	-
Claims and judgments	-	-	-	-	(215,200)
Total OPEB liability	117,993	-	-	117,993	-
<b>Net cash provided by (used in) operating activities</b>	<b>\$ 23,412,939</b>	<b>\$ (2,988,531)</b>	<b>\$ 5,595</b>	<b>\$ 20,430,003</b>	<b>\$ 1,009,551</b>
<b>Non-cash Activities:</b>					
Capital assets contributed	\$ 11,642,722	\$ -	\$ -	\$ 11,642,722	\$ -
Forgiveness of debt	-	-	-	-	-
<b>Total Non-cash Activities</b>	<b>\$ 11,642,722</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 11,642,722</b>	<b>\$ -</b>

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, 2024**

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**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 into 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 two-thirds approval of the City Council.	Enterprise Fund

**CITY OF BROKEN ARROW, OKLAHOMA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**Year Ending June 30, 2024**

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 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

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 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 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.

Related organizations

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

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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, 2024, 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**  
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*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 does not meet 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 (Major 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 (Major Fund)	Accounts for revenues generated by a 0.15% sales tax to be used strictly for police expenditures.
Public Safety Sales Tax-Fire (Major Fund)	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**  
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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	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.
Opioid Settlement Fund	Accounts for funds received from settlement of opioid crisis in Oklahoma to be used for specific purposes approved by council and the settlement agreements.
PSO 1% Franchise Fee Fund	Accounts for additional 1% PSO franchise fee to be used for economic development.

*Debt Service Fund (Major 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:

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Fund	Brief Description
Sales Tax Capital Improvement (Major Fund)	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.
American Relief Fund (Major 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.
2018 General Obligation Bond Fund (Major 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.
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.
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.

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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:

*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 workers' 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.

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***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 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 leases are reported as other financial sources.

**CITY OF BROKEN ARROW, OKLAHOMA**  
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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.

*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 sixteen 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.

Deferred inflow of resources 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 \$656,800.

*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.

*SBITAs*

**CITY OF BROKEN ARROW, OKLAHOMA**  
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Implementation of New Accounting Guidance – On June 15, 2022, the Governmental Accounting Standards Board (GASB) issued Statement No. 96, "Subscription-Based Information Technology Arrangements" (SBITAs), which establishes accounting and financial reporting standards for subscription-based information technology arrangements. The new standard establishes a subscription-based asset and related liability on the statement of financial position for all applicable information technology arrangements. The accounting standard went into effect for reporting periods beginning after June 15, 2022. This City has implemented and adopted GASB Statement No. 96. See Note 3 relating to the adoption of the new SBITA standard.

*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. Subscription based information technology arrangements are valued at the present value of future payments plus capitalizable implementation costs. SBITA assets are amortized over the shorter of useful life or the term of the associated contract.

*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 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*

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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 debts 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.

***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:

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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.

***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.



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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.

*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, 2024, the City's net assessed valuation of taxable property was \$1,123,417,196. The taxes levied by the City per \$1,000 of net assessed valuation for the year ended June 30, 2024, was \$16.61.

*Program revenues*

**CITY OF BROKEN ARROW, OKLAHOMA**  
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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.

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:

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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 limitations, 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-mentioned investment limitations and are primarily governed by any restrictions in their trust or bond indenture.

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 2024, the City issued General Obligation Bonds Series 2023 in the amount of \$35,000,000, 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, 2024.

Requirement	Level of Compliance
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**CITY OF BROKEN ARROW, OKLAHOMA**  
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a. Flow of Funds:

OWRB Loans:

- 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:

- Account balance on the 2015 OWRB note payable should equal \$849,706.
- Account balance on the 2019 BAEDA note payable should equal \$500,000.

Account balance at June 30, 2024, for the 2015 OWRB note payable is \$849,706.

Account balance at June 30, 2024, for the 2019 BAEDA note payable is \$500,000.

c. Revenue Bond Coverage:

OWRB Loans and Sales Tax Revenue Note:

- Net revenues of the Authority plus 125% of maximum annual debt service of all obligations on a parity with the OWRB 2004, 2007, 2012, 2015, 2016 A&B, 2017 A&B, 2018, 2019 A&B, 2020 A,B&C, 2021, 2023 notes and 2019, 2021 and 2023 Sales Tax Revenue Notes.

Maximum annual debt service on all parity debt is \$12,975,165. Coverage is 315%.

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, 2024.

Workers Compensation internal service fund has a net position deficit of \$383,786 primarily due to actuarially determined unfunded liabilities. It is the City's intent to fund the liabilities as soon as economically feasible.

**CITY OF BROKEN ARROW, OKLAHOMA**  
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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, 2024, the City complied in all material respects with the applicable budget laws relating to expenditures and appropriations at the legal level of control.

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

**CITY OF BROKEN ARROW, OKLAHOMA**  
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**Year Ending June 30, 2024**

Deposits

As of June 30, 2024, the City held the following deposits and investments:

			Maturities in Years			
Primary Government:			Carrying Value	On Demand	Less than One	1-5
Deposits:						
Cash on hand			\$ 4,163	\$ 4,163	\$ -	\$ -
Demand deposits			150,515,231	150,515,231	-	-
Time deposits - certificate of deposits			44,711,871	-	44,711,871	-
	Credit Rating	Fair Value Categories				
Investments:						
United States Treasury Notes/Bills	AAA	Level I	97,384,705	-	97,384,705	-
Judgments	N/A	N/A	636,000	-	636,000	-
<b>Total deposits and investments</b>			<b>\$ 293,251,970</b>	<b>\$ 177,076,292</b>	<b>\$ 142,732,576</b>	<b>\$ -</b>
<b>Reconciliation to Statement of Net Position:</b>						
Cash and cash equivalents			\$ 150,518,542			
Investments			142,719,644			
			<b>\$ 293,238,186</b>			
<b>Component Units:</b>						
Broken Arrow Home Finance Authority			\$ 2,786			
Broken Arrow Hospital Authority			10,998			
			<b>\$ 13,784</b>			

*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 SOFR plus 100 basis points not to exceed 6.2975%. The counterparty to the swap agreement owes the City interest if the SOFR rate exceeds 6.2975%. The counterparty has not made any payments to the City since the SOFR 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 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, 2024 is \$2,080,000.

**CITY OF BROKEN ARROW, OKLAHOMA**  
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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>
2025	< 6.2975%	(8,610)
2026	< 6.2975%	(8,302)
Total		<u>\$ (16,912)</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 includes 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	\$ -	\$ 11,354,066
Accounts receivable-ambulance	3,968,048	-
Accounts receivable-court	2,684,248	-
Accounts receivable-other	1,387,180	-
Less: allowance for uncollectible accounts	<u>(5,369,398)</u>	<u>(1,060,314)</u>
Other receivables, net of allowance	<u>\$ 2,670,078</u>	<u>\$ 10,293,752</u>

**CITY OF BROKEN ARROW, OKLAHOMA**  
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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 \$656,780. Lease receivable balances at June 30, 2024, were as follows:

	Governmental Activities
Tower Holdings	\$ 328,945
New Cingular	60,448
SW Bell AT&T	374,595
Sprint	70,278
T-Mobile Elm	575,798
T-Mobile Tiger Hill	544,435
T-Mobile	155,240
Bass Pro	348,436
Sprint	222,108
American Tower	511,544
Verizon Lion's Park	509,317
Verizon Rhema Park	632,326
Verizon Elm & Albany	444,489
Tower Holdings	327,121
Verizon Kenosha	33,164
US Cellular	2,626,981
Total Lease Receivable-Governmental	<u>\$ 7,765,225</u>

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, 2024, were as follows:

Type of Restricted Assets	Current Cash and Cash Equivalents	Noncurrent Cash and Cash Equivalents	Total
<b>BAMA</b>			
Revenue bond and note trustee accounts	\$ 45,997,873	\$ 849,706	\$ 46,847,579
Meter deposits	203,047	752,760	955,807
Total BAMA	<u>\$ 46,200,920</u>	<u>\$ 1,602,466</u>	<u>\$ 47,803,386</u>
<b>BAEDA</b>			
Revenue bond and note trustee accounts	\$ 26,031,175	\$ 500,000	\$ 26,531,175
Total BAEDA	<u>\$ 26,031,175</u>	<u>\$ 500,000</u>	<u>\$ 26,531,175</u>



**CITY OF BROKEN ARROW, OKLAHOMA**  
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Capital assets

Capital asset activity for the fiscal year ended June 30, 2024, was as follows:

	Balance at June 30, 2023	Additions	Deductions	Balance at June 30, 2024
Governmental activities:				
Nondepreciable capital assets:				
Land	\$ 39,215,676	\$ 729,196	\$ -	\$ 39,944,872
Construction-in-progress	73,892,607	17,938,429	(14,105,892)	77,725,144
Total nondepreciable assets at historical cost	113,108,283	18,667,625	(14,105,892)	117,670,016
Depreciable capital assets:				
Buildings	76,405,859	4,150,415	-	80,556,274
Improvements	63,390,492	705,464	-	64,095,956
Machinery and equipment	60,846,303	5,313,711	(230,636)	65,929,378
Infrastructure	273,889,437	9,773,899	-	283,663,336
Total depreciable assets at historical cost	474,542,091	19,943,489	(230,636)	494,244,944
Less accumulated depreciation:				
Buildings	(23,131,432)	(1,917,239)	-	(25,048,671)
Improvements	(23,778,215)	(2,609,175)	-	(26,387,390)
Machinery and equipment	(37,551,798)	(4,968,888)	230,636	(42,290,050)
Infrastructure	(118,875,845)	(6,144,341)	-	(125,020,186)
Total accumulated depreciation	(203,347,290)	(15,639,643)	230,636	(218,746,297)
Intangible assets:				
Subscription assets	211,126	-	-	211,126
Total intangible assets being amortized	211,126	-	-	211,126
Less accumulated amortization:				
Subscription assets	(52,782)	(49,611)	-	(102,393)
Total accumulated amortization	(52,782)	(49,611)	-	(102,393)
Total assets, net	271,353,145	4,254,235	-	275,607,380
Governmental activities assets, net	\$ 384,461,428	\$ 22,921,860	\$ (14,105,892)	\$ 393,277,396

Capital assets – (continued)

**CITY OF BROKEN ARROW, OKLAHOMA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
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	Balance at June 30, 2023	Additions	Deductions	Balance at June 30, 2024
Business-type activities:				
Nondepreciable:				
Land	\$ 8,198,205	\$ 7,002,691	\$ -	\$ 15,200,896
Construction-in-progress	36,534,430	11,424,088	(4,165,267)	43,793,251
Total nondepreciable assets at historical cost	44,732,635	18,426,779	(4,165,267)	58,994,147
Depreciable:				
Buildings	7,472,999	256,546	-	7,729,545
Improvements	272,446,273	19,917,974	-	292,364,247
Machinery and equipment	29,180,349	3,664,585	(32,202)	32,812,732
Infrastructure – drainage	123,643,165	-	-	123,643,165
Total depreciable assets at historical cost	432,742,786	23,839,105	(32,202)	456,549,689
Less accumulated depreciation:				
Buildings	(5,291,909)	(166,872)	-	(5,458,781)
Improvements	(167,352,480)	(5,822,132)	-	(173,174,612)
Machinery and equipment	(18,264,060)	(3,047,906)	17,225	(21,294,741)
Infrastructure – drainage	(34,667,977)	(5,260,975)	-	(39,928,952)
Total accumulated depreciation	(225,576,426)	(14,297,885)	17,225	(239,857,086)
Net depreciable assets	207,166,360	9,541,220	(14,977)	216,692,603
Business-type capital assets, net	\$ 251,898,995	\$ 27,967,999	\$ (4,180,244)	\$ 275,686,750

Depreciation and amortization expense was charged to function in the statement of activities as follows:

Depreciation expense charged to governmental activities:	
General government	\$ 3,656,420
Public safety	3,181,146
Public services	8,193,254
Culture and recreation	608,823
Total government activities depreciation expense	<u>\$ 15,639,643</u>
Amortization expense charged to governmental activities:	
General government	\$ 49,611
Total government activities amortization expense	<u>\$ 49,611</u>

**CITY OF BROKEN ARROW, OKLAHOMA**  
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Depreciation expense charged to business-type activities:

Water	\$ 9,176,464
Sewer	2,117,358
Sanitation	416,544
Stormwater management	2,502,995
Economic development	11,835
Golf	72,689
Total business-type activities depreciation expense	<u>\$ 14,297,885</u>

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, 2024, the "investment in joint venture" balance changed as follows:

Beginning investment in joint venture	\$ 38,091,081
Current year change	<u>(148,757)</u>
Ending investment in joint venture	<u>\$ 37,942,324</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, 2024, 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%	\$5,700,00
\$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%	3,275,000
\$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%	6,785,000
\$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%	375,000
\$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%	7,340,000

**CITY OF BROKEN ARROW, OKLAHOMA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
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\$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%	4,210,000
\$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%	12,810,000
\$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%	13,830,000
\$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%	8,580,000
\$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%	9,080,000
\$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%	19,590,000
\$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)	645,000
\$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)	3,965,000
\$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)	6,935,000
\$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%	17,000,000
\$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%	500,000
\$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%	18,475,000
\$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%	890,000
\$40,000,000 General Obligation Bonds Series 2022, due in annual installments of \$2,105,000, final installment of \$2,110,000 due September 1, 2042, with interest rates at 2.50% to 4.00%	40,000,000

**CITY OF BROKEN ARROW, OKLAHOMA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
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\$35,000,000 General Obligation Bonds Series 2023B, due in annual installments varying between \$1,922,300 and \$3,332,200, final installment of \$1,922,300 due November 1, 2043, with interest rates at 4.00% 35,000,000

Total general obligation bonds	\$ 214,985,000
Unamortized premium on bonds	3,729,645
Total general obligations bonds	<u>\$ 218,714,645</u>
Current portion	\$ 13,935,000
Noncurrent portion	<u>201,050,000</u>
Total general obligations bonds	<u>\$ 214,985,000</u>

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. \$0

\$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. 2,358,037

Total Notes payable	<u>\$ 2,358,037</u>
Current portion	\$ 1,638,037
Noncurrent portion	<u>720,000</u>
Total notes payable	<u>\$ 2,358,037</u>

Accrued compensated absences

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

Current portion	\$ 3,693,305
Noncurrent portion	1,846,652
Total accrued compensated absences	<u>\$ 5,539,957</u>

Judgments payable

\$38,000 judgment in favor of Jimmy Bailey, held by sinking fund, final maturity March 2026, with interest at 7.00%	\$ 25,333
\$12,500 judgment in favor of Thomas H. Bryan, held by sinking fund, final maturity March 2026, with interest at 10.50%	12,500
\$45,000 judgment in favor of Sigfredo Hernandez, held by sinking fund, final maturity March 2026, with interest at 10.50%	45,000
\$45,000 judgment in favor of Kari Cecil, held by sinking fund, final maturity March 2026, with interest at 10.50%	45,000
\$230,500 judgment in favor of Jack Beighle, held by sinking fund, final maturity March 2026, with interest at 10.50%	230,500
\$265,000 judgment in favor of Hoey Construction, held by sinking fund, final maturity March 2026, with interest at 10.50%	<u>265,000</u>
Total judgments payable	<u>\$ 623,333</u>
Current portion	\$ 212,000
Noncurrent portion	<u>411,333</u>
Total judgments payable	<u>\$ 623,333</u>

Other claims payable

Actuarial determined automotive and general liability payable, funded by General Fund  
resources, reported in the governmental activities at June 30, 2024

Current portion	\$ 492,000
Noncurrent portion	<u>725,000</u>
Total automotive and general insurance liabilities	<u>\$ 1,217,000</u>

Claims payable

Actuarial determined workers compensation and health claims, funded by General Fund  
resources, reported in the governmental activities at June 30, 2024

Current portion	\$ 2,125,000
Noncurrent portion	<u>1,290,200</u>
Total claims payable	<u>\$ 3,415,000</u>

**CITY OF BROKEN ARROW, OKLAHOMA**  
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Total OPEB liability

Current portion	\$ -
Noncurrent portion	1,103,990
Total other post-employment benefit obligation	<u>\$ 1,103,990</u>

Subscription liability

The City has entered into subscription-based information technology arrangements involving software related to public safety for a term of 4 years. There were no variable payments made during FY 22-23 related to the arrangements.

Current portion	\$ 53,398
Noncurrent portion	7,794
Total subscription liability	<u>\$ 61,192</u>

***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, 2024, was 315%.

As of June 30, 2024, 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	\$78,935
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	4,300,599
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	8,045,000

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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	4,222,543
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	5,800,000
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	17,235,000
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	435,404
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	19,470,000
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	4,130,298



**CITY OF BROKEN ARROW, OKLAHOMA**  
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**Year Ending June 30, 2024**

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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	10,495,377
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	24,995,000
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	7,440,000
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	17,336,408
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	3,870,000
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.	1,300,000
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.	626,866
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	9,346,302
2023 Clean Water SRF Promissory Note payable to Oklahoma Water Resources Board, original amount \$18,805,000 dated September 23, 2023, by Broken Arrow Municipal Authority, providing for engineering, design, and construction of various sewer projects, secured by utilities and pledged sales tax, interest rate at 2.92%, final maturity September 2054	939,171

**CITY OF BROKEN ARROW, OKLAHOMA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
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2023A Utility System & Sales Tax Revenue Note Tax-Exempt Series payable to BOK Financial, original amount \$21,497,000 dated January 3, 2023, by Broken Arrow Municipal Authority, providing for the refunding of the 2021A Utility System & Sales Tax Revenue Note, secured by utilities and pledged sales tax, interest rate at 2.03%, final maturity March 2034

18,997,000

Total Notes Payable

\$ 181,683,903

Unamortized premium on notes payable

5,198,827

Total Notes Payable

\$ 186,882,730

Current portion

\$ 7,346,019

Noncurrent portion

179,764,960

Total Notes Payable

186,882,730

Total OPEB liability

Current portion

\$ -

Noncurrent portion

435,132

Total other post-employment benefit obligation

\$ 435,132

Accrued compensated absences

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

Current portion

\$ 729,842

Noncurrent portion

212,265

Total accrued compensated absences

\$ 942,107

Customer meter deposit reserves

Current portion

\$ 203,047

Noncurrent portion

752,760

Total customer meter deposit reserves

\$ 955,807

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.

\$3,220,000

14,615,000

**CITY OF BROKEN ARROW, OKLAHOMA**  
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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 of 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 are the source of repayment for this debt.

Taxable Series 2024A Tax Increment Revenue Note payable, original amount \$4,125,000 dated June 14, 2024, by Broken Arrow Economic Development Authority, for the purpose of 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 \$4,125,000 and is secured by the tax increment financing revenue. The note calls for semi-annual principal payments ranging from \$75,000 to \$265,000 commencing June 1, 2026, together with interest at 2.67%. Currently, TIF revenues generated from the South Broken Arrow TIF District are the source of repayment for this debt.

4,125,000

Taxable Series 2024B Tax Increment Revenue Note payable, original amount \$21,240,000 dated June 14, 2024, by Broken Arrow Economic Development Authority, for the purpose of 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 \$21,240,000 and is secured by the tax increment financing revenue. The note calls for semi-annual principal payments ranging from \$600,000 to \$1,285,000 commencing June 1, 2026, together with interest at 5.15%. Currently, TIF revenues generated from the South Broken Arrow TIF District are the source of repayment for this debt.

21,240,000

Total TIF notes payable

\$ 43,200,000

Current portion

\$ 1,835,000

Noncurrent portion

41,365,000

Total TIF notes payable

\$ 43,200,000

*Changes in long-term liabilities*

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The following is a summary of changes in long-term liabilities for the year ended June 30, 2024:

	Balance June 30, 2023	Additions	Deductions	Balance June 30, 2024	Amount due in one year
<b>Governmental Activities:</b>					
General obligation bonds	\$ 192,505,000	\$ 35,000,000	\$ 12,520,000	\$ 214,985,000	\$ 13,935,000
Notes payable-direct borrowings	4,192,536	-	1,834,499	2,358,037	1,638,037
Accrued Compensated Absences	3,890,226	1,649,731	-	5,539,957	3,693,305
Judgments payable	598,000	1,407,333	38,000	1,967,333	1,556,000
Automotive and general liability	1217,000	1,000	-	1218,000	492,000
Claims payable	3,630,200	13,885,810	14,101,010	3,415,000	2,125,000
Subscription liability	110,803	-	49,611	61,192	53,398
	<u>\$ 203,226,661</u>	<u>\$ 51,943,874</u>	<u>\$ 28,543,120</u>	<u>\$ 229,544,519</u>	<u>\$ 23,492,740</u>
Add:					
Unamortized premium				3,729,645	306,816
Net pension liability				60,704,784	-
Total OPEB liability				1,103,990	-
Total Derivative Investment Liability-Interest Rate Swap				16,912	-
				<u>\$ 295,099,850</u>	<u>\$ 23,799,556</u>
	Balance June 30, 2023	Additions	Deductions	Balance June 30, 2024	Amount due in one year
<b>Business-type Activities:</b>					
Bonds, Notes and Loans Payable-direct borrowings	\$ 164,291,409	\$ 25,056,484	\$ 12,297,430	\$ 177,050,463	\$ 7,820,855
BAEDA-Notes Payable-direct borrowings	19,595,000	25,365,000	1,760,000	43,200,000	1,835,000
Accrued Compensated Absences	820,680	121,427	-	942,107	729,842
	<u>\$ 184,707,089</u>	<u>\$ 50,542,911</u>	<u>\$ 14,057,430</u>	<u>\$ 221,192,570</u>	<u>\$ 10,385,697</u>
Add:					
Unamortized premium				5,198,827	228,249
Total OPEB liability				435,132	-
Customer Meter Deposit Reserves	1,029,633	98,401	172,227	955,807	203,047
				<u>\$ 227,782,336</u>	<u>\$ 10,816,993</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, 2024, are as follows:

**CITY OF BROKEN ARROW, OKLAHOMA**  
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**Year Ending June 30, 2024**

<b>Governmental Activities</b>				
Year Ending June 30,	General Obligation Bonds		Notes Payable-Direct Borrowings	
	Principal	Interest	Principal	Interest
2025	\$ 13,935,000	\$ 7,303,735	\$ 1,638,037	\$ 140,698
2026	14,720,000	6,169,493	720,000	26,272
2027	14,445,000	5,752,117	-	-
2028	14,420,000	5,327,237	-	-
2029	14,385,000	4,908,968	-	-
2030-2034	67,540,000	18,461,896	-	-
2035-2039	51,485,000	8,689,782	-	-
2040-2044	22,175,000	1,825,650	-	-
2044-2049	1,880,000	42,300	-	-
Total	<u>\$ 214,985,000</u>	<u>\$ 58,481,179</u>	<u>\$ 2,358,037</u>	<u>\$ 166,970</u>

<b>Governmental Activities</b>				
Year Ending June 30,	Judgments Payable		Subscriptions Liability	
	Principal	Interest	Principal	Interest
2025	\$ 212,000	\$ 65,198	\$ 53,398	\$ 2,512
2026	212,000	43,063	55,335	1,301
2027	199,333	20,930	-	-
2028	-	-	-	-
2029	-	-	-	-
2030-2034	-	-	-	-
2035-2039	-	-	-	-
2040-2044	-	-	-	-
2044-2049	-	-	-	-
Total	<u>\$ 623,333</u>	<u>\$ 129,191</u>	<u>\$ 108,733</u>	<u>\$ 3,813</u>

**CITY OF BROKEN ARROW, OKLAHOMA**  
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Year Ending June 30,	<b>Business-Type Activities</b>	
	Bonds, Notes & Loans Payable-Direct Borrowings	
	Principal	Interest
2025	\$ 8,952,770	\$ 7,720,388
2026	10,476,378	8,065,009
2027	11,966,203	7,775,591
2028	11,489,689	7,508,763
2029	11,049,668	7,050,757
2030-2034	60,920,412	29,404,120
2035-2039	58,083,611	18,658,977
2040-2044	35,200,000	11,032,678
2044-2049	28,655,000	5,415,948
2050-2054	18,107,000	1,541,516
2055-2059	260,000	9,400
Total	\$ 255,160,731	\$ 104,183,146
Less: Amount not drawn	(35,138,517)	
	<u>\$ 220,022,214</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. Subscription liabilities are paid by the General Fund. 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.

*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, \$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), \$19,185,000 2023B 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,

**CITY OF BROKEN ARROW, OKLAHOMA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**Year Ending June 30, 2024**

\$16,285,000 2021C Clean Water SRF note payable, \$18,805,000 Clean Water SRF note payable, and \$21,497,000 2023A Utility System & Sales Tax Revenue Note payable to BOK Financial. These notes are payable through 2055. The total remaining principal and interest payable for the life of these notes is \$294,807,145. Pledged sales taxes received in the current year were \$20,170,297 and net utility revenues were \$18,197,039 for total pledged net revenues of \$38,367,337. Debt service payments of \$12,975,165 for the current year were 33.8% of net pledged revenues for these notes.

Interfund balances and activities

Interfund receivables and payables at June 30, 2024, consist of the following:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Nature of Interfund Balance</u>
General Fund	BAMA	3,517,141	Operational subsidy
General Fund	BAMA	13,984,057	Eliminated negative pooled cash
Police Enhancement	General Fund	765	Operational advances
Public Safety Sales Tax - Police	Crime Prevention	4,047	Operational advances
Sales Tax Capital Improvement	Battle Creek Golf Course	363,170	Operational advances
Debt Service Fund	BAEDA	30,389	Deposit to wrong account
BAMA	General	3,582,729	Sales tax collections
BAMA	Battle Creek Golf Course	465,024	Operational advances
		<u>\$ 21,947,322</u>	

**Due From/Due To:**

Reconciliation to Fund Financial Statements:

	<u>Due from</u>	<u>Due to</u>	<u>Net Interfund Balances</u>
Governmental Funds	\$ 17,899,569	\$ (3,587,541)	\$ 14,312,028
Proprietary Funds	4,047,753	(18,359,781)	(14,312,028)
	<u>\$ 21,947,322</u>	<u>\$ (21,947,322)</u>	<u>\$ -</u>

Interfund transfers for the year ended June 30, 2024, were as follows:

<u>Transfer from</u>	<u>Transfer to</u>	<u>Amount</u>	<u>Nature of Transfer</u>
General Fund	BAMA	\$ 20,170,297	Sales Tax Collections
General Fund	Public Safety Sales Tax-Police	33,480,082	Sales Tax Collections
General Fund	Public Safety Sales Tax-Fire	28,006,499	Sales Tax Collections
General Fund	BAEDA	600,000	Economic Development
Sales Tax Capital Improvement Fund	BAEDA	2,000,000	Operations
Debt Service Fund	General Fund	60,000	Operational/Interest
2018 General Obligation Bond Fund	Public Safety Sales Tax-Fire	700,000	Operational/Public Safety
Convention and Visitor's Bureau	General Fund	275,000	Operational/General Government
Street and Alley	General Fund	1,000,000	Operational/Streets
CARES Act Fund	BAEDA	7,000,000	Operating subsidy
ARPA Fund	BAEDA	260,000	Operating subsidy
E911	Public Safety Sales Tax-Police	1,000,000	Operational/Public Safety
BAMA	General Fund	20,170,297	Operating subsidy
BAMA	BAEDA	600,000	Economic Development
		<u>\$ 115,322,175</u>	

**CITY OF BROKEN ARROW, OKLAHOMA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**Year Ending June 30, 2024**

**Transfers:**

Reconciliation to Fund Financial Statements:

	Transfers In	Transfers Out	Net Transfers
Governmental Funds	\$ 84,691,878	\$ (94,551,878)	\$ (9,860,000)
Proprietary Funds	30,630,297	(20,770,297)	9,860,000
Total Transfers	\$ 115,322,175	\$ (115,322,175)	\$ -

Reconciliation to Statement of Net Position:

	Governmental	Business-Type	Net Interfund Balances
Net transfers	\$ (9,860,000)	\$ 9,860,000	\$ -
Governmental transfer of capital assets to proprietary funds	(11,642,722)	11,642,722	-
Net transfers	\$ (21,502,722)	\$ 21,502,722	\$ -

**Fund Balance:**

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

	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
<b>Fund Balance</b>									
Restricted For:									
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 21,469,742	\$ -	\$ 21,469,742
Capital improvements	-	-	-	18,822,958	-	96,291,779	-	15,823,748	130,938,485
Convention and Visitor's Bureau	-	-	-	-	-	-	-	1,764,409	1,764,409
Public safety	-	24,047,432	12,462,435	-	-	-	-	1,913,676	38,423,543
Creek TIF Apportionment	-	-	-	-	-	-	-	71,504	71,504
Cemetery care	-	-	-	-	-	-	-	181,824	181,824
Street and alley operations	-	-	-	-	-	-	-	1,208,967	1,208,967
Housing and Urban Development	-	-	-	-	-	-	-	(13,981)	(13,981)
E911	-	-	-	-	-	-	-	2,172,862	2,172,862
Economic Development	-	-	-	-	-	-	-	1,503,831	1,503,831
Crime Prevention	-	-	-	-	-	-	-	186,883	186,883
Grant Purposes	-	-	-	-	182,333	-	-	522,209	704,542
Alcohol enforcement	-	-	-	-	-	-	-	94,973	94,973
Sub-total restricted	-	24,047,432	12,462,435	18,822,958	182,333	96,291,779	21,469,742	25,430,905	198,707,584
Committed for:									
Excess capacity sewer escrow	-	-	-	-	-	-	-	2,044,330	2,044,330
Stormwater capital improvements	-	-	-	-	-	-	-	515,599	515,599
Cemetery care	-	-	-	-	-	-	-	277,276	277,276
Parks and recreation	-	-	-	-	-	-	-	1,171,209	1,171,209
Street lights	-	-	-	-	-	-	-	1,068,771	1,068,771
Economic development	-	-	-	-	-	-	-	308	308
Sub-total committed	-	-	-	-	-	-	-	5,077,493	5,077,493
Assigned for:									
Subsequent year budget/activities	14,913,066	-	-	-	-	-	-	-	14,913,066
Sub-total assigned	14,913,066	-	-	-	-	-	-	-	14,913,066
Unassigned	20,485,257	-	-	-	-	-	-	-	20,485,257
<b>TOTAL FUND BALANCE</b>	<b>\$ 35,398,323</b>	<b>\$ 24,047,432</b>	<b>\$ 12,462,435</b>	<b>\$ 18,822,958</b>	<b>\$ 182,333</b>	<b>\$ 96,291,779</b>	<b>\$ 21,469,742</b>	<b>\$ 30,508,398</b>	<b>\$ 239,183,400</b>

**Note 4 – Employee Pension and Other Benefit Plans**



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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](http://www.ok.gov/OPPRS)

**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 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, 2024, the total contribution to the system amounted to \$3,274,582 of which \$1,247,462 was made by the City and \$2,027,120 was made by the employees. The State of Oklahoma also made on-

**CITY OF BROKEN ARROW, OKLAHOMA**  
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**Year Ending June 30, 2024**

behalf contributions to OPPRS in the amount of \$2,105,354 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 \$1,156,028. 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, 2024, the City reported an asset of \$3,098,668 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2023, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of July 1, 2023. 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, 2024. Based upon this information, the City's proportion was 3.8751%.

For the year ended June 30, 2024, the City recognized pension expense of \$4,228,186. At June 30, 2024, 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
Difference between expected and actual experience	\$ 3,164,626	\$ 178,286
Changes of assumptions	-	2,157,845.00
Net difference between projected and actual earnings on pension plan investments	5,727,648	-
Changes in proportion	141,540	221,332
City contributions during measurement date	11,226	31,892
City contributions subsequent to the measurement date	2,105,354	-
Total	<u>\$ 11,150,394</u>	<u>\$ 2,589,355</u>

In the year ending June 30, 2024, the \$2,105,354 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:

2024	\$ 1,030,947
2025	(20,598)
2026	4,439,824
2027	1,006,100
2028	(587)
	<u>\$ 6,455,686</u>

**CITY OF BROKEN ARROW, OKLAHOMA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**Year Ending June 30, 2024**

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**Actuarial assumptions** – The total pension liability in the July 1, 2023, actuarial valuations were 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	<p>Active and inactive vested members: PubS-2010 Employee (Below Median) Mortality Table with rates set forward 2 years and projected generationally using SOA Scale MP-2021.</p> <p>Healthy retirees: PubS-2010 Healthy Retiree (Below Median) Mortality Table with rates set forward 2 years and projected generationally using SOA scale MP-2021.</p> <p>Beneficiaries: Pub-2010 Contingent Survivor (Below Median) Mortality Table with rates set forward 2 years and projected generationally using SOA Scale MP-2021.</p> <p>Disabled retirees: PubS-2010 Disabled Retiree Mortality Table with rates projected to 2023 using SOA Scale MP-2021.</p>

The actuarial assumptions used in July 1, 2023, valuation was based on the results of an actuarial experience study for the period July 1, 2017, through June 30, 2022.

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, 2023, are summarized in the following table:

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<b>Asset Class</b>	<b>Long-Term Expected Real Rate of Return</b>
Fixed income	5.65%
Domestic equity	8.63%
International equity	10.68%
Real estate	9.55%
Private equity	11.46%

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:

	<b>1% Decrease (6.5%)</b>	<b>Current Discount Rate (7.5%)</b>	<b>1% Increase (8.5%)</b>
Police Pension net pension liability (asset)	\$ 10,914,808	\$ (1,156,028)	\$ (11,376,235)

**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](http://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](http://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

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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 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, 2024, the total contribution to the system amounted to \$3,400,961, of which \$2,105,354 was made by the City and \$1,295,607 was made by the employees. The State of Oklahoma also made on-behalf contributions to FPRS in the amount of \$1,544,130 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 \$1,342,368. 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, 2024, the City reported a liability of \$780,650 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2024. The City's proportion of the net pension liability was based on the City's contributions received by the pension plan

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relative to the total contributions received by pension plan for all participating employers as of June 30, 2024. Based upon this information, the City's proportion was 4.8006%.

For the year ended June 30, 2024, the City recognized pension expense of \$11,309,389. At June 30, 2024, 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	\$ 7,072,268	\$ 75,496
Changes of assumptions	-	95,350
Net difference between projected and actual earnings on pension plan investments	3,922,977	-
Changes in proportion	1,837,602	188,812
City contributions during measurement date	28,647	149,655
City contributions subsequent to the measurement date	2,761,473	-
Total	<u>\$ 15,622,967</u>	<u>\$ 509,313</u>

In the year ending June 30, 2024, the \$12,352,181 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:

Year ended June 30:		
2025	\$	4,219,992
2026		1,539,962
2027		6,813,269
2028		(221,042)
	\$	<u>12,352,181</u>

**Actuarial Assumptions-** The total pension liability was determined by an actuarial valuation as of July 1, 2023, 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 Pub-2010 Public Safety Table, with adjustments for generational mortality improvement using scale MP-2018 for healthy lives and no mortality improvement for disabled lives.

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The actuarial assumptions used in July 1, 2023, 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, 2024, are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
Fixed income	20%	5.86%
Domestic equity	47%	8.78%
International equity	15%	10.68%
Real estate	10%	9.68%
Other assets	8%	6.44%
	<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 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:

	<u>1% Decrease (6.5%)</u>	<u>Current Discount Rate (7.5%)</u>	<u>1% Increase (8.5%)</u>
Fire Pension net pension liability	\$ 77,487,985	\$ 59,466,929	\$ 44,396,569

**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](http://www.ok.gov/FPRS).

***Related-party investments***

As of June 30, 2024, the Systems held no related-party investments of the City or of its related entities.

***Defined contribution plan – OMRP***

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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, 2024, 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, 2024, the following amounts related to actual contributions to the defined contribution plan:

Employee contributions made	\$ 253,449
Employer (City) contributions made	\$ 3,302,144

***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.

Employees covered by benefit terms. At June 30, 2024, 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 \$1,539,122 was measured as of June 30, 2024, 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, 2024, using the following actuarial assumptions:

- Actuarial Cost Method - Entry Age Normal
- Discount Rate – 4.21%, based on June 30, 2024, 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.



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Retirement Age:

*Civilian  
Retirement*

<u>Age</u>	<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>	<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:

	Total OPEB Liability
Balances at Beginning of Year	<u>\$ 1,097,789</u>
Changes for the Year:	
Service Cost	80,391
Interest expense	41,057
Difference between expected and actual experience	463,306
Change of assumptions	(106,393)
Expected net benefit payments	<u>(36,728)</u>
Net Changes	<u>441,633</u>
Balances at End of Year	<u><u>\$ 1,539,422</u></u>
Governmental Activities	\$ 1,103,990
Business-Type Activities	<u>435,132</u>
	<u><u>\$ 1,539,122</u></u>

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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:

	<u>1% Decrease</u> <u>(3.21%)</u>	<u>Current Discount</u> <u>Rate (4.21%)</u>	<u>1% Increase</u> <u>(5.21%)</u>
OPEB liability	\$ 1,701,136	\$ 1,539,122	\$ 1,393,308

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:

	<u>1% Decrease</u> <u>3.50%</u>	<u>Trend Rates</u> <u>4.50%</u>	<u>1% Increase</u> <u>5.50%</u>
OPEB liability	\$ 1,331,584	\$ 1,539,122	\$ 1,787,721

OPEB Expense and Deferred Outflows of Resources and Deferred Outflows/Inflows of Resources Related to OPEB For the year ended June 30, 2024, the City recognized OPEB expense of \$99,778. At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total Activities</u>	
	<u>Deferred Outflows</u> <u>of Resources</u>	<u>Deferred Inflows</u> <u>of Resources</u>	<u>Deferred Outflows</u> <u>of Resources</u>	<u>Deferred Inflows</u> <u>of Resources</u>	<u>Deferred Outflows</u> <u>of Resources</u>	<u>Deferred Inflows</u> <u>of Resources</u>
Differences between expected and actual experience	\$ 295,884	\$ 92,935	\$ 116,621	\$ 36,630	\$ 412,505	\$ 129,565
Changes of assumptions	2,830	197,645	1,115	77,901	3,945	275,546
Changes in proportion	15,186	23,466	23,466	23,459	38,652	46,925
Total	<u>\$ 313,900</u>	<u>\$ 314,046</u>	<u>\$ 141,202</u>	<u>\$ 137,990</u>	<u>\$ 455,102</u>	<u>\$ 452,036</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	<u>Governmental</u> <u>Activities</u>	<u>Business-Type</u> <u>Activities</u>	<u>Total Activities</u>
Year ended June 30:			
2025	\$ (30,190)	\$ (1,468)	\$ (31,658)
2026	(24,840)	(6,818)	(31,658)
2027	(21,919)	(9,739)	(31,658)
2028	(11,280)	(6,146)	(17,426)
2029	(799)	(3,424)	(4,223)
Thereafter	88,882	30,807	119,689
	<u>\$ (146)</u>	<u>\$ 3,212</u>	<u>\$ 3,066</u>

**Note 5 – Tax Abatements**

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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, 2024:

- A developer received rebated sales taxes during 2024. 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 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.

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 concerns must offer a basic health benefit plan to all full-time employees within 180 days of employment.

The City of Broken Arrow had \$50,046 of ad valorem taxes abated under this program for the fiscal year ended June 30, 2024.

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 2024 and has an outstanding, unpaid claim of \$50,046 of reimbursement from the State as of June 30, 2024.

**Note 6 – Risk Management**

**CITY OF BROKEN ARROW, OKLAHOMA**  
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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 - \$125,000 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 is determined through estimate of loss by the City's Risk Management staff and third-party.
d. Health and Life: - Medical - Dental - Vision	Self-insured with third-party administration of the claims provided by HealthComp.  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.  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.	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 aggregating deductible has been met. The City does not carry Aggregate stop loss coverage.

*Life and health benefit plan*

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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, employees plus children, employees plus spouse or family coverage.

The City is self-funded for health and dental benefits and has an Administrative Services Agreement with HealthComp 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 HealthComp 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 aggregating retention levels. Stop loss coverage is purchased from U.S. Fire Insurance.

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 claim's liability for the City from June 30, 2022, to June 30, 2024, are as follows:

	Workers' Compensation	Health Care	Total
Claim liability, June 30, 2022	\$ 3,635,000	\$ 1,256,037	\$ 4,891,037
Claims and changes in estimates	859,258	11,981,915	12,841,173
Claims payments	(1,765,258)	(12,336,752)	(14,102,010)
Claim liability, June 30, 2023	\$ 2,729,000	\$ 901,200	\$ 3,630,200
Claims and changes in estimates	1,634,335	11,502,355	13,136,690
Claims payments	(1,935,335)	(11,186,555)	(13,121,890)
Claim liability, June 30, 2024	\$ 2,428,000	\$ 1,217,000	\$ 3,645,000
Assets available to pay claims at June 30, 2024	\$ 2,195,182	\$ 1,107,919	\$ 3,303,101
Reconciliation to Statement of Net Position:			
Current portion			\$ 989,000
Noncurrent portion			2,656,000
Total			\$ 3,645,000

**Note 7 – Commitments and Contingencies**

*Construction commitments*

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At June 30, 2024, the City had outstanding construction commitments of \$41,685,723 related to ongoing engineering and construction projects with original contract amounts totaling \$105,480,017.

***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.

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 – Recently Issued Account Pronouncements**

**GASB Statement No. 101, Compensated Absences**

In June 2022, the Governmental Accounting Standards Board (GASB) issued Statement No. 101, Compensated Absences. GASB 101 establishes recognition and measurement guidance for all types of compensated absences, including vacation, sick leave, and other paid time off, and is effective for fiscal years beginning after December 15, 2023. The requirements of this Statement will be applied prospectively.

The City of Broken Arrow is currently evaluating the impact that the adoption of GASB Statement No. 101 will have on its financial statements. The City has not yet determined the effect of implementing this Statement but does not expect the adoption to have a material impact on its financial position, results of operations, and cash flows.

**CITY OF BROKEN ARROW, OKLAHOMA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**Year Ending June 30, 2024**

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**Note 10 – Subsequent Events**

The City has evaluated subsequent events through the date of the auditor's report, which is the date the financial statements were available to be issued.

The City is a party to various legal proceedings arising in the normal course of operations. As of year end, four litigation cases were either settled or the outcome was determined to be more likely than not to result in a loss. Accordingly, the City has recorded a liability of \$964,000 in the accompanying financial statements, representing management's best estimate of the amount expected to be paid in settlement of these matters. Management, in consultation with legal counsel, believes that this amount appropriately reflects the probable and estimable losses related to these cases. Any additional loss is not expected to be material to the City's financial position.

In addition, subsequent to year end, the City settled two condemnation cases for a total of \$380,000. These settlements occurred after the statement of net position date and did not relate to conditions existing at that date. While these amounts were not accrued in the current year's financial statements, management has disclosed these subsequent events as they are considered essential to understanding the City's financial position.

Management and legal counsel continue to monitor all outstanding claims and proceedings. At this time, management does not believe that the resolution of any other pending matters will have a material adverse effect on the City's financial statements.

## **Required Supplementary Information**



**CITY OF BROKEN ARROW, OKLAHOMA**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**Year ended June 30, 2024**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	Budgetary Basis	Positive (Negative)
<b>Beginning budgetary fund balance</b>	\$ 22,591,496	\$ 22,998,108	\$ 31,164,184	\$ 8,166,076
<b>Resources (inflows):</b>				
<b>Taxes:</b>				
Sales tax	50,442,553	50,442,553	50,387,914	(54,639)
Use tax	11,737,227	11,871,227	13,908,529	2,037,302
Tobacco tax	560,000	560,000	439,527	(120,473)
Franchise tax	5,250,000	5,250,000	4,976,796	(273,204)
<b>Total taxes</b>	<u>67,989,780</u>	<u>68,123,780</u>	<u>69,712,766</u>	<u>1,588,986</u>
<b>Intergovernmental:</b>				
Intergovernmental	300,000	300,000	480,413	180,413
Alcoholic beverage tax	325,000	325,000	344,121	19,121
<b>Total intergovernmental</b>	<u>625,000</u>	<u>625,000</u>	<u>824,534</u>	<u>199,534</u>
<b>Charges for services:</b>				
Planning and zoning	185,000	185,000	177,257	(7,743)
Sale of material	25,000	25,000	58,296	33,296
BAMA PILOT	4,955,527	4,955,527	4,807,469	(148,058)
Rural fire runs & subscriptions	7,000	7,000	22,695	15,695
Fire subscription	50,000	50,000	28,273	(21,727)
Inspection fees	850,000	850,000	272,000	(578,000)
Ambulance revenue	8,024,975	8,674,975	9,088,119	413,144
Training	-	-	-	-
Special Events	25,000	25,000	24,747	(253)
Cemetery fee	200,000	200,000	264,397	64,397
Animal control fees	50,000	50,000	40,568	(9,432)
Nuisance abatement	-	-	84,453	84,453
Parks and recreation	240,000	240,000	257,454	17,454
Swimming pools	200,000	200,000	330,535	130,535
Administrative fees	15,000	15,000	17,242	2,242
Schools	-	-	-	-
Juvenile court	40,000	40,000	31,390	(8,610)
<b>Total charges for services</b>	<u>14,867,502</u>	<u>15,517,502</u>	<u>15,504,895</u>	<u>(12,607)</u>

(Continued)

**CITY OF BROKEN ARROW, OKLAHOMA**  
**BUDGETARY COMPARISON SCHEDULE (continued)**  
**GENERAL FUND**  
**Year ended June 30, 2024**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>	<b>Budgetary Basis</b>	<b>Positive (Negative)</b>
<b>Fines, forfeitures and assessments</b>	1,002,000	1,486,600	1,567,032	80,432
<b>Licenses and permits:</b>				
Occupational licenses	300,000	300,000	334,728	34,728
Peddlers licenses	2,500	2,500	-	(2,500)
Food licenses	38,000	38,000	65,370	27,370
Other fees	50,000	50,000	79,140	29,140
Special events	-	-	525	525
Farmer's market	-	-	47,734	47,734
Building permits	1,000,000	1,940,000	1,929,933	(10,067)
<b>Total licenses and permits</b>	1,390,500	2,330,500	2,457,430	126,930
<b>Investment income</b>	40,000	705,000	559,889	(145,111)
<b>Miscellaneous:</b>				
Rental property	1,300,000	1,300,000	1,243,015	(56,985)
Donations	-	-	250	250
Miscellaneous	75,000	75,000	58,216	(16,784)
Sale of capital assets	-	-	1,000	1,000
Insurance proceeds	25,000	25,000	59,812	34,812
<b>Total miscellaneous</b>	1,400,000	1,400,000	1,362,293	(37,707)
<b>Other financing sources:</b>				
Transfers in from other funds	21,509,948	22,009,948	21,505,297	(504,651)
<b>Total other financing sources</b>	21,509,948	22,009,948	21,505,297	(504,651)
<b>Total revenues and other financing sources</b>	108,824,730	112,198,330	113,494,136	1,295,806
<b>Amounts available for appropriation</b>	131,416,226	135,196,438	144,658,320	9,461,882

(Continued)

**CITY OF BROKEN ARROW, OKLAHOMA**  
**BUDGETARY COMPARISON SCHEDULE (continued)**  
**GENERAL FUND**  
**Year ended June 30, 2024**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	Budgetary Basis	Positive (Negative)
<b>Charges to appropriations (outflows):</b>				
<b>General government:</b>				
City manager	1,317,745	1,317,745	2,168,405	(850,660)
Finance	1,787,030	1,794,105	1,717,525	76,580
City attorney	1,448,172	1,448,172	1,307,096	141,076
Human resources	2,141,710	2,141,710	1,435,438	706,272
Information services	2,666,269	2,994,657	2,753,625	241,032
Community development	5,458,597	5,594,307	4,075,279	1,519,028
General government	2,474,300	2,491,357	2,125,324	366,033
City Clerk	1,051,535	1,108,689	1,052,661	56,028
<b>Total general government</b>	<u>18,345,358</u>	<u>18,890,742</u>	<u>16,635,353</u>	<u>2,255,389</u>
<b>Public services</b>	<u>3,815,255</u>	<u>3,985,551</u>	<u>3,465,809</u>	<u>519,742</u>
<b>Parks and recreation</b>	<u>6,735,274</u>	<u>6,757,294</u>	<u>6,321,689</u>	<u>435,605</u>
<b>Other financing uses:</b>				
Transfers to other funds	<u>79,635,111</u>	<u>82,770,611</u>	<u>82,256,879</u>	<u>513,732</u>
<b>Total charges to appropriations</b>	<u>108,530,998</u>	<u>112,404,198</u>	<u>108,679,730</u>	<u>3,724,468</u>
<b>Ending budgetary fund balance</b>	<u>\$ 22,885,228</u>	<u>\$ 22,792,240</u>	<u>\$ 35,978,590</u>	<u>\$ 13,186,350</u>

**Broken Arrow**  
**Budgetary Comparison Schedule**  
**Major Special Revenue Fund - Public Safety Sales Tax Fund - Police**  
**For the year ended June 30, 2024**

	<b>Public Safety Sales Tax Fund - Police</b>			
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>Beginning Budgetary Fund Balance</b>	\$ 14,341,987	\$ 13,897,204	\$ 20,498,275	\$ 6,601,071
<b>Resources (Inflows):</b>				
Taxes	3,066,321	3,066,321	3,022,010	(44,311)
Intergovernmental	100,000	100,000	2,267,863	2,167,863
Investment income	6,000	611,000	586,319	(24,681)
Miscellaneous	12,500	12,500	9,996	(2,504)
Transfers from other funds	33,044,525	34,480,025	34,480,082	57
Amounts available for appropriation	<u>36,229,346</u>	<u>38,269,846</u>	<u>40,366,270</u>	<u>2,096,424</u>
<b>Charges to Appropriations (Outflows):</b>				
Police	<u>35,354,502</u>	<u>36,291,694</u>	<u>36,817,113</u>	<u>(525,419)</u>
<b>Ending Budgetary Fund Balance</b>	<u>\$ 15,216,831</u>	<u>\$ 15,875,356</u>	<u>\$ 24,047,432</u>	<u>\$ 8,172,076</u>

**Broken Arrow**  
**Budgetary Comparison Schedule**  
**Major Special Revenue Fund - Public Safety Sales Tax Fund - Fire**  
**For the year ended June 30, 2024**

	<b>Public Safety Sales Tax Fund - Fire</b>			
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>Beginning Budgetary Fund Balance</b>	\$ 6,850,895	\$ 6,936,964	\$ 9,629,402	\$ 2,692,438
<b>Resources (Inflows):</b>				
Taxes	3,066,321	3,066,321	3,022,010	(44,311)
Intergovernmental	-	33,875	6,511,635	6,477,760
Investment income	3,000	104,000	158,028	54,028
Miscellaneous	8,000	8,000	11,093	3,093
Transfers from other funds	26,805,638	28,705,638	28,706,499	861
Amounts available for appropriation	<u>29,882,959</u>	<u>31,917,834</u>	<u>38,409,265</u>	<u>6,491,431</u>
<b>Charges to Appropriations (Outflows):</b>				
Fire	<u>27,794,558</u>	<u>29,798,512</u>	<u>35,576,232</u>	<u>(5,777,720)</u>
<b>Ending Budgetary Fund Balance</b>	<u>\$ 8,939,296</u>	<u>\$ 9,056,286</u>	<u>\$ 12,462,435</u>	<u>\$ 3,406,149</u>

The budgetary basis differs from the modified accrual basis as shown in the schedule below:

	General Fund
Total budgetary resources (inflows)	\$ 113,494,136
Less: transfers in from other funds	<u>(21,505,297)</u>
Total revenues as reported on the statement of revenues, expenditures and changes in fund balance - governmental funds	<u><u>\$ 91,988,839</u></u>

Total budgetary expenditures and transfers	\$ 108,679,730
Less: transfers to other funds	<u>(82,256,879)</u>
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balance - governmental funds	<u><u>\$ 26,422,851</u></u>

	Public Safety Sales Tax Fund - Police
Total budgetary resources (inflows)	\$ 40,366,270
Add: On-behalf payments	2,212,644
Less: Transfers in from other funds	<u>(34,480,082)</u>
Total revenues as reported on the statement of revenues, expenditures and changes in fund balance - governmental funds	<u><u>\$ 8,098,832</u></u>

Total budgetary expenditures and transfers	\$ 36,817,113
Add: On-behalf payments	<u>2,212,644</u>
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balance - governmental funds	<u><u>\$ 39,029,757</u></u>

	Public Safety Sales Tax Fund - Fire
Total budgetary resources (inflows)	\$ 38,409,265
Add: On-behalf payments	6,479,031
Less: Transfers in from other funds	<u>(28,706,499)</u>
Total revenues as reported on the statement of revenues, expenditures and changes in fund balance - governmental funds	<u><u>\$ 16,181,797</u></u>

Total budgetary expenditures and transfers	\$ 35,576,232
Add: On-behalf payments	<u>6,479,031</u>
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balance - governmental funds	<u><u>\$ 42,055,263</u></u>

**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,**

		<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
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%	3.8751%	3.7853%
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)	\$ (3,107,481)	\$ (1,156,028)
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	\$ 13,872,246	\$ 14,114,343
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%	22.40%	8.19%
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%	102.74%	101.02%

**Notes to Schedule:**

Current year measurement date is June 30, 2023.

\*\* 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	2023	2024
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	\$ 1,851,371	\$ 2,027,122
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>	<u>1,851,371</u>	<u>2,027,122</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<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	\$ 14,114,343	\$ 15,593,247
Contributions as a percentage of covered-employee payroll	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%

**Notes to Schedule:**

Only nine fiscal years are presented because 10-year data is not yet available.



**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,**

		<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
City's proportion of the net pension liability		3.6826%	3.8107%	3.9641%	4.2472%	4.4499%	4.1400%	4.5698%	4.5936%	4.8006%	4.6089%
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	\$ 62,778,821	\$ 59,466,929
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	\$ 15,996,124	\$ 16,559,267
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%	392.46%	359.12%
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%	69.49%	70.85%

**Notes to Schedule:**

\* Only nine fiscal years are presented because 10-year data is not yet available.  
Current year measurement date is June 30, 2022.

\*\* Information was not available.

**SCHEDULE OF CITY CONTRIBUTIONS**  
**OKLAHOMA FIREFIGHTERS PENSION & RETIREMENT SYSTEM**  
**Last 10 Fiscal Years \***

	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
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	\$ 2,318,298	\$ 2,551,370
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>	<u>2,318,298</u>	<u>2,551,370</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
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	\$ 16,559,267	\$ 18,224,074
Contributions as a percentage of covered-employee payroll	14%	14%	14%	14%	14%	14%	14%	14%	14%	14%

**Notes to Schedule:**

\* Only nine fiscal years are presented because 10-year data is not yet available.

**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>	<u>2023</u>	<u>2024</u>
Total OPEB Liability							
Service cost	\$ 81,277	\$ 84,431	\$ 84,431	\$ 97,491	\$ 98,191	\$ 80,391	\$ 80,391
Interest	44,794	45,537	52,705	27,902	28,388	38,057	41,057
Difference between expected and actual experience	-	-	-	(47,742)	(166,329)	-	463,306
Change in assumptions	-	-	(210,425)	7,465	(151,024)	-	(106,693)
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>	<u>(30,639)</u>	<u>(36,728)</u>
Net change in total OPEB liability	100,425	104,322	(106,945)	47,569	(221,413)	87,809	441,333
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>	<u>1,009,980</u>	<u>1,097,789</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>	<u>\$ 1,097,789</u>	<u>\$ 1,539,122</u>
Covered employee payroll	\$ 30,068,853	\$ 30,068,853	\$ 33,734,659	\$ 33,734,659	\$ 39,094,305	\$ 39,094,305	\$ 45,523,420
Total OPEB liability as a percentage of covered employee payroll	3.95%	4.29%	3.51%	3.65%	2.58%	2.81%	3.38%

**Notes to Schedule:**

\* Only six fiscal years are presented because 10-year data is not yet available.

## **Other Supplementary Information**

**Broken Arrow  
Balance Sheet  
General Fund Accounts  
June 30, 2024**

	General Fund	Escrow Fund	Total General Fund
<b>ASSETS</b>			
Cash and cash equivalents	\$ 1,241,130	\$ 541,115	\$ 1,782,245
Investments	10,826,860	-	10,826,860
Taxes receivable, net	394,149	-	394,149
Due from other funds	17,501,198	-	17,501,198
Receivable from other governments	11,128,557	69,848	11,198,405
Accrued interest receivable	85,768	-	85,768
Leases receivable	7,765,225	-	7,765,225
Other receivables, net	1,908,482	-	1,908,482
Prepaid expenses	3,341	-	3,341
Total assets	<u>50,854,710</u>	<u>610,963</u>	<u>51,465,673</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	1,048,602	34,082	1,082,684
Accrued payroll	904,482	-	904,482
Due to other funds	3,517,905	-	3,517,905
Due to other governments	19,397	69,618	89,015
Due to bondholders	-	55,624	55,624
Unearned revenue	-	258,690	258,690
Amounts held in escrow	325,482	192,949	518,431
Total liabilities	<u>5,815,868</u>	<u>610,963</u>	<u>6,426,831</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows-leases	9,158,407	-	9,158,407
Unavailable revenue	482,112	-	482,112
Total deferred inflows of resources	<u>9,640,519</u>	<u>-</u>	<u>9,640,519</u>
Fund balances:			
Assigned	14,913,066	-	14,913,066
Unassigned	20,485,257	-	20,485,257
Total fund balances	<u>35,398,323</u>	<u>-</u>	<u>35,398,323</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 50,854,710</u>	<u>\$ 610,963</u>	<u>\$ 51,465,673</u>

**Broken Arrow**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**General Fund Accounts**  
**For the year ended June 30, 2024**

	<u>General Fund</u>	<u>Escrow Fund</u>	<u>Total General Fund</u>
<b>REVENUES</b>			
Sales and use taxes	\$ 64,296,443	\$ -	\$ 64,296,443
Franchise and miscellaneous taxes	5,416,323	-	5,416,323
Intergovernmental	824,534	-	824,534
Charges for services	15,370,877	-	15,370,877
Fines and forfeitures	1,559,327	-	1,559,327
Licenses and permits	2,457,430	-	2,457,430
Rental income	619,677	-	619,677
Investment income	728,662	-	728,662
Miscellaneous	110,700	-	110,700
Total revenues	<u>91,383,973</u>	<u>-</u>	<u>91,383,973</u>
<b>EXPENDITURES</b>			
Current:			
General government	16,617,406	-	16,617,406
Public services	3,461,716	-	3,461,716
Parks and recreation	6,308,232	-	6,308,232
Debt Service:			
Principal	-	-	-
Capital Outlay	10,897	-	10,897
Total Expenditures	<u>26,398,251</u>	<u>-</u>	<u>26,398,251</u>
Excess (deficiency) of revenues over expenditures	<u>64,985,722</u>	<u>-</u>	<u>64,985,722</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	21,505,297	-	21,505,297
Transfers out	(82,256,878)	-	(82,256,878)
Total other financing sources and uses	<u>(60,751,581)</u>	<u>-</u>	<u>(60,751,581)</u>
Net change in fund balances	4,234,141	-	4,234,141
Fund balances - beginning	31,164,184	-	31,164,184
Fund balances - ending	<u>\$ 35,398,323</u>	<u>\$ -</u>	<u>\$ 35,398,323</u>

**Broken Arrow**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2024**

	<b>SPECIAL REVENUE FUNDS</b>						
	<b>Excess Capacity Sewer Escrow</b>	<b>Stormwater Capital</b>	<b>Convention and Visitor's Bureau</b>	<b>Police Enhancement</b>	<b>Street and Alley</b>	<b>Housing and Urban Development</b>	<b>CARES Act Fund</b>
<b>ASSETS</b>							
Cash and cash equivalents	\$ 2,044,330	\$ 821,585	\$ 1,762,249	\$ 252,605	\$ 1,009,955	\$ 274,539	\$ 122,209
Investments	-	-	-	-	-	-	-
Taxes receivable	-	-	-	-	-	-	-
Due from other funds	-	-	-	765	-	-	-
Receivable from other governments	-	-	-	-	199,012	287,373	400,000
Accrued interest receivable	-	-	-	-	-	-	-
Other receivables, net	-	-	98,192	-	-	-	-
Prepaid expense	-	-	-	-	-	-	-
Total assets	<u>2,044,330</u>	<u>821,585</u>	<u>1,860,441</u>	<u>253,370</u>	<u>1,208,967</u>	<u>561,912</u>	<u>522,209</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>							
Liabilities:							
Accounts payable	-	305,986	45,246	-	-	288,434	-
Due to other funds	-	-	-	5,909	-	-	-
Amounts held in escrow	-	-	-	-	-	86	-
Total liabilities	<u>-</u>	<u>305,986</u>	<u>45,246</u>	<u>5,909</u>	<u>-</u>	<u>288,520</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Unavailable revenue	-	-	50,786	-	-	287,373	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>50,786</u>	<u>-</u>	<u>-</u>	<u>287,373</u>	<u>-</u>
Fund balances:							
Restricted	-	-	1,764,409	247,461	1,208,967	(13,981)	522,209
Committed	2,044,330	515,599	-	-	-	-	-
Assigned	-	-	-	-	-	-	-
Total fund balances	<u>2,044,330</u>	<u>515,599</u>	<u>1,764,409</u>	<u>247,461</u>	<u>1,208,967</u>	<u>(13,981)</u>	<u>522,209</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,044,330</u>	<u>\$ 821,585</u>	<u>\$ 1,860,441</u>	<u>\$ 253,370</u>	<u>\$ 1,208,967</u>	<u>\$ 561,912</u>	<u>\$ 522,209</u>

(Continued)

**Broken Arrow  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2024**

	<b>SPECIAL REVENUE FUNDS</b>							
	<b>E911</b>	<b>Crime Prevention</b>	<b>Alcohol Enforcement</b>	<b>Street Light</b>	<b>Admin Technology Fund</b>	<b>Creek TIF Apportionment Fund</b>	<b>Opioid Settlement Fund</b>	<b>PSO 1% Franchise Fee Fund</b>
<b>ASSETS</b>								
Cash and cash equivalents	\$ 2,033,215	\$ 186,809	\$ 94,973	\$ 1,249,509	\$ 130,223	\$ 71,504	\$ 1,666,215	\$ 1,423,594
Investments	-	-	-	-	-	-	-	-
Taxes receivable	-	-	-	-	-	-	-	80,237
Due from other funds	-	-	-	-	-	-	-	-
Receivable from other governments	-	74	-	-	-	-	-	-
Accrued interest receivable	-	-	-	-	-	-	-	-
Other receivables, net	141,068	-	-	80,594	-	-	402,500	-
Prepaid expense	-	-	-	-	-	-	-	-
Total assets	<u>2,174,283</u>	<u>186,883</u>	<u>94,973</u>	<u>1,330,103</u>	<u>130,223</u>	<u>71,504</u>	<u>2,068,715</u>	<u>1,503,831</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>								
Liabilities:								
Accounts payable	1,421	-	-	257,984	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	-
Amounts held in escrow	-	-	-	-	-	-	-	-
Total liabilities	<u>1,421</u>	<u>-</u>	<u>-</u>	<u>257,984</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>								
Unavailable revenue	-	-	-	3,348	-	-	402,500	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,348</u>	<u>-</u>	<u>-</u>	<u>402,500</u>	<u>-</u>
Fund balances:								
Restricted	2,172,862	186,883	94,973	-	130,223	71,504	1,666,215	1,503,831
Committed	-	-	-	1,068,771	-	-	-	-
Assigned	-	-	-	-	-	-	-	-
Total fund balances	<u>2,172,862</u>	<u>186,883</u>	<u>94,973</u>	<u>1,068,771</u>	<u>130,223</u>	<u>71,504</u>	<u>1,666,215</u>	<u>1,503,831</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,174,283</u>	<u>\$ 186,883</u>	<u>\$ 94,973</u>	<u>\$ 1,330,103</u>	<u>\$ 130,223</u>	<u>\$ 71,504</u>	<u>\$ 2,068,715</u>	<u>\$ 1,503,831</u>

(Continued)



**Broken Arrow**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2024**

	<b>CAPITAL PROJECT FUNDS</b>							
	<b>2014 General Obligation Bond Fund</b>	<b>Parks and Recreation</b>	<b>Cemetery Care</b>	<b>Street Sales Tax</b>	<b>1994 General Obligation Bond Fund</b>	<b>2008 General Obligation Bond Fund</b>	<b>2011 General Obligation Bond Fund</b>	<b>Total Governmental Funds</b>
<b>ASSETS</b>								
Cash and cash equivalents	\$ 4,839,951	\$ 1,140,104	\$ 451,385	\$ 5,722,699	\$ 308	\$ 32,961	\$ 265,439	\$ 25,596,361
Investments	1,078,043	-	-	3,155,856	-	-	-	4,233,899
Taxes receivable	-	-	-	-	-	-	-	80,237
Due from other funds	-	-	-	-	-	-	-	765
Receivable from other governments	-	-	-	880,511	-	-	-	1,766,970
Accrued interest receivable	10,139	-	-	32,031	-	-	-	42,170
Other receivables, net	-	31,105	8,137	-	-	-	-	761,596
Prepaid expense	-	-	-	-	-	-	-	-
Total assets	<u>5,928,133</u>	<u>1,171,209</u>	<u>459,522</u>	<u>9,791,097</u>	<u>308</u>	<u>32,961</u>	<u>265,439</u>	<u>32,481,998</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>								
Liabilities:								
Accounts payable	39,863	-	422	242,071	-	-	-	1,181,427
Due to other funds	-	-	-	-	-	-	-	5,909
Amounts held in escrow	-	-	-	-	-	-	-	86
Total liabilities	<u>39,863</u>	<u>-</u>	<u>422</u>	<u>242,071</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,187,422</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>								
Unavailable revenue	10,139	-	-	32,032	-	-	-	786,178
Total deferred inflows of resources	<u>10,139</u>	<u>-</u>	<u>-</u>	<u>32,032</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>786,178</u>
Fund balances:								
Restricted	5,878,131	-	181,824	9,516,994	-	32,961	265,439	25,430,905
Committed	-	1,171,209	277,276	-	308	-	-	5,077,493
Assigned	-	-	-	-	-	-	-	-
Total fund balances	<u>5,878,131</u>	<u>1,171,209</u>	<u>459,100</u>	<u>9,516,994</u>	<u>308</u>	<u>32,961</u>	<u>265,439</u>	<u>30,508,398</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 5,928,133</u>	<u>\$ 1,171,209</u>	<u>\$ 459,522</u>	<u>\$ 9,791,097</u>	<u>\$ 308</u>	<u>\$ 32,961</u>	<u>\$ 265,439</u>	<u>\$ 32,481,998</u>

**Broken Arrow**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the year ended June 30, 2024**

	<b>SPECIAL REVENUE FUNDS</b>						
	<b>Excess Capacity Sewer Escrow</b>	<b>Stormwater Capital</b>	<b>Convention and Visitor's Bureau</b>	<b>Police Enhancement</b>	<b>Street and Alley</b>	<b>Housing and Urban Development</b>	<b>CARES Act Fund</b>
<b>REVENUES</b>							
Sales and use tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Property tax - TIF	-	-	-	-	-	-	-
Franchise and miscellaneous taxes	-	-	795,093	-	-	-	-
Intergovernmental	-	-	-	65,783	1,081,695	219,717	400,000
Charges for services	-	55,966	-	-	-	-	-
Fees and fines	-	-	-	-	-	-	-
Investment earnings	10,198	3,968	8,735	380	-	-	262,234
Miscellaneous	191,426	-	-	4,758	-	-	-
Total revenues	<u>201,624</u>	<u>59,934</u>	<u>803,828</u>	<u>70,921</u>	<u>1,081,695</u>	<u>219,717</u>	<u>662,234</u>
<b>EXPENDITURES</b>							
Current:							
General government	-	-	434,832	-	-	-	-
Public safety	-	-	-	35,834	-	-	-
Public services	-	-	-	-	-	-	-
Capital outlay	-	822,695	33,206	11,222	178,139	479,894	561,927
Total expenditures	<u>-</u>	<u>822,695</u>	<u>468,038</u>	<u>47,056</u>	<u>178,139</u>	<u>479,894</u>	<u>561,927</u>
Excess (deficiency) of revenues over expenditures	<u>201,624</u>	<u>(762,761)</u>	<u>335,790</u>	<u>23,865</u>	<u>903,556</u>	<u>(260,177)</u>	<u>100,307</u>
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	(275,000)	-	(1,000,000)	-	(7,000,000)
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>(275,000)</u>	<u>-</u>	<u>(1,000,000)</u>	<u>-</u>	<u>(7,000,000)</u>
Net change in fund balances	<u>201,624</u>	<u>(762,761)</u>	<u>60,790</u>	<u>23,865</u>	<u>(96,444)</u>	<u>(260,177)</u>	<u>(6,899,693)</u>
Fund balances - beginning	1,842,706	1,278,360	1,703,619	223,596	1,305,411	246,196	7,421,902
Fund balances - ending	<u>\$ 2,044,330</u>	<u>\$ 515,599</u>	<u>\$ 1,764,409</u>	<u>\$ 247,461</u>	<u>\$ 1,208,967</u>	<u>\$ (13,981)</u>	<u>\$ 522,209</u>

(Continued)

**Broken Arrow**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the year ended June 30, 2024**

	SPECIAL REVENUE FUNDS							
	E911	Crime Prevention	Alcohol Enforcement	Street Light	Admin Technology Fund	Creek TIF Apportionment Fund	Opioid Settlement Fund	PSO 1% Franchise Fee Fund
REVENUES								
Sales and use tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Property tax - TIF	-	-	-	-	-	101,869	-	-
Franchise and miscellaneous taxes	-	-	-	-	-	-	-	1,261,429
Intergovernmental	-	16,423	-	-	-	-	-	-
Charges for services	1,504,407	-	-	1,221,848	37,928	-	-	-
Fees and fines	-	-	4,875	-	-	-	-	-
Investment earnings	9,756	1,991	432	6,342	354	301	4,998	6,078
Miscellaneous	-	-	-	-	-	-	1,210,014	-
Total revenues	1,514,163	18,414	5,307	1,228,190	38,282	102,170	1,215,012	1,267,507
EXPENDITURES								
Current:								
General government	-	-	-	-	5,450	30,666	-	-
Public safety	-	8,073	7,129	-	-	-	-	-
Public services	-	-	-	519,841	-	-	-	-
Capital outlay	2,340	-	-	441,929	7,800	-	-	-
Total expenditures	2,340	8,073	7,129	961,770	13,250	30,666	-	-
Excess (deficiency) of revenues over expenditures	1,511,823	10,341	(1,822)	266,420	25,032	71,504	1,215,012	1,267,507
OTHER FINANCING SOURCES (USES)								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	(1,000,000)	-	-	-	-	-	-	-
Total other financing sources and uses	(1,000,000)	-	-	-	-	-	-	-
Net change in fund balances	511,823	10,341	(1,822)	266,420	25,032	71,504	1,215,012	1,267,507
Fund balances - beginning	1,661,039	176,542	96,795	802,351	105,191	-	451,203	236,324
Fund balances - ending	\$ 2,172,862	\$ 186,883	\$ 94,973	\$ 1,068,771	\$ 130,223	\$ 71,504	\$ 1,666,215	\$ 1,503,831
								(Continued)

(Continued)

**Broken Arrow**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the year ended June 30, 2024**

	<b>CAPITAL PROJECT FUNDS</b>							
	<b>2014 General Obligation Bond Fund</b>	<b>Parks and Recreation</b>	<b>Cemetery Care</b>	<b>Street Sales Tax</b>	<b>1994 General Obligation Bond Issue</b>	<b>2008 General Obligation Bond Fund</b>	<b>2011 General Obligation Bond Fund</b>	<b>Total-Other Governmental Funds</b>
<b>REVENUES</b>								
Sales and use tax	\$ -	\$ -	\$ -	\$ 5,035,773	\$ -	\$ -	\$ -	\$ 5,035,773
Property tax - TIF	-	-	-	-	-	-	-	101,869
Franchise and miscellaneous taxes	-	-	-	-	-	-	-	2,056,522
Intergovernmental	-	-	-	-	-	-	-	1,783,618
Charges for services	-	318,496	78,880	-	-	-	-	3,217,525
Fees and fines	-	-	-	-	-	-	-	4,875
Investment earnings	200,893	6,221	2,224	164,371	33	167	2,137	691,813
Miscellaneous	-	54,115	-	-	-	-	-	1,460,313
Total revenues	<u>200,893</u>	<u>378,832</u>	<u>81,104</u>	<u>5,200,144</u>	<u>33</u>	<u>167</u>	<u>2,137</u>	<u>14,352,308</u>
<b>EXPENDITURES</b>								
Current:								
General government	-	-	-	-	-	-	-	470,948
Public safety	-	-	-	-	-	-	-	51,036
Public services	-	-	-	-	-	-	-	519,841
Capital outlay	2,030,070	375,622	48,851	2,247,442	35,843	-	208,962	7,485,942
Total expenditures	<u>2,030,070</u>	<u>375,622</u>	<u>48,851</u>	<u>2,247,442</u>	<u>35,843</u>	<u>-</u>	<u>208,962</u>	<u>8,527,767</u>
Excess (deficiency) of revenues over expenditures	<u>(1,829,177)</u>	<u>3,210</u>	<u>32,253</u>	<u>2,952,702</u>	<u>(35,810)</u>	<u>167</u>	<u>(206,825)</u>	<u>5,824,541</u>
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	(9,275,000)
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(9,275,000)</u>
Net change in fund balances	<u>(1,829,177)</u>	<u>3,210</u>	<u>32,253</u>	<u>2,952,702</u>	<u>(35,810)</u>	<u>167</u>	<u>(206,825)</u>	<u>(3,450,459)</u>
Fund balances - beginning	7,707,308	1,167,999	426,847	6,564,292	36,118	32,794	472,264	33,958,857
Fund balances - ending	<u>\$ 5,878,131</u>	<u>\$ 1,171,209</u>	<u>\$ 459,100</u>	<u>\$ 9,516,994</u>	<u>\$ 308</u>	<u>\$ 32,961</u>	<u>\$ 265,439</u>	<u>\$ 30,508,398</u>

**Broken Arrow**  
**Combining Schedule of Net Position**  
**Broken Arrow Municipal Authority Accounts**  
**June 30, 2024**

	<b>Municipal Authority</b>	<b>BAMA Sales Tax Account</b>	<b>Sanitary Capital Account</b>	<b>Total</b>
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ (18,221,924)	\$ 6,061,805	\$ 1,335,974	\$ (10,824,145)
Restricted cash and cash equivalents	7,479,156	38,721,764	-	46,200,920
Accounts receivable, net	10,197,044	-	-	10,197,044
Due from other funds	4,047,753	-	-	4,047,753
Due from other governments	49,396	19,229,137	-	19,278,533
Inventories	1,373,533	-	-	1,373,533
Prepaid assets	20,500	-	-	20,500
Total current assets	4,945,458	64,012,706	1,335,974	70,294,138
Non-current assets:				
Restricted cash and cash equivalents	752,760	849,706	-	1,602,466
Investment in joint venture	37,942,324	-	-	37,942,324
Capital Assets:				
Land and other nondepreciable assets	42,628,690	-	-	42,628,690
Other capital assets, net of accumulated depreciation	207,806,042	-	-	207,806,042
Total non-current assets	289,129,816	849,706	-	289,979,522
Total assets	294,075,274	64,862,412	1,335,974	360,273,660
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred charge on refunding	-	31,244	-	31,244
Deferred amounts related to OPEB	141,199	-	-	141,199
Total deferred outflows of resources	141,199	31,244	-	172,443
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	6,394,005	1,000	-	6,395,005
Accrued payroll payable	1,065,758	-	-	1,065,758
Accrued interest payable	-	2,032,241	-	2,032,241
Due to other funds	17,501,198	-	-	17,501,198
Other accrued expenses	181,939	-	-	181,939
Amounts held in escrow	156,659	-	-	156,659
Compensated absences	729,842	-	-	729,842
Claims and judgments	-	-	-	-
Meter deposit liability	203,047	-	-	203,047
Bonds, notes and loans payable, net	1,376,334	6,672,770	-	8,049,104
Capital lease obligation	-	-	-	-
Total current liabilities	27,608,782	8,706,011	-	36,314,793
Non-current liabilities:				
Compensated absences	212,265	-	-	212,265
Meter deposit liability	752,760	-	-	752,760
Bonds, notes and loans payable, net	550,533	173,649,653	-	174,200,186
Total OPEB liability	435,132	-	-	435,132
Total non-current liabilities	1,950,690	173,649,653	-	175,600,343
Total liabilities	29,559,472	182,355,664	-	211,915,136
<b>DEFERRED INFLOW OF RESOURCES</b>				
Deferred amounts related to OPEB	137,990	-	-	137,990
Total deferred inflow of resources	137,990	-	-	137,990
<b>NET POSITION</b>				
Net Investment in capital assets	248,507,865	(180,322,423)	-	68,185,442
Restricted for debt service	-	20,386,023	-	20,386,023
Unrestricted	16,011,146	42,474,392	1,335,974	59,821,512
Total net position	\$ 264,519,011	\$ (117,462,008)	\$ 1,335,974	\$ 148,392,977

**Broken Arrow**  
**Combining Schedule of Revenues, Expenses and Changes in Fund Net Position**  
**Broken Arrow Municipal Authority Accounts**  
**For the Year Ended June 30, 2024**

	<b>Municipal Authority</b>	<b>BAMA Sales Tax Account</b>	<b>Sanitary Capital Account</b>	<b>Total</b>
<b>REVENUES</b>				
Water charges	\$ 30,347,459	\$ -	\$ -	\$ 30,347,459
Sewer charges	17,924,697	-	-	17,924,697
Sanitation charges	9,547,225	-	-	9,547,225
Stormwater fees	9,007,298	-	-	9,007,298
Fees and fines	1,136,027	-	-	1,136,027
Miscellaneous	551,610	-	-	551,610
Total operating revenues	<u>68,514,316</u>	<u>-</u>	<u>-</u>	<u>68,514,316</u>
<b>OPERATING EXPENSES</b>				
General government	1,565,534	-	-	1,565,534
Finance and administration	2,665,140	-	-	2,665,140
Engineering and construction	3,931,868	-	-	3,931,868
Water distribution	14,058,750	-	-	14,058,750
Saitary sewer system	8,177,529	-	-	8,177,529
Sanitation services	8,586,005	-	-	8,586,005
Support services	3,717,770	-	-	3,717,770
Stormwater	4,077,062	-	-	4,077,062
Geographic Information System	795,387	-	-	795,387
Bond issuance costs	-	154,170	-	154,170
Depreciation	14,214,013	-	-	14,214,013
Total Operating Expenses	<u>61,789,058</u>	<u>154,170</u>	<u>-</u>	<u>61,943,228</u>
Operating income (loss)	<u>6,725,258</u>	<u>(154,170)</u>	<u>-</u>	<u>6,571,088</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
Interest and investment revenue	20,987	1,451,533	6,765	1,479,285
Gain on disposal of capital assets	825	-	-	825
Operating grant	718,754	-	-	718,754
Interest expense and fiscal charges	-	(6,020,157)	-	(6,020,157)
Total non-operating revenue (expenses)	<u>740,566</u>	<u>(4,568,624)</u>	<u>6,765</u>	<u>(3,821,293)</u>
Income (loss) before contributions and transfers	7,465,824	(4,722,794)	6,765	2,749,795
Capital contributions	11,642,722	-	-	11,642,722
Transfers in	20,170,297	-	-	20,170,297
Transfers out	(20,770,297)	-	-	(20,770,297)
Change in net position	<u>18,508,546</u>	<u>(4,722,794)</u>	<u>6,765</u>	<u>13,792,517</u>
Total net position - beginning	<u>246,010,465</u>	<u>(112,739,214)</u>	<u>1,329,209</u>	<u>134,600,460</u>
Total net position - ending	<u>\$ 264,519,011</u>	<u>\$ (117,462,008)</u>	<u>\$ 1,335,974</u>	<u>\$ 148,392,977</u>

**Broken Arrow**  
**Combining Schedule of Cash Flows**  
**Broken Arrow Municipal Authority Accounts**  
**For the Year Ended June 30, 2024**

	<b>Municipal Authority</b>	<b>BAMA Sales Tax Account</b>	<b>Sanitary Capital Account</b>	<b>Total</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers	\$ 69,093,091	\$ -	\$ -	\$ 69,093,091
Payments to suppliers	(27,732,904)	(153,170)	-	(27,886,074)
Payments to employees	(20,918,710)	-	-	(20,918,710)
Receipts of customer meter deposits	378,911	-	-	378,911
Payment of customer meter deposits	(438,337)	-	-	(438,337)
Interfund payments & receipts	3,184,058	-	-	3,184,058
Net cash provided by operating activities	<u>23,566,109</u>	<u>(153,170)</u>	<u>-</u>	<u>23,412,939</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Transfers from other funds	20,170,297	-	-	20,170,297
Transfer to other funds	(20,770,297)	-	-	(20,770,297)
Net cash provided by (used in) noncapital financing activities	<u>(600,000)</u>	<u>-</u>	<u>-</u>	<u>(600,000)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Purchase of capital assets	(14,400,125)	-	-	(14,400,125)
Proceeds from issuance of debt	-	25,056,484	-	25,056,484
Proceeds from sale of capital assets	3,700	-	-	3,700
Principal paid on capital debt	(550,533)	(10,534,766)	-	(11,085,299)
Interest paid on capital debt	-	(6,020,157)	-	(6,020,157)
Net cash provided by (used in) capital and related financing activities	<u>(14,946,958)</u>	<u>8,501,561</u>	<u>-</u>	<u>(6,445,397)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
(Increase) decrease in investment in joint venture	148,757	-	-	148,757
Interest and dividends	20,987	731,343	6,765	759,095
Net cash provided by investing activities	<u>169,744</u>	<u>731,343</u>	<u>6,765</u>	<u>907,852</u>
Net Increase (decrease) in cash and cash equivalents	8,188,895	9,079,734	6,765	17,275,394
Balances-beginning of year	<u>(18,178,903)</u>	<u>36,553,541</u>	<u>1,329,209</u>	<u>19,703,847</u>
Balances-end of year	<u>\$ (9,990,008)</u>	<u>\$ 45,633,275</u>	<u>\$ 1,335,974</u>	<u>\$ 36,979,241</u>
<b>Reconciliation to Combining Statement of Net Position:</b>				
Cash and cash equivalents	\$ (18,221,924)	\$ 6,061,805	\$ 1,335,974	\$ (10,824,145)
Restricted cash and cash equivalents-current	7,479,156	38,721,764	-	46,200,920
Restricted cash and cash equivalents-noncurrent	752,760	849,706	-	1,602,466
<b>Total cash and cash equivalents, end of year</b>	<u>(9,990,008)</u>	<u>45,633,275</u>	<u>1,335,974</u>	<u>36,979,241</u>
<b>Reconciliation of Operating Income to Net Cash Provided by (Used in) Operating Activities:</b>				
Operating income (loss)	\$ 6,725,258	\$ (154,170)	\$ -	\$ 6,571,088
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation expense	14,214,013	-	-	14,214,013
Operating grants and contributions	718,754	-	-	718,754
Change in assets, liabilities and deferrals:				
Receivables, net	(117,895)	-	-	(117,895)
Due from other funds	(154,081)	-	-	(154,081)
Due from other governments	(41,094)	-	-	(41,094)
Inventories	(92,766)	-	-	(92,766)
Prepaid assets	-	-	-	-
Deferred amounts related to OPEB	(85,522)	-	-	(85,522)
Accounts payables	(1,271,762)	1,000	-	(1,270,762)
Accrued payroll	97,518	-	-	97,518
Due to other funds	3,338,139	-	-	3,338,139
Amounts held in escrow	19,010	-	-	19,010
Accrued compensated absences	157,970	-	-	157,970
Customer meter deposits payable	(59,426)	-	-	(59,426)
Total OPEB liability	117,993	-	-	117,993
<b>Net cash provided by (used in) operating activities</b>	<u>\$ 23,566,109</u>	<u>\$ (153,170)</u>	<u>\$ -</u>	<u>\$ 23,412,939</u>
<b>Non-cash Activities:</b>				
Capital assets contributed	\$ 11,642,722	\$ -	\$ -	\$ 11,642,722
Forgiveness of debt	-	-	-	-
<b>Total Non-cash Activities</b>	<u>\$ 11,642,722</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,642,722</u>

**Broken Arrow**  
**Combining Statement of Net Position**  
**Internal Service Funds**  
**June 30, 2024**

	<b>Worker's Compensation</b>	<b>Group Health &amp; Life</b>	<b>Total</b>
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 2,019,527	\$ 2,017,077	\$ 4,036,604
Other receivables	24,687	411,072	435,759
Total assets	<u>2,044,214</u>	<u>2,428,149</u>	<u>4,472,363</u>
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts payable	-	25,048	25,048
Claims liability	1,138,000	-	1,138,000
Total current liabilities	<u>1,138,000</u>	<u>25,048</u>	<u>1,163,048</u>
Non-current liabilities:			
Claims liability	1,290,000	987,000	2,277,000
Total non-current liabilities	<u>1,290,000</u>	<u>987,000</u>	<u>2,277,000</u>
Total liabilities	<u>2,428,000</u>	<u>1,012,048</u>	<u>3,440,048</u>
<b>NET POSITION</b>			
Unrestricted (deficit)	(383,786)	1,416,101	1,032,315
Total Net Position	<u>\$ (383,786)</u>	<u>\$ 1,416,101</u>	<u>\$ 1,032,315</u>



**Broken Arrow**  
**Combining Statement of Revenues, Expenses and Changes in Fund Net Position**  
**Internal Service Funds**  
**For the Year Ended June 30, 2024**

	<b>Worker's Compensation</b>	<b>Group Health &amp; Life</b>	<b>Total</b>
<b>OPERATING REVENUES</b>			
Self insurance charges	\$ 1,155,000	\$ 12,484,119	\$ 13,639,119
Total operating revenues	<u>1,155,000</u>	<u>12,484,119</u>	<u>13,639,119</u>
<b>OPERATING EXPENSES</b>			
Claims expense	1,046,291	11,272,357	12,318,648
Total operating expenses	<u>1,046,291</u>	<u>11,272,357</u>	<u>12,318,648</u>
Operating income (loss)	<u>108,709</u>	<u>1,211,762</u>	<u>1,320,471</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Interest and investment revenue	7,980	7,211	15,191
Miscellaneous revenue	49,691	-	49,691
Total non-operating revenue (expenses)	<u>57,671</u>	<u>7,211</u>	<u>64,882</u>
Change in net position	166,380	1,218,973	1,385,353
Total net position - beginning	(550,166)	197,128	(353,038)
Total net position - ending	<u><u>\$ (383,786)</u></u>	<u><u>\$ 1,416,101</u></u>	<u><u>\$ 1,032,315</u></u>

**Broken Arrow**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**For the Year Ended June 30, 2024**

	<b>Worker's Compensation</b>	<b>Group Health &amp; Life</b>	<b>Total</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers	\$ 1,180,004	\$ 12,364,286	\$ 13,544,290
Claims paid	(1,363,639)	(11,171,100)	(12,534,739)
Net cash provided by (used in) operating activities	<u>(183,635)</u>	<u>1,193,186</u>	<u>1,009,551</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest and dividends	7,980	7,211	15,191
Net cash provided by investing activities	<u>7,980</u>	<u>7,211</u>	<u>15,191</u>
Net increase (decrease) in cash and cash equivalents	(175,655)	1,200,397	1,024,742
Balances-beginning of year	2,195,182	816,680	3,011,862
Balances-end of year	<u>\$ 2,019,527</u>	<u>\$ 2,017,077</u>	<u>\$ 4,036,604</u>
<b>Reconciliation to Combining Statement of Net Position:</b>			
Cash, including time deposits	\$ 2,019,527	\$ 2,017,077	\$ 4,036,604
<b>Total cash and cash equivalents, end of year</b>	<u>\$ 2,019,527</u>	<u>\$ 2,017,077</u>	<u>\$ 4,036,604</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used In) Operating Activities:</b>			
Operating income (loss)	\$ 108,709	\$ 1,211,762	\$ 1,320,471
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:			
Miscellaneous non-operating revenue	49,691	-	49,691
Change in assets and liabilities:			
Other receivable	(24,687)	(119,833)	(144,520)
Accounts and other payables	(16,348)	15,457	(891)
Claims liability	(301,000)	85,800	(215,200)
<b>Net cash provided by (used in) operating activities</b>	<u>\$ (183,635)</u>	<u>\$ 1,193,186</u>	<u>\$ 1,009,551</u>

**CITY OF BROKEN ARROW, OKLAHOMA**  
**SINGLE AUDIT REPORTS**  
**AND SUPPLEMENTARY SCHEDULES**

**June 30, 2024**

# CITY OF BROKEN ARROW, OKLAHOMA

June 30, 2024

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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*:**

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 <i>Government Auditing Standards</i>	1
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### **Reports related to Federal Assistance Programs Required by the Uniform Guidance:**

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	3
Schedule of Expenditures of Federal Awards	6
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Schedule of Findings and Questioned Costs	8
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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 City of Broken Arrow, Oklahoma (the "City"), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated September 29, 2025.

**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 or other matter that is required to be reported under Government Auditing Standards and which is described in the accompanying schedule of findings and questioned costs as item 2024-001.

## 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.

*Arlidge & Associates PC*

Oklahoma City, Oklahoma  
September 29, 2025



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE 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, 2024. 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, 2024.

***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.

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.

### **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 each major fund, and the aggregate remaining fund information of the City, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated September 29, 2025 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.





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 PC*

Oklahoma City, Oklahoma  
September 29, 2025



**CITY OF BROKEN ARROW, OKLAHOMA**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2024**

<i>Award Information</i>	<i>AL/other #</i>	<i>Pass-Through Entity Name</i>	<i>Pass-Through Entity #</i>	<i>Passed-through to Subrecipients (\$)</i>	<i>Federal Expenditures (\$)</i>
<b>CDBG - Entitlement Grants-Cluster</b>					
Department of Housing and Urban Development					
Community Development Block Grants/Entitlement Grants					
Community Development Block Grants/Entitlement Grants	14.218	Tulsa County	B-22-UC-40-0001		168,599
Community Development Block Grants/Entitlement Grants	14.218	Tulsa County	B-23-UC-40-0001		310,824
Total Community Development Block Grants/Entitlement Grants				-	479,423
Total Department of Housing and Urban Development				-	479,423
					479,423
<b>Total CDBG - Entitlement Grants-Cluster</b>					
<b>Highway Safety Cluster-Cluster</b>					
Department of Transportation					
State and Community Highway Safety					
State and Community Highway Safety	20.600	Oklahoma Highway Safety	PT-23-03-23-04		16,350
State and Community Highway Safety	20.600	Oklahoma Highway Safety	PT-24-03-04-25		53,626
Total State and Community Highway Safety				-	69,976
Total Department of Transportation				-	69,976
					69,976
<b>Total Highway Safety Cluster-Cluster</b>					
<b>Other Programs (Treated individually for major program determination)</b>					
United States Department of Justice					
Crime Victim Assistance					
			2022-VOCA-Broken Arrow CI-		
Crime Victim Assistance	16.575	District Attorney's Council	143		2,000
Total Crime Victim Assistance				-	2,000
Equitable Sharing Program					
Equitable Sharing Program	16.922				8,306
Total Equitable Sharing Program				-	8,306
Total United States Department of Justice				-	10,306
Department of Transportation					
Highway Planning and Construction					
Highway Planning and Construction	20.205	CMAQ			-20,061
Highway Planning and Construction	20.205	CMAQ			400,000
Highway Planning and Construction	20.205	CMAQ			83,596
Total Highway Planning and Construction				-	463,535
Total Department of Transportation				-	463,535
Department of the Treasury					
Coronavirus State and Local Fiscal Recovery Funds (Single or Program-specific Audit)					
Coronavirus State and Local Fiscal Recovery Funds (Single or Program-specific Audit)	21.027				1,052,253
Total Coronavirus State and Local Fiscal Recovery Funds (Single or Program-specific Audit)				-	1,052,253
Total Department of the Treasury				-	1,052,253
Department of Homeland Security					
Hazard Mitigation Grant					
Hazard Mitigation Grant	97.039	ODEMHS	4438DR-OK		153,669
Hazard Mitigation Grant	97.039	ODEMHS	FEMA 475DROK 0016		387,734
Total Hazard Mitigation Grant				-	541,403
Assistance to Firefighters Grant					
Assistance to Firefighters Grant	97.044		EMW-2022-FG-05308		32,604
Total Assistance to Firefighters Grant				-	32,604
Total Department of Homeland Security				-	574,007
					2,100,101
<b>Total Other Programs (Treated individually for major program determination)</b>					
<b>Total Expenditures of Federal Awards</b>				\$ -	\$ 2,649,500

# **CITY OF BROKEN ARROW, OKLAHOMA**

## **NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

June 30, 2024

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### **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, 2024. 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**

The City did not pass through any funding to subrecipients during the year ended June 30, 2024.

### **NOTE D—SUBSEQUENT EVENTS**

The City has evaluated the effects of all subsequent events from June 30, 2024, through the date on which 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, 2024

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**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 ☒ no
- Significant deficiency(ies) identified? ☐ yes ☒ none reported

Noncompliance material to financial statements noted?

☒ yes ☐ no

*Federal Awards*

Internal control over major federal programs:

- Material weakness(es) identified? ☐ yes ☒ no
- Significant deficiency(ies) identified? ☐ yes ☒ 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 ☒ no

Identification of major federal programs:

<u>Program</u>	<u>Federal AL Number</u>
Coronavirus State and Local Fiscal Recovery Funds	21.027
Community Development Block Grant--Entitlement Program	14.218

Dollar threshold used to distinguish between type A and type B programs:

\$750,000

Auditee qualified as low-risk auditee?

☐ yes ☒ no

## CITY OF BROKEN ARROW, OKLAHOMA

### SCHEDULE OF FINDINGS AND QUESTIONED COSTS – (Cont'd)

June 30, 2024

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#### Section II--Findings Required to be Reported in Accordance with *Government Auditing Standards*:

##### A. Internal Control Findings

*There are no findings requiring reporting under this section.*

##### B. Compliance Findings

###### 2024-001 – Filing with the State Auditor

**Criteria:** Oklahoma State Statutes require the City's audit to be submitted to the Oklahoma State Auditor and Inspector within six months after the end of the fiscal year.

**Condition:** The audit was not submitted to the State Auditor and Inspector in a timely fashion.

**Cause and Effect:** The implementation of Enterprise Resources Planning was the cause, as the City was unable to close the year-end financial statement within the required timeframe to file with the State Auditor. Additionally, the City was short one accountant position during fiscal year 2024, further adding to delays.

**Recommendation:** We recommend that the internal controls for reporting to the state auditor be reviewed to ensure that future filings are completed in a more timely fashion.

**Management Response:** We will work more diligently to get this completed within the guidelines. We have still had issues with the new ERP and staff feel that it is getting better each year. We have now completed all modules in fiscal year 2024.

#### Section III—Findings Required to be Reported in Accordance with the Uniform Guidance:

**CITY OF BROKEN ARROW, OKLAHOMA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS – (Cont'd)**

June 30, 2024

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**A. Internal Control Findings**

*There are no findings requiring reporting under this section.*

**B. Compliance Findings**

*There are no findings requiring reporting under this section.*

## CITY OF BROKEN ARROW, OKLAHOMA

### SUMMARY SCHEDULE OF PRIOR FINDINGS AND QUESTIONED COSTS

June 30, 2023

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#### Section II--Findings Required to be Reported in Accordance with *Government Auditing Standards*:

##### A. Internal Control Findings

<b><u>Reference Number</u></b>	<b><u>Summary of Finding</u></b>	<b><u>Status</u></b>	<b><u>Corrective Action Plan or Other Explanation</u></b>
<b>2023-001</b>	During a prior fiscal year, the City's Economic Development Authority entered into a development agreement with a third party, which deeded over land held by the City. The land, and related note receivable were not recorded at the time this transaction took place.	<b>Resolved</b>	Staff now monitor any transaction that takes place within the EDA. Also, with land transactions management is now copied on all correspondence so they're aware of land being transferred. On regular disposals the finance department is the staff that puts the items on the agenda for auction, so they are tracking those disposals closely.

##### B. Compliance Findings

<b><u>Reference Number</u></b>	<b><u>Summary of Finding</u></b>	<b><u>Status</u></b>	<b><u>Corrective Action Plan or Other Explanation</u></b>
<b>2023-002</b>	The audit was not submitted to the State Auditor and Inspector within a timely fashion.	<b>In Progress</b>	Staff have corrected the ERP system issues causing previous delays and are in progress to complete close in a timely manner for FY25.

# **CITY OF BROKEN ARROW, OKLAHOMA**

## **SUMMARY SCHEDULE OF PRIOR FINDINGS AND QUESTIONED COSTS**

June 30, 2023

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### **Section III—Findings Required to be Reported in Accordance with the Uniform Guidance:**

#### **A. Internal Control Findings**

*None noted in prior year audit.*

#### **B. Compliance Findings**

*None noted in prior year audit.*