

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

**June 30, 2025**

**CITY OF BROKEN ARROW, OKLAHOMA**

June 30, 2025

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SINGLE AUDIT REPORTS AND SUPPLEMENTARY SCHEDULES:

**Reports related to financial statements of the reporting entity  
Required by GAO *Government Auditing Standards*:**

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**Reports related to Federal Assistance Programs Required by the Uniform Guidance:**

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Broken Arrow, Oklahoma (the "City"), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated February 26, 2026. Our report included an emphasis of matter related to the restatement of net position in the current year for misstatements in the previous year related to long-term debt and capital assets in business-type activities.

#### **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 no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

#### **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.

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*Arledge & Associates PC*

Oklahoma City, Oklahoma  
February 26, 2026





INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE; AND  
REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM  
GUIDANCE

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

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited City of Broken Arrow, Oklahoma's (the "City") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2025. 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, 2025.

***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.

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.

### **Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated February 26, 2026 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



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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.

*Arledge & Associates PC*

Oklahoma City, Oklahoma  
February 26, 2026



**CITY OF BROKEN ARROW, OKLAHOMA**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2025**

<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><i>CDBG - Entitlement Grants-Cluster</i></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	\$ -	\$ 144,973.00
Community Development Block Grants/Entitlement Grants	14.218	Tulsa County	B-23-UC-40-0001	-	56,263
Total Community Development Block Grants/Entitlement Grants				-	201,236
<i>Total Department of Housing and Urban Development</i>					
				-	201,236
<b><i>Total CDBG - Entitlement Grants-Cluster</i></b>					
				-	201,236
<b><i>Highway Safety Cluster-Cluster</i></b>					
Department of Transportation					
State and Community Highway Safety					
State and Community Highway Safety	20.600	Oklahoma Highway Safety	PT-24-03-04-24	-	7,278
State and Community Highway Safety	20.600	Oklahoma Highway Safety	PT-24-03-04-25	-	1,844
State and Community Highway Safety	20.600	Oklahoma Highway Safety	OP-25-03-02-25	-	43,563
State and Community Highway Safety	20.600	Oklahoma Highway Safety	OP-25-03-02-26	-	3,303
State and Community Highway Safety	20.600	Oklahoma Highway Safety	SC-25-03-28-26	-	5,000
Total State and Community Highway Safety				-	60,988
<i>Total Department of Transportation</i>					
				-	60,988
<b><i>Total Highway Safety Cluster-Cluster</i></b>					
				-	60,988
<b><i>Other Programs (Treated individually for major program determination)</i></b>					
United States Department of Justice					
Edward Byrne Memorial Justice Assistance Grant Program					
Edward Byrne Memorial Justice Assistance Grant Program	16.738			-	25,032
Total Edward Byrne Memorial Justice Assistance Grant Program				-	25,032
Equitable Sharing Program					
Equitable Sharing Program	16.922			-	44,484
Total Equitable Sharing Program				-	44,484
<i>Total United States Department of Justice</i>					
				-	69,516
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			-	7,543,182
Total Coronavirus State and Local Fiscal Recovery Funds (Single or Program-specific Audit)				-	7,543,182
<i>Total Department of the Treasury</i>					
				-	7,543,182
Department of Homeland Security					
Staffing for Adequate Fire and Emergency Response (SAFER)					
Staffing for Adequate Fire and Emergency Response (SAFER)	97.083			-	291,904
Total Staffing for Adequate Fire and Emergency Response (SAFER)				-	291,904
<i>Total Department of Homeland Security</i>					
				-	291,904
<b><i>Total Other Programs (Treated individually for major program determination)</i></b>					
				-	7,904,602
<b><i>Total Expenditures of Federal Awards</i></b>					
				\$ -	\$ 8,166,825

# CITY OF BROKEN ARROW, OKLAHOMA

## NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

June 30, 2025

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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, 2025. 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, 2025.

### NOTE D—SUBSEQUENT EVENTS

The City has evaluated the effects of all subsequent events from June 30, 2025, 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 – (Cont'd)**

June 30, 2025

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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**

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

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

**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, 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**

<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>2024-001</b>	The audit was not submitted to the State Auditor and Inspector within a timely fashion.	<b>Resolved</b>	Staff have corrected the ERP system issues causing previous delays and completed close in a timely manner for FY25.

**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.*