



# BROKEN ARROW

*Where opportunity lives*



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

**AS OF AND FOR THE FISCAL YEAR ENDED  
JUNE 30, 2025**



# BROKEN ARROW

*Where opportunity lives*

## **FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION**

**JUNE 30, 2025**

**WITH  
INDEPENDENT AUDITOR'S REPORT**

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City of Broken Arrow, Oklahoma

List of Principal Officials  
June 30, 2025

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, Oklahoma

### **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, 2025, 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, 2025, 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.

#### ***Emphasis of Matter—Restatement of Beginning Balances to Correct Debt and Construction in Progress***

As discussed in Note 3 to the financial statements, the City restated its beginning net position as of July 1, 2024, to reflect the cumulative effect of correcting prior year issues with long-term debt and construction in progress in business-type activities. Our opinion is not modified with respect to this matter.

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

#### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedules, pension plan information, and other post-employment benefits fundings schedules, as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining 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.



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**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated February 27, 2026, 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.

*Arledge & Associates PC*

Oklahoma City, Oklahoma  
February 27, 2026





**BROKEN ARROW**

*Where opportunity lives*

**CITY OF BROKEN ARROW, OKLAHOMA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2025**

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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, 2025. Please read it in conjunction with the City's financial statements, which follow this section.

**Financial Highlights**

- At June 30, 2025, the assets and deferred outflows of the City exceeded its liabilities and deferred inflows by \$571,129,379.
- For the fiscal year ended June 30, 2025, the City's total net position increased by \$35,951,642 or 6.8% from the prior year's restated net position.
- During the year, the City's expenses for governmental activities were \$151,834,138 and were funded by program revenues of \$45,266,823 and further funded with taxes and other general revenues that totaled \$132,941,654.
- In the City's business-type activities, such as utilities, total program revenues were less than expenditures by \$1,401,974.
- At June 30, 2025, the General Fund reported a total fund balance of \$33,413,198, as compared to the prior year total fund balance of \$35,398,325.

**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 non-financial 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.

**CITY OF BROKEN ARROW, OKLAHOMA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2025**

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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.

**CITY OF BROKEN ARROW, OKLAHOMA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2025**

**A Financial Analysis of the City as a Whole**

**Net position**

The City's combined net position increased from \$535,177,737 to \$571,129,379 between fiscal years 2024 and 2025. Looking at the net position of governmental and business-type activities separately, governmental activities increased \$17,299,229 while business-type activities increased \$18,652,413. A comparative, condensed presentation of net position follows (reported in thousands).

**TABLE 1  
NET POSITION (In Thousands)**

	<u>Governmental Activities</u>		<u>% Inc.</u>	<u>Business-Type Activities</u>		<u>% Inc.</u>	<u>Total</u>		<u>% Inc.</u>
	<u>2025</u>	<u>2024</u>	<u>(Dec.)</u>	<u>2025</u>	<u>2024</u>	<u>(Dec.)</u>	<u>2025</u>	<u>2024</u>	<u>(Dec.)</u>
Current and other assets	\$ 286,046	\$ 273,661	5%	\$ 126,984	\$ 176,354	-28%	\$ 413,030	\$ 450,015	-8%
Capital assets, net	411,681	393,277	5%	329,023	281,718	17%	740,704	674,995	10%
<b>Total assets</b>	<u>697,727</u>	<u>666,938</u>	5%	<u>456,007</u>	<u>458,072</u>	0%	<u>1,153,734</u>	<u>1,125,010</u>	3%
Deferred Outflows of Resources	30,488	27,409	11%	151	172	-12%	30,639	27,581	11%
Current liabilities	37,205	45,397	-18%	24,948	12,437	101%	62,153	57,834	7%
Non-current liabilities	295,566	271,300	9%	252,469	231,400	9%	548,035	502,700	9%
<b>Total liabilities</b>	<u>332,771</u>	<u>316,697</u>	5%	<u>277,417</u>	<u>243,837</u>	14%	<u>610,188</u>	<u>560,534</u>	9%
Deferred Inflows of Resources	13,065	12,571	4%	113	138	-18%	13,178	12,709	4%
	<u>13,065</u>	<u>12,571</u>	4%	<u>113</u>	<u>138</u>	-18%	<u>13,178</u>	<u>12,709</u>	4%
<b>Net position</b>									
Net investment in capital assets	181,573	175,934	3%	115,642	111,098	4%	297,215	287,032	4%
Restricted	224,600	198,185	13%	20,386	2,938	594%	244,986	201,123	22%
Unrestricted (deficit)	(23,794)	(9,040)	163%	52,722	45,943	15%	28,928	36,903	-22%
<b>Total net position</b>	<u>\$ 382,379</u>	<u>\$ 365,079</u>	5%	<u>\$ 188,750</u>	<u>\$ 159,979</u>	18%	<u>\$ 571,129</u>	<u>\$ 525,058</u>	9%

**CITY OF BROKEN ARROW, OKLAHOMA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2025**

**Changes in net position**

For the years ended June 30, 2024 and 2025, the change in net position of the primary government was the result of the following (amounts are reported in thousands):

**TABLE 2  
CHANGES IN NET POSITION (In Thousands)**

	<u>Governmental Activities</u>		<u>% Inc.</u>	<u>Business-Type Activities</u>		<u>% Inc.</u>	<u>Total</u>		<u>% Inc.</u>
	<u>2025</u>	<u>2024</u>	<u>(Dec.)</u>	<u>2025</u>	<u>2024</u>	<u>(Dec.)</u>	<u>2025</u>	<u>2024</u>	<u>(Dec.)</u>
<b>Revenues</b>									
<b>Program revenue:</b>									
Charges for service	\$ 26,897	\$22,957	17%	\$ 75,803	\$70,601	7%	\$102,700	\$93,558	10%
Operating grants and contributions	17,802	11,941	49%	636	718	-11%	18,438	12,659	46%
Capital grants and contributions	567	1,111	-49%	-	-	0%	567	1,111	-49%
General Revenue:									
Sales and use taxes	86,651	85,449	1%	-	-	-	86,651	85,449	1%
Property taxes	23,329	21,983	6%	-	-	-	23,329	21,983	6%
Franchise and other taxes	4,637	4,734	-2%	-	-	-	4,637	4,734	-2%
Intergovernmental revenue	3,855	4,529	-15%	-	-	-	3,855	4,529	-15%
Investment income	7,322	5,542	32%	2,395	1,707	40%	9,717	7,249	34%
Capital Contributions	5,638	-	100%	6,899	-	-	12,537	-	100%
Miscellaneous	1,510	1,437		1,685	578		3,195	2,015	
<b>Total Revenues</b>	<u>178,208</u>	<u>159,683</u>	12%	<u>87,418</u>	<u>73,604</u>	19%	<u>265,626</u>	<u>233,287</u>	14%
<b>Program Expenses:</b>									
General government	27,368	21,782	26%	-	-	-	27,368	21,782	26%
Public safety	93,422	72,882	28%	-	-	-	93,422	72,882	28%
Public services	15,789	12,175	30%	-	-	-	15,789	12,175	30%
Culture and recreation	7,560	6,917	9%	-	-	-	7,560	6,917	9%
Interest on long-term debt	7,695	6,516	18%	-	-	-	7,695	6,516	18%
Water	-	-	-	32,894	33,987	-3%	32,894	33,987	-3%
Sewer	-	-	-	16,117	18,511	-13%	16,117	18,511	-13%
Sanitation	-	-	-	14,484	9,002	61%	14,484	9,002	61%
Stormwater	-	-	-	9,594	6,580	46%	9,594	6,580	46%
Golf	-	-	-	1,895	2,109	-10%	1,895	2,109	-10%
Economic development	-	-	-	2,856	4,501	-37%	2,856	4,501	-37%
<b>Total Expenses</b>	<u>151,834</u>	<u>120,272</u>	26%	<u>77,840</u>	<u>74,690</u>	4%	<u>229,674</u>	<u>194,962</u>	18%
Excess before transfers	26,374	39,411	-33%	9,578	(1,086)	-982%	35,952	38,325	-6%
Net transfers in (out)	(9,075)	(21,503)	-58%	9,075	21,503	-58%	-	-	-
Increase in net position	<u>\$ 17,299</u>	<u>\$17,908</u>	-3%	<u>\$ 18,653</u>	<u>\$20,417</u>	-9%	<u>\$ 35,952</u>	<u>\$38,325</u>	-6%

The City's governmental activities increased in net position by \$17,299,229, representing a 2.89% decrease from the prior year's increase in net position. This decrease was mainly the result of an decrease in total transfers of approximately \$12.5 million. The business-type activities increase in net position of \$18,652,412 represents a 8.64% decrease from the prior year's increase in net position. This decrease was mainly the result of an increase in total expenses of approximately \$3.1 million, an increase in charges for services of approximately \$5.2 million and a decrease in transfers. The results indicate the City's total net position as a whole increased from the prior year.

**CITY OF BROKEN ARROW, OKLAHOMA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2025**

**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, 2025, the City's governmental activities were funded as follows:

Governmental Activities Sources	
Sales and Use Taxes	49.04%
Other Taxes	18.01%
Charges for Service	15.22%
Grants	10.40%
Other	7.33%
Governmental Activities Uses	
General government	18.02%
Public safety	61.53%
Public services	10.40%
Culture and recreation	4.98%
Interest on long-term debt	5.07%

For the year ended June 30, 2025, total expenses for governmental activities amounted to \$151,834,138. To fund these activities, taxpayers and other general revenues funded \$132,941,654 while those directly benefiting from the program funded \$18,369,771 from grants and other contributions and \$26,897,052 from charges for services.

**TABLE 3  
Net Revenue (Expense) of Governmental Activities**

	Total Expense of Services		% Inc. (Dec.)	Net Revenue (Expense) of Services		% Inc. (Dec.)
	2025	2024		2025	2024	
General government	\$ 27,367,459	\$ 21,781,582	26%	\$ (15,963,378)	\$ (12,338,084)	29%
Public safety	93,422,432	72,882,369	28%	(70,588,751)	(50,688,658)	39%
Public services	15,789,211	12,174,811	30%	(5,621,316)	(8,709,290)	-35%
Culture and recreation	7,559,606	6,917,055	9%	(6,698,440)	(6,010,570)	11%
Interest on long-term debt	7,695,430	6,516,289	18%	(7,695,430)	(6,516,289)	18%
<b>TOTAL</b>	<b>\$ 151,834,138</b>	<b>\$ 120,272,106</b>	26%	<b>\$ (106,567,315)</b>	<b>\$ (84,262,891)</b>	26%

**CITY OF BROKEN ARROW, OKLAHOMA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2025**

**Business-type activities**

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

- Total business-type activities reported net expenses of \$1,401,974 for the year ended June 30, 2025.
- Water, sewer and stormwater activities reported net revenues (expenses) of \$1,555,609, \$3,773,998, and (\$200,588) for the year ended June 30 2025, while sanitation, golf, and economic development activities reported net expenses of (\$3,584,671), (\$89,889) and (\$2,856,433), respectively.
- Net revenue (expense) of services for almost all functions changed significantly from prior year. Water increase in net revenues of 190% was primarily due to an increase in related revenues of \$2,186,502. Sewer increase in net revenues of 744% was primarily due to decrease in expenses of \$2,394,055 along with an increase in revenues of \$1,965,821. Sanitation decrease in net revenue of 758% was primarily due to an increase in expenses of \$5,481,877. Stormwater decrease in net revenue of 108% was primarily due to an increase in expenses of \$3,013,985.

**TABLE 4  
Net Revenue (Expense) of Business-Type Activities**

	<b>Total Expense of Services</b>		<b>% Inc. (Dec.)</b>	<b>Net Revenue (Expense) of Services</b>		<b>% Inc. (Dec.)</b>
	2025	2024		2025	2024	
	Water	\$ 32,894,379		\$ 33,986,550	-3%	
Sewer	16,116,520	18,510,575	-13%	3,773,998	(585,878)	-744%
Sanitation	14,484,426	9,002,549	61%	(3,584,671)	544,676	-758%
Stormwater	9,594,042	6,580,057	46%	(200,588)	2,427,241	-108%
Golf	1,894,872	2,108,562	-10%	(89,889)	(272,038)	-67%
Economic Development	2,856,433	4,500,931	-37%	(2,856,433)	(3,760,848)	-24%
<b>TOTAL</b>	<b>\$ 77,840,672</b>	<b>\$ 74,689,224</b>	<b>4%</b>	<b>\$ (1,401,974)</b>	<b>\$ (3,369,911)</b>	<b>-58%</b>

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

As the City completed its 2025 fiscal year, the governmental funds reported a combined fund balance of \$263,578,330 or a 10.2% increase from 2024. The combined proprietary funds reported a combined total net position of \$176,099,206 or a 11.9% increase from 2024.

Other fund highlights include:

- For the year ended June 30, 2025, the General Fund's total fund balance decreased by \$1,985,126 or 5.6%.
- The Public Safety Sales Tax-Police Fund's total fund balance increased by \$3,964,135 or 16.5%.
- The Public Safety Sales Tax-Fire Fund's total fund balance increased by \$3,167,917 or 25.4%.
- The Sales Tax Capital Improvement Fund's total fund balance decreased by \$447,166 or 2.4%.
- The American Relief Fund's total fund balance increased by \$165,315 or 90.7%.
- The 2018 General Obligation Bond Fund's total fund balance increased by \$11,476,778 or 11.9%.
- The Debt Service Fund's total fund balance increased by \$2,629,644 or 12.2%.

**CITY OF BROKEN ARROW, OKLAHOMA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2025**

**General fund budgetary highlights**

Over the course of the year, the City Council revised the General Fund budget at various times. The revised budget included an increase in overall appropriations of 6% or \$7,009,023, due primarily to an increase in budget for “Transfers to other funds” in the amount of \$6,546,718 with \$5m going to the Broken Arrow Economic Development to help fund the Project Sunset (Amphitheater).

**Capital Asset and Debt Administration**

**Capital assets**

At the end of June 30, 2025, the City had \$734,673,356 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 \$65,709,210 or 9.82% over last year.

<b>Primary Government Capital Assets (Net of accumulated depreciation and amortization)</b>						
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	2025	2024	2025	2024	2025	2024
Land	\$ 39,944,872	\$ 39,944,872	\$ 15,200,896	\$ 15,200,896	\$ 55,145,768	\$ 55,145,768
Buildings	53,593,761	55,507,603	2,113,135	2,270,764	55,706,896	57,778,367
Improvements	37,140,275	37,708,566	113,563,427	119,189,635	150,703,702	156,898,201
Machinery and equipment	26,312,714	23,639,328	16,760,442	11,517,991	43,073,156	35,157,319
Infrastructure	175,252,487	158,643,150	85,068,557	83,714,213	260,321,044	242,357,363
Construction in progress	79,381,010	77,725,144	90,285,829	43,793,251	169,666,839	121,518,395
Subscription assets	55,951	108,733	-	-	55,951	108,733
<b>Totals</b>	<b><u>\$ 411,681,070</u></b>	<b><u>\$ 393,277,396</u></b>	<b><u>\$ 322,992,286</u></b>	<b><u>\$ 275,686,750</u></b>	<b><u>\$ 734,673,356</u></b>	<b><u>\$ 668,964,146</u></b>

This year's more significant capital asset additions included:

- Two ambulances and two pumper trucks \$ 2,246,570-Governmental
- ISSC Soccer Field Turf \$2,098,909-Governmental
- 23<sup>rd</sup>/Kenosha \$3,218,430 -Governmental
- 12 Side loaders trucks for Refuse and Recycling \$5,191,350-Proprietary
- Street sweeper \$424,800-Proprietary

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

**CITY OF BROKEN ARROW, OKLAHOMA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2025**

**Long-term debt**

At year end, the City had \$501,929,083 in long-term debt outstanding which represents a \$41,307,715 or 9.0% 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		
	2025	2024	2025	2024	2025	2024	
Accrued compensated absences	\$ 5,847,550	\$ 5,539,957	\$ 1,018,164	\$ 942,107	\$ 6,865,714	\$ 6,482,064	6%
General obligation bonds	224,550,000	214,985,000	-	-	224,550,000	214,985,000	4%
Notes payable	613,037	2,358,037	253,282,270	220,022,214	253,895,307	222,380,251	14%
Unamortized premium	4,945,272	3,729,645	6,328,451	5,427,076	11,273,723	9,156,721	23%
Judgments payable	2,685,032	1,967,333	-	-	2,685,032	1,967,333	36%
Automotive and general liability	1,249,000	1,218,000	-	-	1,249,000	1,218,000	3%
Meter deposit liability	-	-	1,458,086	955,807	1,458,086	955,807	53%
Claims payable	3,515,000	3,415,000	-	-	3,515,000	3,415,000	3%
Subscription liability	57,405	61,192	-	-	57,405	61,192	-6%
<b>Totals</b>	<b>\$ 243,462,296</b>	<b>\$ 233,274,164</b>	<b>\$ 262,086,971</b>	<b>\$ 227,347,204</b>	<b>\$ 505,549,267</b>	<b>\$ 460,621,368</b>	<b>10%</b>

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 25 we budgeted a 1.5% increase in Sales Tax. As of June 2025, the City's sales tax was 1.4% over the prior year and the overall increase in revenue was 11.60%. FY 26 revenue is coming in stable. Sales tax has stabilized but we anticipate a slight increase going forward due to all the recent development.

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. The anticipated opening of the amphitheater is November 1, 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

**CITY OF BROKEN ARROW, OKLAHOMA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2025**

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The City has sold 7 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  
December 2024 \$23,500,000

The Municipal Authority continues to add utility customers, water, sewer, trash, and stormwater, as the City grows. In the fall of 2016, the City Council approved a 5-year rate model and the related increases for utility services. The rate model covers the reasonable estimated expenses for operations and pay as you go capital improvements. During FY 23, the authority updated the study, and during FY 26 a full 5 year rate model is anticipated to be approved for FY 26-FY 30 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.

City of Broken Arrow, Oklahoma  
Statement of Net Position  
June 30, 2025

	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	\$ 71,811,002	\$ 76,220,835	\$ 148,031,837	\$ 2,786	\$ 10,998
Investments	161,377,032	-	161,377,032	-	-
Taxes receivable	2,142,196	-	2,142,196	-	-
Internal Balances	18,061,798	(18,061,798)	-	-	-
Due from other governments	16,497,672	19,273,203	35,770,875	-	-
Accrued interest receivable	4,280,264	-	4,280,264	-	-
Accounts receivable, net of allowance	5,244,976	10,180,934	15,425,910	-	-
Inventory	-	1,619,801	1,619,801	-	-
Prepaid assets	5,674	43,391	49,065	-	-
Investment in joint venture	-	37,708,825	37,708,825	-	-
Leases receivable	7,157,693	-	7,157,693	-	-
<b>Capital Assets:</b>					
Non-depreciable	119,325,882	111,517,232	230,843,114	-	-
Depreciable, net of depreciation	291,822,943	217,505,561	509,328,504	-	-
<b>Total assets</b>	<b>697,727,132</b>	<b>456,007,984</b>	<b>1,153,735,116</b>	<b>2,786</b>	<b>10,998</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred outflow related to refunding of debt	260,618	24,105	284,723	-	-
Deferred outflows related to pension	29,955,006	-	29,955,006	-	-
Deferred outflows related to OPEB	272,031	126,741	398,772	-	-
<b>Total deferred outflow of resources</b>	<b>30,487,655</b>	<b>150,846</b>	<b>30,638,501</b>	<b>-</b>	<b>-</b>
<b>LIABILITIES</b>					
Accounts payable	4,373,496	10,573,859	14,947,355	-	-
Accrued payroll	4,675,336	1,205,193	5,880,529	-	-
Accrued interest payable	1,574,037	2,564,986	4,139,023	-	-
Due to other governments	173,227	8,348	181,575	-	-
Due to bondholders	54,676	-	54,676	-	-
Other payables	-	317,233	317,233	-	-
Amounts held in escrow	569,994	156,659	726,653	-	-
Unearned revenue	1,764,258	-	1,764,258	-	-
<b>Long term liabilities:</b>					
Due within one year	24,020,478	12,813,643	36,834,121	-	-
Due in more than one year	295,565,593	239,655,747	535,221,340	-	-
<b>Total liabilities</b>	<b>332,771,095</b>	<b>267,295,668</b>	<b>600,066,763</b>	<b>-</b>	<b>-</b>
<b>DEFERRED INFLOWS</b>					
Deferred inflows related to pensions	4,143,045	-	4,143,045	-	-
Deferred inflows related to OPEB	251,097	112,954	364,051	-	-
Deferred inflows related to leases	8,670,379	-	8,670,379	-	-
<b>Total deferred inflow of resources</b>	<b>13,064,521</b>	<b>112,954</b>	<b>13,177,475</b>	<b>-</b>	<b>-</b>
<b>NET POSITION</b>					
Net investment in capital assets	181,040,516	115,642,037	296,682,553	-	-
<b>Restricted for:</b>					
Capital projects	128,807,666	-	128,807,666	-	-
Debt service	24,099,386	20,386,023	44,485,409	-	-
Public Safety	48,851,785	-	48,851,785	-	-
Other purposes	22,841,497	-	22,841,497	-	-
Unrestricted (deficit)	(23,261,679)	52,722,148	29,460,469	2,786	10,998
<b>Total net position</b>	<b>\$ 382,379,171</b>	<b>\$ 188,750,208</b>	<b>\$ 571,129,379</b>	<b>\$ 2,786</b>	<b>\$ 10,998</b>

See accompanying notes to the basic financial statements.

City of Broken Arrow, Oklahoma  
Statement of Activities  
For the Year Ended June 30, 2025

Functions/Programs	Program Revenue				Net (Expense) Revenue and Changes in Net Position				
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units	
					Governmental Activities	Business-type Activities	Total	Broken Arrow Home Finance Authority	Broken Arrow Hospital Authority
<b>Primary government</b>									
Governmental Activities									
General government	\$ 27,367,459	\$ 11,404,081	\$ -	\$ -	\$ (15,963,378)	\$ -	\$ (15,963,378)	\$ -	\$ -
Public safety	93,422,432	13,353,004	9,480,677	-	(70,588,751)	-	(70,588,751)	-	-
Public services	15,789,211	1,278,801	8,321,752	567,342	(5,621,316)	-	(5,621,316)	-	-
Cultural and recreation	7,559,606	861,166	-	-	(6,698,440)	-	(6,698,440)	-	-
Interest on long-term debt	7,695,430	-	-	-	(7,695,430)	-	(7,695,430)	-	-
Total governmental activities	<u>151,834,138</u>	<u>26,897,052</u>	<u>17,802,429</u>	<u>567,342</u>	<u>(106,567,315)</u>	<u>-</u>	<u>(106,567,315)</u>	<u>-</u>	<u>-</u>
Business-type activities									
Water	32,894,379	33,814,444	635,544	-	-	1,555,609	1,555,609	-	-
Sewer	16,116,520	19,890,518	-	-	-	3,773,998	3,773,998	-	-
Sanitation	14,484,426	10,899,755	-	-	-	(3,584,671)	(3,584,671)	-	-
Stormwater	9,594,042	9,393,454	-	-	-	(200,588)	(200,588)	-	-
Golf	1,894,872	1,804,983	-	-	-	(89,889)	(89,889)	-	-
Economic Development	2,856,433	-	-	-	-	(2,856,433)	(2,856,433)	-	-
Total business-type activities	<u>77,840,672</u>	<u>75,803,154</u>	<u>635,544</u>	<u>-</u>	<u>-</u>	<u>(1,401,974)</u>	<u>(1,401,974)</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 229,674,810</u>	<u>\$ 102,700,206</u>	<u>\$ 18,437,973</u>	<u>\$ 567,342</u>	<u>(106,567,315)</u>	<u>(1,401,974)</u>	<u>(107,969,289)</u>		
<b>Component Units</b>									
Finance	\$ -	\$ -	\$ -	\$ -				-	-
Health	-	-	-	-				-	-
Total component units	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>				<u>-</u>	<u>-</u>
<b>General revenues:</b>									
Taxes:									
Sales and use taxes					86,650,728	-	86,650,728	-	-
Property taxes					23,328,822	-	23,328,822	-	-
Franchise and miscellaneous taxes					4,637,203	-	4,637,203	-	-
Hotel/motel taxes					867,680	-	867,680	-	-
Tobacco taxes					437,053	-	437,053	-	-
E-911 taxes					1,651,658	-	1,651,658	-	-
Intergovernmental revenue not restricted to specific programs					898,540	-	898,540	-	-
Unrestricted investment earnings					7,321,706	2,394,979	9,716,685	-	-
Miscellaneous					1,510,158	-	1,510,158	-	-
Gain (loss) on sale of capital assets					-	1,685,479	1,685,479	-	-
Capital contributions					5,638,106	6,898,819	12,536,925	-	-
Transfers					(9,075,110)	9,075,110	-	-	-
Total general revenues and transfers					<u>123,866,544</u>	<u>20,054,387</u>	<u>143,920,931</u>	<u>-</u>	<u>-</u>
Change in net position					17,299,229	18,652,413	35,951,642	-	-
Total net position - beginning as previously reported					365,079,942	157,565,986	522,645,928	2,786	10,998
Restatements (See Note 3)					-	12,531,809	12,531,809	-	-
Total net position - beginning as restated					<u>365,079,942</u>	<u>170,097,795</u>	<u>535,177,737</u>	<u>2,786</u>	<u>10,998</u>
Net position - ending					<u>\$ 382,379,171</u>	<u>\$ 188,750,208</u>	<u>\$ 571,129,379</u>	<u>\$ 2,786</u>	<u>\$ 10,998</u>

See accompanying notes to the basic financial statements.

City of Broken Arrow, Oklahoma  
Balance Sheet  
Governmental Funds  
June 30, 2025

	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	\$ -	\$ 12,800,699	\$ 10,160,020	\$ 7,756,858	\$ 1,902,269	\$ 11,152,839	\$ 8,803,001	\$ 26,471,945	\$ 79,047,631
Investments	11,367,982	16,690,881	6,599,301	8,938,313	-	98,422,153	14,921,081	4,437,321	161,377,032
Taxes receivable, net	409,556	-	-	-	-	-	1,645,564	87,076	2,142,196
Due from other funds	16,705,925	-	-	288,308	-	-	30,389	4,614,013	21,638,635
Receivable from other governments	11,121,053	559,947	526,792	1,755,973	-	-	61,403	1,082,446	15,107,614
Accrued interest receivable	50,190	248,672	18,417	53,308	-	1,563,546	254,199	38,853	2,227,185
Leases receivable	7,157,693	-	-	-	-	-	-	-	7,157,693
Other receivables, net	2,633,601	-	291,904	85,935	-	-	-	392,095	3,403,535
Prepaid expenses	5,674	-	-	-	-	-	-	-	5,674
Total assets	<u>\$ 49,451,674</u>	<u>\$ 30,300,199</u>	<u>\$ 17,596,434</u>	<u>\$ 18,878,695</u>	<u>\$ 1,902,269</u>	<u>\$ 111,138,538</u>	<u>\$ 25,715,637</u>	<u>\$ 37,123,749</u>	<u>\$ 292,107,195</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>									
Liabilities:									
Accounts payable	\$ 711,086	\$ 198,680	\$ 165,101	\$ 449,595	\$ 69,260	\$ 1,896,452	\$ -	\$ 883,322	\$ 4,373,496
Accrued payroll	1,013,265	1,861,090	1,800,981	-	-	-	-	-	4,675,336
Due to other funds	3,517,141	-	-	-	-	-	-	59,696	3,576,837
Due to other governments	173,227	-	-	-	-	-	-	-	173,227
Due to bondholders	54,676	-	-	-	-	-	-	-	54,676
Amounts held in escrow	569,822	-	-	-	-	-	-	172	569,994
Unearned revenue	278,897	-	-	-	1,485,361	-	-	-	1,764,258
Total liabilities	<u>6,318,114</u>	<u>2,059,770</u>	<u>1,966,082</u>	<u>449,595</u>	<u>1,554,621</u>	<u>1,896,452</u>	<u>-</u>	<u>943,190</u>	<u>15,187,824</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>									
Deferred inflows-leases	8,670,379	-	-	-	-	-	-	-	8,670,379
Unavailable revenue	1,049,983	228,862	-	53,308	-	1,473,529	1,616,251	248,729	4,670,662
Total deferred inflows of resources	<u>9,720,362</u>	<u>228,862</u>	<u>-</u>	<u>53,308</u>	<u>-</u>	<u>1,473,529</u>	<u>1,616,251</u>	<u>248,729</u>	<u>13,341,041</u>
Fund balances:									
Nonspendable	-	-	-	-	-	-	-	-	-
Restricted	-	28,011,567	15,630,352	18,375,792	347,648	107,768,557	24,099,386	30,367,032	224,600,334
Committed	-	-	-	-	-	-	-	5,564,798	5,564,798
Assigned	14,913,066	-	-	-	-	-	-	-	14,913,066
Unassigned	18,500,132	-	-	-	-	-	-	-	18,500,132
Total fund balances	<u>33,413,198</u>	<u>28,011,567</u>	<u>15,630,352</u>	<u>18,375,792</u>	<u>347,648</u>	<u>107,768,557</u>	<u>24,099,386</u>	<u>35,931,830</u>	<u>263,578,330</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 49,451,674</u>	<u>\$ 30,300,199</u>	<u>\$ 17,596,434</u>	<u>\$ 18,878,695</u>	<u>\$ 1,902,269</u>	<u>\$ 111,138,538</u>	<u>\$ 25,715,637</u>	<u>\$ 37,123,749</u>	<u>\$ 292,107,195</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, 2025**

Total fund balance, governmental funds	\$ 263,578,330
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds, but are reported in the governmental activities of the Statement of Net Position	
	<u>411,148,825</u>
Certain other long-term assets and deferred outflows are not available to pay current period expenditures and therefore are deferred or not reported in the funds:	
Receivable from other governments	1,390,058
Court fines receivable	926,901
Cemetery receivable	12,330
Street light fee	3,348
Interest receivable	2,053,079
Miscellaneous receivables	898,862
Deferred outflows related to pensions	29,955,006
Deferred outflow on refunding	260,618
Deferred outflow - OPEB	272,031
	<u>35,772,233</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	(2,195,989)
Stormwater Capital Fund	(335,715)
	<u>(2,531,704)</u>
The assets and liabilities of certain internal services funds are not included in this fund financial statement, but are included in the governmental activities of the Statement of Net Position	
	<u>(34,263)</u>
Certain long-term liabilities are not due and payable from current financial resources and therefore they, along with deferred inflows, are not reported in the funds:	
Unamortized premium	(4,945,272)
General obligation bonds payable	(224,550,000)
Notes payable	(613,037)
Subscription liabilities	(55,951)
Accrued compensated absences	(5,849,004)
Accrued interest payable	(1,574,037)
Claims liability	(3,515,000)
Automotive and general liability	(1,249,000)
Judgments payable	(2,685,032)
Deferred inflows related to OPEB	(251,097)
Total OPEB liability	(1,237,837)
Net pension liability	(74,885,938)
Deferred inflows related to pensions	(4,143,045)
	<u>(325,554,250)</u>
Net Position of Governmental Activities in the Statement of Net Position	<u>\$ 382,379,171</u>

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, 2025

	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	\$ 64,988,073	\$ 3,091,332	\$ 3,091,332	\$ 10,319,994	\$ -	\$ -	\$ -	\$ 5,159,997	\$ 86,650,728
Property tax	-	-	-	-	-	-	23,066,161	262,661	23,328,822
Franchise and miscellaneous taxes	5,490,844	-	-	-	-	-	-	2,102,750	7,593,594
Intergovernmental	564,065	2,168,309	7,258,250	83,596	7,543,182	-	-	1,650,909	19,268,311
Charges for services	18,485,367	-	-	-	-	-	-	3,309,121	21,794,488
Fines and forfeitures	1,642,418	-	-	-	-	-	-	2,600	1,645,018
Licenses and permits	2,171,784	-	-	-	-	-	-	-	2,171,784
Rental income	869,005	-	-	-	-	-	-	-	869,005
Investment income	919,288	636,223	246,353	384,928	165,316	3,942,331	597,675	429,592	7,321,706
Miscellaneous	238,291	19,540	21,471	593,573	-	22,390	-	614,893	1,510,158
Total revenues	<u>95,369,135</u>	<u>5,915,404</u>	<u>10,617,406</u>	<u>11,382,091</u>	<u>7,708,498</u>	<u>3,964,721</u>	<u>23,663,836</u>	<u>13,532,523</u>	<u>172,153,614</u>
<b>EXPENDITURES</b>									
Current:									
General government	14,522,149	-	-	-	4,850,593	127,860	-	564,979	20,065,581
Public safety	-	37,388,001	36,886,882	-	-	-	-	56,734	74,331,617
Public services	2,756,411	-	-	-	-	-	-	622,014	3,378,425
Parks and recreation	6,676,393	-	-	-	-	-	-	-	6,676,393
Debt Service:									
Principal	-	-	-	1,745,000	-	-	14,159,667	-	15,904,667
Interest and other charges	-	-	-	143,968	-	-	7,389,220	-	7,533,188
Bond issuance costs	-	-	-	-	-	132,800	203,364	-	336,164
Capital Outlay	1,175	753,898	-	9,941,953	2,692,590	15,727,283	-	5,713,703	34,830,602
Total expenditures	<u>23,956,128</u>	<u>38,141,899</u>	<u>36,886,882</u>	<u>11,830,921</u>	<u>7,543,183</u>	<u>15,987,943</u>	<u>21,752,251</u>	<u>6,957,430</u>	<u>163,056,637</u>
Excess (deficiency) of revenues over expenditures	<u>71,413,007</u>	<u>(32,226,495)</u>	<u>(26,269,476)</u>	<u>(448,830)</u>	<u>165,315</u>	<u>(12,023,222)</u>	<u>1,911,585</u>	<u>6,575,093</u>	<u>9,096,977</u>
<b>OTHER FINANCING SOURCES (USES)</b>									
Proceeds from long-term debt	-	-	-	-	-	23,500,000	-	-	23,500,000
Bond premium	-	-	-	-	-	-	873,059	-	873,059
Transfers in	22,194,850	36,190,630	29,437,393	1,664	-	-	-	1,267,051	89,091,588
Transfers out	(95,592,983)	-	-	-	-	-	(155,000)	(2,418,715)	(98,166,698)
Total other financing sources and uses	<u>(73,398,133)</u>	<u>36,190,630</u>	<u>29,437,393</u>	<u>1,664</u>	<u>-</u>	<u>23,500,000</u>	<u>718,059</u>	<u>(1,151,664)</u>	<u>15,297,949</u>
Net change in fund balances	(1,985,126)	3,964,135	3,167,917	(447,166)	165,315	11,476,778	2,629,644	5,423,429	24,394,926
Fund balances - beginning	35,398,325	24,047,432	12,462,435	18,822,958	182,333	96,291,779	21,469,742	30,508,398	239,183,402
Fund balances - ending	<u>\$ 33,413,199</u>	<u>\$ 28,011,567</u>	<u>\$ 15,630,352</u>	<u>\$ 18,375,792</u>	<u>\$ 347,648</u>	<u>\$ 107,768,557</u>	<u>\$ 24,099,386</u>	<u>\$ 35,931,827</u>	<u>\$ 263,578,328</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, 2025**

Net change in fund balances - total governmental funds: \$ 24,394,926

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	28,804,659
Capital assets contributed	5,638,106
Depreciation expense	(16,542,721)
Amortization expense-subscriptions	(52,782)
	<u>17,847,262</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	13,947,667
Bond proceeds	(23,500,000)
Premium on bonds	(873,059)
Amortization of premium on bonds	1,012,320
Issuance of judgments	(2,273,699)
Subscription liability principal payments	53,398
Principal paid on judgments	212,000
Notes payable principal payment	1,745,000
	<u>(9,676,373)</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	(1,156,028)
Changes in deferred outflow - fair value derivative	(16,912)
Changes in deferred outflows related to OPEB	(41,869)
Changes in deferred outflows related to pensions	3,181,647
	<u>1,966,838</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>949,002</u>
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Some expenses reported in the statement of activities do not require the use of current financial resources and these are not reported as expenditures in governmental funds:

Accrued interest not reflected on Governmental funds	(162,242)
Accrued compensated absences change	(309,047)
Change in derivative investment liability- interest rate swap	16,912
Changes in deferred inflows related to OPEB	62,949
Total OPEB liability change	(133,847)
Change in net pension liability	(14,181,154)
Change in deferred inflows related to pensions	(1,044,377)
Change in deferred outflow on refunding	(44,267)
Change in claims liability	(1,349,000)
	<u>(17,144,073)</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	(151,659)
Change in Stormwater Capital Fund	179,884
	<u>28,225</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>(1,066,578)</u>
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Change in net position of governmental activities \$ 17,299,229

See accompanying notes to the basic financial statements.

City of Broken Arrow, Oklahoma  
Statement of Net Position  
Proprietary Funds  
June 30, 2025

	Enterprise Funds				Internal Service Funds
	Broken Arrow Municipal Authority	Broken Arrow Economic Development Authority	Battle Creek Golf Course	Total	
<b>ASSETS</b>					
Current assets:					
Cash and cash equivalents	\$ -	\$ -	\$ 67,402	\$ 67,402	\$ 3,061,146
Restricted cash and cash equivalents	56,275,463	12,275,966	-	68,551,429	-
Accounts receivable, net	9,556,024	-	-	9,556,024	-
Due from other funds	19,030,106	4,193,902	-	23,224,008	-
Due from other governments	19,273,203	-	-	19,273,203	-
Interest receivable	-	-	-	-	-
Other receivable	-	555,134	69,776	624,910	543,188
Inventories	1,515,735	-	104,066	1,619,801	-
Prepaid assets	20,500	-	22,891	43,391	-
Total current assets	105,671,031	17,025,002	264,135	122,960,168	3,604,334
Noncurrent assets:					
Restricted cash and cash equivalents	4,551,628	520,861	-	5,072,489	-
Investment in joint venture	37,708,825	-	-	37,708,825	-
Capital assets:					
Land and other nondepreciable assets	70,003,055	41,284,500	229,677	111,517,232	-
Other capital assets, net of accumulated depreciation	208,814,257	4,960,018	3,731,286	217,505,561	-
Total noncurrent assets	321,077,765	46,765,379	3,960,963	371,804,107	-
Total assets	426,748,796	63,790,381	4,225,098	494,764,275	3,604,334
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred charge on refunding	24,105	-	-	24,105	-
Deferred amounts related to OPEB	126,741	-	-	126,741	-
Total deferred outflows of resources	150,846	-	-	150,846	-
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable	8,967,198	872,252	734,409	10,573,859	123,597
Accrued payroll payable	1,205,193	-	-	1,205,193	-
Accrued interest payable	2,257,160	310,016	-	2,567,176	-
Due to other funds	40,579,720	30,389	675,697	41,285,806	-
Other accrued expenses	231,079	-	86,154	317,233	-
Amounts held in escrow	156,659	-	-	156,659	-
Due to other governments	-	-	8,348	8,348	-
Compensated absences	763,623	-	-	763,623	-
Claims liability	-	-	-	-	1,246,000
Meter deposit liability	261,124	-	-	261,124	-
Bonds, notes and loans payable, net	8,970,441	2,555,000	-	11,525,441	-
Capital lease obligation	-	-	-	-	-
Total current liabilities	63,392,197	3,767,657	1,504,608	68,664,462	1,369,597
Non-current liabilities:					
Compensated absences	254,541	-	-	254,541	-
Claims liability	-	-	-	-	2,269,000
Meter deposit liability	1,196,962	-	-	1,196,962	-
Bonds, notes and loans payable	199,153,793	38,810,000	-	237,963,793	-
Capital lease obligation	-	-	-	-	-
Total OPEB liability	503,906	-	-	503,906	-
Total non-current liabilities	201,109,202	38,810,000	-	239,919,202	2,269,000
Total liabilities	264,501,399	42,577,657	1,504,608	308,583,664	3,638,597
<b>DEFERRED INFLOW OF RESOURCES</b>					
Deferred amounts related to OPEB	112,954	-	-	112,954	-
Total deferred inflow of resources	112,954	-	-	112,954	-
<b>NET POSITION</b>					
Net investment in capital assets	70,693,078	46,765,379	4,209,883	121,668,340	-
Restricted for debt service	20,386,023	-	-	20,386,023	-
Unrestricted (deficit)	71,206,188	(25,552,655)	(1,489,393)	44,164,140	(34,263)
Total net position	\$ 162,285,289	\$ 21,212,724	\$ 2,720,490	\$ 186,218,503	\$ (34,263)

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.

2,531,704

Total net position per Government-Wide financial statements

\$ 188,750,207

See accompanying notes to the basic financial statements.

**City of Broken Arrow, Oklahoma**  
**Statement of Revenues, Expenses and Changes in Fund Net Position**  
**Proprietary Funds**  
**For the Year Ended June 30, 2025**

	Enterprise Funds			Total	Internal Service Funds
	Broken Arrow Municipal Authority	Broken Arrow Economic Development Authority	Battle Creek Golf Course		
<b>OPERATING REVENUES</b>					
Water charges	\$ 32,230,911	\$ -	\$ -	\$ 32,230,911	\$ -
Sewer charges	19,890,518	-	-	19,890,518	-
Sanitation charges	10,899,755	-	-	10,899,755	-
Stormwater fees	9,393,454	-	-	9,393,454	-
Fees and fines	1,238,689	-	-	1,238,689	-
Golf	-	-	1,804,983	1,804,983	-
Miscellaneous	217,827	-	-	217,827	-
Self insurance charges	-	-	-	-	15,394,146
Total operating revenues (expenses)	<u>73,871,154</u>	<u>-</u>	<u>1,804,983</u>	<u>75,676,137</u>	<u>15,394,146</u>
<b>OPERATING EXPENSES</b>					
General government	1,557,897	1,210,646	-	2,768,543	-
Finance and administration	2,262,347	-	-	2,262,347	-
Engineering and construction	4,201,602	-	-	4,201,602	-
Water distribution	15,179,832	-	-	15,179,832	-
Sanitary sewer system	9,022,795	-	-	9,022,795	-
Sanitation services	8,799,359	-	-	8,799,359	-
Support services	4,631,810	-	-	4,631,810	-
Stormwater	4,714,392	-	-	4,714,392	-
Geographic information system	830,460	-	-	830,460	-
Claims expense	-	-	-	-	16,536,761
Golf	-	-	1,715,860	1,715,860	-
Bond issuance costs	72,280	-	-	72,280	-
Depreciation	14,523,745	19,025	176,234	14,719,004	-
Total operating expenses	<u>65,796,519</u>	<u>1,229,671</u>	<u>1,892,094</u>	<u>68,918,284</u>	<u>16,536,761</u>
Operating income (loss)	<u>8,074,635</u>	<u>(1,229,671)</u>	<u>(87,111)</u>	<u>6,757,853</u>	<u>(1,142,615)</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>					
Interest and investment revenue	1,559,138	834,667	1,174	2,394,979	25,232
Loss on joint venture	(233,499)	-	-	(233,499)	-
Miscellaneous revenue	-	-	-	-	50,805
Gain on disposal of capital assets	(187,504)	2,000,000	-	1,812,496	-
Operating grant	635,544	-	-	635,544	-
Interest expense and fiscal charges	(7,031,124)	(1,626,762)	(2,778)	(8,660,664)	-
Total non-operating revenue (expenses)	<u>(5,257,445)</u>	<u>1,207,905</u>	<u>(1,604)</u>	<u>(4,051,144)</u>	<u>76,037</u>
Income (loss) before contributions and transfers	2,817,190	(21,766)	(88,715)	2,706,709	(1,066,578)
Capital contributions	6,898,819	-	-	6,898,819	-
Transfers in	20,639,850	10,925,110	-	31,564,960	-
Transfers out	(22,489,850)	-	-	(22,489,850)	-
Change in net position	7,866,009	10,903,344	(88,715)	18,680,638	(1,066,578)
Total net position - beginning as previously reported	148,392,977	3,803,874	2,809,206	155,006,057	1,032,315
Restatements (See Note 3)	6,026,303	6,505,506	-	12,531,809	-
Total net position - beginning as restated	154,419,280	10,309,380	2,809,206	167,537,866	-
Total net position - ending	<u>\$ 162,285,289</u>	<u>\$ 21,212,724</u>	<u>\$ 2,720,490</u>	<u>\$ 186,218,503</u>	<u>\$ (34,263)</u>

Change in net position, per above 18,680,638

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. (28,225)

Change in Business-Type Activities in Net Position per Government-Wide Financial Statements \$ 18,652,413

See accompanying notes to the basic financial statements.

City of Broken Arrow, Oklahoma  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended June 30, 2025

	Enterprise Funds				
	Broken Arrow Municipal Authority	Broken Arrow Economic Development Authority	Battle Creek Golf Course	Total Enterprise Funds	Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from customers	\$ 75,142,388	\$ 3,000	\$ 1,766,325	\$ 76,911,713	\$ 15,337,522
Payments to suppliers	(23,126,667)	(1,722,592)	(1,750,919)	(26,600,178)	-
Payments to employees	(25,021,506)	-	-	(25,021,506)	-
Receipts of customer meter deposits	718,168	-	-	718,168	-
Payment of customer meter deposits	(215,889)	-	-	(215,889)	-
Claims paid	-	-	-	-	(16,338,212)
Interfund receipts	8,096,169	(4,193,902)	(86,908)	3,815,359	-
Net cash provided by (used in) operating activities	35,592,663	(5,913,494)	(71,502)	29,607,667	(1,000,690)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Transfers from other funds	20,639,850	10,925,110	-	31,564,960	-
Transfer to other funds	(22,489,850)	-	-	(22,489,850)	-
Net cash provided by (used in) noncapital financing activities	(1,850,000)	10,925,110	-	9,075,110	-
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Purchase of capital assets	(37,135,725)	(17,200,789)	-	(54,336,514)	-
Proceeds from issuance of debt	36,943,541	-	-	36,943,541	-
Note issuance costs	-	-	-	-	-
Proceeds from sale of capital assets	219,077	-	-	219,077	-
Principal paid on capital debt	(7,185,174)	(1,835,000)	-	(9,020,174)	-
Interest paid on capital debt	(4,304,250)	(1,637,393)	(2,779)	(5,944,422)	-
Net cash used in capital and related financing activities	(11,462,531)	(20,673,182)	(2,779)	(32,138,492)	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
(Increase) decrease in investment in joint venture	233,499	-	-	233,499	-
Interest and dividends	1,334,219	834,667	1,174	2,170,060	25,232
Net cash provided by investing activities	1,567,718	834,667	1,174	2,403,559	25,232
Net Increase (decrease) in cash and cash equivalents	23,847,850	(14,826,899)	(73,107)	8,947,844	(975,458)
Balances-beginning of year	36,979,241	27,623,726	140,509	64,743,476	4,036,604
Balances-end of year	\$ 60,827,091	\$ 12,796,827	\$ 67,402	\$ 73,691,320	\$ 3,061,146
<b>Reconciliation to Combining Statement of Net Position:</b>					
Cash and cash equivalents	\$ -	\$ -	\$ 67,402	\$ 67,402	\$ 3,061,146
Restricted cash and cash equivalents-current	56,275,463	12,275,966	-	68,551,429	-
Restricted cash and cash equivalents-noncurrent	4,551,628	520,861	-	5,072,489	-
<b>Total cash and cash equivalents, end of year</b>	<u>\$ 60,827,091</u>	<u>\$ 12,796,827</u>	<u>\$ 67,402</u>	<u>\$ 73,691,320</u>	<u>\$ 3,061,146</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:</b>					
Operating income (loss)	\$ 8,074,635	\$ (1,229,671)	\$ (87,111)	\$ 6,757,853	\$ (1,142,615)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation expense	14,523,745	19,025	176,234	14,719,004	-
Miscellaneous non-operating revenue (expense)	-	-	-	-	50,805
Operating grant	635,544	-	-	635,544	-
Change in assets, liabilities and deferrals:					
Receivables, net	641,020	-	-	641,020	-
Due from other funds	(14,982,353)	(4,193,902)	-	(19,176,255)	-
Due from other governments	(5,330)	-	-	(5,330)	-
Other receivable	-	3,000	(38,657)	(35,657)	(107,429)
Inventories	142,202	-	(9,014)	133,188	-
Prepaid assets	-	-	(3,903)	(3,903)	-
Deferred amounts related to OPEB	(10,578)	-	-	(10,578)	-
Accounts payables	2,572,193	(511,946)	(22,142)	2,038,105	98,549
Accrued payroll	139,435	-	-	139,435	-
Due to other funds	23,078,522	-	(86,908)	22,991,614	-
Other payables	-	-	-	-	-
Amounts held in escrow	-	-	-	-	-
Due to other governments	-	-	-	-	-
Accrued compensated absences	76,057	-	-	76,057	-
Customer meter deposits payable	502,279	-	-	502,279	-
Claims and judgments	-	-	-	-	100,000
Total OPEB liability	68,774	-	-	68,774	-
<b>Net cash provided by (used in) operating activities</b>	<u>\$ 35,456,145</u>	<u>\$ (5,913,494)</u>	<u>\$ (71,501)</u>	<u>\$ 29,471,150</u>	<u>\$ (1,000,690)</u>
<b>Non-cash Activities:</b>					
Capital assets contributed	\$ 6,898,819	\$ -	\$ -	\$ 6,898,819	\$ -
<b>Total Non-cash Activities</b>	<u>\$ 6,898,819</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,898,819</u>	<u>\$ -</u>

See accompanying notes to the basic financial statements.

**CITY OF BROKEN ARROW, OKLAHOMA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**Year Ending June 30, 2025**  
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**CITY OF BROKEN ARROW, OKLAHOMA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**Year Ending June 30, 2025**

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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**  
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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.

**CITY OF BROKEN ARROW, OKLAHOMA**  
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Related organizations

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

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

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

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

Joint venture

The City is currently a participant (with equity interest) in the general operating portion of the Regional Metropolitan Utility Authority (RMUA). The RMUA is a Title 60 Public Trust created to provide, operate, and maintain water supply, wastewater, and pollution control facilities for the benefit of various governmental entities. Currently, the RMUA is providing wastewater facilities at the Haikey Creek sewage treatment plants. On dissolution of the RMUA, the net position will be distributed to the beneficiaries based upon their pro-rata interest. Separate audited financial statements of RMUA for the year ended June 30, 2025, are available from the Office of Finance, City of Tulsa, Oklahoma.

Basis of presentation

*Government-wide financial statements*

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

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

**CITY OF BROKEN ARROW, OKLAHOMA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**Year Ending June 30, 2025**

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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.
District 3 TIF Apportionment Fund	Accounts for revenues and expenditures of the District 3 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*

**CITY OF BROKEN ARROW, OKLAHOMA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
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Capital project funds are used to account for resources restricted for the acquisition or construction of specific capital projects or items. The reporting entity includes the following capital project funds:

Fund	Brief Description
Sales Tax Capital Improvement (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.
Vehicle Replacement Fund	Accounts for revenues and transfers from other funds to be used for replacing City vehicles.

*Proprietary funds*

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

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

*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

**CITY OF BROKEN ARROW, OKLAHOMA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**Year Ending June 30, 2025**

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

***Measurement focus:***

*Government-wide and proprietary fund financial statements*

In the government-wide statement of net position and statement of activities, and the proprietary fund statements the *economic resources* measurement focus is applied. The accounting objectives of this 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**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
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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 \$645,000.

*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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The City accounts for subscription-based information technology arrangements (SBITAs) in accordance with GASB Statement No. 96, Subscription-Based Information Technology Arrangements. Subscription assets and related subscription liabilities are recorded for all significant SBITAs. See Note 3 for additional information on subscription assets and related liabilities.

*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*

**CITY OF BROKEN ARROW, OKLAHOMA**  
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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*

**CITY OF BROKEN ARROW, OKLAHOMA**  
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Governmental fund equity is classified as fund balance. Fund balance is further classified as follows:

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

Internal and interfund balances and activities

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

***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.

**CITY OF BROKEN ARROW, OKLAHOMA**  
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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, 2025, the City's net assessed valuation of taxable property was \$1,311,394,149. The taxes levied by the City per \$1,000 of net assessed valuation for the year ended June 30, 2025, was \$16.26.

*Program revenues*

**CITY OF BROKEN ARROW, OKLAHOMA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
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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:

**CITY OF BROKEN ARROW, OKLAHOMA**  
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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 2025, the City issued General Obligation Bonds Series 2024 in the amount of \$23,500,000, 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, 2025.

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 \$857,666.
- Account balance on the 2019 BAEDA note payable should equal \$520,861.

Account balance at June 30, 2025, for the 2015 OWRB note payable is \$857,666.

Account balance at June 30, 2025, for the 2019 BAEDA note payable is \$520,861.

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 235%.

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, 2025.

Workers Compensation internal service fund has a net position deficit of \$314,420 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, 2025, 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.

Deposits

As of June 30, 2025, the City held the following deposits and investments:

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<b>Primary Government:</b>			<b>Carrying Value</b>	<b>Maturities in Years</b>		
				<b>On Demand</b>	<b>Less than One</b>	<b>1-5</b>
<b>Deposits:</b>						
Cash on hand			\$ 900	\$ 900	\$ -	\$ -
Demand deposits			148,045,621	148,045,621	-	-
Time deposits - certificate of deposits			64,006,903	-	64,006,903	-
	<u>Credit</u>	<u>Fair Value</u>				
	<u>Rating</u>	<u>Categories</u>				
<b>Investments:</b>						
United States Treasury Notes/Bills	AAA	Level I	96,367,812	-	96,367,812	-
Judgments	N/A	N/A	1,001,417	-	1,001,417	-
<b>Total deposits and investments</b>			<u>\$ 309,422,653</u>	<u>\$ 174,603,419</u>	<u>\$ 161,376,132</u>	<u>\$ -</u>
<b>Reconciliation to Statement of Net Position:</b>						
Cash and cash equivalents			\$ 148,031,837			
Investments			161,377,032			
			<u>\$ 309,408,869</u>			
<b>Component Units:</b>						
Broken Arrow Home Finance Authority			\$ 2,786			
Broken Arrow Hospital Authority			10,998			
			<u>\$ 13,784</u>			

*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.

Accounts receivable

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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.

	Governmental Activities	Business-Type Activities
Accounts receivable	\$ -	\$ 10,466,681
Accounts receivable-ambulance	2,644,189	-
Accounts receivable-court	6,024,838	-
Accounts receivable-other	3,572,639	-
Less: allowance for uncollectible accounts	(6,996,690)	(285,747)
Other receivables, net of allowance	<u>\$ 5,244,976</u>	<u>\$ 10,180,934</u>

Lease receivables:

The City as a lessor, has entered into lease agreements involving infrastructure and land. The total amount of inflows of resources, including lease revenue and interest revenue recognized during the fiscal year was \$645,000. Lease receivable balances at June 30, 2025, were as follows:

	Governmental Activities
Tower Holdings	\$ 309,775
New Cingular	24,268
SW Bell AT&T	351,766
Sprint	50,649
T-Mobile Elm	544,923
T-Mobile Tiger Hill	515,209
T-Mobile	136,883
Sprint	188,629
American Tower	499,463
Verizon Lion's Park	504,810
Verizon Rhema Park	627,119
Verizon Elm & Albany	415,639
Tower Holdings	308,044
US Cellular	2,680,516
Total Lease Receivable-Governmental	<u>\$ 7,157,693</u>

Restricted assets

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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, 2025, 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	\$ 56,014,339	\$ 3,354,666	\$ 59,369,005
Meter deposits	261,124	1,196,962	1,458,086
Total BAMA	<u>\$ 56,275,463</u>	<u>\$ 4,551,628</u>	<u>\$ 60,827,091</u>
<b>BAEDA</b>			
Revenue bond and note trustee accounts	<u>\$ 12,275,966</u>	<u>\$ 520,861</u>	<u>\$ 12,796,827</u>
Total BAEDA	<u>\$ 12,275,966</u>	<u>\$ 520,861</u>	<u>\$ 12,796,827</u>

Capital assets

Capital asset activity for the fiscal year ended June 30, 2025, was as follows:

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	Balance at June 30, 2024	Additions	Deductions	Balance at June 30, 2025
Governmental activities:				
Nondepreciable capital assets:				
Land	\$ 39,944,872	\$ -	\$ -	\$ 39,944,872
Construction-in-progress	77,725,144	24,992,499	(23,336,633)	79,381,010
Total nondepreciable assets at historical cost	<u>117,670,016</u>	<u>24,992,499</u>	<u>(23,336,633)</u>	<u>119,325,882</u>
Depreciable capital assets:				
Buildings	80,556,274	-	-	80,556,274
Improvements	64,095,956	2,126,902	-	66,222,858
Machinery and equipment	65,929,378	7,717,217	(2,145,276)	71,501,319
Infrastructure	283,663,336	22,966,947	-	306,630,283
Total depreciable assets at historical cost	<u>494,244,944</u>	<u>32,811,066</u>	<u>(2,145,276)</u>	<u>524,910,734</u>
Less accumulated depreciation:				
Buildings	(25,048,671)	(1,913,842)	-	(26,962,513)
Improvements	(26,387,390)	(2,695,193)	-	(29,082,583)
Machinery and equipment	(42,290,050)	(5,043,831)	2,145,276	(45,188,605)
Infrastructure	(125,020,186)	(6,889,855)	-	(131,910,041)
Total accumulated depreciation	<u>(218,746,297)</u>	<u>(16,542,721)</u>	<u>2,145,276</u>	<u>(233,143,742)</u>
Intangible assets:				
Subscription assets	211,126	-	-	211,126
Total intangible assets being amortized	<u>211,126</u>	<u>-</u>	<u>-</u>	<u>211,126</u>
Less accumulated amortization:				
Subscription assets	(102,393)	(52,782)	-	(155,175)
Total accumulated amortization	<u>(102,393)</u>	<u>(52,782)</u>	<u>-</u>	<u>(155,175)</u>
Total assets, net	<u>275,607,380</u>	<u>16,215,563</u>	<u>-</u>	<u>291,822,943</u>
Governmental activities assets, net	<u>\$ 393,277,396</u>	<u>\$ 41,208,062</u>	<u>\$ (23,336,633)</u>	<u>\$ 411,148,825</u>

Capital assets – (continued)

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	Balance at June 30, 2024	Additions	Deductions	Balance at June 30, 2025
Business-type activities:				
Nondepreciable:				
Land	\$ 15,200,896	\$ -	\$ -	\$ 15,200,896
Construction-in-progress	49,823,757	47,171,367	(678,789)	96,316,335
Total nondepreciable assets at historical cost	65,024,653	47,171,367	(678,789)	111,517,231
Depreciable:				
Buildings	7,729,545	-	-	7,729,545
Improvements	292,364,247	312,887	-	292,677,134
Machinery and equipment	32,812,732	8,614,952	(2,523,756)	38,903,928
Infrastructure – drainage	123,643,165	6,603,472	-	130,246,637
Total depreciable assets at historical cost	456,549,689	15,531,311	(2,523,756)	469,557,244
Less accumulated depreciation:				
Buildings	(5,454,160)	(162,250)	-	(5,616,410)
Improvements	(173,174,611)	(5,939,096)	-	(179,113,707)
Machinery and equipment	(21,298,713)	(3,368,529)	2,523,756	(22,143,486)
Infrastructure – drainage	(39,928,951)	(5,249,128)	-	(45,178,079)
Total accumulated depreciation	(239,856,435)	(14,719,003)	2,523,756	(252,051,682)
Net depreciable assets	216,693,254	812,308	-	217,505,562
Business-type capital assets, net	\$ 251,898,995	\$ 47,983,675	\$ (678,789)	\$ 329,022,793

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

Depreciation expense charged to governmental activities:

General government	\$ 3,719,801
Public safety	3,371,344
Public services	8,645,618
Culture and recreation	805,958
Total government activities depreciation expense	\$ 16,542,721

Amortization expense charged to governmental activities:

General government	\$ 52,782
Total government activities amortization expense	\$ 52,782

**CITY OF BROKEN ARROW, OKLAHOMA**  
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Depreciation expense charged to business-type activities:	
Water	\$ 9,160,032
Sewer	2,168,624
Sanitation	881,929
Stormwater management	2,306,295
Economic development	25,889
Golf	176,234
Total business-type activities depreciation expense	<u>\$ 14,719,003</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, 2025, the "investment in joint venture" balance changed as follows:

Beginning investment in joint venture	\$ 37,942,324
Current year change	<u>(233,499)</u>
Ending investment in joint venture	<u>\$ 37,708,825</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, 2025, 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%	\$5,070,000
\$6,200,000 General Obligation Bonds Series 2013B, due in annual installments of \$325,000, final installment of \$350,000 due December 1, 2033, with interest rates at 1.00% to 4.00%	2,950,000
\$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%	6,170,000
\$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%	6,735,000
\$6,625,000 General Obligation Bonds Series 2016B, due in annual installments of \$345,000, final installment of \$341,000 due January 1, 2036, with interest rates at 2.50% to 3.250%	3,865,000

**CITY OF BROKEN ARROW, OKLAHOMA**  
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\$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%	11,825,000
\$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%	12,845,000
\$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%	8,010,000
\$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%	8,475,000
\$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%	18,370,000
\$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)	3,375,000
\$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)	5,985,000
\$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%	16,000,000
\$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%	250,000
\$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%	17,450,000
\$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%	780,000
\$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%	37,895,000
\$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
\$23,500,000 General Obligation Bonds Series 2024, due in annual installments of \$1,235,000, final installment of \$1,270,000 due November 1, 2044, with interest rates at 5.00%	23,500,000

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Total general obligations bonds	\$ 224,550,000
Unamortized premium on bonds	4,945,272
Total general obligations bonds	<u>\$ 229,495,272</u>
Current portion	\$ 14,720,000
Noncurrent portion	209,830,000
Total general obligations bonds	<u>\$ 224,550,000</u>

Notes payable-direct borrowings

\$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.

	<u>613,037</u>
Total Notes payable	<u>\$ 613,037</u>
Current portion	\$ 613,037
Noncurrent portion	-
Total notes payable	<u>\$ 613,037</u>

Accrued compensated absences

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

Current portion	\$ 3,897,463
Noncurrent portion	1,950,087
Total accrued compensated absences	<u>\$ 5,847,550</u>

Judgments payable

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\$38,000 judgment in favor of Jimmy Bailey, held by sinking fund, final maturity March 2026, with interest at 9.50%	\$ 12,666
\$12,500 judgment in favor of Thomas H. Bryan, held by sinking fund, final maturity January 2027, with interest at 10.50%	8,333
\$45,000 judgment in favor of Sigfredo Hernandez, held by sinking fund, final maturity September 2026, with interest at 10.50%	30,000
\$45,000 judgment in favor of Kari Cecil, held by sinking fund, final maturity September 2026, with interest at 10.50%	30,000
\$230,500 judgment in favor of Jack Beighle, held by sinking fund, final maturity March 2027, with interest at 10.50%	153,667
\$265,000 judgment in favor of Hoey Construction, held by sinking fund, final maturity January 2027, with interest at 10.50%	176,667
\$200,000 judgment in favor of Pierre “Pete” Brunel, held by sinking fund, final maturity April 2028, with interest at 9.50%	200,000
\$300,000 judgment in favor of Bonnie Blalock, held by sinking fund, final maturity March 2028, with interest at 9.50%	300,000
\$90,083 judgment in favor of Carmen Thompson, held by sinking fund, final maturity June 2028, with interest at 9.50%	90,083
\$1,683,616 judgements estimated as more likely than not to be liable	<u>1,683,616</u>
Total judgments payable	<u>\$ 2,685,032</u>
Current portion	\$ 1,382,310
Noncurrent portion	<u>1,302,722</u>
Total judgments payable	<u>\$ 2,685,032</u>
 <u>Other claims payable</u>	
Actuarial determined automotive and general liability payable, funded by General Fund resources, reported in the governmental activities at June 30, 2024	
Current portion	\$ 521,000
Noncurrent portion	<u>728,000</u>
Total automotive and general insurance liabilities	<u>\$ 1,249,000</u>
 <u>Claims payable</u>	
Actuarial determined workers compensation and health claims, funded by General Fund resources, reported in the governmental activities at June 30, 2024	
Current portion	\$ 2,507,000
Noncurrent portion	<u>1,008,000</u>
Total claims payable	<u>\$ 3,515,000</u>
<u>Total OPEB liability</u>	

**CITY OF BROKEN ARROW, OKLAHOMA**  
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Current portion	\$ -
Noncurrent portion	1,237,837
	<hr/>
Total other post-employment benefit obligation	<u>\$ 1,237,837</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 23-24 related to the arrangements.

Current portion	\$ 57,405
Noncurrent portion	-
	<hr/>
Total subscription liability	<u>\$ 57,405</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, 2025, was 235%.

As of June 30, 2025, the long-term debt payable from enterprise fund resources consisted of the following:

Notes payable-direct borrowings

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	3,929,297
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	7,490,000
2016 Clean Water SRF Promissory Note payable to Oklahoma Water Resources Board, original amount \$6,700,000 dated August 12, 2016, by Broken Arrow Municipal Authority, providing for construction and installation of various capital improvements at the Haikey Creek wastewater treatment plant, secured by pledged sales tax, interest rate at 1.96%, final maturity September 2038	4,925,849
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	5,650,000

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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	16,710,000
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	19,720,000
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	4,260,612
2019B Clean Water SRF Promissory Note payable to Oklahoma Water Resources Board, original amount \$11,415,000 dated June 10, 2019, by Broken Arrow Municipal Authority, providing for construction of improvements to the sanitary sewer system, secured by pledged sales tax, interest rate at 2.09%, final maturity March 2041	9,950,377
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	25,322,252
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	7,285,000
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	18,493,443
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	3,425,000
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.	928,571
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.	447,762

**CITY OF BROKEN ARROW, OKLAHOMA**  
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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	18,603,789
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	1,721,318
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	17,265,000
2023B Note payable to Oklahoma Water Resources Board, original amount \$19,185,000 dated November 8, 2023, by Broken Arrow Municipal Authority, providing for construction of improvements to the sanitary sewer system, secured by utilities and pledged sales tax, interest rates at 5.20% to 5.45%, final maturity September 2053	19,185,000
2024C Note payable to Oklahoma Water Resources Board, original amount \$19,880,000 dated August 20, 2024, 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 2054	19,880,000
2024 Note payable to F&M Bank, original amount \$3,264,000 dated September 11, 2024, by Broken Arrow Municipal Authority, providing for the purchase of sewer and water trucks, secured by said equipment, interest rates at 4.10%, final maturity October 2028	3,264,000
Total Notes Payable	\$ 211,442,270
Unamortized premium on notes payable	6,328,451
Total Notes Payable	<u>\$ 217,770,721</u>
Current portion	\$ 8,970,441
Noncurrent portion	208,800,280
Total Notes Payable	<u>217,770,721</u>
<u>Total OPEB liability</u>	
Current portion	\$ -
Noncurrent portion	503,906
Total other post-employment benefit obligation	<u>\$ 503,906</u>

**CITY OF BROKEN ARROW, OKLAHOMA**  
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**Year Ending June 30, 2025**

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Accrued compensated absences

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

Current portion	\$ 763,623
Noncurrent portion	<u>254,541</u>
Total accrued compensated absences	<u>\$1,018,164</u>

Customer meter deposit reserves

Current portion	\$ 261,124
Noncurrent portion	<u>1,196,962</u>
Total customer meter deposit reserves	<u>\$ 1,458,086</u>

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.

\$2,340,000

Taxable Series 2021 Tax Increment Revenue Note payable, original amount \$15,525,000 dated June 29, 2021, by Broken Arrow Economic Development Authority, for the purpose 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.

14,135,000

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

**CITY OF BROKEN ARROW, OKLAHOMA**  
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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.	<u>21,240,000</u>
Total TIF notes payable	<u>\$ 41,840,000</u>
Current portion	\$ 2,555,000
Noncurrent portion	<u>39,285,000</u>
Total TIF notes payable	<u>\$ 41,840,000</u>

*Changes in long-term liabilities*

The following is a summary of changes in long-term liabilities for the year ended June 30, 2025:

	Balance June 30, 2024	Additions	Deductions	Balance June 30, 2025	Amount due in one year
<b>Governmental Activities:</b>					
General obligation bonds	\$ 214,985,000	\$ 23,500,000	\$ 13,935,000	\$ 224,550,000	\$ 14,720,000
Notes payable-direct borrowings	2,358,037	-	1,745,000	613,037	613,037
Accrued Compensated Absences	5,539,957	309,047	1,454	5,847,550	3,897,463
Judgments payable	1,967,333	2,273,699	1,556,000	2,685,032	1,382,310
Automotive and general liability	1,217,000	32,000	-	1,249,000	521,000
Claims payable	3,415,000	13,979,146	13,879,146	3,515,000	2,507,000
Subscription liability	110,803	-	53,398	57,405	57,405
	<u>\$ 229,593,130</u>	<u>\$ 40,093,892</u>	<u>\$ 31,169,998</u>	<u>\$ 238,517,024</u>	<u>\$ 23,698,215</u>
Add:					
Unamortized premium				4,945,272	322,263
Net pension liability				74,885,938	-
Total OPEB liability				<u>1,237,837</u>	-
				<u>\$ 319,586,071</u>	<u>\$ 24,020,478</u>
	Balance June 30, 2024	Additions	Deductions	Balance June 30, 2025	Amount due in one year
<b>Business-type Activities:</b>					
Bonds, Notes and Loans Payable-direct borrowings	\$ 172,037,416	\$ 36,943,541	\$ 7,185,174	\$ 201,795,783	\$ 8,970,441
BAEDA-Notes Payable-direct borrowings	42,725,000	-	1,360,000	41,365,000	2,555,000
Accrued Compensated Absences	942,107	76,057	-	1,018,164	763,623
	<u>\$ 215,704,523</u>	<u>\$ 37,019,598</u>	<u>\$ 8,545,174</u>	<u>\$ 244,178,947</u>	<u>\$ 12,289,064</u>
Add:					
Unamortized premium				6,328,451	263,456
Total OPEB liability				503,906	-
Customer Meter Deposit Reserves	1,029,633	98,401	172,227	1,458,086	261,123
				<u>\$ 252,469,390</u>	<u>\$ 12,813,643</u>

*Annual debt service requirements – primary government*

**CITY OF BROKEN ARROW, OKLAHOMA**  
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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, 2025, are as follows:

<b>Governmental Activities</b>				
<u>Year Ending June 30,</u>	<u>General Obligation Bonds</u>		<u>Notes Payable-Direct Borrowings</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2026	\$ 14,720,000	\$ 7,609,596	\$ 613,037	\$ 26,272
2027	15,680,000	6,681,311	-	-
2028	15,655,000	6,194,681	-	-
2029	15,620,000	5,714,662	-	-
2030	15,585,000	5,246,689	-	-
2031-2035	71,285,000	19,463,938	-	-
2036-2040	53,000,000	8,765,826	-	-
2041-2045	23,005,000	1,717,491	-	-
Total	<u>\$ 224,550,000</u>	<u>\$ 61,394,194</u>	<u>\$ 613,037</u>	<u>\$ 26,272</u>

<b>Governmental Activities</b>				
<u>Year Ending June 30,</u>	<u>Judgments Payable</u>		<u>Subscriptions Liability</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2026	\$ 2,092,310	\$ 99,121	\$ 57,405	\$ 1,301
2027	396,028	58,302	-	-
2028	196,694	18,686	-	-
2029	-	-	-	-
2030	-	-	-	-
2031-2035	-	-	-	-
2036-2040	-	-	-	-
2041-2045	-	-	-	-
Total	<u>\$ 2,685,032</u>	<u>\$ 176,109</u>	<u>\$ 57,405</u>	<u>\$ 1,301</u>

**CITY OF BROKEN ARROW, OKLAHOMA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**Year Ending June 30, 2025**

<b>Business-Type Activities</b>		
Year Ending June 30,	Bonds, Notes & Loans Payable-Direct Borrowings	
	Principal	Interest
2026	\$ 11,525,441	\$ 8,262,271
2027	12,337,203	7,938,541
2028	11,881,689	8,344,664
2029	11,457,668	8,045,320
2030	11,843,916	7,561,736
2031-2035	63,977,712	31,515,726
2036-2040	55,637,543	20,086,411
2041-2045	35,875,000	12,207,756
2046-2050	30,730,000	6,098,298
2051-2055	45,951,179	1,584,104
Total	<u>\$ 291,217,351</u>	<u>\$ 111,644,827</u>
Less: Amount not drawn	<u>(48,056,568)</u>	
	<u>\$ 243,160,783</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 \$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, \$16,285,000 2021C Clean Water SRF note payable, \$18,805,000 Clean Water SRF note payable, \$19,880,000 2024C Clean Water SRF note payable to the Oklahoma Water Resources Board (OWRB), and

**CITY OF BROKEN ARROW, OKLAHOMA**  
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\$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 \$288,961,257. Pledged sales taxes received in the current year were \$20,639,850 and net utility revenues were \$17,991,598 for total pledged net revenues of \$38,631,448. Debt service payments of \$12,387,637 for the current year were 32.1% of net pledged revenues for these notes.

Interfund balances and activities

Interfund receivables and payables at June 30, 2025, consist of the following:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Nature of Interfund Balance</u>
General Fund	Police Enhancement	\$ 59,696	Operational advances
General Fund	BAMA	3,517,141	Eliminated negative pooled cash
BAMA	General Fund	3,517,141	Operational subsidy
General Fund	BAMA	12,640,031	Operational subsidy
Sales Tax Capital Improvement	Battle Creek Golf Course	228,611	Operational advances
Debt Service Fund	BAEDA	30,389	Deposit for debt service
BAMA	Battle Creek Golf Course	447,085	Operational advances
Sanitary Capital Account	BAMA	1,347,738	Intrafund eliminated negative pooled cash
BAMA Sales Tax Account	BAMA	13,718,142	Intrafund eliminated negative pooled cash
Excess Capacity Sewer Escrow	BAMA	2,195,989	Eliminated negative pooled cash
Stormwater Capital	BAMA	335,715	Eliminated negative pooled cash
Parks and Recreation	BAMA	895,914	Eliminated negative pooled cash
Street Light	BAMA	1,186,396	Eliminated negative pooled cash
Escrow Fund	BAMA	548,753	Eliminated negative pooled cash
BAEDA	BAMA	4,193,902	Eliminated negative pooled cash
		<u>\$ 44,862,643</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	\$ 21,638,635	\$ (3,576,837)	\$ 18,061,798
Proprietary Funds	23,224,008	(41,285,806)	(18,061,798)
	<u>\$ 44,862,643</u>	<u>\$ (44,862,643)</u>	<u>\$ -</u>

Reconciliation to Statement of Net Position:

	<u>Governmental</u>	<u>Business-Type</u>	<u>Net Interfund Balances</u>
Net interfund balances	\$ 18,061,798	\$ (18,061,798)	\$ -
Internal balances	\$ 18,061,798	\$ (18,061,798)	\$ -

**CITY OF BROKEN ARROW, OKLAHOMA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**Year Ending June 30, 2025**

Interfund transfers for the year ended June 30, 2025, were as follows:

<u>Transfer from</u>	<u>Transfer to</u>	<u>Amount</u>	<u>Nature of Transfer</u>
General Fund	BAMA	\$ 20,639,850	Sales Tax Collections
General Fund	Public Safety Sales Tax-Police	35,190,630	Sales Tax Collections
General Fund	Public Safety Sales Tax-Fire	29,437,393	Sales Tax Collections
General Fund	BAEDA	10,325,110	Operational subsidy for amphitheater
BAMA	Vehicle Replacement	1,250,000	Operating subsidy
Debt Service Fund	General Fund	155,000	Operational/Interest
Convention and Visitor's Bureau	General Fund	300,000	Operational/General Government
Street and Alley	General Fund	1,100,000	Operational/Streets
BAMA	General Fund	20,639,850	Operating subsidy
BAMA	BAEDA	600,000	Economic Development
Cemetery Care	Sales Tax Capital Improvement Fund	1,664	Operating advance
Creek TIF Apportionment Fund	District 3 TIF Apportionment Fund	17,051	Operating advance
		<u>\$ 119,656,548</u>	

**Transfers:**

Reconciliation to Fund Financial Statements:

	<u>Transfers In</u>	<u>Transfers Out</u>	<u>Net Transfers</u>
Governmental Funds	\$ 88,091,588	\$ (97,166,698)	\$ (9,075,110)
Proprietary Funds	31,564,960	(22,489,850)	9,075,110
Total Transfers	<u>\$ 119,656,548</u>	<u>\$ (119,656,548)</u>	<u>\$ -</u>

Reconciliation to Statement of Net Position:

	<u>Governmental</u>	<u>Business-Type</u>	<u>Net Interfund Balances</u>
Net transfers	\$ (9,075,110)	\$ 9,075,110	\$ -
Net transfers	<u>\$ (9,075,110)</u>	<u>\$ 9,075,110</u>	<u>\$ -</u>

Fund Balance:

**CITY OF BROKEN ARROW, OKLAHOMA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
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The following tables show the fund balance classifications as shown on the Governmental Fund Balance Sheet:

Fund Balance	General Fund	Public Safety	Public Safety	Sales Tax	American	2018 General	Debt Service	Other	Total
		Sales Tax - Police	Sales Tax - Fire	Capital Improvement Fund		Obligation Bond Fund		Governmental Funds	
Restricted For:									
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 24,099,386	\$ -	\$ 24,099,386
Capital improvements	-	-	-	18,375,792	-	107,768,557	-	17,874,604	144,018,953
Convention and Visitor's Bureau	-	-	-	-	-	-	-	1,896,261	1,896,261
Public safety	-	28,011,567	15,630,352	-	-	-	-	2,176,855	45,818,774
Creek TIF Apportionment	-	-	-	-	-	-	-	62,670	62,670
District 3 TIF Apportionment	-	-	-	-	-	-	-	242,749	242,749
Cemetery care	-	-	-	-	-	-	-	158,660	158,660
Street and alley operations	-	-	-	-	-	-	-	1,165,764	1,165,764
Housing and Urban Development	-	-	-	-	-	-	-	268,529	268,529
E911	-	-	-	-	-	-	-	2,789,529	2,789,529
Administration Technology	-	-	-	-	-	-	-	154,821	154,821
Crime Prevention	-	-	-	-	-	-	-	147,072	147,072
Grant Purposes	-	-	-	-	347,648	-	-	575,957	923,605
Franchise Fee	-	-	-	-	-	-	-	2,757,151	2,757,151
Alcohol enforcement	-	-	-	-	-	-	-	96,410	96,410
Sub-total restricted	-	28,011,567	15,630,352	18,375,792	347,648	107,768,557	24,099,386	30,367,032	224,600,334
Committed for:									
Excess capacity sewer escrow	-	-	-	-	-	-	-	2,195,989	2,195,989
Stormwater capital improvements	-	-	-	-	-	-	-	335,715	335,715
Cemetery care	-	-	-	-	-	-	-	277,276	277,276
Parks and recreation	-	-	-	-	-	-	-	1,516,667	1,516,667
Street lights	-	-	-	-	-	-	-	1,238,841	1,238,841
Economic development	-	-	-	-	-	-	-	310	310
Sub-total committed	-	-	-	-	-	-	-	5,564,798	5,564,798
Assigned for:									
Subsequent year budget/activities	14,913,066	-	-	-	-	-	-	-	14,913,066
Sub-total assigned	14,913,066	-	-	-	-	-	-	-	14,913,066
Unassigned	18,500,132	-	-	-	-	-	-	-	18,500,132
<b>TOTAL FUND BALANCE</b>	<b>\$ 33,413,198</b>	<b>\$ 28,011,567</b>	<b>\$ 15,630,352</b>	<b>\$ 18,375,792</b>	<b>\$ 347,648</b>	<b>\$ 107,768,557</b>	<b>\$ 24,099,386</b>	<b>\$ 35,931,830</b>	<b>\$ 263,578,330</b>

**Accounting Changes & Error Corrections**

During the year ended June 30, 2025, the City identified two unrelated errors in its previously issued financial statements:

1. Construction in progress: The balance of construction in progress was understated by \$6,030,506. The correction of this error resulted in an increase of \$6,030,506 in construction in progress and a corresponding increase of \$6,030,506 in beginning net position for business-type activities and beginning net position for the Broken Arrow Economic Development Authority (“BAEDA”) fund.
2. Long-term debt: The outstanding balance of notes payable was understated by \$3,617,994. The correction of this error resulted in an increase of \$3,617,994 in notes payable and a corresponding decrease of \$3,617,994 in beginning net position of business-type activities and beginning net position for the Broken Arrow Municipal Authority (“BAMA”) fund.

The effects of these error corrections to or within the financial reporting entity are summarized in the reconciliation below.

**CITY OF BROKEN ARROW, OKLAHOMA**  
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	Broken Arrow Municipal Authority	Broken Arrow Economic Development Authority	Government-Wide	
			Governmental Activities	Business-type Activities
Net position - beginning balance as previously reported	148,392,977	3,803,874	365,079,942	155,006,057
Restatements:				
Beginning balance correction of construction in-progress	-	6,030,506	-	6,030,506
Beginning balance correction of debt	6,026,303	475,000	-	6,501,303
Net position - beginning balance as restated	154,419,280	10,309,380	365,079,942	167,537,866

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

The City participates in three employee pension systems as follows:

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

***Oklahoma Police Pension and Retirement System***

Summary of Significant Accounting Policies

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

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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, 2025, the total contribution to the system amounted to \$3,539,062 of which \$2,190,847 was made by the City and \$1,348,215 was made by the employees. The State of Oklahoma also made on-behalf contributions to OPPRS in the amount of \$2,153,977 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 \$2,212,659. These on-behalf payments did not meet the criteria of a special funding situation.

**Pension liabilities, pension expense, deferred outflows, and deferred inflows of resources related to pensions** – At June 30, 2025, the City reported a liability of \$10,599,348 for its proportionate share of the net pension asset. 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 relative to the total contributions received by pension plan for all participating employers as of June 30, 2025. Based upon this information, the City’s proportion was 4.0467%.

For the year ended June 30, 2025, the City recognized pension expense of \$14,818,476. At June 30, 2025, 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	\$ 4,425,908	\$ 86,447
Changes of assumptions	-	1,795,370.00
Net difference between projected and actual earnings on pension plan investments	5,675,315	-
Changes in proportion	110,076	586,924
City contributions during measurement date	6,527	38,487
City contributions subsequent to the measurement date	2,190,847	-
Total	<u>\$ 12,408,673</u>	<u>\$ 2,507,228</u>

In the year ending June 30, 2025, the \$2,190,847 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

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deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:		
	2026	\$ 419,231
	2027	5,186,631
	2028	1,514,770
	2029	436,876
	2030	153,090
		<u>\$ 7,710,598</u>

**Actuarial assumptions** – The total pension liability in the July 1, 2024, 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, 2024 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

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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	25%	5.32%
Domestic equity	30%	8.29%
International equity	20%	9.34%
Real estate	10%	10.19%
Private equity	15%	11.59%
	<u>100%</u>	

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 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 (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:

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Police Pension net pension liability (asset)	\$ 25,778,318	\$ 10,599,348	\$ (2,234,675)

**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**

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**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 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 month 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 month 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, 2025, the total contribution to the system amounted to \$4,538,740, of which \$2,762,711 was made by the City and \$1,776,029 was made by the employees. The State of Oklahoma also made on-behalf contributions to FPRS in the amount of \$5,486,652 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

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recognized for the state’s on-behalf contributions on an accrual basis of \$6,861,320. 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, 2025, the City reported a liability of \$64,286,590 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 relative to the total contributions received by pension plan for all participating employers as of June 30, 2025. Based upon this information, the City’s proportion was 4.8809%.

For the year ended June 30, 2025, the City recognized pension expense of \$12,193,919. At June 30, 2025, 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	\$ 9,418,907	\$ -
Changes of assumptions	2,324,085	-
Net difference between projected and actual earnings on pension plan investments	-	493,761
Changes in proportion	2,949,668	1,063,825
City contributions during measurement date	90,962	78,231
City contributions subsequent to the measurement date	2,762,711	-
Total	<u>\$ 17,546,333</u>	<u>\$ 1,635,817</u>

In the year ending June 30, 2025, the \$2,762,711 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:	
2026	\$ 2,852,281
2027	8,450,987
2028	1,231,227
2029	613,310
2030	-
	<u>\$ 13,147,805</u>

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**Actuarial Assumptions-** The total pension liability was determined by an actuarial valuation as of July 1, 2024, using the following actuarial assumptions, applied to all prior periods included in the measurement:

Inflation:	2.75%
Salary increases:	2.75% to 14% 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-2021 for healthy lives and no mortality improvement for disabled lives.

The actuarial assumptions used in July 1, 2024, 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, 2025, 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%	5.34%
Domestic equity	47%	8.41%
International equity	15%	9.34%
Real estate	10%	9.81%
Other assets	8%	6.50%
	<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	\$ 85,561,245	\$ 64,286,590	\$ 46,559,039

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**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, 2025, the Systems held no related-party investments of the City or of its related entities.

***Defined contribution plan – OMRF***

The City has also provided effective November 1, 1990, a defined contribution plan and trust known as the City of Broken Arrow Plan and Trust (the Plan) in the form of The Oklahoma Municipal Retirement System Master Defined Contribution Plan (OMRF). OMRF operations are supervised by a nine-member Board of Trustees elected by the participating municipalities. The Plan is administered by the OMRF. The defined contribution plan is available to all full-time employees not already participating in another plan. The employee may contribute to the Plan an amount not less than 2% or more than 10% of their compensation. The City Council determines the City's contribution rate each year and for the year ended June 30, 2025, contributed at the rate of 8.5% 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, 2025, the following amounts related to actual contributions to the defined contribution plan:

Employee contributions made	\$ 338,979
Employer (City) contributions made	\$ 3,667,258

***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, 2025, 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 \$1,237,837 was measured as of June 30, 2025, and was determined by an actuarial valuation as of that date.

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Actuarial Assumptions- The total OPEB liability was determined based on an actuarial valuation prepared as of June 30, 2025, 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.

Retirement Age:

	<i>Civilian Retirement</i>
<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:

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	Total OPEB Liability
Balances at Beginning of Year	<u>\$ 1,539,122</u>
Changes for the Year:	
Service Cost	168,242
Interest expense	71,107
Change in benefit terms	-
Difference between expected and actual experience	-
Change of assumptions	-
Expected net benefit payments	<u>(36,728)</u>
Net Changes	<u>202,621</u>
Balances at End of Year	<u>\$ 1,741,743</u>
Governmental Activities	\$ 1,237,837
Business-Type Activities	<u>503,906</u>
	<u>\$ 1,741,743</u>

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 4.21%, 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 (3.21%) or 1-percentage-point higher (5.21%) than the current rate:

	1% Decrease <u>(3.21%)</u>	Current Discount <u>Rate (4.21%)</u>	1% Increase <u>(5.21%)</u>
OPEB liability	\$ 1,925,086	\$ 1,741,743	\$ 1,576,733

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate - The following presents the total OPEB liability of the employer calculated using the healthcare cost trend rate of 4.50%, as well as what the Plan's total OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1-percentage point lower (3.50%) or 1-percentage-point higher (5.50%) than the current rate:

	1% Decrease <u>3.50%</u>	Healthcare Cost Trend Rates <u>4.50%</u>	1% Increase <u>5.50%</u>
OPEB liability	\$ 1,506,883	\$ 1,741,743	\$ 1,925,086

OPEB Expense and Deferred Outflows of Resources and Deferred Outflows/Inflows of Resources Related to OPEB For the year ended June 30, 2025, the City recognized OPEB expense of \$112,767. At June 30,

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2025, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Governmental Activities		Business-Type Activities		Total Activities	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 257,059	\$ 73,395	\$ 104,645	\$ 29,878	\$ 361,704	\$ 103,273
Changes of assumptions	2,178	156,490	887	63,705	3,065	220,195
Changes in proportion	12,794	21,212	21,212	19,371	34,006	40,583
Total	<u>\$ 272,031</u>	<u>\$ 251,097</u>	<u>\$ 126,744</u>	<u>\$ 112,954</u>	<u>\$ 398,775</u>	<u>\$ 364,051</u>

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

	Governmental Activities	Business-Type Activities	Total Activities
Year ended June 30:			
2026	\$ (25,884)	\$ (5,774)	\$ (31,658)
2027	(22,963)	(8,695)	(31,658)
2028	(12,417)	(5,009)	(17,426)
2029	(2,023)	(2,200)	(4,223)
2030	25,813	9,067	34,880
Thereafter	58,408	26,401	84,809
	<u>\$ 20,934</u>	<u>\$ 13,790</u>	<u>\$ 34,724</u>

**Note 5 – Tax Abatements**

The City enters into sales tax rebate agreements with local businesses as allowed in the Oklahoma State Constitution, Article 10, Section 14. Under this law, the City may establish economic development programs and provide sales tax increments for development as part of its economic development plan.

The sales tax rebate program allows a retail store business or developer to receive rebated sales tax in an amount equal to various percentages of reported annual total taxable sales of each business, based solely upon each agreement. To be eligible for this program, the project area should be developed or redeveloped after a significant vacancy to provide economic opportunity to the City and its' citizens.

Due to the confidentiality laws in Oklahoma Statutes, Title 68, Section 1354.11, the amounts of sales taxes rebated will not be disclosed. The following businesses had rebate agreements with the City as of June 30, 2025:

- A developer received rebated sales taxes during 2025. 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.

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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 \$12,614 of ad valorem taxes abated under this program for the fiscal year ended June 30, 2025.

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 \$1,694 during the fiscal year 2025 and has an outstanding, unpaid claim of \$10,920 of reimbursement from the State as of June 30, 2025.

**Note 6 – Risk Management**

The City is exposed to various risks of loss related to torts, theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; employees' health and life; and natural disasters. The City manages these various risks of loss as follows:

Type of Loss	Method Managed	Risk of Loss Retained
a. General Liability: - Torts - Errors and omissions	Self-insured with limits of the Oklahoma Tort Liability Act as follows: - \$25,000 property loss - \$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,	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

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\$.93 per month for employee and children, \$1.00 per month for employee and spouse and \$1.59 per month for family coverage.

City does not carry Aggregate stop loss 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.

*Life and health benefit plan*

The City offers group health and dental benefits to all full-time employees and their dependents except for fire fighters covered by the labor agreement between the City and the International Association of Fire Fighters Local # 2551. The City funds over 85% of the program with employees paying a monthly fee to purchase single, 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.

**CITY OF BROKEN ARROW, OKLAHOMA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**Year Ending June 30, 2025**

For the two internal service self-insurance funds, changes in the claim's liability for the City from June 30, 2023, to June 30, 2025, are as follows:

	Workers' Compensation	Health Care	Total
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
Claims and changes in estimates	158,345	15,167,242	15,325,587
Claims payments	(332,345)	(15,123,242)	(15,455,587)
Claim liability, June 30, 2025	<u>\$ 2,254,000</u>	<u>\$ 1,261,000</u>	<u>\$ 3,515,000</u>
Assets available to pay claims at June 30, 2025	<u>\$ 1,907,690</u>	<u>\$ 1,562,099</u>	<u>\$ 3,469,789</u>
Reconciliation to Statement of Net Position:			
Current portion			\$ 2,507,000
Noncurrent portion			1,008,000
Total			<u>\$ 3,515,000</u>

**Note 7 – Commitments and Contingencies**

*Construction commitments*

At June 30, 2025, the City had outstanding construction commitments of \$55,075,965 related to ongoing engineering and construction projects with original contract amounts totaling \$134,911,321.

*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.

**CITY OF BROKEN ARROW, OKLAHOMA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**Year Ending June 30, 2025**

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**Note 8 – Recently Issued Account Pronouncements**

**GASB Statement No. 102, Certain Risk Disclosures**

In December 2023, the Governmental Accounting Standards Board (GASB) issued Statement No. 102, *Certain Risk Disclosures*. GASB 102 requires governments to disclose information about certain concentrations and constraints that make them vulnerable to the risk of a substantial impact when specified criteria are met and the relevant events have occurred, begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. GASB 102 is effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter.

The City of Broken Arrow has evaluated its activities and determined that it does not have any concentrations or constraints that meet the criteria for disclosure under GASB Statement No. 102.

**Note 9 – 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, six 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 \$1,683,616 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.

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, 2025**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	Budgetary Basis	Positive (Negative)
<b>Beginning budgetary fund balance</b>	\$ 22,885,228	\$ 22,792,240	\$ 35,978,590	\$ 13,186,350
<b>Resources (inflows):</b>				
<b>Taxes:</b>				
Sales tax	51,626,726	51,626,726	51,599,833	(26,893)
Use tax	13,676,883	13,676,883	13,388,240	(288,643)
Tobacco tax	475,000	475,000	437,053	(37,947)
Franchise tax	5,610,000	5,610,000	5,053,791	(556,209)
<b>Total taxes</b>	<u>71,388,609</u>	<u>71,388,609</u>	<u>70,478,917</u>	<u>(909,692)</u>
<b>Intergovernmental:</b>				
Intergovernmental	300,000	300,000	213,822	(86,178)
Alcoholic beverage tax	350,000	350,000	350,243	243
<b>Total intergovernmental</b>	<u>650,000</u>	<u>650,000</u>	<u>564,065</u>	<u>(85,935)</u>
<b>Charges for services:</b>				
Planning and zoning	185,000	185,000	297,338	112,338
Sale of material	100,000	100,000	133,352	33,352
BAMA PILOT	5,350,226	5,350,226	5,422,980	72,754
Rural fire runs	2,500	2,500	41,465	38,965
Fire subscription	35,000	35,000	38,047	3,047
Inspection fees	285,000	285,000	409,543	124,543
Ambulance revenue	7,000,000	7,000,000	7,589,443	589,443
LifeRide	2,775,000	2,775,000	3,658,113	
Training	-	-	-	-
Farmers Market	45,000	45,000	-	(45,000)
Special Events	100,000	100,000	24,653	(75,347)
Cemetery fee	225,000	225,000	166,698	(58,302)
Animal control fees	55,000	55,000	39,193	(15,807)
Nuisance abatement	50,000	50,000	70,909	20,909
Parks and recreation	225,000	225,000	258,154	33,154
Swimming pools	250,000	250,000	307,258	57,258
Administrative fees	15,000	15,000	16,409	1,409
Schools	-	-	-	-
Juvenile court	45,000	45,000	11,812	(33,188)
<b>Total charges for services</b>	<u>16,742,726</u>	<u>16,742,726</u>	<u>18,485,367</u>	<u>859,528</u>

(Continued)

**CITY OF BROKEN ARROW, OKLAHOMA**  
**BUDGETARY COMPARISON SCHEDULE (continued)**  
**GENERAL FUND**  
**Year ended June 30, 2025**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	Budgetary Basis	Positive (Negative)
<b>Fines, forfeitures and assessments</b>	1,003,000	1,003,000	1,642,418	639,418
<b>Licenses and permits:</b>				
Occupational licenses	300,000	300,000	265,558	(34,442)
Peddlers licenses	-	-	-	-
Food licenses	45,000	45,000	60,800	15,800
Other fees	50,000	50,000	42,345	(7,655)
Farmers market	-	-	54,152	54,152
Special events	-	-	100	100
Building permits	1,500,000	1,500,000	1,748,829	248,829
<b>Total licenses and permits</b>	1,895,000	1,895,000	2,171,784	276,784
<b>Investment income</b>	300,000	300,000	919,288	619,288
<b>Miscellaneous:</b>				
Rental property	1,300,000	1,300,000	869,005	(430,995)
Donations	-	-	10,975	10,975
Miscellaneous	250,000	250,000	143,693	(106,307)
Sale of capital assets	-	-	-	-
Insurance proceeds	25,000	25,000	83,623	58,623
<b>Total miscellaneous</b>	1,575,000	1,575,000	1,107,296	(467,704)
<b>Other financing sources:</b>				
Transfers in from other funds	22,315,533	22,315,533	22,194,850	(120,683)
<b>Total other financing sources</b>	22,315,533	22,315,533	22,194,850	(120,683)
<b>Total revenues and other financing sources</b>	115,869,868	115,869,868	117,563,985	811,004
<b>Amounts available for appropriation</b>	138,755,096	138,662,108	153,542,575	13,997,354

(Continued)

**CITY OF BROKEN ARROW, OKLAHOMA**  
**BUDGETARY COMPARISON SCHEDULE (continued)**  
**GENERAL FUND**  
**Year ended June 30, 2025**

	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	722,922	722,922	732,906	(9,984)
Finance	1,148,198	1,148,198	1,261,270	(113,072)
City attorney	929,757	929,757	811,465	118,292
Human resources	1,393,896	1,393,896	1,224,093	169,803
Information services	2,140,196	2,140,196	2,026,957	113,239
Community development	5,862,028	5,862,028	5,192,562	669,466
General government	2,693,275	2,693,275	2,575,347	117,928
City Clerk	698,733	698,733	698,724	9
<b>Total general government</b>	<u>15,589,005</u>	<u>15,589,005</u>	<u>14,523,324</u>	<u>1,065,681</u>
<b>Public services</b>	<u>3,703,422</u>	<u>3,703,422</u>	<u>2,756,411</u>	<u>947,011</u>
<b>Parks and recreation</b>	<u>7,422,215</u>	<u>7,422,215</u>	<u>6,676,393</u>	<u>745,822</u>
<b>Other financing uses:</b>				
Transfers to other funds	<u>89,046,265</u>	<u>89,046,265</u>	<u>95,592,983</u>	<u>(6,546,718)</u>
<b>Total charges to appropriations</b>	<u>115,760,907</u>	<u>115,760,907</u>	<u>119,549,111</u>	<u>(3,788,204)</u>
<b>Ending budgetary fund balance</b>	<u>\$ 22,994,189</u>	<u>\$ 22,901,201</u>	<u>\$ 33,993,464</u>	<u>\$ 11,092,263</u>

**Broken Arrow**  
**Budgetary Comparison Schedule**  
**Major Special Revenue Fund - Public Safety Sales Tax Fund - Police**  
**For the year ended June 30, 2025**

	<b>Public Safety Sales Tax Fund - Police</b>			<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	
<b>Beginning Budgetary Fund Balance</b>	\$ 15,216,831	\$ 15,875,356	\$ 24,047,432	8,172,076
<b>Resources (Inflows):</b>				
Taxes	3,067,506	3,067,506	3,091,332	23,826
Intergovernmental	100,000	100,000	14,332	(85,668)
Investment income	400,000	400,000	636,223	236,223
Miscellaneous	12,500	12,500	19,540	7,040
Transfers from other funds	35,334,441	35,334,441	36,190,630	856,189
Amounts available for appropriation	<u>38,914,447</u>	<u>38,914,447</u>	<u>39,952,057</u>	<u>1,037,610</u>
<b>Charges to Appropriations (Outflows):</b>				
Police	<u>37,665,469</u>	<u>37,665,469</u>	<u>35,987,922</u>	<u>1,677,547</u>
<b>Ending Budgetary Fund Balance</b>	<u>\$ 16,465,809</u>	<u>\$ 17,124,334</u>	<u>\$ 28,011,567</u>	<u>\$ 10,887,233</u>

**Broken Arrow**  
**Budgetary Comparison Schedule**  
**Major Special Revenue Fund - Public Safety Sales Tax Fund - Fire**  
**For the year ended June 30, 2025**

<b>Public Safety Sales Tax Fund - Fire</b>				
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>Beginning Budgetary Fund Balance</b>	\$ 8,939,296	\$ 9,056,286	\$ 12,462,435	\$ 2,692,438
<b>Resources (Inflows):</b>				
Taxes	3,067,506	3,067,340	3,091,332	23,992
Intergovernmental	-	-	291,904	291,904
Investment income	75,000	75,000	246,353	171,353
Miscellaneous	8,000	8,000	21,471	13,471
Transfers from other funds	28,721,181	28,721,181	28,706,499	(14,682)
Amounts available for appropriation	<u>31,871,687</u>	<u>31,871,521</u>	<u>32,357,559</u>	<u>486,038</u>
<b>Charges to Appropriations (Outflows):</b>				
Fire	<u>30,892,844</u>	<u>30,892,843</u>	<u>29,920,536</u>	<u>972,307</u>
Ending Budgetary Fund Balance	<u>\$ 9,918,139</u>	<u>\$ 10,034,964</u>	<u>\$ 14,899,458</u>	<u>\$ 4,150,783</u>

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

	<u>General Fund</u>
Total budgetary resources (inflows)	\$ 117,563,985
Less: transfers in from other funds	<u>(22,194,850)</u>
Total revenues as reported on the statement of revenues, expenditures and changes in fund balance - governmental funds	<u>\$ 95,369,135</u>
Total budgetary expenditures and transfers	\$ 119,549,111
Less: transfers to other funds	<u>(95,592,983)</u>
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balance - governmental funds	<u>\$ 23,956,128</u>
	<u>Public Safety Sales Tax Fund - Police</u>
Total budgetary resources (inflows)	\$ 39,952,057
Add: On-behalf payments	2,153,977
Less: Transfers in from other funds	<u>(36,190,630)</u>
Total revenues as reported on the statement of revenues, expenditures and changes in fund balance - governmental funds	<u>\$ 5,915,404</u>
Total budgetary expenditures and transfers	\$ 35,987,922
Add: On-behalf payments	<u>2,153,977</u>
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balance - governmental funds	<u>\$ 38,141,899</u>
	<u>Public Safety Sales Tax Fund - Fire</u>
Total budgetary resources (inflows)	\$ 32,357,559
Add: On-behalf payments	6,966,346
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>\$ 10,617,406</u>
Total budgetary expenditures and transfers	\$ 29,920,536
Add: On-behalf payments	<u>6,966,346</u>
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balance - governmental funds	<u>\$ 36,886,882</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>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>	<b>2025</b>
City's proportion of the net pension liability (asset)	3.2237%	3.1605%	3.3097%	3.4646%	3.5076%	3.6693%	3.6401%	3.8751%	3.7853%	4.0467%
City's proportionate share of the net pension liability (asset)	\$ 131,444	\$ 4,840,062	\$ 254,584	\$ (1,650,356)	\$ (223,922)	\$ 4,213,955	\$ (17,461,926)	\$ (3,107,481)	\$ (1,156,028)	\$ 10,599,348
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
City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	1.44%	51.93%	2.48%	15.58%	1.96%	34.85%	138.65%	22.40%	8.19%	67.97%
Plan fiduciary net position as a percentage of the total pension liability	99.82%	93.50%	99.68%	101.89%	100.24%	95.80%	117.07%	102.74%	101.02%	92.40%

**Notes to Schedule:**

Current year measurement date is June 30, 2024.

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

	<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>	<b>2025</b>
Statutorily required contribution	\$ 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	\$ 2,193,975
Contributions in relation to the statutorily required contribution	<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>	<u>2,193,975</u>
Contribution deficiency (excess)	<u>\$ -</u>									
City's covered-employee payroll	\$ 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	\$ 16,876,733
Contributions as a percentage of covered-employee payroll	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%

**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>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>	<b>2025</b>
City's proportion of the net pension liability	3.8107%	3.9641%	4.2472%	4.4499%	4.1400%	4.5698%	4.5936%	4.8006%	4.6089%	4.8809%
City's proportionate share of the net pension liability	\$ 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	\$ 64,286,590
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
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	388.55%	436.68%	426.75%	378.40%	315.27%	382.97%	202.92%	392.46%	359.12%	352.76%
Plan fiduciary net position as a percentage of the total pension liability	68.27%	64.87%	66.61%	70.73%	72.85%	69.98%	84.24%	69.49%	70.85%	71.94%

**Notes to Schedule:**

Current year measurement date is June 30, 2024.

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

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Statutorily required contribution	\$ 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	\$ 2,762,442
Contributions in relation to the statutorily required contribution	<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>	<u>2,762,442</u>
Contribution deficiency (excess)	<u>\$ -</u>									
City's covered-employee payroll	\$ 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	\$ 19,731,725
Contributions as a percentage of covered-employee payroll	14%	14%	14%	14%	14%	14%	14%	14%	14%	14%

**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>	<u>2025</u>
Total OPEB Liability								
Service cost	\$ 81,277	\$ 84,431	\$ 84,431	\$ 97,491	\$ 98,191	\$ 80,391	\$ 80,391	\$ 168,242
Interest	44,794	45,537	52,705	27,902	28,388	38,057	41,057	71,107
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	(25,646)	(25,646)	(33,656)	(37,547)	(30,639)	(30,639)	(36,728)	(36,728)
Net change in total OPEB liability	100,425	104,322	(106,945)	47,569	(221,413)	87,809	441,333	202,621
Total OPEB liability - beginning	1,086,022	1,186,447	1,290,769	1,183,824	1,231,393	1,009,980	1,097,789	1,539,122
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>	<u>\$ 1,741,743</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	\$ 43,056,049
Total OPEB liability as a percentage of covered employee payroll	3.95%	4.29%	3.51%	3.65%	2.58%	2.81%	3.38%	4.05%

**Notes to Schedule:**

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

## **Other Supplementary Information**

**City of Broken Arrow, Oklahoma**  
**Balance Sheet**  
**General Fund Accounts**  
**June 30, 2025**

	<u>General Fund</u>	<u>Escrow Fund</u>	<u>Total General Fund</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ -	\$ -	\$ -
Investments	11,367,982	-	11,367,982
Taxes receivable, net	409,556	-	409,556
Due from other funds	16,157,172	548,753	16,705,925
Receivable from other governments	10,984,666	136,387	11,121,053
Accrued interest receivable	50,190	-	50,190
Leases receivable	7,157,693	-	7,157,693
Other receivables, net	2,633,601	-	2,633,601
Prepaid expenses	5,674	-	5,674
Total assets	<u>48,766,534</u>	<u>685,140</u>	<u>49,451,674</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	681,569	29,517	711,086
Accrued payroll	1,013,265	-	1,013,265
Due to other funds	3,517,141	-	3,517,141
Due to other governments	37,069	136,158	173,227
Due to bondholders	-	54,676	54,676
Unearned revenue	-	278,897	278,897
Amounts held in escrow	383,930	185,892	569,822
Total liabilities	<u>5,632,974</u>	<u>685,140</u>	<u>6,318,114</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows-leases	8,670,379	-	8,670,379
Unavailable revenue	1,049,983	-	1,049,983
Total deferred inflows of resources	<u>9,720,362</u>	<u>-</u>	<u>9,720,362</u>
Fund balances:			
Assigned	14,913,066	-	14,913,066
Unassigned	18,500,132	-	18,500,132
Total fund balances	<u>33,413,198</u>	<u>-</u>	<u>33,413,198</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 48,766,534</u>	<u>\$ 685,140</u>	<u>\$ 49,451,674</u>

**City of Broken Arrow, Oklahoma**  
**Statement of Revenues, Expenditures and**  
**Changes in Fund Balances**  
**General Fund Accounts**  
**For the year ended June 30, 2025**

	<u>General Fund</u>	<u>Escrow Fund</u>	<u>Total General Fund</u>
<b>REVENUES</b>			
Sales and use taxes	\$ 64,988,073	\$ -	\$ 64,988,073
Franchise and miscellaneous taxes	5,490,844	-	5,490,844
Intergovernmental	564,065	-	564,065
Charges for services	18,485,367	-	18,485,367
Fines and forfeitures	1,642,418	-	1,642,418
Licenses and permits	2,171,784	-	2,171,784
Rental income	869,005	-	869,005
Investment income	919,288	-	919,288
Miscellaneous	238,291	-	238,291
Total revenues	<u>95,369,135</u>	<u>-</u>	<u>95,369,135</u>
<b>EXPENDITURES</b>			
Current:			
General government	14,522,149	-	14,522,149
Public services	2,756,411	-	2,756,411
Parks and recreation	6,676,393	-	6,676,393
Debt Service:			
Principal	-	-	-
Capital Outlay	1,175	-	1,175
Total Expenditures	<u>23,956,128</u>	<u>-</u>	<u>23,956,128</u>
Excess (deficiency) of revenues over expenditures	<u>71,413,007</u>	<u>-</u>	<u>71,413,007</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	22,194,850	-	22,194,850
Transfers out	<u>(95,592,983)</u>	<u>-</u>	<u>(95,592,983)</u>
Total other financing sources and uses	<u>(73,398,133)</u>	<u>-</u>	<u>(73,398,133)</u>
Net change in fund balances	(1,985,126)	-	(1,985,126)
Fund balances - beginning	35,398,325	-	35,398,325
Fund balances - ending	<u>\$ 33,413,198</u>	<u>\$ -</u>	<u>\$ 33,413,198</u>

City of Broken Arrow, Oklahoma  
 Combining Balance Sheet  
 Nonmajor Governmental Funds  
 June 30, 2025

	<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>District 3 TIF Apportionment Fund</b>
<b>ASSETS</b>								
Cash and cash equivalents	\$ -	\$ -	\$ 1,906,049	\$ 377,329	\$ 972,340	\$ 269,436	\$ 575,957	\$ 242,749
Investments	-	-	-	-	-	-	-	-
Taxes receivable	-	-	-	-	-	-	-	-
Due from other funds	2,195,989	335,715	-	-	-	-	-	-
Receivable from other governments	-	-	-	-	196,682	-	-	-
Accrued interest receivable	-	-	-	-	-	-	-	-
Other receivables, net	-	-	104,380	-	-	-	-	-
Prepaid expense	-	-	-	-	-	-	-	-
Total assets	<u>2,195,989</u>	<u>335,715</u>	<u>2,010,429</u>	<u>377,329</u>	<u>1,169,022</u>	<u>269,436</u>	<u>575,957</u>	<u>242,749</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>								
Liabilities:								
Accounts payable	-	-	63,382	9,376	3,258	735	-	-
Due to other funds	-	-	-	59,696	-	-	-	-
Amounts held in escrow	-	-	-	-	-	172	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>63,382</u>	<u>69,072</u>	<u>3,258</u>	<u>907</u>	<u>-</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>								
Unavailable revenue	-	-	50,786	131,733	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>50,786</u>	<u>131,733</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:								
Restricted	-	-	1,896,261	176,524	1,165,764	268,529	575,957	242,749
Committed	2,195,989	335,715	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-
Total fund balances	<u>2,195,989</u>	<u>335,715</u>	<u>1,896,261</u>	<u>176,524</u>	<u>1,165,764</u>	<u>268,529</u>	<u>575,957</u>	<u>242,749</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,195,989</u>	<u>\$ 335,715</u>	<u>\$ 2,010,429</u>	<u>\$ 377,329</u>	<u>\$ 1,169,022</u>	<u>\$ 269,436</u>	<u>\$ 575,957</u>	<u>\$ 242,749</u>

(Continued)

City of Broken Arrow, Oklahoma  
 Combining Balance Sheet  
 Nonmajor Governmental Funds  
 June 30, 2025

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
<b>ASSETS</b>								
Cash and cash equivalents	\$ 2,647,079	\$ 147,917	\$ 96,410	\$ -	\$ 154,831	\$ 73,895	\$ 2,000,331	\$ 2,670,075
Investments	-	-	-	-	-	-	-	-
Taxes receivable	-	-	-	-	-	-	-	87,076
Due from other funds	-	-	-	1,186,395	-	-	-	-
Receivable from other governments	-	-	-	-	-	-	-	-
Accrued interest receivable	-	-	-	-	-	-	-	-
Other receivables, net	143,871	-	-	92,799	-	-	3,253	-
Prepaid expense	-	-	-	-	-	-	-	-
Total assets	<u>2,790,950</u>	<u>147,917</u>	<u>96,410</u>	<u>1,279,194</u>	<u>154,831</u>	<u>73,895</u>	<u>2,003,584</u>	<u>2,757,151</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>								
Liabilities:								
Accounts payable	1,421	845	-	37,005	10	11,225	-	-
Due to other funds	-	-	-	-	-	-	-	-
Amounts held in escrow	-	-	-	-	-	-	-	-
Total liabilities	<u>1,421</u>	<u>845</u>	<u>-</u>	<u>37,005</u>	<u>10</u>	<u>11,225</u>	<u>-</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>								
Unavailable revenue	-	-	-	3,348	-	-	3,253	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,348</u>	<u>-</u>	<u>-</u>	<u>3,253</u>	<u>-</u>
Fund balances:								
Restricted	2,789,529	147,072	96,410	-	154,821	62,670	2,000,331	2,757,151
Committed	-	-	-	1,238,841	-	-	-	-
Assigned	-	-	-	-	-	-	-	-
Total fund balances	<u>2,789,529</u>	<u>147,072</u>	<u>96,410</u>	<u>1,238,841</u>	<u>154,821</u>	<u>62,670</u>	<u>2,000,331</u>	<u>2,757,151</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,790,950</u>	<u>\$ 147,917</u>	<u>\$ 96,410</u>	<u>\$ 1,279,194</u>	<u>\$ 154,831</u>	<u>\$ 73,895</u>	<u>\$ 2,003,584</u>	<u>\$ 2,757,151</u>

(Continued)

City of Broken Arrow, Oklahoma  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2025

	CAPITAL PROJECT FUNDS								
	2014 General Obligation Bond Fund	Parks and Recreation	Cemetery Care	Street Sales Tax	1994 General Obligation Bond Fund	2008 General Obligation Bond Fund	2011 General Obligation Bond Fund	Vehicle Replacement Fund	Total Governmental Funds
<b>ASSETS</b>									
Cash and cash equivalents	\$ 4,544,638	\$ 597,934	\$ 432,485	\$ 7,211,754	\$ 310	\$ 33,251	\$ 267,175	\$ 1,250,000	\$ 26,471,945
Investments	1,134,636	-	-	3,302,685	-	-	-	-	4,437,321
Taxes receivable	-	-	-	-	-	-	-	-	87,076
Due from other funds	-	895,914	-	-	-	-	-	-	4,614,013
Receivable from other governments	-	-	-	885,764	-	-	-	-	1,082,446
Accrued interest receivable	766	-	-	38,087	-	-	-	-	38,853
Other receivables, net	-	22,829	24,963	-	-	-	-	-	392,095
Prepaid expense	-	-	-	-	-	-	-	-	-
Total assets	<u>5,680,040</u>	<u>1,516,677</u>	<u>457,448</u>	<u>11,438,290</u>	<u>310</u>	<u>33,251</u>	<u>267,175</u>	<u>1,250,000</u>	<u>37,123,749</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>									
Liabilities:									
Accounts payable	4,266	-	-	751,799	-	-	-	-	883,322
Due to other funds	-	-	-	-	-	-	-	-	59,696
Amounts held in escrow	-	-	-	-	-	-	-	-	172
Total liabilities	<u>4,266</u>	<u>-</u>	<u>-</u>	<u>751,799</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>943,190</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>									
Unavailable revenue	-	10	21,512	38,087	-	-	-	-	248,729
Total deferred inflows of resources	<u>-</u>	<u>10</u>	<u>21,512</u>	<u>38,087</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>248,729</u>
Fund balances:									
Restricted	5,675,774	-	158,660	10,648,404	-	33,251	267,175	1,250,000	30,367,032
Committed	-	1,516,667	277,276	-	310	-	-	-	5,564,798
Assigned	-	-	-	-	-	-	-	-	-
Total fund balances	<u>5,675,774</u>	<u>1,516,667</u>	<u>435,936</u>	<u>10,648,404</u>	<u>310</u>	<u>33,251</u>	<u>267,175</u>	<u>1,250,000</u>	<u>35,931,830</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 5,680,040</u>	<u>\$ 1,516,677</u>	<u>\$ 457,448</u>	<u>\$ 11,438,290</u>	<u>\$ 310</u>	<u>\$ 33,251</u>	<u>\$ 267,175</u>	<u>\$ 1,250,000</u>	<u>\$ 37,123,749</u>

City of Broken Arrow, Oklahoma  
 Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
 Nonmajor Governmental Funds  
 For the year ended June 30, 2025

	SPECIAL REVENUE FUNDS							
	Excess Capacity Sewer Escrow	Stormwater Capital	Convention and Visitor's Bureau	Police Enhancement	Street and Alley	Housing and Urban Development	CARES Act Fund	District 3 TIF Apportionment Fund
<b>REVENUES</b>								
Sales and use tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Property tax - TIF	-	-	-	-	-	-	-	224,821
Franchise and miscellaneous taxes	-	-	867,680	-	-	-	-	-
Intergovernmental	-	-	-	52,834	1,063,502	483,746	49,543	-
Charges for services	-	21,050	-	-	-	-	-	-
Fees and fines	-	-	-	-	-	-	-	-
Investment earnings	10,148	3,604	16,066	484	9,304	-	4,205	877
Miscellaneous	141,511	-	-	-	-	-	-	-
Total revenues	<u>151,659</u>	<u>24,654</u>	<u>883,746</u>	<u>53,318</u>	<u>1,072,806</u>	<u>483,746</u>	<u>53,748</u>	<u>225,698</u>
<b>EXPENDITURES</b>								
Current:								
General government	-	-	415,027	-	-	-	-	-
Public safety	-	-	-	11,671	-	-	-	-
Public services	-	-	-	-	-	-	-	-
Capital outlay	-	204,538	36,867	112,584	16,010	201,236	-	-
Total expenditures	<u>-</u>	<u>204,538</u>	<u>451,894</u>	<u>124,255</u>	<u>16,010</u>	<u>201,236</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>151,659</u>	<u>(179,884)</u>	<u>431,852</u>	<u>(70,937)</u>	<u>1,056,796</u>	<u>282,510</u>	<u>53,748</u>	<u>225,698</u>
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers in	-	-	-	-	-	-	-	17,051
Transfers out	-	-	(300,000)	-	(1,100,000)	-	-	-
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>(300,000)</u>	<u>-</u>	<u>(1,100,000)</u>	<u>-</u>	<u>-</u>	<u>17,051</u>
Net change in fund balances	<u>151,659</u>	<u>(179,884)</u>	<u>131,852</u>	<u>(70,937)</u>	<u>(43,204)</u>	<u>282,510</u>	<u>53,748</u>	<u>242,749</u>
Fund balances - beginning	2,044,330	515,599	1,764,409	247,461	1,208,967	(13,981)	522,209	-
Fund balances - ending	<u>\$ 2,195,989</u>	<u>\$ 335,715</u>	<u>\$ 1,896,261</u>	<u>\$ 176,524</u>	<u>\$ 1,165,764</u>	<u>\$ 268,529</u>	<u>\$ 575,957</u>	<u>\$ 242,749</u>

(Continued)

City of Broken Arrow, Oklahoma  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the year ended June 30, 2025

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
<b>REVENUES</b>								
Sales and use tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Property tax - TIF	-	-	-	-	-	37,840	-	-
Franchise and miscellaneous taxes	-	-	-	-	-	-	-	1,235,070
Intergovernmental	-	1,284	-	-	-	-	-	-
Charges for services	1,651,657	-	-	1,257,751	35,033	-	-	-
Fees and fines	-	-	2,600	-	-	-	-	-
Investment earnings	20,359	2,021	784	11,363	1,372	522	15,055	18,250
Miscellaneous	-	-	-	76	-	-	427,061	-
Total revenues	<u>1,672,016</u>	<u>3,305</u>	<u>3,384</u>	<u>1,269,190</u>	<u>36,405</u>	<u>38,362</u>	<u>442,116</u>	<u>1,253,320</u>
<b>EXPENDITURES</b>								
Current:								
General government	-	-	-	-	11,807	30,145	108,000	-
Public safety	-	43,116	1,947	-	-	-	-	-
Public services	-	-	-	622,014	-	-	-	-
Capital outlay	55,349	-	-	477,106	-	-	-	-
Total expenditures	<u>55,349</u>	<u>43,116</u>	<u>1,947</u>	<u>1,099,120</u>	<u>11,807</u>	<u>30,145</u>	<u>108,000</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	1,616,667	(39,811)	1,437	170,070	24,598	8,217	334,116	1,253,320
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	(1,000,000)	-	-	-	-	(17,051)	-	-
Total other financing sources and uses	<u>(1,000,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(17,051)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	616,667	(39,811)	1,437	170,070	24,598	(8,834)	334,116	1,253,320
Fund balances - beginning	2,172,862	186,883	94,973	1,068,771	130,223	71,504	1,666,215	1,503,831
Fund balances - ending	<u>\$ 2,789,529</u>	<u>\$ 147,072</u>	<u>\$ 96,410</u>	<u>\$ 1,238,841</u>	<u>\$ 154,821</u>	<u>\$ 62,670</u>	<u>\$ 2,000,331</u>	<u>\$ 2,757,151</u>

(Continued)

City of Broken Arrow, Oklahoma  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the year ended June 30, 2025

	CAPITAL PROJECT FUNDS								
	2014 General Obligation Bond Fund	Parks and Recreation	Cemetery Care	Street Sales Tax	1994 General Obligation Bond Issue	2008 General Obligation Bond Fund	2011 General Obligation Bond Fund	Vehicle Replacement Fund	Total-Other Governmental Funds
<b>REVENUES</b>									
Sales and use tax	\$ -	\$ -	\$ -	\$ 5,159,997	\$ -	\$ -	\$ -	\$ -	\$ 5,159,997
Property tax - TIF	-	-	-	-	-	-	-	-	262,661
Franchise and miscellaneous taxes	-	-	-	-	-	-	-	-	2,102,750
Intergovernmental	-	-	-	-	-	-	-	-	1,650,909
Charges for services	-	295,754	47,876	-	-	-	-	-	3,309,121
Fees and fines	-	-	-	-	-	-	-	-	2,600
Investment earnings	90,056	11,620	3,408	208,066	2	290	1,736	-	429,592
Miscellaneous	-	46,245	-	-	-	-	-	-	614,893
Total revenues	<u>90,056</u>	<u>353,619</u>	<u>51,284</u>	<u>5,368,063</u>	<u>2</u>	<u>290</u>	<u>1,736</u>	<u>-</u>	<u>13,532,523</u>
<b>EXPENDITURES</b>									
Current:									
General government	-	-	-	-	-	-	-	-	564,979
Public safety	-	-	-	-	-	-	-	-	56,734
Public services	-	-	-	-	-	-	-	-	622,014
Capital outlay	292,413	8,161	72,784	4,236,655	-	-	-	-	5,713,703
Total expenditures	<u>292,413</u>	<u>8,161</u>	<u>72,784</u>	<u>4,236,655</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,957,430</u>
Excess (deficiency) of revenues over expenditures	<u>(202,357)</u>	<u>345,458</u>	<u>(21,500)</u>	<u>1,131,408</u>	<u>2</u>	<u>290</u>	<u>1,736</u>	<u>-</u>	<u>6,575,093</u>
<b>OTHER FINANCING SOURCES (USES)</b>									
Transfers in	-	-	-	-	-	-	-	1,250,000	1,267,051
Transfers out	-	-	(1,664)	-	-	-	-	-	(2,418,715)
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>(1,664)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,250,000</u>	<u>(1,151,664)</u>
Net change in fund balances	<u>(202,357)</u>	<u>345,458</u>	<u>(23,164)</u>	<u>1,131,408</u>	<u>2</u>	<u>290</u>	<u>1,736</u>	<u>1,250,000</u>	<u>5,423,429</u>
Fund balances - beginning	5,878,131	1,171,209	459,100	9,516,994	308	32,961	265,439	-	30,508,398
Fund balances - ending	<u>\$ 5,675,774</u>	<u>\$ 1,516,667</u>	<u>\$ 435,936</u>	<u>\$ 10,648,404</u>	<u>\$ 310</u>	<u>\$ 33,251</u>	<u>\$ 267,175</u>	<u>\$ 1,250,000</u>	<u>\$ 35,931,830</u>

City of Broken Arrow, Oklahoma  
Combining Schedule of Net Position  
Broken Arrow Municipal Authority Accounts  
June 30, 2025

	Municipal Authority	BAMA Sales Tax Account	Sanitary Capital Account	Total
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Restricted cash and cash equivalents	1,286,062	54,989,401	-	56,275,463
Accounts receivable, net	9,556,024	-	-	9,556,024
Due from other funds	3,964,226	13,718,142	1,347,738	19,030,106
Due from other governments	44,066	19,229,137	-	19,273,203
Inventories	1,515,735	-	-	1,515,735
Prepaid assets	20,500	-	-	20,500
Total current assets	<u>16,386,613</u>	<u>87,936,680</u>	<u>1,347,738</u>	<u>105,671,031</u>
Non-current assets:				
Restricted cash and cash equivalents	3,693,962	857,666	-	4,551,628
Investment in joint venture	37,708,825	-	-	37,708,825
Capital Assets:				
Land and other nondepreciable assets	70,003,055	-	-	70,003,055
Other capital assets, net of accumulated depreciation	208,814,257	-	-	208,814,257
Total non-current assets	<u>320,220,099</u>	<u>857,666</u>	<u>-</u>	<u>321,077,765</u>
Total assets	<u>336,606,712</u>	<u>88,794,346</u>	<u>1,347,738</u>	<u>426,748,796</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred charge on refunding	-	24,105	-	24,105
Deferred amounts related to OPEB	126,741	-	-	126,741
Total deferred outflows of resources	<u>126,741</u>	<u>24,105</u>	<u>-</u>	<u>150,846</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	8,966,698	500	-	8,967,198
Accrued payroll payable	1,205,193	-	-	1,205,193
Accrued interest payable	-	2,257,160	-	2,257,160
Due to other funds	40,579,720	-	-	40,579,720
Other accrued expenses	231,079	-	-	231,079
Amounts held in escrow	156,659	-	-	156,659
Compensated absences	763,623	-	-	763,623
Meter deposit liability	261,124	-	-	261,124
Bonds, notes and loans payable, net	1,317,533	7,652,908	-	8,970,441
Capital lease obligation	-	-	-	-
Total current liabilities	<u>53,481,629</u>	<u>9,910,568</u>	<u>-</u>	<u>63,392,197</u>
Non-current liabilities:				
Compensated absences	254,541	-	-	254,541
Meter deposit liability	1,196,962	-	-	1,196,962
Bonds, notes and loans payable, net	3,322,801	195,830,992	-	199,153,793
Total OPEB liability	503,906	-	-	503,906
Total non-current liabilities	<u>5,278,210</u>	<u>195,830,992</u>	<u>-</u>	<u>201,109,202</u>
Total liabilities	<u>58,759,839</u>	<u>205,741,560</u>	<u>-</u>	<u>264,501,399</u>
<b>DEFERRED INFLOW OF RESOURCES</b>				
Deferred amounts related to OPEB	112,954	-	-	112,954
Total deferred inflow of resources	<u>112,954</u>	<u>-</u>	<u>-</u>	<u>112,954</u>
<b>NET POSITION</b>				
Net Investment in capital assets	274,176,978	(203,483,900)	-	70,693,078
Restricted for debt service	-	20,386,023	-	20,386,023
Unrestricted	3,683,682	66,174,768	1,347,738	71,206,188
Total net position	<u>\$ 277,860,660</u>	<u>\$ (116,923,109)</u>	<u>\$ 1,347,738</u>	<u>\$ 162,285,289</u>

**City of Broken Arrow, Oklahoma**  
**Combining Schedule of Revenues, Expenses and Changes in Fund Net Position**  
**Broken Arrow Municipal Authority Accounts**  
**For the Year Ended June 30, 2025**

	Municipal Authority	BAMA Sales Tax Account	Sanitary Capital Account	Total
<b>REVENUES</b>				
Water charges	\$ 32,230,911	\$ -	\$ -	\$ 32,230,911
Sewer charges	19,890,518	-	-	19,890,518
Sanitation charges	10,899,755	-	-	10,899,755
Stormwater fees	9,393,454	-	-	9,393,454
Fees and fines	1,238,689	-	-	1,238,689
Miscellaneous	217,827	-	-	217,827
Total operating revenues	<u>73,871,154</u>	<u>-</u>	<u>-</u>	<u>73,871,154</u>
<b>OPERATING EXPENSES</b>				
General government	1,557,897	-	-	1,557,897
Finance and administration	2,262,347	-	-	2,262,347
Engineering and construction	4,201,602	-	-	4,201,602
Water distribution	15,179,832	-	-	15,179,832
Sanitary sewer system	9,022,795	-	-	9,022,795
Sanitation services	8,799,359	-	-	8,799,359
Support services	4,631,810	-	-	4,631,810
Stormwater	4,714,392	-	-	4,714,392
Geographic Information System	830,460	-	-	830,460
Golf	-	-	-	-
Bond issuance costs	72,280	-	-	72,280
Depreciation	14,523,745	-	-	14,523,745
Total Operating Expenses	<u>65,796,519</u>	<u>-</u>	<u>-</u>	<u>65,796,519</u>
Operating income	<u>8,074,635</u>	<u>-</u>	<u>-</u>	<u>8,074,635</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
Interest and investment revenue	130,671	1,416,703	11,764	1,559,138
Loss from joint venture	(233,499)	-	-	(233,499)
Gain (loss) on disposal of capital assets	(314,521)	127,017	-	(187,504)
Operating grant	635,544	-	-	635,544
Interest expense and fiscal charges	-	(7,031,124)	-	(7,031,124)
Total non-operating revenue (expenses)	<u>218,195</u>	<u>(5,487,404)</u>	<u>11,764</u>	<u>(5,257,445)</u>
Income (loss) before contributions and transfers	8,292,830	(5,487,404)	11,764	2,817,190
Capital contributions	6,898,819	-	-	6,898,819
Transfers in	20,639,850	-	-	20,639,850
Transfers out	(22,489,850)	-	-	(22,489,850)
Change in net position	<u>13,341,649</u>	<u>(5,487,404)</u>	<u>11,764</u>	<u>7,866,009</u>
Total net position - beginning as previously reported	264,519,011	(117,462,008)	1,335,974	148,392,977
Restatements (See Note 3)	-	6,026,303	-	6,026,303
Total net position - beginning as restated	264,519,011	(111,435,705)	1,335,974	154,419,280
Total net position - ending	<u>\$ 277,860,660</u>	<u>\$ (116,923,109)</u>	<u>\$ 1,347,738</u>	<u>\$ 162,285,289</u>

City of Broken Arrow, Oklahoma  
Combining Schedule of Cash Flows  
Broken Arrow Municipal Authority Accounts  
For the Year Ended June 30, 2025

	Municipal Authority	BAMA Sales Tax Account	Sanitary Capital Account	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers	\$ 75,142,388	\$ -	\$ -	\$ 75,142,388
Payments to suppliers	(23,126,167)	(500)	-	(23,126,667)
Payments to employees	(25,021,506)	-	-	(25,021,506)
Receipts of customer meter deposits	718,168	-	-	718,168
Payment of customer meter deposits	(215,889)	-	-	(215,889)
Interfund payments & receipts	23,162,049	(13,718,142)	(1,347,738)	8,096,169
Net cash provided by operating activities	<u>50,659,043</u>	<u>(13,718,642)</u>	<u>(1,347,738)</u>	<u>35,592,663</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Transfers from other funds	20,639,850	-	-	20,639,850
Amortization	-	-	-	-
Transfer to other funds	(22,489,850)	-	-	(22,489,850)
Net cash used in noncapital financing activities	<u>(1,850,000)</u>	<u>-</u>	<u>-</u>	<u>(1,850,000)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Purchase of capital assets	(37,135,725)	-	-	(37,135,725)
Proceeds from issuance of debt	3,264,000	33,679,541	-	36,943,541
Proceeds from sale of capital assets	219,077	-	-	219,077
Principal paid on capital debt	(550,533)	(6,634,641)	-	(7,185,174)
Interest paid on capital debt	-	(4,304,250)	-	(4,304,250)
Net cash provided by (used in) capital and related financing activities	<u>(34,203,181)</u>	<u>22,740,650</u>	<u>-</u>	<u>(11,462,531)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Decrease in investment in joint venture	233,499	-	-	233,499
Interest and dividends	130,671	1,191,784	11,764	1,334,219
Net cash provided by investing activities	<u>364,170</u>	<u>1,191,784</u>	<u>11,764</u>	<u>1,567,718</u>
Net decrease in cash and cash equivalents	14,970,032	10,213,792	(1,335,974)	23,847,850
Balances-beginning of year	<u>(9,990,008)</u>	<u>45,633,275</u>	<u>1,335,974</u>	<u>36,979,241</u>
Balances-end of year	<u>\$ 4,980,024</u>	<u>\$ 55,847,067</u>	<u>\$ -</u>	<u>\$ 60,827,091</u>
<b>Reconciliation to Combining Statement of Net Position:</b>				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Restricted cash and cash equivalents-current	1,286,062	54,989,401	-	56,275,463
Restricted cash and cash equivalents-noncurrent	3,693,962	857,666	-	4,551,628
<b>Total cash and cash equivalents, end of year</b>	<u>4,980,024</u>	<u>55,847,067</u>	<u>-</u>	<u>60,827,091</u>
<b>Reconciliation of Operating Income to Net Cash Provided by (Used in) Operating Activities:</b>				
Operating income (loss)	\$ 8,074,635	\$ -	\$ -	\$ 8,074,635
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation expense	14,523,745	-	-	14,523,745
Operating grants and contributions	635,544	-	-	635,544
Miscellaneous non-operating revenue (expense)	136,518	-	-	136,518
Change in assets, liabilities and deferrals:				
Receivables, net	641,020	-	-	641,020
Due from other funds	83,527	(13,718,142)	(1,347,738)	(14,982,353)
Due from other governments	(5,330)	-	-	(5,330)
Other receivable	-	-	-	-
Inventories	142,202	-	-	142,202
Prepaid assets	-	-	-	-
Deferred amounts related to OPEB	(10,578)	-	-	(10,578)
Accounts payables	2,572,693	(500)	-	2,572,193
Retainage payable	-	-	-	-
Accrued payroll	139,435	-	-	139,435
Due to other funds	23,078,522	-	-	23,078,522
Other payables	-	-	-	-
Amounts held in escrow	-	-	-	-
Accrued compensated absences	76,057	-	-	76,057
Customer meter deposits payable	502,279	-	-	502,279
Claims and judgments	-	-	-	-
Total OPEB liability	68,774	-	-	68,774
<b>Net cash provided by operating activities</b>	<u>\$ 50,659,043</u>	<u>\$ (13,718,642)</u>	<u>\$ (1,347,738)</u>	<u>\$ 35,592,663</u>
<b>Non-cash Activities:</b>				
Capital assets contributed	\$ 6,898,819	\$ -	\$ -	\$ 6,898,819
Forgiveness of debt	-	-	-	-
Capital assets transferred to other funds	-	-	-	-
<b>Total Non-cash Activities</b>	<u>\$ 6,898,819</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,898,819</u>

**City of Broken Arrow, Oklahoma**  
**Combining Statement of Net Position**  
**Internal Service Funds**  
**June 30, 2025**

	<u>Worker's Compensation</u>	<u>Group Health &amp; Life</u>	<u>Total</u>
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 1,907,690	\$ 1,153,456	\$ 3,061,146
Other receivables	31,890	511,298	543,188
Total current assets	<u>1,939,580</u>	<u>1,664,754</u>	<u>3,604,334</u>
Total assets	<u>1,939,580</u>	<u>1,664,754</u>	<u>3,604,334</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred amounts related to pensions	-	-	-
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts payable	-	123,597	123,597
Claims liability	1,246,000	-	1,246,000
Total current liabilities	<u>1,246,000</u>	<u>123,597</u>	<u>1,369,597</u>
Non-current liabilities:			
Claims liability	1,008,000	1,261,000	2,269,000
Total non-current liabilities	<u>1,008,000</u>	<u>1,261,000</u>	<u>2,269,000</u>
Total liabilities	<u>2,254,000</u>	<u>1,384,597</u>	<u>3,638,597</u>
<b>NET POSITION</b>			
Unrestricted (deficit)	(314,420)	280,157	(34,263)
Total Net Position	<u>\$ (314,420)</u>	<u>\$ 280,157</u>	<u>\$ (34,263)</u>

**City of Broken Arrow, Oklahoma**  
**Combining Statement of Revenues, Expenses and Changes in Fund Net Position**  
**Internal Service Funds**  
**For the Year Ended June 30, 2025**

	<u>Worker's Compensation</u>	<u>Group Health &amp; Life</u>	<u>Total</u>
<b>OPERATING REVENUES</b>			
Self insurance charges	\$ 1,415,000	\$ 13,979,146	\$ 15,394,146
Total operating revenues	<u>1,415,000</u>	<u>13,979,146</u>	<u>15,394,146</u>
<b>OPERATING EXPENSES</b>			
Claims expense	1,413,520	15,123,241	16,536,761
Total operating expenses	<u>1,413,520</u>	<u>15,123,241</u>	<u>16,536,761</u>
Operating income (loss)	<u>1,480</u>	<u>(1,144,095)</u>	<u>(1,142,615)</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Interest and investment revenue	17,081	8,151	25,232
Miscellaneous revenue	50,805	-	50,805
Total non-operating revenue	<u>67,886</u>	<u>8,151</u>	<u>76,037</u>
Income (loss) before contributions and transfers	69,366	(1,135,944)	(1,066,578)
Transfers out	-	-	-
Change in net position	69,366	(1,135,944)	(1,066,578)
Total net position - beginning	(383,786)	1,416,101	1,032,315
Total net position - ending	<u>\$ (314,420)</u>	<u>\$ 280,157</u>	<u>\$ (34,263)</u>

City of Broken Arrow, Oklahoma  
Combining Statement of Cash Flows  
Internal Service Funds  
For the Year Ended June 30, 2025

	<u>Worker's Compensation</u>	<u>Group Health &amp; Life</u>	<u>Total</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers	\$ 1,458,602	\$ 13,878,920	\$ 15,337,522
Claims paid	(1,587,520)	(14,750,692)	(16,338,212)
Net cash used in operating activities	<u>(128,918)</u>	<u>(871,772)</u>	<u>(1,000,690)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest and dividends	17,081	8,151	25,232
Net cash provided by investing activities	<u>17,081</u>	<u>8,151</u>	<u>25,232</u>
Net decrease in cash and cash equivalents	(111,837)	(863,621)	(975,458)
Balances-beginning of year	<u>2,019,527</u>	<u>2,017,077</u>	<u>4,036,604</u>
Balances-end of year	<u>\$ 1,907,690</u>	<u>\$ 1,153,456</u>	<u>\$ 3,061,146</u>
<b>Reconciliation to Combining Statement of Net Position:</b>			
Cash, including time deposits	\$ 1,907,690	\$ 1,153,456	\$ 3,061,146
<b>Total cash and cash equivalents, end of year</b>	<u>\$ 1,907,690</u>	<u>\$ 1,153,456</u>	<u>\$ 3,061,146</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used In) Operating Activities:</b>			
Operating income (loss)	\$ 1,480	\$ (1,144,095)	\$ (1,142,615)
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:			
Miscellaneous non-operating revenue	50,805	-	50,805
Change in assets and liabilities:			
Other receivable	(7,203)	(100,226)	(107,429)
Accounts and other payables	-	98,549	98,549
Claims liability	(174,000)	274,000	100,000
<b>Net cash used in operating activities</b>	<u>\$ (128,918)</u>	<u>\$ (871,772)</u>	<u>\$ (1,000,690)</u>