

**Notice of Sale and
Official Statement**

New Issue- Book Entry Only

**\$30,000,000
TAXABLE
GENERAL OBLIGATION
COMBINED PURPOSE BONDS
OF 2021**

**INDEPENDENT SCHOOL DISTRICT NO. 3
TULSA COUNTY, OKLAHOMA
(Broken Arrow Board of Education)**

Date of Sale

February 23, 2021
11:45 o'clock a.m.

Financial Advisor

Stephen L. Smith Corp.
531 East A Street, Suite 301
Jenks, Oklahoma 74037

This Official Statement does not constitute an offer to sell or a solicitation of an offer to buy within any jurisdiction to any person to whom it is unlawful to make such offer or solicitation within such jurisdiction. In connection with the offering of these Bonds, no dealer, salesman or any other person has been authorized to give any information or to make any representation other than contained herein. If given or made, such information or representation must not be relied upon.

The information contained in the Official Statement, including the cover page hereto, has been obtained from public officials, official records and from other sources which are deemed to be reliable. No representation or warranty is made, however, as to the accuracy or completeness of such information. The delivery of this Official Statement does not at any time imply that information contained herein is correct as of any date subsequent to its date.

Any statements contained in this Official Statement involving matters of opinion, estimation or projection, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement shall not be construed as a contract or agreement between the School District and the purchasers or holders of any of the Bonds.

THE DATE OF THIS OFFICIAL STATEMENT IS JANUARY 28, 2021.

TABLE OF CONTENTS

Broken Arrow Board of Education.....3

Notice of Sale.....4

Conditions of the Sale.....5

 Place and Time.....5

 Address of Bids.....5

 Types of Bids and Interest Rates.....5

 Basis for Award.....5

 Good Faith Deposit.....5

 Book Entry Only Bonds.....6

 Legal Opinion.....6

 The Internal Revenue Code of 1986.....6

 Exemption from Oklahoma State Income Taxation.....6

 Non-Litigation Certificate.....6

 The Official Statement and Compliance with SEC Rule 15c2-12.....6

 Continuing Disclosure.....7

 CUSIP Numbers.....7

 Delivery of Bonds.....7

Bond Page.....8

Purpose of the Bond Issue.....9

Authority for the Issuance of Bonds.....9

Payment of and Security for the Bonds.....10

Tax Levy and Collection Procedures.....10

Compliance with Constitutional Debt Limitations.....11

Payment Record.....11

Authorized but Unissued Bonds.....11

Schedule of Outstanding Bonds.....12

 Estimated Schedule of Principal and Interest Payments.....12

 Estimated Scheduled Sinking Fund Levies to Retire Bonds.....13

District Historical Data

 Overlapping and Underlying Indebtedness.....13

 Composition and Growth of Net Assessed Valuation.....14

 Historical Net Assessed Valuation.....14

 Sinking Fund Tax Collections.....14

 Percentages of Taxes Collected.....15

 Trend of Tax Rates of Major Taxing Units.....15

District Information.....16

 Student Enrollment Trend.....17

 Economic Indices.....17

Record Date.....19

Ratings.....19

Underwriting.....19

Litigation.....19

Global Health Emergency.....20

Cybersecurity.....21

Tax Matters.....22

Concluding Statement.....25

Addendum A (Continuing Disclosure).....26

Appendix A (Financial Information and Operating Data).....30

**INDEPENDENT SCHOOL DISTRICT NO. 3
TULSA COUNTY, OKLAHOMA
(Broken Arrow Board of Education)**

Officers and Members of the Board of Education

STEVE J. ALLEN, President and Member
STEVE MAJORS, Vice President and Member
BRANDY ROULET, Clerk and Member
JOHN COCKRELL, Deputy Clerk and Member
JERRY DENTON, Member

School District Officials

JANET VINSON, Superintendent
DONNA DOLLAHON, Treasurer

Financial Advisor

STEPHEN L. SMITH CORP.
531 East A Street, Suite 301
Jenks, Oklahoma 74037
Telephone: (918) 296-9980

NOTICE OF SALE OF BONDS

In accordance with 62 O.S. 2011, § 354, notice is hereby given that the Board of Education of Independent School District Number 3 of Tulsa County, Oklahoma will receive bids by; sealed bid, facsimile bid, electronic (Parity®) bid or similar secure electronic bid on the 23rd day of February, 2021, until 11:45 o'clock a.m., and the Board of Education will award said Bonds at 12:00 o'clock noon on the 23rd day of February, 2021, at the Education Service Center, Broken Arrow Public Schools, 701 South Main Street, Broken Arrow, Oklahoma, for the sale of \$30,000,000 of Taxable General Obligation Combined Purpose Bonds of said School District, which Bonds will mature \$7,500,000 annually in two (2) years from their date and \$7,500,000 annually each year thereafter until paid.

Said Bonds shall be sold to the bidder bidding the lowest rate of interest the Bonds shall bear, and agreeing to pay par and accrued interest for the Bonds. Each bidder shall submit with his bid a sum in cash, cashier's or certified check, electronic (wire) transfer or surety bond payable to the treasurer of the District, equal to two (2%) percent of the amount of his bid. The Board reserves the right to reject all bids.

WITNESS my official hand and seal this 11th day of January, 2021.

/s/ BRANDY ROULET
Clerk, Board of Education

(SEAL)

CONDITIONS OF THE SALE

**INDEPENDENT SCHOOL DISTRICT NO. 3
TULSA COUNTY, OKLAHOMA
(Broken Arrow Board of Education)**

\$30,000,000 Taxable General Obligation Combined Purpose Bonds of 2021

PLACE AND TIME OF THE SALE

The Board of Education of Independent School District No. 3 of Tulsa County, Oklahoma, will receive sealed bids at the Education Service Center, Broken Arrow Public Schools, 701 South Main Street, Broken Arrow, Oklahoma, until 11:45 o'clock a.m., and award bid at 12:00 o'clock noon local time, Tuesday, February 23, 2021, for the sale of the \$30,000,000 Taxable General Obligation Combined Purpose Bonds of 2021 ("the Bonds"), more completely described in the "Official Statement" which is a part hereof.

ADDRESS OF BIDS

Sealed bids plainly marked "Bid for Bonds" may be mailed either to "Ms. Donna Dollahon, Treasurer, Broken Arrow Public Schools, 701 South Main Street, Broken Arrow, OK 74012", or to the Financial Advisor at the address set out on the cover page hereof. Sealed bids must be submitted in duplicate on the Official Bid Form furnished herein.

TYPES OF BIDS AND INTEREST RATES

The Bonds will be sold in one block, all or none, and no bid of less than par and accrued interest will be considered. Bidders must specify the rate or rates of interest the Bonds will bear. However, no interest rate in excess of ten percent (10%) will be considered. Bidders shall specify the rate or rates of interest in multiples of one-eighth (1/8) or one-twentieth (1/20) of one percent per annum. Bidders are not restricted as to the number of rates that may be named, provided that the same rate shall be specified for all bonds of the same maturity.

BASIS FOR AWARD

For the purpose of awarding the Bonds, the interest cost of each bid will be computed by determining, at the rate or rates specified therein, the total of all interest on the Bonds from the date thereof to their respective maturities, and deducting therefrom the premium bid, if any. The Bonds, if sold, will be awarded to the bidder whose bid, on the basis of the above computation, produces the lowest interest cost to the School District. **THE SCHOOL DISTRICT RESERVES THE RIGHT TO REJECT ALL BIDS AND TO WAIVE ANY MINOR IRREGULARITIES.**

GOOD FAITH DEPOSIT

Each bid must be accompanied by a good faith deposit in the form of a Certified or Cashier's Check made payable to the Treasurer of the School District in the amount of two percent (2%) of the par value of the Bonds. The good faith deposit of the successful bidder will be retained by the School District to assure performance of the contract on the part of said bidder. In the event said bidder should fail or refuse to take up and pay for the Bonds in accordance with his bid, then said check will be cashed as full liquidated damages. Otherwise, said check will be returned to the purchaser upon payment for the Bonds. No interest will be allowed on said check. Checks of unsuccessful bidders will be promptly returned.

BOOK-ENTRY ONLY BONDS

The Bonds are being issued book-entry only and a complete transcript of the legal proceedings had in connection with the issuance of the Bonds will be furnished to the purchaser at no expense.

LEGAL OPINION

Bids may be submitted subject to the opinion of the Attorney General of the State of Oklahoma and Phillips Murrah P.C., which will be provided by the School District without cost to the purchaser.

EXEMPTION FROM OKLAHOMA STATE INCOME TAXATION

Pursuant to Title 68, Oklahoma Statutes 2011, Section 2358.4, the Bonds issued by the School District shall be exempt from Oklahoma Income Taxation.

NON-LITIGATION CERTIFICATE

At the time of delivery of the Bonds, the School District will execute and furnish the purchaser with a certificate to the effect that no litigation of any nature has been filed or is then pending to restrain or enjoin the issuance or delivery of the Bonds, or affecting the provisions made for their payment or security, or in any manner questioning the validity of the Bonds.

THE OFFICIAL STATEMENT AND COMPLIANCE WITH SEC RULE 15c2-12

The School District has prepared the accompanying Official Statement, and for the limited purpose of complying with SEC Rule 15c2-12, deems such Official Statement to be final as of its date within the meaning of such Rule for the purpose of review prior to bidding. The School District will furnish to the Purchaser or Purchasers acting through a designated senior representative, in accordance with instructions received from the Purchaser(s), within seven (7) business days from the sale date a maximum of forty (40) copies of the Official Statement including a like number of copies of a supplement reflecting interest rates and other terms relating to the initial reoffering of the Bonds. The cost of any Official Statement and Supplement in excess of the number specified shall be prepared and distributed at the cost of the Purchaser(s). The Purchaser(s) shall be responsible for providing the initial reoffering prices and other terms, if any, to the Financial Advisor by the close of the next business day after the sale. Except as noted above, the School District assumes no responsibility or obligation for the distribution or delivery of any copies of the Official Statement in connection with the offering or reoffering of the Bonds.

RULE 10B-5 STATEMENT

Nothing that has come to our attention has caused us to believe that the Official Statement, as of its date, contained any untrue statement of a material fact or omitted to state a material fact (required to be stated therein or) necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading.

CONTINUING DISCLOSURE

The School District has covenanted for the benefit of the Bondholders to provide certain financial information and operating data relating to the School District by not later than ten months following the end of its fiscal year (the “Annual Financial Information”), and to provide notices of the occurrence of certain enumerated events. The Annual Financial Information will be filed by the School District with the Municipal Securities Rulemaking Board (the “MSRB”) through its Electronic Municipal Market Access (“EMMA”) system. These covenants have been made in order to assist the Underwriters in complying with SEC Rule 15c2-12(b)(5). During the previous five years, the District did not timely file the following to EMMA:

- (a) Regarding the School District Educational Lease Revenue Bonds, Series 2011 & Series 2012, the district failed to submit their Annual Audit and Financial Information and Operating Data for periods ending June 30, 2012 – June 30, 2015. The audit along with the financial information and operating data has been posted to the repository as of 02/17/2016.
- (b) Regarding the School District Educational Lease Revenue Bonds, Series 2011 and 2012, certain Audited Supplemental Financial Information for fiscal years ending June 30, 2016 and June 30, 2017 or notice of failure to file such information. The financial information and notice of failure to file was posted to the repository as of December 19, 2018.
- (c) Regarding the School District Educational Lease Revenue Bonds, Series 2011 and 2012, their Annual Audit for periods ending June 30, 2012- June 30, 2015 or notice of failure to file such information. The financial information and notice of failure to file was posted to the repository as of February 17, 2016.
- (d) Regarding the School District Educational Lease Revenue Bonds, Series 2011 and 2012, their Audited Financial Information and Operating Data for periods ending June 30, 2013- June 30, 2017 or notice of failure to file such information. The financial information and notice of failure to file was posted to the repository as of December 19, 2018 for June 30, 2014- June 30, 2017 and February 18, 2019 for June 30, 2013.
- (e) Regarding the School District General Obligation Bonds, Series 2016 and 2017, certain Audited Supplemental Financial Information for fiscal year June 30, 2017 or notice of failure to file such information. The financial information and notice of failure to file was posted to the repository as of January 3, 2019.

Procedures have been put in place to ensure that the annual audits are submitted within the 10 month time frame following the end of the School District’s fiscal year.

CUSIP NUMBERS

CUSIP identification numbers will be printed on the Bonds if assigned by the CUSIP Service Bureau, but neither the failure to print the numbers nor any error with respect thereto shall constitute cause for refusal by the purchaser to accept delivery of the Bonds. All expenses in relation to the printing of the CUSIP Service Bureau numbers shall be paid by the School District except that the CUSIP Service Bureau charge for the assignment of numbers shall be the responsibility of and paid by the purchaser.

DELIVERY OF BONDS

Delivery of the Bonds shall be made at any bank in Oklahoma City or Tulsa, Oklahoma, designated by the purchaser, against payment of the agreed upon purchase price. Delivery of the Bonds to the purchaser is anticipated on or about April 13, 2021.

ADDITIONAL INFORMATION MAY BE OBTAINED FROM THE FINANCIAL ADVISOR, STEPHEN L. SMITH CORP., 531 EAST A STREET, SUITE 301, JENKS, OKLAHOMA 74037, PHONE: 918-296-9980 FAX: 918-296-9902.

In the opinion of Phillips Murrah PC, Bond Counsel, interest on the Bonds is included in the gross income of the owners thereof for Federal income tax purposes, and interest on the Bonds is exempt from Oklahoma income taxation. See "Tax Matters" herein.

NEW ISSUE- BOOK-ENTRY ONLY

Standard & Poor's Rating: "TBD"

Rating: Oklahoma Number: 1

Maximum Rate: 10%

**\$30,000,000 Taxable General Obligation Combined Purpose Bonds of 2021
INDEPENDENT SCHOOL DISTRICT NO. 3
TULSA COUNTY, OKLAHOMA
(BROKEN ARROW BOARD OF EDUCATION)**

Dated: April 1, 2021

Due: April 1, as shown below

The Bonds are being issued by Independent School District No. 3 of Tulsa County, Oklahoma (the "School District"). The Bonds are dated as of April 1, 2021. Interest on the Bonds is payable semiannually on April 1 and October 1 of each year (each an "Interest Payment Date"), commencing April 1, 2022. The Bonds will be initially issued, in fully registered form, in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), New York, New York. Purchases of the Bonds will be made in book-entry form only, through brokers and dealers who are, or who act through DTC participants. Purchases of the Bonds may be made in the denomination of \$5,000 or any integral multiple thereof. **Beneficial owners of the Bonds will not receive physical delivery of Bond certificates so long as DTC or a successor securities depository acts as the securities depository with respect to the Bonds.** So long as DTC or its nominee is the registered owner of the Bonds, payment of the principal and interest on the Bonds will be payable by UMB Bank, N.A., Oklahoma City, Oklahoma, as initial Paying Agent and Registrar (the "Paying Agent and Registrar"), to DTC or its nominee and disbursement of such payments to DTC Participants will be the responsibility of DTC and disbursement of such payments to beneficial owners of the Bonds will be the responsibility of DTC Participants and Indirect Participants. No physical delivery of the Bonds will be made to the owners thereof. (see "The Bonds- Book-Entry-Only System" herein).

The Bonds are not callable prior to their stated maturities.

The proceeds from the Bonds will be used for improvements acquired and installed at the New Indian Springs Elementary as follows: structural steel, rough carpentry, finish carpentry, thermal and moisture protection, doors, door frames and door hardware, windows, glass and glazing, drywall, finishes, ceilings, specialties, equipment, furnishings, fire protection, plumbing fixtures, HVAC equipment, electrical panels and sub panels, and security equipment; improvements acquired and installed at the High School as follows: equipment; improvements acquired and installed at a new Vo-Ag facility as follows: site work, concrete, masonry, specialties and furnishings; and other property improved acquired or installed; and student transportation equipment.

The Bonds are direct and general obligations of the School District and are payable as to principal and interest from ad valorem taxes which are required to be levied on all taxable property within the School District, without limitation as to rate or amount.

MATURITY SCHEDULE

<u>Maturity</u>	<u>Amount</u>	<u>Rate</u>	<u>Price or Yield</u>
4/1/2023	\$7,500,000	%	%
4/1/2024	\$7,500,000		
4/1/2025	\$7,500,000		
4/1/2026	\$7,500,000		

This cover page contains only a brief description of the Bonds and the security therefore. It is not a summary of this issue. Investors are advised to read the entire Official Statement to obtain information essential to the making of an informed investment decision.

The Bonds are offered when, as and if issued by the School District, and subject to the approving opinion of Bond Counsel as to validity and tax exemption. It is expected that the Bonds will be available for delivery on or about April 13, 2021.

**FINANCIAL ADVISOR
STEPHEN L. SMITH CORP.
Jenks, Oklahoma**

PURPOSE OF THE BOND ISSUE

The proceeds of the General Obligation Combined Purpose Bonds will be used for the following purposes and in the respective amounts shown:

improvements acquired and installed at the New Indian Springs Elementary as follows: structural steel, rough carpentry, finish carpentry, thermal and moisture protection, doors, door frames and door hardware, windows, glass and glazing, drywall, finishes, ceilings, specialties, equipment, furnishings, fire protection, plumbing fixtures, HVAC equipment, electrical panels and sub panels, and security equipment; improvements acquired and installed at the High School as follows: equipment; and improvements acquired and installed at a new Vo-Ag facility as follows: site work, concrete, masonry, specialties and furnishings; and other property improved acquired or installed	\$29,000,000.00
Acquire student transportation equipment	<u>\$ 1,000,000.00</u>
TOTAL:	\$30,000,000.00

AUTHORITY FOR THE ISSUANCE OF BONDS

Political subdivisions in the State of Oklahoma must have authorization from the voters of such political subdivisions in order to become indebted for either a period of time beyond one year or for an amount in excess of the income and revenue provided for such year.

The Bonds were authorized to be issued at separate special elections held in the School District for such purpose on October 11, 2011, and on February 10, 2015. A portion of the building bonds in the amount of \$22,000,000 are from the October 11, 2011 election; a portion of the building bonds in the amount of \$7,000,000 are from the February 10, 2015 election; and the \$1,000,000 Transportation Equipment bonds are from the February 10, 2015 election. The Bonds are being issued pursuant to the provisions of Article X, Section 26 of the Oklahoma Constitution, as amended, and Title 70, Article 15, Oklahoma Statutes 2011, and laws of the State of Oklahoma supplementary thereto. All existing indebtedness of the School District has been issued pursuant to Article X, Section 26 of the Oklahoma Constitution.

Under Article X, Section 26, political subdivisions issuing bonds under such section may issue obligations in a total amount such that the total aggregate net indebtedness (including judicial judgments) shall not exceed 10% of the net assessed valuation of the taxable property therein; provided that three-fifths of the voters voting in an election held for such purpose shall approve the issuance of such obligations.

PAYMENT OF AND SECURITY FOR THE BONDS

The Bonds, in the opinion of Bond Counsel, will be direct and general obligations of the School District and will be payable from ad valorem taxes which may be levied WITHOUT LIMITATION AS TO RATE OR AMOUNT on all taxable property within the School District to pay the principal of and interest on the Bonds when due.

Ad valorem taxes for the Bonds shall be levied annually beginning in Fiscal Year 2021-2022, shall become delinquent one-half on January 1 and one-half on April 1 of each year, and are required to be collected by the County Treasurer, apportioned and paid over to the School District Treasurer, and then deposited directly and only into the Sinking Fund of the School District. IN NO EVENT MAY SUCH AD VALOREM TAXES BE DEPOSITED INTO THE GENERAL FUND OR ANY FUND OF THE SCHOOL DISTRICT OTHER THAN THE SINKING FUND.

As previously stated, the Bonds are payable from ad valorem taxes on the taxable property within the School District including real, personal and public service property, and any other monies available for such purpose. Real and personal property in the School District is currently assessed at a rate of approximately 11% of estimated full market value. The Oklahoma State Tax Commission determines public service property assessments, and

currently the assessment ratio is approximately 22.85% of estimated full market value. Pursuant to Oklahoma statutes, County Assessors are required to reassess property within the County at least once each five years. The School District is required to pay its proportionate share of the cost of such reassessment.

Ad valorem tax rates for Sinking Fund purposes are determined by ascertaining the actual dollars of revenues required for payment of principal and interest on indebtedness, fees to fiscal and paying agents and judicial judgments. Such total amount may be reduced by any surplus from the prior fiscal year and any contributions made into the Sinking Fund. To the resulting net requirements a reserve for delinquent taxes, in an amount of not less than 5% nor more than 20% of the net required tax collection, shall be added to the required collections. Such final total requirements shall then be divided by the total net assessed valuation of all real, personal and public service property in order to determine the appropriate tax rate for each property owner.

One hundred percent (100%) of the School District's Sinking (Debt Service) Fund revenues come from locally collected ad valorem taxes. None of these ad valorem taxes are collected or disbursed by the State of Oklahoma. Furthermore, as stated above, Sinking Fund taxes are collected by the County Treasurers of the counties in which the School District is located, apportioned by the County Treasurers, and paid over to the School District Treasurer and cannot, by Oklahoma Law, be placed in any fund of the School District other than the Sinking Fund. They may be used only for the payment of principal of and interest on indebtedness of the School District.

TAX LEVY AND COLLECTION PROCEDURES

Oklahoma statutes require that the School District each year make an ad valorem tax levy for a Sinking Fund which shall, with cash and investments in the fund, be sufficient to pay all the bonded indebtedness, interest and one-third of all outstanding judgments coming due in the following fiscal year.

After review and approval by the Board of Education, copies of the Sinking Fund Estimates are submitted to the County Excise Board to determine the ad valorem tax levy and appropriations. This submission is required to be made by July 20 of each year. The estimates are for the purposes of determining the ad valorem tax required to fund general operations and the Sinking Fund. The amounts contained in the Estimate of Needs are verified by the County Excise Board and, upon verification, the levies contained therein are ordered to be certified to the County Assessor in order that the County Assessor may extend said levies upon the tax rolls for the year for which the Estimate of Needs is submitted. The County Excise Board further certifies that the appropriations contained in the Estimate of Needs and the millage rates are within the limitations provided by law. While the County Excise Board may make recommendations with respect to the levy request, it only has the authority to change the reserve for delinquent taxes.

The County Assessor is required to file a tax roll report on or before October 1 of each year with the County Treasurer indicating the net assessed valuation for each municipality within the County. This report includes the assessed valuation for all real, personal and public service property (public service property assessed valuations are determined by the Oklahoma Tax Commission). The County Treasurer has fifteen (15) days after receipt of the tax roll report to start collecting taxes. The first half of taxes is due and payable on November 1 of each year. The second half is due and payable on or before April 1 of each year. However, if the first half is not paid by January 1, both first and second half are declared delinquent as of January 1. If the first half taxes are paid in a timely manner and the second half taxes are not paid on or before April 1, the taxes are considered delinquent. Interest accrues on delinquent taxes at the rate of 1.5% monthly (18% annually), to a maximum of 100% of the taxes due and owing, until such time as the delinquent taxes are paid. In the event taxes and accrued interest are not paid, the property is sold at tax sale on October 1 and the purchaser is issued a certificate of ownership; however, the original owner of the property has two (2) years in which to redeem the property by paying the taxes, interest and penalties owed. If, at the end of two years the original owner has not done so, the purchaser is issued a deed to the property.

COMPLIANCE WITH CONSTITUTIONAL DEBT LIMITATION
(As of June 30, 2020)

Estimated Full Market Value:	\$ 9,621,426,481.34
ASSESSED VALUE, Including Homestead Exemptions:	\$ 1,080,531,680.00
ASSESSED VALUE, Excluding Homestead Exemptions:	\$ 1,052,251,084.00
BOND CAPACITY, Including Millage Adjustment Factor:	\$ 109,170,747.00
Outstanding General Obligation Bonded Indebtedness (including the Bonds)	\$ 122,780,000.00
<u>Less: Current Sinking Fund Balance</u>	<u>\$ 17,043,962.28</u>
Net General Obligation Bonded Indebtedness:	\$ 105,736,037.72
Ratio of Net General Obligation Bonded Indebtedness to Net Assessed Valuation:	9.68%
Approximate Area of the School District:	116 square miles
Approximate Population of the School District:	100,000 people
Per Capita Net Indebtedness:	\$1,057.31 per person

PAYMENT RECORD

The School District has no default of record.

AUTHORIZED BUT UNISSUED BONDS

In the same proposition voted on October 11, 2011, which authorized these Bonds, an additional \$43,465,000 in Building Bonds were voted and are remaining to be issued. It is anticipated that the remaining bonds will be issued in series over the next one (1) year.

In the same proposition voted on February 10, 2015, which authorized these Bonds, an additional \$328,500,000 in Building Bonds and \$6,000,000 in Transportation Bonds were voted and are remaining to be issued. It is anticipated that the remaining bonds will be issued in series over the next thirteen (13) years.

SCHEDULE OF OUTSTANDING INDEBTEDNESS

(Including the Bonds)

Date of Issue	Original Principal Amount	Remaining Maturities	Maturity Date	Total Outstanding
4/1/2021	\$30,000,000	\$7,500,000	4/1/2023-2026	\$30,000,000
4/1/2020	\$15,200,000	\$3,800,000	4/1/2022-2025	\$15,200,000
4/1/2019	\$42,500,000	\$8,000,000 \$17,250,000	4/1/2021 4/1/2022-2023	\$42,500,000
5/1/2018	\$23,325,000	\$5,830,000 \$5,835,000	5/1/2021-2022 5/1/2023	\$17,495,000
4/1/2017	\$23,500,000	\$5,875,000	4/1/2021-2022	\$11,750,000
4/1/2016	\$20,925,000	\$5,235,000	4/1/2021	\$ 5,235,000
12/1/2015	\$3,000,000	\$ 600,000	12/1/2021	\$ 600,000
Total Outstanding Indebtedness				\$ 122,780,000

ESTIMATED SCHEDULED PRINCIPAL AND INTEREST PAYMENTS

(Including the Bonds)

Fiscal Year Ending 6-30	Maturing Principal-All Bonds	Interest Due All Bonds*	Total Principal and Interest - All Bonds
2021	\$ 24,940,000.00	\$ 1,341,988.75	\$ 26,281,988.75
2022	\$ 33,355,000.00	\$ 2,678,590.00	\$ 36,033,590.00
2023	\$ 34,385,000.00	\$ 1,752,015.00	\$ 36,137,015.00
2024	\$ 11,300,000.00	\$ 787,100.00	\$ 12,087,100.00
2025	\$ 11,300,000.00	\$ 507,000.00	\$ 11,807,000.00
2026	<u>\$ 7,500,000.00</u>	<u>\$ 225,000.00</u>	<u>\$ 7,725,000.00</u>
Totals	\$ 122,780,000.00	\$ 7,291,693.75	\$ 130,071,693.75

*Assumes 3.00% interest on the Bonds.

Source: District Administration & Budgets

ESTIMATED SCHEDULED SINKING FUND LEVIES TO RETIRE BONDS
(Including the Bonds)

Fiscal Year Ending 6/30	Principal Levy- All Bonds	Interest Levy All Bonds*°	Total Levy - All Bonds
2021	\$ 28,690,000.00	\$ 2,361,983.75	\$ 31,051,983.75
2022	\$ 29,905,000.00	\$ 2,680,806.67	\$ 32,585,806.67
2023	\$ 25,205,000.00	\$ 1,524,887.50	\$ 26,729,887.50
2024	\$ 9,040,000.00	\$ 717,075.00	\$ 9,757,075.00
2025	\$ 9,040,000.00	\$ 436,500.00	\$ 9,476,500.00
2026	\$ 6,000,000.00	\$ 168,750.00	\$ 6,168,750.00
Total	\$ 107,880,000.00	\$ 8,954,347.09	\$ 115,770,002.92
	ADD: SINKING FUND BALANCE		\$ 17,043,962.28
	TOTAL		\$ 132,813,965.20

* Does not include levies for judgments or reserve for uncollected taxes.

° Assumes 3.00% interest on the Bonds.

OVERLAPPING AND UNDERLYING INDEBTEDNESS

Direct, underlying and overlapping indebtedness within the School District includes debt of the District, City of Broken Arrow, City of Tulsa, City of Coweta, Tulsa Community College, Tulsa Vo-Tech #18, Tulsa County and Wagoner County as shown.

Municipality	Net Debt	Percent Applicable to School District	Overlapping Debt to School District	Per Capita Debt
Broken Arrow Schools	\$ 105,731,037	100%	\$ 105,731,037	\$ 1,057.31
Tulsa County*	\$ 1,710,224	10.48%	\$ 179,231	\$ 1.79
Wagoner County*	\$ 0	n/a	\$ 0	\$ 0.00
Tulsa Community College*	\$ 0	n/a	\$ 0	\$ 0.00
Tulsa Vo-Tech #18*	\$ 0	n/a	\$ 0	\$ 0.00
City of Broken Arrow*	\$ 125,656,305	100%	\$ 125,656,305	\$ 1,256.56
City of Tulsa*	\$ 330,972,187	0.68%	\$ 2,250,610	\$ 22.50
City of Coweta*	\$ 0	n/a	\$ 0	\$ 0.00
Total	\$ 564,069,753		\$ 233,817,183	\$ 2,338.16

*As of June 30, 2019.

Source: County Budgets

COMPOSITION AND GROWTH OF THE NET ASSESSED VALUATION

The composition of the Net Assessed Valuation of the School District for the Fiscal Year 2020-2021 is as follows:

Property	Tulsa County	Wagoner County	Total	Percentage to Assessed Valuation
Gross Real Homestead	\$ 642,704,833	\$ 291,509,772	\$ 934,214,605	
Net Real Estate	\$ 14,779,116	\$ 13,501,480	\$ 28,280,596	86.09%
	\$ 627,925,717	\$ 278,008,292	\$ 905,934,009	
Personal	\$ 36,149,972	\$ 67,408,164	\$ 103,558,136	9.84%
Public Service	\$ 23,403,787	\$ 19,355,152	\$ 42,758,939	4.06%
Gross Valuation	\$ 702,258,592	\$ 378,273,088	\$ 1,080,531,680	
Net Valuation	\$ 687,479,476	\$ 364,771,608	\$ 1,052,251,084	

Source: Tulsa & Wagoner County Assessors

The growth of the Net Assessed Valuation for the past ten years has been as follows:

Fiscal Year	Valuation	Fiscal Year	Valuation
2020-2021	\$ 1,052,251,084	2015-2016	\$ 799,993,708
2019-2020	\$ 985,532,323	2014-2015	\$ 769,023,417
2018-2019	\$ 945,857,259	2013-2014	\$ 752,147,392
2017-2018	\$ 889,371,848	2012-2013	\$ 721,308,901
2016-2017	\$ 839,936,514	2011-2012	\$ 700,733,473

Source: Tulsa & Wagoner County Assessors

SINKING FUND TAX COLLECTIONS

Total Fiscal Year	Tax Levy	Current Collection	Percentage Collected	Total Collections	Total Percentage Collected
2020-2021	\$ 31,935,158	in progress	n/a	in progress	n/a
2019-2020	\$ 31,115,287	\$ 29,725,899	95.53%	\$ 30,260,212	97.25%
2018-2019	\$ 28,123,411	\$ 27,815,724	98.91%	\$ 28,266,596	100.51%
2017-2018	\$ 26,363,247	\$ 25,836,494	98.00%	\$ 26,261,601	99.61%
2016-2017	\$ 24,691,240	\$ 24,722,801	100.13%	\$ 25,185,449	102.00%
2015-2016	\$ 22,502,579	\$ 22,204,340	98.67%	\$ 22,617,111	100.51%
2014-2015	\$ 22,683,724	\$ 23,823,719	105.03%	\$ 23,823,719	105.03%
2013-2014	\$ 21,743,905	\$ 21,199,802	97.50%	\$ 21,638,463	99.52%
2012-2013	\$ 20,646,566	\$ 20,132,286	97.51%	\$ 20,534,857	99.46%
2011-2012	\$ 19,356,452	\$ 19,841,714	102.51%	\$ 20,294,054	104.84%

Source: District Administration & Budgets

PERCENTAGE OF TAXES COLLECTED

The ratio of Net and Gross Sinking Fund Tax Collections to the Gross Sinking Fund Levy (the levy after addition of the reserve for uncollected taxes) is as follows:

Fiscal Year	Ratio of Net Tax Collection to Gross Levy	Ratio of Gross Tax Receipts to Gross Levy
2019-2020	95.53%	97.25%
2018-2019	98.91%	100.51%
2017-2018	98.00%	99.61%
2016-2017	100.13%	102.00%
2015-2016	98.67%	100.51%
2014-2015	105.03%	105.03%
2013-2014	97.50%	99.52%
2012-2013	97.51%	99.46%
2011-2012	102.51%	104.84%

Source: District Administration & Budgets

TREND OF TAX RATES OF MAJOR TAXING UNITS

Fiscal Year	Tulsa County	Broken Arrow Schools	Tulsa Comm. College	Tulsa Vo-Tech	City of Broken Arrow	Total Levy
2019-20	\$ 22.66	\$ 73.18	\$ 7.21	\$ 13.3	\$ 15.66	\$ 132.04
2018-19	\$ 22.74	\$ 71.33	\$ 7.21	\$ 13.33	\$ 15.61	\$ 130.22
2017-18	\$ 22.24	\$ 71.24	\$ 7.21	\$ 13.33	\$ 16.84	\$ 130.86
2016-17	\$ 22.24	\$ 71.00	\$ 7.21	\$ 13.33	\$ 16.92	\$ 130.70
2015-16	\$ 22.22	\$ 69.73	\$ 7.21	\$ 13.33	\$ 17.10	\$ 129.59
2014-15	\$ 22.23	\$ 71.10	\$ 7.21	\$ 13.33	\$ 17.14	\$ 131.01
2013-14	\$ 22.23	\$ 70.51	\$ 7.21	\$ 13.33	\$ 17.32	\$ 130.60
2012-13	\$ 22.24	\$ 70.22	\$ 7.21	\$ 13.33	\$ 16.50	\$ 129.50
2011-12	\$ 22.24	\$ 70.60	\$ 7.21	\$ 13.33	\$ 17.13	\$ 130.51
2010-11	\$ 22.21	\$ 69.25	\$ 7.21	\$ 13.33	\$ 16.44	\$ 128.44

*Expressed in dollars per \$1,000 of net assessed valuation

Source: Tulsa & Wagoner County Assessors and Budgets

INDEPENDENT SCHOOL DISTRICT NO. 3 OF TULSA COUNTY, OKLAHOMA

Broken Arrow Public Schools is located in southeast Tulsa County and a portion of western Wagoner County, Oklahoma. The District encompasses 116 square miles primarily overlaying the City of Broken Arrow, Oklahoma, which is located fifteen miles southeast of downtown Tulsa, Oklahoma. Oklahoma State Highway 51 (Broken Arrow Expressway) bisects the District and is a major transportation thoroughfare from Tulsa to eastern Oklahoma and points south. Population growth in the area has been dramatic over the last thirty years. As a result, the District's enrollment has increased in conjunction with population growth.

The District was first formed in 1904 when the Broken Arrow City Council voted a two percent tax on property holders to fund a school building. The first graduating class consisted of three persons in May 1908, with a total student enrollment of 300. Since that time, the District has steadily grown to over 18,500 students. The District employs nearly 1,900 persons of whom approximate 1,060 are certified teachers, 85 are administrators and 720 are support staff. All teachers employed by the District have degrees as well as special training in their major field of instruction and are certified by the Oklahoma State Department of Education. All sites in the District are fully accredited by the Oklahoma State Department of Education and the North Central Accreditation Association.

The existing physical facilities of the School District included four early childhood centers, sixteen elementary schools and eight secondary schools. Elementary schools educate grades kindergarten through fifth; middle schools accommodate sixth, seventh and eighth graders. Students in grades nine attend the Freshman Academy and the senior high includes tenth, eleventh and twelfth graders. The district operates 105 buses, transporting approximate 50 percent of all students.

Some of the major employers and industries in the District include: Broken Arrow Public Schools; Wal-Mart stores; Gatesway Foundation; the City of Broken Arrow; and Flight Safety International.

STUDENT ENROLLMENT TREND

<u>School Year</u>	<u>Total Enrollment</u>	<u>Percentage Change</u>
2020-21	18,619	-1.04%
2019-20	19,436	1.86%
2018-19	19,081	0.03%
2017-18	19,074	1.24%
2016-17	18,841	2.64%
2015-16	18,357	2.28%
2014-15	17,947	4.30%
2013-14	17,207	1.58%
2012-13	16,940	2.23%
2011-12	16,571	-0.01%
2010-11	16,618	2.60%
2009-10	16,196	

Source: District Administration

ECONOMIC INDICES

Unemployment Rate (Twelve Month Moving Average)

	<u>June 2020</u>	<u>June 2019</u>	<u>June 2018</u>
United States	11.1%	3.7%	4.0%
State of Oklahoma	7.1%	3.2%	3.9%
Tulsa County	7.1%	3.4%	3.4%

Source: US Bureau of Labor Statistics

Largest Ad Valorem Taxpayers (Based on Net Assessed Valuation 2020-2021)

<u>Name</u>	<u>Type of Business</u>	<u>NAV</u>
AG Equipment	Manufacturer	\$11,199,999
Public Service Co of OK	Electrical Utility	\$10,165,543
Wal-Mart Stores	Retail Discount Store	\$6,049,303
Alpine/JMCR	Real Estate	\$6,164,246
Greens at Broken Arrow	Apartment Complex	\$5,965,014
St. John Hospital	Hospital	\$5,455,773
OK Natural Gas	Gas Utility	\$3,913,021
Flight Safety International	Aviation Industry	\$3,908,331
Park at Mission Hills	Apartment Complex	\$3,888,912
Valor Comm. Of OK	Telephone Utility	\$3,698,101

Source: Tulsa County Assessor

Broken Arrow Area Major Employers

<u>Name of Employer</u>	<u>Type of Business</u>	<u>No. of Employees</u>
Broken Arrow Public Schools	Education	2,090
Wal-Mart (3)	Retail Store	900
City of Broken Arrow	Municipal Government	801
Northeastern State University	Education	800
Flight Safety International	Flight Simulators	735
Zeeco	Manufacturing	647
Oklahoma Healthcare Services	Health Care	460
AG Equipment Co.	Industrial Machinery & Equipment	360
Exterran	Energy Equipment Systems	350
Micahtek Inc.	Distributing Service	350
McDaniel Technical Services	Engineering Services	325
St. John- Broken Arrow	Hospital	300
Rhema Bible Church	Religious Organization	287
Davis H Elliott/Oklahoma Inc.	Electrical systems contractor	275
Baker Hughes Oil Tools	Oil Field Equipment	260
Bass Pro	Retail outdoor/sporting equipment	238
Mill Creek Lumber & Supply	Wholesale lumber	235
Blue Bell Creameries	Ice Cream (MFRS)	215

Source: City of Broken Arrow's most current availability

Sales Tax Collections

The City levies a three percent (3.55%) local sales tax, which together with the State sales tax of four and one-half percent (4.5%), and the County at 0.367% places the total sales tax rate at 8.417%. Wagoner County levies a 1.30% sales tax, which makes the total sales tax for Broken Arrow overlying Wagoner County 9.35%. Historical sales tax collections for the City are shown below:

<u>Fiscal Year</u>	<u>Total Collections</u>	<u>% Change</u>
2020	56,227,400	5.91%
2019	53,091,035	3.06%
2018	51,513,993	7.50%
2017	47,917,829	12.50%
2016	42,516,340	2.06%
2015	41,658,270	13.32%
2014	36,760,366	7.31%
2013	34,257,302	-6.86%
2012	36,782,091	9.89%
2011	33,471,653	11.37%
2010	30,054,650	0.67%
2009	29,853,362	2.83%
2008	29,031,343	

Source: City of Broken Arrow

RECORD DATE

The record date shall be defined as the fifteenth (15th) day preceding any interest payment date.

RATINGS

The 2021 Taxable General Obligation Combined Purpose Bonds will be rated by S&P Global Ratings , a division of Standard & Poor’s Financial Services, LLC (“S&P”). This Official Statement will be updated once the rating has been obtained. An explanation of the significance of such ratings may be obtained from the companies furnishing the ratings. The ratings reflect only the respective views of such organizations and the District makes no representation as to the appropriateness of the ratings. There is no assurance that such ratings will continue for any given period of time or that they will not be revised downward or withdrawn entirely by such rating companies, if in the judgment of the companies, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the 2021 Bonds.

UNDERWRITING

The Bonds have been sold at public sale by the School District to the Underwriters, and the Underwriters have jointly and severally agreed, subject to certain conditions, to purchase the Bonds. The successful proposal for the Bonds was submitted by _____ as representative of the Underwriters.

LITIGATION

Except as discussed below, the School District is not a party to any litigation or other proceeding pending or to its knowledge, threatened, in any court, agency or other administrative body (either state or federal), which, if decided adversely to the School District, would have a material adverse effect on the financial statements of the School District.

The School District took action June 26, 2016 to approve McDaniel Acord, PLLC providing legal representation to the School District in the Oklahoma Supreme Court case of ISD #89 v. Hofmeister, et al., which involved an alleged miscalculation of state aid over twenty years, a miscalculation alleged to result in an overpayment of monies to some districts and an underpayment of monies to other school districts. The Supreme Court quickly denied jurisdiction of the plaintiff’s case, and the plaintiffs subsequently filed a case in district court asserting the same claims of miscalculation and recoupment (ISD #52 v. Hofmeister, et al.). The School District’s legal counsel advised them not to join that subsequent lawsuit.

On August 8, 2017, The United States Court of Appeals for the Tenth Circuit issued an opinion in the case of Patrick Dwayne Murphy v. Terry Royal, Warden, 866 F.3d 1164 (10th Cir. 2017), and on November 9, 2017 issued an amended opinion, 875 F.3d 896 (10th Cir. 2017). In its opinion, the Tenth Circuit concluded that the United States Congress has not disestablished the Creek Reservation that it established by treaty in 1866. As addressed in its opinion, the external boundaries of the 1866 Reservation include much of the eastern portion of the current State of Oklahoma, including a portion of the boundaries of the School District. The Court of Appeals further concluded that, accordingly, the land within the external boundaries of the 1866 Reservation constitutes “Indian country” within the meaning of the federal Major Crimes Act (18 U.S.C.A. § 1151, et seq.). On February 6, 2018, the Attorney General of the State of Oklahoma filed with the Supreme Court of the United States (the “Supreme Court”) a petition for a writ of certiorari. The Supreme Court heard oral arguments on November 27, 2018 and has accepted supplemental briefs on December 28, 2018. After reviewing additional briefs and amicus curiae in January 2019, in June 2019 the case was restored to the calendar for re-argument. In addition, the Supreme Court has decided to first hear the similar case of McGirt v. Oklahoma (No. 18-9526) being directly appealed from the Oklahoma Court of Appeals. Arguments for McGirt were heard before the Supreme Court on May 11, 2020. On July 9, 2020 the Supreme Court held for the purposes of the Major Crimes Act, land throughout much of eastern Oklahoma reserved for the Creek Nation since the 19th century remains a Native

American territory. Also, on July 9, 2020 the Supreme Court affirmed in a per curiam opinion, the judgment of the U.S. Court of Appeals of the 10th Circuit is affirmed for the reasons stated in *McGirt v. Oklahoma*.

Although this case arises in a criminal law context, it may affect the application of civil law and have regulatory consequences within the same geographic territory, with numerous potential direct and indirect effects upon the State and its political subdivision within such geographic territory, including the School District. Application of this determination to other areas of State jurisdiction, such as civil action, tax, zoning, land use, hunting and fishing, etc. could affect the way the State and its political subdivisions interact with Indians in Indian Country. More specifically in regards to sales and use tax revenues, the Supreme Court's decision would expand the area in which businesses and tribes make tax-exempt sales to Creek Nation tribal members. Although businesses are required to collect and remit the appropriate sales taxes from non-tribal members, there remains an issue with enforcement against tribal businesses that may successfully claim sovereign immunity. The Supreme Court's decision could effectively reduce state or other governmental units' collections for sales and use taxes, due to the increased volume of tax-exempt sales to tribal members from non-tribal businesses. In addition, if it is determined that the School District is unable to levy and collect ad valorem taxes on property owned by Indians in the original boundaries of the Creek Nation reservation, then the School District would need to increase the millage that would be assessed on the remaining property in the School District in order to collect the amount necessary to pay the principal and interest on the Bonds. At this time, the School District is not involved in any litigation relating to this matter.

APPROVAL OF LEGALITY

All matters incident to the authorization and issuance of the bonds are subject to the approval of the Attorney General of the State of Oklahoma and to the approval of Phillips Murrah P.C., as Bond Counsel. Bond Counsel has not participated in the preparation of the Official Statement. Accordingly, Bond Counsel has no responsibility for the accuracy, sufficiency or completeness of any information furnished in connection with any offer or sale of the Bonds.

GLOBAL HEALTH EMERGENCY RISK

The outbreak of COVID-19, a respiratory illness caused by a new strain of coronavirus, has affected global, national, state and local economic activity. In response to the spread of the disease, national, state and local governments, businesses and other institutions, and individuals appear to be altering behaviors in a manner that may negatively impact economies. In addition, there has been significant volatility in the U.S. and global stock and bond markets that has been attributed to concerns about the spread of COVID-19. In light of concerns regarding the spread of COVID-19, on January 31, 2020 the Secretary of Health and Human Services (HHS) declared a public health emergency, under section 319 of the Public Health Service Act (42 U.S.C. 247d). On March 13, 2020 the President of the United States found and proclaimed that, beginning March 1, 2020, the COVID-19 outbreak in the United States constitutes a national emergency.

On March 15, 2020, the Governor of Oklahoma issued Executive Order 2020-7 (the "Order") declaring that a state of emergency caused by the impending threat of COVID-19 to the people of Oklahoma and the public's peace, health and safety existed in all 77 of Oklahoma's counties. Executive order 2020-7 was amended to commit the resources of all State Departments and Agencies in areas such as public health, civil emergency preparedness and actions intended to address the spread of COVID-19. The Oklahoma State Department of Health provides information relating to COVID-19 and related developments in the State of Oklahoma on its website, <http://coronavirus.health.ok.gov>*.

On March 25, 2020, the Oklahoma State Board of Education unanimously approved an order that implemented a Distance Learning Plan to complete the 2019-20 school year for Oklahoma students without reopening school buildings. The approval came as numbers grow for positive COVID-19 cases in the state.

The District is monitoring daily developments and directives of federal, state and local officials to determine what precautions and procedures may need to be implemented by the District in the event of the continued spread of COVID-19. Some procedures and precautions resulting from the spread of COVID-19 with respect to operations,

personnel and services may be mandated by federal and/or State entities. The continued spread of COVID-19 in the future and the continued financial impact specifically on the District, as well as the financial markets, generally, may have certain adverse financial impacts, which may include but are not limited to: (i) limit the ability of the District to conduct their operations and to provide services on a timely basis, if at all, (ii) significantly increase the cost of operations of the District, (iii) significantly impact the ability of the District to provide personnel to carry out its respective routine services; (iv) affect financial markets and consequently have a materially adverse effect on the returns and value of the investment portfolios of the District, and (v) affect the secondary market with respect to the Bonds. The extent of the impact to the District and their financial conditions will depend on future developments, which are uncertain and cannot be predicted by the District, including the duration of the outbreak and measures taken to address the outbreak.

As of January 15, 2021 the School District has achieved 75 straight days of in person learning for students and staff. The School District utilized CDC recommended guidelines for a safe return to school. The district has spent significant general and building fund dollars on personal protection equipment for students and staff and sanitization chemicals and supplies. Overall, the state of Oklahoma saw a dramatic shift in student population decline from traditional K12 schools to the virtual charter schools. The School District saw a decrease in student enrollment of 817 students from the 2019-20 to 2020-21 certified student count. Additionally, the School District saw a decline in state funding of \$5.2 million dollars due to the negative economic impact of COVID-19 on state revenue and the shift of students to virtual charter schools. The School District received \$1.6 million dollars of CARES ACT funding and is expecting to receive an additional allocation of \$6.4 million dollars from the funding bill that was passed on December 20, 2020. This federal funding will help offset the decline in state funded revenue. All information related to the School District's COVID-19 response including the School District's reentry plan, current COVID-19 data, and daily district cases can be found at www.baschools.org/covid19.

*References to website addresses presented herein are for informational purposes only. Such websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement.

CYBERSECURITY

Computer networks and data transmissions and collection are vital to the operations of the District. Despite security measures, information and infrastructure of the District may be subject to attacks by outside or internal hackers, or breached by employee error, negligence or malfeasance. Any such breach or attack could compromise systems and information stored therein. Any such disruption or other loss of information could result in a disruption in the operations of the District and could adversely affect the ability of the District to timely receive ad valorem taxes.

In July 2019 the district experienced a ransomware attack on the district's network system. The Board of Education approved the contracts with Arete Advisors and Lewis Brisbois Bisgaard & Smith LLP to help determine the liability of the district for security of information breached. It was determined in the final report issued by Arete that no personal information had been compromised. Since that incident has occurred, the district has taken proactive steps to mitigate future attacks. All finance, payroll, and human resource software applications are now cloud based. Additional instructional and technology applications were also migrated to the cloud. The applications that could not be moved to the cloud have dedicated technology personnel monitoring their back up process. The district purchased SentinelOne a product that has been installed on district devices to prevent future ransomware attacks. Finally, Board Policy 6110 has been updated to detail the district's response to cybersecurity monitoring. The district feels like should another attack happen we would be in a very strong position to quickly respond so that any disruption of service would be minimal. The finance applications that are now cloud based would enable payroll and accounts payable to continue operations.

TAX MATTERS

OPINION OF BOND COUNSEL

In the opinion of bond counsel, interest on the 2021 Taxable General Obligation Combined Purpose Bonds is included in gross income for federal income tax purposes.

In the opinion of bond counsel, under existing statutes interest on the 2021 Taxable General Obligation Combined Purpose Bonds shall be exempt from Oklahoma income taxation pursuant to Section 2358.5 of Title 68, Oklahoma Statutes, 2011.

Bond Counsel has expressed no opinion regarding other tax consequences arising with respect to the 2021 Taxable General Obligation Combined Purpose Bonds under the laws of the State or any other state or jurisdiction.

GENERAL MATTERS

Interest on the 2021 Taxable General Obligation Combined Purpose Bonds is not excluded from gross income for federal income tax purposes. Except as provided, Bond Counsel is not rendering any opinion regarding the tax consequences of owning the Bonds. There are several tax-related issues attendant with ownership of the Bonds including, but not limited to, treatment of original issue discount or premium, if any, treatment of backup withholding tax, determination of an owner's tax basis and gains or losses in connection with sales, exchanges or other dispositions of the Bonds, foreign ownership, ownership by certain employee benefit plans and other retirement plans and other issues. Many of the rules related to these issues are complicated and purchasers of the Bonds should consult their own tax advisors and professionals as to the tax consequences of the purchase, ownership and disposition of the Bonds under federal, state, local, foreign and other tax laws.

REGISTRATION AND TRANSFER

Bonds presented to the Registrar for transfer after the close of business on a Record Date, defined as the fifteenth (15th) day preceding any interest payment due, and before the close of business on the next subsequent Interest Payment Date will be registered in the name of the transferee but the interest payment will be made to the registered owners shown on the books of the Registrar as of the close of business on the Record Date.

The Bonds will be initially registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC") New York, New York, which will act as securities depository for the Bonds. Principal and interest on the Bonds will be paid by the Paying Agent and Registrar to DTC. Disbursements of such payments to the DTC Participants is the responsibility of DTC and disbursement of such payments to the Beneficial Owners is the responsibility of the DTC Participants and the Indirect Participants, as more fully described in the section titled "Book-Entry System."

BOOK-ENTRY-ONLY SYSTEM

The information in this section, "Book-Entry System", has been furnished by The Depository Trust Company. No representation is made by the School District as to the completeness or accuracy of such information. The School District shall have no responsibility or obligation to DTC Participants, Indirect Participants or the persons for which they act as nominees with respect to the Bonds, or for any principal, premium, if any, or interest payment thereof.

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee). One fully-registered certificate will be issued for each maturity of the Bonds in the aggregate amount of each such maturity, and will be deposited with DTC at the office of the Paying Agent and Registrar on behalf of DTC utilizing the DTC FAST system of registration.

DTC is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds securities that its participants (“Participants”) deposit with DTC. DTC also facilitates the settlement among Participants of securities transactions, such as transfer and pledges, in deposited securities through electronic computerized book-entry changes in Participants’ accounts, thereby eliminating the need for physical movement of securities certificates. Direct Participants include securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is owned by a number of its Direct Participants and by the New York Stock Exchange, Inc. Access to the DTC system is also available to others such as securities brokers and dealers, banks, and trust companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). The Rules applicable to DTC and its Participants are on file with the Securities and Exchange Commission.

Purchases of the Bonds under the DTC system must be made by or through Direct Participants, who will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of each Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. **Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.**

To facilitate subsequent transfers, all Bonds deposited by Participants with DTC (or the Paying Agent and Registrar on behalf of DTC utilizing the DTC FAST system of registration) are registered in the name of DTC’s partnership nominee, Cede & Co. The deposit of Bonds with DTC (or the Paying Agent and Registrar on behalf of DTC utilizing the DTC FAST system of registration) and their registration in the name of Cede & Co. effect no change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, who may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participant to Beneficial Owners will be governed by arrangements among them, subject to an statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to Cede & Co. If less than all of the Bonds within an issue are being redeemed, DTC’s practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. will consent or vote with respect to the Bonds. Under its usual procedures, DTC mails an Omnibus Proxy to the issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.’s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Bonds will be made by the Paying Agent and Registrar to DTC. DTC’s practice is to credit Direct Participants’ accounts on payable date in accordance with their respective holdings shown on DTC’s records unless DTC has reason to believe that it will not receive payment on payable date. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in “street name”, and will be the responsibility of such Participant and not of DTC, the Agent, or the issuer, subject to any statutory or

regulatory requirements as may be in effect from time to time. Payment of principal and interest to DTC is the responsibility of the issuer or the Agent, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the issuer or the Agent. Under such circumstances, the event that a successor securities depository is not obtained, Bond certificates will be printed and delivered.

The School District may decide to discontinue use of the system of book-entry transfer through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered.

Use of Certain Terms in other Sections of the Official Statement. In reading this Official Statement it should be understood that while the Bond certificates are in the Book-Entry-Only System, references in other sections of this Official Statement to registered owners should be read to include the person for which the Participant acquires an interest in the Certificates, but (i) all rights of ownership must be exercised through DTC and the Book-Entry-Only System, and (ii) except as described above, notices that are to be given to registered owners under the Indenture will be given only to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the School District believes to be reliable, but the School District takes no responsibility for the accuracy thereof.

CONCLUDING STATEMENT

To the extent that any statements made in this Official Statement involve matters of opinion or estimates, whether or not expressly stated to be such, they are made as such and not as representations of fact or certainty and no representation is made that any of these statement have been or will be realized. Information in this Official Statement has been derived by the School District from official and other sources and is believed by the School District to be accurate and reliable. Information other than that obtained from official records of the School District has not been independently confirmed or verified by the School District and its accuracy is not guaranteed.

Neither this Official Statement nor any statement that may have been made orally or in writing in connection herewith is to be construed as or as a part of a contract with the original purchasers or subsequent owners of the Bonds.

INDEPENDENT SCHOOL DISTRICT NUMBER 3
TULSA COUNTY, OKLAHOMA

/s/ _____
President, Board of Education

ATTEST:

/s/ _____
Clerk, Board of Education

ADDENDUM “A”

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the “Disclosure Certificate”) is executed and delivered by Independent School District No. 3 of Tulsa County, Oklahoma, (the “Issuer”) in connection with the issuance of \$30,000,000 Taxable General Obligation Combined Purpose Bonds of 2021 (the “Bonds”). The Bonds are being issued pursuant to a Resolution dated the 23rd day of February, 2021. The Issuer covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the Bondholders, including beneficial owners, and in order to assist the Participating Underwriters in complying with SEC Rule 15c2-12(b)(5).

SECTION 2. Definitions. In addition to the definitions set forth in the Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“**Annual Report**” shall mean any Annual Report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

“**Audited Financial Statements**” shall mean the School District’s annual financial statements, prepared on a prescribed basis of accounting that demonstrates compliance with the cash basis and budget laws of the State of Oklahoma, which financial statements shall have been audited by such auditor as shall be then required or permitted by the laws of the State. Revenues are recorded as received in cash, except for revenues susceptible to accrual and material revenues that are not received at the normal time of receipt. Expenditures are recorded in the accounting period in which the fund liability is incurred and encumbered.

“**Dissemination Agent**” shall mean the Issuer, or any successor Dissemination Agent designated in writing by the Issuer and which has filed with the Issuer a written acceptance of such designation.

“**EMMA**” shall mean the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access system.

“**Listed Events**” shall mean any of the events listed in Section 5(a) of this Disclosure Certificate.

“**National Repository**” shall mean any Nationally Recognized Municipal Securities Information Repository for purposes of the Rule. Currently, the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access (EMMA) system is the National Repository. Annual Reports and notices of material events are to be electronically filed at the EMMA website: www.emma.msrb.org.

The names and addresses of all current NRMSIRs should be verified each time information is delivered pursuant to this Certificate.

“**Participating Underwriter**” shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with the offering of the Bonds.

“**Repository**” shall mean each National Repository and each State Repository.

“**Rule**” shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“**State**” shall mean the State of Oklahoma.

“**State Repository**” shall mean any public or private repository or entity designated by the State as a state repository for the purpose of the Rule. As of the date of this Disclosure Certificate, there is no State Repository.

SECTION 3. Provision of Annual Reports.

(a) The Issuer shall, or shall cause the Dissemination Agent to, not later than ten months

following the end of the fiscal year (as of the date of this Disclosure Certificate, June 30 is the end of the fiscal year), provide annually to each Repository an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. Not later than fifteen (15) Business Days prior to said date, the Issuer shall provide the Annual Report to the Dissemination Agent (if other than the Issuer). The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the School District may be submitted separately from the balance of the Annual Report.

(b) If the Issuer is unable to provide to the Repositories an Annual Report by the date required in subsection (a), the Issuer shall send a notice to each Repository in substantially the form attached as Exhibit A.

(c) The Dissemination Agent shall:

(i) determine each year prior to the date for providing the Annual Report the name and address of each National Repository and each State Repository, if any; and (if the Dissemination Agent is other than the Issuer)

(ii) file a report with the Issuer certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, stating the date it was provided and listing all the Repositories to which it was provided.

SECTION 4. Content of Annual Reports. The Issuer's Annual Report shall contain or incorporate by reference the financial information or operating data with respect to the Issuer of the type included in Appendix A of the final official statement. If Audited Financial Statements are not available by the time the Annual Report must be provided, unaudited financial statements will be provided as part of the Annual Report and Audited Financial Statements will be provided, when and if available, to each Repository.

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the Issuer or related public entities, which have been submitted to each of the Repositories or the Securities and Exchange Commission. If the document incorporated by reference is a final official statement, it must be available from the Municipal Securities Rulemaking Board. The Issuer shall clearly identify each such other document so incorporated by reference.

SECTION 5. Reporting of Significant Events.

(a) This Section 5 shall govern the giving of notices of the occurrence of any of the following events:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults; if material
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions or events affecting the tax-exempt status of the security;
7. Modification to rights of security holders;
8. Bond calls; if material
9. Defeasances, release, substitution, or sale of property securing repayment of the securities; if material
10. Rating changes;
11. Tender offers;
12. Bankruptcy, insolvency, receivership or similar event of the obligated person;

13. Merger, consolidation, or acquisition of the obligated person, if material;
14. Appointment of a successor or additional trustee, or the change of name of a trustee, if material
15. Incurrence of a financial obligation of the issuer or obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the issuer or obligated person, any of which affect security holders, if material;
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the financial obligation of the issuer or obligated person, any of which reflect financial difficulties;

(b) Whenever the Issuer obtains knowledge of the occurrence of a Listed Event, the Issuer shall take the actions specified in subsection (c) hereof.

(c) The Issuer shall within ten (10) business days file a notice of the occurrence of a Listed Event with the Municipal Securities Rulemaking Board and each State Repository, if material. Provided, that any event under subsections (a)(8), (9) or (11) will always be material. Notwithstanding the foregoing, notice of Listed Events described in subsections (a)(8) and (9) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders of affected Bonds pursuant to the Resolution.

SECTION 6. Termination of Reporting Obligation. The Issuer's obligation under this Disclosure Certificate shall terminate upon the defeasance, prior redemption or payment in full of all of the Bonds.

SECTION 7. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The initial Dissemination Agent shall be the Issuer.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of the Disclosure Certificate, the Issuer may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws, to the effect that such amendment or waiver would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule.

SECTION 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the Issuer shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate any bondholder, including beneficial owners, may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an event of default under the Resolution, and the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with this Disclosure Certificate shall be an action to compel performance.

SECTION 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the Issuer agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the Issuer under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

SECTION 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Dissemination Agent, the Participating Underwriter and Bondholders, including beneficial owners, from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 13. Previous Undertaking. During the previous five years, the District did not timely file the following to EMMA:

- (a) Regarding the School District Educational Lease Revenue Bonds, Series 2011 & Series 2012, the district failed to submit their Annual Audit and Financial Information and Operating Data for periods ending June 30, 2012 – June 30, 2015. The audit along with the financial information and operating data has been posted to the repository as of 02/17/2016.
- (b) Regarding the School District Educational Lease Revenue Bonds, Series 2011 and 2012, certain Audited Supplemental Financial Information for fiscal years ending June 30, 2016 and June 30, 2017 or notice of failure to file such information. The financial information and notice of failure to file was posted to the repository as of December 19, 2018.
- (c) Regarding the School District Educational Lease Revenue Bonds, Series 2011 and 2012, their Annual Audit for periods ending June 30, 2012- June 30, 2015 or notice of failure to file such information. The financial information and notice of failure to file was posted to the repository as of February 17, 2016.
- (d) Regarding the School District Educational Lease Revenue Bonds, Series 2011 and 2012, their Audited Financial Information and Operating Data for periods ending June 30, 2013- June 30, 2017 or notice of failure to file such information. The financial information and notice of failure to file was posted to the repository as of December 19, 2018 for June 30, 2014- June 30, 2017 and February 18, 2019 for June 30, 2013.
- (e) Regarding the School District General Obligation Bonds, Series 2016 and 2017, certain Audited Supplemental Financial Information for fiscal year June 30, 2017 or notice of failure to file such information. The financial information and notice of failure to file was posted to the repository as of January 3, 2019.

Procedures have been put in place to ensure that the annual audits are submitted within the 10 month time frame following the end of the Issuer's fiscal year.

APPENDIX A

FINANCIAL INFORMATION AND OPERATING DATA

SCHEDULE OF OUTSTANDING INDEBTEDNESS

(Including the Bonds)

Date of Issue	Original Principal Amount	Remaining Maturities	Maturity Date	Total Outstanding
4/1/2021	\$30,000,000	\$7,500,000	4/1/2023-2026	\$30,000,000
4/1/2020	\$15,200,000	\$3,800,000	4/1/2022-2025	\$15,200,000
4/1/2019	\$42,500,000	\$8,000,000 \$17,250,000	4/1/2021 4/1/2022-2023	\$42,500,000
5/1/2018	\$23,325,000	\$5,830,000 \$5,835,000	5/1/2021-2022 5/1/2023	\$17,495,000
4/1/2017	\$23,500,000	\$5,875,000	4/1/2021-2022	\$11,750,000
4/1/2016	\$20,925,000	\$5,235,000	4/1/2021	\$ 5,235,000
12/1/2015	\$3,000,000	\$ 600,000	12/1/2021	\$ 600,000
Total Outstanding Indebtedness				\$ 122,780,000

ESTIMATED SCHEDULED PRINCIPAL AND INTEREST PAYMENTS

(Including the Bonds)

Fiscal Year Ending 6-30	Maturing Principal-All Bonds	Interest Due All Bonds*	Total Principal and Interest - All Bonds
2021	\$ 24,940,000.00	\$ 1,341,988.75	\$ 26,281,988.75
2022	\$ 33,355,000.00	\$ 2,678,590.00	\$ 36,033,590.00
2023	\$ 34,385,000.00	\$ 1,752,015.00	\$ 36,137,015.00
2024	\$ 11,300,000.00	\$ 787,100.00	\$ 12,087,100.00
2025	\$ 11,300,000.00	\$ 507,000.00	\$ 11,807,000.00
2026	\$ 7,500,000.00	\$ 225,000.00	\$ 7,725,000.00
Totals	\$ 122,780,000.00	\$ 7,291,693.75	\$ 130,071,693.75

*Assumes 3.00% interest on the Bonds.

Source: District Administration & Budgets

ESTIMATED SCHEDULED SINKING FUND LEVIES TO RETIRE BONDS
(Including the Bonds)

Fiscal Year Ending 6/30	Principal Levy- All Bonds	Interest Levy All Bonds*°	Total Levy - All Bonds
2021	\$ 28,690,000.00	\$ 2,361,983.75	\$ 31,051,983.75
2022	\$ 29,905,000.00	\$ 2,680,806.67	\$ 32,585,806.67
2023	\$ 25,205,000.00	\$ 1,524,887.50	\$ 26,729,887.50
2024	\$ 9,040,000.00	\$ 717,075.00	\$ 9,757,075.00
2025	\$ 9,040,000.00	\$ 436,500.00	\$ 9,476,500.00
2026	\$ 6,000,000.00	\$ 168,750.00	\$ 6,168,750.00
<hr/>			
Total	\$ 107,880,000.00	\$ 8,954,347.09	\$ 115,770,002.92
	ADD: SINKING FUND BALANCE		<u>\$ 17,043,962.28</u>
	TOTAL		<u>\$ 132,813,965.20</u>

* Does not include levies for judgments or reserve for uncollected taxes.

° Assumes 3.00% interest on the Bonds.

OVERLAPPING AND UNDERLYING INDEBTEDNESS

Direct, underlying and overlapping indebtedness within the School District includes debt of the District, City of Broken Arrow, City of Tulsa, City of Coweta, Tulsa Community College, Tulsa Vo-Tech #18, Tulsa County and Wagoner County as shown.

Municipality	Net Debt	Percent Applicable to School District	Overlapping Debt to School District	Per Capita Debt
Broken Arrow Schools	\$ 105,731,037	100%	\$ 105,731,037	\$ 1,057.31
Tulsa County*	\$ 1,710,224	10.48%	\$ 179,231	\$ 1.79
Wagoner County*	\$ 0	n/a	\$ 0	\$ 0.00
Tulsa Community College*	\$ 0	n/a	\$ 0	\$ 0.00
Tulsa Vo-Tech #18*	\$ 0	n/a	\$ 0	\$ 0.00
City of Broken Arrow*	\$ 125,656,305	100%	\$ 125,656,305	\$ 1,256.56
City of Tulsa*	\$ 330,972,187	0.68%	\$ 2,250,610	\$ 22.50
City of Coweta*	<u>\$ 0</u>	n/a	<u>\$ 0</u>	<u>\$ 0.00</u>
Total	\$ 564,069,753		\$ 233,817,183	\$ 2,338.16

*As of June 30, 2019.

Source: County Budgets

COMPOSITION AND GROWTH OF THE NET ASSESSED VALUATION

The composition of the Net Assessed Valuation of the School District for the Fiscal Year 2020-2021 is as follows:

Property	Tulsa County	Wagoner County	Total	Percentage to Assessed Valuation
Gross Real Homestead	\$ 642,704,833	\$ 291,509,772	\$ 934,214,605	
Net Real Estate	\$ 14,779,116	\$ 13,501,480	\$ 28,280,596	
	\$ 627,925,717	\$ 278,008,292	\$ 905,934,009	86.09%
Personal	\$ 36,149,972	\$ 67,408,164	\$ 103,558,136	9.84%
Public Service	\$ 23,403,787	\$ 19,355,152	\$ 42,758,939	4.06%
Gross Valuation	\$ 702,258,592	\$ 378,273,088	\$ 1,080,531,680	
Net Valuation	\$ 687,479,476	\$ 364,771,608	\$ 1,052,251,084	

Source: Tulsa & Wagoner County Assessors

The growth of the Net Assessed Valuation for the past ten years has been as follows:

Fiscal Year	Valuation	Fiscal Year	Valuation
2020-2021	\$ 1,052,251,084	2015-2016	\$ 799,993,708
2019-2020	\$ 985,532,323	2014-2015	\$ 769,023,417
2018-2019	\$ 945,857,259	2013-2014	\$ 752,147,392
2017-2018	\$ 889,371,848	2012-2013	\$ 721,308,901
2016-2017	\$ 839,936,514	2011-2012	\$ 700,733,473

Source: Tulsa & Wagoner County Assessors

SINKING FUND TAX COLLECTIONS

Total Fiscal Year	Tax Levy	Current Collection	Percentage Collected	Total Collections	Total Percentage Collected
2020-2021	\$ 31,935,158	in progress	n/a	in progress	n/a
2019-2020	\$ 31,115,287	\$ 29,725,899	95.53%	\$ 30,260,212	97.25%
2018-2019	\$ 28,123,411	\$ 27,815,724	98.91%	\$ 28,266,596	100.51%
2017-2018	\$ 26,363,247	\$ 25,836,494	98.00%	\$ 26,261,601	99.61%
2016-2017	\$ 24,691,240	\$ 24,722,801	100.13%	\$ 25,185,449	102.00%
2015-2016	\$ 22,502,579	\$ 22,204,340	98.67%	\$ 22,617,111	100.51%
2014-2015	\$ 22,683,724	\$ 23,823,719	105.03%	\$ 23,823,719	105.03%
2013-2014	\$ 21,743,905	\$ 21,199,802	97.50%	\$ 21,638,463	99.52%
2012-2013	\$ 20,646,566	\$ 20,132,286	97.51%	\$ 20,534,857	99.46%
2011-2012	\$ 19,356,452	\$ 19,841,714	102.51%	\$ 20,294,054	104.84%

Source: District Administration & Budgets

PERCENTAGE OF TAXES COLLECTED

The ratio of Net and Gross Sinking Fund Tax Collections to the Gross Sinking Fund Levy (the levy after addition of the reserve for uncollected taxes) is as follows:

Fiscal Year	Ratio of Net Tax Collection to Gross Levy	Ratio of Gross Tax Receipts to Gross Levy
2019-2020	95.53%	97.25%
2018-2019	98.91%	100.51%
2017-2018	98.00%	99.61%
2016-2017	100.13%	102.00%
2015-2016	98.67%	100.51%
2014-2015	105.03%	105.03%
2013-2014	97.50%	99.52%
2012-2013	97.51%	99.46%
2011-2012	102.51%	104.84%

Source: District Administration & Budgets

TREND OF TAX RATES OF MAJOR TAXING UNITS

Fiscal Year	Tulsa County	Broken Arrow Schools	Tulsa Comm. College	Tulsa Vo-Tech	City of Broken Arrow	Total Levy
2019-20	\$ 22.66	\$ 73.18	\$ 7.21	\$ 13.3	\$ 15.66	\$ 132.04
2018-19	\$ 22.74	\$ 71.33	\$ 7.21	\$ 13.33	\$ 15.61	\$ 130.22
2017-18	\$ 22.24	\$ 71.24	\$ 7.21	\$ 13.33	\$ 16.84	\$ 130.86
2016-17	\$ 22.24	\$ 71.00	\$ 7.21	\$ 13.33	\$ 16.92	\$ 130.70
2015-16	\$ 22.22	\$ 69.73	\$ 7.21	\$ 13.33	\$ 17.10	\$ 129.59
2014-15	\$ 22.23	\$ 71.10	\$ 7.21	\$ 13.33	\$ 17.14	\$ 131.01
2013-14	\$ 22.23	\$ 70.51	\$ 7.21	\$ 13.33	\$ 17.32	\$ 130.60
2012-13	\$ 22.24	\$ 70.22	\$ 7.21	\$ 13.33	\$ 16.50	\$ 129.50
2011-12	\$ 22.24	\$ 70.60	\$ 7.21	\$ 13.33	\$ 17.13	\$ 130.51
2010-11	\$ 22.21	\$ 69.25	\$ 7.21	\$ 13.33	\$ 16.44	\$ 128.44

*Expressed in dollars per \$1,000 of net assessed valuation

Source: Tulsa & Wagoner County Assessors and Budgets

STUDENT ENROLLMENT TREND

School Year	Total Enrollment	Percentage Change
2020-21	18,619	-1.04%
2019-20	19,436	1.86%
2018-19	19,081	0.03%
2017-18	19,074	1.24%
2016-17	18,841	2.64%
2015-16	18,357	2.28%
2014-15	17,947	4.30%
2013-14	17,207	1.58%
2012-13	16,940	2.23%
2011-12	16,571	-0.01%
2010-11	16,618	2.60%
2009-10	16,196	

Source: District Administration

ECONOMIC INDICES

Unemployment Rate (Twelve Month Moving Average)

	June 2020	June 2019	June 2018
United States	11.1%	3.7%	4.0%
State of Oklahoma	7.1%	3.2%	3.9%
Tulsa County	7.1%	3.4%	3.4%

Source: US Bureau of Labor Statistics

Largest Ad Valorem Taxpayers (Based on Net Assessed Valuation 2020-2021)

<u>Name</u>	<u>Type of Business</u>	<u>NAV</u>
AG Equipment	Manufacturer	\$11,199,999
Public Service Co of OK	Electrical Utility	\$10,165,543
Wal-Mart Stores	Retail Discount Store	\$6,049,303
Alpine/JMCR	Real Estate	\$6,164,246
Greens at Broken Arrow	Apartment Complex	\$5,965,014
St. John Hospital	Hospital	\$5,455,773
OK Natural Gas	Gas Utility	\$3,913,021
Flight Safety International	Aviation Industry	\$3,908,331
Park at Mission Hills	Apartment Complex	\$3,888,912
Valor Comm. Of OK	Telephone Utility	\$3,698,101

Source: Tulsa County Assessor

Broken Arrow Area Major Employers

<u>Name of Employer</u>	<u>Type of Business</u>	<u>No. of Employees</u>
Broken Arrow Public Schools	Education	2,090
Wal-Mart (3)	Retail Store	900
City of Broken Arrow	Municipal Government	801
Northeastern State University	Education	800
Flight Safety International	Flight Simulators	735
Zeeco	Manufacturing	647
Oklahoma Healthcare Services	Health Care	460
AG Equipment Co.	Industrial Machinery & Equipment	360
Exterran	Energy Equipment Systems	350
Micahtek Inc.	Distributing Service	350
McDaniel Technical Services	Engineering Services	325
St. John- Broken Arrow	Hospital	300
Rhema Bible Church	Religious Organization	287
Davis H Elliott/Oklahoma Inc.	Electrical systems contractor	275
Baker Hughes Oil Tools	Oil Field Equipment	260
Bass Pro	Retail outdoor/sporting equipment	238
Mill Creek Lumber & Supply	Wholesale lumber	235
Blue Bell Creameries	Ice Cream (MFRS)	215

Source: City of Broken Arrow's most current availability

Sales Tax Collections

The City levies a three percent (3.55%) local sales tax, which together with the State sales tax of four and one-half percent (4.5%), and the County at 0.367% places the total sales tax rate at 8.417%. Wagoner County levies a 1.30% sales tax, which makes the total sales tax for Broken Arrow overlying Wagoner County 9.35%. Historical sales tax collections for the City are shown below:

<u>Fiscal Year</u>	<u>Total Collections</u>	<u>% Change</u>
2020	56,227,400	5.91%
2019	53,091,035	3.06%
2018	51,513,993	7.50%
2017	47,917,829	12.50%
2016	42,516,340	2.06%
2015	41,658,270	13.32%
2014	36,760,366	7.31%
2013	34,257,302	-6.86%
2012	36,782,091	9.89%
2011	33,471,653	11.37%
2010	30,054,650	0.67%
2009	29,853,362	2.83%
2008	29,031,343	

Source: City of Broken Arrow



Broken Arrow Public Schools
District No. I-003
701 South Main Street
Broken Arrow, OK 74012

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ended
JUNE 30, 2020



COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ending June 30, 2020

Prepared by:

Department of Finance

Natalie Eneff

Chief Financial Officer

Cathy Mitchem

Executive Director of Finance

Broken Arrow Public Schools, District No. I-003

701 S. Main Street

Broken Arrow, Oklahoma 74012

This page is intentionally left blank



**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDING JUNE 30, 2020**

Table of Contents

INTRODUCTORY SECTION	1
Letter of Transmittal & District Profile	2-15
GFOA Certificate of Achievement	16
ASBO Certificate of Excellence	17
School Officials	18
Organizational Chart.....	19
FINANCIAL SECTION	21
Independent Auditor’s Report	22-23
Management’s Discussion & Analysis	24-34
Basic Financial Statements	35
Government-Wide Financial Statements	
Statement of Net Position	36
Statement of Activities.....	37
Fund Financial Statements	
Balance Sheet.....	38
Reconciliation of the Governmental Funds Balance Sheet to the Statement Of Net Position	39
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds.....	40
Reconciliation of Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds with the District-Wide Statement of Activities.....	41
Statement of Net Position – Proprietary Funds.....	42
Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds	43
Statement of Cash Flows – Proprietary Funds.....	44
Statement of Net Position – Fiduciary Funds	45
Statement of Changes in Net Position – Fiduciary Funds	46
Notes to The Financial Statements.....	47-74
REQUIRED SUPPLEMENTARY INFORMATION	75
Schedule of Proportionate Share of the Net Pension Liability	76



**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDING JUNE 30, 2020**

Table of Contents – Continued

REQUIRED SUPPLEMENTARY INFORMATION (Cont'd)	
Schedule of District’s Pension Plan Contributions	77
Schedule of Revenues, Expenditures, and Changes in Fund Balance –	
Budget and Actual (Budgetary Basis) Budgeted Governmental Fund Types – General Fund	78
Notes to the Required Supplementary Information	79
OTHER SUPPLEMENTARY INFORMATION	81
Combining Balance Sheet – Nonmajor Governmental Funds	82
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance –	
Nonmajor Governmental Funds	83
Schedule of Revenues, Expenditures, and Changes in Fund Balance –	
Budget to Actual (Budgetary Basis) Budgeted Governmental Fund Types – Building Fund	84
Schedule of Revenues, Expenditures, and Changes in Fund Balance –	
Budget to Actual (Budgetary Basis) Budgeted Governmental Fund Types – Child Nutrition Fund	85
STATISTICAL SECTION	87
Statistical Table of Contents	88
Financial Trends	89
Government-Wide Net Position by Component	90
Government-Wide Changes in Net Position	91-92
Fund Balances of Governmental Funds	93
Changes in Fund Balances of Governmental Funds	94
Revenue Capacity	95
Assessed and Estimated Actual Value of Taxable Property	96
Direct and Overlapping Property Tax Rates	97
Principal Property Taxpayers	98
Property Tax Levies and Collections	99
Debt Capacity	101
Ratios of Outstanding Debt by Type	102
Ratios of Net General Bond Debt Outstanding	103
Direct and Overlapping Governmental Activities Debt	104
Legal Debt Margin	105



**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDING JUNE 30, 2020**

Table of Contents – Continued

STATISTICAL SECTION (Cont'd).....

Demographic & Economic Information..... 107

 Demographic and Economic Statistics..... 108

 Broken Arrow Area Principal Employers..... 109

 Full-Time Equivalent District Employees by Type..... 110

Operating Information 111

 Capital Assets by Function and Activity 112

 Employee Information 113

 Operating Statistics..... 114

 School Building Information 115-118

This page is intentionally left blank



INTRODUCTORY SECTION



December 7, 2020

Citizens and Governing Board of Education
Broken Arrow Public Schools, District I-003
701 S. Main Street
Broken Arrow, OK 74012

Management hereby presents the Comprehensive Annual Financial Report (“CAFR”) of Broken Arrow Public Schools, Broken Arrow, Oklahoma for the year ended June 30, 2020. This report was prepared by the District’s Office of Finance. State law mandates that school districts undergo an annual single audit and publish a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP), and audited in accordance with auditing standards (GAAS) by a firm of licensed certified public accountants.

Management of the District assumes full responsibility for the completeness and reliability of all of the information presented in this report and provides reasonable assurance that its financial statements are free of any material misstatements.

To provide a reasonable basis for making these representations, the District has established a comprehensive internal control framework that is designed both to protect the District’s assets from loss, theft, or misuse and to gather sufficient reliable information for the preparation of the District’s financial statements. The cost of internal controls should not outweigh their benefits; consequently, the District’s comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. Internal offices of the District, namely the offices of Accounting, Budget, and Accounts Payable, regularly review expenditures of district funds and perform selective and random reviews of operations and controls further ensuring that this report is complete and reliable in all material respects and in conformity with GAAP.

The District’s Management Discussion and Analysis (MD&A) immediately follows the independent auditors' report and provides a required narrative introduction, overview, and analysis of the basic financial statements to be read in conjunction with this letter of transmittal.

The District’s financial statements have been audited by Jenkins & Kemper CPAs, P.C. As part of the federally mandated “Single Audit” requirement, Jenkins & Kemper CPAs, P.C., also performs an annual audit of the District’s internal controls and compliance thereto with legal requirements involving the administration of federal awards and grants. The Single Audit is designed to meet the needs of federal grantor agencies. These reports are available in the District’s separately issued Single Audit Report.

DISTRICT PROFILE

LOCAL ECONOMY & HISTORY

The city of Broken Arrow is a suburban community located in northeastern Oklahoma, primarily in Tulsa County with a small section of the city in western Wagoner County. It is the largest suburb of Tulsa. According to the U.S. Census Bureau, Broken Arrow has a population of more than 110,000 residents and is the fourth largest city in the state. It is one of the fastest growing cities in the state, doubling its population since the 1980s.

Named one of the most affordable suburbs in the south by Business Week, Broken Arrow is also considered one of the safest cities in the nation. The city's large land area lends itself to all the best aspects of suburbia, while the low commute times and excellent traffic grid management make getting where you need to go easy. Broken Arrow makes it possible to get that suburban feel without being far from the action. A network of sidewalks and trails connect neighborhoods to parks, and the city's collection of athletic facilities encourages residents in many sports. The Rose District with the Broken Arrow Performing Arts Center and variety of restaurants and specialty stores remains the heart of Broken Arrow's entertainment scene. Broken Arrow is home to a wide range of businesses and industries. In fact, the city is ranked third in its concentration of manufacturers in the state. In addition to the booming manufacturing industry, aerospace and aviation, healthcare and social assistance, business and professional service, and retail all contribute to making Broken Arrow an attractive city to live and work.

Broken Arrow continues to attract new businesses due to the low cost of doing business. It has the lowest sales tax rate

in the Tulsa Metro area at 8.35 percent, the lowest utility costs in the region and low property tax rates averaging 1.35 percent, compared to the U.S. average of 2.14 percent.

Broken Arrow has been repeatedly recognized on a national level. USA Today named the Rose District as one of its most charming main streets. Broken Arrow also garnered the 29th spot on the publication's 50 Most Livable Cities list. At the U.S. Conference of Mayors, Broken Arrow was named one of the "Most Livable" cities in America. Mayor Craig Thurmond

was named a first place winner for the redevelopment and revitalization of the Rose District. Finally, Business Insider ranked Broken Arrow among the American cities with the lowest violent crime rates. Business Insider published its list of 40 cities, placing Broken Arrow at No. 9 with 6.1 violent crimes per 10,000 residents.

The school district, Broken Arrow Public Schools (BAPS), has four early childhood centers, 15 elementary schools, five middle schools, two alternative academies that serve secondary students, one ninth grade academy and one senior high school – all

of which combine to provide services to more than 19,000 students. Students in grades K-5 attend elementary schools. Of the 15 elementary schools, 13 are grades K-5, one is configured to serve students in grades K-2 and one houses students in grades 3-5. Middle schools serve grades 6-8. The high school is composed of two sites – one freshman academy for students in ninth grade and the senior high school for students in grades 10-12. All campuses are fully accredited by the state of Oklahoma and the North Central Association of Secondary Schools and Colleges.



RELATIONSHIP TO OTHER GOVERNMENTS

Broken Arrow Public Schools values its relationship with other governmental entities. The City of Broken Arrow, Chamber of Commerce and BAPS exchange representation on boards and committees to promote communication and collaboration between entities to improve the quality of life in Broken Arrow. Further, BAPS is represented on the Broken Arrow Economic Development Corporation Board (BAEDC). Focusing on creating wealth, jobs and economic growth in the community through attraction and retention of



businesses, workforce development, education and collaboration with regional partners, the BAEDC is governed by directors that serve as representatives of the business community, the City of Broken Arrow and the school system.

BUDGETARY CONTROLS

Broken Arrow Public Schools utilizes budgetary controls to ensure compliance with legal appropriation limitations and to provide an operating plan for the district's resources. At the beginning of each fiscal year, BAPS completes an Estimate of Needs report. The County Excise Board then approves the appropriated funds for the legal budget. The Board of Education is required to approve the budget within 45 days after the County Excise Board approves the Estimate of Needs. Once the Board of Education approves the operating budget, any changes to appropriations must be approved by the Board of Education.

The annual budget serves three purposes: (1) it is the financial plan for the district for the fiscal year, reflecting goals and priorities at the individual, departmental and district level, (2) it is a management tool for the administrative staff and provides primary control to direct and limit expenditures, and (3) it represents planned fiscal activities of the district to the employees, students and patrons of the district. The level of budgetary control is maintained by fund

and by project. Individual line items may be adjusted without Board action, but total budgeted expenditures may not exceed appropriations at the major fund level without Board approval. The district utilizes an encumbrance system as a technique of budgetary control with encumbered appropriations lapsing at year end.

Overall responsibility for the budget rests with the chief financial officer under the direction of the superintendent. The chief financial officer develops procedures for budget control and reporting in accordance with state and federal laws and regulations, board policy, and proper internal controls.

During the 2019-20 budgeting process, one of the critical goals was to maintain a well-established fund balance. This fund balance helped combat inflationary items such as insurance, utilities and fuel. Additionally, it helped protect the district against uncertain state funding along with the uncertainty of COVID-19 expenses.

LONG-TERM FINANCIAL PLANNING & MAJOR INITIATIVES

Broken Arrow Public Schools utilizes five community-wide committees for planning: Long Range, Budget, Strategic Planning, High School Configuration and Visioning Task Force. The newest of the committees

are the High School Configuration and Visioning Task Force, which have worked to address overcrowding at the high school campus over the past few years.

ADMINISTRATION

The administration of Broken Arrow Public Schools is separated into seven divisions with different departments in each division:



Dr. Janet Vinson

The Superintendent Services Division is responsible for the everyday educational operations at elementary and secondary levels, while also coordinating district functions and overseeing the district's strategic plan.

The Instructional Services Division is responsible for ensuring academic accountability at the state and federal level, while also implementing initiatives and support services that enhance academic performance. The Instructional Services team also oversees the before and after care program (B&A Connections), campus security, the nursing program and energy management.

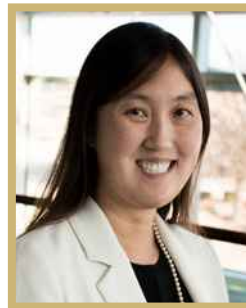


Karla Dyess



Chuck Perry

The Student Services Division includes fine arts, athletics and other co-curricular activities and ArrowVision. This division oversees public relations and communications. Public relations handles media and community relations, open records requests and the Tiger Threads spirit store. Communications handles district publications, requests to distribute information on the website and social media.



Natalie Eneff

The Business Services Division is responsible for managing the district's financial services, including financial reporting, accounts payable, treasury, purchasing, student activity funds, risk management and federal finance. The Business Services Division also oversees district contracts and the financial audit.

Operations Services Division is responsible for the district's facilities, maintenance, and custodial services. The Operations Services Division manages capital improvements, the maintenance of buildings, facility use, plant operations and the central warehouse.



Michelle Bergwall



Ashley Bowser

Technology Services Division, which is charged with managing the district's network and all instructional technology, including the 1:1 initiative. This division also oversees student data management, enrollment and transportation services.

Administrative Services Division is responsible for personnel, recruitment and retention, district Board of Education policies, compensation and benefits, payroll, legal coordination, child nutrition, and legislative affairs.



Lori Kerns

BOARD OF EDUCATION

The Broken Arrow Board of Education is an elected board and enjoys an excellent reputation for selfless service to the community. Each board member seat is for a 5-year term. Board members tackle the enormous job of governing the school district while preserving the core of our democratic values.

The Board is responsible for establishing policies under which the school system operates, adhering to Oklahoma and federal laws, and balancing the unique needs of the community. As citizen leaders, individual school board

members face complex and demanding challenges, contributing hundreds of hours each year to effectively lead the district.

The Board of Education is comprised of five board members, each representing one of the five zones within the district. Each Board member serves a five-year term in office and annual elections are held each February.

The Board of Education plays an invaluable role by promoting and supporting the mission and vision of the district.

PROJECTED ENROLLMENT

Broken Arrow Public Schools has seen relatively steady enrollment growth over the past decade. In fact, BAPS' population grew more than three times the national rate between 2000 and 2010. Since 2000, the population in Broken Arrow has increased by 2,281 a year – the strongest in the region.

Based on independent research of birthrates, the resulting prediction model of BAPS projects an enrollment of 20,298 students by 2024. This, of course, would be based on the same rate of growth during the next 10 years as has occurred during the last 10 years. Low-end projections call for a gain of 1,527 new students in the next decade, indicating that BAPS' school-age population will grow more aggressively during the next decade than it has during the last decade.

The prediction model indicates that the 0-4 year-old population in the district should grow about 0.7 percent annually from 2013 through 2018, increasing single year

of age cohorts from an average of 1,545 children today to 1,633 in 2023. The 5-14 year-old population is estimated to average 1,397 per cohort currently and is projected to grow by 1.4 percent annually through 2018 and then 0.5 percent annually through 2023, increasing cohort sizes to 1,494 in 2018 and 1,531 in 2023. Finally, the 15-18 year-old population is projected to grow by 1.8 percent through 2018 and 1.1 percent for the years 2018 through 2023. Thus, these projections imply that growth could taper off in a decade, as the higher growth rates are for older children (due to the boom in the mid-2000s to present) and the lower and slowing growth rates are for the elementary and preschool-age children.

Districtwide, school-age populations are projected to grow by about 1.5 percent annually through 2018 and less than half that rate, 0.7 percent, from 2018 to 2023.

CORE VALUES

The students and staff at Broken Arrow Public Schools continue to find meaning in the district's four core values, especially during a global pandemic. These four core values support the district's vision and help shape culture, both internally and externally.

- 1. We embrace the responsibility of our calling.** Each of us is accountable to serve our students, our district and our community. We do it with honesty, integrity and transparency.
- 2. We are passionate about learning.** We consistently seek new ways to lead and follow our students into the future.
- 3. We are a student-focused, relationship driven school district.** We strive to engage our students and community through kindness, compassion and empathy.
- 4. We celebrate and find strength in our diversity.** It takes people with different ideas, interests and backgrounds to drive our district forward.

NET ASSESSED VALUE

The district’s net assessed valuation (NAV) refers to the local property wealth. For 2019-20 school year, the NAV was \$985,532,323. Since 2000, the district has seen a steady increase in the NAV, which has grown at a rate of 3 to 4 percent each year. The NAV determines the bonding

capacity of a district and has been critical for BAPS as it passed school bonds for capital improvements needed to serve its growing student population. This has been a key figure as a sign of the district’s positive economic position

HISTORY OF DISTRICT BUILDINGS

Even though Oklahoma would not become a state until 1907, Broken Arrow residents were ahead of their time and valued education for their children. In 1904, a two-story school building was constructed on Main Street Broken Arrow from a 2 percent sales tax initiated by the community. The first Broken Arrow High School senior class graduated in 1908 with only three students.

In 1924, Broken Arrow’s first school building was damaged by a fire, and because of the damage, the structure was razed. The facility was later rebuilt on the same site and utilized for decades to educate children living in the community.

In the early 2000s, the building was repurposed and called Central on Main. Today it serves as the home to the district’s enrollment center, administrative office and a community ballroom. It is also listed on the National Register of Historic Places, serving as a reminder of Broken Arrow’s rich educational history to all who pass through the doors.

Since then, Broken Arrow Public Schools has given generations of students an excellent education at 27 school sites. These school sites range in age from 1954 to 2017. Broken Arrow has been able to maintain excellent facilities by utilizing bond dollars to ensure all buildings provide an excellent learning environment for students.

DISTANCE LEARNING DURING GLOBAL PANDEMIC

In an effort to prevent the further spread of coronavirus in Oklahoma, the Oklahoma State Board of Education voted in late March to close all Oklahoma school buildings for the rest of the school year. Broken Arrow Public Schools administrators and teachers tirelessly worked on a continuous learning plan where students could “virtually” resume coursework on April 6.

“I know this was not an easy decision for our state leaders, but a necessary decision that helped keep our students and staff safe,” Broken Arrow Public Schools Superintendent Dr. Janet Vinson said. “This is an unprecedented time for school districts. We know nothing will ever be able to replace in-person instruction, but we were confident our creative educators and administrators did everything in their power to continue connecting with Broken Arrow students in new, innovative ways.”

The State Board was poised to take action on a host of waivers – ranging from school calendars to loosening current restrictions on funds – aimed at giving districts greater flexibility to respond to the needs of their students and communities

“I know this is a tough time for our community, state and nation” Vinson said. “There are a lot of unknowns right now, but one thing is for certain – we will continue to get



through this together, as a Broken Arrow family.”

Regular updates regarding the COVID-19 situation can be found at www.baschools.org/COVID19

ASSOCIATE DEGREE IN HIGH SCHOOL

A “celebration caravan” traveled to the homes of nine Broken Arrow High School students who worked the last six semesters to earn their associate degree from Tulsa Community College while in high school through a program called Dual Credit to College Degree. This graduation parade and social distancing celebration included honking and waving from administration from Broken Arrow Public Schools and Tulsa Community College.



The nine students were Ethan Braithwaite, Reagan Ferguson, Josiah Fields, Trinity Fulton, Benjamin Honnold, Leishan Marasigan, Sawyer Newman, Robyn Thorton and BreAnn Williams. Each received a personalized congratulation poster for their front window, an informational flier about Tulsa Community College’s virtual graduation and the coveted blue dual credit graduation cord.

“This is our first group of students to graduate with a high school diploma and an associate degree, and I am incredibly proud of their dedication and tenacity,” Broken Arrow Public Schools Superintendent Dr. Janet Vinson said. “This unique program is a partnership between Broken Arrow Public Schools, TCC and NSU that began in spring 2018.”

“It gives our students the opportunity to graduate with a high school diploma and earn an associate degree from Tulsa Community College. Then, the student has the option to seamlessly transfer to a university of their choice to earn a bachelor’s degree. I expect this program to truly change the face of our community and provide employers a huge incentive to grow their own workforce here in Broken Arrow.”

The college courses are taught by TCC faculty with a majority of the classes held on the NSUBA campus. Students will be “triple-enrolled,” allowing them access to writing labs, libraries, advising and other support services at TCC and NSU while also remaining part of their Broken Arrow High School class and eligible for student activities.

The nine Broken Arrow students were identified to participate based on their PSAT scores and began their college coursework during the summer of their sophomore year.

Participating students earned up to 60 hours of college credit and completed a TCC Associate of Arts degree in Liberal Arts while also satisfying their high school graduation requirements.

From start to finish the Dual Credit to College Degree program costs significantly less to complete an associate degree compared to enrolling directly after high school.

“Research shows that students who take college courses while still in high school are more likely to graduate high school and earn a college degree,” said Broken Arrow High School Principal Liz Burns. “We couldn’t be prouder of this first group of students who are blazing a trail that we expect many more students to follow in the years to come.”

The second dual credit cohort to graduate in 2021 includes 21 students.

“As the program grows in popularity, we are hopeful the number of participating students continues to increase,” Vinson said. “These dual credit students are learning valuable skills that will help guide their decisions following high school. We are so proud!”



PROJECT PATHWAYS PROGRAM

Broken Arrow Public Schools launched a new program for its students called Project Pathways, which connects students to a possible career path based on their personal interests, abilities and strengths as early as elementary school.

This program is operated in conjunction with the Broken Arrow Chamber of Commerce and the Broken Arrow Economic Development Corporation

“There are various components that make up the entirety of our Project Pathways program. These components include career exploration at the elementary level, college and career planning at the secondary level, various career pathways, internships, earning college credit in high school and our portrait of a graduate,” said Broken Arrow Public Schools Superintendent Dr. Janet Vinson. “We have a profound responsibility to ensure our students are college ready, career ready and life ready. This program not only extends the classroom into the community, but it increases learning through meaningful, real-world experiences.”

The ultimate goal of the program is to graduate every student with more than a high school diploma and that each has completed an internship in an area of interest.

Beginning in elementary school, students are introduced to different careers through guest readers, speakers, career days, interest assessments and more. At the secondary level, all Broken Arrow students engage in an Individual Career Academic Plan (ICAP). This student-driven process takes place throughout the rest of their high school career and enables them to understand their values and learning styles and create a vision of future career goals. Exposing students to broad career fields will help them make informed decisions about high school course selections and the various career pathways.

Aligned with Career Tech and higher education degree programs, Broken Arrow Public Schools career pathways are an integrated collection of curriculum and programs that provide students with a roadmap for

future success and an easy-to-read plan of study. Research proves that students who are dialed into a career pathway are more likely to succeed beyond high school and easily transition to post-secondary education or the workforce.



“Students are never stuck in a single pathway,” Vinson said. “Career pathways are simple roadmaps to provide students with choices and time to discover what interests them. Students can redirect their path at any time during their high school career.”

Broken Arrow Public Schools is currently partnered with more than 20 local businesses that are providing students with internship or apprenticeship opportunities



“The number one issue we hear from businesses is they don’t have the talent they need,” Broken Arrow Chamber of Commerce President and CEO Jennifer Conway said. “When a business partners with education, they are crafting the curriculum and training the future workforce they need. What we are doing is groundbreaking, for the region and for Oklahoma.”

For more information about Project Pathways, please visit www.baschools.org/ProjectPathways.

2020 DISTRICT TEACHER OF THE YEAR AND SUPPORT EMPLOYEE OF THE YEAR

Every year, the district honors its site teachers of the year and support employees of the year at the annual Star Award Gala, which is held at Broken Arrow's Stoney Creek Hotel and Conference Center. Unfortunately due to the global pandemic and canceled events, Broken Arrow Public Schools found a way to virtually celebrate those who consistently go above and beyond in support of the district's goals.



Lesa Dickson



Kelli Hunsperger

Through special videos recorded by their supervisors and released on the district's social media accounts, Broken Arrow High School English Teacher Lesa Dickson was named District Teacher of the Year and Centennial Middle School Child Nutrition Manager Kelli Hunsperger was named Support Employee of the Year.

"It breaks my heart that we couldn't celebrate our 28 site teachers of the year and five support employees of the year at our annual Gala, but I hope they know how truly valued

they are." Superintendent Dr. Janet Vinson said. "It's because of them that students stay engaged in their educational experience. They are truly champions of public education and are making a difference in the lives of their colleagues and students."

As Teacher of the Year, Dickson is driving a courtesy car, which was graciously

dropped off at her house by Broken Arrow's Matthew Ford.

In addition, Child Nutrition Manager Kelli Hunsperger was announced as the Beyond and Above winner and will receive a cash prize sponsored by Flintco. Nominations for the Beyond and Above award were made by principals, teachers, administrators, supervisors and coworkers. A committee consisting of site and district administrators conducted a review of all candidate nominations before spring break.

VIRTUAL SENIOR CELEBRATION

To honor the Class of 2020 in the midst of a pandemic, Broken Arrow Public Schools hosted a virtual celebration. This celebration premiered live on the district's Facebook page and YouTube channel on May 19, which was the night that seniors were originally scheduled to graduate.

Produced by the ArrowVision video team and hosted by senior students David Grant and Tori Chin, the 60 minute program featured speeches by Broken Arrow High School Principal Liz Burns, STUCO President Haylee Floyd, Senior Class President Peyton Dayer and Representative from the Class of Distinction Denali Huffman. It also gave a shoutout to every high school senior and featured video content typically showcased during graduation, including senior superlatives, the senior song and much more.

We encouraged seniors to put on their cap and gown, take a selfie with their family during the program and use the hashtag #BA20AtHomeTogether.



CLASS
of
2020
SENIOR
CELEBRATION
At Home Together

Tuesday, May 19 7 p.m.

WATCH ON
Facebook YouTube

GRADUATION LOCATION CHANGE



Due to increased venue costs associated with the pandemic, Broken Arrow Public Schools relocated its graduation ceremony from the BOK Center to Broken Arrow High School's Memorial Stadium.

"We wanted to do everything in our power to end the Class of 2020's senior year in a way that honored their hard work," said Superintendent Dr. Janet Vinson. "I truly believed there was no better place than our own turf to celebrate such an incredible group of students."

Among the group of students was Broken Arrow veteran Oscar Nipps Jr., who graduated alongside them on June 30.

"When our district learned of a local war hero who never finished high school because he chose to protect our country and then later raise his family, we knew we needed to honor him," Vinson said. "Our district is overjoyed to celebrate a man who is the definition of perseverance and sacrifice. His story is a great lesson to us all, especially our graduates."

Nipps, a Broken Arrow native and longtime resident, was drafted Dec. 7, 1943, two years to the day after Pearl Harbor. He was a rifleman and company cook with the 1st Cavalry Division and participated in the hard-fought campaign to liberate the Philippines from the Japanese. He was on the front lines for 63 days with no relief and very little food. On Sept. 2, 1945, he witnessed history on board a ship in Tokyo Bay as Japanese officials signed on the dotted line, formally surrendering and ending World War II.

Nipps' story was brought to the district's attention by Broken Arrow Head Football Coach David Alexander.

"This man deserved to receive his diploma, and I was incredibly excited that he was part of the 2020 Broken Arrow High School graduating class as an honorary graduate," Alexander said.

Superintendent Dr. Vinson couldn't agree more.

"This diploma was a token of appreciation for all he did for our country and our community," Vinson said. "Mr. Nipps is officially part of the Broken Arrow Public Schools family, and we couldn't be more thrilled to celebrate him."



Additionally, Nipps received a commendation signed by Governor Kevin Stitt for obtaining his diploma from Broken Arrow High School at age 94.

The Class of 2020 commencement ceremony was also live streamed via the district's YouTube channel.

INAUGURAL PATRIOT BOWL

Broken Arrow Public Schools and Owasso Public Schools rebranded their football rivalry game as the Folds of Honor Patriot Bowl driven by Jim Glover Auto Family in order to celebrate the service and sacrifice of American heroes and raise money to provide scholarships for families of service members who have been killed or wounded.

“We have been incredibly proud to partner with Folds of Honor since 2013,” said Jared Glover, vice president of Jim Glover Auto Family. “Joining with two of Oklahoma’s most elite school districts and football programs to support such a noble mission is a perfect fit for us.”

The inaugural Folds of Honor Patriot Bowl driven by Jim Glover Auto Family took place on Friday, Sept. 13, at Broken Arrow Memorial Stadium. All veterans received free admission.



During the game, Jim Glover Auto Family presented a check to Folds of Honor for a portion of each vehicle sold in the month of July plus an additional \$5,000 on behalf of Broken Arrow and Owasso Public Schools. Since 2013, Jim Glover Auto Family has donated \$450,000 to Folds of Honor.

“We are overjoyed and blessed to continue our life-changing relationship with Jim Glover Auto Family that has made it possible to award 90 scholarships in Oklahoma to date,” said Folds of Honor Founder and CEO Major Dan Rooney. “We could not be more honored by the Owasso and Broken Arrow school districts and football programs for their commitment

to honor our service members by educating their legacy. We are incredibly humbled by the compassion, generosity and patriotism of both schools and their communities for partnering with us on such an important mission.”



The Folds of Honor Patriot Bowl driven by Jim Glover Auto Family offered fans a number of special events to recognize that both the Broken Arrow and Owasso communities value and cherish the freedom our military defends. Both schools wore home uniforms to symbolize being on the same team. In addition spirit groups from both schools participated in a combined performance at halftime, and marching bands from both schools performed patriotic songs before the game.

“Athletics is about so much more than the final score,” said Broken Arrow Executive Director of Athletics Steve Dunn. “We are passionate about teaching our student-athletes to be great champions, but also great citizens and future parents and spouses. This game is an incredible opportunity for our kids to learn about true heroism and putting service above self.”



BAPS PROMOTES THE 2020 CENSUS

Every kid counts, especially in the 2020 census.

This year, the federal government is conducting its decennial census to receive a population count of everyone in the United States. This count includes newborn babies, children, citizens, noncitizens, and those temporarily staying at a household.

Data from the census provides the basis for annually distributing billions of dollars in federal funds to communities across the country to support vital programs that impact education, housing, transportation, health care and more.

What does this mean for Broken Arrow Public Schools? An accurate census count is the critical first step to helping educators address the needs of every child who walks through its doors. The census count only



happens once every 10 years, and when young children aren't counted, the consequences can last most of their childhood. So the district took action and partnered with the City of Broken Arrow to launch an innovative marketing campaign to encourage census participation.

According to the National Education Association, census data determines the distribution of more than \$800 billion, which impacts the amount of federal funds communities receive for special education, classroom technology, teacher training, after-school programs and school lunch assistance.

Research shows young children are at high risk of not being counted. The Annie E. Casey Foundation notes that the 2010 census "missed 10 percent of children under the age of five"—that's more than 2 million kids.

TECHNOLOGY

The vision of the technology team is to make BAPS a choice destination for education by creating an environment that supports and enhances the technological capabilities provided to students, staff members and the community. BAPS facilitates learning and creativity through innovative technology, providing students with access to modern, state-of-the-art equipment that enhances their ability to succeed in tomorrow's world. The district promotes substantial increases in student achievement motivated by interactive technology resources.

In the fall of 2016, the district began implementation of a one-to-one computer initiative by providing personal computing devices to each student at the Freshman Academy.

By providing students with increased access to technology, the classroom becomes more interactive, assignments are more collaborative and students are more engaged in school. Parents also benefit by having online access to the same information as their children, enabling them to better track student progress. Additionally, students will be better prepared for post-secondary education and the workforce because they are learning to use the same cloud-based technologies utilized by colleges and employers.

The district is very proud that as of the 2018-19 school year, the one-to-one computer initiative was fully implemented to include students in grades 6-12. This was made possible by the community support of the district's bond initiative.

TRANSPORTATION, MAINTENANCE AND CUSTODIAL SERVICES

The transportation department services 115 square miles twice daily. During the 2019-20 school year, there were 193 buses in the fleet, which included 130 regular buses, 52 special needs buses and 11 activity buses. The BAPS transportation department runs 78 regular education bus routes (41 high school, 39 Freshman Academy, 64 middle school, 68 elementary and five Tulsa Technology routes), as well as 35 special education bus routes. The transportation

department is self-contained, housing the auto/diesel mechanic garages which service the entire BAPS fleet. Over the course of the year, there were 1,418,615 route miles driven, 201,420 gallons of diesel fuel used for buses and approximately 12,000 students eligible to be transported daily on buses.

ENERGY SAVINGS

In November 2019, the U.S. Environmental Protection Agency awarded all 24 eligible Broken Arrow Public Schools buildings with the prestigious ENERGY STAR certification designating them among the top 25 percent of energy-efficient buildings nationwide. Early Childhood Centers are not eligible.

“Going green is more than just a statement, our energy conservation program has resulted in tangible savings for the district,” said Dr. Janet Vinson, Superintendent. “We’ve positioned ourselves to recognize energy savings for years to come.”

The district spent more than \$2.2 million on electricity, water and natural gas during the 2019-20 school year.

BAPS entered into a partnership with Cenergistic, a leading energy conservation company, to start an energy savings

program in 2017. After over 3 years of the partnership, the district achieved a cost savings of more than \$2,370,000.

The success of the hand-in-hand partnership has drastically reduced the carbon footprint of BAPS. The energy saved is the equivalent of removing 3,895 cars from the road for a year or 479,407 tree seedlings grown for 10 years.

BAPS personnel have worked closely with Cenergistic engineers, experts and embedded energy specialist Jadon Dykes to audit and optimize each energy-using system throughout the district. Mr. Dykes tracks energy consumption — including electricity, water and natural gas — using the latest in energy-accounting software and technology to calculate savings and identify and correct areas that need immediate attention.

CHILD NUTRITION

The child nutrition department has a vision to serve quality meals to Broken Arrow Public Schools’ students and staff. It also strives to promote healthy and nutritious choices in a fun and friendly atmosphere while also providing support, education and information to the students, staff, parents, and community of Broken Arrow. There were more than 1,800,000 reimbursable meals served during the 2019-20 school year.

While school buildings were closed due to the global pandemic, Broken Arrow Public Schools continued to provide free grab-and-go meals for students 18 and under. From March 23 – July 24, the child nutrition department safely served about 180,000 combined breakfasts and lunches to students.

In addition, the child nutrition food truck BA’s Curbside Café continues its success by serving more than 3,500 Broken Arrow

High School students with healthy and eclectic meal options. It also provides Broken Arrow Public Schools with another avenue for its Summer Feeding Program, serving children ages 1-18 and also providing parents and caregivers with low cost meals. The Curbside Café menu changes daily and features street tacos, chicken and waffle salads and more. All meals meet U.S. Department of Agriculture guidelines and are prepared with a number of locally-sourced ingredients.



FINANCE DEPARTMENT RECEIVES HONORS FOR REPORT

Broken Arrow Public Schools was awarded the Government Finance Officers Association of the United States and Canada (GFOA) Certificate of Achievement for Excellence in Financial Reporting for its CAFR for the fiscal year ended June 30, 2019. This marks the sixth consecutive year the district received the award. In Order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. The report must satisfy both accounting

principles generally accepted in the United States of America and applicable legal requirements.

Broken Arrow Public Schools was awarded the Certificate of Excellence in Financial Reporting by the Association of School Business Officials International (ASBO) for its Comprehensive Annual Financial Report for the year ended June 30, 2019. The District believes the Comprehensive Annual Financial Report continues to conform to the standards for which this award was granted.

Closing

In closing, without the leadership and support of the Broken Arrow Public Schools' Board of Education, preparation of this report would not have been possible.

Sincerely,



Janet Vinson, Ph.D.
Superintendent



Natalie Eneff
Chief Financial Officer



Cathy Mitchem
Executive Director of Finance



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Broken Arrow Public Schools
District No. I-003, Oklahoma**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

Christopher P. Morrill

Executive Director/CEO



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

**The Certificate of Excellence in Financial Reporting
is presented to**

Broken Arrow Public Schools, I-003

**for its Comprehensive Annual Financial Report (CAFR)
for the Fiscal Year Ended June 30, 2019.**

The CAFR meets the criteria established for
ASBO International's Certificate of Excellence.



A handwritten signature in black ink, reading 'Claire Hertz'. The signature is written in a cursive style and is positioned above a horizontal line.

Claire Hertz, SFO
President

A handwritten signature in black ink, reading 'David J. Lewis'. The signature is written in a cursive style and is positioned above a horizontal line.

David J. Lewis
Executive Director



BROKEN ARROW PUBLIC SCHOOLS

2019-2020 School Officials

Board of Education



Steve Allen
President



Steve Majors
Vice President



Jerry Denton
Board Clerk



John Cockrell
Deputy Clerk



Brandy Roulet
Member

Leadership Team



Dr. Janet Vinson
Superintendent



Karla Dyess
Associate Superintendent



Lori Kerns
Assistant Superintendent



Chuck Perry
Associate Superintendent



Natalie Eneff
Chief Financial Officer



Michelle Bergwall
Chief Operating Officer

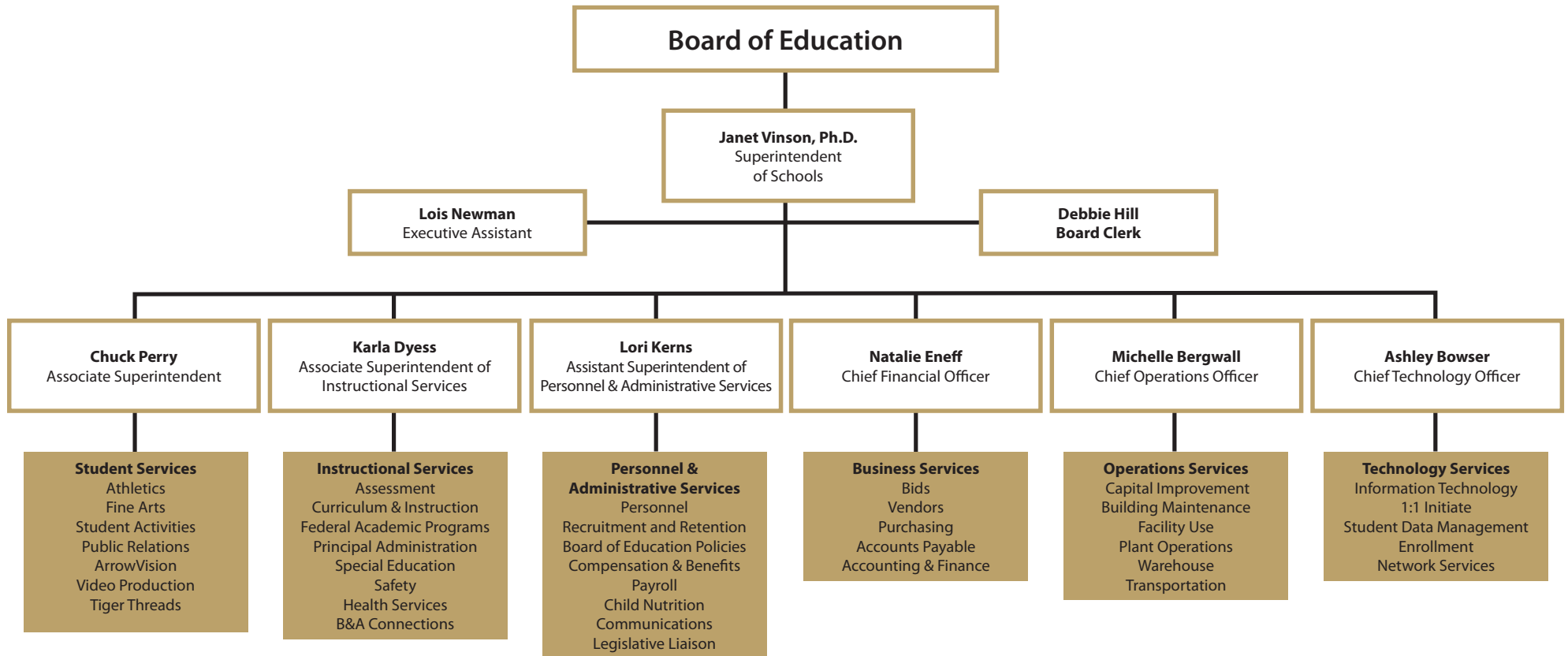


Ashley Bowser
Chief Technology Officer



BROKEN ARROW PUBLIC SCHOOLS

District Leadership Organizational Chart



This page is intentionally left blank



FINANCIAL SECTION



JENKINS & KEMPER
CERTIFIED PUBLIC ACCOUNTANTS, P.C.

JACK JENKINS, CPA
MICHAEL KEMPER, CPA

INDEPENDENT AUDITOR'S REPORT

The Honorable Board of Education
Broken Arrow School District No. I-003
Broken Arrow, Oklahoma 74012

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Broken Arrow School District No. I-003, Broken Arrow, Oklahoma (the "School District") as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Broken Arrow School District No. I-003, Tulsa County, Oklahoma as of June 30, 2020, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 24-34, Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual on page 78, Schedule of Proportionate Share of the Net Pension Liability on page 76 and Schedule of Contributions on page 77 be presented

- 22 -

to supplement the basic financial statements. Such information, 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 method 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School District's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and statistical section listed in the accompanying table of contents are presented for purposes of additional analysis, and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 11, 2020, on our consideration of the School District'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 School District'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 School District's internal control over financial reporting and compliance.

Jenkins & Kemper, CPAs P.C.

Jenkins & Kemper
Certified Public Accountants, P.C.

November 11, 2020

BROKEN ARROW PUBLIC SCHOOLS
FINANCIAL SECTION: MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020

In this section of the Comprehensive Annual Financial Report, Broken Arrow Public School District (the "District") discusses and analyzes its financial performance for the year ended June 30, 2020. Readers should review this section in conjunction with the transmittal letter, the independent auditors' report, and the District's Basic Financial Statements.

The Management's Discussion & Analysis (MD&A) is a required element of the annual financial report under the Governmental Accounting Standards Board (GASB) Statement No. 34 reporting model. Under this model, entities are required to adhere to certain standards of presentation for the financial statements, notes, and required supplementary information (RSI) that must be included within the annual financial report. The intent of the MD&A is to present an objective and simple analysis of the District's financial activities and enhanced knowledge of the District's financial performance.

FINANCIAL HIGHLIGHTS

The District ended the year with an unassigned fund balance for the general fund of \$19.5 million, or 15.1% of the total general fund expenditures. The general fund total unassigned fund balance increased by \$2.8 million from June 30, 2019 due to conservative spending and higher tax collections than anticipated. The District's governmental funds reported combined ending fund balance of \$67.7 million, a decrease of \$17.7 million from June 30, 2019. Decreases were primarily the result of bond fund spending for a new elementary school and other capital projects. The District will maintain unrestricted fund balances to provide necessary working capital to avoid cash flow interruptions and short-term borrowing to fund daily operations and to maintain the District's AA/Stable bond ratings. The well-established fund balance will assist the district against uncertain state funding in the future as a direct result of COVID-19 expenses and state revenue shortfalls.

The assets plus deferred outflows of resources of the District exceeded its liabilities plus deferred inflows of resources at the close of the period ended June 30, 2020 resulting in a government-wide total net position of \$154.3 million. Government-wide net position increased \$31.8 million from June 30, 2019 as a primary result of increased capital assets – a brand new elementary school, higher revenue from taxes, and expenditure decreases from an unexpected shutdown of physical property and spending for four months due to the pandemic.

The Debt Service Fund ended its year with a fund balance of \$17.3 million which is used for the retirement of debt. The Capital Projects Fund ended the year with a fund balance of \$18.8 million which is restricted for school district construction projects. During fiscal year 2020, the District constructed a new elementary school, completed the renovation and construction of two large projects involving the high school and an elementary school, middle school renovations, construction on the transportation fuel tank station, and renovations to the District's Performing Arts Center. The District issued \$15.2 million in bonds during the fiscal year 2019-2020, and ended the year with \$93.8 million outstanding in commercial paper.

During the year, the District's expenses were \$28.2 million less than the \$186.2 million generated in taxes and other revenues for governmental-wide activities. Expenses totaled \$144.7 million after charges for services and operating grants and contributions (revenue). Total revenue from property taxes, state aid, investment income, and miscellaneous revenues is \$170.2 million.

OVERVIEW OF FINANCIAL STATEMENTS

The discussion and analysis presented is intended to serve as an introduction to the District's Basic Financial Statements. The basic financial statements consist of three components: 1) Government-wide

BROKEN ARROW PUBLIC SCHOOLS
FINANCIAL SECTION: MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020

Financial Statements, 2) Fund Financial Statements, and 3) Notes to the Basic Financial Statements. Other supplementary information is included in addition to the basic financial statements.

Government-Wide Financial Statements. The government-wide financial statements are designed to present both long-term and short-term broad overviews of the District's financial status.

The *Statement of Net Position* presents information on all the District's assets plus deferred outflows of resources and liabilities plus deferred inflows of resources, with the difference between the two reported as the net position. Over time, changes in the statement of net position will give an overall indication of growth (increases) or decline (decreases). Of course, other factors beyond the District's control should also be considered in assessing growth or decline over time.

The *Statement of Activities* includes all current year revenues and expenditures, regardless of when cash is received or paid. As a result, some revenues and expenses reported in this statement will result in cash flows in future fiscal periods (e.g., uncollected taxes).

The government-wide financial statements distinguish the functions of the District as being principally supported by taxes and intergovernmental revenues (governmental activities) from other functions intended to recover all or a significant portion of their costs through user fees and charges.

Component units are legally separate organizations for which the Board of Education of the District is legally accountable. The District has no component units for which it is financially accountable.

Fund Financial Statements. Fund financial statements provide more detailed information about the various funds, or grouping of related accounts used to maintain control over resources segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to demonstrate compliance with finance-related requirements. All of the funds of the District can be divided into three categories:

Governmental Funds - These funds include most of the District's activities, which provide a short-term analysis of District operations and services. Because the focus of Governmental Funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for Governmental Funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions.

The District maintains four governmental funds. Information is presented separately in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, Debt Service Fund, and Capital Projects Fund which are considered to be major funds. Data from the Special Revenue Fund programs are combined in a single, aggregated presentation and are non-major funds. Individual program data for each of these is provided in the form of combining schedules elsewhere in the financial statements.

Both the Governmental Fund balance sheet and the Governmental Fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between Governmental Funds and governmental activities.

Proprietary Funds - These funds are used to account for operations that are financed similar to those found in the private sector. These funds provide both short-term and long-term financial information. There are two types of proprietary funds.

BROKEN ARROW PUBLIC SCHOOLS
FINANCIAL SECTION: MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020

The first type is the Enterprise fund, which is used to report the same functions presented as business type activities in the Government-wide financial statements. In the Enterprise Fund, the District charges outside customers a fee for services the District provides. The District has no business-type activities or enterprise funds.

The second type is the Internal Service Fund, which is used to accumulate and allocate costs internally among the various functions. The District uses the Internal Service Fund to report activities for its self-insured workers' compensation fund.

Fiduciary Funds - Fiduciary Funds are those over which the District serves as a trustee, or fiduciary, but are actually owned by others. The responsibility of the District is to make sure the funds are used for their intended purpose, and by those to whom they belong. These assets are excluded from District-wide financial statements because they cannot be used to fund operations. The District reports the Private-Purpose Trust Fund (Gift Fund) as a Fiduciary Fund.

Notes to the financial statements. The notes to the financial statements provide narrative additional information that is essential to full disclosure in the government-wide or fund financial statements.

Required Supplementary Information. In addition to the basic financial statements and accompanying notes, this report also presents certain Required Supplementary Information that further explains and supports the information in the financial statements. A budget is legally adopted by the Board of Education for the General Fund, Building Fund, and Child Nutrition Fund that includes revenues and expenditures. A budgetary comparison schedule has been provided for the General Fund as required supplementary information. The required supplementary information also provides data related to the District's participation in pension and other post-employment benefit plans as required by GASB Statements No. 68 and 75.

Other Supplementary Information. Other Supplementary Information provides additional analysis and is not a required part of the basic financial statements. Other supplementary information includes comparative information on selected funds. It also contains the combining schedules referred to earlier in connection with the special revenue funds. The combining statements are also prepared in connection with Fiduciary Funds. Agency Funds are used to account for assets held by the District as an agent for certain individuals and organizations. They are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position. This analysis emphasizes the governmental-wide net position (Table 1). Net Position, the residual of all other financial statement elements presented in a statement of financial position, may serve as a useful indicator of a government's financial position over time. Table 1 provides a summary comparison of the District's combined net position.

The District's financial position is the product of several types of financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

The largest portion of the District's government-wide net position reflects its investment in capital assets (e.g. land, buildings, vehicles, furniture and equipment, and construction in progress), net of accumulated depreciation plus deferred inflows/outflows of resources (if applicable) less any related debt used to acquire those assets still outstanding.

BROKEN ARROW PUBLIC SCHOOLS
FINANCIAL SECTION: MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020

The District experienced a decrease in governmental activities long-term debt payable or non-current liabilities in the fiscal year 2020 primarily due to a decrease in bond fund debt and a decrease in net pension liability. The implementation of GASB Statements 68 and 71, which became effective for fiscal years beginning after June 15, 2014, significantly changed pension accounting and financial reporting for governmental employees who participate in a pension plan, such as the state-administered Oklahoma Teachers' Retirement System.

The amount of calculated pension liability for the District ending June 30, 2020 was \$111.2 million compared to \$112.7 million at June 30, 2019, a decrease of \$1.5 million. Deferred pension plan outflows were \$30.1 million at June 30, 2020 compared to \$18.2 million at June 30, 2019, an increase of \$11.9 million. This increase was due to the Changes of Assumptions for the measurement period and an increase in the net difference between expected and actual experience. Deferred pension plan inflows were \$18.4 million at June 30, 2020 compared to \$15.5 million at June 30, 2019, an increase of \$2.9 million.

Government-wide net investment in capital assets increased \$13.4 million or 7% over the prior fiscal year, representing significant progress in the completion of major projects, which include; a new elementary school, land and preparation for a STEM Academy, school building renovations, transportation fuel station reconstruction, and the renovation of the performing arts center. The District uses these capital assets to provide services to its students and programs for the students; consequently, these assets are not available for future spending.

Although the District's investment in its capital assets is reported net of depreciation, it should be noted that the resources needed to repay this debt must be provided by other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The following table presents a summary of the change in net position for the fiscal years ended June 30, 2020, and 2019:

Table 1

			Increase/ Decrease	Total Percentage Change
	<u>2020</u>	<u>2019</u>		
<u>Assets</u>				
Current and Other Assets	\$ 142.0	\$ 154.5	\$ (12.5)	-8%
Capital Assets	279.9	251.3	28.6	11%
Total Assets	421.9	405.8	16.1	4%
Deferred Outflows of Resources	30.1	18.2	11.9	65%
<u>Liabilities</u>				
Other Liabilities	28.6	30.2	(1.6)	-5%
Long Term Liabilities	179.0	191.2	(12.2)	-6.4%
Total Liabilities	207.6	221.4	(12.2)	-6%
Deferred Inflows of Resources	90.2	80.2	10.0	100%
<u>Net Position</u>				
Net Investment in				
Capital Assets	205.1	191.7	13.4	7%
Restricted	28.8	19.7	9.2	47%
Unrestricted	(79.6)	(88.8)	9.2	10%
Total Net Position	\$ 154.3	\$ 122.5	\$ 31.8	26%

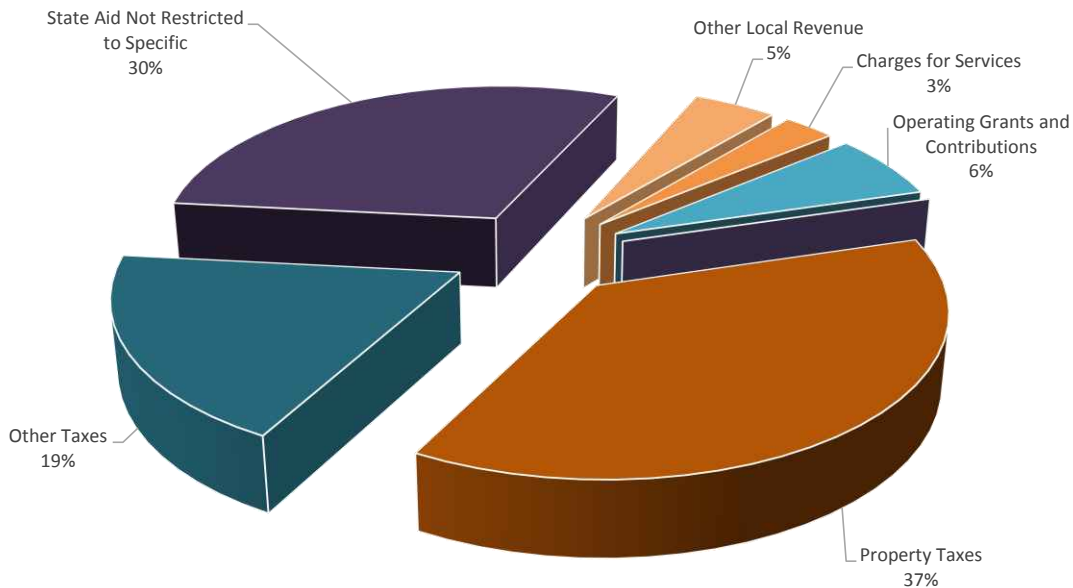
(figures may be different due to rounding)

BROKEN ARROW PUBLIC SCHOOLS
FINANCIAL SECTION: MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020

The government-wide total net position of \$154.3 million, which represents resources that are unrestricted, \$(79.6) million, may be used to meet the District's ongoing obligations to citizens and creditors.

Changes in Net Position. The District's government-wide total revenues were \$190.6 million, an increase of \$12.6 million from the prior fiscal year total of \$178.0 million. The increase is due mainly to additional Federal Funds from grants and property tax revenue increases. A significant portion, 37%, of the District's revenue comes from property taxes; 30% comes from state aid formula grants, 19% from other taxes, while 6% is related to other operating grants and contributions; the remaining 8% comes from charges for services and other sources.

District Government- Wide Revenues for Year Ended June 30, 2020



Governmental activities increased in District net position by \$31.8 million. The total cost of all governmental activities programs and services was \$162.4 million. The amount our taxpayers paid for these activities through property taxes was \$71.4 million or 37%.

The Statement of Activities presents a district-wide summary of revenues and expenses for the fiscal year. The format of the presentation identifies expenses by program areas (functions), and identifies to what extent those expenses are offset by charges for services, operating grants, and contributions.

The District reports its activities in the following functional categories: instruction and instruction-related services, support services, operation and maintenance, pupil transportation services, operation of non-instructional services, facilities acquisition and construction services, private nonprofit schools, and interest on long-term debt.

Over the two-year period, a number of shifts can be observed, such as an increase in property taxes, an increase in state aid, and an increase in other taxes that reflects continuing growth in areas where the District pioneers new revenue streams while surviving the shortages in the revenue categories which normally produce stable proceeds.

BROKEN ARROW PUBLIC SCHOOLS
FINANCIAL SECTION: MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020

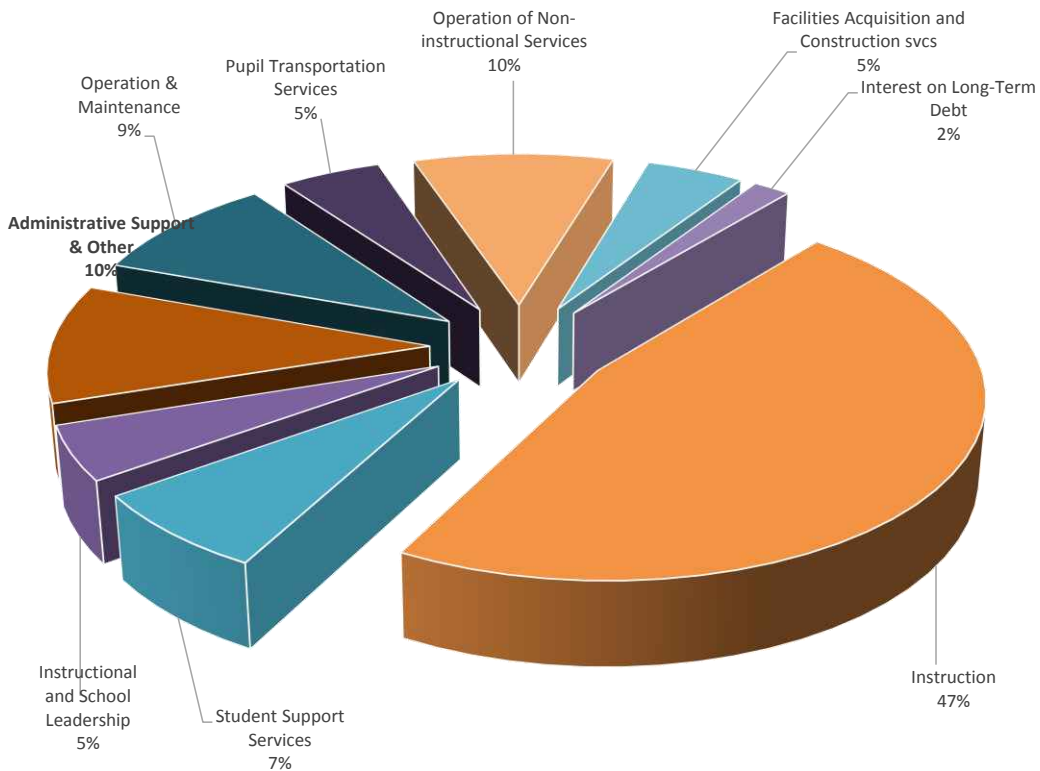
Changes in governmental activities net position are presented in the following Table 2:

Table 2

	Governmental Activities		Change	Total Percentage Change
	2020	2019		
Revenues				
Program Revenues:				
Charges for Services	\$ 5.4	\$ 4.4	\$ 1.1	24.70%
Operating Grants and Contributions	12.3	13.5	(1.2)	-8.96%
General Revenues:				
Property Taxes	71.4	65.4	6.0	9.15%
Other Taxes	35.8	29.6	6.2	20.79%
State Aid Not Restricted to Specific	56.9	53.1	3.8	7.15%
Other Local Revenue	8.7	12.0	(3.2)	-26.85%
Total Revenues	\$ 190.6	\$ 178.0	\$ 12.6	7.08%
Expenses				
Instruction	76.0	91.2	(15.2)	-16.68%
Student Support Services	11.7	10.8	1.0	8.86%
Instructional and School Leadership	7.9	7.8	0.1	1.75%
Administrative Support & Other	17.2	16.8	0.4	2.19%
Operation & Maintenance	15.4	15.2	0.2	1.10%
Pupil Transportation Services	7.9	7.2	0.7	9.36%
Operation of Non-instructional Services	15.8	11.6	4.2	36.50%
Facilities Acquisition and Construction svcs	7.7	6.1	1.6	26.08%
Interest on Long-Term Debt	2.9	1.7	1.2	74.08%
Total Expenses	\$ 162.4	\$ 168.3	\$ (5.8)	-3.48%
Change in Net Position	28.2	9.6	18.5	192.27%
Implementation of GASB 84	3.6	-		
Net Position, Beginning	122.5	112.9		
Net Position, Ending	\$ 154.3	\$ 122.5	\$ 31.8	25.89%

(figures may be different due to rounding)

District Government - Wide Expenses for Year Ended June 30, 2020



BROKEN ARROW PUBLIC SCHOOLS
FINANCIAL SECTION: MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020

The District's expenses are predominantly related to instruction of students (47%).

The consistent positive net position and the common annual revenues exceeding ordinary expenses reflects the District's philosophy of managing ongoing growth while maintaining financial stability through strong budgetary and spending controls.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As discussed earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements, bond covenants, and segregation for particular purposes.

Governmental Funds. Under the District's fund accounting system, *Governmental Funds* focus is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the District's net resources available for spending at the end of a fiscal year.

Below is a summary of the Governmental Funds total fund balance comparison:

GOVERNMENTAL FUNDS FUND BALANCES	2020		2019	
Nonspendable:				
Inventory	\$ 624,559	0.9%	\$ 629,854	0.7%
Permanent fund principal	40,000	0.1%	40,000	0.0%
Restricted for:				
Federal and state allocation carryover	2,718,600	4.0%	1,125,171	1.3%
Capital projects	18,762,861	27.7%	45,439,738	53.3%
Building	3,430,580	5.1%	3,947,831	4.6%
Debt service	17,332,409	25.6%	15,673,831	18.4%
Child Nutrition	1,278,542	1.9%	1,747,393	2.0%
Endowment	4,624	0.0%	3,997	0.0%
Arbitrage	20,000	0.0%	-	0.0%
Student activities	3,993,526	5.9%		
Unassigned	19,488,765	28.8%	16,655,669	19.5%
	\$ 67,694,466	100.0%	\$ 85,263,484	100.0%

As of the end of the current fiscal year, the District's Governmental Funds reported combined ending total fund balances of \$67.7 million, a decrease of \$17.6 million over last year. This decrease was primarily due to an increase in spending of an issuance of bond debt in the late part of the 2018-2019 fiscal year. \$42.5 million was issued in the 2018-2019 fiscal year and over \$39.9 million was expensed on capital projects during the 2019-2020 fiscal year. Child nutrition also experienced a higher volume of service expenditures while conservative spending during the Covid-19 epidemic led to higher fund balances in unassigned governmental funds.

The General Fund is the primary operating fund of the District. At June 30, 2020, the General Fund's unassigned fund balance was \$19.5 million. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to the total General Fund actual expenditures. General Fund unassigned fund balance represents 15% of the total General Fund actual expenditures, which total \$129.2 million while the General Fund total fund balance of \$22.6 million represents 17% of that same amount.

Of the total governmental funds balance, \$0.7 million is nonspendable for investment in inventories and permanent fund principal. The General Fund's total fund balance increased \$4.4 million during the current

BROKEN ARROW PUBLIC SCHOOLS
FINANCIAL SECTION: MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020

fiscal year. This is the result of purposeful ending balance saving or conservative management to prepare for risk, and stabilization during a unique pandemic year in Oklahoma.

The magnitude and disruption from the Covid-19 pandemic significantly impacted the district and required difficult decisions about operations, financial, and strategic matters. While there was an unprecedented level of uncertainty about the economy and future elements of earnings, our district approached the pandemic with a responsible plan to exercise significant immediate changes to conserve funds for maintaining a stable platform of financial success.

The Debt Service Fund (Sinking Fund) had a total fund balance of \$17.3 million, all of which is restricted for the payment of debt service requirements. Millage rates for Sinking Fund levies are not controlled by the District but are set annually by the Tulsa County Excise Board after a thorough review of property valuations and the District's debt service needs.

The Capital Projects Fund accounts for the construction of school buildings and improvements. At the end of the current fiscal year, the fund balance was \$18.8 million balance which decreased by \$26.7 million, or 59% from the 2019 fiscal year. This decrease was primarily due to the spend down of the sale of new bonds received close to the end of the previous fiscal year and capital outlay expenditure projects' timeframes for completion. More information regarding capital project funds and millage levies may be found in the Statistical Section.

School site activity funds (Agency Funds) are used to account for funds raised at the individual sites through fundraising efforts and the District's vending contract. Effective with the year ended June 30, 2020, the district reports student activity funds as governmental (special revenue) funds. See Note 11 in the Notes to The Financial Statements for further information on the adoption of this pronouncement.

Proprietary Funds. The District's proprietary's fund consist of the Internal Service Fund (Workers' Compensation Fund) and provide the same type of information found in the government-wide financial statements but in more detail. The Proprietary Fund has operating revenues of \$0.6 million. This represents an increase in total proprietary fund revenue of 16% primarily due to an increase in workers' compensation related claims for the district.

Fiduciary Funds. The District's Fiduciary Funds consist of the Gift Fund. The Gift Fund (Private Purpose Trust Fund) receives revenues from donations made by individuals or organizations. These funds are used for purposes specified by the donor.

BUDGETARY HIGHLIGHTS

The District's budget is prepared according to Oklahoma law and is based on accounting for certain transactions in appropriated funds on the basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

For FY 2019-20, the District budgeted original General Fund revenues of \$130.9 million and budgeted original expenditures of \$138.0 million. The Board of Education approved a final revenue General Fund budget of \$130.9 million and a final expenditure budget of \$138.0 million. The General Fund final expenditure budget approved by the Board of Education represents no changes from the original budget. Actual expenditures for the General Fund of \$130.4 million were \$7.6 million below the final expenditure budget.

BROKEN ARROW PUBLIC SCHOOLS
FINANCIAL SECTION: MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020

Actual revenue collected, at \$133.5 million, for the General Fund, experienced an increase from the final budget projection of \$2.7 million or 2.0% due to increased federal funding sources, tax collections, rentals, investments, and other District sources of revenue.

During the course of the year, the Board of Education approved revisions to the budgeted revenue and expenditures original appropriations of non-major funds only. These revisions resulted from amendments during the year for changes in programs, insurance recoveries, federal program funds, and estimates for Local revenue based on the latest information. Differences between the final general operating fund budget and the actual amounts are explained as follows:

General Fund Revenues:

- ✶ *A net favorable variance of over \$2.7 million in total revenues was due to the following variances:*
 - Local property tax collections, including current year, prior year, and penalty and interest, were \$1.4 million or 4.0% higher than anticipated. The County Ad Valorem and the Mortgage Tax collections were \$0.5 million higher than anticipated.
 - Federal sources of revenue were \$1.4 million higher than anticipated.
 - Although State sources of revenue were \$1.2 million lower than anticipated, the District sources of revenue, such as; Earnings-Investments and bond sales, rentals, and commissions were \$0.6 million higher than anticipated.

General Fund Expenditures:

- ✶ *A net favorable variance of almost \$7.6 million in expenditures was due to the following variances:*
 - Employee payroll, payroll taxes, and benefits, including the related TRS on behalf payments, were \$2.5 million less than budgeted.
 - Utilities and travel were \$1.1 million lower than anticipated.
 - Instructional programs conservatively spent \$3.8 million less than budgeted.
 - Professional, technical and contracted services were \$0.2 million less than estimated.

CAPITAL ASSETS AND DEBT ADMINISTRATION

As of June 30, 2020, the District had invested \$280.0 million, net of accumulated depreciation, in a broad range of government-wide capital assets including school buildings, athletic facilities, buses and other operational vehicles, computers, and other equipment. This represented a net increase of \$28.7 million, or 11.4%. Table 3, below, displays a comparison of fiscal years 2020 and 2019 balances:

Capital Assets
(Millions)
Table 3

Capital assets (at cost)	June 30, 2019	Increases	Decreases and Transfers	June 30, 2020	Total Percentage Change
Land	\$ 15.2	\$ -	\$ (0.4)	\$ 14.8	-2.5%
Construction in progress	1.1	36.8	(33.9)	4.1	268.6%
Land Improvements, net	8.9	0.5	-	9.5	7.0%
Buildings/Improvements, net	281.8	0.4	33.9	316.1	12.2%
Equipment, net	44.5	3.0	-	47.6	6.9%
Total asset cost:	<u>\$ 351.5</u>	<u>\$ 19.6</u>	<u>\$ (0.4)</u>	<u>\$ 392.0</u>	11.5%
Accumulated depreciation	<u>(100.2)</u>	<u>(9.9)</u>	<u>0.4</u>	<u>(112.0)</u>	
Capital assets (net)	<u>\$ 251.3</u>	<u>\$ 9.7</u>	<u>\$ 0.0</u>	<u>\$ 280.0</u>	

(figures may be different due to rounding)

BROKEN ARROW PUBLIC SCHOOLS
FINANCIAL SECTION: MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020

Government-wide capital assets represent a capitalization level of \$5,000, consistent with State accounting regulations. The majority of the Construction in Progress consists of the construction of the start of a new elementary school, special education room additions, elementary school remodeling projects, additions and remodeling to middle schools, secondary classroom additions, and various other construction projects. The District continues to grow in a broad range of capital assets, including facilities and equipment for instruction, transportation vehicles, athletic facilities, computer and audio visual equipment, administrative offices, maintenance, and construction in progress. These facilities and tools will enable the District's staff to produce quality education and products.

The District's student population continues to grow with over 19,000 students, therefore, equipment purchases, classroom space, and improvements on land and/or buildings are necessary to provide that growth. Additional information on the District's capital assets may be found in Note 4, Notes to the Basic Financial Statements.

Bonded debt outstanding as of June 30, 2020 was \$93.4 million, a decrease of \$11.0 million from the prior fiscal year, and \$25.9 million due within one year. Detailed information on the long-term debt activity can be found in Note 5 of the Notes to the Financial Statements.

Table 4, below, summarizes bonds outstanding for fiscal years 2020 and 2019.

Bonded Debt Outstanding at Year End
(In Millions)
Table 4

	2020	2019
General Obligation Bonds:		
Series 2014G	0.0	0.0
Series 2014B	0.0	1.4
Series 2015A	0.0	7.3
Series 2015B	1.2	1.8
Series 2016	5.2	10.5
Series 2017	11.8	17.6
Series 2018	17.5	23.3
Series 2019	42.5	42.5
Series 2020	15.2	0.0
Total	\$93.4	\$104.4

Economic Factors and Next Year's Budgets and Rates

Budgetary resource allocations are distributed to campuses and central organizations that support the programs of the District. The District's budget process begins with the development of enrollment projections by the District's Budget Committee. Enrollment projections are then used to determine initial campus allocations through the use of Board level approval. The District uses line-item and site-based budgetary approaches to provide campuses with a standard allocation based on student enrollment. Enrollment projections also drive general operating staffing levels and non-position allocations. Staffing ratios adhere to the Oklahoma legislature mandated by House Bill 1017. Enrollment projections for the

BROKEN ARROW PUBLIC SCHOOLS
FINANCIAL SECTION: MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020

year ended June 30, 2020, show enrollment numbers to increase slightly due to the growing population of the District.

Local sources of revenue consist primarily of ad valorem revenue, which is based on an annual levy of 36 mills (one mill is equal to \$1 per \$1,000 of net assessed valuation). For 2019-20, the District's net assessed valuation grew by 4.0% primarily due to an increase in personal real property within the boundaries of the District. Additional information on the District's net assessed valuation can be found in the Statistical Section of this report. Other local sources of revenue include fees from before and after school care, donations, and interest earnings.

Intermediate sources of revenue include the county 4-mill ad valorem levy and county mortgage apportionment. The largest source of revenue, received from the State, includes Foundation & Salary Incentive Aid, the State Health Insurance Allowance, Motor Vehicle Collections, and State School Land Earnings. Federal sources of revenue include IDEA, all No Child Left Behind programs, and other Federal programs.

The District Finance office uses a zero-based budgetary approach for allocation based on historical expenditures and services provided. Despite continued increases in State revenue collections, the District continues to maintain a conservative budget. The District also continued the tradition of preserving a strong year-end fund balance.

The District continues to provide reciprocal benefit to the community and schools, therefore continually experiencing positive citizen support. Bond dollars passed by the community provide the necessary funding for facilities, renovations, technology, textbooks, instructional equipment and uniforms. It is these annual bond dollars and strong patronage that allow the District the opportunity and commitment to maintain facilities and to maximize the use of instructional technology and equipment. State law limits a school district's bonding capacity to ten percent of its net assessed valuation.

Contacting the District's Financial Management

This financial report is designed to provide citizens, taxpayers, and creditors with a general overview of the District's financial position, and to demonstrate the District's accountability for the resources it receives. If you have questions about this report, or would like additional information, contact Mrs. Natalie Eneff, Chief Financial Officer, Broken Arrow Public Schools, 701 S. Main Street, Broken Arrow, Oklahoma, 74012. The District's web page is located at <http://www.baschools.org>.



**BASIC
FINANCIAL
STATEMENTS**



Broken Arrow Public Schools
Statement of Net Position
June 30, 2020

	<u>Governmental Activities</u>
ASSETS	
Current:	
Cash and cash equivalents	\$ 10,697,868
Investments	54,590,000
Receivables net of allowance for uncollectibles	76,053,720
Inventories	624,559
Total current assets	<u>141,966,147</u>
Noncurrent:	
Land and construction-in-progress	18,840,590
Capital assets being depreciated, net	261,142,739
Total noncurrent assets	<u>279,983,329</u>
Total assets	<u>421,949,476</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>30,132,633</u>
LIABILITIES	
Current:	
Accounts payable and other current liabilities	2,137,590
Accrued interest payable	356,413
Unearned Revenues	249,875
Special termination benefits and compensated absences	-
Current portion of long-term obligations	25,784,746
Total current liabilities	<u>28,528,624</u>
NON-CURRENT	
Non-current portion of long-term obligations	67,905,290
Net pension liability	111,231,171
Total noncurrent liabilities	<u>179,136,461</u>
Total liabilities	<u>207,665,085</u>
DEFERRED INFLOWS OF RESOURCES	
Succeeding year property tax	71,756,991
Deferred pension plan inflows	18,396,184
Total deferred inflows of resources	<u>90,153,175</u>
NET POSITION	
Net Investment in Capital Assets	205,056,154
Restricted for:	
Debt Service	17,332,409
Building	3,430,580
Other	8,055,292
Unrestricted	<u>(79,610,586)</u>
TOTAL NET POSITION	<u>\$ 154,263,849</u>

The accompanying notes to the financial statements are an integral part of this statement.



Broken Arrow Public Schools
Statement of Activities
For the Year Ended June 30, 2020

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	
Instruction	\$ 75,993,431	\$ 34,949	\$ 6,553,309	\$ (69,405,174)
Support services - Students and staff	11,707,312	-	822,438	(10,884,875)
Instructional and school leadership	7,887,643	-	173,734	(7,713,909)
Administrative support services	17,153,555	-	167,664	(16,985,891)
Operation and maintenance of plant services	15,355,173	881,912	4,079	(14,469,181)
Student transportation services	7,921,499	-	11,665	(7,909,834)
Operation of non-instructional services	15,804,517	4,520,469	4,539,284	(6,744,764)
Facilities acquisition and construction services	7,682,749	-	-	(7,682,749)
Private, Nonprofit schools	32,761	-	27,916	(4,845)
Interest on long-term debt	2,923,746	-	-	(2,923,746)
TOTAL GOVERNMENTAL ACTIVITIES	\$ 162,462,385	\$ 5,437,330	\$ 12,300,088	\$ (144,724,968)

GENERAL REVENUES

Taxes:

Property tax, levied for general purposes	40,587,016
Property tax, levied for debt services	30,842,677
State aid - formula grants	56,927,885
Unrestricted dedicated state revenue	30,268,090
Unrestricted intermediate county taxes	5,519,302
Interest and investment earnings	926,689
Gain on sale of capital assets	378,249
Other local revenue	7,444,765

TOTAL GENERAL REVENUES 172,894,673

CHANGE IN NET POSITION **28,169,705**

NET POSITION - BEGINNING AS RESTATED 126,094,144

NET POSITION - ENDING \$ 154,263,849

The accompanying notes to the financial statements are an integral part of this statement.



Broken Arrow Public Schools
Balance Sheet - Governmental Funds
June 30, 2020

	General Fund	Capital Projects Fund	Debt Service Fund	Nonmajor Funds	Total Governmental Funds
ASSET					
Cash and cash equivalents	\$ 3,038,409	\$ 1,112,817	\$ 1,255,427	\$ 5,131,162	\$ 10,537,815
Investments	17,000,000	17,650,000	15,400,000	4,540,000	54,590,000
Receivables net of allowance for uncollectibles	39,061,274	44	31,803,824	5,188,578	76,053,720
Inventories	345,965.35	-	-	278,594	624,559
TOTAL ASSETS	\$ 59,445,649	\$ 18,762,861	\$ 48,459,251	\$ 15,138,333	\$ 141,806,094
LIABILITIES					
Accounts payable	1,339,670	-	-	765,093	2,104,762
Accrued wages payable -termination benefits	-	-	-	-	-
Other liabilities	-	-	-	249,875	249,875
TOTAL LIABILITIES	1,339,670	-	-	1,014,968	2,354,638
DEFERRED INFLOWS OF RESOURCES					
Succeeding year property tax	34,737,042	-	30,414,437	4,961,013	70,112,492
Unavailable revenue - delinquent property taxes	815,607	-	712,405	116,486	1,644,498
TOTAL DEFERRED INFLOWS OF RESOURCES	35,552,649	-	31,126,842	5,077,500	71,756,991
FUND BALANCES					
Non-spendable:					
Inventory	345,965	-	-	278,594	624,559
Permanent fund principal	-	-	-	40,000	40,000
Restricted for:					
Federal and state allocation carryover	2,718,600	-	-	-	2,718,600
Capital projects	-	18,762,861	-	-	18,762,861
Debt service	-	-	17,332,409	-	17,332,409
Building	-	-	-	3,430,580	3,430,580
Child Nutrition	-	-	-	1,278,542	1,278,542
Endowment	-	-	-	4,624	4,624
Arbitrage	-	-	-	20,000	20,000
Student activities	-	-	-	3,993,526	3,993,526
Unassigned	19,488,765	-	-	-	19,488,765
TOTAL FUND BALANCES	22,553,330	18,762,861	17,332,409	9,045,865	67,694,466
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 59,445,649	\$ 18,762,861	\$ 48,459,252	\$ 15,138,333	\$ 141,806,094

The accompanying notes to the financial statements are an integral part of this statement.



Broken Arrow Public Schools
Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Position
June 30, 2020

Total fund balances - Governmental Funds \$ 67,694,466

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds. The Statement of Net Position includes those capital assets of the District as a whole. The cost of those capital assets is allocated over their estimated useful lives (as depreciation expense) to the various programs reported as governmental activities in the Statement of Activities. Because depreciation expense does not affect financial resources, it is not reported in governmental funds:

Cost of assets	\$ 392,014,436	
Accumulated depreciation	<u>(112,031,108)</u>	
		279,983,329

An Internal Service Fund is used by the District's management to charge the costs of the workers' compensation insurance program to the individual funds. The assets and liabilities of the Internal Service Fund are included in the governmental activities. 127,226

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. Interest payable on debt and other long-term obligations are also not recorded in the governmental funds but are reported in the Statement of Net Position.

Long-term liabilities at year-end consist of:

Bonds, capital leases, and contracts	(93,690,036)	
Interest payable	<u>(356,413)</u>	
		(94,046,449)

Some liabilities, including net pension obligations, are not due and payable in the current period and, therefore, are not reported in the funds.

Net pension liability		(111,231,171)
-----------------------	--	---------------

Pension related deferred outflows and inflows are not due and payable in the current period, therefore, they are not reported in governmental funds.

Deferred pension plan outflows		30,132,633
Deferred pension plan inflows		<u>(18,396,184)</u>

TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES		<u>\$ 154,263,849</u>
--	--	-----------------------

The accompanying notes to the financial statements are an integral part of this statement.



Broken Arrow Public Schools
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2020

	General Fund	Capital Projects Fund	Debt Service Fund	Nonmajor Funds	Total Governmental Funds
REVENUES					
Local sources	\$ 37,857,792	\$ 902	\$ 30,851,048	\$ 13,621,794	\$ 82,331,536
Intermediate sources	5,519,302	-	-	-	5,519,302
State sources	79,948,144	-	-	1,001,017	80,949,160
Federal sources	7,756,433	-	-	3,917,862	11,674,296
Other sources	2,614,441	44	-	332,877	2,947,362
TOTAL REVENUES	<u>133,696,113</u>	<u>946</u>	<u>30,851,048</u>	<u>18,873,550</u>	<u>183,421,656</u>
EXPENDITURES					
Current					
Instruction	78,986,746	1,658,289	-	132,083	80,777,119
Student	10,798,725	12,717	-	708,731	11,520,173
Instructional staff	6,057,988	1,206,503	-	24,043	7,288,534
Administration	15,915,551	911,040	-	188,422	17,015,013
Operations and maintenance	8,989,310	1,357,499	-	6,173,821	16,520,629
Student transportation	6,723,871	903,038	-	72,839	7,699,748
Child nutrition operations	61,424	-	-	8,409,059	8,470,482
Community service operations	1,139,232	-	-	3,019,158	4,158,390
Other	572,896	-	-	120,009	692,905
Capital outlay	-	35,828,737	-	1,002,792	36,831,530
Debt service					
Principal	-	-	26,205,000	-	26,205,000
Interest	-	-	2,991,878	-	2,991,878
TOTAL EXPENDITURES	<u>129,245,744</u>	<u>41,877,823</u>	<u>29,196,878</u>	<u>19,850,956</u>	<u>220,171,401</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	4,450,369	(41,876,877)	1,654,170	(977,406)	(36,749,744)
OTHER FINANCING SOURCES (USES)					
Issuance of debt	-	15,200,000	-	-	15,200,000
Premium on new issuance of debt	-	-	4,408	-	4,408
Sales of capital assets	-	-	-	378,249	378,249
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>15,200,000</u>	<u>4,408</u>	<u>378,249</u>	<u>15,582,657</u>
NET CHANGE IN FUND BALANCES	4,450,369	(26,676,877)	1,658,578	(599,158)	(21,167,088)
FUND BALANCE AT BEGINNING OF YEAR AS RESTATED	<u>18,102,961</u>	<u>45,439,738</u>	<u>15,673,831</u>	<u>9,645,023</u>	<u>88,861,554</u>
FUND BALANCE AT END OF YEAR	<u>\$ 22,553,330</u>	<u>\$ 18,762,861</u>	<u>\$ 17,332,409</u>	<u>\$ 9,045,865</u>	<u>\$ 67,694,466</u>

The accompanying notes to the financial statements are an integral part of this statement.



Broken Arrow Public Schools
Reconciliation of the Governmental Funds Statement of Revenues,
Expenditures, and Changes in Fund Balance with the
District-Wide Statement of Activities
For the Year Ended June 30, 2020

TOTAL NET CHANGE IN FUND BALANCES-GOVERNMENTAL FUNDS \$ (21,167,088)

AMOUNTS REPORTED FOR GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF ACTIVITIES ARE DIFFERENT BECAUSE:

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities, those costs are shown in the Statement of Net Position and are allocated over their estimated useful lives as annual depreciation expenses in the Statement of Activities. This is the amount by which capital outlays exceed depreciation for the period.

Capital outlays	\$ 40,840,233	
Depreciation expense	(11,814,622)	
Retirements and adjustments	<u>(378,249)</u>	28,647,362

Receivables recorded but the related revenues not available soon enough after year-end were reported as deferred inflows of resources in the governmental funds in accordance with GASB Statement No. 65. This is the net change between 2019 and 2020.

2,621,145

Bond and noncurrent loan proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of bond and noncurrent loan principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. This is the amount by which repayments of principal exceeded loan proceeds.

Repayments of Principal	26,205,000	
Loan Proceeds	<u>(15,200,000)</u>	11,005,000

Premium received on bonds is amortized over the life of the bond. This is the amount by which the current year bond premium was exceeded by amortization.

Current Year Bond Premium	(4,408)	
Amortization of Bond Premium	<u>424,544</u>	420,136

Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the governmental funds when it is due and thus requires the use of current financial resources. In the Statement of Activities, however, interest cost is recognized as the interest accrues, regardless of when it is due. This is the net change in amount of interest payable.

(68,132)

The District uses Internal Service Funds to charge the costs of certain activities, such as self insurance, to appropriate function in other funds. The net income (loss) of Internal Service Funds are reported with governmental activities. The net effect of this consolidation is to increase the change in net position.

53,825

Some expenses (compensated absences, insurance claims, and pension expense) reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

6,657,456

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES

\$ 28,169,705

The accompanying notes to the financial statements are an integral part of this reconciliation.



Broken Arrow Public Schools
Statement of Net Position - Proprietary Funds
June 30, 2020

	<u>Governmental Activities - Internal Service Fund: Workers' Compensation Fund</u>
ASSETS	
CURRENT ASSETS	
Cash and equivalents	\$ 160,053
TOTAL ASSETS	<u>160,053</u>
LIABILITIES	
CURRENT LIABILITIES	
Accounts payable	<u>32,828</u>
TOTAL CURRENT LIABILITIES	<u>32,828</u>
NET POSITION	
Unrestricted	<u>127,226</u>
TOTAL NET POSITION	<u>127,226</u>
TOTAL LIABILITIES AND NET POSTION	<u>\$ 160,053</u>

The accompanying notes to the financial statements are an integral part of this statement.



Broken Arrow Public Schools
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2020

	Governmental Activities - Internal Service Fund: Workers' Compensation Fund
OPERATING REVENUES	
Reimbursements	\$ 550,081
	<u>550,081</u>
TOTAL OPERATING REVENUES	<u>550,081</u>
OPERATING EXPENSES	
Medical claims	496,256
	<u>496,256</u>
TOTAL OPERATING EXPENSES	<u>496,256</u>
	<u>53,825</u>
OPERATING INCOME (LOSS)	<u>53,825</u>
CHANGES IN NET POSITION	<u>53,825</u>
NET POSITION AT BEGINNING OF YEAR	<u>73,401</u>
NET POSITION AT END OF YEAR	<u><u>\$ 127,226</u></u>

The accompanying notes to the financial statements are an integral part of this statement.



Broken Arrow Public Schools
Statement of Cash Flows - Proprietary Funds
For the Year Ended June 30, 2020

	Governmental Activities - Internal Service Fund: Workers' Compensation Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Interfund services provided	\$ 550,081
Cash payment for insurance claims	(440,672)
Cash payments to suppliers for goods and services	(22,756)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	86,653
NET INCREASE IN CASH AND CASH EQUIVALENTS	86,653
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	73,401
CASH AND CASH EQUIVALENTS AT END OF YEAR	160,053
 RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY (USED IN)	
OPERATING ACTIVITIES	
Operating Income (loss)	53,825
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities	
Change in assets, deferred outflows, liabilities, and deferred inflows:	
Increase (decrease) in Accounts payable	32,828
Increase (decrease) in Workers' comp payable	-
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	\$ 86,653

The accompanying notes to the financial statements are an integral part of this statement.



Broken Arrow Public Schools
Statement of Net Position - Fiduciary Funds
June 30, 2020

	Private- Purpose Trust Fund
ASSETS	
Cash and cash equivalents	\$ 17,600.49
Investments	<u>50,000</u>
TOTAL ASSETS	<u><u>67,600</u></u>
LIABILITIES	
Due to student groups	<u>-</u>
TOTAL LIABILITIES	<u><u>-</u></u>
NET POSITION	
Held for scholarships	<u>67,600</u>
TOTAL NET POSITION	<u><u>\$ 67,600</u></u>

The accompanying notes to the financial statements are an integral part of this statement.



Broken Arrow Public Schools
Statement of Changes in Net Position - Fiduciary Funds
For the Year Ended June 30, 2020

	<u>Private-Purpose Trust Fund - Gift Fund</u>
ADDITIONS	
Contributions	\$ 5,610
Interest income	802
TOTAL ADDITIONS	<u> 6,412</u>
DEDUCTIONS	
Scholarships awarded	<u> 12,750</u>
TOTAL DEDUCTIONS	<u> 12,750</u>
 CHANGE IN NET POSITION	 (6,338)
 NET POSITION AT BEGINNING OF YEAR	 <u> 73,938</u>
 NET POSITION AT END OF YEAR	 <u><u> \$ 67,600</u></u>

The accompanying notes to the financial statements are an integral part of this statement.

**BROKEN ARROW PUBLIC SCHOOLS - NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

Note 1. Summary of Significant Accounting Policies

The basic financial statements of the Broken Arrow Public Schools Independent District No. 3 (the "District") have been prepared in conformity with generally accepted accounting principles ("GAAP") promulgated by The Government Accounting Standards Board ("GASB"). The District also complies with any contracts and grants of agencies from which it receives funds. The District has adopted the provisions of GASB Statement No. 54, *Fund Balance Reporting and Government Fund Type Definitions*. The more significant of the District's accounting policies are described below.

Reporting Entity

The District is a corporate body for public purposes created under Title 70 of the Oklahoma Statutes and accordingly is a separate entity for operating and financial reporting purposes. The District is part of the public school system of Oklahoma under the general direction and control of the State Board of Education and is financially dependent on State of Oklahoma support. The general operating authority for the public school system is the Oklahoma School Code contained in Title 70, Oklahoma Statutes. The governing body of the District is the Board of Education composed of five elected members. The appointed Superintendent is the executive officer of the District.

The District receives funding from Local, State, and Federal government sources and must comply with the requirements of these funding source entities. However, the District is not included in any other governmental "reporting entity" as defined by the Governmental Accounting Standards Board's ("GASB") *Codification of Governmental Accounting and Financial Reporting Standards*, since Board members are elected by the public and have decision-making authority, the power to designate management, the responsibility to significantly influence operations, and primary accountability for fiscal matters. There are no component units included within the reporting entity. The District is a governmental entity exempt from federal income taxation under Internal Revenue Code Section 115.

Further, the Broken Arrow Education Foundation and the Broken Arrow Performing Arts Center Foundation are not included in the reporting entity. The District does not appoint any of the board members or exercise any oversight authority over these Foundations.

Government-wide and Fund Financial Statements

The objective of the statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing government fund type definitions. These classifications reflect not only the nature of funds, but also provide clarity to the level of restriction placed upon fund balance.

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are normally supported by taxes and intergovernmental revenues.

The Statement of Net Position reports the District's financial and capital resources. Liabilities are segregated between current liabilities (those that are due within one year) and long-term liabilities (those that are due in more than one year).

**BROKEN ARROW PUBLIC SCHOOLS - NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

Note 1. Summary of Significant Accounting Policies - cont'd

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include tuition or fees paid by students or citizens of the District and grants and contributions that are restricted to meeting the operational or capital requirements of a particular function.

Taxes and other items including Foundation Incentive Aid (also referred to as State Aid), which are not properly included among program revenues, are reported as general revenues. Interest on general long-term debt, adjusted by the amortization of bond premiums, is considered an indirect expense and is reported on the Statement of Activities.

The fund financial statements provide reports on the financial condition and results of operations for three fund categories: Governmental, Proprietary, and Fiduciary. Since the resources in the Fiduciary Funds cannot be used for District operations, they are not included in the government-wide statements. The emphasis on fund financial statements is on major governmental funds, each displayed in a separate column.

Proprietary Funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses result from providing services and producing and delivering goods in connection with a Proprietary Fund's principal ongoing operation. All other revenues and expenses are non-operating.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements use economic resources measurement focus and the accrual basis of accounting, as do the Proprietary and Fiduciary Fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized, when they are susceptible to accrual, as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. Property taxes, interest and amounts due from other governments associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period.

All other revenue items are considered to be measurable and available only when cash is received by the government.

**BROKEN ARROW PUBLIC SCHOOLS - NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

Note 1. Summary of Significant Accounting Policies - cont'd

Fund Accounting

The District reports its financial activities through the use of fund accounting. This is a system of accounting wherein transactions are reported in self-balancing sets of accounts to reflect results of activities. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained, consistent with legal and managerial requirements. There are three categories of funds: Governmental, Proprietary, and Fiduciary.

Governmental Funds

Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of earmarked monies (Special Revenue Funds), the acquisition or construction of general capital assets (Capital Project Funds), and the servicing of general long-term debt (Debt Service Funds). Government Fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities plus deferred inflows of resources is reported as the fund balance.

All governmental funds can be classified into one of five types: the General Fund, Capital Projects Fund, Debt Service Fund, Special Revenue Funds, and Permanent Funds. In the fund financials, data from each *major* fund is presented in a separate single column while data from all the nonmajor funds are aggregated into a single column.

The District reports the following Major Governmental Funds:

General Fund - The General Fund is used to account for all financial transactions except those required to be accounted for in another fund. Major revenue sources include State and Local property taxes and State funding under the Foundation and Incentive Aid Program. Expenditures include all costs associated with the daily operations of the schools except for programs funded for building repairs and maintenance, school construction and debt service on bonds and other long-term debt. Federal and State restricted monies that must be expended for specific programs and compensated absences incurred by the District are also included in the General Fund.

Capital Project Funds - The Capital Project Funds are used to account for the proceeds of bond sales to be used exclusively for acquiring school sites, constructing and equipping new school facilities, renovating existing facilities and acquiring transportation equipment.

Debt Service Fund - The District's Debt Service Fund is used to account for the accumulation of financial resources for the payment of general long-term (including judgments) debt principal, interest and related costs. The primary revenue sources are local property taxes levied specifically for debt service and interest earnings from temporary investments.

The District reports the following Nonmajor Governmental Funds:

**BROKEN ARROW PUBLIC SCHOOLS - NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

Note 1. Summary of Significant Accounting Policies - cont'd

Special Revenue Funds – Special Revenue Funds are used to account for all financial resources restricted to, or designated for, committed or assigned to expenditures for particular purposes. The District reports the following Special Revenue Funds:

Building Fund – The Building Fund consists mainly of monies derived from property taxes levied for the purpose of erecting, remodeling, repairing, or maintaining school buildings and for purchasing furniture, equipment and computer software to be used on or for school district property, for paying energy and utility costs, for purchasing telecommunications services, for paying fire and casualty insurance premiums for school facilities, and for purchasing security systems.

Child Nutrition Fund – The Child Nutrition Fund consists of monies derived from federal and state financial assistance and food sales. This fund is used to account for the various nutrition programs provided to students.

Arbitrage Rebate Fund – The arbitrage rebate Fund is used to pay the rebatable arbitrage of certain bond issues to which the Internal Revenue Service arbitrage rules apply. These funds will either be retained or transferred to the Internal Revenue Service, depending on future financial events and computations. There was no arbitrage liability for the year ended June 30, 2020.

Student Activity Fund – The Student Activity Fund is used to account for monies collected principally through fundraising efforts of the students and district sponsored groups.

Permanent Fund (Endowment) - The Permanent Fund (Endowment Fund), is used to account for and report resources that are restricted to the extent that only earnings, and not principal, may be used to support the reporting government's programs and as per the Endowment terms. The Endowment Fund receives its assets through contributions from philanthropic foundations, individuals or private organizations for which no repayment or special service to the contributor is expected.

The Texaco/F.A. Petrick Endowment Fund accounts for a donor-restricted endowment whose earnings, in the amount of \$4,624.42, are restricted to expenditures for awarding college scholarships to Broken Arrow high school graduates. The available amounts for expenditure are reflected in the net position as restricted expendable. State law allows for expending available net appreciation of donor-restricted endowment to support the reporting government's programs as per the endowment terms. The investment of endowment funds is governed under State of Oklahoma Title 70, Oklahoma Section 3952 (70 O.S. 3952) which states investment return on each endowment account for the purpose of the reporting government's endowment terms with the district's education programs.

Proprietary Funds

Proprietary Funds are used to account for activities similar to those found in the private sector, where the determination of net income is useful to financial administration. Goods and/or services can be provided to both outside parties or to other departments or agencies primarily within the District. Proprietary Funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a Proprietary Fund's principal ongoing operations. Operating expenses for enterprise

**BROKEN ARROW PUBLIC SCHOOLS - NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

Note 1. Summary of Significant Accounting Policies - cont'd

funds and internal service funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The District reports the following major Proprietary Funds:

Internal Service Fund – The District has established an Internal Service Fund to account for the transactions of its self-insured workers’ compensation plan. Income from this fund is derived primarily from charges to governmental funds based on usage. Accrued liabilities include provisions from claims reported and claims incurred but not reported for workers’ compensation insurance. The provision for reported claims is determined by estimating the amount that will ultimately be paid to each claimant.

Fiduciary Funds

Fiduciary Funds are used to account for assets held on behalf of outside parties, including other Governments, or on behalf of other funds within the District. Private-Purpose Trust Funds are used to report other arrangements under which principal and income benefit individuals and use the terms “expendable” or “nonexpendable” (requirement to maintain invested resources intact).

Private - Purpose Trust Fund – This fund is an expendable trust fund and is also called the Gift Fund. The Gift Fund receives its assets by way of philanthropic foundations, individuals, or private organizations for which no repayment or special service to the contributor is expected. These assets are held for the benefit of others and cannot be used to address activities or obligations of the government. The District maintains a meaningful degree of ongoing responsibility for the resources once they have been contributed.

Fiduciary Funds are not incorporated into the government-wide financial statements.

Other Accounting Policies

Cash and Cash Equivalents – The District considers all cash on hand, demand deposits and highly liquid investments with original maturity of three months or less when purchased to be cash and cash equivalents.

Investments – Investments consist of United States Treasury securities and agencies and certificates of deposit. All investments are recorded at fair value generally based on quoted market prices or estimated fair values provided by brokerage statements. The net change in fair value of investments is recognized and reported as earnings (loss) on investments.

Property Tax Revenues and Receivables – The District is authorized by state law to levy property taxes, which consist of ad valorem taxes on real and personal property within the district. These property taxes are distributed to the district’s general fund, building fund, and debt service fund based on the levies approved for each fund. The district receives property taxes from two counties. The county assessor for each county, upon receipt of the certification of tax levies from the county excise board, extends the tax levies on the tax rolls of submission to the county treasurer prior to October 1. The county treasurer must commence tax collection within fifteen days of receipt of the tax rolls. The first half of taxes is due prior to January 1. The second half is due prior to April 1. If the first payment is not made in a timely manner,

**BROKEN ARROW PUBLIC SCHOOLS - NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

Note 1. Summary of Significant Accounting Policies - cont'd

the entire tax becomes due and payable on January 2. Second half taxes become delinquent on April 1 of the year following the year of assessment. If not paid by the following October 1, the property is offered for sale for the amount of taxed due. The owner has two years to redeem the property by paying the taxes and penalty owed. If at the end of two years the owner has not done so, the purchaser is issued a deed to the property. Property tax receivables are recorded on the lien date, although the related revenue is reported as a deferred inflow of resources and will not be recognized as revenue until the year for which it is levied. Delinquent property taxes, which are not collected within the availability period, 60 days of the year end, are recorded in the governmental fund financial statements as deferred inflows of resources. An allowance for uncollectible property taxes is calculated based on historical collection data.

Inventories – The District uses the consumption method to account for inventories of supplies and materials. Under this method, these items are carried in an inventory account of the respective fund at cost, using the weighted average method of accounting and are subsequently charged to expenditures when consumed or requisitioned. Although food commodities are received at no cost, their fair value is supplied by the Oklahoma Department of Human Services and is recorded as inventory on the date received. In governmental funds, inventories are reported as non-spendable fund balance.

Capital Assets - Capital assets, which include land, land improvements, building, building improvements, furniture and equipment, are reported in the government-wide financial statements. Land, land improvements, buildings and building improvements are recorded at historical cost or estimated historical cost if purchased or constructed.

The capitalization threshold for buildings and improvements, and equipment and fixtures is \$5,000, respectively. Donated capital assets, as well as, capital assets received in a service concession arrangement, are recorded at acquisition value (an entry price) as implemented in GASB Statement No. 72, Fair Value Measurement and Application. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as the projects are constructed.

Building and building improvements of the District are depreciated using the straight-line method beginning in the year they are placed in service. Equipment is depreciated using the straight-line method beginning in the month acquired. The District’s capital assets have the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and building improvements	10-50
Improvements other than buildings	10-50
Equipment, vehicles & fixtures	5-15

Pensions – The net pension liability, deferred inflows and outflows of resources related to pensions, pension expense, information about the fiduciary net position of the Oklahoma Teacher’s Retirement System (OTRS) and additions to/deductions from OTRS’s fiduciary net position have been determined on

**BROKEN ARROW PUBLIC SCHOOLS - NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

Note 1. Summary of Significant Accounting Policies - cont'd

the same basis as reported by OTRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments held by OTRS are reported at fair value.

Compensated Absences – A liability for compensated absences attributable to the District’s governmental funds is recorded in the government-wide financial statements. It is the District’s policy to provide payment to the employee for sick leave, upon retirement or severance of employment. The District policy provides payment to eligible employees for accumulated sick days. This liability is intended to accommodate these payments.

Accrued Compensation – Salaries, wages, and benefits that have been earned but not paid as of the end of the fiscal year are reported as a liability on the fund balance sheet and statement of net position. The district has two pay cycles. Employees on each cycle, including teachers, render services under their various contracts prior to the end of the fiscal year for which they do not receive payment until after the end of the fiscal year. The total gross amount of salaries, wages, and benefits associated with these services is reported as a liability on the financial statements.

Revenue – All sources of revenue other than federal revenue are recognized as soon as they are both measurable and available. Federal revenue is considered earned in the same period the associated reimbursable expense is recognized. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities in the current period. For this purpose, the District considers revenues to be available if they are collected within sixty days of the end of the current fiscal period.

Deferred Outflows of Resources – In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources until that period. Deferred outflows of resources for the year ended June 30, 2020, consist of unrecognized items not yet charged to pension expense and contributions from the employer after the measurement date but before the end of the employer’s reporting period. See Note 6 for additional discussion regarding pension deferred outflows of resources

Deferred Inflows of Resources – In addition to liabilities, the statement of net position and fund balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until then. The governmental fund balance sheet includes deferred inflows of resources related to unavailable local sources of revenues and succeeding year property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available or the period levied for and budgeted. In the district’s government-wide statements, the property tax revenues for the succeeding year remain a deferred inflow and will be recognized as revenue in the year for which they are levied and budgeted for. The district’s government-wide statements also consist of unrecognized items not yet charged to pension expense. See Note 6 for additional discussion regarding pension deferred inflows of resources.

Encumbrances - Encumbrances represent commitments related to purchase orders, contracts, other

**BROKEN ARROW PUBLIC SCHOOLS - NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

Note 1. Summary of Significant Accounting Policies - cont'd

commitments for expenditures or resources, and goods or services received by the District for which a warrant has not been issued. Expenditures are recorded and liabilities are recognized for outstanding encumbrances at year end in accordance with the regulatory basis of accounting.

Long-Term Liabilities - Long-term liabilities are recognized as a liability of a governmental fund when due, or when resources have been accumulated in the debt service fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. Bonds payable are reported net of the applicable bond premium or discount. Bond premium or discounts on debt qualifying as capital-related debt, is included in calculating the amount that is reported as the net investment in capital assets. The District defers and amortizes bond premiums and discounts over the life of the Bonds using the straight line interest method. Bond issuance costs are not significant and are reported as current year expenditures.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as administrative support service expenditures.

Net Positions and Fund Balances – The government wide financial statements utilize a net position presentation. Net position on the statement of new position include the following:

Net investment in capital assets – the component of net position that reports the difference between capital assets less both the accumulated depreciation and the outstanding balance of debt, excluding unexpended proceeds, that is directly attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are also included in this component of net position, if any. The total unexpended Bond-Capital Purposes is \$18.8 million at June 30, 2020.

Restricted for specific purpose – the component of net position that reports the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources of certain programs should be reported when constraints placed on the use of resources are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

The restricted net position for other purposes is made up of the following:

Child Nutrition	1,278,542
Arbitrage	20,000
Student activities	3,993,526
Endowment	44,624
Federal and state allocation carryover	<u>2,718,600</u>
	<u>8,055,292</u>

**BROKEN ARROW PUBLIC SCHOOLS - NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

Note 1. Summary of Significant Accounting Policies - cont'd

Unrestricted – This consists of net position that does not meet the definition of restricted net position or net investment in capital assets.

Fund Balances and Equity - Fund balance refers to the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources in the governmental funds balance sheet.

The District has a minimum annual General Fund balance Board of Education policy of 5.0% of annual revenue. Fund balance consists of five categories, defined in Governmental Accounting Standards Board Statement No. 54, as follows:

Non-spendable – includes amounts that cannot be spent because they are either not in spendable form, or, for legal or contractual reasons, must be kept intact. This classification includes inventories, permanent fund principal, prepaid items, and long-term receivables.

Restricted – includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts restricted due to constitutional provisions or enabling legislation. This classification includes the child nutrition program, arbitrage, retirement of long - term debt, construction programs, building fund, student activity fund, and other federal and state grants.

Committed – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the District through formal action at the highest level of decision making authority. Committed fund balance is reported pursuant to resolution passed by the District’s Board of Education.

Assigned – includes fund balance amounts that are self-imposed by the District to be used for a particular purpose pursuant to the District’s Board of Education Policy 6090. This policy dictates that in order to meet the District’s financial obligations and provide a contingency for emergencies or unexpected expenditures, the Board of Education establishes an acceptable range for the General Fund year end fund balance. Based on an analysis of the District’s cash flow and the need for a contingency, the targeted minimum annual fund balance for the General Fund is 8.0% of annual revenue. For purposes of this policy, the term “annual revenue” refers to the total amount of annual General Fund collections, excluding the previous year’s fund balance, as of June 30. The fund balance can be assigned by the District’s Board of Education, the Superintendent, or the Chief Financial Officer.

All other funds will be based on an analysis of cash flow requirements as may be established by state law or regulations.

Unassigned – includes residual positive fund balances within the General Fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes. The District’s policy for the application of net position for which both restricted and unrestricted net position is available, restricted net position is considered to have been spent first.

It is the District’s policy to first use restricted fund balance prior to the use of unrestricted fund balance when an expense is incurred for purposes for which both restricted and unrestricted fund balance are

**BROKEN ARROW PUBLIC SCHOOLS - NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

Note 1. Summary of Significant Accounting Policies - cont'd

available. The District’s policy for the use of unrestricted fund balance amounts require that committed amounts would be reduced first, followed by assigned amounts and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

The following information provides the fund balance classifications as shown in the governmental funds balance sheet as of June 30, 2020:

	General Fund	Capital Projects Fund	Debt Service Fund	Nonmajor Funds	Total Governmental Funds
<u>FUND BALANCES</u>					
Nonspendable:					
Inventory	345,965	-	-	278,594	624,559
Permanent fund principal	-	-	-	40,000	40,000
Restricted for:					
Federal and state allocation carryover	2,718,600				2,718,600
Capital projects	-	18,762,861	-	-	18,762,861
Debt service	-	-	17,332,409	-	17,332,409
Building	-	-	-	3,430,580	3,430,580
Child Nutrition				1,278,542	1,278,542
Endowment	-	-	-	4,624	4,624
Arbitrage	-	-	-	20,000	20,000
Student activities				3,993,526	3,993,526
Unassigned	19,488,765	-	-	-	19,488,765
TOTAL FUND BALANCES	\$ 22,553,330	\$ 18,762,861	\$ 17,332,409	\$ 9,045,865	\$ 67,694,466

District’s Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires the district to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources and disclose contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Revenues

Local Revenues - Revenue from Local sources is the monies generated from within the boundaries of the District and available to the District for its use. The District is authorized by State law to levy property taxes which consist of ad valorem taxes on real and personal property within the District. These property taxes are distributed to the District's General, Building and Debt Service Funds based on the levies approved for each fund. The County Assessor, upon receipt of the certification of tax levies from the County Excise Board, extends the tax levies on the tax rolls for submission to the County Treasurer prior to October 1. The County Treasurer must commence tax collection within fifteen days of receipt of the tax rolls. The first half of taxes is due prior to January 1. The second half is due prior to April 1.

**BROKEN ARROW PUBLIC SCHOOLS - NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

Note 1. Summary of Significant Accounting Policies - cont'd

If the first payment is not made in a timely manner, the entire tax becomes due and payable on January 2. Second half taxes become delinquent on April 1, of the year following the year of assessment. If not paid by the following October 1, the property is offered for sale for the amount of taxes due. The owner has two years to redeem the property by paying the taxes and penalty owed. If at the end of two years the owner has not done so, the purchaser is issued a deed to the property. Other Local sources of revenues include tuition, fees, rentals, disposals, commissions and reimbursements.

Intermediate Revenues - Revenue from Intermediate sources is the amount of money from funds collected by an intermediate administrative unit, or a political subdivision between the District and the State, and distributed to districts in amounts that differ in proportion to those which are collected within such systems.

State Revenues - Revenues from State sources for current operations are primarily governed by the State Aid Formula under the provisions of Article XVIII, Title 70, Oklahoma Statutes. The State Board of Education administers the allocation of State Aid funds to school districts based on information accumulated from the districts.

After review and verification of reports and supporting documentation, the State Department of Education may adjust subsequent fiscal period allocations of money for prior year errors disclosed by review. Normally, such adjustments are treated as reductions from or additions to the revenue of the year when the adjustment is made. The District receives revenue from the State to administer certain categorical educational programs. State Board of Education rules require that revenue earmarked for these programs be expended only for the program for which the money is provided and require that the money not expended as of the close of the fiscal year be carried forward into the following year to be expended for the same categorical programs.

The State Department of Education requires that categorical educational program revenues be accounted for in the General Fund. The aforementioned state revenues are apportioned to the District's General Fund.

Federal Revenues - Federal revenues consist of revenues from the federal government in the form of operating grants or entitlements. An operating grant is a contribution to be used for a specific purpose, activity or facility. A grant may be received either directly from the federal government or indirectly as a pass-through from another government, such as the state. An entitlement is the amount of payment to which the District is entitled pursuant to an allocation formula contained in applicable statutes. The majority of the federal revenues received by the District are apportioned to the General Fund. The District maintains a separate Child Nutrition Fund and the federal revenues received for the child nutrition programs are apportioned there.

Interest Earnings - Represent compensation for the use of financial sources over a period of time.

Other Sources and Non-Revenue Receipts – Other sources represent primarily prior year lapsed encumbrances from Capital Project Funds and prior year adjustments. Non-revenue receipts represent receipts deposited into a fund that is not new revenues to the District, but the return of assets.

**BROKEN ARROW PUBLIC SCHOOLS - NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

Note 1. Summary of Significant Accounting Policies - cont'd

Expenditures

Instruction Expenditures - Instruction expenditures include the activities dealing directly with the interaction between teachers and students. Teaching may be provided for students in a school classroom, in another location, such as a home or hospital, and in other learning situations, such as those involving co-curricular activities. It may also be provided through some other approved medium, such as television, radio, telephone and correspondence. Included here are the activities of teacher assistants of any type (clerks, graders, teaching machines, etc.) which assist in the instructional process.

The activities of tutors, translators and interpreters would be recorded here. Department chairpersons who teach for any portion of time are included here. Tuition/transfer fees paid to other local education agencies would be included here.

Support Services Expenditures - Support services expenditures provide administrative, technical (such as guidance and health) and logistical support to facilitate and enhance instruction. These services exist as adjuncts for fulfilling the objectives of instruction, community services and enterprise programs, rather than as entities within themselves. These services are designed to assess and improve student well-being and to supplement the teaching process.

Operation of Non-Instructional Services Expenditures - Activities concerned with providing non-instructional services to students, staff or the community.

Facilities Acquisition and Construction Services Expenditures - Consists of activities involved with the acquisition of land and buildings; remodeling buildings; the construction of buildings and additions to buildings; initial installation or extension of service systems and other built-in equipment; and improvements to sites.

Other Outlays Expenditures - A number of outlays of governmental funds are not properly classified as expenditures but still require budgetary or accounting control. These are classified as Other Outlays. These include debt service payments (principal and interest).

Other Uses Expenditures - This includes scholarships provided by private gifts and endowments; student aid and staff awards supported by outside revenue sources (i.e., foundations), and expenditures for self-funded employee benefit programs administered either by the District or a third party administrator.

Repayment Expenditures - Repayment expenditures represent checks/warrants issued to outside agencies for refund or restricted revenue previously received for overpayment, non-qualified expenditures and other refunds to be repaid from District funds.

Interfund Transactions - Interfund services provided and used are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund or expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the fund that is reimbursed. All other interfund transactions, except interfund services provided and used or reimbursements, are reported as transfers.

**BROKEN ARROW PUBLIC SCHOOLS - NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

Note 2. Cash, Cash Equivalents, and Investments

The District's investment policies are governed by state statute. Permissible investments include direct obligations of the United States government and agencies; certificates of deposit of savings and loan associations, banks and trust companies; savings accounts or savings certificates of savings and loan associations, banks, and trust companies; warrants, bonds or judgments of the District. Income from investments reported in one fund can be assigned directly to another fund. Investments are measured at fair value as defined in GASB Statement No. 72, *Fair Value Measurement and Application*.

Credit risk - Credit risk refers to the risk that a borrower will default on any type of debt by failing to make required payments. The risk is primarily that of the lender and includes lost principal and interest, disruption to cash flows, and increased collection costs. Fixed-income securities are subject to credit risk. Credit quality ratings are one method of assessing the ability of the issuer to meet its obligation. There is no District policy related to the limitations on credit rating risk. Due to the unfavorable economic climate and extremely low available interest rates for investing, investments were purchased to obtain the highest possible interest rate.

Custodial credit risk - deposits – Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. State statutes require collateral for amounts in excess of federally insured amounts. The District's policy 6130 requires collateral equal to 110% of the deposit amount for all deposits not covered by F.D.I.C. insurance. The bank balance was completely covered by federal depository insurance and by collateral held by the District's third party agent in the District's name. As of June 30, 2020, all of the District's deposits were either covered by federal deposit insurance or were collateralized at 110% of the investment principal.

Custodial credit risk - investments – This is the risk that, in the event of failure of the counterparty, the District will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The District's policy requires that all investments in excess of amounts covered by federal deposit insurance be fully collateralized by the entity holding the investments. As of June 30, 2020, all of the District's investments were either covered by federal deposit insurance or were fully collateralized. Further, all of the District's investments are held by its agent in the District's name. Accordingly, no investments are subject to custodial credit risk.

Concentration of credit risk – The District's investment portfolio is diversified in terms of investment instruments, maturity scheduling, and financial institutions to reduce risk of loss resulting from over-concentration of assets in a specific class of investments. The District's policy 6130 states the District's investment strategy should be based on the following guidelines: safety of principal, liquidity, yield, diversification, maturity, and quality of the investment instrument.

Interest rate risk - Interest rate risk is the risk that changes in interest rates will adversely affect the fair market value of an investment. Due to the required liquidity for those investments, these funds have no defined maturity dates. The District does not have a formal policy that limits investment maturities as a means of managing its exposure to fair value losses from increasing interest rates but monitors investment performance on an ongoing basis to limit the District's interest rate risk.

Maturities of investments as of June 30, 2020 are as follows (000's):

**BROKEN ARROW PUBLIC SCHOOLS - NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

Note 2. Cash, Cash Equivalents, and Investments – cont'd

Investment Type	Investment Maturities (in Years, In Millions)		
	Fair Value	Less Than 1	1-3
Certificates of deposit	\$ 54,640	\$ 54,640	\$ -
Total	\$ 54,640	\$ 54,640	\$ -

Foreign Currency Risk – As of June 30, 2020, the District does not hold any foreign currency investments in the investment portfolio.

Cash - The District's bank balance of deposits, cash pools (sweep accounts) and high balance savings at June 30, 2020, was \$28,000,247 of which \$17,284,779 is obligated for outstanding checks.

Investments & Investment Authority – The District Treasurer is required by the Board to invest District monies in the custody of the Treasurer in those investments permitted by law. The Treasurer shall, to the extent practicable, use competitive bids when purchasing direct obligation of the United States Government or other obligations of the United States Government, its agencies or instrumentalities.

The District Treasurer shall limit investments to:

- Direct obligations of the United States Government to the payment of which the full faith and credit of the Government of the United States is pledged; provided the District Treasurer, after completion of an investment education program in compliance with applicable law, may invest funds in the investment account in other obligations of the United States Government, its agencies or instrumentalities;
- Obligations to the payment of which the full faith and credit of this state is pledged;
- Certificates of deposits of banks when such certificates of deposits are secured by acceptable collateral as in the deposit of other public monies;
- Savings accounts or savings certificates of savings and loan associations to the extent that such accounts or certificates are fully insured by the Federal Savings and Loan Insurance Corporation;
- Repurchase agreements that have underlying collateral consisting of those items specified in paragraphs 1 and 2 above, including obligations of the United States, its agencies and instrumentalities, and where the collateral has been deposited with a trustee or custodian bank in an irrevocable trust or escrow account established for such purposes;
- County, municipal or school district direct debt obligations for which an ad valorem tax may be levied or bond and revenue anticipation notes, money judgments against such county, municipality or school district ordered by a court of record or bonds or bond and revenue anticipation notes issued by a public trust for which such county, municipality or school district is a beneficiary thereof. All collateral pledged to secure public funds shall be valued at no more than market value;
- Money market mutual funds regulated by the Securities and Exchange Commission and which investments consist of obligations of the United States, its agencies and instrumentalities, and investments in those items and those restrictions specified in paragraphs 1 through 6 above; Warrants, bonds, or judgments of the District;

**BROKEN ARROW PUBLIC SCHOOLS - NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

Note 2. Cash, Cash Equivalents, and Investments – cont'd

- Qualified pooled investment programs through an interlocal cooperative agreement formed pursuant to applicable law and to which the board of education has voted to be a member, the investment of which consist of those items specified in paragraphs 1 through 8 above, as well as obligations of the United States, its agencies and instrumentalities; or
- Any other investment that is authorized by law

At June 30, 2020, the District's investments consisted of certificates of deposits and United States Treasury Bills with an approximate fair market value of \$54.6 million.

Note 3. Receivables

The major receivables for governmental activities are federal revenue and taxes receivables. Amounts are aggregated into a single accounts receivable (net of allowance for uncollectible) line for governmental funds. The majority of the receivable balance is attributable to Due from Other Governments. The District participates in a variety of Federal and State programs which it receives grants to partially or fully finance certain activities. At June 30, 2020, \$65,742,820 of receivables were considered to be unavailable and were recorded as deferred inflows of resources in governmental funds.

Amounts due from Federal governments as of June 30, 2020 are presented in the table on the next page. Other receivables were the result of child nutrition catering charges, and building rental amounts not received as of June 30, 2020. These amounts are expected to be collected within the next fiscal year.

Interfund Receivables, Payables and Transfers – Interfund activities among governmental funds and between governmental funds and proprietary funds, which are due within one year, appear as due to/due from other funds on the Governmental Fund Balance Sheet. They also appear on the Proprietary Fund Statement of Net Position and as other financing sources and uses on the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund balance as well as the Proprietary Fund Statement of Revenues, Expenses and Changes in Fund Net Position. These amounts, except for amounts from Fiduciary Funds, are eliminated from the government wide columns of the Statement of Net Position.

Interfund receivables and payables represent amounts involving both reciprocal interfund activity and interfund reimbursements for repayment of expenditures or expenses to the fund that initially paid for them. Any unpaid balance at the end of the fiscal year is reported as an interfund receivable and/or payable. Any outstanding balances between funds results mainly from the time lag between the dates (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. There were no outstanding interfund receivables or payables as of June 30, 2020.

Receivables at June 30, 2020, all due within one year, for the District's governmental and proprietary funds, in detail, are as follows:

**BROKEN ARROW PUBLIC SCHOOLS - NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

Note 3. Receivables – cont'd

Receivables:	General Fund	Capital Projects Fund	Debt Service Fund	Nonmajor Funds	Total Governmental Funds
Due from other governments					
Local - current year property tax	\$ 777,635	\$ -	\$ 676,982	\$ 111,010	\$ 1,565,627
Local - succeeding year property tax	35,684,231	-	31,190,538	5,096,289	71,971,059
Property taxes-delinquent	815,607	-	712,405	116,486	1,644,498
Federal	2,718,600	-	-	-	2,718,600
Interest	1,044	44	-	68	1,155
Other receivables	11,347	-	-	-	11,347
Gross Receivables:	\$ 40,008,463	\$ 44	\$ 32,579,926	\$ 5,323,854	\$ 77,912,287
Less: Allowance for uncollectible property tax	(947,189)	-	(776,102)	(135,276)	(1,858,567)
Net Receivables:	\$ 39,061,274	\$ 44	\$ 31,803,824	\$ 5,188,578	\$ 76,053,720

Note 4. Capital Assets

Capital asset activity for the year ended June 30, 2020, was as follows:

	Beginning Balance				Ending Balance
	June 30, 2019	Increases	Transfers	Adjustments **	June 30, 2020
Governmental Activities:					
Capital assets, not being depreciated:					
Land	\$ 15,163,837	\$ -	\$ -	\$ (378,249)	\$ 14,785,589
Construction in progress	1,073,719	36,831,530	(33,850,247)	-	4,055,001
Total capital assets not being depreciated:	16,237,556	36,831,530	(33,850,247)	(378,249)	18,840,590
Capital assets being depreciated:					
Land Improvements	8,983,018	543,539	-	-	9,526,557
Buildings and Building Improvements	281,805,408	437,730	33,850,247	-	316,093,385
Furniture and Equipment	44,526,470	3,027,434	-	-	47,553,904
Total capital assets being depreciated:	335,314,896	4,008,703	33,850,247	-	373,173,846
Total assets	351,552,452	40,840,233	-	(378,249)	392,014,436
Less: Accumulated depreciation for:					
Land Improvements	(938,417)	(389,975)	-	-	(1,328,392)
Buildings and Building Improvements	(58,791,820)	(6,544,063)	-	-	(65,335,883)
Furniture and Equipment	(40,486,249)	(4,880,584)	-	-	(45,366,833)
Total accumulated depreciation :	(100,216,486)	(11,814,622)	-	-	(112,031,108)
Net Assets All Funds:	\$ 251,335,966	\$ 29,025,611	\$ -	\$ (378,248.58)	\$ 279,983,328

Depreciation expense was charged to governmental functions as follows:

Governmental Activities:	Depreciation		
	Expense:	Adjustments:	Balance:
Instruction	\$ 689,419	-	\$ 689,419
Support services - Students and staff	201,804	-	201,804
Instructional support services	1,103,121	-	1,103,121
Administrative support services	691,981	-	691,981
Operations and maintenance of plant services	463,632	-	463,632
Transportation	1,121,326	-	1,121,326
Operation of Noninstructional Services	7,543,338	-	7,543,338
Total Depreciation:	\$ 11,814,622	\$ -	\$ 11,814,622

** Adjustments: Retirements/Disposals/Corrections within classification of assets.

(figures may be different due to rounding)

**BROKEN ARROW PUBLIC SCHOOLS - NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

Note 5. General Long-Term Debt

State statutes prohibit the District from becoming indebted in an amount exceeding the revenue to be received for any fiscal year without approval by the District's voters. Bond issues have been approved by the voters and issued by the District for various capital improvements. These bonds are required to be fully paid serially within 25 years of the date of issue, however, the District typically pays all bonds within 5 to 10 years of the date of issue.

General long-term debt of the District consists of building bonds payable and net pension liability. Debt service requirements for bonds are paid solely from the fund balance and the future revenues of the debt service fund. The District primarily liquidates debt through the Debt Service Fund. The net pension liability will be liquidated in future years by the General Fund.

The following is a summary of the long-term debt transactions, with deductions, which includes premium on bonds sold for the District for the year ended June 30, 2020:

	<u>2019</u>	<u>Additions</u>	<u>Deductions</u>	<u>Adjustment</u>	<u>2020</u>	<u>Due in One Year</u>
Governmental activities						
Bonds payable	\$ 104,385,000	\$ 15,200,000	\$ (26,205,000)	\$ -	\$ 93,380,000	\$ 25,540,000
Premium on debt issuance	730,172	4,408	(424,544)	-	65,290	244,746
Total	<u>\$ 105,115,172</u>	<u>\$ 15,204,408</u>	<u>\$ (26,629,544)</u>	<u>\$ -</u>	<u>\$ 93,445,290</u>	<u>\$ 25,784,746</u>

In compliance with GASB Statement No. 62–187, the District amortizes all premiums on bonds sold. The amortization for the 2019-20 fiscal year was \$424,544, which reduces long-term interest expense.

The District issued \$15.2 million in General Obligation Combined Purpose Bonds Series 2020, in April 2020, to finish a new elementary school set to open in the 2020-2021 school year as well as, renovation projects at multiple middle schools, technology developments, copiers, instruments, instructional software/equipment, athletic department upgrades, the completion of fuel station upgrades, new work vehicles, and new transportation equipment/buses.

The District also issued \$42.5 million in General Obligation Bonds Series 2019, in April 2019, to finish renovation projects at three school site buildings, technology developments, two new Pre-K buildings, copiers, instruments, instructional software/equipment, athletic department upgrades, fuel station upgrades, new work vehicles, and new transportation equipment/buses. In April 2018, the District issued \$23.3 million in General Obligation Bonds Series 2018, in April 2018, to finish renovation projects at seventeen school site buildings, construct the new Kirkland facility, instructional/transportation equipment, technology upgrades, work vehicles, and purchase additional music equipment. The District also issued \$21.5 million in General Obligation Bonds Series 2014G, In April 2014, to be used for district vehicles, remodel elementary facilities, and technology upgrades, \$5.6 million in Building Bonds Series 2014B, in August 2014, used for media and technology developments and \$29.0 million in General Obligation Bonds Series 2015A, in May 2015, to be used for the 1:1 computer initiative expansion as well as copiers, technology safety and security upgrades, and a newly constructed elementary school. The District also issued \$3.0 million in Building Bonds Series 2015B, In December 2015, to acquire and install equipment, and further enhance our technology, \$20.9 million in Combined Purpose Bonds Series 2016,

**BROKEN ARROW PUBLIC SCHOOLS - NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

Note 5. General Long-Term Debt – cont'd

in April 2016, to be used for costs of the construction or rehabilitation of public school facilities and the acquisition of equipment, and \$23.5 million in General Obligation Bonds Series 2017, in April 2017, to purchase GPS transportation equipment, computer upgrades, and equip the new elementary school.

Bonds sold at discounts decrease the carrying value of the bond, and bonds sold at a premium increase the carrying value. The discount or premium is then amortized as an increase or decrease, respectively, to the coupon interest payment in reporting interest expense. Interest expense on general long-term debt during the 2019-20 fiscal year totaled \$2.1 million. Amortization on bond premiums for the year ended June 30, 2020 decreased long-term interest expense per GASB, Statement No. 23.

A brief description of the outstanding long-term debt at June 30, 2020, is set forth below:

	<u>Amount Outstanding</u>
Building Bonds, Series 2015B, original issue \$3,000,000 Dated 12-01-2015, interest rate of 2.00%, due in annual Installments of \$600,000, final payment of \$600,000, due 12-01-2021	\$ 1,200,000
General Obligation Bonds, Series 2016, original issue \$20,925,000 Dated 4-01-2016, interest rate of 3.00%, due in annual Installments of \$5,230,000, final payment of \$5,235,000, due 4-01-2021	\$ 5,235,000
General Obligation Bonds, Series 2017, original issue \$23,500,000 Dated 4-01-2017, interest rate of 2.00%, due in annual Installments of \$5,875,000, final payment of \$5,875,000, due 4-01-2022	\$ 11,750,000
General Obligation Bonds, Series 2018, original issue \$23,325,000 Dated 4-02-2018, interest rate of 2.78%, due in annual Installments of \$5,830,000, final payment of \$5,835,000 due 5-01-2023	\$ 17,495,000
General Obligation Bonds, Series 2019, original issue \$42,500,000 Dated 4-01-2019, interest rate of 3.00%, due in three Installments of \$8,000,000, \$17,250,000, and final payment of \$17,250,000 due 4-01-2023	\$ 42,500,000
General Obligation Bonds, Series 2020, original issue \$15,200,000 Dated 4-01-2020, interest rate of 1.75%, due in annual Installments of \$3,800,000, final payment of \$3,800,000 due 4-01-2025	\$ 15,200,000
TOTAL	\$ 93,380,000

The annual debt service requirements, including the payment of principal and interest outstanding are as follows:

Fiscal Year <u>Outstanding</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020-2021	\$ 25,540,000	\$ 1,951,234	\$ 27,491,234
2021-2022	33,355,000	1,498,882	34,853,882
2022-2023	26,885,000	555,738	27,440,738
2023-2024	3,800,000	27,550	3,827,550
2024-2025	3,800,000	28,500	3,828,500
Total	\$ 93,380,000	\$ 4,061,904	\$ 97,441,904

**BROKEN ARROW PUBLIC SCHOOLS - NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

Note 6. Employee Retirement System and Plan

General Information about the Pension Plan

Description of Plan - The District participates in the state-administered Oklahoma Teachers' Retirement System (TRS), a cost sharing, multiple-employer defined benefit public employee retirement system (PERS), administered by the Board of Trustees of the Oklahoma Teachers' Retirement System (the "System"). The System provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Statutory authority for the Board of Trustees is Title 70, Oklahoma Section 17-106 [70 O.S. 17-106]. These statutes may be amended only through legislative action.

The Oklahoma Teachers' Retirement System issues a publicly available financial report that includes financial statements and required supplementary information as well as actuarial reports at www.ok.gov/TRS. That report may also be obtained by writing to the Oklahoma Teachers' Retirement System, P.O. Box 53624, Oklahoma City, OK 73152, or by calling 405-521-2387.

Benefits Provided - TRS provides retirement, disability, and death benefits. Retirement benefits are determined as 2.0 percent of final average salary times the employee's years of service. Combination 80 clients (joined prior to 7/1/92) use their highest three salaries in the average salary calculation. Combination 90 and Combination 90/Minimum Age 60 clients use their highest consecutive five salaries in the average salary calculation. Employees who joined the system prior to November 1, 2017 are fully vested after 5 years of contributory Oklahoma membership service. Those who join on or after November 1, 2017 are fully vested after seven years of contributory Oklahoma membership service and may choose to take an early, reduced retirement benefit, or stay to qualify for a regular, unreduced retirement benefit.

Employees are eligible for service-related disability when they have at least 10 years of Oklahoma Contributory Service. The same rules apply to nonservice-related disability eligibility. Disability benefits are determined in the same manner as retirement benefits but are payable immediately without an actuarial reduction. The retirement plan provides a lifetime benefit to client in addition to a \$5,000 death benefit paid to the surviving beneficiary(ies).

Employees Covered – At June 30, 2020, the following employees were covered by the benefit terms for each Plan:

	Governmental Funds
Inactive employees or beneficiaries currently receiving benefits	36
Active employees participating in the plan	1773
Total	1809

Contributions - Per Article 17 of the State Statutes, contribution requirement of the active employees and the District are established and may be amended by the TRS Board. Employees are required to contribute 7.0% of their annual pay. The District's contractually required contribution rate for the year ended June 30, 2020, was 9.5% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District total contribution to OTRS in 2020 was \$7.9 million.

**BROKEN ARROW PUBLIC SCHOOLS - NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

Note 6. Employee Retirement System and Plan - cont'd

The State makes a contribution on behalf of each teacher meeting minimum salary requirements (known as the OTRS year of service credit). The State is also required to contribute to the System on behalf of the participating employers. The State of Oklahoma is also required to contribute to the system on behalf of the participating employers. For 2020, the State of Oklahoma contributed 5 percent of state revenues from sales and use taxes and individual income taxes, to the System on behalf of participating employers. The District has estimated the amounts contributed to the System by the State of Oklahoma on its behalf based on a contribution rate provided to the District. For the year ended June 30, 2020, the total amount contributed to the System by the State of Oklahoma on behalf of the District was approximately \$6.3 million. In accordance with generally accepted accounting practices, District recognized the on-behalf-of payments as revenue and expense/expenditure in the government wide and fund financial statements. These on-behalf payments do not meet the definition of a special funding situation.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to

At June 30, 2020, the District reported a net pension liability of \$111.2 million for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's contributions to OTRS relative to total contributions of OTRS for all participating employers for the year ended June 30, 2019. Based upon this information, the District's proportion was 1.68073704 percent.

For the period ended June 30, 2020, the District recognized pension expense of \$10.6 million. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 5,709,922	\$ (4,766,585)
Changes of assumptions	5,839,869	(3,753,820)
Net difference between projected and actual investment earnings on pension plan investments	10,630,146.02	(9,875,779)
Changes in proportion and differences between District contributions and proportionate share of contributions	-	-
Total deferred amount to be recognized in pension expense in future periods	<u>\$ 22,179,936.26</u>	<u>\$ (18,396,184)</u>
District contributions subsequent to the measurement date	7,952,697	-
Totals	<u>\$ 30,132,633</u>	<u>\$ (18,396,184)</u>

Deferred pension outflows totaling approximately \$7.9 million resulting from the District's contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. The net deferred pension inflows totaling approximately \$18.4 million will be recognized in pension expense using the average expected remaining life of the Plan. The average expected remaining life of the Plan is determined by taking the calculated total future service years of the

**BROKEN ARROW PUBLIC SCHOOLS - NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

Note 6. Employee Retirement System and Plan - cont'd

Plan divided by the number of people in the Plan including retirees. The total future service years of the Plan are estimated at 5.33 years at June 30, 2019 and are determined using the mortality, termination, retirement, and disability assumptions associated with the Plan. Deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year ended June 30:

2020	\$	3,570,627
2021	\$	(2,548,478)
2022	\$	(268,665)
2023	\$	2,595,101
2024	\$	435,167
Total	\$	3,783,752

Actuarial Assumptions - The total pension liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Mortality rates were based on the RP-2000 Healthy Annuitant Mortality Table for Males and Females, as appropriate, with adjustments for mortality improvements based on Scale AA.

Actuarial Cost Method	-	Entry Age Normal
Amortization Method	-	Level Percentage of Payroll
Amortization Period	-	Amortization over an open 30-year period
Asset Valuation Method	-	5-year smooth market
Inflation	2.50%	
Salary increases	-	Composed of 3.00 percent inflation, plus 0.75 percent productivity increase rate, plus step-rate promotional increases for members with less than 25 years of service
Investment rate of return	7.50%	
Retirement Age	-	net of expenses and compounded annually Experience-based table of rates based on age, service, and gender. Adopted by the Board in May 2015 in conjunction with the five year experience study for the period ending June 30, 2014.
Payroll Growth Rate	2.75%	
	-	per year. This increase rate has no allowance for future membership growth.

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study, dated May 13, 2015, for the period July 1, 2009- June 30, 2014 and in conjunction with the five-year experience study for the period ending June 30, 2014.

Based on the stated assumptions and the projection of cash flows, the pension plan's fiduciary net position and future contributions were projected to be available to finance 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. 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.

**BROKEN ARROW PUBLIC SCHOOLS - NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

Note 6. Employee Retirement System and Plan - cont'd

The target asset allocation and best estimates of arithmetic expected real rates of return for each major asset class as of the June 30, 2019 actuarial, are summarized in the following table:

Asset Class	Target Asset Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	38.5%	7.5%
International Equity	19.0%	8.5%
Fixed Income	23.5%	2.5%
Real Estate**	9.0%	4.5%
Alternative Assets	10.0%	6.1%
Total	<u>100.0%</u>	

** The Real Estate total expected return is a combination of US Direct Real Estate (unlevered) and US Value added Real Estate (unlevered)

Discount rate - The discount rate used to measure the total pension liability was 7.50%. The single discount rate was based solely on the expected investment rate of return on pension plan investments of 7.50%. The projection of cash flows used to determine the discount rate assumed the pension plan's fiduciary net position and future contributions were projected to be available to finance 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.

Changes in the Net Pension Liability

Sensitivity of the Net Pension Liability to the Single Discount Rate Assumption - The following table provides the sensitivity of the net pension liability to changes in the discount rate as of the June 30, 2019 actuarial report. In particular, the table presents the plan's net pension liability, if it were calculated using a single discount rate that is one-percentage-point lower or one-percentage-point higher than the single discount rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Net pension liability	\$ 156,736,869	\$ 111,231,171	\$ 73,163,394

Pension plan fiduciary net position - Detailed information about the pension plan's fiduciary net position and changes in net pension liability is available in the separately issued TRS financial report.

Other Post-Employment Benefits (OPEB)

The Oklahoma Teachers' Retirement System pays between \$100 and \$105 per month, depending on the members' years of service, to the Oklahoma State and Education Employees Group Insurance Board (OSEEGIB), for each retiree who elects to obtain health insurance coverage through OSEEGIB. The District retains no obligation for this benefit and performs no administrative functions related to the health insurance coverage provided through OSEEGIB.

**BROKEN ARROW PUBLIC SCHOOLS - NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

Note 7. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; or acts of God. The District purchases commercial insurance to cover these risks, including general and auto liability, property damage, and public officials liability. Settled claims resulting from risks have not exceeded the commercial insurance coverage in any of the past three fiscal years. The District is self-insured for its workers' compensation coverage.

The District utilizes Consolidated Benefits Resources, LLC (CBR), to provide services for workers' compensation claims and administration. CBR will operate a claims management program for the prevention, investigation, processing, accounting and payment of workers' compensation claims. The District's General Fund pays for claims as they are incurred. As of June 30, 2020, CBR has reported an outstanding reserve for the District to be \$1.1 million. In order to mitigate the risk associated with this program, the District reserves and restricts a percentage of the fund balance. For 2019-20, this amount was \$377,803 for general activities.

Commercial policies in force during the year contained the following deductibles:

Property, Fire and Extended Coverage	\$	25,000
Flood & Earthquake	\$	50,000
Wind/Hail	\$	100,000
Automotive & General	\$	0
School Leader Legal	\$	25,000

Settled claims resulting from risks have not exceeded the commercial insurance coverage in any of the past three fiscal years. The District has purchased specific excess and aggregate excess workers' compensation and employers' liability insurance so the District's liability for claim loss is limited.

Note 8. Commitments and Contingencies

Encumbrance accounting is utilized to assure effective budgetary control and accountability and to facilitate effective cash planning and control. Encumbrances represent commitments related to unperformed contracts for goods or services. At year end, the amount of encumbrances expected to be honored upon performance by the vendor in the next year were as follows:

General Fund	\$	1,339,670
Capital Projects Fund		-
Building Fund - nonmajor fund		549,765
Child Nutrition Fund - nonmajor fund		215,328
Workers Comp Fund		32,828
Total	<u>\$</u>	<u>2,137,591</u>

Federal Grants - Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amounts, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the District expects such amounts, if any, to be immaterial.

**BROKEN ARROW PUBLIC SCHOOLS - NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

Note 8. Commitments and Contingencies – Cont'd

Litigation - The District is defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, the District believes the resolution of these matters will not have a material adverse effect on the financial condition of the District. Should a judgment be awarded against the District, it would be levied through the District's Debt Service Fund over a three year period pursuant to state law. Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may establish a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the District believes such amounts, if any, to be immaterial.

As of June 30, 2020, the District had outstanding commitments (contracts and purchase orders), of approximately \$1.8 million primarily for supplies and equipment. Construction in progress had \$1.1 million in outstanding projects not completed. These projects consist of renovations to five school buildings, improvements to a community facility, renovations for the performing arts center, and the construction of a new elementary school.

In certain circumstances and occasions, the District is party to legal proceedings which arise in the normal event of operations. Any liability resulting from these accounts is not believed, by management, to have a material effect on the financial statements.

Arbitrage – Rebatable arbitrage is defined by Internal Revenue Code, Section 148, as earning on investments purchased with the gross proceeds of a bond issue in excess of the amount that would have been earned if the investments were invested at a yield equal to the yield on bond issue. The rebatable arbitrage must be paid to the federal government.

State agencies and institutions of higher education responsible for investment from bond proceeds carefully monitor their investments to restrict earnings to a yield less than the bond issue, and, therefore, limit any arbitrage liability. The District estimates that rebatable arbitrage liability, if any, will be immaterial to its overall financial condition.

Note 9. Lease Revenue Bonds

Lease Revenue Bonds (lease purchase financing) is an important and popular method for the District to address immediate needs for capital acquisitions while improving the management of cash flow. Ownership of any property constructed with these Lease Revenue Bonds does not occur until the agreed lease payments have been made. The requirement for annual appropriations of Lease Revenue Bonds payments allows these bonds not to be treated as debt.

On May 1, 2011, the Tulsa County Industrial Authority issued \$72.8 million of Educational Facilities Lease Revenue Bonds (Broken Arrow Public School Project) Series 2011, to provide funds required for the constructing, equipping, repairing and remodeling school buildings, acquiring school furniture, fixtures and equipment and acquiring and improving school sites for the benefit of the Broken Arrow School District. On May 1, 2011, the District, as lessor, entered into a ground lease agreement, for certain district property, with the Tulsa County Industrial Authority. In addition, the District entered into a sublease, as lessee, with the Tulsa County Industrial Authority. The sublease calls for eight (8) annual payments starting September 1, 2012. These payments will be made out of the Capital Project Funds, pursuant to the

**BROKEN ARROW PUBLIC SCHOOLS - NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

Note 9. Lease Revenue Bonds – Cont’d

issuance of series bonds in the amount of \$285.0 million, on December 8, 2009. In June 2012, the Tulsa County Industrial Authority issued \$67.3 million of additional Educational Facilities Lease Revenue Bonds, Series 2012, to provide for additional construction, equipment, repairs and remodeling projects for the District.

On March 1, 2016, the Tulsa County Industrial Authority issued \$65.3 million of additional Educational Facilities Lease Revenue Bonds (Broken Arrow Public School Project) Series 2016, to provide additional funds required for constructing, equipping, repairing and remodeling school buildings. Broken Arrow Public Schools will gain ownership to the capital improvements incrementally as each payment is made.

The lease revenue bond payments will be as follows:

2012 Series		2016 Series		2019 Series	
Fiscal Year	Payment	Fiscal Year	Payment	Fiscal Year	Payment
2020-21	5,174,988	2020-21	3,114,413	2020-21	4,208,644
2021-22	21,883,888	2021-22	3,114,413	2021-22	4,208,644
2022-23	31,817,250	2022-23	9,383,663	2022-23	4,208,644
		2023-24	16,852,413	2023-24	4,208,644
		2024-25	3,935,706	2024-25	4,208,644
		2025-26	19,857,375	2025-26	995,000
		2026-27	22,862,625	2026-27	995,000
				2027-28	34,825,000
				2028-29	20,895,000
				2029-30	11,940,000
				2030-31	2,786,000
Total Obligation:	<u>58,876,125</u>	Total Obligation:	<u>79,120,606</u>	Total Obligation:	<u>93,479,220</u>
Less amounts representing interest:	<u>(4,516,125)</u>	Less amounts representing interest:	<u>(15,795,606)</u>	Less amounts representing interest:	<u>(16,068,220)</u>
Lease Revenue Bonds Payable:	<u>\$ 54,360,000</u>	Lease Revenue Bonds Payable:	<u>\$ 63,325,000</u>	Lease Revenue Bonds Payable:	<u>\$ 77,411,000</u>

Note 10. Tax Abatements

Tax abatements are reduction in tax revenues that result from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments. The District is subject to tax abatements granted by other governments only.

For the fiscal year ended June 30, 2020, the District is subject to tax abatements granted by the State of Oklahoma - Oklahoma Tax Commission (Tulsa County). Ad valorem exemptions are available for capital investments made by certain types of companies provided that qualified investment exceeds \$250,000 within the calendar year, and the company complies with certain payroll thresholds; qualifications are sometimes industry specific. County property taxes were reduced under the agreements entered into by the State of Oklahoma – Oklahoma Tax Commission. All information within the records of the State of

**BROKEN ARROW PUBLIC SCHOOLS - NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

Note 10. Tax Abatements – Cont’d

Oklahoma Tax Commission is considered confidential unless public disclosure is provided for by law. The Tax Commission provides only those data sources which they deemed were authorized for release under state law. The Tax Commission declines to provide any information about the breakdown of the exemption by value or type of investment made.

The District also is subject to tax abatements granted by the City of Broken Arrow through its Retail Incentive Policy with the stated purpose of stabilizing and enhancing the City’s sales tax base and to incentivize the eligible retail businesses that are included in a mixed use development. The forms of incentive are to provide infrastructure improvements, assistance with public processes, site acquisition of property for public infrastructure, sales tax rebates on a limited basis, and participation in the State of Oklahoma’s Quality Jobs Program. Incentives are based on the estimated amount of new City sales taxes generated that can be reasonably defined and determined to result from new development.

There is no Tax Incentive District (TID) in Broken Arrow City or school district. Broken Arrow Public Schools has only one Tax Increment Financing District, which is Broken Arrow FlightSafety and Downtown Economic Development District No. One.

The following table relevant to disclosure of these programs includes the following:

Fiscal Year Ended June 30, 2020	Base Value of Assets during the Fiscal Year	Amount of Abatements during the Fiscal Year
<u>Tax Abatement Program (TIF)</u>		
City of Broken Arrow:		
Broken Arrow FlightSafety and Downtown Economic Development District No. One	\$ 6,290,257	\$ 98,505
Indian Housing Authority Owned Properties	597,605	9,359
Total	\$ 6,887,862	\$ 107,864

25 U.S. Code § 4111 and Oklahoma Senate Bill 1706 as amended by Senate Bill 1546 - Reference for Indian Housing Authority - Cooperation & Payment in Lieu of Tax. "The Principal Chief of the tribe [acts] on behalf of the Division of Housing [of low-income housing] to enter into local cooperation agreements and in lieu of tax agreements [with the Tulsa County Board of Commissioners]." The Indian Housing Authority provides a list of all qualifying properties to the Tulsa County Assessor's Office to reflect the ad valorem exempt status no later than December 31 of each year.

Note 11. Adoption of GASB Statement No. 84

Effective with the year ended June 30, 2020, the district adopted GASB Statement No. 84, Fiduciary Activities. As a result of the adoption, the district determined that student activity funds which had previously been reported as fiduciary (agency) funds needed to be reported as governmental (special revenue) funds. The effects of early adoption of GASB Statement No. 84 on net position/fund balance as of July 1, 2020 were as follows:

	Governmental Activities	Nonmajor Funds
Beginning net positin/fund balance, as previously reported	\$ 122,496,075	\$ 6,046,954
Adoption of GASB Statement No. 84	3,598,069	3,598,069
Beginning net position/fund balance, as restated	\$ 126,094,144	\$ 9,645,023

**BROKEN ARROW PUBLIC SCHOOLS - NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

Note 12. New/Adopted Pronouncements

The GASB has issued several new accounting pronouncements, which will be effective to the District in both the reported and subsequent years. A description of the new accounting pronouncements applicable to the District, the fiscal year in which they are effective, and the District's consideration of the impact of these pronouncements are described below:

Adopted: Fiscal Year Ended June 30, 2020

- ✓ GASB issued Statement No. 84, *Fiduciary Activities*. Statement No. 84 issued February 2017 will be effective for the district beginning with its fiscal year ending June 30, 2020. The objective of Statement No. 84 is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities.

See Note 11 for additional discussion regarding the adoption of GASB Statement No. 84.

- ✓ GASB issued Statement No. 87, *Leases*. The object of Statement No. 87 is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. Although the District has been party to lease contracts in the past, the District does not currently nor plan to enter into lease contracts or lease agreements in the future. Should this management decision change, the District will evaluate and report the leases accurately according to the Statement.

- ✓ GASB, Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. Statement No. 89, issued June 2018, is required for reporting periods beginning after December 15, 2019. The objective of Statement No. 89 is to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and to simplify accounting for interest cost incurred before the end of a construction period.

This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5-22 of Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements, which are superseded by this Statement. This Statement requires that interest cost incurred before the

**BROKEN ARROW PUBLIC SCHOOLS - NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

Note 12. New/Adopted Pronouncements – cont'd

end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund.

This Statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles. The district separates and reports any interest cost as a financing activity (expense) separate from the capital asset.



**REQUIRED
SUPPLEMENTARY
INFORMATION**



Broken Arrow Public Schools
Required Supplementary Information
Schedule of Proportionate Share of the Net Pension Liability
Year Ended June 30, 2020
Last 10 Years*

	As of June 30, 2019	As of June 30, 2018	As of June 30, 2017	As of June 30, 2016	As of June 30, 2015	As of June 30, 2014
Proportion of the net pension liability	1.68%	1.87%	1.65%	1.66%	1.65%	1.64%
Proportionate share of the net pension liability	\$ 111,231,171	\$ 112,724,156	\$ 109,466,199	\$ 138,929,572	\$ 100,474,905	\$ 88,199,969
Covered payroll	\$ 77,390,247	\$ 67,298,802	\$ 70,027,104	\$ 71,777,099	\$ 70,566,602	\$ 67,558,937
Proportionate share of the net pension liability as percentage of covered-employee payroll	143.73%	167.50%	156.32%	193.56%	142.38%	130.55%
Plan's fiduciary net position	\$ (103,897,040)	\$ (105,194,365)	\$ (99,873,967)	\$ (99,543,391)	\$ (112,981,726)	\$ (81,317,541)
Plan fiduciary net position as a percentage of the total pension liability	93.41%	93.32%	91.24%	71.65%	112.45%	92.20%

Notes to schedule:

* GASB Statement No. 68 requires ten years of information to be presented in this table. The information for all periods for the 10-year schedules that are required to be presented as required supplementary information is not available. During this transition period, the information will be presented for as many years as are available.

See Independent auditors' report



**Broken Arrow Public Schools
Required Supplementary Information
Schedule of District's Pension Plan Contributions
Year Ended June 30, 2020
Last 10 Years***

	2020	2019	2018	2017	2016	2015
Contractually required contribution (actuarially determined)	\$ 7,831,480	\$ 7,675,902	\$ 8,055,978	\$ 7,072,456	\$ 6,902,353	\$ 6,656,684
Contributions in relation to the actuarially determined contributions	7,831,480	7,675,902	8,055,978	7,072,456	6,902,353	6,656,684
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 82,834,160	\$ 77,390,247	\$ 67,298,802	\$ 70,027,104	\$ 71,777,099	\$ 70,566,602
Contributions as a percentage of covered - employee payroll	9.45%	9.92%	11.97%	10.10%	9.62%	9.43%

Notes to schedule:

The District's statutorily required contribution rate:	9.50%
Valuation date:	6/30/2016
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll
Amortization Period	Amortization over an open 30-year period
Asset Valuation Method	5-year smooth market
Inflation	2.50%
Salary increases	3.75%, average, including inflation
Investment rate of return	7.50%, net of expenses and compounded annually
Payroll growth rate	2.75% per year
Mortality	RP-2000 Healthy Annuitant Mortality Table

* Fiscal year 2015 was the 1st year of implementation, therefore only six years of data are presented in accordance with GASB Statement No. 68, Paragraph 138. The information for all periods for the 10-year schedules that are required to be presented as required supplementary information is not available. During this transition period, the information will be presented for as many years as are available.

See Independent auditors' report



Broken Arrow Public Schools
Required Supplementary Information - Unaudited
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
Budgeted Governmental Fund Types - General Fund
Year Ended June 30, 2020

	Original Budget	Final Budget	Non-GAAP Actual	Variances - Positive (Negative)
REVENUES				
Local sources	\$ 36,070,747	\$ 36,070,747	\$ 37,518,771	\$ 1,448,024
Intermediate sources	5,076,661	5,076,661	5,519,302	442,641
State sources	81,136,001	81,136,001	79,948,144	(1,187,857)
Federal sources	6,713,459	6,713,459	8,095,997	1,382,538
Other sources	1,857,569	1,857,569	2,462,263	604,694
TOTAL REVENUES	<u>130,854,437</u>	<u>130,854,437</u>	<u>133,544,477</u>	<u>2,690,040</u>
EXPENDITURES				
Instruction	81,600,000	82,868,452	79,100,407	3,768,045
Support services				
Student	11,000,000	11,759,034	10,965,342	793,692
Instructional staff	6,500,000	7,569,702	6,171,966	1,397,736
Administration	19,000,000	17,396,978	16,513,550	883,428
Operation and maintenance	10,000,000	9,452,207	9,098,499	353,708
Student transportation	7,000,000	7,007,227	6,769,293	237,934
Non-instructional services				
Child nutrition operations	-	68,665	61,424	7,241
Community services operations	2,000,000	1,183,081	1,121,698	61,383
Other	900,000	694,654	605,657	88,997
TOTAL EXPENDITURES	<u>138,000,000</u>	<u>138,000,000</u>	<u>130,407,835</u>	<u>7,592,165</u>
EXCESS REVENUES (EXPENDITURES)	(7,145,563)	(7,145,564)	3,136,641	10,282,205
FUND BALANCE AT BEGINNING OF YEAR	<u>18,102,961</u>	<u>18,102,961</u>	<u>18,102,961</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 10,957,398</u>	<u>\$ 10,957,398</u>	<u>\$ 21,239,603</u>	<u>\$ 10,282,205</u>
ADJUSTMENTS TO CONFORM WITH GAAP				
Receivables at end of year			127,791	
Wages Payable			1,150,463	
Inventory			23,844	
Investments, change in market value, adjustments			<u>11,629</u>	
FUND BALANCE AT END OF YEAR (GAAP BASIS)			<u>\$ 22,553,330</u>	

The accompanying notes to the financial statements are an integral part of this statement.

**BROKEN ARROW PUBLIC SCHOOLS – NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2020**

Note 1. Budgets and Budgetary Accounting

Budgetary Comparison Schedule

The District is required by state law to prepare an annual budget. A preliminary budget must be submitted to the Board of Education by December 31, for the fiscal year beginning the following July 1. If the preliminary budget requires an additional levy, the District must hold an election on the first Tuesday in February to approve the levy. If the preliminary budget does not require an additional levy, it becomes the legal budget. If an election is held and the taxes are approved, then the preliminary budget becomes the legal budget. If voters reject the additional taxes, the District must adopt a budget within the approved tax rate.

A budget is legally adopted by the Board of Education for the General Fund, the Building Fund, and the Child Nutrition Fund that includes revenues and expenditures. These budgets are prepared on a cash basis for revenues and the modified accrual basis for expenditures.

Encumbrances

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting - under which purchase orders and other commitments of resources are recorded as expenditures of the applicable fund - is utilized in all governmental funds of the District.

Encumbrances outstanding at year-end are included in the “actual” amounts shown expended during the year for the budgetary presentation but are excluded from the fund balances in the governmental fund financial statements as they do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year.

Revenues

Revenues are recorded on a cash basis and include deposits to district accounts from the first day through the last day of the fiscal year regardless of when they were actually earned.

This page is intentionally left blank



**OTHER
SUPPLEMENTARY
INFORMATION**



Broken Arrow Public Schools
Other Supplementary Information
Combining Balance Sheet - Nonmajor Governmental Funds
June 30, 2020

	Building Fund	Child Nutrition Fund	Endowment Fund	Arbitrage Fund	Student Activities Fund	Total Governmental Funds
ASSET						
Cash and cash equivalents	\$ 469,308	\$ 643,704	\$ 4,624	\$ 20,000	\$ 3,993,526	\$ 5,131,162
Investments	3,400,000	1,100,000	40,000	-	-	4,540,000
Receivables net of allowance for uncollectibles	5,188,537	41	-	-	-	5,188,578
Inventories	-	278,594	-	-	-	278,594
TOTAL ASSETS	9,057,844	2,022,338	44,624	20,000	3,993,526	15,138,333
LIABILITIES						
Accounts payable	549,765	215,328	-	-	-	765,093
Accrued wages payable -termination benefits	-	-	-	-	-	-
Other liabilities	-	249,875	-	-	-	249,875
TOTAL LIABILITIES	549,765	465,203	-	-	-	1,014,968
DEFERRED INFLOWS OF RESOURCES						
Succeeding year property tax	4,961,013	-	-	-	-	4,961,013
Unavailable revenue - delinquent property taxes	116,486	-	-	-	-	116,486
TOTAL DEFERRED INFLOWS OF RESOURCES	5,077,500	-	-	-	-	5,077,500
FUND BALANCES						
Non-spendable	-	278,594	40,000	-	-	318,594
Restricted	3,430,580	1,278,542	4,624	20,000	3,993,526	8,727,272
TOTAL FUND BALANCES	3,430,580	1,557,135	44,624	20,000	3,993,526	9,045,865
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 9,057,844	\$ 2,022,338	\$ 44,624	\$ 20,000	\$ 3,993,526	\$ 15,138,333

The accompanying notes to the financial statements are an integral part of this statement.



Broken Arrow Public Schools
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended June 30, 2020

	Special Revenue Funds			Student Activities Funds	Permanent Fund	Total Governmental Funds
	Building Fund	Child Nutrition Fund	Arbitrage Fund		Endowment Fund	
REVENUES						
Local sources	\$ 6,076,025	\$ 3,090,715	\$ 20,000	\$ 4,434,427	\$ 627	\$ 13,621,794
State sources	179,518	821,499	-	-	-	1,001,017
Federal sources	7,925	3,909,938	-	-	-	3,917,862
Other sources	126,900	205,977	-	-	-	332,877
TOTAL REVENUES	6,390,367	8,028,129	20,000	4,434,427	627	18,873,550
EXPENDITURES						
Current						
Instruction	64,159	-	-	67,924	-	132,083
Support services-student and staff	14,665	-	-	718,110	-	732,774
Administration	32,490	-	-	155,932	-	188,422
Operations and maintenance	6,168,814	-	-	5,007	-	6,173,821
Child nutrition operations	-	8,409,059	-	-	-	8,409,059
Student transportation	-	-	-	72,839	-	72,839
Other	2,948	117,061	-	3,019,158	-	3,139,166
Capital outlay	1,002,792	-	-	-	-	1,002,792
TOTAL EXPENDITURES	7,285,867	8,526,120	-	4,038,970	-	19,850,956
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(895,500)	(497,991)	20,000	395,457	627	(977,406)
OTHER FINANCING SOURCES (USES)						
Issuance of debt	-	-	-	-	-	-
Premium on new issuance of debt	-	-	-	-	-	-
Sales of capital assets	378,249	-	-	-	-	378,249
Transfers out	-	-	-	-	-	-
(USES)	378,249	-	-	-	-	378,249
NET CHANGE IN FUND BALANCES	(517,251)	(497,991)	20,000	395,457	627	(599,158)
FUND BALANCE AT BEGINNING OF YEAR AS RESTATED	3,947,831	2,055,126	-	3,598,068	43,997	9,645,023
FUND BALANCE AT END OF YEAR	\$ 3,430,580	\$ 1,557,135	\$ 20,000	\$ 3,993,525	\$ 44,624	\$ 9,045,865

The accompanying notes to the financial statements are an integral part of this statement.



Broken Arrow Public Schools
Other Supplementary Information - Unaudited
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
Budgeted Governmental Fund Types - Building Fund
Year Ended June 30, 2020

	Original Budget	Final Budget	Non-GAAP Actual	Variances - Positive (Negative)
REVENUES				
Local sources	\$ 4,875,025	\$ 4,875,025	\$ 6,361,813	\$ 1,486,788
State sources	681,383	681,383	179,518	(501,865)
Federal sources	-	-	7,925	7,925
Other sources	15,000	15,000	126,873	111,873
TOTAL REVENUES	<u>5,571,408</u>	<u>5,571,408</u>	<u>6,676,129</u>	<u>1,104,721</u>
EXPENDITURES				
Support services				
Instruction	-	64,209	64,159	50
Instructional and school leadership	-	14,700	14,665	35
Administrative support services	237,500	32,492	32,490	2
Operation and maintenance	5,525,000	7,280,127	6,168,814	1,111,314
Non-instructional services				
Other	55,000	3,748	2,948	800
Capital Outlay	82,500	1,004,725	1,002,792	1,932
TOTAL EXPENDITURES	<u>5,900,000</u>	<u>8,400,000</u>	<u>7,285,867</u>	<u>1,114,133</u>
EXCESS REVENUES (EXPENDITURES)	(328,592)	(2,828,592)	(609,738)	2,218,854
FUND BALANCE AT BEGINNING OF YEAR	<u>3,947,831</u>	<u>3,947,831</u>	<u>3,947,831</u>	-
FUND BALANCE AT END OF YEAR	<u>\$ 3,619,239</u>	<u>\$ 1,119,239</u>	\$ 3,338,093	<u>\$ 2,218,854</u>
ADJUSTMENTS TO CONFORM WITH GAAP				
Receivables at end of year			92,487	
Wages Payable			-	
Inventory			-	
Investments, change in market value, adjustments			-	
FUND BALANCE AT END OF YEAR (GAAP BASIS)			<u>\$ 3,430,580</u>	

The accompanying notes to the financial statements are an integral part of this statement.



Broken Arrow Public Schools
Other Supplementary Information - Unaudited
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
Budgeted Governmental Fund Types - Child Nutrition Fund
Year Ended June 30, 2020

	Original Budget	Final Budget	Non-GAAP Actual	Variances - Positive (Negative)
REVENUES				
Local sources	\$ 3,972,025	\$ 3,972,025	\$ 3,417,918	\$ (554,107)
State sources	792,350	792,350	821,499	29,149
Federal sources	4,676,280	4,676,280	3,909,938	(766,342)
TOTAL REVENUES	<u>9,440,655</u>	<u>9,440,655</u>	<u>8,149,355</u>	<u>(1,291,300)</u>
EXPENDITURES				
Support services				
Food preparation	4,313,000	5,484,800	4,348,062	1,136,738
Other direct services	603,000	964,215	938,637	25,578
Food procurement/ a la carte	4,801,776	3,297,603	3,075,694	221,908
Other CN Programs	55,000	253,382	211,800	41,583
Capital Outlay	530,069	-	-	-
TOTAL EXPENDITURES	<u>10,302,845</u>	<u>10,000,000</u>	<u>8,574,193</u>	<u>1,425,807</u>
EXCESS REVENUES (EXPENDITURES)	(862,190)	(559,345)	(424,838)	134,507
FUND BALANCE AT BEGINNING OF YEAR	<u>2,055,126</u>	<u>2,055,126</u>	<u>2,055,126</u>	-
FUND BALANCE AT END OF YEAR	<u>\$ 1,192,936</u>	<u>\$ 1,495,781</u>	1,630,288	<u>\$ 134,507</u>
ADJUSTMENTS TO CONFORM WITH GAAP				
Receivables at end of year			(332)	
Wages Payable			48,074	
Inventory			(29,139)	
Additional payables reported on budgetary basis			<u>(91,754)</u>	
FUND BALANCE AT END OF YEAR (GAAP BASIS)			<u>\$ 1,557,135</u>	

The accompanying notes to the financial statements are an integral part of this statement.

This page is intentionally left blank



STATISTICAL INFORMATION



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDING JUNE 30, 2020

STATISTICAL SECTION

TABLE OF CONTENTS

The statistical section of the Broken Arrow Public Schools' Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's economic condition and overall financial health. To assist financial statement users, the information contained within this section is categorized as follows:

<u>Contents</u>	<u>Page</u>
<u>Financial Trends</u> These schedules compile trend information and report how the District's financial position has changed over time.	89
<u>Revenue Capacity</u> These schedules provide information regarding the District's major revenue sources; property taxes, and the stability/growth of revenue.	95
<u>Debt Capacity</u> These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and their ability to issue additional debt in the future.	101
<u>Demographic and Economic Information</u> These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	107
<u>Operating Information</u> These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	111

Sources:

Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Report (CAFR) for the relevant year.



FINANCIAL TRENDS



Broken Arrow Public Schools
Government-Wide Net Position by Component
Last Ten Fiscal Years

	2011	2012	2013	2014	2015a	2016	2017	2018	2019b	2020c
Governmental activities										
Net investment in capital assets	\$ 91,011,359	\$ 105,661,860	\$ 115,812,420	\$ 125,810,009	\$ 137,739,696	\$ 150,609,755	\$ 163,470,238	\$ 174,876,931	\$ 191,660,532	\$ 205,056,153
Restricted for:										
Debt service	16,777,580	16,216,368	15,080,820	15,515,172	15,657,564	16,318,127	15,825,923	15,425,669	15,673,831	17,332,409
Building	-	3,144,045	2,762,215	2,333,899	1,016,052	1,881,808	2,808,231	3,434,872	3,947,831	3,430,580
Endowment	-	-	-	-	40,000	43,316	43,422	43,598	43,997	8,055,292
Unrestricted	21,412,088	21,980,866	20,080,655	17,648,608	(89,007,984)	(99,961,854)	(86,289,408)	(85,854,617)	(88,830,116)	(79,610,585)
Total Governmental activities net position	129,201,027	147,003,139	153,736,110	161,307,688	65,445,328	68,891,152	95,858,406	107,926,453	122,496,075	154,263,849
Business-type activities										
Net investment in capital assets	25,966	352,642	719,273	1,370,958	2,511,342	2,589,356	2,781,513	2,586,182	-	-
Unrestricted	2,280,412	3,255,159	3,149,060	2,845,581	1,818,332	2,033,177	2,296,046	2,345,180	-	-
Total business-type activities net position	2,306,378	3,607,801	3,868,334	4,216,539	4,329,674	4,622,533	5,077,559	4,931,362	-	-
Government-wide										
Net investment in capital assets	91,037,325	106,014,502	116,531,693	127,180,967	140,251,037	153,199,111	166,251,751	177,463,113	191,660,532	205,056,154
Restricted for:										
Debt service	16,777,580	16,216,368	15,080,820	15,515,172	15,657,564	16,318,127	15,825,923	15,425,669	15,673,831	17,332,409
Building	-	3,144,045	2,762,215	2,333,899	1,016,052	1,881,808	2,808,231	3,434,872	3,947,831	3,430,580
Endowment	-	-	-	-	40,000	43,316	43,422	43,598	43,997	8,055,292
Unrestricted	23,692,500	25,236,025	23,229,716	20,494,188	(87,189,652)	(97,928,677)	(83,993,362)	(83,509,437)	(88,830,116)	(79,610,585)
Total government-wide net position	\$ 131,507,405	\$ 150,610,940	\$ 157,604,444	\$ 165,524,227	\$ 69,775,002	\$ 73,513,686	\$ 100,935,965	\$ 112,857,815	\$ 122,496,075	\$ 154,263,849

Source: Statement of Net Position - audited financial reports

- a Note: The District began to report pension net position in conformity with GASB Statement No. 68, Accounting and Financial Reporting for Pensions in 2015. Permanent Fund - restricted for Nonexpendable principal was corrected in the June 30, 2015 fiscal year to be included in Governmental Activities
- b The District reclassified the Child Nutrition Fund from an Enterprise Fund to a nonmajor Governmental Fund, it is no longer shown under Business-type activities.
- c The District adopted GASB Statement No. 84 in 2019-20, which reclassified the Agency Funds from a Fiduciary Fund to a nonmajor Governmental Fund. See Note 11 in the Notes to the Financial Statements for further information regarding the implementation of GASB Statement No. 84.



Broken Arrow Public Schools
Government-Wide Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
Continued on Page 92

	2011	2012	2013	2014	2015	2016a	2017	2018	2019b	2020c
Expenses										
Governmental activities										
Instruction	\$ 56,915,460	\$ 59,271,138	\$ 58,117,540	\$ 65,495,842	\$ 65,330,950	\$ 75,087,668	\$ 62,518,919	\$ 72,327,553	\$ 90,646,294	\$ 75,304,012
Support services - Students	8,169,317	8,166,385	7,951,821	8,390,280	8,662,516	9,855,840	9,475,049	11,852,416	10,552,243	11,505,508
Instructional and school leadership	6,569,980	5,051,994	5,906,085	5,619,036	5,894,528	6,594,731	6,034,706	6,393,335	6,959,813	6,784,522
Administrative support services	12,890,477	11,749,833	12,608,451	12,040,169	19,254,851	17,069,178	10,474,526	16,039,368	16,185,343	16,461,574
Operations and maintenance services	12,437,218	11,337,283	10,225,839	12,428,523	14,381,484	10,855,305	12,474,582	14,462,651	14,263,568	14,891,541
Student transportation services	6,994,021	6,563,236	5,438,306	5,774,785	5,610,686	6,464,193	6,178,821	5,814,517	6,559,954	6,800,173
Operation of non-instructional services	487,251	659,417	656,673	631,639	1,512,250	1,604,731	1,136,458	1,054,692	1,194,839	7,424,673
Child Nutrition	-	80,352	-	1,952,800	-	-	-	-	9,170,694	8,173,767
Other outlays and uses	580,860	603,868	688,638	1,827,511	973,423	1,002,869	2,842,198	1,171,003	1,606,648	378,249
Loss on disposal of assets	319,186	1,726,999	4,502,515	2,532,717	-	-	-	-	-	-
Judgement Paid	-	35,641	-	-	-	-	-	22,331	1,837	-
Depreciation	3,785,208	3,333,496	3,195,337	4,904,420	5,048,754	7,605,398	8,921,607	11,136,470	9,508,343	11,814,622
Interest on long-term debt	2,550,031	2,902,285	1,703,318	1,726,882	1,286,326	1,189,964	1,003,215	1,143,994	1,679,107	2,923,746
Total governmental-type activities expense	111,699,009	111,481,927	110,994,523	123,324,604	127,955,768	137,329,878	121,060,080	141,418,330	168,328,683	162,462,385
Business-type activities										
Food service	6,478,194	6,581,268	7,390,973	7,675,095	9,916,922	8,892,758	8,807,997	9,357,479	-	-
Total business-type activities expense	6,478,194	6,581,268	7,390,973	7,675,095	9,916,922	8,892,758	8,807,997	9,357,479	-	-
Total district expenses	118,177,203	118,063,195	118,385,496	130,999,699	137,872,690	146,222,636	129,868,077	150,775,809	168,328,683	162,462,385
Program Revenues										
Governmental activities										
Charges for services										
Regular instruction	418,886	340,885	333,432	321,387	316,066	320,928	410,372	450,376	305,658	34,949
Operations and maintenance services	3,445,445	46,530	25,946	24,410	-	-	-	-	450,993	881,912
Pupil transportation services	-	-	-	8,225	-	-	-	-	125,143	-
Community services	-	-	-	-	-	-	-	-	-	-
Other support services	-	21,430	-	273,365	31,410	35,530	27,110	18,162	3,478,527	4,520,469
Operating grants and contributions	24,076,886	10,696,486	5,918,539	5,926,899	6,380,736	6,194,363	6,681,660	6,967,980	13,510,487	12,300,088
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total governmental activities program revenues	27,941,217	11,105,330	6,277,917	6,554,286	6,728,212	6,550,821	7,119,142	7,436,518	17,870,809	17,737,418
Business-type activities										
Charges for services										
Food service	3,467,887	3,320,643	3,494,344	3,816,946	3,741,850	4,024,001	3,821,960	3,795,513	-	-
Operating grants and contributions	3,047,490	3,472,757	3,596,662	3,762,302	3,921,853	4,390,841	4,581,035	4,502,001	-	-
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total business-type activities revenues	6,515,377	6,793,400	7,091,006	7,579,249	7,663,703	8,414,842	8,402,994	8,297,514	-	-
Total district program revenues	\$ 34,456,594	\$ 17,898,730	\$ 13,368,923	\$ 14,133,535	\$ 14,391,915	\$ 14,965,663	\$ 15,522,136	\$ 15,734,032	\$ 17,870,809	\$ 17,737,418



Broken Arrow Public Schools
Government-Wide Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	2011	2012	2013	2014	2015	2016a	2017	2018	2019b	2020c
Net (Expense) Revenue										
Governmental activities	\$ (83,757,792)	\$ (100,376,597)	\$ (104,716,606)	\$ (116,770,318)	\$ (121,227,556)	\$ (130,779,056)	\$ (113,940,938)	\$ (133,981,811)	\$ (150,457,875)	\$ (144,724,968)
Business-type activities	37,183	212,132	(299,967)	(95,846)	(2,253,220)	(477,916)	(405,002)	(1,059,965)	-	-
Total district net expense	<u>(83,720,609)</u>	<u>(100,164,465)</u>	<u>(105,016,573)</u>	<u>(116,866,164)</u>	<u>(123,480,776)</u>	<u>(131,256,972)</u>	<u>(114,345,940)</u>	<u>(135,041,776)</u>	<u>(150,457,875)</u>	<u>(144,724,968)</u>
General Revenues and Other Changes in Net Position										
Governmental activities										
Taxes:										
Property tax, levied for general purposes	28,204,650	29,039,761	25,814,046	31,156,969	32,019,102	33,431,998	35,931,361	36,848,832	39,020,402	40,587,016
Property tax, levied for debt services	18,799,415	20,294,054	20,656,717	21,702,367	22,628,030	22,676,491	24,634,668	27,903,706	26,421,985	30,842,677
Other taxes	7,933,296	9,464,365	10,288,974	10,828,630	11,043,588	11,499,443	14,471,579	4,911,914	5,076,661	5,519,302
State aid not restricted to specific programs	38,567,628	52,638,985	53,022,412	57,167,677	66,211,831	62,958,660	61,725,150	71,449,446	77,665,415	87,195,975
Interest and investment earnings	367,898	907,841	90,436	60,895	114,489	149,464	231,258	661,763	1,279,791	926,689
Gain on sale of capital assets	-	9,834	16,050	114,259	139,493	32,222	695	39,057	32,110	378,249
Other	7,465,731	6,187,239	1,560,942	3,311,098	3,680,702	3,645,992	3,913,483	4,235,141	10,599,770	7,444,765
Total governmental activities	<u>101,338,618</u>	<u>118,542,079</u>	<u>111,449,577</u>	<u>124,341,896</u>	<u>135,837,236</u>	<u>134,394,271</u>	<u>140,908,194</u>	<u>146,049,859</u>	<u>160,096,134</u>	<u>172,894,673</u>
Business-type activities										
State aid not restricted to specific programs	362,871	460,329	528,414	410,442	716,967	722,887	839,442	798,893	-	-
Interest and investment earnings	8,344	4,753	3,331	2,654	921	2,819	5,300	14,205	-	-
Gain on disposal of capital assets	39,431	2,302	-	-	-	-	-	-	-	-
Capital contribution	-	-	-	-	1,636,418	-	-	-	-	-
Other	-	114,592	28,755	30,956	12,050	45,071	15,286	100,670	-	-
Total business-type activities	<u>410,646</u>	<u>581,976</u>	<u>560,500</u>	<u>444,052</u>	<u>2,366,355</u>	<u>770,776</u>	<u>860,028</u>	<u>913,768</u>	<u>-</u>	<u>-</u>
Total district-wide	<u>101,749,264</u>	<u>119,124,055</u>	<u>112,010,077</u>	<u>124,785,948</u>	<u>138,203,591</u>	<u>135,165,047</u>	<u>141,768,222</u>	<u>146,963,627</u>	<u>160,096,134</u>	<u>172,894,673</u>
Changes in Net Position										
Governmental activities	17,580,826	18,165,482	6,732,971	7,571,578	14,609,680	3,615,214	26,967,256	12,068,047	9,638,259	28,169,705
Business-type activities	447,829	794,108	260,533	348,206	113,135	292,860	455,026	(146,197)	-	-
Total district	<u>\$ 18,028,655</u>	<u>\$ 18,959,590</u>	<u>\$ 6,993,503</u>	<u>\$ 7,919,783</u>	<u>\$ 14,722,815</u>	<u>\$ 3,908,074</u>	<u>\$ 27,422,283</u>	<u>\$ 11,921,850</u>	<u>\$ 9,638,259</u>	<u>\$ 28,169,705</u>

a The District began to report net pension liability in conformity with GASB Statement No. 68, Accounting and Financial Reporting for Pensions in 2016

b In 2018-19 Business-type activities were reclassified to be part of Governmental activities.

c The District adopted GASB Statement No. 84 in 2019-20, which reclassified the Agency Funds from a Fiduciary Fund to a nonmajor Governmental Fund. See Note 11 in the Notes to the Financial Statements for further information regarding the implementation of GASB Statement No. 84.



Broken Arrow Public Schools
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2011	2012a	2013	2014	2015	2016	2017	2018	2019b	2020c
General Fund										
Unreserved	\$ 18,541,950									
Nonspendable										
Inventories		\$ 161,964	\$ 284,978	\$ 272,414	\$ 312,927	\$ 306,257	\$ 284,852	\$ 337,135	\$ 322,121	\$ 345,965
Restricted										
Federal and state allocation carryover		-	-	-	-	-	-	-	1,125,171	2,718,600
Assigned		291,828	117,317	-	-	-	-	-	-	-
Unassigned		21,343,129	19,491,265	17,070,697	14,294,922	12,886,722	12,385,812	16,690,971	16,655,669	19,488,765
Total general fund	\$ 18,541,950	\$ 21,796,922	\$ 19,893,560	\$ 17,343,111	\$ 14,607,849	\$ 13,192,980	\$ 12,670,664	\$ 17,028,106	\$ 18,102,961	\$ 22,553,330
All Other Governmental Funds										
Reserved, reported in:										
Sinking fund										
Reserved for debt service	\$ 16,777,580									
Bond funds										
Reserved for capital projects	26,233,999									
Unreserved, reported in:										
Building fund	2,336,858									
Other governmental funds	2,813,692									
Nonspendable										
Inventories		-	-	-	-	-	-	-	307,733	278,594
Permanent fund principal		40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000
Restricted										
Capital projects		32,698,624	32,924,660	26,088,099	29,285,077	19,903,804	22,896,512	24,452,256	45,439,738	18,762,861
Debt service		16,216,368	15,080,820	15,515,172	15,657,564	16,234,350	15,717,771	15,425,669	15,673,831	17,332,409
Building		3,144,045	2,762,215	2,333,899	1,016,052	1,866,206	2,724,918	3,434,872	3,947,831	3,430,580
Child Nutrition		-	-	-	-	-	-	-	1,747,393	1,278,542
Endowment		-	3,150	3,198	3,237	3,316	3,422	3,598	3,997	4,624
Arbitrage		143,945	143,945	143,945	143,945	-	-	-	-	20,000
Student Activities		-	-	-	-	-	-	-	-	3,993,526
Co-op Fund		-	-	-	5,881	-	-	-	-	-
Total all other governmental funds	\$ 48,162,129	\$ 52,242,982	\$ 50,954,790	\$ 44,124,313	\$ 46,151,756	\$ 38,047,676	\$ 41,382,623	\$ 43,356,395	\$ 67,160,523	\$ 45,141,136

- a The District implemented GASB Statement No. 54 in 2012, resulting in the change in fund balance categories.
- b Beginning in 2018-19, the District changed the classification of the Child Nutrition Fund and the Building Fund to nonmajor governmental funds.
- c The District adopted GASB Statement No. 84 in 2019-20, which reclassified the Agency Funds from a Fiduciary Fund to a nonmajor Governmental Fund. See Note 11 in the Notes to the Financial Statements for further information regarding the implementation of GASB Statement No. 84.



Broken Arrow Public Schools
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues										
Local sources	\$ 53,928,541	\$ 55,819,300	\$ 53,024,547	\$ 54,093,898	\$ 57,876,782	\$ 57,646,172	\$ 61,677,116	\$ 65,182,356	\$ 74,150,167	\$ 82,331,536
Intermediate sources	3,891,556	3,905,726	4,220,581	4,163,544	4,365,060	4,573,947	4,761,319	4,911,914	5,076,661	5,519,302
State sources	54,927,548	58,197,625	59,090,805	63,919,714	68,040,801	69,884,157	66,180,379	66,457,459	77,665,415	80,949,160
Federal sources	15,650,262	10,696,486	5,918,539	6,076,809	6,172,973	5,926,438	6,200,370	6,481,122	13,112,015	11,674,296
Other sources	-	238,255	485,031	2,116,807	219,210	2,287,169	2,428,275	2,954,130	2,734,308	2,947,362
Total Revenue	128,397,907	128,857,392	122,739,503	130,370,771	136,674,826	140,317,882	141,247,459	145,986,981	172,738,565	183,421,656
Expenditures										
Current										
Instruction	57,153,774	60,531,381	60,804,635	64,929,255	67,331,278	69,260,186	67,216,520	66,229,327	77,651,930	80,777,119
Student	41,200,435	8,166,385	8,341,730	8,564,110	9,256,082	9,160,746	9,102,254	9,600,133	11,170,317	11,520,173
Instructional staff	-	5,051,994	6,000,678	6,060,517	7,149,975	7,054,784	6,651,380	6,597,870	8,384,970	7,288,534
Administration	-	13,926,174	13,371,104	15,053,772	15,959,607	16,085,306	15,472,790	14,866,078	17,182,660	17,015,013
Operations and maintenance	1,956,323	13,374,600	14,848,672	21,025,001	15,513,467	18,298,238	14,587,040	15,072,223	16,190,616	16,520,629
Student transportation	4,956,839	6,229,887	6,600,049	6,140,707	6,846,658	7,134,523	6,479,865	6,177,370	7,393,010	7,699,748
Non-Instruction expenditures										
Child Nutrition operations	-	80,352	-	-	-	-	-	42,453	9,270,820	8,470,482
Community service operations	401,379	603,868	712,139	631,639	982,404	985,006	1,103,343	1,001,928	1,164,549	4,158,390
Other	3,510	623,777	49,881	562,330	835,544	644,169	910,491	613,845	766,701	692,905
Capital outlay	10,005,932	9,880,802	10,867,181	20,712,239	24,794,259	23,043,842	15,169,844	16,313,803	15,798,741	36,831,530
Debt service										
Principal	15,925,000	18,750,000	20,875,000	20,225,000	23,021,882	21,675,000	23,665,000	24,370,000	25,745,000	26,205,000
Interest	2,550,031	35,641	1,700,488	1,827,511	1,732,960	1,842,961	2,118,963	2,159,275	2,284,128	2,991,878
Other	-	2,886,978	-	-	-	-	-	-	-	-
Total expenditures	\$ 134,153,223	\$ 140,141,839	\$ 144,171,559	\$ 165,732,081	\$ 173,424,117	\$ 175,184,760	\$ 162,477,491	\$ 163,044,305	\$ 193,003,442	\$ 220,171,401
Excess (deficiency) of revenues over (under) expenditures	(5,755,316)	(11,284,447)	(21,432,056)	(35,361,310)	(36,749,291)	(34,866,878)	(21,230,031)	(17,057,324)	(20,264,877)	(36,749,744)
Other financing sources (uses)										
Issuance of debt	\$ 23,500,000	\$ 20,500,000	\$ 18,000,000	\$ 21,613,300	\$ 34,551,700	\$ 23,925,000	\$ 23,500,000	\$ 23,325,000	\$ 42,500,000	\$ 15,200,000
Capital Leases	-	-	(486,652)	3,500,000	-	-	-	-	-	-
Premium on new issuance of debt	-	790,019	727,155	752,823	1,307,103	1,390,707	541,969	24,482	296,870	4,408
Proceeds on disposal of capital asse	-	-	-	114,259	139,493	32,222	695	39,057	1,811	378,249
Transfers in	988,726	-	-	140,000	-	-	-	-	-	-
Transfers out	-	-	-	(140,000)	-	-	-	-	-	-
Total other financing sources (uses)	24,488,726	21,290,019	18,240,503	25,980,382	35,998,297	25,347,929	24,042,664	23,388,539	42,798,682	15,582,657
Net changes in fund balances	\$ 18,733,410	\$ 10,005,572	\$ (3,191,553)	\$ (9,380,928)	\$ (750,994)	\$ (9,518,949)	\$ 2,812,632	\$ 6,331,214	\$ 22,533,804	\$ (21,167,088)
Debt service as a percentage of noncapital expenditures^a	14.88%	14.74%	17.68%	16.16%	17.19%	16.18%	17.91%	18.41%	16.16%	16.28%

^aNoncapital expenditures debt service percentage calculations are total expenditures less capital outlays reported on the Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of Governmental Funds to the Statement of Activities.



**REVENUE
CAPACITY**



Broken Arrow Public Schools
Assessed and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year Ended June 30th	Real Property Assessed Value ^a	Personal Property Net Assessed Value ^a	Public Service		Total Estimated Actual Value ^c	Ratio of Net	Total Direct Tax Rate ^d
			Property Assessed Value ^b	Total Net Assessed Value		Assessed Value to Total Estimated Actual Value	
2011	580,956,754	61,731,452	38,280,454	680,968,660	6,213,429,439	10.96%	69.25
2012	601,588,555	62,450,345	36,694,573	700,733,473	6,403,085,486	10.94%	70.60
2013	615,160,586	67,790,732	38,357,583	721,308,901	6,602,257,029	10.93%	70.22
2014	634,215,020	80,940,052	36,992,320	752,147,392	6,891,879,682	10.91%	70.51
2015	658,515,724	77,554,379	32,953,314	769,023,417	7,069,347,080	10.88%	71.10
2016	691,169,953	82,030,524	26,793,531	799,994,008	7,383,360,050	10.84%	69.73
2017	728,256,008	77,967,565	33,712,941	839,936,514	7,718,321,096	10.88%	71.00
2018	799,481,750	54,063,523	35,826,575	889,371,848	8,160,962,344	10.90%	71.24
2019	845,459,879	63,809,309	36,588,071	945,857,259	8,673,867,904	10.90%	71.34
2020	874,410,554	71,998,701	39,123,068	985,532,323	9,027,278,482	10.92%	73.17

^a Assessed value is defined as the taxable value of real personal property and is subject to an assessment rate set by the County Assessor to calculate the amount of tax liability.

^b Public service property is centrally assessed by the Oklahoma State Board of Equalization. The assessment rates on public service property, airlines and railroads are included in this category.

^c Estimated actual value is used in computing the gross assessed value for tax purposes. The Oklahoma Constitution provides that this value will not exceed a 5% increase over the previous year unless improvements were made to the property or if title to the property is transferred, changed, or conveyed to another person.

^d Components of total direct tax rate are found on the Direct and Overlapping Property Tax Rate table.

Source: Tulsa & Wagoner County Assessors



**Broken Arrow Public Schools
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years**

Fiscal Year	Direct Rates Broken Arrow School District				Rates for Taxpayers in the City of Broken Arrow Overlapping Rates					Total Direct & Overlapping Rates
	General	Building	Sinking	Total Direct Rates	Tulsa County	Tulsa Community College	Tulsa Vo-Tech	City of Broken Arrow		
2011	36.40	5.20	27.65	69.25	22.21	7.21	13.33	16.44	128.44	
2012	36.40	5.20	29.00	70.60	22.24	7.21	13.33	17.13	130.51	
2013	36.40	5.20	28.62	70.22	22.24	7.21	13.33	16.50	129.50	
2014	36.40	5.20	28.91	70.51	22.23	7.21	13.33	17.32	130.60	
2015	36.40	5.20	29.50	71.10	22.23	7.21	13.33	17.14	131.01	
2016	36.40	5.20	28.13	69.73	22.22	7.21	13.33	17.10	129.59	
2017	36.40	5.20	29.40	71.00	22.24	7.21	13.33	16.92	130.70	
2018	36.40	5.20	29.64	71.24	22.24	7.21	13.33	16.84	130.86	
2019	36.40	5.20	29.74	71.34	22.74	7.21	13.33	15.61	130.23	
2020	36.40	5.20	31.57	73.17	22.66	7.21	13.30	15.66	132.00	
								Ten-Year Average	\$	156.15

Note: A mill is the equivalent of \$1 per \$1,000 of net assessed value. The District's millage rate levy is pursuant to provisions of the Constitution of the State of Oklahoma contained in Article X. The County Excise Board certifies the Estimate of Needs submitted by the District annually and computes the rate of mill levy necessary for General Fund, Building Fund, and Sinking Fund purposes.

Source: Notice of Sale and Official Statement prepared by Stephen L. Smith Corporation and Tulsa and Wagoner County Assessors



**Broken Arrow Public Schools
Principal Property Taxpayers
Current Year and Nine Years Ago**

Taxpayer	2020			2011		
	Net Assessed Valuation	Percentage of District's Net Assessed Valuation ^a	Rank	Net Assessed Valuation	Percentage of District's Net Assessed Valuation ^b	Rank
Public Service Company of Oklahoma	\$ 9,578,299	0.97%	1	\$ 6,114,626	0.90%	1
Alpine/JMCR Broken Arrow LLC	9,241,246	0.94%	2	-	-	
Walmart	5,853,222	0.59%	3	5,293,510	0.78%	2
Greens at Broken Arrow/Battle Creek	5,696,913	0.58%	4	3,049,308	0.45%	6
St. Johns Hospital	5,330,833	0.54%	5	-	-	
Valor Comm of OK/Windstream Comm	4,675,311	0.47%	6	3,993,703	0.59%	4
Park at Mission Hills	3,891,522	0.39%	7	-	-	
Flight Safety International	3,581,493	0.36%	8	2,201,116	0.32%	10
Oklahoma Natural Gas	3,024,633	0.31%	9	4,341,179	0.64%	3
Health Care Reit Inc	2,860,000	0.29%	10	-	-	
Cox Communications	-	-		3,502,143	0.51%	5
A G Equipment Co	-	-		2,654,685	0.39%	7
Auburndale Halifax Broken Arrow LLC	-	-		2,654,236	0.39%	8
ATT	-	-		2,355,886	0.35%	9
Total	\$ 53,733,472	5.45%		\$ 36,160,392	5.31%	

^a Based on FY19-20 District Net Assessed Valuation of \$985,532,323

^b Based on FY10-11 District Net Assessed Valuation of \$680,968,660

Source: Tulsa and Wagoner County Assessors



**Broken Arrow Public Schools
Property Tax Levies and Collections
Last Ten Fiscal Years**

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy ^a		Collected in Subsequent Years ^b	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2011	47,093,194	45,916,477	97.50%	1,087,587	47,004,064	99.81%
2012	49,406,126	48,237,658	97.63%	1,096,157	49,333,815	99.85%
2013	50,582,304	49,326,775	97.52%	998,599	50,325,374	99.49%
2014	52,957,704	51,631,605	97.50%	1,050,963	52,682,567	99.48%
2015	54,599,566	53,295,303	97.61%	971,679	54,266,983	99.39%
2016	55,704,874	54,964,159	98.67%	996,621	55,960,780	100.46%
2017	59,552,346	58,212,751	97.75%	1,260,346	59,473,097	99.87%
2018	63,275,425	61,916,217	97.85%	1,021,194	62,937,410	99.47%
2019	67,385,585	65,859,432	97.74%	1,107,972	66,967,405	99.38%
2020	72,018,661	68,808,535	95.54%	1,283,179	70,091,714	97.32%

^a The Tulsa County Assessor is required to file a tax roll report on or before October 1 of each year with the Tulsa County Treasurer who must begin collecting taxes by November. The first half of taxes become due and payable on or before December 31. The second half becomes due and payable on or before March 31. If the first half is not paid by December 31, the total tax becomes due and payable on January 1.

^b Ad valorem taxes not paid on or before April 1 are considered delinquent. Interest accrues on delinquent taxes at the rate of one and one-half percent monthly (18 percent annually) to a maximum of 100 percent of the taxes due until such time as the delinquent taxes are paid. If not paid by the following October 1, the property is offered for sale of the amount of taxes due.

Source: Tulsa and Wagoner County Treasurer's records.

This page is intentionally left blank



DEBT CAPACITY



**Broken Arrow Public Schools
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years**

Fiscal Year Ended June 30th	Governmental Activities General Obligation Bonds	Governmental Activities Capital Leases	Total District	Total Estimated Actual Value ^a	Ratio of Outstanding Debt to Estimated Actual Value ^a	Total Personal Income	Ratio of Outstanding Debt Per Personal Income	Average Daily Membership (ADM) ^b	Ratio of Outstanding Debt Per Student ^b
2011	74,000,000	-	74,000,000	6,213,429,439	1.19%	133,616,459	55.38%	16,629	4,450
2012	75,750,000	-	75,750,000	6,403,085,486	1.18%	142,861,660	53.02%	16,836	4,499
2013	73,602,155	1,013,348	74,615,503	6,602,257,029	1.13%	148,798,993	50.15%	17,145	4,352
2014	75,642,649	4,013,468	79,656,117	6,891,879,682	1.16%	161,187,913	49.42%	17,916	4,446
2015	88,817,178	3,124,376	91,941,554	7,069,347,080	1.30%	167,291,805	54.96%	18,372	5,004
2016	91,495,050	-	91,495,050	7,383,360,050	1.24%	173,186,712	52.83%	18,796	4,868
2017	90,693,794	-	90,693,794	7,718,321,096	1.18%	167,502,814	54.14%	18,899	4,799
2018	88,645,469	-	88,645,469	8,160,962,344	1.09%	173,817,578	51.00%	19,081	4,646
2019	105,115,172	-	105,115,172	8,673,867,904	1.21%	186,102,700	56.48%	19,070	5,512
2020	93,750,424	-	93,750,424	9,027,278,482	1.04%	191,835,000	48.87%	19,436	4,824

^a Estimated actual valuation is taken from the table, Assessed and Estimated Actual Value of Taxable Property.

^b Per capita calculations are based on the final audited average daily membership (ADM) certified by the Oklahoma State Department of Education.

Sources:

District records

Oklahoma State Department of Education



Broken Arrow Public Schools
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year Ended June 30th	General Obligation Bonds	Less Sinking Fund Balance	Net General Bonded Debt Outstanding	Total Estimated Actual Value ^a	Ratio of Net Debt to Estimated Actual Valuation ^a	Average Daily Membership (ADM) ^b	Ratio of Net Debt Per Student ^b
2011	74,000,000	16,774,232	57,225,768	6,213,429,439	0.92%	16,629	3,441
2012	75,750,000	16,620,298	59,129,702	6,403,085,486	0.92%	16,836	3,512
2013	72,875,000	15,080,820	57,794,180	6,602,257,029	0.88%	17,145	3,371
2014	75,642,649	15,515,172	60,127,477	6,891,879,682	0.87%	17,916	3,356
2015	88,817,178	15,657,564	73,159,614	7,069,347,080	1.03%	18,372	3,982
2016	91,495,050	16,234,350	75,260,700	7,383,360,050	1.02%	18,796	4,004
2017	90,693,794	15,717,771	74,976,023	7,718,321,096	0.97%	18,899	3,967
2018	88,645,469	15,425,669	73,219,800	8,160,962,344	0.90%	19,081	3,837
2019	105,115,172	15,673,831	89,441,341	8,673,867,904	1.03%	19,070	4,690
2020	93,750,424	17,332,409	76,418,015	9,027,278,482	0.85%	19,436	3,932

^a Estimated actual valuation is taken from the table, Assessed and Estimated Actual Value of Taxable Property.

^b Per capital calculations are based on the final audited average daily membership (ADM) certified by the Oklahoma State Department of Education .

Sources:

District records
Oklahoma State Department of Education



Broken Arrow Public Schools
Direct and Overlapping Governmental Activities Debt
As of June 30, 2020

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable ^a	Estimated Share of Direct and Overlapping Debt ^b
Tulsa County	\$ 113,992,788	0.60%	\$ 683,957
Wagoner County	-	N/A	-
Tulsa Community College	-	N/A	-
Tulsa Vo-Tech #18	-	N/A	-
City of Broken Arrow	135,395,000	100.00%	135,395,000
City of Tulsa	630,648,000	1.36%	8,576,813
City of Coweta	-	N/A	-
Subtotal, overlapping debt			144,655,770
District direct debt^c			93,750,424
Total direct and overlapping debt			\$ 238,406,194

^a The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the County's taxable assessed value that is within the District's boundaries and dividing it by the County's total taxable assessed value.

^b Overlapping governments are those that coincide, at least in part, with the geographical boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments.

^c This direct debt amount is the sum of the governmental activities debt in the Statistical Section schedule of debt ratios.

Source: Official Statement and Notice prepared by Stephen L. Smith Corporation



**Broken Arrow Public Schools
Legal Debt Margin
Last Ten Fiscal Years**

Legal Debt Margin Calculation for Fiscal Year 2020:

Secondary assessed valuation		\$ 985,532,323
Debt Limit (10% of assessed value)		98,553,232
Debt applicable to limit	93,750,424	
Current sinking fund balance	<u>(17,332,409)</u>	76,418,015
Legal debt margin		<u><u>\$ 22,135,217</u></u>

Fiscal Year Ended June 30th	Net Assessed Valuation ^a	Legal Debt Limit 10% of Net Assessed Valuation ^b	Outstanding District Indebtedness	Less Sinking Fund Balance	Total Net Debt Subject to Legal Limit	Legal Debt Margin ^c	Applicable to the Limit as a Percentage of Debt Limit
2011	680,968,660	68,096,866	74,000,000	16,774,232	57,225,768	10,871,098	84.04%
2012	700,733,473	70,073,347	75,750,000	16,216,368	59,533,632	10,539,715	84.96%
2013	721,308,901	72,130,890	73,888,348	15,080,820	58,807,528	13,323,362	81.53%
2014	752,147,392	75,214,739	79,656,117	15,515,172	64,140,945	11,073,794	85.28%
2015	769,023,417	76,902,342	91,941,554	15,657,564	76,283,990	618,352	99.20%
2016	799,994,008	79,999,401	91,495,050	16,235,350	75,259,700	4,739,701	94.08%
2017	839,936,514	83,993,651	90,693,794	15,717,771	74,976,023	9,017,628	89.26%
2018	889,371,848	88,937,185	88,645,469	15,425,669	73,219,800	15,717,385	82.33%
2019	945,857,259	94,585,726	105,115,172	15,673,831	89,441,341	5,144,385	94.56%
2020	985,532,323	98,553,232	93,750,424	17,332,409	76,418,015	22,135,217	77.54%

^a Net assessed valuation is taken from the table, Assessed and Estimated Actual Value of Taxable Property.

^b The general obligation indebtedness of the District is limited by Oklahoma law to 10% of the net assessed value of the

^c The legal debt margin is the additional debt incurring capacity of the District as allowed by Oklahoma law.

Sources:

District financial records
Tulsa and Wagoner County Assessors

This page is intentionally left blank



DEMOGRAPHIC & ECONOMIC INFORMATION



**Broken Arrow Public Schools
Demographic and Economic Statistics
Last Ten Fiscal Years**

Fiscal Year Ended June 30th	Population ^a	Total Personal Income ^c	Real Per Capita Personal Income ^a	Unemployment Rate ^b	District Average Daily Membership Population ^d
2011	100,073	133,616,459	23,776	6.10%	16,629
2012	102,103	142,861,660	23,838	4.70%	16,836
2013	103,500	148,798,993	24,085	3.40%	17,145
2014	103,808	161,187,913	24,284	3.90%	17,916
2015	107,506	167,291,805	24,208	3.70%	18,372
2016	106,563	173,186,712	26,655	4.20%	18,796
2017	107,403	167,502,814	25,762	3.60%	19,074
2018	108,303	173,817,578	26,437	3.50%	19,081
2019	109,171	186,102,700	26,472	3.20%	19,070
2020	110,198	191,835,000	28,011	7.40%	19,436

^a US Census Bureau

^b Oklahoma Employment Security Commission

^c US Bureau of Economic Analysis

^d District records



**Broken Arrow Public Schools
Broken Arrow Area Principal Employers
Current Year and Nine Years Ago**

Employer	2020			2011		
	Employees ^a	Rank	Percentage of Total Employment ^b	Employees ^a	Rank	Percentage of Total Employment ^c
Broken Arrow Public Schools	2,341	1	2.12%	2,005	1	2.00%
Northeastern State University	800	2	0.73%	-		-
FlightSafety International	750	3	0.68%	-		-
City of Broken Arrow	675	4	0.61%	625	4	-
Zeeco	647	5	0.59%	650	3	-
Oklahoma HealthCare Services	460	6	0.42%	-		-
AG Equipment	360	7	0.33%	-		-
Exterran, Inc.	350	8	0.32%	-		-
Micahtek Inc.	350	9	0.32%	-		-
McDaniel Technical Services	325	10	0.29%	-		-
Walmart	-		-	750	2	0.75%
Micahtek Inc.	-		-	345	5	0.34%
Baker Hughes Oilfield Ops.	-		-	330	6	0.33%
Reasors	-		-	300	7	0.30%
Rhema Bible Church	-		-	275	8	0.27%
Continental Industries	-		-	200	9	0.20%
Davis H. Elliot/Oklahoma	-		-	185	10	0.18%
	7,058		6.40%	5,665		5.66%

Sources:

^a Broken Arrow Chamber of Commerce

^b Based on US Census Bureau population of 110,198

^c Based on US Census Bureau population of 100,073



Broken Arrow Public Schools
Full-Time Equivalent District Employees by Type
Last Ten Fiscal Years

	Full-Time Equivalent Employees by Type										Percentage Change
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2011-2020
Supervisory											
Principals	27	25	25	28	28	29	27	30	35	30	29.63%
Assistant Principals	22	26	26	25	29	28	28	26	19	29	-5.00%
Total supervisory	49	51	51	53	57	57	55	56	54	59	14.89%
Instruction											
Teachers	858	875	873	946	1,068	1,090	1,066	967	1,053	1,060	34.14%
Other professionals	149	146	150	149	122	113	108	140	127	123	-34.20%
Aides	102	98	95	135	239	435	506	280	289	212	183.33%
Total instruction	1,109	1,119	1,118	1,230	1,429	1,638	1,680	1,387	1,469	1,395	36.02%
Student Services											
Librarians	24	24	24	23	21	18	20	20	22	23	-8.33%
Technicians	35	34	44	67	54	23	25	31	35	23	-14.63%
Social Workers/ Counselors	70	73	76	75	39	42	42	40	42	43	-22.22%
Total student services	129	131	144	165	114	83	87	91	99	89	-16.81%
Support and Administration ^a											
Office	281	277	246	250	184	209	211	216	212	236	-23.19%
Maintenance	153	150	146	172	195	231	251	177	182	188	35.82%
Food Service	113	114	141	153	83	238	237	205	196	131	71.93%
Transportation	171	170	175	170	159	237	205	194	172	144	20.28%
Total support and administration	718	711	708	745	621	915	904	792	762	699	14.24%
Total	2,005	2,012	2,021	2,193	2,221	2,693	2,726	2,326	2,384	2,242	24.62%

Source: State Department of Education and District records

^a Total Support and Administration does not include instructional support personnel or principals/assistant principals.



OPERATING INFORMATION



Broken Arrow Public Schools
Capital Assets by Function and Activity
Last Ten Fiscal Years

	2011	2012a	2013	2014	2015	2016	2017	2018	2019b	2020
Governmental Activities										
Instruction	\$ 167,357,145	\$ 177,962,564	\$ 185,376,462	\$ 204,322,573	\$ 226,222,682	\$ 249,359,547	\$ 265,238,327	\$ 281,092,680	\$ 296,877,119	\$ 300,207,529
Student	941,142	957,892	2,457,892	6,200,306	6,258,506	6,258,506	6,307,726	6,324,456	6,324,456	6,324,456
Instructional support	1,799,376	1,902,988	2,307,628	3,067,692	4,005,821	4,880,445	5,715,149	6,419,824	7,481,067	7,999,744
General administration	121,053	163,032	163,032	163,032	176,427	176,427	448,952	448,952	472,093	472,093
School administration	747,575	747,575	747,575	747,575	812,784	975,507	975,507	975,507	975,507	1,528,947
Business	6,919,619	8,284,960	8,891,941	9,866,374	10,649,898	10,649,898	10,649,898	10,649,898	10,649,898	10,649,898
Operations and maintenance	1,677,952	2,188,376	3,386,270	5,480,740	6,605,416	10,978,022	11,565,686	12,581,160	14,147,870	49,243,662
Transportation	3,173,817	3,264,782	4,121,614	4,333,934	5,416,963	6,280,370	6,639,624	7,987,486	8,644,321	9,543,896
Non-instructional	1,097,086	1,097,086	1,102,205	1,102,204	1,102,204	1,102,204	1,108,185	1,108,185	5,893,613	5,957,703
Other-unclassified	86,508	86,508	86,508	86,509	86,509	86,509	86,509	86,509	86,509	86,509
Total Governmental Activities	183,921,273	196,655,762	208,641,127	235,370,939	261,337,209	290,747,435	308,735,562	327,674,656	351,552,452	392,014,436
Business-Type Activities^a										
Child nutrition services	-	354,727	725,774	1,526,603	4,002,097	4,240,587	4,613,539	4,689,813	-	-
Total Capital Assets	\$ 183,921,273	\$ 197,010,489	\$ 209,366,901	\$ 236,897,542	\$ 265,339,307	\$ 294,988,021	\$ 313,349,100	\$ 332,364,469	\$ 351,552,452	\$ 392,014,436

a Prior to 2011-12, Business-Type Activities are included in Governmental Activities. See notes to financial statements.

Beginning with 2011-12, the District changed the presentation of information to conform with GASB Statement No.34.

b Beginning in 2018-19, the District reclassified the Child Nutrition Fund from a Business-type activity to a Governmental activity.

Note: See Note 4 in the Financial Section for full details on capital assets.

Source: District Records



**Broken Arrow Public Schools
Employee Information
Last Ten Fiscal Years**

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Certified Personnel										
Bachelor's										
Minimum Salary	\$ 29,525	\$ 29,525	\$ 29,525	\$ 29,525	\$ 29,525	\$ 29,525	\$ 29,525	\$ 29,525	\$ 34,904	\$ 38,521
Maximum Salary	\$ 41,460	\$ 41,560	\$ 41,560	\$ 42,123	\$ 44,222	\$ 44,822	\$ 45,422	\$ 44,822	\$ 52,905	\$ 60,969
Average Salary	\$ 35,492	\$ 35,542	\$ 35,543	\$ 35,824	\$ 35,272	\$ 35,253	\$ 35,167	\$ 35,922	\$ 39,955	\$ 43,943
Number of Teachers	745	792	824	845	856	730	833	907	860	846
Master's										
Minimum Salary	\$ 31,967	\$ 30,806	\$ 30,806	\$ 30,806	\$ 30,806	\$ 30,806	\$ 30,806	\$ 30,806	\$ 36,361	\$ 39,911
Maximum Salary	\$ 44,653	\$ 44,753	\$ 44,753	\$ 45,428	\$ 48,053	\$ 48,728	\$ 49,403	\$ 48,728	\$ 57,162	\$ 62,891
Average Salary	\$ 38,310	\$ 37,779	\$ 37,780	\$ 38,117	\$ 38,830	\$ 38,687	\$ 38,583	\$ 39,964	\$ 44,280	\$ 47,013
Number of Teachers	322	328	323	342	317	292	330	306	327	352
Doctoral										
Minimum Salary	\$ 33,298	\$ 32,137	\$ 32,137	\$ 32,137	\$ 32,137	\$ 35,909	\$ 33,298	\$ 32,137	\$ 37,869	\$ 41,301
Maximum Salary	\$ 47,184	\$ 47,284	\$ 47,284	\$ 47,959	\$ 42,559	\$ 42,559	\$ 43,459	\$ 59,259	\$ 58,766	\$ 65,315
Average Salary	\$ 40,241	\$ 39,711	\$ 39,711	\$ 40,048	\$ 36,844	\$ 38,500	\$ 38,674	\$ 40,651	\$ 42,492	\$ 49,262
Number of Teachers	7	9	5	6	5	6	9	9	11	11
Total Certified Personnel^a	1,074	1,129	1,152	1,193	1,178	1,028	1,172	1,222	1,198	1,209
Support Personnel										
Number of Support	847	797	781	912	942	1,582	991	1,010	1,094	1,030
Administrative Personnel										
Number of Administrators	84	86	88	88	101	83	97	94	92	102

^a Certified personnel is defined as any employee paid from the certified salary schedule who are required to have certification for their position, per the Oklahoma State Department of Education.

Source: District records



**Broken Arrow Public Schools
Operating Statistics
Last Ten Fiscal Years**

Fiscal Year Ended June 30th	Average Daily Membership (ADM) ^a	Operating Expenditures ^b	Cost per Pupil ^c	Percentage Change	Teaching Staff ^d	Pupil/Teacher Ratio	Percentage of Students Receiving Free or Reduced - Price Meals ^e
2011	16,629	111,699,009	6,717	-6.50%	858	24:1	39.80%
2012	16,836	119,769,371	7,114	5.37%	875	23:1	38.40%
2013	17,145	118,385,496	6,905	3.03%	873	21:1	41.00%
2014	17,916	131,100,328	7,317	-5.63%	946	24:1	42.00%
2015	18,372	132,538,686	7,214	1.43%	1,068	24:1	42.00%
2016	18,796	146,222,636	7,780	-7.28%	1,090	24:1	42.00%
2017	18,899	129,868,077	6,872	13.21%	1,066	24:1	42.00%
2018	19,081	150,775,808	7,902	-13.03%	967	26:1	48.00%
2019	19,070	168,328,683	8,827	-10.48%	1,053	26:1	44.00%
2020	19,436	162,462,385	8,359	-10.48%	1,060	26:1	46.00%

^a Final Audited average daily membership (ADM) obtained from the Oklahoma State Department of Education.

^b Operating expenditures are the total expenses of the District as reported in the Government-Wide Statement of Activities.

^c Cost per pupil is calculated by dividing operating expenditures by the final audited average daily membership (ADM) certified by the Oklahoma State Department of Education.

^d Teaching staff includes all certified personnel whose pay is based on the Broken Arrow Education Association's contract.

^e Percentage of free or reduced students obtained from District records maintained by the Child Nutrition Department.



Broken Arrow Public Schools
School Building Information
Last Ten Fiscal Years
Continued on Page 116

School	Fiscal Year Ending June 30th									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Early Childhood Center										
Arrow Springs (2014) ^a										
Square Feet	-	-	-	-	28,479	28,479	28,479	28,479	28,479	28,479
Capacity	-	-	-	-	260	260	260	286	286	286
Enrollment	-	-	-	-	239	225	228	218	218	222
Aspen Creek (2013)										
Square Feet	-	-	-	28,712	28,712	28,712	28,712	28,712	28,712	28,712
Capacity	-	-	-	320	320	320	320	352	352	352
Enrollment	-	-	-	310	299	294	301	306	306	271
Creekwood (2013)										
Square Feet	-	-	-	28,400	28,400	28,400	28,400	28,400	28,400	28,400
Capacity	-	-	-	320	320	320	320	352	352	352
Enrollment	-	-	-	326	339	314	307	309	309	275
Park Lane (2013) ^d										
Square Feet	-	-	-	33,280	33,280	33,280	33,280	33,280	33,280	33,280
Capacity	-	-	-	360	360	360	360	396	396	396
Enrollment	-	-	-	300	299	251	305	321	321	302
Elementary										
Arrow Springs (1981) ^a										
Square feet	38,783	38,783	38,783	28,479	28,479	28,479	28,479	28,479	28,479	28,479
Capacity	648	648	432	-	-	-	-	-	-	-
Enrollment	379	367	337	-	-	-	-	-	-	-
Arrowhead (1970)										
Square feet	70,813	68,960	68,960	68,960	68,960	68,960	68,960	68,960	68,960	68,960
Capacity	696	696	696	696	696	696	696	728	728	728
Enrollment	432	437	485	480	466	436	454	449	449	401
Aspen Creek (2013) ^c										
Square feet	-	-	-	92,539	92,539	92,539	92,539	92,539	92,539	92,539
Capacity	-	-	-	792	792	792	792	896	896	896
Enrollment	-	-	-	627	633	673	705	680	680	730
Country Lane (1993)										
Square feet	90,226	90,226	90,226	90,226	90,266	90,266	90,266	90,266	90,266	90,266
Capacity	984	984	984	984	984	984	984	1,092	1,092	1,092
Enrollment	940	845	924	818	834	828	853	764	764	725
Country Lane Int. (2007)										
Square feet	97,330	97,330	97,330	97,330	97,330	97,330	97,330	97,330	97,330	97,330
Capacity	1,176	1,176	1,176	1,224	1,224	1,224	1,224	1,232	1,232	1,232
Enrollment	811	697	708	750	769	845	845	746	746	733
Creekwood (2013)										
Square feet	-	-	-	92,539	92,539	92,539	92,539	93,067	93,067	93,067
Capacity	-	-	-	792	792	792	792	952	952	952
Enrollment	-	-	-	631	672	677	677	583	583	624
Indian Springs (1974) ^c										
Square feet	42,066	42,066	42,066	42,066	42,066	42,066	42,066	21,803	21,803	21,803
Capacity	696	696	696	-	-	-	-	-	-	-
Enrollment	517	490	483	-	-	-	-	-	-	-



Broken Arrow Public Schools
School Building Information
Last Nine Fiscal Years
Continued on Page 117

School	Fiscal Year Ending June 30th									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Highland Park (2012)										
Square feet	-	-	92,000	92,000	92,000	92,000	92,000	92,000	92,000	92,000
Capacity	-	-	864	864	864	864	864	1,008	1,008	1,008
Enrollment	-	-	784	788	846	853	897	797	797	853
Leisure Park (1983)										
Square feet	70,364	72,530	72,530	72,530	72,530	72,530	72,530	72,530	72,530	72,530
Capacity	768	768	768	816	816	816	816	868	868	868
Enrollment	539	566	578	545	661	669	658	648	648	658
Liberty (2004)										
Square feet	70,561	81,446	81,446	81,446	81,466	81,466	81,466	81,446	81,446	81,446
Capacity	768	984	984	1,032	1,032	1,032	1,032	1,092	1,092	1,092
Enrollment	672	775	829	739	732	749	713	684	684	632
Lynn Wood (1980)										
Square feet	46,328	65,395	65,395	65,395	65,395	65,395	65,395	65,395	65,395	65,395
Capacity	744	744	744	744	744	744	744	690	690	690
Enrollment	516	518	533	507	512	504	472	471	471	436
Oak Crest (1964) ^d										
Square feet	66,462	66,462	66,462	54,020	54,020	54,020	54,020	54,020	54,020	54,020
Capacity	816	816	816	-	816	816	816	644	644	644
Enrollment	540	522	514	-	405	405	427	363	363	375
Park Lane (1978) ^b										
Square feet	46,752	46,752	46,752	33,280	33,280	33,280	33,280	33,280	33,280	33,280
Capacity	768	768	-	-	-	-	-	-	-	-
Enrollment	696	717	-	-	-	-	-	-	-	-
Rhoades (1958)										
Square feet	54,365	68,461	68,461	68,461	68,461	68,461	68,461	68,461	68,461	68,461
Capacity	720	720	720	720	720	720	720	728	728	728
Enrollment	532	523	508	439	445	481	489	392	392	411
Spring Creek (1987)										
Square feet	66,178	68,314	68,314	68,314	68,314	68,314	68,314	68,314	68,314	68,314
Capacity	672	672	672	744	744	744	744	784	784	784
Enrollment	409	405	589	509	513	536	516	520	520	598
Timber Ridge (2017)										
Square feet	-	-	-	-	-	-	-	90,145	90,145	90,145
Capacity	-	-	-	-	-	-	-	952	952	952
Enrollment	-	-	-	-	-	-	-	566	566	666
Vandever (1974)										
Square feet	44,144	64,180	64,180	64,180	64,180	64,180	64,180	64,180	64,180	64,180
Capacity	720	720	720	768	768	768	768	728	728	728
Enrollment	461	450	483	417	445	478	454	421	421	390
Westwood (1986) ^e										
Square feet	39,448	39,448	39,448	-	-	-	-	-	-	-
Capacity	720	720	720	-	-	-	-	-	-	-
Enrollment	495	508	487	-	-	-	-	-	-	-
Wolf Creek (1991)										
Square feet	62,984	87,584	87,584	87,584	87,584	87,584	87,584	80,987	80,987	80,987
Capacity	864	864	864	864	864	864	864	924	924	924
Enrollment	569	596	414	542	540	570	545	565	565	570



Broken Arrow Public Schools
School Building Information
Last Nine Fiscal Years
Continued on Page 118

School	Fiscal Year Ending June 30th									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Middle										
Centennial (2003)										
Square feet	142,200	142,200	142,200	142,200	142,200	142,200	142,200	142,200	142,200	142,200
Capacity	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,680	1,680	1,680
Enrollment	938	1,014	1,085	981	1,024	1,043	1,070	982	982	1,063
Childers (1986)										
Square feet	120,395	120,395	120,395	123,464	123,464	123,464	123,464	123,464	123,464	132,014
Capacity	1,050	1,050	1,050	1,110	1,110	1,110	1,110	1,320	1,320	1,290
Enrollment	567	564	549	729	692	770	775	763	763	764
Haskell (1958) ^d										
Square feet	120,092	120,092	120,092	120,092	-	-	-	-	-	-
Capacity	1,224	1,224	1,224	1,224	-	-	-	-	-	-
Enrollment	868	889	857	642	-	-	-	-	-	-
Oliver (1992)										
Square feet	141,305	141,305	141,305	141,305	141,305	141,305	141,305	141,305	141,305	141,305
Capacity	1,150	1,150	1,150	1,150	1,150	1,150	1,150	1,380	1,380	1,380
Enrollment	740	780	734	824	823	812	790	754	754	818
Oneta Ridge (2013) ^d										
Square feet	-	-	-	132,688	132,688	132,688	132,688	132,688	132,688	132,688
Capacity	-	-	-	1,250	1,250	1,250	1,250	1,470	1,470	1,470
Enrollment	-	-	-	744	795	815	876	874	874	878
Sequoyah (1967)										
Square feet	106,336	106,336	106,336	99,696	99,696	99,696	99,696	131,621	131,621	131,621
Capacity	1,025	1,025	1,025	1,025	1,025	1,025	1,025	1,470	1,470	1,470
Enrollment	550	532	556	527	535	544	571	717	717	809
High										
Senior High (1982) ^f										
Square feet	400,255	503,562	503,562	506,417	506,417	506,417	506,417	537,524	537,524	537,524
Capacity	4,050	4,050	4,050	4,050	4,050	4,050	4,050	5,160	5,160	5,160
Enrollment	2,153	2,197	2,160	2,147	3,285	3,403	3,679	3,692	3,692	3,961
North Intermediate (1952) ^h										
Square feet	185,347	183,715	183,715	175,150	175,150	175,150	53,559	-	-	-
Capacity	1,890	1,890	1,890	1,890	-	-	-	-	-	-
Enrollment	1,301	1,300	1,242	1,275	-	-	-	-	-	-
South Intermediate (1976)										
Freshman Academy (2014) ^f										
Square feet	152,636	186,636	186,636	186,636	186,636	186,636	186,636	207,456	207,456	207,456
Capacity	2,130	2,130	2,130	2,130	2,130	2,130	2,130	2,220	2,220	2,220
Enrollment	1,143	1,066	1,077	1,122	1,261	1,249	1,291	1,344	1,344	1,121
Alternative Academy (1954) ^d										
Square feet	18,180	16,548	16,548	16,548	120,092	120,092	120,092	120,440	120,440	120,440
Capacity	300	300	300	300	1,224	1,224	1,224	1,260	1,260	1,260
Enrollment	104	111	105	102	120	127	120	152	152	150



**Broken Arrow Public Schools
School Building Information
Last Ten Fiscal Years**

School	Fiscal Year Ending June 30th									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Other										
Central on Main (1925)										
Square feet	60,807	60,807	60,807	60,807	60,807	60,807	60,807	73,574	73,574	73,574
Southside (1955)										
Square feet	-	-	-	-	-	-	-	-	-	-
Education Service Center (1973) ^g										
Square feet	-	-	-	-	-	-	-	-	-	-
Education Service Center (2009)										
Square feet	86,230	86,230	86,230	86,230	86,230	86,230	86,260	90,303	90,303	90,303
Warehouse (1974)										
Square feet	59,217	59,217	59,217	59,217	59,217	59,217	59,217	59,218	59,218	59,218
Transportation (1974)										
Square feet	22,380	22,380	22,380	22,380	22,380	22,380	22,380	22,380	22,380	22,380
Maintenance (1974)										
Square feet	7,488	7,488	7,488	7,488	7,488	7,488	7,488	7,488	7,488	7,488
Maintenance/Transportation (2015)										
Square feet	-	-	-	-	-	20,000	20,000	20,000	20,000	20,000
Special Services (1974)										
Square feet	-	-	-	-	-	-	-	-	-	-
Indoor Practice Facility (2014)										
Square feet	-	-	-	-	71,624	71,624	71,624	71,624	71,624	71,624
Kirkland Activity Complex (2018) ^h										
Square feet	-	-	-	-	-	-	-	42,630	42,630	42,630

^a Arrow Springs Elementary was under construction during the 2013-14 school year as it was being transformed into an early childhood center, opening August 2014.

^b Park Lane Elementary was re-purposed to an early childhood center in 2013-14.

^c Indian Springs Elementary was vacant during the 2013-14 school year as students moved into the new Aspen Creek Elementary, opening August 2013.

^d Students from Oak Crest Elementary and Arrow Springs Early Childhood Center temporarily resided at Haskell Middle school for the 2013-14 school year only while Oak Crest was under renovation. Haskell students were moved to Oneta Ridge when it opened August 2013. The building now houses the Alternative Academy students.

^e Westwood Elementary was absorbed by the High School campus as part of their athletic facility upgrade as students moved into the new Creekwood Elementary.

^f During the 2014-15 school year the sophomore class was moved to the high school campus, changing South Intermediate High School to the Freshman Academy.

^g New Education Service Center built in 2009, old Education Service Center demolished in 2011.

^h Kirkland Activity complex opened on the grounds of the former North Intermediate High School.

Notes: Enrollment is based on the annual October 1 District child count required by the Oklahoma State Department of Education. Only increases for regular instructional classroom space square footage additions are shown. Renovated/rebuilt schools include information only after renovations/rebuilding.

Source: District records



Notice of Non-Discrimination

There will be no discrimination in the District because of race, color, sex, pregnancy, gender, gender expression or identity, national origin, religion, disability, veteran status, sexual orientation, age, or genetic information in its programs, services, activities and employment. The district also provides equal access to the Boy Scouts of America and other designated youth groups.

Broken Arrow Public Schools will take all necessary steps to ensure that each school and work place in the District is free from unlawful discrimination or harassment.

The following people within the District have been designated to handle inquiries regarding the District's non-discrimination policies, issues and concerns:

For all student issues related to Title VI of the Civil Rights Act of 1964, as amended (questions or complaints based on race, color, and national origin), the Associate Superintendent should be contacted at 918-259-5700 or at 701 South Main Street, Broken Arrow, OK 74012;

For all student issues related to Title II of the Americans with Disabilities Act of 1990, Section 504 of the Rehabilitation Act of 1973, and the Individuals with Disabilities Education Act of 2004 (IDEA) (for questions or complaints based on disability), the Executive Director of Special Services should be contacted at 918-259-5700 or at 701 South Main Street, Broken Arrow, OK 74012;

For all student issues related to Title IX, of the Education Amendments of 1972 (for questions or complaints based on sex, pregnancy, gender, gender expression or identity), the Assistant Superintendent of Personnel and Administrative Services should be contacted at 918-259-5700 or at 701 South Main Street, Broken Arrow, OK 74012.

For issues related to accessibility to facilities, services and activities pursuant to the Americans with Disabilities Act, the Chief Operating Officer should be contacted at 918-259-5700 or at 701 South Main Street, Broken Arrow, OK 74012

For all non-student and/or employment related issues (including questions or complaints based on age), or for any individual who has experienced some other form of discrimination, including discrimination not listed above, Assistant Superintendent of Personnel and Administrative Services should be contacted at 918-259-5700 or at 701 South Main Street, Broken Arrow, OK 74012.

Inquiries concerning non-discrimination can also be made to, and outside assistance obtained from, the United States Department of Education's Office for Civil Rights. The contact information for the Kansas City Enforcement Office is included below:

Office of Civil Rights, U.S. Department of Education
One Petticoat Lane
1010 Walnut Street, Suite 320
Kansas City, MO 64106
Telephone: (816) 268-0550
TTY: (877) 521-2172
Facsimile: (816) 823-1404
Email: OCR.KansasCity@ed.gov