COMPREHENSIVE ANNUAL

FINANCIAL REPORT

For the Fiscal Year Ending June 30, 2016

Broken Arrow Public Schools, District No. I-003

701 S. Main Street

Broken Arrow, Oklahoma  74012

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December 12, 2016

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, 2016. 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.
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 in 2013, Broken Arrow has a population of more than 100,000 residents and is the fourth largest city in the state. It is the second fastest growing city in the state, doubling its population since the 1980s. Census projections estimate a population of more than 110,000 residents by 2018.

Broken Arrow is a city with a wide variety of industries, including utilities, health care, education, telecommunications, real estate and retail. Unemployment is currently 3 percent and continues to improve. The median household income is nearly $77,000, and with a low cost of living, more disposable income is available to residents to reinvest in the community. This is evident by the sales tax trend, as gross sales that are subject to tax have nearly doubled in the past 10 years, from $566 million in 2000 to $1.33 million in 2015.

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 8.42 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.

In addition, the City of Broken Arrow has redeveloped and rebranded the downtown area into the “Rose District,” increasing business occupancy from 70 to 90 percent, investing four million into the redesign. The Rose District added upscale living accommodations along with arts, entertainment, retail and dining venues. Already home to several restaurants and boutiques, a Farmer’s Market pavilion and a 1,500-seat Performing Arts Center, the Rose District is primed for specialty restaurants and local retail. With the establishment of tax increment financing incentives, entrepreneurs and developers are realizing their vision through renovation of main street venues.

Broken Arrow has been repeatedly recognized on a national level, recently ranking as the 15th best “booming” suburb by Coldwell Banker in 2013 and as one of the top 100 cities in which to live and retire by Money Magazine in 2011 and 2012. In 2014, Wallethub named Broken Arrow the best city for first time home buyers. In 2016, Yelp! named Broken Arrow in its top ten most customer friendly cities in the nation.

The school district, Broken Arrow Public Schools (BAPS), has four early childhood centers, 14 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 14 elementary schools, 12 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 2015-16 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 and federal funding.

Long-Term Financial Planning and Major Initiatives

The District utilizes four community-wide committees for planning: Long Range, Bond Oversight, Budget and Strategic Planning Committees. These committees review the financial condition and establish the budget for operation, review student growth to determine long-term needs, and develop programmatic solutions to make the District more efficient and effective in serving students. In addition, the District completes a Comprehensive Annual Financial Report. The Comprehensive Annual Financial Report serves as a valuable tool to provide transparency for the District’s patrons, employees and community.
Administration

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

- 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 Communication Services Division handles media and community relations, as well as open records requests and requests to distribute information. Along with managing district publications, the website and social media, Communications Services also includes ArrowVision and the Tiger Threads spirit store.
- 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. Instructional Services also oversees the administration of all school sites, as well as special services, federal programs and assessment.
- The Student Services Division provides opportunities for student engagement and ensures student health and well-being. The Student Services Division includes fine arts, athletics and other co-curricular activities, as well as child nutrition and health services.
- The Business Services Division is responsible for managing district financial services and human resources. Business Services oversees bids, vendors and purchasing, as well as human resources and risk management.
- The Operations Services Division is responsible for the district’s facilities and vehicle fleets. The Operations Services Division manages capital improvements, the maintenance of buildings, facility use, plant operations and warehouse, as well as transportation services.
- The Technology Services Division is charged with managing the district’s network and all instructional technology, including the 1:1 computer initiative. Technology Services also oversees student data management, enrollment and B&A Connections.

Board of Education

The Broken Arrow Board of Education is an elected board and enjoys an excellent reputation for selfless service to the community. 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. However, the 2015-16 school year saw an increase in student population of approximately 3 percent with a student gain of more than 500 from the previous school year indicating higher rates of growth are possible than originally predicted.

Literacy, Engagement, Graduation – the District’s mantra

At Broken Arrow Public Schools, the equation for student success is simple: Literacy + Engagement = Graduation.

With ongoing plans to reallocate resources and streamline efforts to support these three goals and enhance instruction, Broken Arrow’s instructional specialists and administrative staff are providing educators with a number of high-quality professional development opportunities, as well as continued support through literacy programs, such as Reading Recovery, Literacy First, Read 180, Think Through Math and others.

Engagement occurs when students make an emotional investment in learning, whether through routine requirements like attending class and submitting assignments or student involvement in extracurricular activities such as academic clubs and sports teams. Student engagement is enhanced by administrators, teachers, coaches and parents who encourage students to become active participants in their schools.

To reach the goal of 100 percent graduation, BAPS is ensuring continued success beyond high school with a number of initiatives, including a College and Career Readiness Center equipped with trained counselors who provide students with personal and academic guidance regarding graduation requirements and college and career preparations. Also housed within the College and Career Center is information about off-campus learning opportunities, such as programs at Tulsa Technology Center, concurrent enrollment at local colleges, online classes and internships through the Career Exploration Program.
Strategic Plan

Strategic planning is a process the District uses to accomplish its vision and mission while establishing plans for the future. Community members, parents, faculty and staff are part of this intensive process to develop a districtwide strategic plan.

The first step was for the Board of Education members to determine the beliefs, vision and categories that would drive the process, which took place at a special board meeting in January 2012. The individual action plans were then developed and designed by 12 different action teams comprised of 150 individuals. These plans were presented to the Board of Education for a first reading at their January 2013 regular meeting. Once approved, the superintendent assigned each action plan to a specific group of staff members for implementation over the next three years.

The 2015-16 school year marked the third and last year of action plan implementation. In year three, the following action plans were completed:

**Teaching and Learning**
- Establish and maintain partnerships that allow students to gain real world application of curriculum
- Create a post-secondary plan for every secondary student at BAPS.

**Human Resources**
- Enhance the district’s benefit program to recruit, develop and support a dynamic workforce that enables all students to be successful

**Funding and Finance**
- Increase state and federal grant funding
- Utilize reporting and cost comparison analysis to review monetary and asset allocations

**Facilities**
- Develop community partnerships that help the district and community provide and operate facilities for our patron’s educational needs

**Co-Curricular**
- Serve students in a greater way through an extensive range of co-curricular/extra-curricular activities that are more relevant, engaging, fun and accessible with the initial goal of each student, in grades Pre-K through 12, being a participant in at least one co-curricular/extra-curricular activity.

**Communication**
- Increase the effectiveness of the district’s communications by improving the use of existing tools, incorporating available technologies, empowering district staff and adding additional channels as needed to reach all audiences.

The district will begin developing its new strategic plan in September 2016.
Student Engagement

As Tiger pride continues to reach an all-time high, participation in student activities is becoming the new normal for Broken Arrow students and a renewed energy is overtaking the district. From fine arts opportunities to athletic events and from extracurricular activities to increased student involvement, BAPS is taking its mantra, “Literacy, Engagement and Graduation – every student, every day” to heart.

“Research proves that school connectedness is one of the most influential factors for success both inside and outside of the classroom,” said Jason Jedamski, BAPS director of student life and activities. “From the elementary level to the secondary level, it is important to create an environment in which every student has a niche.”

At Broken Arrow’s 14 elementary schools, students become engaged through a variety of activities. Classes such as physical education, music and art are required for every student in grades 1-5. Students can also participate in various clubs and groups, including safety patrol, yearbook, honor choirs and bands, and many others. At the secondary level, there are a number of activities, clubs, athletics and fine arts opportunities in which students can engage before, during and after school.

“Engagement occurs when students make an emotional investment in learning, whether through routine classroom requirements, athletics, fine arts or through the many opportunities that BAPS offers its students to become involved,” said Chuck Perry, associate superintendent of administrative services.

T.I.G.E.R. Challenge- Character Program

In an effort to encourage the development of positive character traits in students, Broken Arrow Public Schools added the T.I.G.E.R. Challenge into its curriculum and extracurricular activities. This revamped districtwide program is based on five core values: tenacity, integrity, gratitude, expectation and respect, all of which create lifelong student success.

The embedded curriculum is differentiated for each school level. Some activities are schoolwide, including presentations, awards assemblies and community service projects, while others take place at the classroom level. Past districtwide initiatives have included a Walk-A-Thon to raise funds for programming, food drives for local hunger agencies, and secondary students hosting kindness programs for elementary students.

“The skills they learn by being active participants in their schools lay the foundation for success after high school.”

Having meaningful relationships with peers is a key factor, and parents play a crucial role in keeping their children engaged in school. Because students spend a large portion of their day at school, educators and district employees are in a unique position to help students stay engaged.
Progressive Manufacturing

According to the U.S. Census Bureau, manufacturing is the fourth largest employer in the nation, hiring more than 11 million people annually. In Oklahoma, the manufacturing sector has been a key component in strengthening the state’s economy in recent years, and because of this, Broken Arrow Public Schools is partnering with Tulsa Technology Center (Tulsa Tech) to offer an ongoing manufacturing program for secondary students.

The manufacturing curriculum for grades 8-12 is designed to create a pathway to Tulsa Tech’s full-time program.

Beginning in sixth grade, all students are introduced to Gateway to Technology (GTT) in their science classes. Students in seventh and eighth grade may then select a GTT course as an elective. These classes focus on the history of inventions and innovations, emphasizing the core concepts of technology and various approaches to problem solving, including engineering design and manufacturing.

With an interest in manufacturing established at the middle school level, students have the opportunity to progress into an Introduction to Manufacturing course in ninth grade. This course, which doesn’t require any prerequisites, provides a jump start into advanced manufacturing courses at the high school and vocational level. Students will learn about safety and tool usage, the basics of blueprint reading, welding principles and more.

After completing the Introduction to Manufacturing course, students at the high school are able to enroll in Foundations to Manufacturing, a course taught by Tulsa Tech teacher Charles Young.

“Oklahoma is doing something that is completely unheard of,” Young said. “We are becoming pioneers of career and technical education, and we continue to take things to the next level. BAHS and Tulsa Tech are coming together to provide students with an opportunity to help them find a high paying, rewarding and highly-skilled career – not a job, but a career.”

This course, offered by Tulsa Tech on the Broken Arrow High School campus, covers topics ranging from welding to fundamentals of robotics while teaching the concepts of creating products.

Once students have completed the Foundations to Manufacturing course, they have the opportunity to apply to one of Tulsa Tech’s manufacturing-related programs during grades 11 and 12. These programs include applied engineering technology, drafting, machining, mechatronics and welding.

“This partnership is ideal because Tulsa Tech delivers the programming, materials and expertise, while the district provides the student population,” said Janet Dunlop, associate superintendent for instructional services. “Filling high-skill and high-salary careers with Broken Arrow graduates is key to the economic development of our community.”
Becky King: District Teacher of the Year

Amidst applause and gratitude, Highland Park Elementary teacher Becky King approached the podium at the third annual Star Awards Gala to accept the role as Broken Arrow’s 2016 District Teacher of the Year. She was selected from a pool of 27 Site Teacher of the Year candidates.

“As a teacher, it is my responsibility to open doors of possibility for my students in the way others did for me,” said King. “I once read that no one cares what you know, but instead, they care about what you do with what you know.”

For King, her path to becoming a teacher was a lifelong journey.

“My mom tells stories of a little girl with her chalkboard propped up on a toy box teaching a class of well-behaved stuffed toys; a little girl who believed the school supply aisle was her candy store,” she said. “Looking back, it is evident that teachers have always greatly influenced my life.”

King received her bachelor’s degree in deaf education and elementary education from the University of Tulsa in 1994 and began her teaching career shortly thereafter, first at Tulsa Public Schools and later at her alma mater, Broken Arrow Public Schools.

“I believe teaching is a calling and not an occupation,” she said. “I believe that highly effective teaching is an art. Loving children is simply not enough; you must love humanity as a whole, including its bumps and bruises, because each child that walks through your door represents so much more than just him or herself.”

King and the other candidates went through an intensive evaluation and interview process with BAPS’ Professional Development Committee, a group composed of teachers, administrators and previous Teachers of the Year. The candidates were blindly scored on their portfolio and interviews, and after each was tallied, King was named the winner.

As the District Teacher of the Year, she received a monetary gift from the Broken Arrow Public Schools Foundation and the opportunity to drive the Teacher of the Year SUV, a Ford Escape generously provided by Matthews Ford in Broken Arrow. She represented BAPS in the State Teacher of the Year competition in the summer of 2016.

Doug Klenz: Support Employee of the Year

Known as the Beyond and Above Award, Broken Arrow’s support staff recognition program honors five employees who consistently demonstrate excellence, going that extra mile for the district’s goals and objectives. Nominations were made by teachers, administrators, supervisors and coworkers. For the 2015-16 school year, Liberty Elementary custodian Doug Klenz was named Support Employee of the Year.
Superintendent Dr. Jarod Mendenhall honored among 2015 Men of Distinction

Dr. Jarod Mendenhall was honored by Tulsa Business and Legal News as one of the 2015 Men of Distinction. Honorees are nominated by members of the community, and selected based on professional, civic and personal efforts as well as the way in which they have significantly impacted the community.

Upon learning of the Men of Distinction Award, Dr. Mendenhall says he was extremely humbled.

“There are many individuals — teachers, custodians, bus drivers, administrators, child nutrition workers — making a difference every day, and I just happen to be in the position where I receive a lot of the credit for our success as a school district,” he said. “So any awards or accolades that I receive are a direct reflection of BAPS employees’ incredible work with kids.”

Janet Dunlop Named Oklahoma Assistant Superintendent of the Year

The Cooperative Council for Oklahoma School Administrators (CCOSA) and the Oklahoma Association of School Administrators (OASA) named Dr. Janet Dunlop, associate superintendent for Broken Arrow Public Schools, as the Oklahoma Assistant Superintendent of the Year. Dunlop was selected by school administrators from across the state.

Dunlop has more than 25 years of experience in the field of education as a teacher, academic principal, college professor and central office administrator. Since joining BAPS in 2010, she has facilitated the district’s literacy initiative resulting in a significant increase in literacy scores. She was recently recognized by the National Reading Recovery Council for her work in elementary literacy. Under her leadership, the BAPS instructional team successfully aligned curriculum from Pre-K through 12th grade, restructured the special education program to be more inclusive of special needs, and developed district Open Education Resource (OER) textbooks resulting in significant cost savings for the district.

Dunlop serves as the legislative advisory committee chair for CCOSA, as well as the district representative for both the P20 Council of Tulsa and the Tulsa Chamber of Commerce Education Advisory Committee. She also serves on the Oklahoma State Department of Education Teaching and Learning Advisory Committee and was instrumental in crafting the new Oklahoma state standards that were approved earlier this year.

Upon learning of this award, Dr. Dunlop stated, “I could not be more honored or humbled to be selected. My fellow Oklahoma administrators are honestly some of the most selfless people I’ve had the honor to know. When students need, they give. When parents and the community have needs, they give. When other districts and our state needs, they give. We all rise by lifting others. It’s just what we do as Oklahoma educators.”
History of BAPS 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 offices 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.

Net Assessed Value

The district’s net assessed valuation (NAV) refers to the local property wealth. For 2015-16 school year, the NAV was $799,994,008. 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.

Here We Grow – Bond Issue 2015 Phase One Projects

In February 2015, Broken Arrow patrons passed the 2015 Broken Arrow Public Schools bond proposal, allowing the district to begin its next phase of transformation to meet the needs of a district that is growing at a rate of 3 percent per year.

The 2015 bond issue projects total $370 million and will be completed over the course of 12 years. Phase one of the four-part project has begun and includes a new elementary school, Sequoyah Middle School expansions and renovations, Broken Arrow High School additions and Kirkland Field Activity Complex construction.
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 2015, 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.

At the beginning of the 2016-17 school year, the one-to-one computer initiative expanded to include students in grades 9-12 totaling more than 5,000 students.

Transportation, Maintenance and Custodial Services

The transportation department services 115 square miles twice daily. During the 2015-16 school year, there were 172 buses in the fleet, which included 123 regular buses, 41 special needs buses and eight activity buses. The BAPS transportation department runs 203 regular education bus routes (118 secondary, 80 elementary and five Tulsa Technology routes), as well as 61 special education bus routes (29 secondary, 28 elementary and four early childhood center 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 1,773,861 route miles driven, 320,792 gallons of diesel fuel used for buses and approximately 12,000 students transported daily on buses.

The maintenance and custodial services department takes pride in the operation of schools, supporting education by providing the best possible environment conducive to learning. Maintenance and plant operations employees provide routine, preventative and corrective service to the millions of square feet and hundreds of acres of school property. More than 3.3 million square feet and 619 acres were maintained daily by the custodial services staff during the 2015-16 school year.

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 2,621,835 meals served during the 2015-16 school year.

In addition, the child nutrition department introduced a food truck—dubbed BA’s Curbside Café – to more than 3,500 Broken Arrow High School students in an effort to provide healthy and eclectic meal options in an innovative way. 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 Cafe menu changes daily and features street tacos, chicken and waffles, salads and more. All meals meet U.S. Department of Agriculture guidelines and are prepared with a number of locally-sourced ingredients.
**Fine Arts Department**

Fine arts at Broken Arrow Public Schools has an established tradition of excellence and is recognized for its high standards at regional, state and national levels. The fine arts offerings encourage students to explore their creativity and humanity through a comprehensive aesthetic education.

The fine arts program offers an array of classes, including sculpture, photography, painting, drawing, speech, debate, dance, theater arts, technical theater, men’s choir, chamber choir, women’s choir, show choir, chamber and symphonic orchestra, several levels of concert bands, the Pride marching band, and instrumental and vocal jazz ensembles.

**2015-16 Fine Arts Accomplishments**

- The Pride of Broken Arrow won its 10th title at the Bands of America Super Regional held in St. Louis and its third title as Grand National Champions. They also received a superior rating at the OSSAA marching competition and won their 14th consecutive state championship at the Oklahoma Bandmasters Association Marching Championship. In addition, the BAHS Wind Ensemble performed in Chicago at the 69th annual Midwest Band Orchestra Clinic.

- The Broken Arrow High School choir program continued their tradition of success with the Tiger Rhythm Show Choir becoming grand champions at the Lone Star, Webb City and Nevada competitions. Tiger Mystique Show Choir also won the women’s division at these competitions. Tiger Rhythm Show Choir finished ninth in their first trip to the national competition in Nashville. In addition, the Jazz Choir performed a Veteran’s Day concert at the National World War II Memorial in New Orleans and also performed with famed Broadway star Patti LuPone at the Broken Arrow Performing Arts Center.

- The theater department performed a high-flying musical production of “Peter Pan.” The musical showcased the talents of 45 high school actors and crew as well as 22 high school orchestra students. Additionally, 13 middle school and elementary school students were included in the show, which offered a tremendous mentorship opportunity for the high school actors, who worked closely with the district’s younger theatre artists.

- The BAHS art department hosted the fourth annual Empty Bowls event, which raised more than $5,000 for Broken Arrow Neighbors and BA Food for Kids.

- The annual BAPS District Art Show featured art from all grade levels.

- The 2016 fine arts seniors earned $1.1 million in scholarship monies.
Athletics

Broken Arrow Public Schools offers a wide variety of athletic programs, including baseball, basketball, cheer, cross country, football, golf, soccer, softball, swimming, tennis, the Tigettes dance team, track and field, volleyball and wrestling. Athletics is one of the most integral elements in the overall education of students. Sports provide an opportunity to extend the learning process through interscholastic competition. BAPS provides a vigorous and diverse athletic program that is founded on seven pillars: service, trust, respect, integrity, positive attitude, excellence and self-discipline.

2015-16 Athletics Accomplishments

• **Special Olympics** – Thousands of athletes, coaches and volunteers traveled to Stillwater, Okla., for the 47th annual Special Olympics Summer Games. After three days of exciting Olympic-style competitions and ceremonies, 80 Broken Arrow Special Olympians in grades 3-12 took the games by storm and brought home 21 gold medals, 25 silver and 16 bronze.

• **Varsity Cheer** – Broken Arrow’s varsity cheer squad won their fourth consecutive Large Coed Division Oklahoma Secondary School Activities Association State Championship by a margin of eight points. Off the mat, the squad earned the Academic Achievement Award by recording a cumulative 3.55 GPA.

• **Swimming** – Freshman swimmer Annie Kramer broke a 22-year-old school record in the 100-yard backstroke with a time of 1:01.74.

• **Region 7 Coaches of the Year** – Cheer coach Amy Howe, girls golf coach Charlie Brown and swimming coach Samantha Evans were all named Region 7 Coaches of the Year.

• **Baseball** – Tiger baseball coach Shannon Dobson was inducted into the Oklahoma Baseball Coaches Association (OBCA) Hall of Fame, and assistant coach Andy Summers was named the OBCA Assistant Coach of the Year.

• **National Signing Day** – More than 40 Broken Arrow High School students signed national letters of intent, officially announcing where they will continue to showcase their athletic talents beyond high school.

• **State qualifiers** – A number of fall and spring sports qualified for State tournaments and represented Broken Arrow well.
Academics

• **National Merit Finalists** – Four Broken Arrow High School students were honored as the 2015-16 National Merit Finalists for their prestigious academic accomplishments. Rebecca Atherton, Kyle Barker, Christopher Oven and Michaela Stabler were among approximately 15,000 students from across the nation who qualified and were some of the highest scoring students in the state of Oklahoma.

• **Record-Setting Scholarship Amount** – Together the Class of 2016 accepted more than $8.7 million in reported college scholarships, surpassing the 2014-15 record-setting amount.

• **Academic All-State Scholars** – Based on their academic achievements, extracurricular activities and community involvement, Broken Arrow High School seniors Rebecca Atherton and Simona Yaneva were the recipients of the Oklahoma Foundation for Excellence Academic All-State Award. This prestigious honor is given to the top 100 public high school seniors from 75 schools in 68 Oklahoma school districts. These seniors were selected from 661 nominations statewide.

• **JROTC Program** – For the first time, BAPS offered students in grades 10-12 the opportunity to participate in the Air Force National Defense Cadet Corps program, an elective course promoting leadership, personal responsibility, and service to the community and nation, as well as instruction in air and space. Ninety-four students enrolled and participated in a number of events, districtwide activities and competitions throughout the year. Enrollment is expected to increase in the coming school year.

Teacher Grants

BAPS was honored as a top-funded district through Cox Communications’ employee funded foundation, Cox Charities, and three grants totaling $20,000 were awarded during the 2015-16 school year. Before spring break, the BAPS Foundation provided funds to teachers for incentive grants, supporting innovative projects that increase interest and achievement among students, graciously hand delivering 63 grants totaling $37,369 to teachers across the district. In addition, more than $68,000 was reported from teachers who applied for local, state and national grants. Together, Broken Arrow teachers earned more than $125,000 for the 2015-16 school year.

ArrowVision Launch

As audio-visual communications continually evolve, Broken Arrow Public Schools keeps patrons informed through the ArrowVision network. Comprised of ArrowVision.tv, Broken Arrow High School’s “The Pulse,” the district’s YouTube and Vimeo channels, and Cox Channel 20, ArrowVision provides quality programming covering academics, athletics, arts and activities. BAPS first began producing video programming 20 years ago under the name BATV. For the 2015-16 school year, BATV underwent a significant transformation to ArrowVision, which included the addition of a new video production studio, changes to student curriculum and upgrades to Cox Channel 20.
United Way District Campaign

As a longtime supporter of the Tulsa Area United Way, the employees of Broken Arrow Public Schools raised more than $125,000 this past year, surpassing their goal of $120,000. In addition to monetary donations, district employees participated in various community service projects benefiting local organizations, such as Broken Arrow Neighbors, the Margaret Hudson Program and A New Leaf.

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 Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2015. This marks the third 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 CAFR. The report must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements.

Additionally, the District was awarded the Certificate of Excellence in Financial Reporting by the Association of School Business Official International (ASBO) for its CAFR for the year ended June 30, 2012, 2013 and 2014. The District believes the CAFR continues to conform to the standards for which this award was granted.
Communications Services Division receives honors for districtwide projects

The Communications Services Division is focused on building relationships with Broken Arrow students, parents, staff and the community through effective communication.

With a focus on sharing important information and district news with patrons, the Communications Services Division manages all district print publications, the district website, social media channels, video production and district events. The team also oversees requests for information from the media and the public.

Communicating effectively with patrons is critical for the success of the district and its students.

For the 2015-16 school year, the Communications Services Division earned several honors for districtwide projects.

**Public Relations Society of America – Tulsa Chapter**
- Silver Link – “Here We Grow” 2015 Bond Campaign
- Silver Link – “The Writing is on the Wall” 2013-14 Annual Report

**National School Public Relations Association:**
- Award of Excellence – “Here We Grow” 2015 Bond Campaign Video
- Award of Merit – Arrowpoint Magazine
- Honorable Mention – Tiger Threads Spirit Store Image and Branding Package
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,

Jarod Mendenhall, Ed.D.
Superintendent

Dwayne Thompson
Chief Financial Officer

Donna Dollahon
Director of Treasury

Natalie Eneff
Executive Director of Finance

Cathy Mitchem
Director of Accounting
Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Broken Arrow Public Schools, I-003

Oklahoma

For its Comprehensive Annual Financial Report for the Fiscal Year Ended

June 30, 2015

[Signature]

Executive Director/CEO
### Board of Education

#### 2015-2016

<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
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<tr>
<td>Cheryl Kelly</td>
<td>President</td>
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<tr>
<td>Steve Allen</td>
<td>Vice President</td>
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<tr>
<td>Jerry Denton</td>
<td>Board Clerk</td>
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<td>Steve Majors</td>
<td>Board Deputy Clerk</td>
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<td>Dr. Theresa Williamson</td>
<td>Member</td>
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### Executive Administration

#### 2015-2016

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<tr>
<th>Name</th>
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<tr>
<td>Dr. Jarod Mendenhall</td>
<td>Superintendent</td>
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<tr>
<td>Dr. Janet Dunlop</td>
<td>Assistant Superintendent</td>
</tr>
<tr>
<td>Chuck Perry</td>
<td>Assistant Superintendent</td>
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<tr>
<td>Dwayne Thompson</td>
<td>Chief Financial Officer</td>
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<td>Michelle Bergwall</td>
<td>Chief Operations Officer</td>
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<td>Ed Fager</td>
<td>Chief Human Resources Officer</td>
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<tr>
<td>Shelli Holland-Handy</td>
<td>Chief Communications Officer</td>
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<tr>
<td>Brian Daley</td>
<td>Chief Information Officer</td>
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FINANCIAL SECTION
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, the business-type activities, each major fund and the aggregate remaining fund information of Broken Arrow School District No. I-003, Broken Arrow, Oklahoma (the “District”) as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the 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 basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type 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, 2016, the changes in its financial position, or where applicable, its cash flows thereof and the respective budgetary comparisons for the General Fund and the Building Fund, 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 26-40, the Schedule of Proportionate Share of the Net Pension Liability on page 96 and the Schedule of Contributions on page 97 be presented 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 an opinion on the financial statements that collectively comprise the District’s basic financial statements. The introductory section, combining statement and statistical section are presented for purpose of additional analysis, and are not a required part of the basic financial statements.

The combining statement is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining financial statement is fairly stated in all material respects in relation to the 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 a report (under a separate cover) dated November 11, 2016, on our consideration of the District’s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is 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 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 District’s internal control over financial reporting and compliance.

Jenkins & Kemper, CPAs P.C.

November 11, 2016
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, 2016. 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’s financial status improved substantially for a fourth consecutive year. Financial highlights of fiscal year 2016 include:

- The District ended the year with a General Fund total fund balance of $13.2 million which is $1.4 million less than the previous year-end. The General Fund’s unassigned portion of the fund balance intentionally decreased, primarily due to a 3.0% one-time stipend for all returning employees, which totaled $1.9 million.

- The assets of the District, in governmental activities, exceeded its liabilities at the close of the most recent fiscal year by $81.4 million and deferred outflows of resources of $7.1 million, deferred inflows of resources of $19.6 million, resulting in a total net position of $69.0 million. Government–wide net position totaled $73.6 million as of June 30, 2016, representing a $4.0 million increase from restated 2015 government-wide net position of $69.6 million.

- The net position of business-type activities, food services, increased by 6.7% to $4.6 million from the previous year. This growth was due to the increase in the net investment of capital assets, a decrease in worker’s compensation claims, and conservative spending of goods and services. In addition, higher operating revenues and additional modernized equipment and furniture were added to the District which led to this increase.

- The governmental activities net investment in capital assets increased by $13.0 million as the District continues to renovate and construct new buildings as part of its capital projects program. During fiscal year 2016, the District completed the renovation and construction of nine projects.
At the close of the 2016 fiscal year, the District’s governmental funds reported combined ending fund balance of $51.2 million, a decrease of $9.5 million from June 30, 2015. A decrease in capital projects fund for construction projects, the elimination of the arbitrage fund, less investments for the period, and the completion of the cooperative fund were the majority of this decrease.

OVERVIEW OF FINANCIAL STATEMENTS

Both the discussion and analysis presented are intended to serve as an introduction to the District’s basic financial statements. The basic financial statements consist of two kinds of statements that present different views of the District; 1) government-wide financial statements, 2) fund financial statements.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the 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) as opposed to business-type activities that are intended to recover all or a significant portion of their costs though user fees and charges. The District has only one business-type activity, the Child Nutrition Fund.
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.

The government-wide financial statements can be found on pages 42, 43 and 44 of this report.

**Fund Financial Statements.** Fund financial statements provide 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, Proprietary Funds, and Fiduciary Funds.

- **Governmental Funds.** These funds include most of the District’s activities, which provide a short-term analysis of the 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. Governmental Funds include the General Fund, the Special Revenue Funds, the Debt Service (Sinking) Fund, and the Capital Projects (Bond) Funds, all of which are considered to be major funds. Data from other government funds, or non-major funds are combined in a single, aggregated presentation column. The District’s non-major fund is the Permanent Fund (Endowment). The basic Governmental Fund financial statements can be found on pages 45, 47, and 48 of this report.

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. These reconciliations can be found on pages 46 and 49 of this report.

- **Budgetary Comparison.** In addition to the basic financial statements, this report also presents certain budgetary reporting comparisons that governments must present. The District has presented this information as part of the basic financial statements rather than required supplemental information. These reports are statements rather than schedules as directed by Governmental Accounting Auditing, and Financial Reporting (“GAAFR”) and GASB Statement No. 34. The District adopts an annual expenditure budget for all Governmental Funds. A budget-to-actual comparison for the General Fund
has been provided on page 50 and a budget-to-actual comparison for the Building Fund has been provided on page 51.

- **Proprietary Funds.** These funds report two types of funds; enterprise and internal service. These funds are generally reported in the same manner as the government-wide financial statements, only in more detail. Enterprise fund activities are generally financed and operated like businesses. These funds are one of the only areas the District compares the sources of cash during the year to the purposes for which cash was used. The Child Nutrition Fund, which is the District’s Enterprise Fund, is used to account for any activity that charges a fee to users. This fund is legally required to cover its cost with fees and charges rather than taxes and similar revenues. Internal Service Funds are an accounting device 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. The basic Proprietary Fund financial statements can be found on pages 52, 53, and 54.

- **Fiduciary Fund.** 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. Fiduciary Funds include the Private-Purpose Trust Fund (Gift Fund), and Agency Funds (Student Activity). All of the District’s fiduciary activities are reported on pages 55 and 56.

**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. The notes to financial statements can be found on pages 57 through 94 of this report.

**Required Supplementary Information.** In addition to the basic financial statements and accompanying notes, this report also presents certain Required Supplementary Information concerning the District’s cost-sharing pension liability, which is mandated by GASB, Statement No. 68, Accounting and Financial Reporting for Pensions. The schedule of Proportionate Share of Net Pension Liability and the Schedule of Contributions each provide required additional information. These reports can be found on pages 96 and 97.

**Other Supplementary Information - Combining Statements.** These statements are prepared in connection with Fiduciary Funds and are presented immediately following the required supplementary information. 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
MANAGEMENT’S DISCUSSION & ANALYSIS

liabilities) and do not involve measurement of results of operations. The combining statements can be found on page 99.

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, as well as two separate activity columns for governmental and business-type activities.

The following table presents a summary of the change in net position for the fiscal years ended June 30, 2016, and 2015:

<table>
<thead>
<tr>
<th>Net Position As of June 30, 2016 (Dollars in Millions)</th>
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<tr>
<td>Table 1</td>
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</tbody>
</table>
| Current and Other Assets | $ 52.6 | $ 61.8 | $ 2.2 | $ 2.0 | $ 54.8 | $ 63.8 | $ (9.0) | -14%
| Capital Assets | 222.2 | 200.4 | 2.6 | 2.5 | 224.8 | 202.9 | 21.9 | 11%
| Total Assets | 274.8 | 262.2 | 4.8 | 4.5 | 279.6 | 266.7 | 12.9 | 5%
| Deferred Outflows of Resources | 7.1 | 6.9 | - | - | 7.1 | 6.8 | 0.3 | 100%
| Liabilities | | | | | | | | |
| Other Liabilities | 26.3 | 20.3 | 0.1 | 0.1 | 26.4 | 21.0 | 5.4 | 26%
| Long Term Liabilities | 167.1 | 160.5 | - | - | 167.1 | 160.0 | 7.1 | 4%
| Total Liabilities | 193.4 | 180.8 | 0.1 | 0.1 | 193.5 | 181.0 | 12.5 | 7%
| Deferred Inflows of Resources | 19.6 | 22.8 | - | 0.10 | 19.6 | 23.0 | (3.4) | 100%
| Net Position | | | | | | | | |
| Net Investment in | | | | | | | | |
| Capital Assets | 150.6 | 137.6 | 2.6 | 2.5 | 153.2 | 140.1 | 13.1 | 9%
| Restricted | 18.2 | 16.7 | - | - | 18.2 | 16.7 | 1.5 | 9%
| Unrestricted | (99.9) | (89.0) | 2.0 | 1.8 | (97.9) | (87.2) | (10.7) | -12%
| Total Net Position | $ 69.0 | $ 65.3 | $ 4.6 | $ 4.3 | $ 73.6 | $ 69.6 | $ 4.0 | 6%

(figures may be different due to rounding)

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.
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 following table presents a summary of the District’s net position:

The District’s business-type activities net position increased $.3 million to $4.6 million; while this dollar growth is smaller, it nonetheless represented an increase of more than 6.7%. This growth is primarily due to an increase in local collections as well as an increase in capital assets. Child Nutrition Fund activities continue to be stable and self-supporting.

The District experienced an increase in governmental activities long-term debt payable or non-current liabilities in the fiscal year 2016 over fiscal year 2015 by $6.6 million or 4.1% primarily due to an increase in the reporting of the net pension liability with implementation of GASB, Statement No. 68, Accounting and Financial Reporting for Pensions. The net pension liability increased from 88.2 million in 2015 to 100.5 million in 2016. The District reports net pension obligation on the cost-sharing defined benefit pension for the purpose of complying with the requirements of GASB No. 68 and also provided to improve the transparency, consistency, and comparability of pension information.

Government-wide net investment in capital assets increased $13.1 million or 9.0% over the prior fiscal year, representing significant progress in the completion of major projects, which include; school building renovations, transportation and maintenance facility upgrades, JROTC program facility renovations, the new community facility, and the onset of the new elementary school. 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 government-wide net position which represents resources that are unrestricted, $15.4 million, which consists of 2.1 million unrestricted Business-Type Activities and 13.0 million unrestricted governmental activities excluding net pension liability, may be used to meet the District’s ongoing obligations to citizens and creditors. 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 Aaa/AAA bond ratings.

Changes in Net Position. The District’s government-wide total revenues were $150.1 million, a decrease of $2.4 million from the prior fiscal year total of $152.5 million primarily due to the State Aid not restricted to specific programs budget cuts from the State Department of
Education. The implementation of GASB 68 and 71 during the fiscal year 2015 negatively impacted the ending net position for the fiscal year ended June 30, 2016 and 2015.

Governmental activities increased in District net position by $3.7 million. The total cost of all governmental activities programs and services was $137.3 million. The amount our taxpayers paid for these activities through property taxes was $56.1 million or 39.8%. Government-wide, our taxpayers paid for the total programs and services of $146.2 million through property taxes of $56.1 million or 37.4%.

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

<table>
<thead>
<tr>
<th>Changes in Net Position</th>
<th>As of June 30, 2016</th>
<th>(Dollars in Millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Table 2</td>
<td></td>
</tr>
</tbody>
</table>

The Statement of Activities presents a district-wide summary of revenues and expenditures for the fiscal year. The format of the presentation identifies expenditures by program areas (functions), and identifies to what extent those expenditures 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, other support services, community services, interest on long-term debt and food services.

**District Government-Wide Revenues for Year Ended June 30, 2016**

![Pie chart showing revenue distribution]

Over the two year period, a number of shifts can be observed, such as an increase in property taxes, an increase in charges for services, 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.

Business-type activities, consisting of child nutrition services, had total revenues of $9.2 million, a decrease of 8.0%. Expenses for Business-type activities were $8.9 million for fiscal year 2016, a decrease of 1.0 million from fiscal year 2015. The final result is an increase in government-wide activities net position of 6.0%.
The expenses of all government-wide programs and services increased slightly, except for Business-type activities, which decreased 10.3%. The District’s expenses are predominantly related to instruction of students (54.0%).

Another contributor to the higher costs and/or expenses involved student support services and pupil transportation services, which increased a combined total of $2.0 million or 12.6% due primarily to professional development, new student programs, and expenses related to the new transportation facility.

The District contributed $7.1 million in deferred outflows (contributions) to the reduction of the net pension obligation in fiscal year ending June 30, 2016. The District hopes to see a decrease in the unfunded liability while reaching 100% funding status within an attainable time frame.

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.

As of the end of the current fiscal year, the District’s Governmental Funds reported combined ending total fund balances of $51.2 million, a decrease of $9.5 million over last year. This decrease was primarily due to a decrease in capital projects fund balance. Funding provided by the new bond sale from fiscal year 2015 provided the means to increase capital assets and finish more than nine projects. A one-time stipend led to the decrease in unassigned fund balance for 2016.

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

<table>
<thead>
<tr>
<th>GOVERNMENTAL FUNDS FUND BALANCES</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nonspendable:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inventory</td>
<td>$306,257</td>
<td>0.6%</td>
</tr>
<tr>
<td>Permanent fund principal **</td>
<td>40,000</td>
<td>0.1%</td>
</tr>
<tr>
<td>Restricted for:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital projects</td>
<td>19,903,804</td>
<td>38.8%</td>
</tr>
<tr>
<td>Building</td>
<td>1,866,206</td>
<td>3.6%</td>
</tr>
<tr>
<td>Debt service</td>
<td>16,234,350</td>
<td>31.7%</td>
</tr>
<tr>
<td>Committed to:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other Committed Fund Balance</td>
<td>-</td>
<td>0.0%</td>
</tr>
<tr>
<td>Assigned to:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Arbitrage</td>
<td>-</td>
<td>0.0%</td>
</tr>
<tr>
<td>Endowment - Scholarships **</td>
<td>3,316</td>
<td>0.0%</td>
</tr>
<tr>
<td>Unassigned</td>
<td>12,886,722</td>
<td>25.1%</td>
</tr>
<tr>
<td>$</td>
<td>51,240,656</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

The Building Fund balance had an increase of $0.9 million mainly due to an increase in rental of facilities and higher State sources as well as conservative spending in the fund. This increased
the Building Fund balance to 1.9 million in 2016 from 1.0 million in 2015. The District continues to address higher utility costs in the Building Fund with analysis and rebate programs.

Fund balance classification definitions as shown in the governmental funds Balance Sheet can be found on page 66 of the Notes to the Basic Financial Statements.

The General Fund is the primary operating fund of the District. At the end of the current fiscal year, the General Fund’s unassigned fund balance was $12.9 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 11.3% of the total General Fund actual expenditures, which total $114.4 million while the General Fund total fund balance of $13.2 million represents 11.5% of that same amount. The General Fund’s total fund balance decreased $1.4 million during the current fiscal year. This is the result of capital project expenditures for the fiscal year and a one-time stipend to all returning employees.

The Debt Service Fund (Sinking Fund) had a total fund balance of $16.2 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 balance decreased by 32.0% to $19.9 million, primarily due to the expenditures related to new projects, project renovations, and other capital spending from the general obligation bonds passed in the 2015 fiscal year.

**Proprietary Funds.** The District’s proprietary’s funds consist of the Enterprise Fund (Child Nutrition Fund) and 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 Funds have operating revenues of $4.7 million and non-operating revenues of $5.1 million. This represents a decrease in total proprietary fund revenue of $1.2 million primarily due to decreases in workers’ compensation claims, which reduced the reimbursements to the fund, and the completion of a one-time contribution of capital assets in fiscal year 2015 to the Child Nutrition Fund from other funds. Operating expenses were $8.9 million, which decreased $1.0 million largely due to the completion of construction projects approved through the State Department of Education. A one-time depreciation expense in fiscal year 2015 for the capital contribution also contributed to the decrease in expenses for fiscal year 2016, with depreciation expense decreasing $1.2 million. The District experienced lower worker’s compensation claims for the fiscal year as well.

The Statement of Revenues, Expenditures, and Changes in Fund Net Position for Proprietary Funds can be found on page 53.
**Fiduciary Funds.** The District’s Fiduciary Funds consist of the Gift Fund and School Activity Funds. 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. School site activity funds are used to account for funds raised at the individual sites through fundraising efforts and the District’s vending contract. The administration is responsible for collecting and disbursing these funds under the authorization of the Board of Education. The Fiduciary Funds financial statements can be found on pages 55 and 56.

**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 2015-16, the District budgeted original General Fund revenues of $112.5 million and budgeted original expenditures of $115.0 million. The Board of Education approved a final revenue General Fund budget of $112.2 million and an amended final expenditure budget of $116.4. The General Fund final expenditure budget approved by the Board of Education represents an increase of 0.9%, or $1.1 million from the previous year.

Actual revenue collected, at $112.0 million, for the General Fund, experienced a slight decrease from the final budget projection due to 1.0 million in federal funding sources being cut mid-year.

Actual expenditures for the General Fund were $2.2 million below the final budget of $116.4 million.

During the course of the year, the Board of Education approved several revisions to the budgeted revenue and expenditures original appropriations. These revisions resulted from the following circumstances:

- Amendments during the year for changes in programs.
- Amendments to revise estimates for Local and State revenue based on the latest information on official student count numbers and tax collections.
- Amendments to revise estimates for Federal grant collections based on budget revisions.

Differences between the original and final amended budget are summarized below:
General Fund Expenditures

- $1.4 million total increase in expenditure budgets to align budget with estimated year end totals. This includes Federal grant notifications the District received throughout the year that were not known at the time of the budget adoption. This also includes increases in State and Federal grant expenditure budgets based on increased allocation notices.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

As of June 30, 2016, the District had $224.8 million in government-wide capital assets (net of depreciation), of which $222.2 million was in governmental activities. Table 3, below, displays a comparison of fiscal years 2015 and 2016 balances.

<table>
<thead>
<tr>
<th>Broken Arrow Public School's Capital Assets</th>
<th>Governmental Activities</th>
<th>Business - Type Activities</th>
<th>Total</th>
<th>Percentage Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land</td>
<td>$15.2</td>
<td>$15.1</td>
<td>$0.0</td>
<td>-</td>
</tr>
<tr>
<td>Construction in progress</td>
<td>0.6</td>
<td>4.3</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Land Improvements, net</td>
<td>8.2</td>
<td>4.8</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>Buildings/Improvements, net</td>
<td>181.8</td>
<td>158.8</td>
<td>1.1</td>
<td>0.4</td>
</tr>
<tr>
<td>Equipment, net</td>
<td>16.5</td>
<td>17.4</td>
<td>1.4</td>
<td>2.1</td>
</tr>
<tr>
<td>Total</td>
<td>$222.2</td>
<td>$200.4</td>
<td>$2.6</td>
<td>$2.5</td>
</tr>
</tbody>
</table>

(figures may be different due to rounding)

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, High School 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, beginning on page 76.

Bonded debt outstanding as of June 30, 2016 was $88.8 million, an increase of $2.2 million from the prior fiscal year, and $23.7 million due with one year. Table 4, below, summarizes bonds outstanding for fiscal years 2015 and 2016. Detailed information on the long-term debt activity can be found in Note 5, pages 77 – 81, of the Notes to the Financial Statements.

### Bonded Debt Outstanding at Year End

**Table 4**

<table>
<thead>
<tr>
<th>General Obligation Bonds:</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Series 2005B</td>
<td>0.0</td>
<td>0.8</td>
</tr>
<tr>
<td>Series 2010B</td>
<td>0.0</td>
<td>2.5</td>
</tr>
<tr>
<td>Series 2011D</td>
<td>0.0</td>
<td>3.4</td>
</tr>
<tr>
<td>Series 2012E</td>
<td>5.1</td>
<td>10.3</td>
</tr>
<tr>
<td>Series 2013F</td>
<td>9.0</td>
<td>13.5</td>
</tr>
<tr>
<td>Series 2014G</td>
<td>16.1</td>
<td>21.5</td>
</tr>
<tr>
<td>Series 2014B</td>
<td>5.7</td>
<td>5.7</td>
</tr>
<tr>
<td>Series 2015A</td>
<td>29.0</td>
<td>29.0</td>
</tr>
<tr>
<td>Series 2015B</td>
<td>3.0</td>
<td>0.0</td>
</tr>
<tr>
<td>Series 2016</td>
<td>20.9</td>
<td>0.0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$88.8</strong></td>
<td><strong>$86.6</strong></td>
</tr>
</tbody>
</table>

**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. That statute has been amended to include a waiver until 2016. Enrollment projections for the year ended June 30, 2016, 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 2015-16, the District’s net assessed valuation grew by 3.0% 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 Mr. Dwayne Thompson, 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](http://www.baschools.org).
BASIC FINANCIAL STATEMENTS
## Broken Arrow Public Schools
### Statement of Net Position
#### June 30, 2016

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>Governmental Activities</th>
<th>Business-Type Activities</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CURRENT ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$ 7,843,757</td>
<td>$ 1,273,878</td>
<td>$ 9,117,635</td>
</tr>
<tr>
<td>Investments</td>
<td>40,740,000</td>
<td>700,000</td>
<td>41,440,000</td>
</tr>
<tr>
<td>Receivables net of allowance for uncollectibles</td>
<td>3,734,692</td>
<td>796</td>
<td>3,735,488</td>
</tr>
<tr>
<td>Inventories</td>
<td>306,257</td>
<td>192,446</td>
<td>498,704</td>
</tr>
<tr>
<td><strong>TOTAL CURRENT ASSETS</strong></td>
<td>$ 52,624,707</td>
<td>$ 2,167,121</td>
<td>$ 54,791,827</td>
</tr>
<tr>
<td><strong>NON-CURRENT ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land and construction-in-progress</td>
<td>15,751,441</td>
<td>-</td>
<td>15,751,441</td>
</tr>
<tr>
<td>Capital assets being depreciated, net</td>
<td>206,449,560</td>
<td>2,589,356</td>
<td>209,038,916</td>
</tr>
<tr>
<td><strong>TOTAL NON-CURRENT ASSETS</strong></td>
<td>$ 222,201,001</td>
<td>$ 2,589,356</td>
<td>$ 224,790,357</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td>$ 274,825,707</td>
<td>4,756,477</td>
<td>279,582,184</td>
</tr>
</tbody>
</table>

| LIABILITIES AND NET POSITION                |                         |                          |          |
| **CURRENT LIABILITIES**                     |                         |                          |          |
| Accounts payable and other current          | 724,193                 | 9,132                    | 733,325   |
| Accrued wages and benefits payable          | 394,137                 | 19,130                   | 413,267   |
| Accrued interest payable                    | 301,899                 | -                        | 301,899   |
| Unearned Revenues                           | -                       | 105,681                  | 105,681   |
| Special termination benefits and            |                         |                          |          |
| compensated absences                        | 37,551                  | -                        | 37,551    |
| Current portion of long-term obligations     | 24,843,224              | -                        | 24,843,224 |
| **TOTAL CURRENT LIABILITIES**               | $ 26,301,003            | 133,943                  | $ 26,434,946 |
| **NON-CURRENT LIABILITIES**                 |                         |                          |          |
| Non-current portion of long-term obligations | 66,651,825              | -                        | 66,651,825 |
| Net pension liability                       | 100,474,905             | -                        | 100,474,905 |
| **TOTAL NON-CURRENT LIABILITIES**           | $ 167,126,731           | -                        | 167,126,731 |
| **TOTAL LIABILITIES**                       | $ 193,427,734           | 133,943                  | $ 193,561,677 |

| DEFERRED INFLOWS OF RESOURCES               |                         |                          |          |
| **NET POSITION**                            |                         |                          |          |
| Net Investment in Capital Assets            | 150,609,755             | 2,589,356                | 153,199,111 |
| Restricted for:                             |                         |                          |          |
| Debt Service                                | 16,318,127              | -                        | 16,318,127 |
| Building                                    | 1,881,808               | -                        | 1,881,808 |
| Endowment                                   | 43,316                  | -                        | 43,316    |
| Unrestricted                                | (99,961,854)            | 2,033,177                | (97,928,677) |
| **TOTAL NET POSITION**                      | $ 68,891,152            | $ 4,622,533              | $ 73,513,686 |

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

<table>
<thead>
<tr>
<th>Activity</th>
<th>Expenses</th>
<th>Charges for Services</th>
<th>Operating Grants and Contributions</th>
<th>Governmental Activities</th>
<th>Business-Type Activities</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Instruction</td>
<td>$78,874,684</td>
<td>$320,928</td>
<td>$4,767,795</td>
<td>$ (73,785,961)</td>
<td>$ -</td>
<td>$ (73,785,961)</td>
</tr>
<tr>
<td>Support services - Students and staff</td>
<td>10,064,724</td>
<td>35,530</td>
<td>507,355</td>
<td>(9,521,839)</td>
<td>-</td>
<td>(9,521,839)</td>
</tr>
<tr>
<td>Instructional and school leadership</td>
<td>7,275,844</td>
<td>-</td>
<td>391,778</td>
<td>(6,884,065)</td>
<td>-</td>
<td>(6,884,065)</td>
</tr>
<tr>
<td>Administrative support services</td>
<td>17,945,868</td>
<td>-</td>
<td>213,675</td>
<td>(17,732,193)</td>
<td>-</td>
<td>(17,732,193)</td>
</tr>
<tr>
<td>Operation and maintenance of plant services</td>
<td>12,319,583</td>
<td>-</td>
<td>(9,397)</td>
<td>(12,328,980)</td>
<td>-</td>
<td>(12,328,980)</td>
</tr>
<tr>
<td>Student transportation services</td>
<td>7,051,610</td>
<td>-</td>
<td>1,521</td>
<td>(7,050,089)</td>
<td>-</td>
<td>(7,050,089)</td>
</tr>
<tr>
<td>Operation of non-instructional services</td>
<td>1,002,869</td>
<td>-</td>
<td>1,521</td>
<td>(1,002,869)</td>
<td>-</td>
<td>(1,002,869)</td>
</tr>
<tr>
<td>Other outlays and uses</td>
<td>1,604,731</td>
<td>-</td>
<td>321,635</td>
<td>(1,283,096)</td>
<td>-</td>
<td>(1,283,096)</td>
</tr>
<tr>
<td>Interest on long-term debt</td>
<td>1,189,964</td>
<td>-</td>
<td>-</td>
<td>(1,189,964)</td>
<td>-</td>
<td>(1,189,964)</td>
</tr>
<tr>
<td><strong>TOTAL GOVERNMENTAL ACTIVITIES</strong></td>
<td>137,329,878</td>
<td>356,458</td>
<td>6,194,363</td>
<td>(130,779,056)</td>
<td>(477,916)</td>
<td>(131,256,973)</td>
</tr>
</tbody>
</table>

## BUSINESS-TYPE ACTIVITIES

<table>
<thead>
<tr>
<th>Activity</th>
<th>Expenses</th>
<th>Charges for Services</th>
<th>Operating Grants and Contributions</th>
<th>Governmental Activities</th>
<th>Business-Type Activities</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food services</td>
<td>8,892,758</td>
<td>4,024,001</td>
<td>4,390,841</td>
<td>-</td>
<td>(477,916)</td>
<td>(477,916)</td>
</tr>
<tr>
<td><strong>TOTAL BUSINESS-TYPE ACTIVITIES</strong></td>
<td>8,892,758</td>
<td>4,024,001</td>
<td>4,390,841</td>
<td>-</td>
<td>(477,916)</td>
<td>(477,916)</td>
</tr>
</tbody>
</table>

**TOTAL SCHOOL DISTRICT**: $146,222,636 $4,380,459 $10,585,204 (130,779,056) (477,916) (131,256,973)
### General Revenues

<table>
<thead>
<tr>
<th>Description</th>
<th>Expenses</th>
<th>Charges for Services</th>
<th>Operating Grants and Contributions</th>
<th>Governmental Activities</th>
<th>Business-Type Activities</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Taxes</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property tax, levied for general purposes</td>
<td>$33,431,998</td>
<td>$</td>
<td>-</td>
<td>$33,431,998</td>
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<td></td>
</tr>
<tr>
<td>Property tax, levied for debt services</td>
<td>22,676,491</td>
<td>-</td>
<td>22,676,491</td>
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<tr>
<td>County taxes</td>
<td>4,573,947</td>
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<td>4,573,947</td>
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<td></td>
<td></td>
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<tr>
<td>State taxes</td>
<td>6,925,497</td>
<td>-</td>
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<td></td>
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<tr>
<td>State aid not restricted to specific programs</td>
<td>62,958,660</td>
<td>722,887</td>
<td>63,681,547</td>
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<td></td>
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<tr>
<td>Interest and investment earnings</td>
<td>149,464</td>
<td>2,819</td>
<td>152,283</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Gain on sale of capital assets</td>
<td>32,222</td>
<td>-</td>
<td>32,222</td>
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<td></td>
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<tr>
<td>Other sources</td>
<td>3,645,992</td>
<td>45,071</td>
<td>3,691,063</td>
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<tr>
<td><strong>Total General Revenues</strong></td>
<td>134,394,271</td>
<td>770,776</td>
<td>135,165,047</td>
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</table>

### Changes in Net Position

<table>
<thead>
<tr>
<th>Description</th>
<th>Expenses</th>
<th>Charges for Services</th>
<th>Operating Grants and Contributions</th>
<th>Governmental Activities</th>
<th>Business-Type Activities</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Position - Beginning</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Restatement - Prior Period Adjustment (Note 1)</strong></td>
<td>(22,969,084)</td>
<td>-</td>
<td>-</td>
<td>(22,969,084)</td>
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<td></td>
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<tr>
<td><strong>Net Position - Beginning as Restated</strong></td>
<td>65,275,938</td>
<td>4,329,673</td>
<td>69,605,611</td>
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</table>

### Net Position at End of Year

<table>
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<tr>
<th>Description</th>
<th>Expenses</th>
<th>Charges for Services</th>
<th>Operating Grants and Contributions</th>
<th>Governmental Activities</th>
<th>Business-Type Activities</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Position at End of Year</strong></td>
<td>$68,891,152</td>
<td>$4,622,533</td>
<td>$73,513,686</td>
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<td></td>
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</table>

The accompanying notes to the financial statements are an integral part of this statement.
### Balance Sheet - Governmental Funds
#### June 30, 2016

<table>
<thead>
<tr>
<th>ASSET</th>
<th>General Fund</th>
<th>Cooperative Fund</th>
<th>Building Fund</th>
<th>Debt Service Fund</th>
<th>Capital Projects Fund</th>
<th>Non Major Fund</th>
<th>Total Governmental Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$5,326,041</td>
<td>$</td>
<td>$496,383</td>
<td>$1,234,350</td>
<td>$703,804</td>
<td>$3,316</td>
<td>$7,763,895</td>
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<tr>
<td>Investments</td>
<td>5,000,000</td>
<td>-</td>
<td>1,500,000</td>
<td>15,000,000</td>
<td>19,200,000</td>
<td>40,000</td>
<td>40,740,000</td>
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<tr>
<td>Receivables net of allowance for uncollectibles</td>
<td>3,633,662</td>
<td>-</td>
<td>15,662</td>
<td>85,369</td>
<td>-</td>
<td>-</td>
<td>3,734,692</td>
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<tr>
<td>Inventories</td>
<td>306,257</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>306,257</td>
</tr>
<tr>
<td>TOTAL ASSETS</td>
<td>14,265,960</td>
<td>-</td>
<td>2,012,045</td>
<td>16,319,719</td>
<td>19,903,804</td>
<td>43,316</td>
<td>52,544,844</td>
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</table>

<table>
<thead>
<tr>
<th>LIABILITIES AND FUND BALANCES</th>
<th>Nonspendable</th>
<th>Restricted for</th>
<th>Committed to</th>
<th>Assigned to</th>
<th>Unassigned</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts payable</td>
<td>546,467</td>
<td>-</td>
<td>113,651</td>
<td>-</td>
<td>-</td>
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<tr>
<td>Accrued wages payable</td>
<td>377,550</td>
<td>-</td>
<td>16,587</td>
<td>-</td>
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<tr>
<td>Due to other funds</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>39,699</td>
<td>-</td>
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</tr>
<tr>
<td>TOTAL LIABILITIES</td>
<td>963,717</td>
<td>-</td>
<td>130,237</td>
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</table>

<table>
<thead>
<tr>
<th>DEFERRED INFLOWS OF RESOURCES</th>
<th>Unavailable revenue - delinquent property taxes</th>
<th>Total Governmental Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unassigned</td>
<td>109,264</td>
<td>-</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>FUND BALANCES</th>
<th>General Fund</th>
<th>Cooperative Fund</th>
<th>Building Fund</th>
<th>Debt Service Fund</th>
<th>Capital Projects Fund</th>
<th>Total Governmental Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nonspendable:</td>
<td>306,257</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>306,257</td>
</tr>
<tr>
<td>Permanent fund principal</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>40,000</td>
</tr>
<tr>
<td>Restricted for:</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>19,903,804</td>
<td>19,903,804</td>
</tr>
<tr>
<td>Capital projects</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>16,234,350</td>
<td>-</td>
<td>16,234,350</td>
</tr>
<tr>
<td>Debt service</td>
<td>-</td>
<td>-</td>
<td>1,866,206</td>
<td>-</td>
<td>-</td>
<td>1,866,206</td>
</tr>
<tr>
<td>Building</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Committed to:</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other Committed Fund Balance</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Assigned to:</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Arbitrage</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Endowment</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>3,316</td>
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<tr>
<td>Unassigned</td>
<td>12,886,722</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>12,886,722</td>
</tr>
<tr>
<td>TOTAL FUND BALANCES</td>
<td>13,192,980</td>
<td>-</td>
<td>1,866,206</td>
<td>16,234,350</td>
<td>19,903,804</td>
<td>43,311</td>
</tr>
</tbody>
</table>

The accompanying notes to the financial statements are an integral part of this statement.
Total fund balances - Governmental Funds $ 51,240,656

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 $ 290,747,435
- Accumulated depreciation (68,546,434)

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.

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 (91,495,050)
- Interest payable (301,899)

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, Items Previously Reported as Assets and Liabilities.

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 (100,474,905)

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 7,062,531
- Deferred pension plan inflows (19,569,352)

TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES $ 68,891,152

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, 2016*

<table>
<thead>
<tr>
<th>REVENUES</th>
<th>General Fund</th>
<th>Cooperative Fund</th>
<th>Building Fund</th>
<th>Debt Service Fund</th>
<th>Capital Projects Fund</th>
<th>Other Governmental Fund</th>
<th>Total Governmental Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intermediate sources</td>
<td>4,573,947</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>4,573,947</td>
</tr>
<tr>
<td>State sources</td>
<td>69,803,819</td>
<td>-</td>
<td>80,338</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>69,884,157</td>
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<tr>
<td>Federal sources</td>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>5,926,438</td>
</tr>
<tr>
<td>Other sources</td>
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<td>280,132</td>
<td>-</td>
<td>2,661</td>
<td>79</td>
<td>2,287,169</td>
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<tr>
<td>TOTAL REVENUES</td>
<td>112,906,058</td>
<td>50</td>
<td>4,699,079</td>
<td>22,709,955</td>
<td>2,661</td>
<td>79</td>
<td>140,317,882</td>
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</table>

<table>
<thead>
<tr>
<th>EXPENDITURES</th>
<th>Current</th>
<th>Instruction</th>
<th>Student</th>
<th>Instructional staff</th>
<th>Administration</th>
<th>Operations and maintenance</th>
<th>Student transportation</th>
<th>Child nutrition operations</th>
<th>Community service operations</th>
<th>Other</th>
<th>Capital outlay</th>
<th>Debt service</th>
<th>Principal</th>
<th>Interest</th>
<th>TOTAL EXPENDITURES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Instruction</td>
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<td>-</td>
<td>-</td>
<td>2,184,002</td>
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<td>64,723</td>
<td>-</td>
<td>-</td>
<td>484,304</td>
<td>985,006</td>
<td>-</td>
<td>2,303</td>
<td>1,842,961</td>
<td>114,350,650</td>
</tr>
<tr>
<td>Student</td>
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<td>-</td>
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<td>64,723</td>
<td>9,160,746</td>
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<td>-</td>
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<td>-</td>
<td>4,920,835</td>
<td>21,675,000</td>
<td>-</td>
<td>175,184,760</td>
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<tr>
<td>Instructional staff</td>
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<td>-</td>
<td>7,054,784</td>
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<tr>
<td>Administration</td>
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<td>-</td>
<td>-</td>
<td>18,298,238</td>
<td>-</td>
<td>-</td>
<td>644,169</td>
</tr>
<tr>
<td>Operations and maintenance</td>
<td>9,650,282</td>
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<td>3,727,120</td>
<td>-</td>
<td>4,920,835</td>
<td>-</td>
<td>18,298,238</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>7,134,523</td>
<td>-</td>
<td>-</td>
<td>143,945</td>
</tr>
<tr>
<td>Student transportation</td>
<td>5,953,845</td>
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<td>-</td>
<td>-</td>
<td>1,180,678</td>
<td>-</td>
<td>7,134,523</td>
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<td>-</td>
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<td>-</td>
<td>1,579,453</td>
<td>1,180,678</td>
<td>-</td>
<td>644,169</td>
</tr>
<tr>
<td>Child nutrition operations</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>985,006</td>
</tr>
<tr>
<td>Community service operations</td>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>985,006</td>
</tr>
<tr>
<td>Other</td>
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<td>2,303</td>
<td>143,945</td>
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<td>21,675,000</td>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>21,675,000</td>
</tr>
<tr>
<td>Capital outlay</td>
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<td>93,654</td>
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<td>22,950,187</td>
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<td>23,043,842</td>
<td>-</td>
<td>-</td>
<td>23,043,842</td>
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<tr>
<td>Debt service</td>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<td>-</td>
<td>-</td>
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<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Principal</td>
<td>-</td>
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<td>21,675,000</td>
<td>-</td>
<td>21,675,000</td>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>21,675,000</td>
</tr>
<tr>
<td>Interest</td>
<td>-</td>
<td>-</td>
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<td>1,842,961</td>
<td>-</td>
<td>1,842,961</td>
<td>-</td>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,842,961</td>
</tr>
<tr>
<td>TOTAL EXPENDITURES</td>
<td>114,350,650</td>
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<td>3,851,426</td>
<td>23,523,876</td>
<td>33,308,933</td>
<td>143,945</td>
<td>175,184,760</td>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>175,184,760</td>
</tr>
</tbody>
</table>
## Broken Arrow Public Schools
### Statement of Revenues, Expenditures, and Changes in Fund Balance
#### Governmental Funds
#### For the Year Ended June 30, 2016

<table>
<thead>
<tr>
<th></th>
<th>General Fund</th>
<th>Cooperative Fund</th>
<th>Building Fund</th>
<th>Debt Service Fund</th>
<th>Capital Projects Fund</th>
<th>Other Governmental Fund</th>
<th>Total Governmental Funds</th>
</tr>
</thead>
</table>

**EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES**

<table>
<thead>
<tr>
<th></th>
<th>(1,444,592)</th>
<th>(5,881)</th>
<th>847,653</th>
<th>(813,920)</th>
<th>(33,306,272)</th>
<th>(143,866)</th>
<th>(34,866,878)</th>
</tr>
</thead>
</table>

**OTHER FINANCING SOURCES (USES)**

|                              | -            | -                | -             | 23,925,000         | -                      | 23,925,000              |
|------------------------------|--------------|------------------|---------------|-------------------|------------------------|------------------------|-------------------------|

- Issuance of debt
- Capital Leases
- Premium on new issuance of debt
- Sales of capital assets
- Transfers in
- Transfers out

**TOTAL OTHER FINANCING SOURCES (USES)**

|                              | 29,722       | -                | 2,500         | 1,390,707         | -                      | 1,390,707               |
|------------------------------|--------------|------------------|---------------|-------------------|------------------------|------------------------|-------------------------|

**NET CHANGE IN FUND BALANCE**

<table>
<thead>
<tr>
<th></th>
<th>(1,414,869)</th>
<th>(5,881)</th>
<th>850,153</th>
<th>576,786</th>
<th>(9,381,272)</th>
<th>(143,866)</th>
<th>(9,518,949)</th>
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</thead>
</table>

**FUND BALANCE AT BEGINNING OF YEAR**

|------------------------------|--------------|------------------|---------------|-------------------|------------------------|------------------------|-------------------------|

**FUND BALANCE AT END OF YEAR**

<table>
<thead>
<tr>
<th></th>
<th>$ 13,192,980</th>
<th>$ -</th>
<th>$ 1,866,206</th>
<th>$ 16,234,350</th>
<th>$ 19,903,804</th>
<th>$ 43,316</th>
<th>$ 51,240,656</th>
</tr>
</thead>
</table>

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, 2016

**TOTAL NET CHANGE IN FUND BALANCES-GOVERNMENTAL FUNDS**

$ (9,518,949)

**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.

<table>
<thead>
<tr>
<th>Capital outlays</th>
<th>$ 29,797,499</th>
</tr>
</thead>
<tbody>
<tr>
<td>Depreciation expense</td>
<td>(7,605,398)</td>
</tr>
<tr>
<td>Retirements and adjustments</td>
<td>(387,273)</td>
</tr>
<tr>
<td><strong>TOTAL NET CHANGE IN FUND BALANCES-GOVERNMENTAL FUNDS</strong></td>
<td>$ 21,804,828</td>
</tr>
</tbody>
</table>

Payments made on capital leases are reported as expenditures in the governmental funds, but the amount of the lease payments attributable to principal reduces long-term liabilities in the Statement of Net Position and does not affect the Statement of Activities. This is the principal portion of the lease payments made during the period.

| Proceeds from sales of bonds and related premiums are reported in the governmental funds as a source of financing but are recorded as long-term liabilities in the Statement of Net Position. | (25,315,707) |

Repayment of bond principal and bond premium is an expenditure in the governmental funds, but it reduces long-term liabilities in the Statement of Net Position and does not affect the Statement of Activities.

| Principal payments | 21,675,000 |
| Amortization of Premium | 962,834 |
| **TOTAL NET CHANGE IN FUND BALANCES-GOVERNMENTAL FUNDS** | $ 22,637,834 |

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.

| 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. | (309,837) |

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.

| Net pension expense does not require current financial resources, therefore, is not reported as expenditures in governmental funds | (8,864,492) |

**CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES**

$ 3,615,214

The accompanying notes to the financial statements are an integral part of this reconciliation.
## Broken Arrow Public Schools

**Statement of Revenues, Expenditures, and Changes in Fund Balance**

**Budget and Actual (Budgetary Basis)**

**Budgeted Governmental Fund Types - General Fund**

**For the Year Ended June 30, 2016**

<table>
<thead>
<tr>
<th>REVENUES</th>
<th>Original Budget</th>
<th>Final Budget</th>
<th>Actual</th>
<th>Variances - Positive (Negative)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local sources</td>
<td>$29,695,715</td>
<td>$29,965,715</td>
<td>$30,627,330</td>
<td>$661,615</td>
</tr>
<tr>
<td>Intermediate sources</td>
<td>4,434,031</td>
<td>4,434,031</td>
<td>4,573,947</td>
<td>139,916</td>
</tr>
<tr>
<td>State sources</td>
<td>69,657,584</td>
<td>69,083,410</td>
<td>69,126,172</td>
<td>42,761</td>
</tr>
<tr>
<td>Federal sources</td>
<td>6,636,145</td>
<td>6,636,145</td>
<td>5,601,241</td>
<td>(1,034,904)</td>
</tr>
<tr>
<td>Other sources</td>
<td>2,047,264</td>
<td>2,047,264</td>
<td>2,080,417</td>
<td>33,153</td>
</tr>
<tr>
<td><strong>TOTAL REVENUES</strong></td>
<td><strong>112,470,739</strong></td>
<td><strong>112,166,565</strong></td>
<td><strong>112,009,106</strong></td>
<td><strong>(157,459)</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>EXPENDITURES</th>
<th>Original Budget</th>
<th>Final Budget</th>
<th>Actual</th>
<th>Variances - Positive (Negative)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Instruction</td>
<td>68,191,173</td>
<td>67,884,160</td>
<td>67,078,425</td>
<td>805,735</td>
</tr>
<tr>
<td>Support services</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Student</td>
<td>8,339,388</td>
<td>9,333,135</td>
<td>9,078,337</td>
<td>254,799</td>
</tr>
<tr>
<td>Instructional staff</td>
<td>5,345,120</td>
<td>5,674,311</td>
<td>5,473,745</td>
<td>200,566</td>
</tr>
<tr>
<td>Administration</td>
<td>15,412,493</td>
<td>15,981,470</td>
<td>15,578,817</td>
<td>402,654</td>
</tr>
<tr>
<td>Operation and maintenance</td>
<td>9,738,364</td>
<td>9,764,734</td>
<td>9,582,293</td>
<td>182,441</td>
</tr>
<tr>
<td>Student transportation</td>
<td>5,930,128</td>
<td>6,178,924</td>
<td>5,962,408</td>
<td>216,517</td>
</tr>
<tr>
<td>Non-instructional services</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Child nutrition operations</td>
<td>-</td>
<td>7,541</td>
<td>-</td>
<td>7,541</td>
</tr>
<tr>
<td>Community services operations</td>
<td>1,088,993</td>
<td>1,038,457</td>
<td>977,382</td>
<td>61,075</td>
</tr>
<tr>
<td>Other</td>
<td>954,341</td>
<td>506,011</td>
<td>484,304</td>
<td>21,707</td>
</tr>
<tr>
<td><strong>TOTAL EXPENDITURES</strong></td>
<td><strong>115,000,000</strong></td>
<td><strong>116,368,743</strong></td>
<td><strong>114,215,710</strong></td>
<td><strong>2,153,033</strong></td>
</tr>
</tbody>
</table>

| EXCESS REVENUES (EXPENDITURES) | (2,529,261) | (4,202,178) | (2,206,604) | (1,995,574) |

| FUND BALANCE AT BEGINNING OF YEAR | 14,607,849 | 14,607,849 | 14,607,849 | - |

| FUND BALANCE AT END OF YEAR | $12,078,588 | $10,405,671 | $12,401,245 | $1,995,574 |

| ADJUSTMENTS TO CONFORM WITH GAAP | | | | |
| Receivables at end of year | 933,344 | | |
| Wages Payable | (95,240) | | |
| Inventory | (6,669) | | |
| Investments, change in market value, adjustments | (39,699) | | |

| FUND BALANCE AT END OF YEAR (GAAP BASIS) | $13,192,980 |

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

50
## Broken Arrow Public Schools
### Statement of Revenues, Expenditures, and Changes in Fund Balance
#### Budget and Actual (Budgetary Basis)
##### Budgeted Governmental Fund Types - Building Fund
##### For the Year Ended June 30, 2016

<table>
<thead>
<tr>
<th>Original Budget</th>
<th>Final Budget</th>
<th>Actual</th>
<th>Variances - Positive (Negative)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUES</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local sources</td>
<td>$ 4,276,789</td>
<td>$ 4,276,789</td>
<td>$ 4,341,109</td>
</tr>
<tr>
<td>Intermediate sources</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>State sources</td>
<td>52,517</td>
<td>52,517</td>
<td>80,338</td>
</tr>
<tr>
<td>Federal sources</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other sources</td>
<td>704</td>
<td>704</td>
<td>280,270</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td>$ 4,330,010</td>
<td>$ 4,330,010</td>
<td>$ 4,701,717</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>EXPENDITURES</strong></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Instruction</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Support services</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Student</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Instructional staff</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Administration</td>
<td>2,450</td>
<td>29,509</td>
<td>28,879</td>
</tr>
<tr>
<td>Operation and maintenance</td>
<td>5,123,982</td>
<td>5,132,996</td>
<td>3,719,953</td>
</tr>
<tr>
<td>Student transportation</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Non-instructional services</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Child nutrition operations</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Community services operations</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other</td>
<td>144,046</td>
<td>107,973</td>
<td>95,427</td>
</tr>
<tr>
<td><strong>Total Expenditures</strong></td>
<td>$ 5,270,478</td>
<td>$ 5,270,478</td>
<td>$ 3,844,259</td>
</tr>
</tbody>
</table>

**Excess Revenues (Expenditures)**

|                | (940,468) | (940,468) | 857,458 | 1,797,926 |

**Fund Balance at Beginning of Year**

|                    | 1,016,052 | 1,016,052 | 1,016,052 | - |

**Fund Balance at End of Year**

|                    | $ 75,584  | $ 75,584  | $ 1,873,511 | $ 1,797,926 |

**Adjustments to Conform with GAAP**

- Receivables at end of year: (138)
- Wages Payable: (7,167)
- Inventories: -
- Investments, change in market value: -

**Fund Balance at End of Year (GAAP Basis)**

|                    | $ 1,866,206 |

The accompanying notes to the financial statements are an integral part of this statement.
### Broken Arrow Public Schools
#### Statement of Net Position - Proprietary Funds
##### June 30, 2016

<table>
<thead>
<tr>
<th></th>
<th>Business-Type Activities</th>
<th>Governmental Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Enterprise Fund:</td>
<td>Internal Service Fund:</td>
</tr>
<tr>
<td></td>
<td>Child Nutrition Fund</td>
<td>Workers' Compensation Fund</td>
</tr>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>CURRENT ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and equivalents</td>
<td>$1,273,878</td>
<td>$79,862</td>
</tr>
<tr>
<td>Investments</td>
<td>700,000</td>
<td>-</td>
</tr>
<tr>
<td>Receivables net of allowance for uncollectibles</td>
<td>511</td>
<td>-</td>
</tr>
<tr>
<td>Accrued interest receivable</td>
<td>285</td>
<td>-</td>
</tr>
<tr>
<td>Inventories</td>
<td>192,446</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL CURRENT ASSETS</strong></td>
<td>2,167,121</td>
<td>79,862</td>
</tr>
<tr>
<td><strong>NON-CURRENT ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital assets being depreciated, net</td>
<td>2,589,356</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL NON-CURRENT ASSETS</strong></td>
<td>2,589,356</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td>4,756,477</td>
<td>79,862</td>
</tr>
</tbody>
</table>

| **LIABILITIES**              |                          |                         |
| **CURRENT LIABILITIES**      |                          |                         |
| Accounts payable             | 9,132                    | 46,536                  |
| Liability for incurred claims | -                       | 15,391                  |
| Unearned Revenue             | 105,681                  | -                       |
| Accrued wages payable        | 19,130                   | -                       |
| **TOTAL CURRENT LIABILITIES**| 133,943                  | 61,926                  |

| **NET POSITION**             |                          |                         |
| Investment in capital assets | 2,589,356                | -                       |
| Restricted for Capital Projects | -                      | -                       |
| Unrestricted                 | 2,033,177                | 17,936                  |
| **TOTAL NET POSITION**       | 4,622,533                | 17,936                  |
| **TOTAL LIABILITIES AND NET POSITION** | $4,756,477 | $79,862 |

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 Net Position  
Proprietary Funds  
For the Year Ended June 30, 2016

<table>
<thead>
<tr>
<th>Business-Type Activities Enterprise Fund:</th>
<th>Governmental Activities - Internal Service Fund:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Child Nutrition Fund</td>
<td>Workers' Compensation Fund</td>
</tr>
</tbody>
</table>

### OPERATING REVENUES

<table>
<thead>
<tr>
<th>Description</th>
<th>Business-Type</th>
<th>Governmental</th>
</tr>
</thead>
<tbody>
<tr>
<td>Meals</td>
<td>$ 4,072,968</td>
<td>$ -</td>
</tr>
<tr>
<td>Insurance Contributions</td>
<td>-</td>
<td>29,103</td>
</tr>
<tr>
<td>Reimbursements</td>
<td>5,236</td>
<td>549,214</td>
</tr>
<tr>
<td><strong>TOTAL OPERATING REVENUES</strong></td>
<td>$ 4,078,203</td>
<td>$ 578,317</td>
</tr>
</tbody>
</table>

### OPERATING EXPENSES

<table>
<thead>
<tr>
<th>Description</th>
<th>Business-Type</th>
<th>Governmental</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries and wages</td>
<td>3,849,285</td>
<td>-</td>
</tr>
<tr>
<td>Purchase and contracted services</td>
<td>113,871</td>
<td>26,171</td>
</tr>
<tr>
<td>Supplies and materials</td>
<td>4,544,134</td>
<td>-</td>
</tr>
<tr>
<td>Depreciation</td>
<td>160,475</td>
<td>-</td>
</tr>
<tr>
<td>Management Fees</td>
<td>29,015</td>
<td>1,000</td>
</tr>
<tr>
<td>Medical claims</td>
<td>201,165</td>
<td>704,220</td>
</tr>
<tr>
<td>Other operating expenses</td>
<td>3,945</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL OPERATING EXPENSES</strong></td>
<td>$ 8,901,890</td>
<td>$ 731,391</td>
</tr>
</tbody>
</table>

### OPERATING INCOME (LOSS)

<table>
<thead>
<tr>
<th>Description</th>
<th>Business-Type</th>
<th>Governmental</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>OPERATING INCOME (LOSS)</strong></td>
<td>(4,823,687)</td>
<td>(153,074)</td>
</tr>
</tbody>
</table>

### NON-OPERATING REVENUES

<table>
<thead>
<tr>
<th>Description</th>
<th>Business-Type</th>
<th>Governmental</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest income</td>
<td>2,819</td>
<td>-</td>
</tr>
<tr>
<td>Federal and state grants</td>
<td>5,113,728</td>
<td>-</td>
</tr>
<tr>
<td>Capital contribution</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL NON-OPERATING REVENUES</strong></td>
<td>$ 5,116,546</td>
<td>-</td>
</tr>
</tbody>
</table>

### CHANGES IN NET POSITION

<table>
<thead>
<tr>
<th>Description</th>
<th>Business-Type</th>
<th>Governmental</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CHANGES IN NET POSITION</strong></td>
<td>292,859</td>
<td>(153,074)</td>
</tr>
</tbody>
</table>

### NET POSITION AT BEGINNING OF YEAR

<table>
<thead>
<tr>
<th>Description</th>
<th>Business-Type</th>
<th>Governmental</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>NET POSITION AT BEGINNING OF YEAR</strong></td>
<td>$ 4,329,674</td>
<td>171,010</td>
</tr>
</tbody>
</table>

### NET POSITION AT END OF YEAR

<table>
<thead>
<tr>
<th>Description</th>
<th>Business-Type</th>
<th>Governmental</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>NET POSITION AT END OF YEAR</strong></td>
<td>$ 4,622,533</td>
<td>$ 17,936</td>
</tr>
</tbody>
</table>

The accompanying notes to the financial statements are an integral part of this statement.
## Statement of Cash Flows - Proprietary Funds

**For the Year Ended June 30, 2016**

<table>
<thead>
<tr>
<th>Activities Enterprise Fund: Child Nutrition Fund</th>
<th>Governmental Activities - Internal Service Fund: Workers’ Compensation Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CASH FLOWS FROM OPERATING ACTIVITIES</strong></td>
<td></td>
</tr>
<tr>
<td>Receipts from user charges</td>
<td>$ 3,951,625</td>
</tr>
<tr>
<td>Interfund services provided</td>
<td>-</td>
</tr>
<tr>
<td>Cash payment for insurance claims</td>
<td>(201,165)</td>
</tr>
<tr>
<td>Cash payments to suppliers for goods and services</td>
<td>(4,681,350)</td>
</tr>
<tr>
<td>Cash payments to employees for services</td>
<td>(3,837,241)</td>
</tr>
<tr>
<td><strong>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</strong></td>
<td>(4,768,132)</td>
</tr>
<tr>
<td><strong>CASH FLOWS FROM INVESTING ACTIVITIES</strong></td>
<td></td>
</tr>
<tr>
<td>Interfund services provided</td>
<td>545,000</td>
</tr>
<tr>
<td><strong>NET CASH PROVIDED BY INVESTING ACTIVITIES</strong></td>
<td>(697,466)</td>
</tr>
<tr>
<td><strong>NET INCREASE IN CASH AND CASH EQUIVALENTS</strong></td>
<td>(590,360)</td>
</tr>
<tr>
<td><strong>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</strong></td>
<td>1,864,239</td>
</tr>
<tr>
<td><strong>CASH AND CASH EQUIVALENTS AT END OF YEAR</strong></td>
<td>1,273,878</td>
</tr>
<tr>
<td><strong>RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</strong></td>
<td></td>
</tr>
<tr>
<td>Operating Income (loss)</td>
<td>(4,823,687)</td>
</tr>
<tr>
<td>Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities</td>
<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td>160,475</td>
</tr>
<tr>
<td><strong>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</strong></td>
<td>$ (4,768,132)</td>
</tr>
<tr>
<td><strong>SUPPLEMENTAL DISCLOSURE OF NON-CASH ACTIVITIES</strong></td>
<td></td>
</tr>
<tr>
<td>Commodities received from Department of Human Services</td>
<td>657,794</td>
</tr>
<tr>
<td>Commodities consumed</td>
<td>570,037</td>
</tr>
</tbody>
</table>

The accompanying notes to the financial statements are an integral part of this statement.
### Statement of Net Position - Fiduciary Funds

**June 30, 2016**

<table>
<thead>
<tr>
<th></th>
<th>Private-Purpose Trust Fund</th>
<th>Agency Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$ 38,088</td>
<td>$ 2,329,702</td>
</tr>
<tr>
<td>Investments</td>
<td>$ 50,000</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td>$ 88,088</td>
<td>$ 2,329,702</td>
</tr>
<tr>
<td><strong>LIABILITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts Payable</td>
<td>-</td>
<td>$ 61,612</td>
</tr>
<tr>
<td>Other Liabilities</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Due to student groups</td>
<td>-</td>
<td>$ 2,268,090</td>
</tr>
<tr>
<td>Due to other funds</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL LIABILITIES</strong></td>
<td>$</td>
<td>$ 2,329,702</td>
</tr>
<tr>
<td><strong>NET POSITION</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Held for scholarships</td>
<td>$ 88,088</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL NET POSITION</strong></td>
<td>$ 88,088</td>
<td></td>
</tr>
</tbody>
</table>

The accompanying notes to the financial statements are an integral part of this statement.
### Broken Arrow Public Schools

**Statement of Changes in Fiduciary Net Position**

**June 30, 2016**

<table>
<thead>
<tr>
<th>Private-Purpose Trust Fund - Gift Fund</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ADDITIONS</strong></td>
<td></td>
</tr>
<tr>
<td>Contributions</td>
<td>$16,625</td>
</tr>
<tr>
<td>Interest income</td>
<td>108</td>
</tr>
<tr>
<td><strong>TOTAL ADDITIONS</strong></td>
<td>16,733</td>
</tr>
<tr>
<td><strong>DEDUCTIONS</strong></td>
<td></td>
</tr>
<tr>
<td>Scholarships awarded</td>
<td>19,226</td>
</tr>
<tr>
<td>Other deductions</td>
<td>0</td>
</tr>
<tr>
<td><strong>TOTAL DEDUCTIONS</strong></td>
<td>19,226</td>
</tr>
<tr>
<td><strong>CHANGE IN NET POSITION</strong></td>
<td>-(2,493)</td>
</tr>
<tr>
<td><strong>NET POSITION AT BEGINNING OF YEAR</strong></td>
<td>90,581</td>
</tr>
<tr>
<td><strong>NET POSITION AT END OF YEAR</strong></td>
<td>$88,088</td>
</tr>
</tbody>
</table>

The accompanying notes to the financial statements are an integral part of this statement.
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 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 Board has governance responsibilities over all activities related to public elementary and secondary education within the jurisdiction of the District. The Board is elected by the public, has authority to make decisions, appoint administrators, significantly influence operations, and has primary accountability for fiscal matters. As such, the District is not included in any other governmental “reporting entity” as defined by GASB Statement No. 14, The Financial Reporting Entity, and GASB Statement No. 61, which modifies certain requirements for inclusion of component units in the financial reporting entity. For organizations that previously were required to be included as component units by meeting the fiscal dependency criterion, a financial benefit or burden relationship also would need to be present between the primary government and that organization for it to be included in the reporting entity as a component unit. There are no component units included within the reporting entity. The District receives funding from Local, State, and Federal government sources and must comply with the requirements of these funding source entities.

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.

The District has adopted the provisions of GASB Statement No. 54, *Fund Balance Reporting and Government Fund Type Definitions*. 

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Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - cont'd

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. These activities are reported separately from business-type activities, which rely to a substantial extent on fees and charges for support.

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).

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.
Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - cont’d

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. The economic resources measurement focus is not applicable to the Agency Funds and therefore has no measurement focus. 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.

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
Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - cont’d

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 is reported as the fund balance. The following are the District’s 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.

**Cooperative Fund** - The Cooperative Fund, a Special Revenue Fund, is used to establish the Title II Part B Mathematics and Science Partnership Grant from the government to collect money that must be used for a specific project. This special revenue fund provides an extra level of accountability and transparency to taxpayers that their tax dollars will go toward an intended purpose.

**Building Fund** - The Building Fund, a Special Revenue Fund, consists mainly of monies derived from specific revenue sources. These sources include property taxes levied for the purpose of erecting, remodeling, repairing, or maintaining school buildings and purposes other than debt services or capital projects.

**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.

**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.

**Other Funds** – The other fund category includes the following non-major fund:
Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - cont'd

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.

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 foods in connection with a Proprietary Fund’s principal ongoing operations. Operating expenses for enterprise 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:

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.

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). Agency Funds generally are used to account for assets that the District holds on behalf of others as their agent and do not involve measurement of results of operation.
Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - cont'd

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.

Agency Funds – The Agency Funds report resources held by the District in a purely custodial capacity. The administration is responsible, under the authority of the Board, for collecting, disbursing and accounting for these activity funds. The District’s Agency Funds account for monies collected principally through fundraising efforts of the students and District sponsored groups.

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

Budgetary Data

The District is required by state law to prepare an annual budget. A preliminary budget must be submitted to the Board of Education 60 days after the Estimate of Needs is approved by the County Excise Board, for the fiscal year beginning the following July 1. The Estimate of Needs serves as the legal operating budget to set maximum appropriations for the District. The Board of Education will approve the operating budget based on the Estimate of Needs.

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 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. Unencumbered appropriations lapse at the end of each fiscal year.

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.
Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - cont’d

**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** – The District records its property taxes receivable as levied. Taxes are levied by the County annually on October 1 and are due one-half by December 31 and one-half by March 31. Major tax payments are received from the County in the months of January through May, and are recognized as revenue in the year received. Lien dates for personal and real property are in June and October, respectively.

Uncollected taxes assessed on valuations made each year are recorded in the District’s governmental fund financial statements. The delinquent property taxes which are not collected within 60 days of the year end are recorded in the governmental fund financial statements as deferred inflows of resources, as per GASB Statement No. 65. Uncollectible personal and real property taxes are deemed to be immaterial because the real property can be sold for the amount of the taxes due.

**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
Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - cont’d

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:

<table>
<thead>
<tr>
<th>Assets</th>
<th>Years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buildings and building improvements</td>
<td>10-50</td>
</tr>
<tr>
<td>Improvements other than buildings</td>
<td>10-50</td>
</tr>
<tr>
<td>Equipment, vehicles &amp; fixtures</td>
<td>5-15</td>
</tr>
</tbody>
</table>

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.

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. The District reports pension employer contributions that qualify for this category as of June 30, 2016, with implementation of GASB 68, Accounting and Financial Reporting for Pensions.

Deferred Inflows of Resources – Material revenues received prior to normal time of receipt should be recorded as liabilities, unless the revenues are a result of a non-exchange transaction and all eligibility requirements, excluding time requirements, have been met. The governmental fund balance sheet includes deferred inflows of resources related to unavailable property taxes receivable; such amounts received in advance should be recorded as a deferred inflow of
resources and recognized as revenue of the period to which they apply. At June 30, 2016, the
government-wide financial statements reflect deferred inflows of resources related to pensions.

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

Funds Held for School Organizations - Funds held for school organizations represent the funds
received or collected from students or other co-curricular and extracurricular activities
conducted in the District, control over which is exercised by the Board of Education. These funds
are credited to the account maintained for the benefit of each particular activity within the
school activity fund.

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.

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
Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - cont’d

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, retirement of long term debt, construction programs, 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. This classification includes campus activity funds and local special revenue funds.

*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 5.0% 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.
Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - cont’d

Net position on the Statement of Net 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.

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 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, 2016:

<table>
<thead>
<tr>
<th>Major Funds</th>
<th>Non Major</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Fund</td>
<td>Cooperative Fund</td>
</tr>
<tr>
<td>Inventory</td>
<td>306,257</td>
</tr>
<tr>
<td>Permanent fund principal</td>
<td>-</td>
</tr>
<tr>
<td>Restricted for:</td>
<td></td>
</tr>
<tr>
<td>Capital projects</td>
<td>-</td>
</tr>
<tr>
<td>Debt service</td>
<td>-</td>
</tr>
<tr>
<td>Building</td>
<td>-</td>
</tr>
<tr>
<td>Assigned to:</td>
<td></td>
</tr>
<tr>
<td>Arbitrage</td>
<td>-</td>
</tr>
<tr>
<td>Endowment</td>
<td>-</td>
</tr>
<tr>
<td>Unassigned</td>
<td>12,886,722</td>
</tr>
<tr>
<td>TOTAL FUND BALANCES</td>
<td>$13,192,980</td>
</tr>
</tbody>
</table>

**Prior Period Adjustments** – The Total Net Position reported in the governmental activities Statement of Net Position has been restated by correcting the reporting of $22,799,693 in deferred inflows of resources and correcting the reporting of a negative restriction of nonexpendable pension net position. The Net Investment in Capital Assets has also been restated to remove the unexpended bond proceeds from the calculation in the amount of $29,285,077. A prior period net internal balance adjustment for warrants mathematical
miscalculation in the amount of $160,792.27 within the Capital Projects Fund. An internal error in the amount of $8,598.73 in the unrestricted General Fund was also corrected in restating the prior year Net Position. The beginning net position must be corrected to incorporate the effect of the prior year adjustment. The following table explains the change:

<table>
<thead>
<tr>
<th>Year Ended June 30, 2015 - Governmental Activities</th>
<th>Reported:</th>
<th>Restated:</th>
<th>Difference:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Investment in Capital Assets</td>
<td>$108,454,620</td>
<td>$137,578,904.24</td>
<td>$29,124,284</td>
</tr>
<tr>
<td>Restricted for:</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Nonexpendable:</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Endowment</td>
<td>40,000</td>
<td>40,000</td>
<td>-</td>
</tr>
<tr>
<td>Pension</td>
<td>(81,317,541)</td>
<td>-</td>
<td>81,317,541</td>
</tr>
<tr>
<td>Expendable:</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Capital projects</td>
<td>29,285,077</td>
<td>-</td>
<td>(29,285,077)</td>
</tr>
<tr>
<td>Debt service</td>
<td>15,657,564</td>
<td>15,657,564</td>
<td>-</td>
</tr>
<tr>
<td>Building</td>
<td>1,016,052</td>
<td>1,016,052</td>
<td>-</td>
</tr>
<tr>
<td>Unrestricted</td>
<td>15,109,250</td>
<td>(89,016,583)</td>
<td>(104,125,833)</td>
</tr>
<tr>
<td>Total Net Position - as restated</td>
<td>$88,245,022</td>
<td>$65,275,938</td>
<td>$(22,969,084)</td>
</tr>
</tbody>
</table>

Net Position - as restated Change:
- Deferred Inflows of Resources: $22,799,693
- Crossover adjustment of Prior Year Internal Expenditure: $169,391
- Total: $22,969,084

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.

If the first payment is not made in a timely manner, the entire tax becomes due and payable on
Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - cont'd

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
Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - cont’d

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.

**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.
Note 1. - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - cont’d

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 staff expenses 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. All other interfund transfers are reported as operating transfers.

Pensions – For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teachers Retirement System plan (TRS) and additions to/deductions from TRS’s fiduciary net position have been determined on the same basis as they are reported by TRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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
Note 2. – CASH, CASH EQUIVALENTS, AND INVESTMENTS – cont’d

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, 2016 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 out 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, 2016, 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
Note 2. — CASH, CASH EQUIVALENTS, AND INVESTMENTS — cont’d

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, 2016 are as follows (000’s):

<table>
<thead>
<tr>
<th>Investment Type</th>
<th>Fair Value</th>
<th>Less Than 1</th>
<th>1-3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Certificates of deposit</td>
<td>$ 41,490</td>
<td>$ 41,490</td>
<td>$ -</td>
</tr>
<tr>
<td>Total</td>
<td>$ 41,490</td>
<td>$ 41,490</td>
<td>$ -</td>
</tr>
</tbody>
</table>

Foreign Currency Risk — As of June 30, 2016, 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, 2016, was $17,846,386, of which $6,360,960 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;
Note 2. — CASH, CASH EQUIVALENTS, AND INVESTMENTS — cont’d

- 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;

- 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, 2016, the District's investments consisted of certificates of deposits with an approximate fair market value of $41.5 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 uncollectibles) 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.

Receivables at June 30, 2016, all due within one year, for the District’s governmental and proprietary funds, in detail, are as follows:

<table>
<thead>
<tr>
<th>Receivables:</th>
<th>Major Funds</th>
<th>Non Major Funds</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>General Fund</td>
<td>Cooperative Fund</td>
<td>Building Fund</td>
</tr>
<tr>
<td>Interests</td>
<td>$ 3,217</td>
<td>$ -</td>
<td>$ 60</td>
</tr>
<tr>
<td>Property taxes-delinquent</td>
<td>109,264</td>
<td>-</td>
<td>15,603</td>
</tr>
<tr>
<td>Due from other governments</td>
<td></td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Local</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>County</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>State</td>
<td>677,647</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Federal</td>
<td>2,811,433</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Due from Fiduciary Funds</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Due from other funds</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other receivables</td>
<td>32,101</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>$ 3,633,662</td>
<td>$ -</td>
<td>$ 15,662</td>
</tr>
</tbody>
</table>

At June 30, 2016, $210,235 of receivables were considered to be unavailable and were recorded as deferred inflows of resources in governmental funds.

Amounts due from Federal and State governments as of June 30, 2016 are presented in the table above. Other receivables were the result of transportation and building rental amounts not received as of June 30, 2016. 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.
**Note 3. – RECEIVABLES – cont’d**

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 and business–type activities 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, 2016. The District transfers remaining Capital Project Funds to the debt service fund after all projects related to a bond issue have been completed.

**Note 4. - CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2016, was as follows:

<table>
<thead>
<tr>
<th>Governmental Activities:</th>
<th>Beginning Balance</th>
<th>Increases</th>
<th>Transfers</th>
<th>Adjustments **</th>
<th>Ending Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital assets, not being depreciated:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land</td>
<td>15,105,897 $</td>
<td>57,940 $</td>
<td>- $</td>
<td>- $</td>
<td>15,163,837 $</td>
</tr>
<tr>
<td>Construction in progress</td>
<td>4,300,978</td>
<td>22,985,902</td>
<td>(26,699,276)</td>
<td>-</td>
<td>587,604</td>
</tr>
<tr>
<td>Total capital assets not being depreciated:</td>
<td>19,406,875</td>
<td>23,043,842</td>
<td>(26,699,276)</td>
<td>-</td>
<td>15,751,441</td>
</tr>
<tr>
<td>Capital assets being depreciated:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land Improvements</td>
<td>5,189,974</td>
<td>3,443,660</td>
<td>-</td>
<td>-</td>
<td>8,633,634</td>
</tr>
<tr>
<td>Buildings and Building Improvements</td>
<td>204,020,980</td>
<td>645,635</td>
<td>26,699,276</td>
<td>-</td>
<td>231,365,890</td>
</tr>
<tr>
<td>Furniture and Equipment</td>
<td>32,719,380</td>
<td>2,664,362</td>
<td>-</td>
<td>(387,273)</td>
<td>34,996,470</td>
</tr>
<tr>
<td>Total capital assets being depreciated:</td>
<td>241,930,334</td>
<td>6,753,657</td>
<td>26,699,276</td>
<td>(387,273)</td>
<td>274,995,994</td>
</tr>
<tr>
<td>Total assets</td>
<td>261,337,209</td>
<td>29,797,499</td>
<td>-</td>
<td>(387,273)</td>
<td>290,747,435</td>
</tr>
<tr>
<td>Less: Accumulated depreciation for:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land Improvements</td>
<td>(359,729)</td>
<td>(98,201)</td>
<td>-</td>
<td>-</td>
<td>(457,930)</td>
</tr>
<tr>
<td>Buildings and Building Improvements</td>
<td>(45,218,493)</td>
<td>(4,358,524)</td>
<td>-</td>
<td>-</td>
<td>(49,577,018)</td>
</tr>
<tr>
<td>Furniture and Equipment</td>
<td>(15,362,814)</td>
<td>(3,535,946)</td>
<td>-</td>
<td>387,273</td>
<td>(18,511,486)</td>
</tr>
<tr>
<td>Total accumulated depreciation:</td>
<td>(60,941,036)</td>
<td>(7,992,671)</td>
<td>-</td>
<td>387,273</td>
<td>(68,546,434)</td>
</tr>
</tbody>
</table>

$ 200,396,173 $ 21,804,828 $ - $ - $ 222,201,001 $
### Note 4. - CAPITAL ASSETS – cont’d

<table>
<thead>
<tr>
<th>Business-Type Activities</th>
<th>Beginning Balance</th>
<th>Increases</th>
<th>Transfers</th>
<th>Adjustments **</th>
<th>Ending Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Capital assets, not being depreciated:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>23,837</td>
</tr>
<tr>
<td>Construction in progress</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total capital assets not being depreciated:</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Capital assets being depreciated:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land</td>
<td>23,837</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>23,837</td>
</tr>
<tr>
<td>Buildings and improvements</td>
<td>1,153,610</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,153,610</td>
</tr>
<tr>
<td>Furniture and equipment</td>
<td>2,824,651</td>
<td>254,196</td>
<td>-</td>
<td>(15,707)</td>
<td>3,063,140</td>
</tr>
<tr>
<td><strong>Total capital assets being depreciated:</strong></td>
<td>4,002,097</td>
<td>254,196</td>
<td>-</td>
<td>(15,707)</td>
<td>4,240,587</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>4,002,097</td>
<td>254,196</td>
<td>-</td>
<td>(15,707)</td>
<td>4,240,587</td>
</tr>
<tr>
<td><strong>Less: Accumulated depreciation for:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(354)</td>
</tr>
<tr>
<td>Buildings and improvements</td>
<td>(1,923)</td>
<td>(23,072)</td>
<td>-</td>
<td>(24,995)</td>
<td></td>
</tr>
<tr>
<td>Furniture and equipment</td>
<td>(1,488,833)</td>
<td>(152,755)</td>
<td>-</td>
<td>15,707</td>
<td>(1,625,882)</td>
</tr>
<tr>
<td><strong>Total accumulated depreciation:</strong></td>
<td>(1,490,756)</td>
<td>(176,182)</td>
<td>-</td>
<td>15,707</td>
<td>(1,651,231)</td>
</tr>
<tr>
<td><strong>Business-Type activities capital assets, net</strong></td>
<td>2,511,342</td>
<td>78,014</td>
<td>-</td>
<td>-</td>
<td>2,589,356</td>
</tr>
</tbody>
</table>

Net Assets All Funds: $202,907,515 $21,882,842 $ - $ - $224,790,357

Depreciation expense was charged to governmental functions as follows:

<table>
<thead>
<tr>
<th>Governmental Activities</th>
<th>Depreciation</th>
<th>Business-Type Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Instruction</strong></td>
<td>$3,792,822</td>
<td>Child Nutrition Fund $160,475</td>
</tr>
<tr>
<td><strong>Support services - Students and staff</strong></td>
<td>208,884</td>
<td>-</td>
</tr>
<tr>
<td><strong>Instructional support services</strong></td>
<td>681,113</td>
<td>-</td>
</tr>
<tr>
<td><strong>Administrative support services</strong></td>
<td>876,690</td>
<td>-</td>
</tr>
<tr>
<td><strong>Operations and maintenance of plant services</strong></td>
<td>1,515,343</td>
<td>-</td>
</tr>
<tr>
<td><strong>Transportation</strong></td>
<td>917,819</td>
<td>1,464,278</td>
</tr>
<tr>
<td><strong>Non-instructional</strong></td>
<td>-</td>
<td>587,417</td>
</tr>
<tr>
<td><strong>Other-unclassified</strong></td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Depreciation</strong></td>
<td>$7,992,671</td>
<td>$7,605,398</td>
</tr>
</tbody>
</table>

** Adjustments: Retirements/Disposals/Corrections within classification of assets. (figures may be different due to rounding)

### 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.
Note 5. - GENERAL LONG-TERM DEBT – cont’d

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 capital lease-purchase agreements. Debt service requirements for bonds are paid solely from the fund balance and the future revenues of the debt service fund.

The District records lease agreements that qualify as capital leases for accounting purposes at the present value of their future minimum lease payments at their inception date. The present value is calculated based on the District’s incremental borrowing rate at time of inception unless the lessor’s implicit rate is known and lower, as provided by FASB 13, Accounting for Leases.

In the 2015-16 fiscal period, the District retired an agreement between AVB Bank, with final payments of principal in the amount of $3.1 million, for the purchase, acquisition, and lease of synthetic artificial turf on the High School Athletic campus, which is classified as land improvements, and the turf maintenance equipment consisting of three (3) Kubota BX1860 tractors and three (3) Clean Sweep field sweepers for maintenance of the turf.

The following is a summary of changes in the leases and capitalized lease obligations outstanding:

<table>
<thead>
<tr>
<th></th>
<th>Balance</th>
<th>Additions</th>
<th>Retirements</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>June 30, 2015</td>
<td></td>
<td></td>
<td>June 30, 2016</td>
</tr>
<tr>
<td>Artificial Turf, Land Improvements</td>
<td>$ 3,124,376</td>
<td>$3,124,376</td>
<td>-</td>
<td>(3,124,376)</td>
</tr>
<tr>
<td>Total</td>
<td>$ 3,124,376</td>
<td>-</td>
<td>(3,124,376)</td>
<td>-</td>
</tr>
<tr>
<td>Total long-term capitalized lease obligations outstanding</td>
<td>$ 3,124,376</td>
<td>-</td>
<td>(3,124,376)</td>
<td>-</td>
</tr>
</tbody>
</table>

(figures are for principal amounts and may be different due to rounding)

The gross amount of assets acquired under capital leases by major asset class:

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Buildings and improvements total</td>
<td>$ 1,500,000</td>
<td></td>
</tr>
<tr>
<td>Land improvements total</td>
<td>$ 3,407,790</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>$ 4,907,790</td>
<td></td>
</tr>
</tbody>
</table>
Note 5. - GENERAL LONG-TERM DEBT – cont’d

The following is a summary of the long-term debt transactions, with deductions, which includes premium on bonds sold of $1.4 million for the District for the year ended June 30, 2016:

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>Additions</th>
<th>Deductions</th>
<th>2016</th>
<th>Due in One Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Governmental activities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bonds payable</td>
<td>$86,590,000</td>
<td>$23,925,000</td>
<td>$(21,675,000)</td>
<td>$88,840,000</td>
<td>$23,665,000</td>
</tr>
<tr>
<td>Premium on debt issuance</td>
<td>2,227,178</td>
<td>1,390,707</td>
<td>(962,834)</td>
<td>2,655,050</td>
<td>1,178,224</td>
</tr>
<tr>
<td>Capital lease</td>
<td>3,124,376</td>
<td>-</td>
<td>(3,124,376)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>$79,656,117</td>
<td>$25,315,707</td>
<td>$(25,762,210)</td>
<td>$91,495,050</td>
<td>$24,843,224</td>
</tr>
</tbody>
</table>

In compliance with GASB Statement No.62–187, the District amortizes all premiums on bonds sold. The amortization for the 2015-16 fiscal year was $962,834, which reduces long-term interest expense.

In December 2015, the District issued $3.0 million in Building Bonds Series 2015B. The proceeds from the 2015B bonds will be used to acquire and install equipment to upgrade and further enhance our technology.

In April 2016, the District issued $20.9 million in Combined Purpose Bonds Series 2016. The proceeds from the 2016 bonds will be used to construct and renovate school facilities and to acquire and install equipment to upgrade and enhance technology.

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 2015-16 fiscal year totaled $1.9 million. Amortization on bond premiums for the year ended June 30, 2016 decreased long-term interest expense per GASB, Statement No. 23.
Note 5. - GENERAL LONG-TERM DEBT – cont’d

A brief description of the outstanding long-term debt at June 30, 2016, is set forth below:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount Outstanding</th>
</tr>
</thead>
<tbody>
<tr>
<td>Building Bonds, Series 2005B, original issue $7,000,000 dated 12-01-05,</td>
<td></td>
</tr>
<tr>
<td>interest rates of 3.25% to 5.00%, due in annual installments of $775,000,</td>
<td>$</td>
</tr>
<tr>
<td>final payment of $800,000, due 12-01-2015</td>
<td></td>
</tr>
<tr>
<td>Building Bonds, Series 2010B, original issue $10,000,000 dated 12-01-10,</td>
<td>$</td>
</tr>
<tr>
<td>interest rate of 1.2% to 1.45%, due in annual installments of $2,500,000,</td>
<td></td>
</tr>
<tr>
<td>final payment of $2,500,000, due 12-01-2015</td>
<td></td>
</tr>
<tr>
<td>General Obligation Bonds, Series 2011D, original issue $13,500,000 dated</td>
<td>$</td>
</tr>
<tr>
<td>6-01-11, interest rate of 2.00% to 3.00%, due in annual installments of</td>
<td></td>
</tr>
<tr>
<td>$3,375,000, final payment of $3,375,000, due 6-01-2016</td>
<td></td>
</tr>
<tr>
<td>General Obligation Bonds, Series 2012E, original issue $20,500,000</td>
<td></td>
</tr>
<tr>
<td>Dated 4-01-2012, interest rate of 2.00%, due in annual installments of</td>
<td>$ 5,125,000</td>
</tr>
<tr>
<td>$5,125,000, final payment of $5,125,000, due 4-01-2017</td>
<td></td>
</tr>
<tr>
<td>General Obligation Bonds, Series 2013F, original issue $18,000,000</td>
<td>$ 9,000,000</td>
</tr>
<tr>
<td>Dated 4-01-2013, interest rate of 2.00%, due in annual installments of</td>
<td></td>
</tr>
<tr>
<td>$4,500,000, final payment of $4,500,000, due 4-01-2018</td>
<td></td>
</tr>
<tr>
<td>General Obligation Bonds, Series 2014G, original issue $21,500,000</td>
<td></td>
</tr>
<tr>
<td>Dated 4-01-2014, interest rate of 2.00%, due in annual installments of</td>
<td>$ 16,125,000</td>
</tr>
<tr>
<td>$5,375,000, final payment of $5,375,000, due 4-01-2019</td>
<td></td>
</tr>
<tr>
<td>Building Bonds, Series 2014B, original issue $5,665,000 dated 8-01-2014,</td>
<td>$ 5,665,000</td>
</tr>
<tr>
<td>interest rate of .050% to 2.00%, due in annual installments of $1,415,000,</td>
<td></td>
</tr>
<tr>
<td>final payment of $1,420,000, due 8-01-2019</td>
<td></td>
</tr>
<tr>
<td>General Obligation Bonds, Series 2015A, original issue $29,000,000</td>
<td>$ 29,000,000</td>
</tr>
<tr>
<td>Dated 5-01-2015, interest rate of 2.00% to 4.00%, due in annual installments</td>
<td></td>
</tr>
<tr>
<td>$7,250,000, final payment of $7,250,000, due 5-01-2020</td>
<td></td>
</tr>
<tr>
<td>Building Bonds, Series 2015B, original issue $3,000,000 dated 12-01-2015,</td>
<td>$ 3,000,000</td>
</tr>
<tr>
<td>interest rate of 2.00%, due in annual installments of $600,000, final</td>
<td></td>
</tr>
<tr>
<td>payment of $600,000, due 12-01-2021</td>
<td></td>
</tr>
<tr>
<td>General Obligation Bonds, Series 2016, original issue $20,925,000</td>
<td>$ 20,925,000</td>
</tr>
<tr>
<td>Dated 4-01-2016, interest rate of 3.00%, due in annual installments of</td>
<td></td>
</tr>
<tr>
<td>$5,230,000, final payment of $5,235,000, due 4-01-2021</td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td>$ 88,840,000</td>
</tr>
</tbody>
</table>
Note 5. - GENERAL LONG-TERM DEBT- cont’d

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

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Principal</th>
<th>Interest</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016-2017</td>
<td>23,665,000</td>
<td>347,484</td>
<td>$24,012,484</td>
</tr>
<tr>
<td>2017-2018</td>
<td>24,370,000</td>
<td>571,775</td>
<td>$24,941,775</td>
</tr>
<tr>
<td>2018-2019</td>
<td>19,870,000</td>
<td>495,925</td>
<td>$20,365,925</td>
</tr>
<tr>
<td>2019-2020</td>
<td>14,500,000</td>
<td>533,525</td>
<td>$15,033,525</td>
</tr>
<tr>
<td>2020-2021</td>
<td>5,835,000</td>
<td>215,313</td>
<td>$6,050,313</td>
</tr>
<tr>
<td>2021-2022</td>
<td>600,000</td>
<td>19,000</td>
<td>$619,000</td>
</tr>
<tr>
<td>Total</td>
<td>$88,840,000</td>
<td>$2,183,021</td>
<td>$91,023,021</td>
</tr>
</tbody>
</table>

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 with 5 years of
Contributions which apply 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, 2016, the following employees were covered by the benefit terms for each Plan:

<table>
<thead>
<tr>
<th>Governmental Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inactive employees or beneficiaries currently receiving benefits</td>
</tr>
<tr>
<td>Active employees participating in the plan</td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>

_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, 2016, 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. Contributions to the pension plan from the District, which includes federal matching were $7.1 million in 2016, 6.9 million in 2015, and 6.7 million in 2014.

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. For 2016, 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, 2016, the total amount contributed to the System by the State of Oklahoma on behalf of the District was approximately $5.3 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.
Note 6. - EMPLOYEE RETIREMENT SYSTEM AND PLAN — cont’d

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

At June 30, 2016, the District reported a net pension liability of $100.5 million for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015, 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, 2015. Based upon this information, the District’s proportion was 1.6541843 percent.

For the period ended June 30, 2016, the District recognized pension expense of $5.9 million. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to pension form the following sources:

<table>
<thead>
<tr>
<th>Deferred Outflows of Resources</th>
<th>Deferred Inflows of Resources</th>
</tr>
</thead>
<tbody>
<tr>
<td>Difference between expected and actual experience</td>
<td>$ - $ 3,412,739</td>
</tr>
<tr>
<td>Net difference between projected and actual investment earnings on pension plan investments</td>
<td>- 16,156,613</td>
</tr>
<tr>
<td>Changes in Assumptions</td>
<td>- -</td>
</tr>
<tr>
<td>Totals</td>
<td>- 19,569,352</td>
</tr>
</tbody>
</table>

| District contributions subsequent to the measurement date | 7,062,531 |
| Totals | $ 7,062,531 $ 19,569,352 |

Deferred pension outflows totaling approximately $7.1 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, 2017. The deferred inflows totaling $16.2 million resulting from the difference between projected and actual earnings on pension plan investments will be recognized in pension expense over five years. The deferred inflows totaling approximately $3.4 million resulting from differences between expected and actual experience 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
Note 6. - EMPLOYEE RETIREMENT SYSTEM AND PLAN – cont’d

service years of the Plan divided by the number of people in the Plan including retirees. The total future service years of the Plan are estimated at 6.22 years at June 30, 2015 and are determined using the mortality, termination, retirement, and disability assumptions associated with the Plan. Deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

<table>
<thead>
<tr>
<th>Year ended June 30:</th>
<th>Deferred Inflows</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>$ (6,086,868)</td>
</tr>
<tr>
<td>2017</td>
<td>$ (6,086,868)</td>
</tr>
<tr>
<td>2018</td>
<td>$ (6,086,868)</td>
</tr>
<tr>
<td>2019</td>
<td>$ (701,330)</td>
</tr>
<tr>
<td>2020</td>
<td>$ (513,798)</td>
</tr>
<tr>
<td>Thereafter</td>
<td>$ (93,620)</td>
</tr>
<tr>
<td>Total</td>
<td>$ (19,569,352)</td>
</tr>
</tbody>
</table>

**Actuarial Assumptions** - The total pension liability in the June 30, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

- **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**
  - 3.00%

- **Salary increases**
  - Composed of 3.75 percent wage inflation, including 3.00 percent price inflation, plus a service-related component ranging from 0.00 percent to 8.00 percent based on years of service

- **Investment rate of return**
  - 8.00% - net of expenses and compounded annually

- **Retirement Age**
  - 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**
  - 3.25% - per year. This increase rate has no allowance for future membership growth

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.
Note 6. - EMPLOYEE RETIREMENT SYSTEM AND PLAN – cont’d

The actuarial assumptions used in the June 30, 2015 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.

The target asset allocation and best estimates of arithmetic expected real rates of return for each major asset class as of the June 30, 2015 actuarial, are summarized in the following table:

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>Target Asset Allocation</th>
<th>Long-Term Expected Real Rate of Return</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic All Cap Equity*</td>
<td>7.0%</td>
<td>6.0%</td>
</tr>
<tr>
<td>Domestic Large Cap Equity</td>
<td>10.0%</td>
<td>5.3%</td>
</tr>
<tr>
<td>Domestic Mid Cap Equity</td>
<td>13.0%</td>
<td>6.1%</td>
</tr>
<tr>
<td>Domestic Small Cap Equity</td>
<td>10.0%</td>
<td>6.6%</td>
</tr>
<tr>
<td>International Large Cap Equity</td>
<td>11.5%</td>
<td>5.8%</td>
</tr>
<tr>
<td>International Small Cap Equity</td>
<td>6.0%</td>
<td>5.8%</td>
</tr>
<tr>
<td>Core Plus Fixed Income</td>
<td>17.5%</td>
<td>1.8%</td>
</tr>
<tr>
<td>High-yield Fixed Income</td>
<td>6.0%</td>
<td>4.1%</td>
</tr>
<tr>
<td>Private Equity</td>
<td>5.0%</td>
<td>7.6%</td>
</tr>
<tr>
<td>Real Estate**</td>
<td>7.0%</td>
<td>5.5%</td>
</tr>
<tr>
<td>Master Limited Partnerships</td>
<td>7.0%</td>
<td>7.6%</td>
</tr>
<tr>
<td>Total</td>
<td>100.0%</td>
<td></td>
</tr>
</tbody>
</table>

* The Domestic All Cap Equity total expected return is a combination of 3 rates - US Large Cap, US Mid Cap and US Small Cap
** The Real Estate total expected return is a combination of US Direct Real Estate (unlevered) and US Value added Real Estate (unlevered)
Note 6. - EMPLOYEE RETIREMENT SYSTEM AND PLAN – cont’d

Discount rate - The discount rate used to measure the total pension liability was 8.00%. The single discount rate was based solely on the expected rate of return on pension plan investments of 8.00%. 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, 2015 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:

<table>
<thead>
<tr>
<th></th>
<th>1% Decrease</th>
<th>Current Discount</th>
<th>1% Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(7.00%)</td>
<td>(8.00%)</td>
<td>(9.00%)</td>
</tr>
<tr>
<td>Net pension liability</td>
<td>$139,556,363</td>
<td>$100,474,905</td>
<td>$68,504,251</td>
</tr>
</tbody>
</table>

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.

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
Note 7. - RISK MANAGEMENT – cont’d

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, 2016, CBR has reported an outstanding reserve for the District to be $1.8 million. In order to mitigate the risk associated with this program, the District reserves and restricts a percentage of the fund balance. For 2015-16, this amount was $79,862 for both general activities and business-type activities.

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

<table>
<thead>
<tr>
<th>Policy</th>
<th>Deductible</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property, Fire and Extended Coverage</td>
<td>$25,000</td>
</tr>
<tr>
<td>Flood &amp; Earthquake</td>
<td>$50,000</td>
</tr>
<tr>
<td>Wind/Hail</td>
<td>$100,000</td>
</tr>
<tr>
<td>Automotive &amp; General</td>
<td>$0</td>
</tr>
<tr>
<td>School Leader Legal</td>
<td>$25,000</td>
</tr>
</tbody>
</table>

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

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.

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.
Note 8. – COMMITMENTS AND CONTINGENCIES – cont’d

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, 2016, the District had outstanding commitments (contracts and purchase orders), of approximately $733,324 primarily for supplies and equipment. Construction in progress had $587,604 in outstanding projects not completed. These projects consist of renovations to nine school buildings, a new Special Education room, new athletic renovations, and the addition to our transportation/maintenance facility.

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.
**Note 9. - LEASE REVENUE BONDS – cont’d**

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 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:

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Payment</th>
<th>Fiscal Year</th>
<th>Payment</th>
<th>Fiscal Year</th>
<th>Payment</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016-17</td>
<td>11,259,881</td>
<td>2016-17</td>
<td>3,456,725</td>
<td>2016-17</td>
<td>$3,069,161</td>
</tr>
<tr>
<td>2017-18</td>
<td>2,800,681</td>
<td>2017-18</td>
<td>11,205,263</td>
<td>2017-18</td>
<td>3,211,913</td>
</tr>
<tr>
<td>2018-19</td>
<td>9,751,516</td>
<td>2018-19</td>
<td>2,276,700</td>
<td>2018-19</td>
<td>3,211,913</td>
</tr>
<tr>
<td>2019-20</td>
<td>27,600,250</td>
<td>2019-20</td>
<td>2,276,700</td>
<td>2019-20</td>
<td>5,113,163</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2020-21</td>
<td>5,174,988</td>
<td>2020-21</td>
<td>3,114,413</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2021-22</td>
<td>21,883,888</td>
<td>2021-22</td>
<td>3,114,413</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2022-23</td>
<td>31,817,250</td>
<td>2022-23</td>
<td>9,383,663</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2023-24</td>
<td>16,852,413</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2024-25</td>
<td>3,935,706</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2025-26</td>
<td>19,857,375</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2026-27</td>
<td>22,862,625</td>
</tr>
<tr>
<td>Total Obligation:</td>
<td>51,412,328</td>
<td>Total Obligation:</td>
<td>78,091,513</td>
<td>Total Obligation:</td>
<td>93,726,755</td>
</tr>
<tr>
<td>Less amounts representing interest:</td>
<td>(5,482,328)</td>
<td>Less amounts representing interest:</td>
<td>(14,096,513)</td>
<td>Less amounts representing interest:</td>
<td>(28,451,755)</td>
</tr>
<tr>
<td>Lease Revenue Bonds Payable:</td>
<td>$45,930,000</td>
<td>Lease Revenue Bonds Payable:</td>
<td>$63,995,000</td>
<td>Lease Revenue Bonds Payable:</td>
<td>$65,275,000</td>
</tr>
</tbody>
</table>
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, 2016, 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 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.

Information relevant to disclosure of these programs includes the following:

<table>
<thead>
<tr>
<th>Tax Abatement Program</th>
<th>Number of Abatements during the Fiscal Year</th>
<th>Amount of Abatements during the Fiscal Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>State of Oklahoma Tax Commission:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tax Exemptions and Credits for Ad Valorem Exemptions</td>
<td>37</td>
<td>$1,960,042</td>
</tr>
</tbody>
</table>

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.
Note 10. - TAX ABATEMENTS – cont’d

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

<table>
<thead>
<tr>
<th>Fiscal Year Ended June 30, 2016</th>
<th>Base Value during the Fiscal Year</th>
<th>Amount of Abatements during the Fiscal Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>City of Broken Arrow:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Retail Incentive Policy - Flightsafety</td>
<td>$4,857,612</td>
<td>$10,117,645</td>
</tr>
<tr>
<td>Established Year=2010, Last Year for TIF=2035</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note 11. - NOTES ON STATISTICAL INFORMATION

Trend Information

Consultation with the Government Finance Officers Association was initiated in the 2011-12 reporting period, which was the first year the District prepared a Comprehensive Annual Financial Report. For consistency purposes, and due to record retention policies, the District chose to present five years of data on all statistical information during the 2011-12 reporting period. Only five years of data is maintained by our independent auditors, State auditor, and State Department of Education.

This is the fifth year the District has produced a Comprehensive Annual Financial Report. Going forward, the District will be able to add an additional year of data in order to achieve the ten-year requirement. Therefore, nine years of information is presented in the trend information of the Statistical Section.

The District retains all records relating to property until the period of limitations expires for the year in which the property is disposed or sold.

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, the fiscal year in which they are effective, and the District’s consideration of the impact of these pronouncements are described below:


Note 12. - NEW/ADOPTED PRONOUNCEMENTS – cont’d

Adopted: Fiscal Year Ended June 30, 2016

✓ GASB Statement No. 72, *Fair Value Measurement and Application*, addresses accounting and financial reporting issues related to fair value measurements. The definition of fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The District measures and discloses donated capital assets and capital assets received in a service concession arrangement, at acquisition value (entry price). The District also discloses the level of fair value hierarchy, and valuation techniques for fair value measurements in regards to investments and capital assets in the Notes to the Financial Statements organized by type of asset or liability reported at fair value and/or investments in certain entities that calculate net asset value per share (or its equivalent). This Statement will enhance comparability of financial statements of the District as well as improving fair value application guidance and related disclosures in order to provide information to financial statement users about the impact of fair value measurements on the District’s financial position.

✓ GASB, Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68* was issued June 2015 to be effective for the District beginning with its fiscal year ending June 30, 2016 – except those provisions that address employers and governmental nonemployer contributing entities for pensions that are not within the scope of Statement No. 68, which are effective for the District beginning with its fiscal year ending June 30, 2017. The Statement establishes requirements for pensions not covered by Statement Nos. 67 and 68, which are essentially the same requirements as Statement No. 68. However, the lack of a pension plan that is administered through a trust that meets specified criteria is reflected in the measurements. The District’s pension plan is administered through a trust, all assets are held in this trust, and is within the scope of Statement No. 68.

✓ GASB, Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments* identifies, in the context of the current governmental financial reporting environment, the hierarchy of generally accepted accounting principles (GAAP). The “GAAP hierarchy” consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and
Note 12. - NEW/ADOPTED PRONOUNCEMENTS – cont’d

the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified with a source of authoritative GAAP. This Statement supersedes Statement No. 55, The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments. The requirements of this Statement are effective for financial statements for periods after June 15, 2015, and are applied retroactively. The District is familiarizing with the new GASB implementation guidance and will continue to provide correct authoritative source as described in the Statement. This will improve the usefulness and financial reporting for the District by requiring the consideration of consistency with the GASB Concepts Statements when evaluating accounting treatments specified in other or nonauthoritative sources.

✓ Statement No. 77, Tax Abatement Disclosures GASB No. 77 was issued August 2015, and requires governments that enter into tax abatement agreements to disclose certain information about these agreements. Disclosures include; Descriptive information, gross dollar amounts during the period, and commitments made by the government, other than to abate taxes, as part of a tax abatement agreement. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2015, earlier application is encouraged. The District discloses agreements of others that reduce the government’s revenue but does not have agreements of the government itself. The agreements of others are organized by government and specific tax abated. The requirements of this Statement improves the District’s reporting by giving users of financial statements essential information that is not consistently or comprehensively reported to the public in prior years. As a result, users will be better equipped to understand tax abatements and the impact on the District’s financial position and economic condition.

New Accounting Pronouncements Issued Not Yet Adopted

✓ GASB, Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans was issued in June 2015 and will be effective for the District beginning with its fiscal year ending June 30, 2017. The Statement replaces GASB Statement No. 43, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, and addresses the financial reports of defined benefit OPEB plans that are administered through trusts that meet specified criteria. The Statement follows the framework for financial reporting of defined benefit OPEB plans in Statement No. 45 by requiring a statement of fiduciary net position and a statement of changes in fiduciary net position but requires more extensive
Note 12. - NEW/ADOPTED PRONOUNCEMENTS – cont’d

Note disclosures and Required Supplementary Information related to the measurement of the OPEB liabilities for which assets have been accumulated, including information about the annual money-weighted rates of return on plan investments. The Statement also sets forth note disclosure requirement of defined contribution OPEB plans. The District does not currently participate or sponsor postemployment benefits plans other than pensions held in trusts.

✓ GASB, Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions was issued in June 2015 and will be effective for the District beginning with its fiscal year ending June 30, 2018. The Statement replaces the requirements of GASB Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions and requires governments to report a liability on the face of the financial statements for the OPEB they provide and outlines the reporting requirements by governments for defined benefit OPEB plans administered through a trust. The Statement also requires governments to present more extensive note disclosures and required supplementary information about their OPEB liabilities. Some governments are legally responsible to make contributions directly to an OPEB plan or make benefit payments directly as OPEB comes due for employees of other governments. In certain circumstances, called special funding situations, the Statement requires these governments to recognize in their financial statements a share of the other government’s net OPEB liability. The District does not currently participate or sponsor postemployment benefits plans other than pensions held in trusts.
<table>
<thead>
<tr>
<th>Description</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proportion of the net pension liability</td>
<td>1.65%</td>
<td>1.64%</td>
</tr>
<tr>
<td>Proportionate share of the net pension liability</td>
<td>$100,474,905</td>
<td>$88,199,969</td>
</tr>
<tr>
<td>Covered - employee payroll</td>
<td>$68,820,306</td>
<td>$67,558,937</td>
</tr>
<tr>
<td>Proportionate share of the net pension liability as percentage of covered-employee payroll</td>
<td>146.00%</td>
<td>130.55%</td>
</tr>
<tr>
<td>Plan's fiduciary net position</td>
<td>$(112,981,726)</td>
<td>$(81,317,541)</td>
</tr>
<tr>
<td>Plan fiduciary net position as a percentage of the total pension liability</td>
<td>112.45%</td>
<td>92.20%</td>
</tr>
</tbody>
</table>

Notes to schedule:

* Fiscal year 2015 was the 1st year of implementation, therefore only two years shown.
See Independent auditors' report
## Schedule of Contributions

**Year Ended June 30, 2016**

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contractually required contribution (actuarially determined)</td>
<td>$6,902,353</td>
<td>$6,656,684</td>
</tr>
<tr>
<td>Contributions in relation to the actuarially determined contributions</td>
<td>6,902,353</td>
<td>6,656,684</td>
</tr>
<tr>
<td>Contribution deficiency (excess)</td>
<td>$-</td>
<td>$-</td>
</tr>
<tr>
<td>Covered - employee payroll</td>
<td>$70,593,606</td>
<td>$68,820,306</td>
</tr>
<tr>
<td>Contributions as a percentage of covered - employee payroll</td>
<td>9.78%</td>
<td>9.67%</td>
</tr>
</tbody>
</table>

### Notes to schedule:

- **Valuation date:** 6/30/2015
- **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:** 3.00%
- **Salary increases:** 4.00%, average, including inflation
- **Investment rate of return:** 8.00%, net of expenses and compounded annually
- **Payroll growth rate:** 3.50% per year
- **Mortality:** RP-2000 Healthy Annuitant Mortality Table

* Fiscal year 2015 was the 1st year of implementation, therefore only two years shown.

See Independent auditors’ report
OTHER SUPPLEMENTARY INFORMATION
### Broken Arrow Public Schools

**Other Supplementary Information**

**Combining Statement of Changes in Assets and Liabilities - Agency Funds**

**Year Ended June 30, 2016**

<table>
<thead>
<tr>
<th></th>
<th>Balance</th>
<th>Additions</th>
<th>Deductions</th>
<th>Adjustments</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>June 30,</td>
<td></td>
<td></td>
<td></td>
<td>June 30,</td>
</tr>
<tr>
<td></td>
<td>2015</td>
<td></td>
<td></td>
<td></td>
<td>2016</td>
</tr>
<tr>
<td>HIGH SCHOOL TOTAL</td>
<td>$642,115</td>
<td>$2,442,108</td>
<td>$(2,265,139)</td>
<td>$14,898</td>
<td>$833,982</td>
</tr>
<tr>
<td>INTERMEDIATE HIGH SCHOOLS TOTAL</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>FRESHMAN ACADEMY TOTAL</td>
<td>36,077</td>
<td>119,857</td>
<td>(99,479)</td>
<td>2,563</td>
<td>59,019</td>
</tr>
<tr>
<td>ALTERNATIVE SCHOOL TOTAL</td>
<td>23,524</td>
<td>11,926</td>
<td>(8,780)</td>
<td>-</td>
<td>26,670</td>
</tr>
<tr>
<td>MIDDLE SCHOOLS TOTAL</td>
<td>226,976</td>
<td>578,680</td>
<td>(543,311)</td>
<td>6,592</td>
<td>268,937</td>
</tr>
<tr>
<td>ELEMENTARY SCHOOLS TOTAL</td>
<td>210,333</td>
<td>400,320</td>
<td>(361,941)</td>
<td>166</td>
<td>248,878</td>
</tr>
<tr>
<td>EARLY CHILDHOOD CENTERS TOTAL</td>
<td>24,547</td>
<td>103,155</td>
<td>(92,507)</td>
<td>-</td>
<td>35,195</td>
</tr>
<tr>
<td>STUDENT CLUBS TOTAL</td>
<td>564,969</td>
<td>3,367,635</td>
<td>(3,235,574)</td>
<td>620</td>
<td>697,651</td>
</tr>
<tr>
<td>ADMINISTRATIVE TOTAL</td>
<td>119,037</td>
<td>227,877</td>
<td>(187,545)</td>
<td>-</td>
<td>159,370</td>
</tr>
<tr>
<td>TOTAL FUNDS HELD FOR</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>STUDENT ACTIVITIES</td>
<td>1,847,579</td>
<td>7,251,558</td>
<td>(6,794,276)</td>
<td>24,839</td>
<td>2,329,702</td>
</tr>
</tbody>
</table>

### SUMMARY - ACTIVITY FUNDS

#### ASSETS

<p>| | | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>1,847,579</td>
<td>7,251,558</td>
<td>(6,794,276)</td>
<td>24,839</td>
<td>2,329,702</td>
</tr>
</tbody>
</table>

#### LIABILITIES

<p>| | | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Funds held for student activities</td>
<td>1,847,579</td>
<td>7,251,558</td>
<td>(6,794,276)</td>
<td>24,839</td>
<td>2,329,702</td>
</tr>
<tr>
<td>TOTAL LIABILITIES</td>
<td>$1,847,579</td>
<td>$7,251,558</td>
<td>$(6,794,276)</td>
<td>$24,839</td>
<td>$2,329,702</td>
</tr>
</tbody>
</table>

See independent auditors' report
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**Statistical Section**  
**For the Year Ended June 30, 2016**  

**TABLE OF CONTENTS**

This part of the District’s Comprehensive Annual Financial Report presents detailed information as a framework in understanding what the information within the financial statements, note disclosures, and required supplementary information says about the District's overall financial condition.

<table>
<thead>
<tr>
<th>Contents</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial Trends</td>
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</tr>
<tr>
<td>Revenue Capacity</td>
<td>111</td>
</tr>
<tr>
<td>Debt Capacity</td>
<td>117</td>
</tr>
<tr>
<td>Demographic and Economic Information</td>
<td>123</td>
</tr>
<tr>
<td>Operating Information</td>
<td>127</td>
</tr>
</tbody>
</table>

**Sources:** Unless otherwise noted, the information in these schedules are derived from the Comprehensive Annual Financial Report (CAFR) for the relevant year. This is the fifth year the District has produced a Comprehensive Annual Financial Report. The District implemented GASB Statement No. 34 in the fiscal year ended June 30, 2012. The District presents nine years of information, of which four most current years adhere to GASB Statement No. 34. Going forward, the District will be able to add an additional year of data in order to achieve the ten-year requirement (see Note 11 in Notes to the Basic Financial Statements).
## District-Wide Net Position by Component

### Last Nine Fiscal Years

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Governmental activities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net investment in capital assets</td>
<td>$70,323,775</td>
<td>$77,183,478</td>
<td>$82,438,023</td>
<td>$91,011,359</td>
<td>$105,661,860</td>
<td>$115,812,420</td>
<td>$125,810,009</td>
<td>$137,739,696</td>
<td>$150,609,755</td>
</tr>
<tr>
<td>Restricted for:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debt service</td>
<td>10,009,258</td>
<td>13,273,470</td>
<td>16,211,858</td>
<td>16,777,580</td>
<td>16,216,368</td>
<td>15,080,820</td>
<td>15,515,172</td>
<td>15,657,564</td>
<td>16,318,127</td>
</tr>
<tr>
<td>Building</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Endowment</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>40,000</td>
</tr>
<tr>
<td>Unrestricted</td>
<td>7,402,375</td>
<td>11,352,959</td>
<td>12,127,691</td>
<td>21,412,088</td>
<td>21,980,866</td>
<td>20,080,655</td>
<td>17,648,608</td>
<td>(89,007,984)</td>
<td>(99,961,854)</td>
</tr>
<tr>
<td><strong>Total Governmental activities net position</strong></td>
<td>$87,735,408</td>
<td>101,809,907</td>
<td>110,777,572</td>
<td>129,201,027</td>
<td>147,003,139</td>
<td>153,736,110</td>
<td>161,307,688</td>
<td>65,445,328</td>
<td>68,891,152</td>
</tr>
</tbody>
</table>

|                |         |         |         |         |         |         |         |         |         |
| **Business-type activities** |         |         |         |         |         |         |         |         |         |
| Net investment in capital assets | 68,007 | - | 259,130 | 25,966 | 352,642 | 719,273 | 1,370,958 | 2,511,342 | 2,589,356 |
| Unrestricted    | 1,308,354 | 1,676,733 | 2,327,646 | 2,280,412 | 3,255,159 | 3,149,060 | 2,845,581 | 1,818,332 | 2,033,177 |
| **Total business-type activities net position** | 1,376,361 | 1,676,733 | 2,586,776 | 2,306,378 | 3,607,801 | 3,868,334 | 4,216,539 | 4,329,674 | 4,622,533 |

|                |         |         |         |         |         |         |         |         |         |
| **District-wide** |         |         |         |         |         |         |         |         |         |
| Net investment in capital assets | 70,391,782 | 77,183,478 | 82,697,153 | 91,037,325 | 106,014,502 | 116,531,693 | 127,180,967 | 140,251,037 | 153,199,111 |
| Restricted for: |         |         |         |         |         |         |         |         |         |
| Debt service    | 10,009,258 | 13,273,470 | 16,211,858 | 16,777,580 | 16,216,368 | 15,080,820 | 15,515,172 | 15,657,564 | 16,318,127 |
| Building        | -       | -       | -       | -       | -       | -       | -       | -       | -       |
| Endowment       | -       | -       | -       | -       | -       | -       | -       | -       | 40,000 |
| Unrestricted    | 8,710,729 | 13,029,692 | 14,455,337 | 23,692,500 | 25,236,025 | 23,229,716 | 20,494,188 | (87,189,652) | (97,928,677) |
| **Total district-wide net position** | $89,111,769 | $103,486,640 | $113,364,348 | $131,507,405 | $150,610,940 | $157,604,444 | $165,524,227 | $69,775,002 | $73,513,686 |

### Note:
- The District began to report net position in lieu of net assets in conformity with GASB Statement 63 beginning in 2012.
- Only 9 years of data is presented in the Statistical Section. See Note 11 in the Financial Section for full disclosure.
- Permanent Fund - restricted for Nonexpendable principal was corrected in the June 30, 2015 fiscal year to be included in Governmental Activities.
### Broken Arrow Public Schools
#### District-Wide Changes in Net Position
##### Last Nine Fiscal Years

(accrual basis of accounting)

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<td>$60,916,792</td>
<td>$59,698,004</td>
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<td>3,898,555</td>
<td>4,904,472</td>
<td>6,569,980</td>
<td>5,051,994</td>
<td>5,906,085</td>
<td>5,619,036</td>
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<td>15,594,220</td>
<td>13,503,518</td>
<td>12,890,477</td>
<td>11,749,833</td>
<td>12,608,451</td>
<td>12,040,169</td>
<td>19,254,851</td>
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<td>7,467,547</td>
<td>12,437,218</td>
<td>11,337,283</td>
<td>10,225,839</td>
<td>12,428,523</td>
<td>14,381,484</td>
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<td>1,117,841</td>
<td>4,698,556</td>
<td>6,994,021</td>
<td>6,563,236</td>
<td>5,438,306</td>
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<td>5,610,868</td>
<td>6,464,193</td>
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<td>792,110</td>
<td>487,251</td>
<td>659,417</td>
<td>656,673</td>
<td>631,639</td>
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<td>580,860</td>
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<td>688,638</td>
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<td>973,423</td>
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<td>182,736</td>
<td>198,809</td>
<td>319,186</td>
<td>1,726,999</td>
<td>4,502,515</td>
<td>2,532,717</td>
<td>56,915,460</td>
<td>3,472,757</td>
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<td>2,174,625</td>
<td>2,550,031</td>
<td>2,902,285</td>
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<td>1,286,326</td>
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<td>$112,400,324</td>
<td>$117,781,282</td>
<td>$111,699,009</td>
<td>$111,481,927</td>
<td>$110,994,523</td>
<td>$123,324,604</td>
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<td>6,387,455</td>
<td>7,063,688</td>
<td>6,478,194</td>
<td>6,581,268</td>
<td>7,390,973</td>
<td>7,675,095</td>
<td>9,916,922</td>
<td>8,892,758</td>
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<tr>
<td>Food service</td>
<td>6,514,487</td>
<td>6,387,455</td>
<td>7,063,688</td>
<td>6,478,194</td>
<td>6,581,268</td>
<td>7,390,973</td>
<td>7,675,095</td>
<td>9,916,922</td>
<td>8,892,758</td>
</tr>
<tr>
<td>Total business-type activities expense</td>
<td>6,514,487</td>
<td>6,387,455</td>
<td>7,063,688</td>
<td>6,478,194</td>
<td>6,581,268</td>
<td>7,390,973</td>
<td>7,675,095</td>
<td>9,916,922</td>
<td>8,892,758</td>
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<td>$124,844,970</td>
<td>$118,177,203</td>
<td>$118,063,195</td>
<td>$118,385,496</td>
<td>$130,999,699</td>
<td>$137,872,690</td>
<td>$146,222,636</td>
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<tr>
<td>Governmental activities</td>
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<tr>
<td>Charges for services</td>
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<tr>
<td>Regular instruction</td>
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<td>466,790</td>
<td>418,886</td>
<td>340,885</td>
<td>333,432</td>
<td>321,387</td>
<td>316,066</td>
<td>320,928</td>
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<td>Operations and maintenance services</td>
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<td>5,050,996</td>
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<td>3,445,445</td>
<td>46,530</td>
<td>2,546</td>
<td>24,410</td>
<td>-</td>
<td>-</td>
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<td>Pupil transportation services</td>
<td>151,704</td>
<td>37,126</td>
<td>480,131</td>
<td>21,430</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<td>Community services</td>
<td>10,633,076</td>
<td>11,079,609</td>
<td>16,232,214</td>
<td>24,076,886</td>
<td>10,696,486</td>
<td>5,918,539</td>
<td>5,926,899</td>
<td>6,380,736</td>
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<td>Total governmental activities program revenues</td>
<td>$16,341,625</td>
<td>$16,647,511</td>
<td>$20,892,720</td>
<td>$27,941,217</td>
<td>$11,105,330</td>
<td>$6,277,917</td>
<td>$6,554,286</td>
<td>$6,728,212</td>
<td>$5,508,212</td>
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<td>Business-type activities</td>
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<tr>
<td>Charges for services</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Food service</td>
<td>4,033,621</td>
<td>3,905,658</td>
<td>3,714,167</td>
<td>3,467,887</td>
<td>3,320,643</td>
<td>3,494,344</td>
<td>3,816,946</td>
<td>3,741,850</td>
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<td>Operating grants and contributions</td>
<td>2,337,167</td>
<td>2,954,151</td>
<td>2,897,445</td>
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<td>3,472,757</td>
<td>3,596,662</td>
<td>3,762,302</td>
<td>3,921,853</td>
<td>4,390,841</td>
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<tr>
<td>Total business-type activities revenues</td>
<td>6,370,788</td>
<td>6,859,809</td>
<td>6,611,612</td>
<td>6,515,377</td>
<td>6,793,400</td>
<td>7,091,006</td>
<td>7,579,249</td>
<td>7,663,703</td>
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<td>$14,133,535</td>
<td>$14,391,915</td>
<td>$14,965,663</td>
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105
## Broken Arrow Public Schools
### District-Wide Changes in Net Position
#### Last Nine Fiscal Years
**Accrual basis of accounting**

### Net (Expense) Revenue

<table>
<thead>
<tr>
<th>Year</th>
<th>Governmental activities</th>
<th>Business-type activities</th>
<th>Total district net expense</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>$94,893,925</td>
<td>(143,699)</td>
<td>$(95,037,624)</td>
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<td>2009</td>
<td>$95,752,813</td>
<td>472,354</td>
<td>$(95,280,459)</td>
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<td>2010</td>
<td>$96,888,562</td>
<td>(452,076)</td>
<td>$(97,340,638)</td>
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<tr>
<td>2011</td>
<td>$83,757,792</td>
<td>37,183</td>
<td>$(83,720,609)</td>
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<td>2012</td>
<td>$100,376,597</td>
<td>212,132</td>
<td>$(100,164,465)</td>
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<td>2013</td>
<td>$104,716,606</td>
<td>(299,967)</td>
<td>$(105,016,573)</td>
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<td>2014</td>
<td>$116,770,318</td>
<td>(95,846)</td>
<td>$(116,866,164)</td>
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<tr>
<td>2015</td>
<td>$121,227,556</td>
<td>(2,253,220)</td>
<td>$(123,480,776)</td>
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<tr>
<td>2016</td>
<td>$130,779,056</td>
<td>(477,916)</td>
<td>$(131,256,972)</td>
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</table>

### General Revenues and Other Changes in Net Position

#### Governmental activities

- **Taxes:**
  - Property tax, levied for general purposes
  - Property tax, levied for debt services
  - Other taxes
- **State aid not restricted to specific programs**
- **Interest and investment earnings**
- **Gain on sale of capital assets**
- **Other**

#### Business-type activities

- **State aid not restricted to specific programs**
- **Interest and investment earnings**
- **Gain on disposal of capital assets**
- **Capital contribution**
- **Other**

#### Total district-wide

|------|-------|-------|-------|-------|-------|-------|-------|-------|-------|

### Changes in Net Position

#### Governmental activities
- **Taxes:**
- **State aid not restricted to specific programs**
- **Interest and investment earnings**
- **Gain on sale of capital assets**
- **Other**

#### Business-type activities
- **State aid not restricted to specific programs**
- **Interest and investment earnings**
- **Gain on disposal of capital assets**
- **Capital contribution**
- **Other**

#### Total district-wide

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<tbody>
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<td>2008</td>
<td>$7,502,078</td>
<td>15,475,391</td>
<td>10,313,732</td>
<td>17,580,826</td>
<td>18,165,482</td>
<td>6,732,971</td>
<td>7,571,578</td>
<td>14,609,680</td>
<td>3,615,214</td>
</tr>
<tr>
<td>2009</td>
<td>238,228</td>
<td>526,185</td>
<td>(116,072)</td>
<td>447,829</td>
<td>4,302</td>
<td>2,654</td>
<td>921</td>
<td>2,819</td>
<td></td>
</tr>
<tr>
<td>2010</td>
<td>377,222</td>
<td>38,004</td>
<td>310,695</td>
<td>362,871</td>
<td>460,329</td>
<td>528,414</td>
<td>410,442</td>
<td>716,967</td>
<td>722,887</td>
</tr>
<tr>
<td>2011</td>
<td>4,705</td>
<td>15,827</td>
<td>20,884</td>
<td>8,344</td>
<td>4,753</td>
<td>3,331</td>
<td>2,654</td>
<td>921</td>
<td>2,819</td>
</tr>
<tr>
<td>2012</td>
<td>238,228</td>
<td>526,185</td>
<td>(116,072)</td>
<td>447,829</td>
<td>4,302</td>
<td>2,654</td>
<td>921</td>
<td>2,819</td>
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<tr>
<td>2013</td>
<td>377,222</td>
<td>38,004</td>
<td>310,695</td>
<td>362,871</td>
<td>460,329</td>
<td>528,414</td>
<td>410,442</td>
<td>716,967</td>
<td>722,887</td>
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<tr>
<td>2014</td>
<td>4,705</td>
<td>15,827</td>
<td>20,884</td>
<td>8,344</td>
<td>4,753</td>
<td>3,331</td>
<td>2,654</td>
<td>921</td>
<td>2,819</td>
</tr>
<tr>
<td>2015</td>
<td>238,228</td>
<td>526,185</td>
<td>(116,072)</td>
<td>447,829</td>
<td>4,302</td>
<td>2,654</td>
<td>921</td>
<td>2,819</td>
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<tr>
<td>2016</td>
<td>377,222</td>
<td>38,004</td>
<td>310,695</td>
<td>362,871</td>
<td>460,329</td>
<td>528,414</td>
<td>410,442</td>
<td>716,967</td>
<td>722,887</td>
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</table>

### Note:

Only 9 years of data is presented in the Statistical Section. See Note 11 in the Financial Section for full disclosure.
## Broken Arrow Public Schools

**Fund Balances of Governmental Funds**

**Last Nine Fiscal Years**

*(modified accrual basis of accounting)*

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<td><strong>General Fund</strong></td>
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<td>Reserved</td>
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<tr>
<td>Unreserved</td>
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<td>9,410,693</td>
<td>10,878,215</td>
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<td>Nonspendable</td>
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<td>161,964</td>
<td>284,978</td>
<td>272,414</td>
<td>312,927</td>
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<tr>
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<td>117,317</td>
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<tr>
<td>Unassigned</td>
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<td></td>
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<td>10,878,215</td>
<td>18,541,950</td>
<td>21,836,922</td>
<td>19,936,710</td>
<td>17,386,308</td>
<td>14,607,849</td>
<td>13,192,980</td>
</tr>
</tbody>
</table>

|                |          |          |          |          |          |          |          |          |          |
| **All Other Governmental Funds** |          |          |          |          |          |          |          |          |          |
| Reserved, reported in: |          |          |          |          |          |          |          |          |          |
| Sinking fund    |          |          |          |          |          |          |          |          |          |
| Reserved for debt service | 10,009,258 | 13,273,470 | 16,211,858 | 16,777,580 |          |          |          |          |          |
| Bond funds      |          |          |          |          |          |          |          |          |          |
| Reserved for capital projects | 11,670,497 | 13,529,823 | 16,741,243 | 26,233,999 |          |          |          |          |          |
| Other governmental funds |          |          |          |          |          |          |          |          |          |
| Unreserved, reported in: |          |          |          |          |          |          |          |          |          |
| Building fund   |          |          |          |          |          |          |          |          |          |
| Other governmental funds | 1,108,060 | 1,291,353 | 1,858,942 | 2,336,858 |          |          |          |          |          |
| Nonspendable    |          |          |          |          |          |          |          |          |          |
| Restricted      |          |          |          |          |          | 52,202,982 | 50,911,640 | 43,937,170 | 45,964,574 |
| Committed       |          |          |          |          |          |          |          |          |          |
| Assigned        |          |          |          |          |          |          |          |          |          |
| Unassigned      |          |          |          |          |          | 143,945  | 147,182  | 3,316    |          |
| **Total all other governmental funds** | 24,464,548 | 30,422,292 | 37,092,454 | 48,162,129 | 52,202,982 | 50,911,640 | 44,081,115 | 46,151,756 | 38,047,676 |

**Note:** The District implemented GASB Statement No. 54 in 2012, resulting in the change in fund balance categories. Only 9 years of data is presented in the Statistical Section. See Note 11 in the Financial Section for full disclosure.
### Broken Arrow Public Schools

**Changes in Fund Balances of Governmental Funds**

**Last Nine Fiscal Years**

*(modified accrual basis of accounting)*

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenues</th>
<th>Expenditures</th>
<th>Excess (deficiency) of revenues over (under) expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Local sources</td>
<td>Intermediate sources</td>
<td>State sources</td>
</tr>
<tr>
<td>2008</td>
<td>$47,289,398</td>
<td>$3,409,448</td>
<td>$59,151,291</td>
</tr>
<tr>
<td>2009</td>
<td>$50,434,186</td>
<td>$3,433,650</td>
<td>$61,426,418</td>
</tr>
<tr>
<td>2011</td>
<td>$53,928,541</td>
<td>$3,891,556</td>
<td>$54,927,548</td>
</tr>
<tr>
<td>2012</td>
<td>$55,819,300</td>
<td>$3,905,726</td>
<td>$58,197,625</td>
</tr>
<tr>
<td>2013</td>
<td>$53,024,547</td>
<td>$4,220,581</td>
<td>$59,090,805</td>
</tr>
<tr>
<td>2014</td>
<td>$54,093,898</td>
<td>$4,163,544</td>
<td>$63,919,714</td>
</tr>
<tr>
<td>2015</td>
<td>$57,876,782</td>
<td>$4,365,060</td>
<td>$68,040,801</td>
</tr>
<tr>
<td>2016</td>
<td>$57,646,172</td>
<td>$4,573,947</td>
<td>$69,884,157</td>
</tr>
</tbody>
</table>
### Broken Arrow Public Schools
#### Changes in Fund Balances of Governmental Funds
**Last Nine Fiscal Years**
*modified accrual basis of accounting*

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Other financing sources (uses)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Issuance of debt</td>
<td>$23,100,000</td>
<td>$10,000,000</td>
<td>$19,000,000</td>
<td>$23,500,000</td>
<td>$20,500,000</td>
<td>$18,000,000</td>
<td>$21,613,300</td>
<td>$34,551,700</td>
<td>$23,925,000</td>
</tr>
<tr>
<td>Capital Leases</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(486,652)</td>
<td>3,500,000</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Premium on new issuance of debt</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>790,019</td>
<td>727,155</td>
<td>752,823</td>
<td>1,307,103</td>
</tr>
<tr>
<td>Proceeds on disposal of capital assets</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>114,259</td>
<td>139,493</td>
<td>32,222</td>
</tr>
<tr>
<td>Transfers in</td>
<td>744,310</td>
<td>1,918,251</td>
<td>1,300,920</td>
<td>988,726</td>
<td>-</td>
<td>-</td>
<td>140,000</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Transfers out</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>- (140,000)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total other financing sources (uses)</strong></td>
<td>23,844,310</td>
<td>11,918,251</td>
<td>20,300,920</td>
<td>24,488,726</td>
<td>21,290,019</td>
<td>18,240,503</td>
<td>25,980,382</td>
<td>35,998,297</td>
<td>25,347,929</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net changes in fund balances</strong></td>
<td>$2,596,834</td>
<td>$9,442,501</td>
<td>$8,137,684</td>
<td>$18,733,410</td>
<td>$10,005,572</td>
<td>$3,191,553</td>
<td>$9,380,928</td>
<td>$750,994</td>
<td>$9,518,949</td>
</tr>
</tbody>
</table>

Debt service as a percentage of noncapital expenditures\(^a\)

\(^a\)Noncapital 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.

**Note:** Only 9 years of data is presented in the Statistical Section. See Note 11 in the Financial Section for full disclosure.
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REVENUE CAPACITY
### Broken Arrow Public Schools

#### Assessed and Estimated Actual Value of Taxable Property

#### Last Nine Fiscal Years

<table>
<thead>
<tr>
<th>Fiscal Year Ended June 30th</th>
<th>Agriculture Assessed Value *</th>
<th>Commercial Property Assessed Value *</th>
<th>Residential Property Assessed Value *</th>
<th>Personal Property Net Assessed Value *</th>
<th>Public Service Property Assessed Value b</th>
<th>Total Net Assessed Value</th>
<th>Total Estimated Actual Value c</th>
<th>Ratio of Net Assessed Value to Total Estimated Actual Value</th>
<th>Total Direct Tax Rate d</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>$5,569,995</td>
<td>$80,653,472</td>
<td>$398,197,265</td>
<td>$53,927,308</td>
<td>$34,859,642</td>
<td>$573,207,682</td>
<td>$5,212,934,953</td>
<td>11.00%</td>
<td>$68.00</td>
</tr>
<tr>
<td>2009</td>
<td>6,010,342</td>
<td>87,029,692</td>
<td>429,677,540</td>
<td>56,988,436</td>
<td>35,199,606</td>
<td>614,905,616</td>
<td>5,592,219,497</td>
<td>11.00%</td>
<td>71.16</td>
</tr>
<tr>
<td>2010</td>
<td>6,387,442</td>
<td>92,490,096</td>
<td>456,636,302</td>
<td>60,148,019</td>
<td>37,125,687</td>
<td>652,787,546</td>
<td>5,960,056,518</td>
<td>10.95%</td>
<td>69.72</td>
</tr>
<tr>
<td>2012</td>
<td>6,917,221</td>
<td>100,161,291</td>
<td>494,510,044</td>
<td>62,450,345</td>
<td>36,694,573</td>
<td>700,733,473</td>
<td>6,403,085,486</td>
<td>10.94%</td>
<td>70.60</td>
</tr>
<tr>
<td>2013</td>
<td>7,073,275</td>
<td>102,420,961</td>
<td>505,666,349</td>
<td>67,790,732</td>
<td>38,357,583</td>
<td>721,308,901</td>
<td>6,602,257,029</td>
<td>10.93%</td>
<td>70.22</td>
</tr>
<tr>
<td>2014</td>
<td>7,292,368</td>
<td>105,593,423</td>
<td>521,329,229</td>
<td>80,940,052</td>
<td>36,992,320</td>
<td>752,147,392</td>
<td>6,891,879,682</td>
<td>10.91%</td>
<td>70.51</td>
</tr>
<tr>
<td>2015</td>
<td>7,571,784</td>
<td>107,639,361</td>
<td>543,304,579</td>
<td>77,554,379</td>
<td>32,953,314</td>
<td>769,023,417</td>
<td>7,069,347,080</td>
<td>10.88%</td>
<td>71.10</td>
</tr>
<tr>
<td>2016</td>
<td>7,582,194</td>
<td>107,617,112</td>
<td>575,970,648</td>
<td>82,030,524</td>
<td>26,793,531</td>
<td>799,994,008</td>
<td>7,383,360,050</td>
<td>10.84%</td>
<td>69.73</td>
</tr>
</tbody>
</table>

---

*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.

**Note:** Only 9 years of data is presented in the Statistical Section. See Note 11 in the Financial Section for full disclosure.

**Source:** Tulsa & Wagoner County Assessors
Broken Arrow Public Schools  
Direct and Overlapping Property Tax Rates  
Last Nine Fiscal Years

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>General</th>
<th>Building</th>
<th>Sinking</th>
<th>Total Direct Rates</th>
<th>Tulsa County</th>
<th>Tulsa Community College</th>
<th>Tulsa Vo-Tech</th>
<th>City of Broken Arrow</th>
<th>Total Direct &amp; Overlapping Rates</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>$36.40</td>
<td>$5.20</td>
<td>$26.40</td>
<td>$68.00</td>
<td>$22.21</td>
<td>$7.21</td>
<td>$13.33</td>
<td>$15.30</td>
<td>$194.05</td>
</tr>
<tr>
<td>2009</td>
<td>36.40</td>
<td>5.20</td>
<td>29.56</td>
<td>71.16</td>
<td>22.21</td>
<td>7.21</td>
<td>13.33</td>
<td>15.72</td>
<td>200.79</td>
</tr>
<tr>
<td>2010</td>
<td>36.40</td>
<td>5.20</td>
<td>28.12</td>
<td>69.72</td>
<td>22.21</td>
<td>7.21</td>
<td>13.33</td>
<td>15.98</td>
<td>198.17</td>
</tr>
<tr>
<td>2011</td>
<td>36.40</td>
<td>5.20</td>
<td>27.65</td>
<td>69.25</td>
<td>22.21</td>
<td>7.21</td>
<td>13.33</td>
<td>16.44</td>
<td>197.69</td>
</tr>
<tr>
<td>2012</td>
<td>36.40</td>
<td>5.20</td>
<td>29.00</td>
<td>70.60</td>
<td>22.24</td>
<td>7.21</td>
<td>13.33</td>
<td>17.13</td>
<td>206.11</td>
</tr>
<tr>
<td>2013</td>
<td>36.40</td>
<td>5.20</td>
<td>28.62</td>
<td>70.22</td>
<td>22.24</td>
<td>7.21</td>
<td>13.33</td>
<td>16.50</td>
<td>199.72</td>
</tr>
<tr>
<td>2014</td>
<td>36.40</td>
<td>5.20</td>
<td>28.91</td>
<td>70.51</td>
<td>22.23</td>
<td>7.21</td>
<td>13.33</td>
<td>17.32</td>
<td>201.11</td>
</tr>
<tr>
<td>2015</td>
<td>36.40</td>
<td>5.20</td>
<td>29.50</td>
<td>71.10</td>
<td>22.23</td>
<td>7.21</td>
<td>13.33</td>
<td>17.14</td>
<td>202.11</td>
</tr>
<tr>
<td>2016</td>
<td>36.40</td>
<td>5.20</td>
<td>28.13</td>
<td>69.73</td>
<td>22.79</td>
<td>7.21</td>
<td>13.33</td>
<td>17.10</td>
<td>199.89</td>
</tr>
</tbody>
</table>

Nine-Year Average $199.96

**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.

Only 9 years of data is presented in the Statistical Section. See Note 11 in the Financial Section for full disclosure.

**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 Eight Years Ago

<table>
<thead>
<tr>
<th>Taxpayer</th>
<th>Net Assessed Valuation</th>
<th>Percentage of District's Net Assessed Valuation</th>
<th>Rank</th>
<th>2008</th>
<th>Percentage of District's Net Assessed Valuation</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public Service Company of Oklahoma</td>
<td>$8,273,024</td>
<td>1.08%</td>
<td>1</td>
<td>$7,741,886</td>
<td>1.35%</td>
<td>1</td>
</tr>
<tr>
<td>Greens at Broken Arrow</td>
<td>5,652,176</td>
<td>0.73%</td>
<td>2</td>
<td>2,327,835</td>
<td>0.41%</td>
<td>5</td>
</tr>
<tr>
<td>Wal-Mart Stores</td>
<td>5,348,805</td>
<td>0.70%</td>
<td>3</td>
<td>4,999,454</td>
<td>0.87%</td>
<td>3</td>
</tr>
<tr>
<td>Valor Communications of Oklahoma</td>
<td>3,969,047</td>
<td>0.52%</td>
<td>4</td>
<td>5,869,392</td>
<td>1.02%</td>
<td>2</td>
</tr>
<tr>
<td>Park at Misson Hills</td>
<td>3,925,876</td>
<td>0.51%</td>
<td>5</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Flight Safety International</td>
<td>3,638,746</td>
<td>0.47%</td>
<td>6</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Auburndale Halifax Broken Arrow LLC</td>
<td>3,470,924</td>
<td>0.45%</td>
<td>7</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Oklahoma Natural Gas</td>
<td>2,839,375</td>
<td>0.37%</td>
<td>8</td>
<td>3,317,887</td>
<td>0.58%</td>
<td>4</td>
</tr>
<tr>
<td>LSREF2 Oreo (Heights) LLC</td>
<td>2,102,895</td>
<td>0.27%</td>
<td>9</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cox Communications</td>
<td>1,941,126</td>
<td>0.25%</td>
<td>10</td>
<td>2,111,693</td>
<td>0.37%</td>
<td>7</td>
</tr>
<tr>
<td>Lowe’s Home Center</td>
<td></td>
<td></td>
<td></td>
<td>1,662,201</td>
<td>0.29%</td>
<td>9</td>
</tr>
<tr>
<td>ORIX at Battle Creek LLC</td>
<td></td>
<td></td>
<td></td>
<td>2,324,575</td>
<td>0.41%</td>
<td>6</td>
</tr>
<tr>
<td>Roland Investments LTD</td>
<td></td>
<td></td>
<td></td>
<td>1,707,628</td>
<td>0.30%</td>
<td>8</td>
</tr>
<tr>
<td>PACCAR</td>
<td></td>
<td></td>
<td></td>
<td>1,260,646</td>
<td>0.22%</td>
<td>10</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$41,161,994</strong></td>
<td><strong>5.35%</strong></td>
<td></td>
<td><strong>$33,323,197</strong></td>
<td><strong>5.81%</strong></td>
<td></td>
</tr>
</tbody>
</table>

*Based on FY15-16 District Net Assessed Valuation of $799,994,008

*Based on FY07-08 District Net Assessed Valuation of $573,207,682

**Note:** Only 9 years of data is presented in the Statistical Section. See Note 11 in the Financial Section for full disclosure.

**Source:** Tulsa and Wagoner County Assessors
# Broken Arrow Public Schools

## Property Tax Levies and Collections

### Last Nine Fiscal Years

<table>
<thead>
<tr>
<th>Fiscal Year Ended June 30th</th>
<th>Taxes Levied for the Fiscal Year</th>
<th>Collected within the Fiscal Year of the Levy ( ^a )</th>
<th>Collected in Subsequent Years ( ^b )</th>
<th>Total Collections to Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>$38,922,705</td>
<td>$37,776,917 (97.06%)</td>
<td>$835,853</td>
<td>$38,612,770 (99.20%)</td>
</tr>
<tr>
<td>2009</td>
<td>43,699,361</td>
<td>42,415,079 (97.06%)</td>
<td>897,075</td>
<td>43,312,154 (99.11%)</td>
</tr>
<tr>
<td>2010</td>
<td>45,448,521</td>
<td>44,180,722 (97.21%)</td>
<td>951,925</td>
<td>45,312,154 (99.30%)</td>
</tr>
<tr>
<td>2011</td>
<td>47,093,194</td>
<td>45,916,477 (97.50%)</td>
<td>1,087,587</td>
<td>47,004,064 (99.81%)</td>
</tr>
<tr>
<td>2012</td>
<td>49,406,126</td>
<td>48,237,658 (97.63%)</td>
<td>1,096,157</td>
<td>49,333,815 (99.85%)</td>
</tr>
<tr>
<td>2013</td>
<td>50,582,304</td>
<td>49,326,775 (97.52%)</td>
<td>998,599</td>
<td>50,325,374 (99.49%)</td>
</tr>
<tr>
<td>2014</td>
<td>52,957,704</td>
<td>51,631,605 (97.50%)</td>
<td>1,050,963</td>
<td>52,682,567 (99.48%)</td>
</tr>
<tr>
<td>2015</td>
<td>54,599,566</td>
<td>53,295,303 (97.61%)</td>
<td>971,679</td>
<td>54,266,983 (99.39%)</td>
</tr>
<tr>
<td>2016</td>
<td>55,704,874</td>
<td>54,964,159 (98.67%)</td>
<td>996,621</td>
<td>55,960,780 (100.46%)</td>
</tr>
</tbody>
</table>

\( ^a \) 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.

**Note:** Only 9 years of data is presented in the Statistical Section. See Note 11 in the Financial Section for full disclosure.

**Source:** Tulsa and Wagoner County Treasurer’s records.
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DEBT CAPACITY
## Broken Arrow Public Schools
### Ratios of Outstanding Debt by Type
#### Last Nine Years

<table>
<thead>
<tr>
<th>Fiscal Year Ended June 30th</th>
<th>Governmental Activities General Obligation Bonds</th>
<th>Governmental Activities Capital Leases</th>
<th>Business-Type Activities General Obligation Bonds</th>
<th>Total District</th>
<th>Total Estimated Actual Value (^a)</th>
<th>Ratio of Outstanding Debt to Estimated Actual Value (^a)</th>
<th>Total Personal Income</th>
<th>Ratio of Outstanding Debt Per Personal Income</th>
<th>Average Daily Membership (ADM) (^b)</th>
<th>Ratio of Outstanding Debt Per Student (^b)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>$65,125,000</td>
<td>-</td>
<td>$65,125,000</td>
<td>$5,212,934,953</td>
<td>1.25%</td>
<td>$124,762,199</td>
<td>52.20%</td>
<td>124,762,199</td>
<td>52.20%</td>
<td>15,919</td>
</tr>
<tr>
<td>2009</td>
<td>62,850,000</td>
<td>-</td>
<td>62,850,000</td>
<td>5,592,219,497</td>
<td>1.12%</td>
<td>138,297,718</td>
<td>45.45%</td>
<td>138,297,718</td>
<td>45.45%</td>
<td>16,087</td>
</tr>
<tr>
<td>2010</td>
<td>66,425,000</td>
<td>-</td>
<td>66,425,000</td>
<td>5,960,056,518</td>
<td>1.11%</td>
<td>126,704,010</td>
<td>52.43%</td>
<td>126,704,010</td>
<td>52.43%</td>
<td>16,460</td>
</tr>
<tr>
<td>2011</td>
<td>74,000,000</td>
<td>-</td>
<td>74,000,000</td>
<td>6,213,429,439</td>
<td>1.19%</td>
<td>133,616,459</td>
<td>55.38%</td>
<td>133,616,459</td>
<td>55.38%</td>
<td>16,629</td>
</tr>
<tr>
<td>2012</td>
<td>75,750,000</td>
<td>-</td>
<td>75,750,000</td>
<td>6,403,085,486</td>
<td>1.18%</td>
<td>142,861,660</td>
<td>53.02%</td>
<td>142,861,660</td>
<td>53.02%</td>
<td>16,836</td>
</tr>
<tr>
<td>2013</td>
<td>73,602,155</td>
<td>1,013,348</td>
<td>74,615,503</td>
<td>6,602,257,029</td>
<td>1.13%</td>
<td>148,798,993</td>
<td>50.15%</td>
<td>148,798,993</td>
<td>50.15%</td>
<td>17,145</td>
</tr>
<tr>
<td>2014</td>
<td>75,642,649</td>
<td>4,013,468</td>
<td>79,656,117</td>
<td>6,891,879,682</td>
<td>1.16%</td>
<td>161,187,913</td>
<td>49.42%</td>
<td>161,187,913</td>
<td>49.42%</td>
<td>17,916</td>
</tr>
<tr>
<td>2015</td>
<td>88,817,178</td>
<td>3,124,376</td>
<td>91,941,554</td>
<td>7,069,347,080</td>
<td>1.30%</td>
<td>176,291,805</td>
<td>54.96%</td>
<td>176,291,805</td>
<td>54.96%</td>
<td>18,372</td>
</tr>
<tr>
<td>2016</td>
<td>91,495,050</td>
<td>-</td>
<td>91,495,050</td>
<td>7,383,360,050</td>
<td>1.24%</td>
<td>173,186,712</td>
<td>52.83%</td>
<td>173,186,712</td>
<td>52.83%</td>
<td>18,796</td>
</tr>
</tbody>
</table>

\(^a\) 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.

**Note:** Only 9 years of data is presented in the Statistical Section. See Note 11 in the Financial Section for full disclosure.

**Sources:**
- District records
- Oklahoma State Department of Education

---

118
### Broken Arrow Public Schools
#### Ratios of Net General Bonded Debt Outstanding
#### Last Nine Fiscal Years

<table>
<thead>
<tr>
<th>Fiscal Year Ended June 30th</th>
<th>General Obligation Bonds</th>
<th>Less Sinking Fund Balance</th>
<th>Net General Bonded Debt Outstanding</th>
<th>Total Estimated Actual Value</th>
<th>Ratio of Net Debt to Estimated Actual Valuation</th>
<th>Average Daily Membership (ADM)</th>
<th>Ratio of Net Debt Per Student</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>$ 65,125,000</td>
<td>$ 10,009,258</td>
<td>$ 55,115,742</td>
<td>$ 5,212,934,953</td>
<td>1.06%</td>
<td>15,919</td>
<td>$ 3,462</td>
</tr>
<tr>
<td>2009</td>
<td>62,850,000</td>
<td>13,273,470</td>
<td>49,576,530</td>
<td>5,592,219,497</td>
<td>0.89%</td>
<td>16,087</td>
<td>3,082</td>
</tr>
<tr>
<td>2010</td>
<td>66,425,000</td>
<td>16,211,858</td>
<td>50,213,142</td>
<td>5,960,056,518</td>
<td>0.84%</td>
<td>16,460</td>
<td>3,051</td>
</tr>
<tr>
<td>2011</td>
<td>74,000,000</td>
<td>16,774,232</td>
<td>57,225,768</td>
<td>6,213,429,439</td>
<td>0.92%</td>
<td>16,629</td>
<td>3,441</td>
</tr>
<tr>
<td>2012</td>
<td>75,750,000</td>
<td>16,216,368</td>
<td>59,533,632</td>
<td>6,403,085,486</td>
<td>0.93%</td>
<td>16,836</td>
<td>3,536</td>
</tr>
<tr>
<td>2013</td>
<td>73,602,155</td>
<td>15,080,820</td>
<td>58,521,335</td>
<td>6,602,257,029</td>
<td>0.89%</td>
<td>17,145</td>
<td>3,413</td>
</tr>
<tr>
<td>2014</td>
<td>75,642,649</td>
<td>15,515,172</td>
<td>60,127,477</td>
<td>6,891,879,682</td>
<td>0.87%</td>
<td>17,916</td>
<td>3,356</td>
</tr>
<tr>
<td>2015</td>
<td>88,817,178</td>
<td>15,657,564</td>
<td>73,159,614</td>
<td>7,069,347,080</td>
<td>1.03%</td>
<td>18,372</td>
<td>3,982</td>
</tr>
<tr>
<td>2016</td>
<td>91,495,050</td>
<td>16,234,350</td>
<td>75,260,700</td>
<td>7,383,360,050</td>
<td>1.02%</td>
<td>18,796</td>
<td>4,004</td>
</tr>
</tbody>
</table>

*Estimated actual valuation is taken from the table, Assessed and Estimated Actual Value of Taxable Property.*

*Per capital calculations are based on the final audited average daily membership (ADM) certified by the Oklahoma State Department of Education.*

**Note:** Only 9 years of data is presented in the Statistical Section. See Note 11 in the Financial Section for full disclosure.

**Sources:**
- District records
- Oklahoma State Department of Education

---

119
### Broken Arrow Public Schools
### Direct and Overlapping Governmental Activities Debt
### As of June 30, 2016

<table>
<thead>
<tr>
<th>Governmental Unit</th>
<th>Debt Outstanding</th>
<th>Estimated Percentage Applicable&lt;sup&gt;a&lt;/sup&gt;</th>
<th>Estimated Share of Direct and Overlapping Debt&lt;sup&gt;b&lt;/sup&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tulsa County</td>
<td>$90,105</td>
<td>9.76%</td>
<td>$8,794</td>
</tr>
<tr>
<td>Wagoner County</td>
<td>-</td>
<td>N/A</td>
<td>-</td>
</tr>
<tr>
<td>Tulsa Community College</td>
<td>-</td>
<td>N/A</td>
<td>-</td>
</tr>
<tr>
<td>Tulsa Vo-Tech #18</td>
<td>-</td>
<td>N/A</td>
<td>-</td>
</tr>
<tr>
<td>City of Broken Arrow</td>
<td>94,568,547</td>
<td>100.00%</td>
<td>94,568,547</td>
</tr>
<tr>
<td>City of Tulsa</td>
<td>436,879,961</td>
<td>0.68%</td>
<td>2,970,784</td>
</tr>
<tr>
<td>City of Coweta</td>
<td>-</td>
<td>N/A</td>
<td>-</td>
</tr>
<tr>
<td><strong>Subtotal, overlapping debt</strong></td>
<td></td>
<td></td>
<td><strong>97,548,125</strong></td>
</tr>
<tr>
<td><strong>District direct debt</strong>&lt;sup&gt;c&lt;/sup&gt;</td>
<td></td>
<td></td>
<td><strong>91,495,050</strong></td>
</tr>
<tr>
<td><strong>Total direct and overlapping debt</strong></td>
<td></td>
<td></td>
<td><strong>189,043,175</strong></td>
</tr>
</tbody>
</table>

<sup>a</sup> 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.

<sup>b</sup> 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.

<sup>c</sup> 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
### Legal Debt Margin Calculation for Fiscal Year 2016:

<table>
<thead>
<tr>
<th>Fiscal Year Ended June 30th</th>
<th>Net Assessed Valuation a</th>
<th>Legal Debt Limit 10% of Net Assessed Valuation b</th>
<th>Outstanding District Indebtedness</th>
<th>Less Sinking Fund Balance</th>
<th>Total Net Debt Subject to Legal Limit</th>
<th>Legal Debt Margin c</th>
<th>Total Net Debt Applicable to the Limit as a Percentage of Debt Limit</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>$ 573,207,682</td>
<td>$ 57,320,768</td>
<td>$ 65,125,000</td>
<td>$ 10,099,258</td>
<td>$ 55,115,742</td>
<td>$ 2,205,026</td>
<td>96.15%</td>
</tr>
<tr>
<td>2009</td>
<td>614,905,616</td>
<td>61,490,562</td>
<td>62,850,000</td>
<td>13,273,470</td>
<td>49,576,530</td>
<td>11,914,032</td>
<td>80.62%</td>
</tr>
<tr>
<td>2010</td>
<td>652,787,546</td>
<td>65,278,755</td>
<td>66,425,000</td>
<td>16,211,858</td>
<td>50,213,142</td>
<td>15,065,613</td>
<td>76.92%</td>
</tr>
<tr>
<td>2011</td>
<td>680,968,660</td>
<td>68,096,866</td>
<td>74,000,000</td>
<td>16,217,232</td>
<td>57,225,768</td>
<td>10,871,098</td>
<td>84.04%</td>
</tr>
<tr>
<td>2012</td>
<td>700,733,473</td>
<td>70,073,347</td>
<td>75,750,000</td>
<td>16,216,368</td>
<td>59,533,632</td>
<td>10,539,715</td>
<td>84.96%</td>
</tr>
<tr>
<td>2013</td>
<td>721,308,901</td>
<td>72,130,890</td>
<td>74,615,503</td>
<td>15,080,820</td>
<td>59,534,683</td>
<td>12,596,207</td>
<td>82.54%</td>
</tr>
<tr>
<td>2014</td>
<td>752,147,392</td>
<td>75,214,739</td>
<td>79,656,117</td>
<td>15,515,172</td>
<td>64,140,945</td>
<td>11,073,794</td>
<td>85.28%</td>
</tr>
<tr>
<td>2015</td>
<td>769,023,417</td>
<td>76,902,342</td>
<td>91,941,554</td>
<td>15,657,346</td>
<td>76,283,990</td>
<td>618,352</td>
<td>99.20%</td>
</tr>
<tr>
<td>2016</td>
<td>799,994,008</td>
<td>79,999,401</td>
<td>91,495,050</td>
<td>16,234,350</td>
<td>75,260,700</td>
<td>4,738,701</td>
<td>94.08%</td>
</tr>
</tbody>
</table>

\[a\] 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 taxable property in the District.

\[c\] The legal debt margin is the additional debt incurring capacity of the District as allowed by Oklahoma law.

**Note:** Only 9 years of data is presented in the Statistical Section. See Note 11 in the Financial Section for full disclosure.

**Sources:**
District financial records
Tulsa and Wagoner County Assessors
This page is intentionally left blank.
DEMOGRAPHIC and ECONOMIC INFORMATION
<table>
<thead>
<tr>
<th>Fiscal Year Ended June 30th</th>
<th>Total Personal Income</th>
<th>Real Per Capita Personal Income</th>
<th>Unemployment Rate</th>
<th>District Student Population</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>$124,762,199</td>
<td>$25,323</td>
<td>3.40%</td>
<td>15,919</td>
</tr>
<tr>
<td>2009</td>
<td>138,297,718</td>
<td>24,974</td>
<td>6.90%</td>
<td>16,087</td>
</tr>
<tr>
<td>2010</td>
<td>126,704,010</td>
<td>24,548</td>
<td>7.00%</td>
<td>16,460</td>
</tr>
<tr>
<td>2011</td>
<td>133,616,459</td>
<td>23,776</td>
<td>6.10%</td>
<td>16,629</td>
</tr>
<tr>
<td>2012</td>
<td>142,861,660</td>
<td>23,838</td>
<td>4.70%</td>
<td>16,836</td>
</tr>
<tr>
<td>2013</td>
<td>148,798,993</td>
<td>24,085</td>
<td>3.40%</td>
<td>17,145</td>
</tr>
<tr>
<td>2014</td>
<td>161,187,913</td>
<td>24,284</td>
<td>3.90%</td>
<td>17,916</td>
</tr>
<tr>
<td>2015</td>
<td>167,291,805</td>
<td>24,208</td>
<td>3.70%</td>
<td>18,372</td>
</tr>
<tr>
<td>2016</td>
<td>173,186,712</td>
<td>29,802</td>
<td>4.20%</td>
<td>18,796</td>
</tr>
</tbody>
</table>

*a* US Census Bureau  
*b* Oklahoma Employment Security Commission  
*c* US Bureau of Economic Analysis  
*d* District records average daily membership  

**Note:** Only 9 years of data is presented in the Statistical Section. See Note 11 in the Financial Section for full disclosure.
# Broken Arrow Public Schools
## Broken Arrow Area Principal Employers
### Current Year and Eight Years Ago

<table>
<thead>
<tr>
<th>Employer</th>
<th>2016 Employees</th>
<th>2016 Percentage of Total Employment</th>
<th>2008 Employees</th>
<th>2008 Percentage of Total Employment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Broken Arrow Public Schools</td>
<td>2,221</td>
<td>2.08%</td>
<td>2,034</td>
<td>2.07%</td>
</tr>
<tr>
<td>Walmart</td>
<td>900</td>
<td>0.84%</td>
<td>1,323</td>
<td>1.35%</td>
</tr>
<tr>
<td>Northeastern State University</td>
<td>800</td>
<td>0.75%</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Flight Safety International</td>
<td>715</td>
<td>0.67%</td>
<td>650</td>
<td>0.66%</td>
</tr>
<tr>
<td>City of Broken Arrow</td>
<td>675</td>
<td>0.63%</td>
<td>746</td>
<td>0.76%</td>
</tr>
<tr>
<td>Zeeco</td>
<td>487</td>
<td>0.46%</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Oklahoma Healthcare Services</td>
<td>460</td>
<td>0.43%</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Exterran, Inc.</td>
<td>350</td>
<td>0.33%</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>MicahTek, Inc.</td>
<td>350</td>
<td>0.33%</td>
<td>375</td>
<td>0.38%</td>
</tr>
<tr>
<td>McDaniel Technical Services</td>
<td>325</td>
<td>0.30%</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>A G Equipment Co.</td>
<td>322</td>
<td>0.30%</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Rhema Bible Church</td>
<td>287</td>
<td>0.27%</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Davis H. Elliot/Oklahoma Inc.</td>
<td>275</td>
<td>0.26%</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Baker Hughes Oilfield Ops.</td>
<td>270</td>
<td>0.25%</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>St. John Broken Arrow</td>
<td>250</td>
<td>0.23%</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>8,687</td>
<td>8.15%</td>
<td>5,128</td>
<td>5.21%</td>
</tr>
</tbody>
</table>

**Sources:**
- a Broken Arrow Chamber of Commerce
- b Based on US Census Bureau population of 106,563
- c Based on US Census Bureau population of 98,354

**Note:** Of the 15 top employers only 5 were in the top 15 in 2008 for comparison purposes.
**Broken Arrow Public Schools**  
**Full-Time Equivalent District Employees by Type**  
**Last Nine Fiscal Years**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Principals</td>
<td>26</td>
<td>27</td>
<td>27</td>
<td>27</td>
<td>25</td>
<td>25</td>
<td>28</td>
<td>28</td>
<td>29</td>
<td>7.69%</td>
</tr>
<tr>
<td>Assistant Principals</td>
<td>23</td>
<td>23</td>
<td>20</td>
<td>22</td>
<td>26</td>
<td>26</td>
<td>25</td>
<td>29</td>
<td>28</td>
<td>26.09%</td>
</tr>
<tr>
<td>Total supervisory</td>
<td>49</td>
<td>50</td>
<td>47</td>
<td>49</td>
<td>51</td>
<td>51</td>
<td>53</td>
<td>57</td>
<td>57</td>
<td>16.33%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Instruction</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th>Percentage Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Teachers</td>
<td>837</td>
<td>806</td>
<td>785</td>
<td>858</td>
<td>875</td>
<td>873</td>
<td>946</td>
<td>1,068</td>
<td>1,090</td>
<td>27.60%</td>
</tr>
<tr>
<td>Other professionals</td>
<td>200</td>
<td>198</td>
<td>193</td>
<td>149</td>
<td>146</td>
<td>150</td>
<td>149</td>
<td>122</td>
<td>113</td>
<td>-39.00%</td>
</tr>
<tr>
<td>Aides</td>
<td>94</td>
<td>110</td>
<td>102</td>
<td>102</td>
<td>98</td>
<td>95</td>
<td>135</td>
<td>239</td>
<td>435</td>
<td>154.26%</td>
</tr>
<tr>
<td>Total instruction</td>
<td>1,131</td>
<td>1,114</td>
<td>1,080</td>
<td>1,109</td>
<td>1,119</td>
<td>1,118</td>
<td>1,230</td>
<td>1,429</td>
<td>1,638</td>
<td>26.35%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Student Services</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th>Percentage Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Librarians</td>
<td>23</td>
<td>24</td>
<td>24</td>
<td>24</td>
<td>24</td>
<td>23</td>
<td>21</td>
<td>18</td>
<td></td>
<td>-8.70%</td>
</tr>
<tr>
<td>Technicians</td>
<td>36</td>
<td>44</td>
<td>41</td>
<td>35</td>
<td>34</td>
<td>44</td>
<td>67</td>
<td>54</td>
<td>23</td>
<td>50.00%</td>
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<tr>
<td>Social Workers/ Counselors</td>
<td>40</td>
<td>56</td>
<td>41</td>
<td>70</td>
<td>73</td>
<td>67</td>
<td>42</td>
<td>39</td>
<td></td>
<td>-2.50%</td>
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<tr>
<td>Total student services</td>
<td>99</td>
<td>124</td>
<td>119</td>
<td>129</td>
<td>131</td>
<td>144</td>
<td>165</td>
<td>114</td>
<td>83</td>
<td>15.15%</td>
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</table>

<table>
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<tr>
<th>Support and Administration *</th>
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<th></th>
<th></th>
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<th>Percentage Change</th>
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<td>Office</td>
<td>259</td>
<td>281</td>
<td>276</td>
<td>281</td>
<td>277</td>
<td>246</td>
<td>250</td>
<td>184</td>
<td>209</td>
<td>-28.96%</td>
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<tr>
<td>Maintenance</td>
<td>165</td>
<td>146</td>
<td>134</td>
<td>153</td>
<td>150</td>
<td>146</td>
<td>172</td>
<td>195</td>
<td>231</td>
<td>18.18%</td>
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<tr>
<td>Food Service</td>
<td>111</td>
<td>121</td>
<td>114</td>
<td>113</td>
<td>114</td>
<td>141</td>
<td>153</td>
<td>83</td>
<td>238</td>
<td>-25.23%</td>
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<td>Transportation</td>
<td>136</td>
<td>147</td>
<td>143</td>
<td>171</td>
<td>170</td>
<td>175</td>
<td>170</td>
<td>159</td>
<td>237</td>
<td>16.91%</td>
</tr>
<tr>
<td>Total support and administration</td>
<td>671</td>
<td>695</td>
<td>667</td>
<td>718</td>
<td>711</td>
<td>708</td>
<td>745</td>
<td>621</td>
<td>915</td>
<td>-7.45%</td>
</tr>
</tbody>
</table>

| Total                            | 1,950| 1,983| 1,913| 2,005| 2,012| 2,021| 2,193| 2,221| 2,693| 13.90%            |

**Source:** State Department of Education and District records

* Total Support and Administration does not include instructional support personnel or principals/assistant principals.

**Note:** Only 9 years of data is presented in the Statistical Section. See Note 11 in the Financial Section for full disclosure.
## Broken Arrow Public Schools
### Capital Assets by Function and Activity
#### Last Nine Fiscal Years

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</thead>
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<tr>
<td><strong>Governmental Activities</strong></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Instruction</td>
<td>$ 151,819,800</td>
<td>$ 156,398,025</td>
<td>$ 157,122,239</td>
<td>$ 167,357,145</td>
<td>$ 177,962,564</td>
<td>$ 185,376,462</td>
<td>$ 204,322,573</td>
<td>$ 226,222,682</td>
<td>$ 249,359,547</td>
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<td>Student</td>
<td>872,796</td>
<td>898,219</td>
<td>908,414</td>
<td>941,142</td>
<td>957,892</td>
<td>2,457,892</td>
<td>6,200,306</td>
<td>6,258,506</td>
<td>6,258,506</td>
</tr>
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<td>Instructional support</td>
<td>1,788,640</td>
<td>1,788,640</td>
<td>1,788,639</td>
<td>1,799,376</td>
<td>1,902,988</td>
<td>2,307,628</td>
<td>3,067,692</td>
<td>4,005,821</td>
<td>4,880,445</td>
</tr>
<tr>
<td>General administration</td>
<td>121,053</td>
<td>121,053</td>
<td>121,053</td>
<td>121,053</td>
<td>163,032</td>
<td>163,032</td>
<td>163,032</td>
<td>176,427</td>
<td>176,427</td>
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<tr>
<td>School administration</td>
<td>726,320</td>
<td>726,320</td>
<td>747,575</td>
<td>747,575</td>
<td>747,575</td>
<td>747,575</td>
<td>812,784</td>
<td>975,507</td>
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</tr>
<tr>
<td>Business</td>
<td>800,627</td>
<td>1,117,041</td>
<td>6,821,682</td>
<td>6,919,619</td>
<td>8,284,960</td>
<td>8,891,941</td>
<td>9,866,374</td>
<td>10,649,898</td>
<td>10,649,898</td>
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<tr>
<td>Operations and maintenance</td>
<td>1,242,654</td>
<td>1,388,662</td>
<td>1,614,769</td>
<td>1,677,952</td>
<td>2,188,376</td>
<td>3,368,270</td>
<td>5,480,740</td>
<td>6,605,416</td>
<td>10,978,022</td>
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<tr>
<td>Non-instructional</td>
<td>731,607</td>
<td>731,607</td>
<td>1,071,120</td>
<td>1,097,086</td>
<td>1,097,086</td>
<td>1,102,205</td>
<td>1,102,204</td>
<td>1,102,204</td>
<td>1,102,204</td>
</tr>
<tr>
<td>Other-unclassified</td>
<td>47,811</td>
<td>47,810</td>
<td>47,810</td>
<td>86,508</td>
<td>86,508</td>
<td>86,508</td>
<td>86,509</td>
<td>86,509</td>
<td>86,509</td>
</tr>
<tr>
<td>Total Governmental Activities</td>
<td>159,057,474</td>
<td>164,424,443</td>
<td>173,417,118</td>
<td>183,921,273</td>
<td>196,655,762</td>
<td>208,641,127</td>
<td>235,370,939</td>
<td>261,337,209</td>
<td>290,747,435</td>
</tr>
</tbody>
</table>

| **Business-Type Activities**<sup>a</sup> |      |      |      |      |      |      |      |      |      |
| Child nutrition services      | - | - | - | - | 354,727 | 725,774 | 1,526,603 | 4,002,097 | 4,240,587 |


<sup>a</sup>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.

**Note:** See Note 4 in the Financial Section for full details on capital assets.

Only 9 years of data is presented in the Statistical Section. See Note 11 in the Financial Section for full disclosure.

**Source:** District Records
## Broken Arrow Public Schools
### Employee Information
#### Last Nine Fiscal Years

<table>
<thead>
<tr>
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<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Bachelor’s</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Minimum Salary</td>
<td>$30,686</td>
<td>$30,686</td>
<td>$30,686</td>
<td>$29,525</td>
<td>$29,525</td>
<td>$29,525</td>
<td>$29,525</td>
<td>$29,525</td>
<td>$29,525</td>
</tr>
<tr>
<td>Maximum Salary</td>
<td>$42,122</td>
<td>$41,272</td>
<td>$41,460</td>
<td>$41,560</td>
<td>$41,560</td>
<td>$41,123</td>
<td>$44,222</td>
<td>$44,822</td>
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</tr>
<tr>
<td>Number of Teachers</td>
<td>778</td>
<td>704</td>
<td>777</td>
<td>745</td>
<td>792</td>
<td>824</td>
<td>845</td>
<td>856</td>
<td>730</td>
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<tr>
<td>Master’s</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Minimum Salary</td>
<td>$31,967</td>
<td>$31,967</td>
<td>$31,967</td>
<td>$30,806</td>
<td>$30,806</td>
<td>$30,806</td>
<td>$30,806</td>
<td>$30,806</td>
<td>$30,806</td>
</tr>
<tr>
<td>Maximum Salary</td>
<td>$45,703</td>
<td>$44,428</td>
<td>$44,653</td>
<td>$44,753</td>
<td>$44,753</td>
<td>$45,428</td>
<td>$48,053</td>
<td>$48,728</td>
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<tr>
<td>Average Salary</td>
<td>$38,835</td>
<td>$38,197</td>
<td>$38,310</td>
<td>$37,779</td>
<td>$37,780</td>
<td>$38,117</td>
<td>$38,830</td>
<td>$38,687</td>
<td></td>
</tr>
<tr>
<td>Number of Teachers</td>
<td>361</td>
<td>304</td>
<td>331</td>
<td>322</td>
<td>328</td>
<td>323</td>
<td>342</td>
<td>317</td>
<td>292</td>
</tr>
<tr>
<td>Doctor’s</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Minimum Salary</td>
<td>$33,298</td>
<td>$33,298</td>
<td>$33,298</td>
<td>$32,137</td>
<td>$32,137</td>
<td>$32,137</td>
<td>$32,137</td>
<td>$35,909</td>
<td></td>
</tr>
<tr>
<td>Maximum Salary</td>
<td>$46,959</td>
<td>$46,959</td>
<td>$47,184</td>
<td>$47,284</td>
<td>$47,284</td>
<td>$47,959</td>
<td>$42,559</td>
<td>$42,559</td>
<td></td>
</tr>
<tr>
<td>Average Salary</td>
<td>$40,128</td>
<td>$40,129</td>
<td>$40,241</td>
<td>$39,711</td>
<td>$39,711</td>
<td>$40,048</td>
<td>$36,844</td>
<td>$38,500</td>
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</tr>
<tr>
<td>Number of Teachers</td>
<td>4</td>
<td>5</td>
<td>7</td>
<td>7</td>
<td>9</td>
<td>5</td>
<td>5</td>
<td>6</td>
<td></td>
</tr>
<tr>
<td>Total Certified Personnel</td>
<td>1,143</td>
<td>1,013</td>
<td>1,115</td>
<td>1,074</td>
<td>1,129</td>
<td>1,152</td>
<td>1,193</td>
<td>1,178</td>
<td>1,028</td>
</tr>
</tbody>
</table>

| Support Personnel   |         |         |         |         |         |         |         |         |         |
| Number of Support    | 717     | 885     | 710     | 847     | 797     | 781     | 912     | 942     | 1,582   |

| Administrative Personnel |         |         |         |         |         |         |         |         |         |
| Number of Administrators | 90      | 85      | 88      | 84      | 86      | 88      | 88      | 101     | 83      |

*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.

**Note:** Only 9 years of data is presented in the Statistical Section. See Note 11 in the Financial Section for full disclosure.

**Source:** District records
## Broken Arrow Public Schools
### Operating Statistics
#### Last Nine Fiscal Years

<table>
<thead>
<tr>
<th>Fiscal Year Ended June 30th</th>
<th>Average Daily Membership (ADM)</th>
<th>Operating Expenditures $</th>
<th>Cost per Pupil</th>
<th>Percentage Change</th>
<th>Teaching Staff</th>
<th>Pupil/Teacher Ratio</th>
<th>Percentage of Students Receiving Free or Reduced - Price Meals</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>15,919</td>
<td>$111,231,056</td>
<td>$6,987</td>
<td>N/A</td>
<td>837</td>
<td>22:1</td>
<td>33.00%</td>
</tr>
<tr>
<td>2009</td>
<td>16,087</td>
<td>112,217,588</td>
<td>6,976</td>
<td>-1.39%</td>
<td>806</td>
<td>23:1</td>
<td>31.80%</td>
</tr>
<tr>
<td>2010</td>
<td>16,460</td>
<td>117,999,304</td>
<td>7,169</td>
<td>4.08%</td>
<td>785</td>
<td>25:1</td>
<td>38.00%</td>
</tr>
<tr>
<td>2011</td>
<td>16,629</td>
<td>111,699,009</td>
<td>6,717</td>
<td>-6.50%</td>
<td>858</td>
<td>24:1</td>
<td>39.80%</td>
</tr>
<tr>
<td>2012</td>
<td>16,836</td>
<td>119,769,371</td>
<td>7,114</td>
<td>5.37%</td>
<td>875</td>
<td>23:1</td>
<td>38.40%</td>
</tr>
<tr>
<td>2013</td>
<td>17,145</td>
<td>118,385,496</td>
<td>6,905</td>
<td>3.03%</td>
<td>873</td>
<td>21:1</td>
<td>41.00%</td>
</tr>
<tr>
<td>2014</td>
<td>17,916</td>
<td>131,100,328</td>
<td>7,317</td>
<td>-5.63%</td>
<td>946</td>
<td>24:1</td>
<td>42.00%</td>
</tr>
<tr>
<td>2015</td>
<td>18,372</td>
<td>132,538,686</td>
<td>7,214</td>
<td>1.43%</td>
<td>1,068</td>
<td>24:1</td>
<td>42.00%</td>
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<tr>
<td>2016</td>
<td>18,796</td>
<td>145,922,328</td>
<td>7,764</td>
<td>-1.07%</td>
<td>1,090</td>
<td>24:1</td>
<td>42.00%</td>
</tr>
</tbody>
</table>

* Final Audited average daily membership (ADM) obtained from the Oklahoma State Department of Education.

* Operating expenditures are the total expenses of the District as reported in the Government-Wide Statement of Activities.

* 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.

* Teaching staff includes all certified personnel whose pay is based on the Broken Arrow Education Association's contract.

* Percentage of free or reduced students obtained from District records maintained by the Child Nutrition Department.

**Note:** Only 9 years of data is presented in the Statistical Section. See Note 11 in the Financial Section for full disclosure.
## Broken Arrow Public Schools
### School Building Information
### Last Nine Fiscal Years

**Fiscal Year Ending June 30th**

### Early Childhood Center

<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>Arrow Springs (2014) *</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Square Feet</td>
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<td>Capacity</td>
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</tr>
<tr>
<td>Enrollment</td>
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<tr>
<td>Aspen Creek (2013)</td>
<td>-</td>
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<tr>
<td>Square Feet</td>
<td>-</td>
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<tr>
<td>Capacity</td>
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<tr>
<td>Creekwood (2013)</td>
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<tr>
<td>Square Feet</td>
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<tr>
<td>Capacity</td>
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<tr>
<td>Park Lane (2013)</td>
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<tr>
<td>Square Feet</td>
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<td>-</td>
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</tr>
<tr>
<td>Capacity</td>
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<tr>
<td>Enrollment</td>
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</tbody>
</table>

### Elementary

<table>
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<tbody>
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<td>Arrow Springs (1981) *</td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Square Feet</td>
<td>38,783</td>
<td>38,783</td>
<td>38,783</td>
<td>38,783</td>
<td>38,783</td>
<td>38,783</td>
<td>38,783</td>
<td>38,783</td>
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</tr>
<tr>
<td>Capacity</td>
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<td>648</td>
<td>648</td>
<td>648</td>
<td>648</td>
<td>432</td>
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<tr>
<td>Enrollment</td>
<td>393</td>
<td>407</td>
<td>410</td>
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### Broken Arrow Public Schools

#### School Building Information

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**Fiscal Year Ending June 30th**

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*Square feet and capacity data rounded to the nearest square foot.*

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132
# Broken Arrow Public Schools
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Broken Arrow Public Schools
School Building Information
Last Nine Fiscal Years

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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.

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.

Notes: Only 9 years of data is presented in the Statistical Section. See Note 11 in the Financial Section for full disclosure.

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, Student Services, Chuck Perry, 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 Director of Special Education, Debbie Renz, 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 Athletic Director, Melenda Knight, should be contacted at 918-259-4310 or at 1901 E. Albany, 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, Michelle Bergwall, 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, the Executive Director of Human Resources, Ed Fager, 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 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