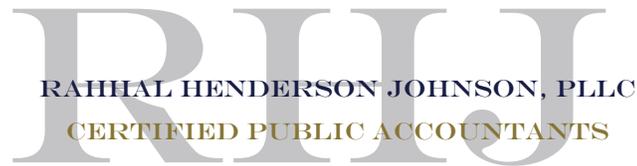


Town of Bromide, Oklahoma
Agreed-Upon Procedures Report
Year-End June 30, 2011

RHJ

TOWN OF BROMIDE, OKLAHOMA
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Independent Accountant's Report on Applying Agreed-Upon Procedures

To the Specified Users of the Report:

Town Council, Town of Bromide
Bromide, Oklahoma

Oklahoma Office of State Auditor and Inspector
Oklahoma City, Oklahoma

Oklahoma Department of Commerce
Oklahoma City, Oklahoma

We have compiled the accompanying Summary of Changes in Fund Balances – Cash Basis of the Town of Bromide, Oklahoma, as of June 30, 2011, and the Budgetary Comparison Schedule of General Fund – Cash Basis, and Budgetary Comparison Schedule of CDBG Grant Fund – Cash Basis for the fiscal year ended June 30, 2011 and the accompanying supplementary information contained in Exhibit C which are presented only for supplementary analysis purposes, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with cash basis accounting, and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

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The accompanying statements were prepared for the purpose of complying with financial accountability requirements as prescribed by Oklahoma Statutes Title 11 – 17(105-107) and Title 60 – 180.1-3. This is not intended to be a complete presentation of the Town of Bromide’s assets and liabilities.

Additionally, we have performed the procedures enumerated below which were agreed to by the Town Council of the Town of Bromide, and as defined within the applicable state laws of the State of Oklahoma solely to assist the Town in meeting its financial accountability requirements as prescribed by Oklahoma Statutes Title 11 – 17 (105-107) and 60 – 180.1-3 and to evaluate compliance with specified legal or contractual requirements for the fiscal year ended June 30, 2011.

Management of the Town of Bromide is responsible for the Town’s financial accountability and its compliance with those legal and contractual requirements. This agreed upon procedures engagement was conducted in accordance with the attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Procedures and Findings

As to the **Town of Bromide** as of and for the fiscal year ended June 30, 2011:

1. ***Procedures Performed:*** From the Town’s trial balances, we prepared a schedule of changes in fund balances for each fund (see accompanying Exhibit A) and compared the schedule results to the statutory prohibition of creating fund balance deficits to report any noted instances of noncompliance.

No exceptions were found as a result of applying the procedure.

2. ***Procedures Performed:*** From the Town’s trial balances, we prepared a budget and actual financial schedule for the General Fund and CDBG Grant Fund (see accompanying Exhibits B and B-1) and compared the actual expenditures of encumbrances reported to the authorized appropriations to report any noted instances of noncompliance with the appropriation limitations.

No exceptions were found as a result of applying the procedure.

3. ***Procedures Performed:*** We agreed the Town’s bank account balances to bank statements and traced the timely clearance of items larger than \$1,000 to report any reconciling items that have not cleared.

No exceptions were found as a result of applying the procedure.

4. ***Procedures Performed:*** We compared the Town's uninsured deposits to fair value of pledged collateral to report any amounts of uninsured and uncollateralized deposits.

No exceptions were found as a result of applying the procedure.

5. ***Procedures Performed:*** We compared use of restricted revenues and resources to their restrictions to report any noted instances of noncompliance.

No exceptions were found as a result of applying the procedure.

6. ***Procedures Performed:*** We compared the accounting for the Town's activities by fund to the legal and contractual requirements for separate funds to report any noted instances of noncompliance.

No exceptions were found as a result of applying the procedure.

7. ***Procedures Performed:*** Determine compliance with reserve accounts and debt service coverage requirement of bond indentures.

This procedure was not performed. The Town of Bromide has no debt service or reserve account requirements.

As to the **Town of Bromide** as of and for the fiscal year ended June 30, 2011:

1. ***Procedures Performed:*** From the Town's and Authority's trial balances, we prepared a schedule of grant activity for each grant/contract and compared the receipts and disbursements to grant agreements and supporting information to report any noted instances of noncompliance with the grant agreement.

See attached Exhibit C.

2. ***Procedures Performed:*** From the Town's and Authority's trial balances, we compiled the Annual Survey of Town and Town Finances (SA&I 2643) as described in Oklahoma Statutes 11-17-105.1. We agreed the trial balance amounts for utility billings to the billing system. We reconciled wages per the general ledger to IRS Forms 941.

No exceptions were found as a result of applying the procedure.

We were not engaged to, and did not, conduct an audit, the objective of which would be the expression of an opinion on the accounting records. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the specified users, as identified above, and is not intended to be and should not be used by anyone other than those specified parties.

Rahhal Henderson Johnson PLLC

June 6, 2012
Ardmore, Oklahoma

Town of Bromide
 Summary of Changes in Fund Balances – Cash Basis
 For the Year Ended June 30, 2011

EXHIBIT A

	<u>Fund Balances</u> <u>Beginning</u>	<u>Inflows</u>	<u>Outflows</u>	<u>Fund Balances</u> <u>Ending</u>
<i>CITY:</i>				
General Fund	\$ 5,541	\$ 5,941	\$ 5,322	\$ 6,160
Street and Alley	3,196	1,184	2,068	2,312
Volunteer Fire	7,437	4,397	8,190	3,644
CDBG Grant	<u>400</u>	<u>225,099</u>	<u>225,499</u>	<u>-</u>
 Total	 <u>\$ 16,574</u>	 <u>\$ 236,621</u>	 <u>\$ 241,079</u>	 <u>\$ 12,116</u>

See Accompanying Independent Accountant's Report

Town of Bromide
 Budgetary Comparison Schedule – Cash Basis
 General Fund
 For the Year Ended June 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
Beginning Budgetary Fund Balance:	\$ 940	\$ 940	\$ 5,541	\$ 4,601
Resources (Inflows):				
Alcoholic Beverage Tax	2,060	2,060	2,306	246
Franchise	1,700	1,700	2,073	373
Gasoline Excise	300	300	181	(119)
Interest	-	-	1	1
Rent	<u>1,400</u>	<u>1,400</u>	<u>1,380</u>	<u>(20)</u>
Total Inflows	<u>6,400</u>	<u>6,400</u>	<u>11,482</u>	<u>5,082</u>
Charges to Appropriations (Outflows):				
General Government	<u>6,400</u>	<u>6,400</u>	<u>5,322</u>	<u>1,078</u>
Total Outflows	<u>6,400</u>	<u>6,400</u>	<u>5,322</u>	<u>1,078</u>
Excess of Inflows over Outflows before Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>6,160</u>	<u>6,160</u>
Ending Budgetary Fund Balance:	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,160</u>	<u>\$ 6,160</u>

See Accompanying Independent Accountant's Report

EXHIBIT B-1

Town of Bromide
 Budgetary Comparison Schedule – Cash Basis
 CDBG Grant Fund
 For the Year Ended June 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Beginning Budgetary Fund Balance:	\$ -	\$ -	\$ 400	\$ 400
Resources (Inflows):				
Grant Revenue	<u>250,000</u>	<u>250,000</u>	<u>225,099</u>	<u>(24,901)</u>
Total Inflows	<u>250,000</u>	<u>250,000</u>	<u>225,499</u>	<u>(24,501)</u>
Charges to Appropriations (Outflows):				
Grant Expenditures	<u>250,000</u>	<u>250,000</u>	<u>225,499</u>	<u>24,501</u>
Total Outflows	<u>250,000</u>	<u>250,000</u>	<u>225,499</u>	<u>24,501</u>
Excess of Inflows over Outflows before Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Ending Budgetary Fund Balance:	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See Accompanying Independent Accountant's Report

Town of Bromide
 Schedule of Grant Activity
 Cash Basis
 For the Year Ended June 30, 2011

EXHIBIT C

<u>Agency</u>	<u>Grant Number</u>	<u>Award Amount</u>	<u>Received Current Year</u>	<u>Expenditures Current Year</u>
Oklahoma Department of Commerce	09 CDBG 13671	\$ 229,128	\$ 225,099	\$ 225,499
Oklahoma Department of Wildlife	Fire Grant	4,398	4,398	4,398

See Accompanying Independent Accountant's Report