

**TOWN OF BROMIDE**  
**June 30, 2016**

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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 Department of Commerce  
Oklahoma City, Oklahoma

Oklahoma Office of the State Auditor and Inspector  
Oklahoma City, Oklahoma

Management is responsible for the accompanying financial statements of the Town of Bromide, which are comprised of the Summary of Changes in Fund Balances-Cash Basis, the Budgetary Comparison Schedule for the General Fund-Cash Basis, the Budgetary Comparison Schedule for the CDBG Grant-Cash Basis, the Budgetary Comparison Schedule for the Volunteer Firefighters Fund-Cash Basis, the Budgetary Comparison Schedule for the Street and Alley Fund-Cash Basis and the Schedule of Grant Activity-Cash Basis for the fiscal year ended June 30, 2016 and for determining that the cash basis of accounting is an acceptable financial reporting framework. The financial statements and schedules have been prepared in a format and basis of accounting, as prescribed by Oklahoma statutes, that demonstrates compliance with the cash basis and budget laws of the State of Oklahoma applicable to municipalities and the presentation requirements prescribed in Oklahoma Statutes §11-17.105-.107 and §60-180.1-.3. We have performed a compilation engagement in accordance with the Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the accompanying financial statements and schedules nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements or schedules.

The financial statements are prepared in accordance with the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

Management has elected to omit substantially all of the disclosures ordinarily included in financial statements prepared in accordance with the cash basis of accounting. If the omitted disclosures were included in the financial statements and schedules, they might

influence the user's conclusions about the Town's assets, liabilities, fund balances, revenues and expenses. Accordingly, these financial statements are not designed for those who are not informed about such matters.

Additionally, we have performed the procedures enumerated below which were agreed to by the specified users of the report, as identified above, 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, 2016. 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 attestation standards established by the American Institute of Certified Public Accountants and additional requirements prescribed by Oklahoma Statutes.

The sufficiency of these procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purposes 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, 2016:

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

*Findings: The CDGB Grant fund had a deficit balance of \$15 at yearend. The bank charged a \$7.50 per month service charge for the last two month of the fiscal year. The City Clerk believes the bank will reimburse the service charges.*

2. **Procedures Performed:** From the Town's trial balances, we prepared a budget and actual financial schedule for the General Fund and any other significant funds (any fund whose revenues, expenditures or ending fund balance exceeds 10% of Towns total revenues, expenditures or fund balances) listing separately each federal fund (see accompanying C-1, C-2, C-3 and C-4) and compared the actual expenditures reported to the authorized appropriations to report any noted instances of noncompliance with the appropriate limitations.

*Findings: 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.

*Findings: The Town's CDBG account had a negative \$15.00 balance that was not reflected in the Town's internal financial statements. The bank for the last two months of the year charged \$7.50 apparently due to the account not having a balance. The Town Clerk believes the bank will remove these charges.*

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.

*Findings: 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.

*Findings: We noted that the current year gasoline tax was deposited in the General Fund instead of the Street and Alley Fund where the Town pays for street related expenses. Prior year's collections were transferred from the General Fund to the Street and Alley.*

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.

*Findings: 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.

*Findings: There are no debt service coverage requirements.*

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

*Findings: 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. Also we are not responsible to update the Town's report for developments subsequent to this report.

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.

*Angel, Johnston + Blasingame, P.C.*

Angel, Johnston and Blasingame, P.C.  
October 4, 2016



**Town of Bromide, Oklahoma**  
**Summary of Changes in Fund Balance-Cash Basis**  
**For the Year Ending June 30, 2016**

	<u>Fund Balances Beginning</u>	<u>Inflows</u>	<u>Outflows</u>	<u>Fund Balances Ending</u>
<b>Town:</b>				
General Fund	\$ 10,555	\$ 5,821	\$ 5,513	\$ 10,863
Street and Alley	1,180	1,593	1,687	1,086
Volunteer Fire	3,064	4,489	5,172	2,381
CDBG Grant	-	25,600	25,615	(15)
<b>Total</b>	<u>\$ 14,799</u>	<u>\$ 37,503</u>	<u>\$ 37,987</u>	<u>\$ 14,315</u>

*See Accompanying Independent Accountant's Report*

**Town of Bromide, Oklahoma  
 Budgetary Comparison Schedule  
 General Fund - Cash Basis  
 For the Year Ending June 30, 2016**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Beginning Budgetary Fund Balance</b>	\$ -	\$ -	\$ 10,555	\$ 10,555
<b>Resources (inflows)</b>				
Alcoholic Beverage Tax	2,310	2,310	2,277	(33)
Franchise	1,980	1,980	1,645	(335)
Gasoline Excise	320	320	435	115
Grant Revenue				-
Interest		-	14	14
Rent	1,590	1,590	1,450	(140)
Total Inflows	<u>6,200</u>	<u>6,200</u>	<u>5,821</u>	<u>(379)</u>
<b>Charges to Appropriations (outflows)</b>				
General Government	5,800	5,800	5,513	287
Total Outflows	<u>5,800</u>	<u>5,800</u>	<u>5,513</u>	<u>287</u>
<b>Excess of Inflows over Outflows before Other Financing Sources (Uses)</b>	<u>400</u>	<u>400</u>	<u>308</u>	<u>(92)</u>
<b>Ending Budgetary Fund Balance</b>	<u>\$ 400</u>	<u>\$ 400</u>	<u>\$ 10,863</u>	<u>\$ 10,463</u>

*See Accompanying Independent Accountant's Report*

**Town of Bromide, Oklahoma  
 Budgetary Comparison Schedule  
 CDBG Grant Fund - Cash Basis  
 For the Year Ending June 30, 2016**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Beginning Budgetary Fund Balance</b>	\$ -	\$ -	\$ -	\$ -
<b>Resources (inflows)</b>				
Grant Revenue	-	322,999	25,600	(297,399)
Total Inflows	-	322,999	25,600	(297,399)
<b>Charges to Appropriations (outflows)</b>				
Grant Expenditures	-	322,999	25,600	297,399
Total Outflows	-	322,999	25,600	297,399
<b>Excess of Inflows over Outflows before Other Financing Sources (Uses)</b>	-	-	-	-
<b>Ending Budgetary Fund Balance</b>	\$ -	\$ -	\$ -	\$ -

*See Accompanying Independent Accountant's Report*

**Town of Bromide, Oklahoma  
 Budgetary Comparison Schedule  
 Volunteer Firefighters Fund - Cash Basis  
 For the Year Ending June 30, 2016**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Beginning Budgetary Fund Balance</b>	\$ 3,020	\$ 3,020	\$ 3,064	\$ 44
<b>Resources (inflows)</b>				
Miscellaneous			199	199
Grant Revenue	4,480	4,480	4,290	(190)
Total Inflows	4,480	4,480	4,489	9
<b>Charges to Appropriations (outflows)</b>				
Volunteer Firefighters Expenditures	7,500	7,500	5,172	2,328
Total Outflows	7,500	7,500	5,172	2,328
<b>Excess of Inflows over Outflows before Other Financing Sources (Uses)</b>	(3,020)	(3,020)	(683)	2,337
<b>Ending Budgetary Fund Balance</b>	\$ -	\$ -	\$ 2,381	\$ 2,381

*See Accompanying Independent Accountant's Report*

**Town of Bromide, Oklahoma**  
**Budgetary Comparison Schedule**  
**Street and Alley Fund - Cash Basis**  
**For the Year Ending June 30, 2016**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Beginning Budgetary Fund Balance</b>	\$ 1,180	\$ 1,180	\$ 1,180	\$ (0)
<b>Resources (inflows)</b>				
Transfers			316	316
Commercial Vehicle	1,330	1,330	1,277	(53)
Total Inflows	<u>1,330</u>	<u>1,330</u>	<u>1,593</u>	<u>263</u>
<b>Charges to Appropriations (outflows)</b>				
Street/Roads	2,510	2,510	1,687	823
Total Outflows	<u>2,510</u>	<u>2,510</u>	<u>1,687</u>	<u>823</u>
<b>Excess of Inflows over Outflows before Other Financing Sources (Uses)</b>	<u>(1,180)</u>	<u>(1,180)</u>	<u>(94)</u>	<u>1,086</u>
<b>Ending Budgetary Fund Balance</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,086</u>	<u>\$ 1,086</u>

*See Accompanying Independent Accountant's Report*



**Town of Bromide, Oklahoma**  
**Schedule of Grant Activity**  
**Cash Basis**  
**For the Year Ending June 30, 2016**

	<u>Federal CFDA Number</u>	<u>Grant Number</u>	<u>Award Amount</u>	<u>Current Year Receipts</u>	<u>Current Year Expenditures</u>
<b>FEDERAL AWARDS</b>					
U.S. Department of Housing and Urban Development <i>Passed through Oklahoma Department of Commerce</i> Community Development Block Grant	14.228	16628 CDBG 15	299,399	26,500	26,500
Total Federal Awards			<u>299,399</u>	<u>26,500</u>	<u>26,500</u>
<b>STATE AWARDS</b>					
Oklahoma Department of Agriculture Rural Fire Operational			4,290	4,290	4,290
Southern Oklahoma Development Association REAP Grant			49,000		
Total State Awards			<u>53,290</u>	<u>4,290</u>	<u>4,290</u>

*See Accompanying Independent Accountant's Report*