

TOWN OF BROMIDE
June 30, 2013

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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

We have compiled the accompanying Summary of Changes in Fund Balances-Cash Basis of the Town of Bromide, Oklahoma as of June 30, 2013, and the related Budgetary Comparison Schedule of General Fund-Cash Basis, Budgetary Comparison Schedule of CDBG Grant Fund-Cash Basis, Budgetary Comparison Schedule of Volunteer Firefighters Fund-Cash Basis and Schedule of Grant Activity-Cash Basis for the fiscal year ended June 30, 2013. The financial statements have been prepared in a format and basis of accounting as prescribed by Oklahoma statutes that demonstrates compliance with the cash basis and budgetary laws of the State of Oklahoma, which is a comprehensive basis of accounting other than generally accepted accounting principles. 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 cash basis of accounting and budget laws of the State of Oklahoma.

Management is responsible for the preparation and fair presentation of financial statements in accordance with the cash basis and the requirements of Oklahoma Statutes 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 Statement of 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.

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, they might influence the user's conclusions about the Town's assets, liabilities, equity, 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, 2013. 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. 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, 2013:

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.

Findings: 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 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 Exhibits B-1, B-2 and B-3) and compared the actual expenditures reported to the authorized appropriations to report any noted instances of noncompliance with the appropriate limitations.

Findings: The Town was not in compliance and expenditures exceeded appropriations in the General Fund and CDBG Fund.

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 accounting records did not include a certificate of deposit for the General Fund in the amount of \$3,008.

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: 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.

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

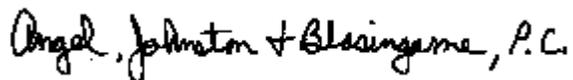
8. **Procedures Performed:** From the Town's trial balances, we prepared a schedule of grant activity for each grant/contract (see accompanying Exhibit C) and compared the receipts and disbursements to grant agreements and supporting information to report any noted instances of noncompliance with the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

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

Specified Users of the Report
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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.

A handwritten signature in black ink that reads "Angel, Johnston & Blasingame, P.C." The signature is written in a cursive, slightly slanted style.

Angel, Johnston and Blasingame, P.C.
April 20, 2015

Town of Bromide, Oklahoma
Summary of Changes in Fund Balance-Cash Basis
For the Year Ending June 30, 2013

| | <u>Fund Balances Beginning</u> | <u>Inflows</u> | <u>Outflows</u> | <u>Fund Balances Ending</u> |
|------------------|------------------------------------|------------------|------------------|---------------------------------|
| Town: | | | | |
| General Fund | \$ 8,922 | \$ 5,487 | \$ 4,914 | \$ 9,495 |
| Street and Alley | 2,482 | 1,092 | 2,939 | 635 |
| Volunteer Fire | 3,471 | 4,484 | 3,555 | 4,400 |
| CDBG Grant | - | 38,805 | 38,805 | - |
| Total | <u>\$ 14,875</u> | <u>\$ 49,868</u> | <u>\$ 50,213</u> | <u>\$ 14,530</u> |

See Accompanying Independent Accountant's Report

Town of Bromide, Oklahoma
Budgetary Comparison Schedule
General Fund - Cash Basis
For the Year Ending June 30, 2013

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|-------------------------|--------------|---------------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Beginning Budgetary Fund Balance | \$ - | \$ - | \$ 8,921 | \$ 8,921 |
| Resources (inflows) | | | | |
| Alcoholic Beverage Tax | 1,990 | 1,990 | 1,972 | (18) |
| Franchise | 2,200 | 2,200 | 1,789 | (411) |
| Gasoline Excise | - | - | 310 | 310 |
| Interest | - | - | 37 | 37 |
| Rent | - | - | 1,380 | 1,380 |
| Total Inflows | <u>4,190</u> | <u>4,190</u> | <u>5,488</u> | <u>1,298</u> |
| Charges to Appropriations (outflows) | | | | |
| General Government | <u>4,190</u> | <u>4,190</u> | <u>4,914</u> | <u>(724)</u> |
| Total Outflows | <u>4,190</u> | <u>4,190</u> | <u>4,914</u> | <u>(724)</u> |
| Excess of Inflows over Outflows before Other Financing Sources (Uses) | <u>-</u> | <u>-</u> | <u>574</u> | <u>574</u> |
| Ending Budgetary Fund Balance | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 9,495</u> | <u>\$ 9,495</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, 2013**

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|-------------------------|--------------|---------------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Beginning Budgetary Fund Balance | \$ - | \$ - | \$ - | \$ - |
| Resources (inflows) | | | | |
| Grant Revenue | - | - | 38,805 | 38,805 |
| Total Inflows | - | - | 38,805 | 38,805 |
| Charges to Appropriations (outflows) | | | | |
| Grant Expenditures | - | - | 38,805 | (38,805) |
| Total Outflows | - | - | 38,805 | (38,805) |
| Excess of Inflows over Outflows before Other Financing Sources (Uses) | - | - | - | - |
| Ending Budgetary Fund Balance | \$ - | \$ - | \$ - | \$ - |

See Accompanying Independent Accountant's Report

**Town of Bromide, Oklahoma
Budgetary Comparison Schedule
Volunteer Firefighters Fund - Cash Basis
For the Year Ending June 30, 2013**

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|-------------------------|--------------|---------------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Beginning Budgetary Fund Balance | \$ 4,000 | \$ 4,000 | \$ 3,471 | \$ (529) |
| Resources (inflows) | | | | |
| Grant Revenue | 4,000 | 4,000 | 4,484 | 484 |
| Total Inflows | 4,000 | 4,000 | 4,484 | 484 |
| Charges to Appropriations (outflows) | | | | |
| Volunteer Firefighters Expenditures | 8,000 | 8,000 | 3,555 | 4,445 |
| Total Outflows | 8,000 | 8,000 | 3,555 | 4,445 |
| Excess of Inflows over Outflows before Other Financing Sources (Uses) | (4,000) | (4,000) | 929 | 4,929 |
| Ending Budgetary Fund Balance | \$ - | \$ - | \$ 4,400 | \$ 4,400 |

See Accompanying Independent Accountant's Report

**Town of Bromide, Oklahoma
 Schedule of Grant Activity
 Cash Basis
 For the Year Ending June 30, 2013**

| | Federal CFDA Number | Grant Number | Award Amount | Current Year Receipts | Current Year Expenditures |
|--|--------------------------------|---------------------|---------------------|----------------------------------|--------------------------------------|
| FEDERAL AWARDS | | | | | |
| U.S. Department of Housing and Urban Development <i>Passed through Oklahoma Department of Commerce</i> Community Development Block Grant | 14.228 | 15204 CDBG 12 | 38,944 | 38,805 | 38,805 |
| U.S. Department of Housing and Urban Development <i>Passed through Oklahoma Department of Commerce</i> Community Development Block Grant | 14.228 | 15522 CDBG 13 | 286,194 | - | - |
| Total Federal Awards | | | 325,138 | 38,805 | 38,805 |
| STATE AWARDS | | | | | |
| Oklahoma Department of Agriculture Rural Fire Operational | | | 4,484 | 4,484 | 3,555 |
| Total State Awards | | | 4,484 | 82,094 | 81,165 |

See Accompanying Independent Accountant's Report