

**TOWN OF HYDRO, OKLAHOMA
HYDRO, OKLAHOMA**

**AGREED UPON PROCEDURES
AND ACCOMPANYING
INDEPENDENT PRACTITIONER'S REPORT**

**FOR THE YEAR ENDED
JUNE 30, 2024**



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Members of American
Institute of Certified
Public Accountants

Members of Oklahoma
Society of Certified
Public Accountants

Independent Practitioner's Report on Applying Agreed-Upon Procedures

To the Specified Users of the Report:

Town Board, Town of Hydro
Hydro, Oklahoma

Trustees of the Hydro Development Authority
Hydro, Oklahoma

Oklahoma Office of State Auditor and Inspector
Oklahoma City, Oklahoma

We have performed the procedures enumerated below as defined within the applicable state laws of the State of Oklahoma solely to assist the Town of Hydro, (the "Town") and Hydro Development Authority, (the "Authority") in meeting its financial accountability requirements as prescribed by applicable Oklahoma law and evaluating compliance with specified legal or contractual requirements for the fiscal year ended June 30, 2024. Management of the Town and the Authority are responsible for the Town's and Authority's financial accountability and its compliance with those legal and contractual requirements.

The Town and Authority has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of meeting its financial accountability requirements as prescribed in Oklahoma Statutes 11-17.105-.107 and 60-180.1-.3. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

Procedures and Findings

As to the Town as of and for the fiscal year ended June 30, 2024:

- I. **Procedures Performed:** Prepare a schedule of changes in fund balances for each fund from the Town's trial balances and compare the schedule results to the statutory prohibition of creating fund balance deficits to report any noted instances of noncompliance.

Findings: See Exhibit I. No instances of noncompliance noted.

- II. **Procedures Performed:** Prepare a budget and actual financial schedule for the General Fund and any other significant funds listing separately each federal fund and compare the actual expenditures reported to the authorized appropriations to report any noted instances on noncompliance with the appropriation limitations.

Findings: See Exhibit II. No instances of noncompliance noted.

- III. **Procedures Performed:** Agree the Town's material bank account balances to bank statements and traced the timely clearance of significant reconciling items to report any significant or unusual instances of reconciling items that have not cleared.

Findings: No instances of noncompliance noted.

- IV. **Procedures Performed:** Compare the Town's uninsured deposits to fair value of pledged collateral to report any amounts of uninsured and uncollateralized deposits.

Findings: No instances of noncompliance noted.

- V. **Procedures Performed:** Compare use of material-restricted revenues and resources to their restrictions to report any noted instances of noncompliance.

Findings: No instances of noncompliance noted.

- VI. **Procedures Performed:** Compare 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 instances of noncompliance noted.

- VII. **Procedures Performed:** Compare the Town's account balances in reserve accounts to contractually required balances and debt service coverage requirements of bond indentures to the actual coverage to report any noted instances of noncompliance.

Findings: No such compliance requirements were identified that were applicable to the town.

As to the Hydro Development Authority, as of and for the year ended June 30, 2024:

- I. **Procedures Performed:** Prepare a schedule of revenues, expenditures and changes in fund balance-cash basis from the Authority's trial balances and compare the schedule results to the statutory prohibition of creating fund balance deficits to report any noted instances of noncompliance.

Findings: See Exhibit IV. No instances of noncompliance noted.

- II. **Procedures Performed:** Agree the Authority's material bank account balances to bank statements and traced the timely clearance of significant reconciling items to report any significant or unusual instances of reconciling items that have not cleared.

Findings: No unusual reconciling items were noted that did not clear on a timely basis.

- III. **Procedures Performed:** Compare the Authority's uninsured deposits to fair value of pledged collateral to report any amounts of uninsured and uncollateralized deposits.

Findings: No instances of noncompliance noted.

- IV. **Procedures Performed:** Compare the Authority's use of material-restricted revenues and resources to their restrictions to report any noted instances of noncompliance.

Findings: No instances of noncompliance noted.

- V. **Procedures Performed:** Compare the accounting for the Authority's activities by fund to the legal and contractual requirements for separate funds to report any noted instances of noncompliance.

Findings: No instances of noncompliance noted.

- VI. **Procedures Performed:** Compare the Authority's account balances in reserve accounts to contractually required balances and debt service coverage requirements of bond indentures to the actual coverage to report any noted instances of noncompliance.

Findings: The Authority had two loans and one capital lease agreement outstanding in FY2024. As of June 30, 2024, all loans and lease agreements were in compliance with loan/lease terms.

We were engaged by the Town of Hydro and the Hydro Development Authority to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and the additional requirements prescribed in Oklahoma Statutes 11-17.105-.107 and 60-180.1.-3. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, to meet the requirements prescribed in Oklahoma Statutes 11-17.105-.107 and 60-180.1.-3. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Town of Hydro and the Hydro Development Authority and to meet our ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

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.



rsmeacham
CPA's ADVISORS

Clinton, Oklahoma
April 8, 2025

Exhibit I

**TOWN OF HYDRO, OKLAHOMA
HYDRO DEVELOPMENT AUTHORITY
SUMMARY OF CHANGES IN FUND BALANCES-MODIFIED CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2024**

	Beginning of Year Fund Balance	Current Year Change	End of Year Fund Balance
TOWN OF HYDRO			
General Fund	\$ 152,976	\$ 83,682	\$ 236,658
Street & Alley Fund	73,328	2,899	76,227
Fire Equipment Fund	21,445	25,765	47,210
EMS Fund	11,641	4,107	15,748
Penalty Assessment Fund	31,290	(6,537)	24,753
1% Sales Tax Fund	138,813	27,894	166,707
TOWN TOTAL	<u>\$ 429,493</u>	<u>\$ 137,810</u>	<u>\$ 567,303</u>
ENTERPRISE FUNDS			
Hydro Development Authority	\$ 490,928	\$ 250,174	\$ 741,102
ENTERPRISE TOTAL	<u>\$ 490,928</u>	<u>\$ 250,174</u>	<u>\$ 741,102</u>

Exhibit II

**TOWN OF HYDRO, OKLAHOMA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND-MODIFIED CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2024**

	Approved Budget	Actual Amounts	Variance from Final Budget Positive (Negative)
Beginning Budgetary Fund Balance:	\$ 187,691	\$ 152,976	
Resources (Inflows):			
Taxes:			
Sales Tax	269,066	269,066	-
Use Tax	120,462	120,462	-
Tobacco Tax	2,178	2,188	10
Franchise Tax	26,823	26,812	(11)
Total Taxes	418,529	418,528	(1)
Intergovernmental:			
Alcoholic Beverage Tax	15,569	15,694	125
Total Intergovernmental	15,569	15,694	125
Community Building	1,500	1,720	220
Police Fines	5,000	-	(5,000)
Police Donations	-	275	275
EMS Income	28,500	29,609	1,109
Fire Surcharge	10,000	10,928	928
State Fee (utility bills)	1,300	1,371	71
Surcharge (utility bills)	5,000	5,464	464
Royalty Income	2,750	2,537	(213)
Licenses & Permits	200	144	(56)
Grant Income	8,038	8,038	-
Other Revenue	39,195	23,097	(16,098)
Interest Income	1,650	1,738	88
Pool Income	10,000	29,596	19,596
Total current year resources	547,231	548,739	1,508
Amounts available for appropriation	\$ 734,922	\$ 701,715	
Expenditures:			
General Government			
General Government Personal Services	2,533	1,628	905
General Government Materials & Supplies	7,500	7,674	(174)
General Government Other Services & Charge	85,000	74,481	10,519
Capital Expenses	5,400	5,400	-
Total General Government	100,433	89,183	11,250

Exhibit II

**TOWN OF HYDRO, OKLAHOMA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND-MODIFIED CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2024**

	<u>Approved Budget</u>	<u>Actual Amounts</u>	<u>Variance from Final Budget Positive (Negative)</u>
Municipal Court			
Municipal Court Personal Services	7,150	6,434	716
Municipal Court Other Services & Charges	3,000	2,425	575
Total Municipal Court	<u>10,150</u>	<u>8,859</u>	<u>1,291</u>
Fire Department			
Fire Personal Services	68,742	47,833	20,909
Fire Department - Materials & Supplies	15,000	8,647	6,353
Fire Department - Other services & charges	20,000	18,574	1,426
Capital Outlay	8,500	9,523	(1,023)
Total Fire Department	<u>112,242</u>	<u>84,577</u>	<u>27,665</u>
Police			
Police Personal Services	175,761	128,707	47,054
Police Materials & Supplies	22,000	14,704	7,296
Police Other Services & Charges	25,000	16,352	8,648
Capital Outlay	5,697	4,999	698
Total Police	<u>228,458</u>	<u>164,762</u>	<u>63,696</u>
EMS			
EMS Other Services & Charges	32,000	31,320	680
Total EMS	<u>32,000</u>	<u>31,320</u>	<u>680</u>
Street & Alley			
Materials and Supplies	1,000	-	1,000
Other Services & Charges	8,500	8,261	239
Total Street & Alley	<u>9,500</u>	<u>8,261</u>	<u>1,239</u>
Library			
Library Personal Services	10,289	9,118	1,171
Materials and Supplies	10,038	6,314	3,724
Library Other Services & Charges	4,000	2,910	1,090
Total Library	<u>24,327</u>	<u>18,342</u>	<u>5,985</u>
Community Building			
Materials and Supplies	1,000	34	966
Other Services & Charges	6,000	5,728	272
Total Community Building	<u>7,000</u>	<u>5,762</u>	<u>1,238</u>

Exhibit II

**TOWN OF HYDRO, OKLAHOMA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND-MODIFIED CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2024**

	<u>Approved Budget</u>	<u>Actual Amounts</u>	<u>Variance from Final Budget Positive (Negative)</u>
Animal Control			
Animal Control Personal Services	3,754	3,136	618
Materials and Supplies	500	395	105
Other Services & Charges	500	520	(20)
Total Animal Control	<u>4,754</u>	<u>4,051</u>	<u>703</u>
Park			
Park Personal Services	7,432	12,416	(4,984)
Materials and Supplies	5,000	3,738	1,262
Other Services & Charges	11,000	7,849	3,151
Capital Outlay	2,500	-	2,500
Total Park	<u>25,932</u>	<u>24,003</u>	<u>1,929</u>
Swimming Pool			
Swimming Pool Personal Services	16,572	17,152	(580)
Materials and Supplies	8,000	5,696	2,304
Swimming Pool Other Services & Charges	4,000	3,089	911
Capital Outlay	12,000	-	12,000
Total Swimming Pool	<u>40,572</u>	<u>25,937</u>	<u>14,635</u>
Total Charges to Appropriations	<u>595,368</u>	<u>465,057</u>	<u>130,311</u>
Other Financing Sources (Uses):			
Transfers In	100,000	-	(100,000)
Transfers Out	-	-	-
Net Other Financing Sources (Uses):	<u>100,000</u>	<u>-</u>	<u>100,000</u>
Change in Fund Balance	51,863	83,682	
Ending Budgetary Fund Balance	<u>\$ 239,554</u>	<u>\$ 236,658</u>	

**TOWN OF HYDRO, OKLAHOMA
SCHEDULE OF GRANTS-MODIFIED CASH BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Granting Agency	Grant # / CFDA #	Funding period	Purpose of Grant	Grant Award Amount	Current Year Received	Current Year Expended	Match Documented	Grant Balance 6/30/2024
<i><u>Federal Funds Passed Through State Agency</u></i>								
Oklahoma Department of Libraries	F-24-29	8/1/2023-11/15/2023	Library Operations	\$ 1,533	1,533	\$ 1,433	-	100
Oklahoma Department of Libraries	FFY23		LSTA Technology Grant	1,961	1,961	1,753	-	208
Oklahoma Department of Libraries	F-24-99	1/1/23-8/31/24	LSTA Technology Grant	2,099	2,099	2,099	-	-
<i><u>State Funds</u></i>								
Oklahoma Forestry Department	Fire	FY24	Fire Department Operations	9,994	9,994	9,994	-	-
<i><u>State Funds Passed Through Local Agencies</u></i>								
Association of South Central Oklahoma Governments (ASCOG)	REAP Contract 232248		Water Wells	60,000	1,828	1,828	5,000	58,172
Total				<u>\$ 75,587</u>	<u>\$ 17,415</u>	<u>\$ 17,107</u>	<u>\$ 5,000</u>	<u>\$ 58,480</u>

Exhibit IV

HYDRO DEVELOPMENT AUTHORITY - HYDRO, OKLAHOMA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE -
MODIFIED CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2024

Operating Revenues:

Charges for services:	
Water	292,442
Sewer	252,244
Trash	175,671
Grant Revenue	2,859
Total Operating Revenues	<u>723,216</u>

Operating Expenses:

Water:	
Personal Services	51,505
Materials & Supplies	8,568
Other Services & Charges	31,324
Debt Service	30,961
Capital Outlay	46,981
Total Water Department:	<u>169,339</u>
Sewer:	
Personal Services	36,085
Materials & Supplies	18,228
Other Services & Charges	28,156
Debt Service	71,643
Capital Outlay	-
Interest Expense	43,102
Total Sewer Department:	<u>197,214</u>
Trash:	
Other Services & Charges	88,198
Total Trash Department:	<u>88,198</u>
Administration:	
Personal Services	47,833
Materials & Supplies	9,185
Other Services & Charges	3,168
Debt Service	32,830
Interest Expense - Other	12,728
Total Administration Department:	<u>105,744</u>
Total Operating Expenses	<u>560,495</u>
Operating Income (Loss)	<u>\$ 162,721</u>

Non-Operating Revenues:

Interest Income	<u>1,395</u>
Total Non-Operating Revenues	<u>1,395</u>

Net Income Before Contributions and Transfers 164,116

Transfers in	86,058
Transfers out	-
Total Transfers	<u>86,058</u>

Change in fund balance \$ 250,174

Fund Balance - beginning 490,928

Fund Balance - ending \$ 741,102