

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

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

**FOR THE YEAR ENDED  
JUNE 30, 2023**



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Members of American  
Institute of Certified  
Public Accountants

Members of Oklahoma  
Society of Certified  
Public Accountants

## **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 and Development 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, 2023. Management of the Town of Hydro and the Hydro Development Authority are responsible for the Town's and Authority's financial accountability and its compliance with those legal and contractual requirements.

The Town of Hydro and the Hydro Development 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.

### **Procedures and Findings**

As to the Town of Hydro as of and for the fiscal year ended June 30, 2023:

- 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 (Exhibit II & III) 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 Exhibits II & III. The Fire Equipment fund exceeded the budget for expenditures by \$4,106.

**Recommendations:** The fire equipment management should remain conscientious of budgeted expenditures and ensure the Clerk is aware of any budget amendments needed prior to the June meeting.

- 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. All deposits were insured or collateralized at June 30, 2023.

- 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. See Exhibit III for grant schedule.

- 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. No instances of noncompliance noted.

As to the Hydro Development Authority, as of and for the year ended June 30, 2023:

- 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 2 loans and 1 capital lease agreement outstanding in FY2023. As of June 30, 2023, 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.



Clinton, Oklahoma  
January 7, 2024

Exhibit I

**TOWN OF HYDRO, OKLAHOMA  
HYDRO DEVELOPMENT AUTHORITY  
SUMMARY OF CHANGES IN FUND BALANCES-MODIFIED CASH BASIS  
FOR THE YEAR ENDED JUNE 30, 2023**

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	<b>Beginning of Year Fund Balance</b>	<b>Current Year Change</b>	<b>End of Year Fund Balance</b>
<b>TOWN OF HYDRO</b>			
General Fund	\$ 122,760	\$ 30,216	\$ 152,976
Street & Alley Fund	69,180	4,148	73,328
Fire Equipment Fund	70,505	(49,060)	21,445
EMS Fund	7,848	3,793	11,641
Penalty Assessment Fund	20,153	11,137	31,290
1% Sales Tax Fund	63,325	75,488	138,813
<b>TOWN TOTAL</b>	<u>\$ 353,771</u>	<u>\$ 75,722</u>	<u>\$ 429,493</u>
<b>ENTERPRISE FUNDS</b>			
Hydro Development Authority	\$ 378,713	\$ 112,215	\$ 490,928
<b>ENTERPRISE TOTAL</b>	<u>\$ 378,713</u>	<u>\$ 112,215</u>	<u>\$ 490,928</u>

## Exhibit II

**TOWN OF HYDRO, OKLAHOMA  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND-MODIFIED CASH BASIS  
FOR THE YEAR ENDED JUNE 30, 2023**

	Approved Budget	Actual Amounts	Variance from Final Budget Positive (Negative)
<b>Beginning Budgetary Fund Balance:</b>	\$ 149,362	\$ 122,760	
<b>Resources (Inflows):</b>			
<b>Taxes:</b>			
Sales Tax	229,039	259,688	30,649
Use Tax	99,968	99,969	1
Tobacco Tax	2,095	2,163	68
Franchise Tax	27,902	28,715	813
<b>Total Taxes</b>	<u>359,004</u>	<u>390,535</u>	<u>31,531</u>
<b>Intergovernmental:</b>			
Alcoholic Beverage Tax	15,931	16,426	495
<b>Total Intergovernmental</b>	<u>15,931</u>	<u>16,426</u>	<u>495</u>
Community Building	800	900	100
Police Fines	10,500	94	(10,406)
Police Donations	-	100	100
EMS Income	28,500	28,920	420
Fire Surcharge	10,500	10,728	228
State Fee (utility bills)	1,300	1,341	41
Surcharge (utility bills)	5,250	5,364	114
Royalty Income	13,100	13,535	435
Licenses & Permits	525	947	422
Grant Income	85,667	90,319	4,652
Other Revenue	14,364	7,590	(6,774)
Interest Income	550	617	67
Pool Income	15,000	15,190	190
<b>Total current year resources</b>	<u>560,991</u>	<u>582,606</u>	<u>21,615</u>
<b>Amounts available for appropriation</b>	<u>\$ 710,353</u>	<u>\$ 705,366</u>	
<b>Expenditures:</b>			
<b>General Government</b>			
General Government Personal Services	1,103	1,621	(518)
General Government Materials & Supplies	7,500	6,586	914
General Government Other Services & Charge	85,000	85,701	(701)
Capital Expenses	16,793	16,143	650
<b>Total General Government</b>	<u>110,396</u>	<u>110,051</u>	<u>345</u>

## Exhibit II

**TOWN OF HYDRO, OKLAHOMA  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND-MODIFIED CASH BASIS  
FOR THE YEAR ENDED JUNE 30, 2023**

	<u>Approved Budget</u>	<u>Actual Amounts</u>	<u>Variance from Final Budget Positive (Negative)</u>
<b>Municipal Court</b>			
Municipal Court Personal Services	7,151	7,554	(403)
Municipal Court - Materials & Supplies	100	-	100
Municipal Court Other Services & Charges	3,500	2,200	1,300
<b>Total Municipal Court</b>	<u>10,751</u>	<u>9,754</u>	<u>997</u>
<b>Fire Department</b>			
Fire Personal Services	56,747	55,757	990
Fire Department - Materials & Supplies	12,500	9,123	3,377
Fire Department - Other services & charges	20,000	18,399	1,601
Capital Outlay	8,425	-	8,425
<b>Total Fire Department</b>	<u>97,672</u>	<u>83,279</u>	<u>14,393</u>
<b>Police</b>			
Police Personal Services	168,033	169,785	(1,752)
Police Materials & Supplies	22,000	20,761	1,239
Police Other Services & Charges	25,000	18,314	6,686
Capital Outlay	10,112	13,335	(3,223)
<b>Total Police</b>	<u>225,145</u>	<u>222,195</u>	<u>2,950</u>
<b>EMS</b>			
EMS Other Services & Charges	32,000	31,320	680
<b>Total EMS</b>	<u>32,000</u>	<u>31,320</u>	<u>680</u>
<b>Street &amp; Alley</b>			
Materials and Supplies	-	94	(94)
Other Services & Charges	9,000	8,578	422
<b>Total Street &amp; Alley</b>	<u>9,000</u>	<u>8,672</u>	<u>328</u>
<b>Library</b>			
Library Personal Services	8,050	8,247	(197)
Materials and Supplies	9,000	8,223	777
Library Other Services & Charges	3,000	2,091	909
<b>Total Library</b>	<u>20,050</u>	<u>18,561</u>	<u>1,489</u>
<b>Community Building</b>			
Materials and Supplies	1,000	9	991
Other Services & Charges	4,000	3,329	671
<b>Total Community Building</b>	<u>5,000</u>	<u>3,338</u>	<u>1,662</u>

## Exhibit II

**TOWN OF HYDRO, OKLAHOMA  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND-MODIFIED CASH BASIS  
FOR THE YEAR ENDED JUNE 30, 2023**

	<u>Approved Budget</u>	<u>Actual Amounts</u>	<u>Variance from Final Budget Positive (Negative)</u>
<b>Animal Control</b>			
Animal Control Personal Services	3,754	3,741	13
Materials and Supplies	500	359	141
Other Services & Charges	600	564	36
<b>Total Animal Control</b>	<u>4,854</u>	<u>4,664</u>	<u>190</u>
<b>Park</b>			
Park Personal Services	7,433	6,072	1,361
Materials and Supplies	5,000	2,944	2,056
Other Services & Charges	7,500	6,860	640
Capital Outlay	810	-	810
<b>Total Park</b>	<u>20,743</u>	<u>15,876</u>	<u>4,867</u>
<b>Swimming Pool</b>			
Swimming Pool Personal Services	18,562	16,444	2,118
Materials and Supplies	8,000	5,350	2,650
Swimming Pool Other Services & Charges	3,000	1,719	1,281
Capital Outlay	10,281	8,161	2,120
<b>Total Swimming Pool</b>	<u>39,843</u>	<u>31,674</u>	<u>8,169</u>
<b>Total Charges to Appropriations</b>	<u>575,454</u>	<u>539,384</u>	<u>36,070</u>
<b>Other Financing Sources (Uses):</b>			
Transfers In	100,000	40,000	(60,000)
Transfers Out	(24,500)	(53,006)	(28,506)
<b>Net Other Financing Sources (Uses):</b>	<u>75,500</u>	<u>(13,006)</u>	<u>88,506</u>
<b>Change in Fund Balance</b>	61,037	30,216	
<b>Ending Budgetary Fund Balance</b>	<u>\$ 210,399</u>	<u>\$ 152,976</u>	

Exhibit III

**TOWN OF HYDRO, OKLAHOMA  
BUDGETARY COMPARISON SCHEDULE  
FIRE EQUIPMENT FUND-MODIFIED CASH BASIS  
FOR THE YEAR ENDED JUNE 30, 2023**

	<u>Approved Budget</u>	<u>Actual Amounts</u>	<u>Variance from Final Budget Positive (Negative)</u>
<b>Beginning Budgetary Fund Balance:</b>	\$ 79,431	\$ 70,505	\$ (8,926)
<b>Resources (Inflows):</b>			
Donations	78,000	79,160	1,160
Grant Revenue	35,098	35,098	-
Misc Revenues	5,000	10,759	5,759
<b>Total current year resources</b>	<u>118,098</u>	<u>125,017</u>	<u>6,919</u>
<b>Amounts available for appropriation</b>	<u>\$ 197,529</u>	<u>\$ 195,522</u>	<u>\$ (2,007)</u>
<b><u>Expenditures:</u></b>			
<b>Fire Department</b>			
Fire Department - Materials & Supplies	30,000	19,859	10,141
Fire Department - Other services & charges	17,000	12,152	4,848
Capital Outlay	122,971	142,066	(19,095)
<b>Total Fire Department</b>	<u>169,971</u>	<u>174,077</u>	<u>(4,106)</u>
<b>Total Charges to Appropriations</b>	<u>169,971</u>	<u>174,077</u>	<u>(4,106)</u>
<b>Change in Fund Balance</b>	(51,873)	(49,060)	
<b>Ending Budgetary Fund Balance</b>	<u>\$ 27,558</u>	<u>\$ 21,445</u>	

TOWN OF HYDRO, OKLAHOMA  
SCHEDULE OF GRANTS-MODIFIED CASH BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Granting Agency	Grant # / CFDA #	Funding period	Purpose of Grant	Grant Award Amount	Grant Balance 6/30/2022	Prior Year Expenditures	Current Year Received	Current Year Expended	Match Documented	Grant Balance 6/30/2023
<u>Federal Funds Passed Through State Agency</u>										
OMES - FEMA			FEMA Reimbursement	\$ 5,264	\$ 5,264	\$ 5,264	5,264	\$ -	-	-
ARPA Funds			American Rescue Act Funds - Revenue loss	164,428	\$ -	-	82,602	82,602	-	-
OMES - Dewey Co. FEMA			FEMA Reimbursement - Rhea Fire	19,045	\$ -	19,045	19,045	-	-	-
<u>State Funds</u>										
Oklahoma Department of Agriculture	Fire	FY23	Fire Department Operations	10,053	-	-	10,053	10,053	-	-
Oklahoma Department of Libraries		FY23	Library Operations	2,453	-	-	2,453	2,292	-	161
<u>State Funds Passed Through Local Agencies</u>										
Association of South Central Oklahoma Governments (ASCOG)	REAP Contract 212218	FY21-22	Engineering study of water/sewer lines	45,000	20,418	24,583	19,387	20,418	5,000	-
<u>Outside Funds</u>										
CK Energy		FY23	Fire operations	6,000	-	-	6,000	6,000	-	-
Total				<u>\$ 252,243</u>	<u>\$ 25,682</u>	<u>\$ 48,892</u>	<u>\$ 144,804</u>	<u>\$ 121,365</u>	<u>\$ 5,000</u>	<u>\$ 161</u>

## Exhibit V

**HYDRO DEVELOPMENT AUTHORITY - HYDRO, OKLAHOMA**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE -**  
**MODIFIED CASH BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

**Operating Revenues:**

## Charges for services:

Water	248,752
Sewer	263,184
Trash	174,300
Miscellaneous Revenues	24,036
Grant Revenue	19,387

Total Operating Revenues	729,659
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**Operating Expenses:**

## Water:

Personal Services	50,720
Materials & Supplies	9,742
Other Services & Charges	39,178
Debt Service	34,156
Capital Outlay	63,895
Total Water Department:	197,691

## Sewer:

Personal Services	50,666
Materials & Supplies	19,668
Other Services & Charges	63,767
Debt Service	68,091
Capital Outlay	41,313
Interest Expense	46,654
Total Sewer Department:	290,159

## Trash:

Other Services & Charges	82,054
Total Trash Department:	82,054

## Administration:

Personal Services	43,465
Materials & Supplies	6,144
Other Services & Charges	764
Debt Service	29,083
Interest Expense - Other	10,733
Total Administration Department:	90,189

Total Operating Expenses	660,093
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Operating Income (Loss)	\$ 69,566
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**Non-Operating Revenues:**

Interest Income	957
Total Non-Operating Revenues	957

Net Income Before Contributions and Transfers	70,523
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Tranfers in	81,692
Tranfers out	(40,000)
Total Transfers	41,692

Change in fund balance	\$ 112,215
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Fund Balance - beginning	378,713
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Fund Balance - ending	\$ 490,928
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