

**ADAIR COUNTY CONSERVATION DISTRICT
STILWELL, OKLAHOMA**

**FINANCIAL STATEMENTS &
ACCOUNTANT'S COMPILATION REPORT
For the Year Ended June 30, 2022**

Compiled By:
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ADAIR COUNTY SOIL CONSERVATION DISTRICT

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**ACCOUNTANT'S
COMPILATION
REPORT**

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ACCOUNTANT'S COMPILATION REPORT

To the Board of Directors
Adair County Conservation District
Stilwell, Oklahoma 74960

Management is responsible for the accompanying financial statements of Adair County Conservation District (a Govt. Sub-Agency), as listed in the table of contents as of June 30, 2022, and for the year then ended, and the related notes to the financial statements in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with 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 financial statements 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.

We draw attention to Note F of the financial statement, which describes the basis of accounting. The financial statements are prepared in accordance with the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

Robert St. Pierre

Robert St. Pierre C.P.A., P.C.
Stilwell, Oklahoma 74960
July 27, 2022

**GOVERNMENT-WIDE
FINANCIAL
STATEMENTS**

ADAIR COUNTY SOIL CONSERVATION DISTRICT
STATEMENT OF NET POSITION - MODIFIED CASH BASIS
For the Year Ended June 30, 2022

Assets	Governmental Activities
Current Assets	
Cash, including time deposits	\$ 5,741
Certificates of Deposit	66,121
Total current assets	<u>71,862</u>
Noncurrent assets	
Capital assets, net of accumulated depreciation (Note 3)	<u>27,430</u>
Total noncurrent assets	<u>27,430</u>
Total Assets	<u><u>\$ 99,292</u></u>
Liabilities & Net Position	
Current Liabilities	
Payroll Taxes Payable	<u>\$ -</u>
Total Liabilities	<u><u>-</u></u>
Net Position	
Invested in capital assets, net of related debt	27,430
Unrestricted	<u>71,862</u>
Total Net Position	<u><u>\$ 99,292</u></u>

ADAIR COUNTY CONSERVATION DISTRICT
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
For the Year Ended June 30, 2022

Function / Program Activities	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Assets
		Charges For Services	Operating Grant and Contributions	Capital Grants and Contributions	
Government Activities:					
Conservation Program	\$ 377,652	\$ 39,756	\$ 254,490	-	\$ (83,406)
Total Governmental Activities	<u>377,652</u>	<u>39,756</u>	<u>254,490</u>	<u>-</u>	<u>(83,406)</u>

Interest Income	\$ 289
Rental Income	360
Total General Revenues	<u>649</u>
Change in Net Position	<u>(82,757)</u>
Net Position Beg. of Year	\$ 182,049
Net Position End of Year	<u><u>\$ 99,292</u></u>

FUND

FINANCIAL

STATEMENTS

ADAIR COUNTY SOIL CONSERVATION DISTRICT
STATEMENT OF ASSETS, LIABILITIES, AND
FUND BALANCE - MODIFIED CASH BASIS
For the Year Ended June 30, 2022

Assets	Governmental Activities
Current Assets	
Cash, including time deposits	\$ 5,741
Certificates of Deposit	66,121
Total Assets	\$ 71,862
Liabilities & Fund Balance	
Current liabilities	
Payroll Taxes Payable	\$ -
Total Liabilities	-
Fund Balance	
General Fund Unreserved	71,862
Total Fund Balance	\$ 71,862
Reconciliation of Net Position:	
Amounts reported for Governmental Activities in the Statement of Net Position are different because:	
The following capital assets used in Governmental Activities are not financial resources; therefore, are not reported in the Fund Balance financial statements:	
Equipment	89,392
Vehicles	36,181
Accumulated	(98,143)
Net Assets of Governmental Activities	\$ 99,292

ADAIR COUNTY CONSERVATION DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - MODIFIED CASH BASIS
For the Year Ended June 30, 2022

	<u>2022</u>
Revenues	
Reimbursements from OK Conservation Commission	\$ 224,016
Rehab Contracting	34,596
Water Quality Stipend	1,000
NRCS & USDA Reimbursements	29,474
Brushhogging & Sprigging	5,160
Equipment Rental	360
Interest Income	289
 Total Revenues	 <u>294,895</u>
Expenditures	
Salary, Taxes, & Benefits	160,769
Bank Charges	72
Board of Directors	1,410
Dues & Fees	1,020
Telephone	949
Insurance	2,261
Watershed Maintenance	188,462
Repairs & Maintenance	3,960
Rental Expense	559
Travel	4,011
Office Expense	4,875
Legal & Professional	1,200
 Total Expenditures	 <u>369,548</u>
 Excess (Deficiency) of Revenues Over Expenditures	 (74,653)
 Beginning Fund Balance	 <u>191,865</u>
 Ending Fund Balance	 <u><u>117,212</u></u>
 Net Change in Fund Balance	 <u>(74,653)</u>
 Amounts reported for Governmental Activities in the Statement of Activities different because of:	
Depreciation Expense	(8,104)
 Change in Net Position of Government Activities	 <u><u>\$ (82,757)</u></u>

**FINANCIAL
STATEMENT
NOTES**

ADAIR COUNTY SOIL CONSERVATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

Note 1 — Summary of Significant Accounting Policies

A. Reporting Entity

The Adair County Conservation District was established pursuant to Title 82 of Oklahoma State Law. The purpose of the District is to provide for the conservation of renewable natural resources of this state, and for the control and prevention of soil erosion, and for the prevention of floodwater and sediment damages, and for furthering the conservation, development, utilization and disposal of water and thereby the preserve and develop natural resources, control floods, conserve and develop water resources and water quality, prevent impairment of dams and reservoirs, preserve wildlife, preserve natural beauty, promote recreational developmental protect the tax base, protect public lands and protect and promote the health, safety and general welfare of the people of this state.

The District operates as a field office for the Oklahoma Conservation Agency. Its primary source of operating support is derived from governmental reimbursements. Its purpose is to assist landowners in conservation efforts and to educate the public on the importance of the conservation of natural resources.

B. Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities include information about the District as a whole. These statements include the financial activities of the primary government. The statements distinguish between those activities of the District that are governmental and those that are considered business-type activities. Governmental activities are generally financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The District has no business-type activities as of June 30, 2022.

C. Fund Financial Statements

The District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the District at this more detailed level. The focus of government and enterprise fund financial statements is on major funds. If applicable, each major fund is presented in a separate column. The District is considered a governmental entity as defined by the Governmental Accounting Standards Boards (GASB). There is only one fund, which is the general fund.

D. Government fund Types

General Fund

The General Fund is the primary operating fund of the District. It is used to account for all activities except those legally or administratively required to be accounted for in the other funds.

E. Measurement Focus

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

On the government-wide Statement of Net Position and the Statement of Activities, the governmental activities are presented using the economic resources measurement focus.

In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate:

- a) All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spend-able financial resources during a given period. These funds use fund balance as their measure of available spend-able financial resources at the end of the period.

F. Basis of Accounting

The District presents its general fund financial statements on the modified cash basis of accounting. The modified basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). This basis recognizes assets, liabilities, net position/fund equity, revenues, and expenditures/expenses when they result from cash transactions with a provision for depreciation in the government wide statements. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

The District's general fund includes general government activities, and conservation activities, and capital outlay.

The financial statements have been prepared in accordance with relevant Governmental Accounting Standards Board (GASB) pronouncements.

G. Capital Assets

The accounting treatment over property, plant, and equipment (fixed assets) depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

Government- Wide Statements - In the government-wide financial statements, fixed assets are accounted for as capital assets. All fixed assets are valued at historical cost or estimated historical cost if actual is unavailable, except for donated fixed assets, which are recorded at their estimated fair value at the date of donation. The District's policy is to capitalize all assets over \$500 and depreciate them on the Government Wide financial statements.

Depreciation of all exhaustible fixed assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net

Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Machinery, Furniture, and Equipment	5-10 years
Vehicles	5 years

Fund Financial Statements - In the fund financial statements, fixed assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Fixed assets used in proprietary fund operations are accounted for the same as in the government-wide statements.

H. Assets, Liabilities and Net Assets or Equity

Deposits and Investments - Oklahoma Statutes authorize the District to invest in certificates of deposit, repurchase agreements, passbooks, bankers' acceptances, and other available bank investments provided that all deposits are fully covered by approved securities pledged to secure those funds. In addition, the District can invest in direct debt securities of the United States unless law expressly prohibits such an investment.

For financial statement presentation and for purposes of the statement of cash flows, the District's cash and cash equivalents are considered cash on hand, demand deposits and certificates of deposit with a maturity date of three months or less. Debt instruments with a maturity date of more than three months are considered investments. Investments are stated at their fair market value.

Fair Value of Financial Instruments - The District's financial instruments include cash and cash equivalents, and certain liabilities. The District's estimates of the fair value of all financial instruments do not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying balance sheet. The carrying amount of these financial statements approximates fair value because of the short maturity of these instruments.

Long-Term Obligations - The accounting and reporting treatment applied to long-term liabilities associated with a fund are determined by its measurement focus. All governmental fund types are accounted for on a spending "financial flow" measurement focus. This means that only current assets and current liabilities are included on their balance sheets. Their reported fund balance (net of current assets) is considered a measure of "available spendable resources."

I. Assets, Liabilities and Net Assets or Equity

Governmental fund operating statement present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

Equity Classifications

Government- Wide Statements

Equity is classified as net assets and displayed in three components:

- a) Invested in capital assets, net of related debt consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b) Restricted net assets - consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or (2) law through constitutional provisions or enabling legislation.
- c) Unrestricted net assets - all other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt".

Fund Statements

Governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved, with unreserved further split between designated and undesignated.

Note 2 — Cash and Investments

The District's investment policies are governed by state statute. Permissible investments include direct obligations of the United States Government and Agencies; certificates of deposit of savings and loan associations, and bank and trust companies; and savings accounts or savings certificates of savings and loan associations, and trust companies. Collateral is required for demand deposits and certificates of deposit for all amounts not covered by federal deposit insurance. Cash and certificates of deposit held by the District are fully covered.

Custodial Credit Risk - All of the District's deposits at financial institutions were covered by either FDIC insurance or collateralized.

Interest Rate Risk - As a means of limiting its exposure to fair value losses arising from rising interest rates, the District's investment policy limits the District's investment portfolio to maturities of not more than two years.

Note 3 — Property and Equipment

Capital Asset Activity - Governmental Type

Capital asset activity for governmental type activities for the year ended June 30, 2022, was as follows:

	6/30/2021	Additions	Disposals	6/30/2022
Vehicles	\$ 36,181	\$ -	\$ -	\$ 36,181
Equipment	89,392	-	-	89,392
Total Vehicles and Equipment	125,573	-	-	125,573
<i>Less: Accumulated Depreciation</i>	(90,039)	(8,104)	-	(98,143)
Net Book Value	\$ 35,534	\$ (8,104)	\$ -	\$ 27,430

The District's fixed assets are stated at cost. Depreciation is computed using the straight-line method over the estimated useful life. Expenditures for major renewals and betterments which extend the useful life of the fixed assets are capitalized. Expenditures for maintenance and repairs are expensed as incurred.

Note 4 — Subsequent Events

Management has evaluated and disclosed subsequent events as of July 27, 2022, the date of this report.

Note 5 — Pension Plan

The District participates in the Oklahoma Public Employees Retirement System. All eligible employees contribute 3.5% of gross wages to the plan. The Oklahoma Conservation Commission contributes 16.5% of the gross wages on reimbursable wages for all eligible participants.