

**LATIMER COUNTY
CONSERVATION DISTRICT**
Wilburton, Oklahoma

**FINANCIAL STATEMENTS & ACCOUNTANT'S
COMPILATION REPORT**

For the Year Ended June 30, 2024

MICHAEL W. GREEN
Certified Public Accountant
827 W. Locust Street
STILWELL, OK. 74960
(918) 696-6298

LATIMER COUNTY CONSERVATION DISTRICT
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2024

ACCOUNTANT'S COMPILATION REPORT	1
BASIC FINANCIAL STATEMENTS:	
Statement of Assets, Liabilities and Net Position - Modified Cash Basis	2
Statement of Revenues, Expenses and Changes in Net Position - Modified Cash Basis	3
Statement of Cash Flows - Modified Cash Basis	4
Notes to the Financial Statements	5

MICHAEL W. GREEN
Certified Public Accountant
827 W. Locust Street
STILWELL, OK. 74960
(918) 696-6298

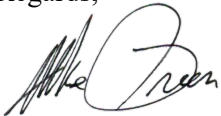
Accountant's Compilation Report

To the Board of Directors
Latimer County Conservation District

Management is responsible for the accompanying cash basis financial statements of the Latimer County Conservation District (the District), as of and for the year ended June 30, 2024, and related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents, and for determining that the cash basis of accounting is an acceptable financial reporting framework. I 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. I did not audit or review the financial statements nor was I required to perform any procedures to verify the accuracy or completeness of the information provided by management. I do not express an opinion, a conclusion, nor provide any assurance on these financial statements.

I draw attention to Note 1 of the financial statements, which describes the basis of accounting. 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.

Regards,

A handwritten signature in black ink, appearing to read 'Michael Green', with a stylized flourish at the end.

Michael Green, CPA
Stilwell, Ok
October 24, 2024

LATIMER COUNTY CONSERVATION DISTRICT
STATEMENT OF ASSETS, LIABILITIES AND NET POSITION -
MODIFIED CASH BASIS
JUNE 30, 2024

Assets

Current Assets

Cash	\$ 38,417
Restricted Cash	7,432
Total Current Assets	<u>45,849</u>

Property and Equipment

Building	243,443
Equipment	97,526
Furniture and Fixtures	350
Land	26,840
Accumulated Depreciation	(172,917)
Total Property and Equipment	<u>195,242</u>

Total Assets	<u><u>\$ 241,091</u></u>
--------------	--------------------------

Liabilities

Total Liabilities	\$ -
-------------------	------

Net Position

Net Investment in Capital Assets	195,242
Unrestricted	45,849
Total Net Position	<u><u>\$ 241,091</u></u>

See accompanying notes and accountant's compilation report.

**LATIMER COUNTY CONSERVATION DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN NET POSITION - MODIFIED CASH BASIS
YEAR ENDED JUNE 30, 2024**

Operating Revenues:

Cost Share Received	\$ 38,008
Custom Work	3,070
OCC Reimbursements	61,108
Rental Income Reimbursement	35,984
Other Income	5,314
Total Revenues	<u>143,484</u>

Operating Expenses:

Cost Share Paid	58,108
Depreciation	12,883
Director Meeting	1,425
Dues, Memberships, and Advertisements	1,332
Office Supplies and Postage	1,656
Payroll	32,532
Repairs, Maintenance, and Supplies	24,739
Utilities and Telephone	5,654
Audit Fees	3,200
Building Payments	610
Vehicle and Fuel	5,959
Other Expenses	3,066
Total Operating Expenses	<u>151,164</u>

Operating Income (Loss) (7,680)

Nonoperating Revenues (Expenses):

Interest Expense	(165)
Interest Income	100
Miscellaneous Income	123
Total Nonoperating Revenue (Expenses)	<u>58</u>

Change in Net Position (7,622)

Net Position at Beginning of Year 248,713

Net Position at End of Year \$ 241,091

See accompanying notes and accountant's compilation report.

**LATIMER COUNTY CONSERVATION DISTRICT
STATEMENT OF CASH FLOWS
MODIFIED CASH BASIS
YEAR ENDED JUNE 30, 2024**

Cash Flows From Operating Activities:

Cash Received From Customers	\$ 44,368
Cash Received From Other Sources	99,116
Cash Payments to Suppliers For Goods and Services	(107,189)
Cash Payments to Employees	(31,092)
Net Cash Provided (Used) by Operating Activities	<u>5,203</u>

Cash Flows From Non-Capital Financing Activities:

Cash Flows From Capital and Related Financing Activities:

Principal Payments of Note Payable	(11,087)
Interest Expense	(165)
Other Income	123
Net Cash Provided (Used) by Financing Activities	<u>(11,129)</u>

Cash Flows From Investing Activities:

Interest Income	100
Net Cash Provided (Used) by Investing Activities	<u>100</u>

Net Increase (Decrease) in Cash and Cash Equivalents	(5,826)
Beginning Cash and Cash Equivalents	51,675
Ending Cash and Cash Equivalents	<u><u>\$ 45,849</u></u>

Reconciliation of Income (Loss) From Operations to

Net Cash Provided (Used) by Operating Activities:

Income (Loss) From Operations	\$ (7,680)
Adjustments to Reconcile Income (Loss) From Operations to Net Cash Provided (Used) by Operating Activities:	
Depreciation	12,883
Net Cash Provided (Used) by Operating Activities	<u><u>\$ 5,203</u></u>

CASH FLOW STATEMENT BALANCE INCLUDES:

Cash	\$ 38,417
Restricted Cash	7,432
Total	<u><u>\$ 45,849</u></u>

See accompanying notes and accountant's compilation report.

LATIMER COUNTY CONSERVATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The Latimer County Conservation District (the District) was created under Title 27A, Sections 3-1-101 through 3-3-410, as amended, of the Oklahoma State Statutes. The purpose of the District is to provide for the conservation of renewable natural resources in an area for which the District is responsible.

Basis of Accounting

The District prepares its financial statements using the modified cash basis of accounting. This basis recognizes assets, liabilities, net assets/fund equity, revenues, and expenditures/expenses when they result from cash transactions with provisions for depreciation in the financial statements. This basis is a basis of accounting other than accounting principles generally accepted in the United States of America

As a result of the District's use of the modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods and services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

Cash and Cash Equivalents

For the purpose of the financial statements, "cash and cash equivalents" are included in current assets and include all demand and savings accounts, certificates of deposit or short-term investments with an original maturity of three months or less and money market accounts.

Capital Assets

Capital assets are accounted for as property and equipment and are depreciated. Assets are capitalized at historical cost or estimated historical cost. District policy has set the capitalization threshold for reporting capital assets at \$150. Depreciation is recorded on a straight-line basis over the useful life of the asset as follows;

Building and Improvements.....	30-40 years
Equipment and Auto.....	5-10 years

Restricted Assets

Restricted assets include cash and investments that are legally restricted as to their use. The primary restricted assets of the District are cash accounts limited to a specific purpose. At June 30, 2024, the amount reported as restricted assets was \$7,326.

Net Position

Net position presents the difference between assets and liabilities in the statement of net position. Net investments in capital assets are reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvement of those assets.

Net position may be displayed in three components as applicable:

- *Net investment in capital assets* – consists of capital assets, net of accumulated depreciation and reduced by any debt related to the acquisition, construction, or improvements of those assets.
- *Restricted net position* – Consists of net position with constraints placed on the use either by 1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments, or 2) law through constitutional provisions or enabling legislation.
- *Unrestricted net position* – All remaining net position that does not meet the definition of “restricted”.

It is the District’s policy to first use restricted net position prior to the use of unrestricted net position when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

Operating Revenue and Expenses

Operating revenues and expenses result from providing services and delivering goods and/or services. They also include all revenues and expenses not related to capital and related financing, noncapital financing, or investing activities.

NOTE 2: CASH AND DEPOSITS

Custodial Credit Risk – Custodial credit risk related to deposits exists when the District hold deposits that are uninsured and uncollateralized with securities held by the pledging financial institution, or by its trust department or agent but not in the District’s name or collateralized without a written or approved collateral agreement. Exposure to custodial credit risk related to investments exists when the District holds investments that are uninsured and unregistered, with securities held by the counterparty or by its trust department or agent but not in the District’s name. The District’s policy for custodial credit risk is to secure its uninsured deposits with collateral. As of June 30, 2024, the District’s bank balances of \$48,193 were covered by FDIC insurance.

Investment Credit Risk - The District has no investment policy that limits investments choices other than the limitation of state law. As of June 30, 2024, the District did not hold investments or certificates of deposits.

NOTE 3: INVESTMENTS

The State of Oklahoma allows government entities to invest in the following: direct obligations of the United States Government, its agencies or instrumentalities, collateralized or insured certificates of deposit, insured savings accounts or savings certificates, or county, municipal or school district direct debt.

NOTE 4: PROPERTY AND EQUIPMENT

Depreciable Assets are recorded at cost when purchased or constructed. Improvements are capitalized; the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset’s life are expensed. Depreciation is calculated on a straight-line basis over the estimated useful lives of the depreciable assets. Total depreciation for the year ended June 30, 2024, was \$12,883. The following is a summary of category of changes in property and equipment:

	Balance June 30, 2023	Additions	Deletions	Balance June 30, 2024
Non Depreciated Assets				
Land	\$ 26,840	\$ -	\$ -	\$ 26,840
Total Non Depreciated Assets	26,840	-	-	26,840
Other Fixed Assets				
Buildings	243,443	-	-	243,443
Equipment	97,526	-	-	97,526
Furniture & Fixtures	350	-	-	350
Total Fixed Assets	341,319	-	-	341,319
Less Accumulated Depreciation:	(160,034)	(12,883)	-	(172,917)
Totals	<u>\$ 208,125</u>	<u>\$ (12,883)</u>	<u>\$ -</u>	<u>\$ 195,242</u>

NOTE 5: LONG-TERM LIABILITIES

In 2012 the District entered into a lease purchase agreement with Welch State Bank in the amount of \$212,158 at 5.15% interest for 180 monthly payments. The principal balance owed at June 30, 2024, is \$0.

The following is a summary of long-term debt additions and deductions for the year ended June 30, 2024:

Type of Debt	Balance 6/30/2023	Additions	Reductions	Balance 6/30/2024	Amount Due Within One Year
Business-Type Activities:					
BUILDING	\$ 11,087	\$ -	\$ (11,087)	\$ -	\$ -
Total Business-Type Activities	<u>\$ 11,087</u>	<u>\$ -</u>	<u>\$ (11,087)</u>	<u>\$ -</u>	<u>\$ -</u>

NOTE 6: OCC REIMBURSEMENTS:

The District is reimbursed by the Oklahoma Conservation Commission for salaries, payroll taxes, mileage, telephone charges, office supplies and certain other office expenses. When received, the reimbursements are recognized as revenues.

NOTE 7: RETIREMENT PLAN

Oklahoma public employees who work 1,599 hours or more per year are enrolled in the Oklahoma Public Employees Retirement System. On salaries paid from reimbursable funds from the Oklahoma Conservation Commission, the employers 16.5% share of retirement was paid directly by the Commission. The employees' share of the retirement contribution was 3.5% of locally earned wages and 3.5% of state reimbursable wages.

NOTE 8: ESTIMATES

The preparation of financial statements in conformity with the modified cash basis of accounting requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

NOTE 9: RISK MANAGEMENT

The District is exposed to various risks of losses related to torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. The OCC and the District manage this risk through the purchase of commercial insurance policies. Claims are recognized when it is probable that a loss has occurred, and the amount of loss can be reasonably estimated. In determining claims, events that might create claims, but for which none have been reported are considered.

The District has an economic dependency of approximately 52%. The district's support was provided through funds appropriated annually by the Oklahoma Conservation Commission which are dependent upon legislative approval.

NOTE 10: CONTINGENCIES:

The District is a party to various legal proceedings that normally occur in the course of operations. As of June 30, 2024, the District did not have any pending litigation or potential non-disclosed liabilities that management believe would have a material effect on the financial statements.

NOTE 11: SUBSEQUENT EVENTS

Subsequent events have been evaluated through October 24, 2024, which is the date the financial statements were available to be issued.