

LITTLE RIVER CONSERVATION DISTRICT

Idabel, Oklahoma

ANNUAL FINANCIAL STATEMENTS AND ACCOUNTANT'S COMPILATION REPORT

For the Year Ended June 30, 2024

MICHAEL W. GREEN
Certified Public Accountant
827 W. Locust Street
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LITTLE RIVER CONSERVATION DISTRICT
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Accountant's Compilation Report

To the Board of Directors
Little River Conservation District

Management is responsible for the accompanying modified cash basis financial statements of the Little River 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 modified 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 modified 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 'Mike Green', with a stylized flourish at the end.

Michael Green CPA
Stilwell, Oklahoma
November 8, 2024

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

Assets

Current Assets

Operating Accounts	\$ 29,548
Savings Account	10,021
Total Current Assets	<u>39,569</u>

Restricted Accounts	8,003
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Property and Equipment

Building and Land	164,095
Furniture and Equipment	325,912
Vehicles	106,218
Accumulated Depreciation	(290,095)
Total Property and Equipment	<u>306,130</u>

Total Assets	<u><u>\$ 353,702</u></u>
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Liabilities

Current Liabilities

Current Portion of Long Term Debt	\$ 67,676
Total Current Liabilities	<u>67,676</u>

Non-Current Liabilities

Long Term Debt	<u>16,687</u>
Total Non-Current Liabilities	<u>16,687</u>
Total Liabilities	<u><u>84,363</u></u>

Net Position

Net Investment in Capital Assets	221,767
Restricted	8,003
Unrestricted	<u>39,569</u>
Total Net Position	<u><u>\$ 269,339</u></u>

See accompanying notes and accountant's compilation report.

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

Operating Revenues:

OCC Reimbursements	\$ 85,482
Cost Share Received	197,867
WRP/Watershed Reimbursement	59,760
Pasture Lease	4,510
Equipment Rental	17,572
Custom Work	60,123
Grants	7,800
Platbook and Map Sales	5,150
Pecan Harvest Income	24,991
Other Income	2,414
Total Operating Revenues	<u>465,669</u>

Operating Expenses:

Payroll	100,243
Payroll Taxes and Benefits	12,943
Office Supplies and Postage	713
Conservation Education	1,657
Dues, Subscriptions, Advertising, and Promotion	3,385
Director Fees	1,225
Repairs and Maintenance	47,967
Building Maintenance	995
Fuel and Oil	14,104
Donations and Scholarships	315
Demonstration Farm Expenses	7,269
Pecan Harvesting	1,809
Travel and Meetings	702
Cost Share Paid	218,627
WRP/Watershed Maintenance	57,285
Plat Book and Map Costs	3,468
Insurance and Bond	12,180
Telephone	2,081
Shop Building Expenses	192
Small Tools and Supplies	1,425
Depreciation	44,280
Professional Fees	5,057
Other Expenses	2,381
Total Operating Expenses	<u>540,303</u>

Operating Income (loss) (74,634)

Non-operating revenues (expenses):

Interest Income	295
Gain on Sale of Assets	24,468
Total Nonoperating Revenue (Expenses)	<u>24,763</u>

Change in Net Position (49,871)

Net Position at Beginning of Year 319,210

Net Position at End of Year \$ 269,339

See accompanying notes and accountant's compilation report.

LITTLE RIVER CONSERVATION DISTRICT
STATEMENT OF CASH FLOWS
MODIFIED CASH BASIS
YEAR ENDED JUNE 30, 2024

Cash Flows From Operating Activities:

Cash Received From Customers	\$ 182,317
Cash Received From Other Sources	283,349
Cash Payments to Suppliers For Goods and Services	(445,253)
Cash Payments to Employees	(113,186)
Net Cash Provided (Used) by Operating Activities	<u>(92,773)</u>

Cash Flows From Capital and Related Financing Activities:

Disposal of Fixed Assets	66,307
Principal paid on Capital Debt	(16,519)
Other Income	-
Gain (Loss) on Sale	24,468
Net Cash Provided (Used) by Financing Activities	<u>74,256</u>

Cash Flows From Investing Activities:

(Increase) Decrease in Fixed Assets	-
(Increase) Decrease in CD's	-
Interest on Cash and CDs	295
Net Cash Provided (Used) by Investing Activities	<u>295</u>

Net Increase (Decrease) in Cash and Cash Equivalents	(18,222)
Beginning Cash and Cash Equivalents	65,794
Ending Cash and Cash Equivalents	<u>\$ 47,572</u>

Reconciliation of Income (Loss) From Operations to

Net Cash Provided (Used) by Operating Activities:

Income (Loss) From Operations	\$ (74,634)
Depreciation	44,280
Adjustments to Reconcile Income (Loss) From Operations to Net Cash Provided (Used) by Operating Activities:	
Recovery of Depreciation of Disposed Assets	(62,419)
Net Cash Provided (Used) by Operating Activities	<u>\$ (92,773)</u>

See accompanying notes and accountant's compilation report.

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The Little River 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 the 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" includes 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.

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, there was restricted cash totaling \$8,003.

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 holds 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. At June 30, 2024, all of the District's bank balances of \$64,918 were covered by FDIC insurance or securities pledged by the bank.

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

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 \$44,280. The following is a summary of changes in property and equipment:

	Balance June 30, 2023	Additions	Deletions	Balance June 30, 2024
Fixed Assets				
Buildings & Land	\$ 164,095	\$ -	\$ -	\$ 164,095
Furniture and Equipment	392,219	-	(66,307)	325,912
Vehicles	106,218	-	-	106,218
Total Fixed Assets	662,532	-	-	596,225
Less Accumulated Depreciation:	(308,234)	(44,280)	62,419	(290,095)
Totals	<u>\$ 354,298</u>	<u>\$ (44,280)</u>	<u>\$ -</u>	<u>\$ 306,130</u>

NOTE 5: NOTES PAYABLE

In October 2021, the district entered into a lease purchase agreement with First State Bank, Valliant, OK., in the amount of \$32,819 to purchase a 2021 Dodge Truck. The lease purchase agreement is renewable annually and bears an interest rate of 5.5% the lease purchase is to be repaid in monthly installments for 60 months. Total outstanding of the lease as of June 30, 2024, was \$22,270.

In November of 2021, the district entered into a lease purchase agreement with First State Bank, Valliant, OK., in the amount of \$32,805 to purchase a John Deer 5100 Tractor. The lease purchase agreement is due in full, one year from the date of the lease and bears an interest rate of 6.25%. The lease was renewed in November 2023 for the term of one year. The balance as of June 30, 2024, was \$26,850.

In September of 2022, the district entered into a lease purchase agreement with First State Bank, Valliant, OK., in the amount of \$40,743 to purchase a John Deer 5075E Tractor. The lease purchase agreement is due in full, one year from the date of the lease and bears an interest rate of 4.75%. The lease was renewed in September 2023 for the term of one year. The balance as of June 30, 2024, was \$35,243.

For the year ended June 30, 2024, the District's lease purchase changed as follows:

Type of Debt	Balance 6/30/2023	Additions	Reductions	Balance 6/30/2024	Amount Due Within One Year
Business-type Activities:					
First State Bank-2021 Dodge Truck	\$ 27,334	\$ -	\$ (5,064)	\$ 22,270	\$ 5,583
First State Bank-John Deer 5100	32,805	-	(5,955)	26,850	26,850
First State Bank-John Deer 5075E	40,743	-	(5,500)	35,243	35,243
Total Business-type Activities:	<u>\$ 100,882</u>	<u>\$ -</u>	<u>\$ (16,519)</u>	<u>\$ 84,363</u>	<u>\$ 67,676</u>

The annual lease payments are as follows:

For the Period Ended June 30,	2021 Dodge Truck \$32,819 Loan	
	Prin	Int
2025	\$ 5,583	\$ 1,073
2026	5,897	759
2027	6,230	426
2028	4,560	87
	<u>\$ 22,270</u>	<u>\$ 2,345</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, such reimbursements are recognized as revenues.

NOTE 7: RETIREMENT PLAN

Oklahoma public employees who work 1,599 hours or more per year were 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 the loss can be reasonably estimated. In determining claims, events that might create claims, but for which none have been reported, are considered.

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 November 8, 2024, which is the date the financial statements were available to be issued.