

**TALIHINA CONSERVATION DISTRICT**  
Talihina, 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  
STILWELL, OK. 74960  
(918) 696-6298

TALIHINA COUNTY CONSERVATION DISTRICT  
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Accountant's Compilation Report

To the Board of Directors  
Talihina County Conservation District

Management is responsible for the accompanying modified cash basis financial statements of the Talihina 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 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 6, 2024

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

**Assets**

Current Assets

Cash	\$ 4,290
Savings	138
Restricted Cash Scholarship Fund	1,983
Total Current Assets	<u>6,411</u>

Property and Equipment

Land and Buildings	35,000
Furniture and Fixtures	1,137
Machinery and Equipment	35,357
Accumulated Depreciation	<u>(70,694)</u>
Total Property and Equipment	<u>800</u>
Total Assets	<u><u>\$ 7,211</u></u>

**Liabilities**

Total Liabilities	\$ -
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**Net Position**

Net Investment in Capital Assets	800
Unrestricted	<u>6,411</u>
Total Net Position	<u><u>\$ 7,211</u></u>

See accompanying notes and accountant's compilation report.

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

Operating Revenues:	
OCC Reimbursements	\$ 39,320
Cost Share Received	93,038
Custom Work	45
Other Income	17,554
Total Revenues	<u>149,957</u>
Operating Expenses:	
Payroll	41,320
Office Supplies and Postage	814
Mileage, Meetings and Travel	412
Utilities and Telephone	3,196
Cost Share Paid	107,789
Director Meeting	700
Equipment Maint and Repair	6,942
Depreciation	200
Watershed Maint Cost	6,400
Misc	4,790
Total Operating Expenses	<u>172,563</u>
Operating Income (Loss)	<u>(22,606)</u>
Change in Net Position	(22,606)
Net Position at Beginning of Year	29,817
Net Position at End of Year	<u><u>\$ 7,211</u></u>

See accompanying notes and accountant's compilation report.

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

**Cash Flows from Operating Activities**

Cash Received From Customers	\$ 17,599
Cash Received From OCC	132,358
Cash Payments to Suppliers For Goods and Services	(131,043)
Cash Payments to Employees	(41,320)
Net Cash Provided (Used) by Operating Activities	<u>(22,406)</u>

Net Increase (Decrease) in Cash and Cash Equivalents (22,406)

Beginning Cash and Cash Equivalents 28,817

Ending Cash and Cash Equivalents \$ 6,411

**Reconciliation of Income (Loss) From Operations to  
Net Cash Provided (Used) by Operating Activities:**

Income (Loss) From Operations	\$ (22,606)
Depreciation	200
Net Cash Provided by Operating Activities	<u><u>\$ (22,406)</u></u>

**CASH FLOW STATEMENT BALANCE INCLUDES:**

Cash in Checking	\$ 4,290
Cash in Savings	138
Cash in Restricted Cash Scholarship Fund	1,983
	<u>\$ 6,411</u>

See accompanying notes and accountant's compilation report.

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

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Organization

The Talihina 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" 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. Assets are capitalized at historical cost or estimated historical cost. District policy has set the capitalization threshold for reporting capital assets at \$1,000. 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, restricted cash in the scholarship account was \$1,983.

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 or 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 \$10,529 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 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 \$200. The following is a summary of category of changes in property and equipment:

	Balance June 30, 2023	Additions	Deletions	Balance June 30, 2024
Fixed Assets				
Furniture	\$ 1,137	\$ -	\$ -	\$ 1,137
Building & Improvements	35,000	-	-	35,000
Machinery & Equipment	34,357	1,000	-	35,357
Total Fixed Assets	<u>70,494</u>	<u>1,000</u>	<u>-</u>	<u>71,494</u>
Less Accumulated Depreciation:	<u>(70,494)</u>	<u>(200)</u>	<u>-</u>	<u>(70,694)</u>
Totals	<u>\$ -</u>	<u>\$ 800</u>	<u>\$ -</u>	<u>\$ 800</u>



**NOTE 5: 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 6: 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 7: 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 8: 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.

**NOTE 9: 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 10: SUBSEQUENT EVENTS**

Subsequent events have been evaluated through November 6, 2024, which is the date the financial statements were available to be issued.