

**TEXAS COUNTY CONSERVATION
DISTRICT**

Guymon, 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

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Accountant's Compilation Report

To the Board of Directors
Texas County Conservation District

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

Michael Green CPA
Stilwell, Oklahoma
November 26, 2024

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

Assets

Current Assets

| | |
|------------------------|----------------|
| Cash | \$ 245,701 |
| Certificate of Deposit | 265,225 |
| Total Current Assets | <u>510,926</u> |

Property and Equipment

| | |
|------------------------------|--------------------------|
| Building & Improvements | 721,207 |
| Office Equipment | 5,666 |
| Equipment | 96,821 |
| Accumulated Depreciation | <u>(674,769)</u> |
| Total Property and Equipment | <u>148,925</u> |
| Total Assets | <u><u>\$ 659,851</u></u> |

Liabilities

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

Net Position

| | |
|----------------------------------|--------------------------|
| Net Investment in Capital Assets | 148,925 |
| Unrestricted | <u>510,926</u> |
| Total Net Position | <u><u>\$ 659,851</u></u> |

See accompanying notes and accountant's compilation report.

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

| | |
|---------------------------------------|--------------------------|
| Operating Revenues: | |
| OCC Reimbursements | \$ 9,000 |
| Cost Share Received | 158,853 |
| Insurance Proceeds | 54,626 |
| Rental Income | 50,635 |
| Seed Sales | 38,316 |
| Other Income | 1,632 |
| Total Revenues | <u>313,062</u> |
| Operating Expenses: | |
| Payroll | 51,962 |
| Office Supplies and Postage | 5,931 |
| Mileage, Meetings and Travel | 1,304 |
| Professional Fees | 165 |
| Shop Supplies | 580 |
| Pest Control | 1,195 |
| Vehicle and Fuel | 191 |
| Dues, Memberships, and Advertisements | 2,746 |
| Utilities and Telephone | 15,030 |
| Cost Share Paid | 105,415 |
| Insurance and Bond | 13,297 |
| Janitorial Expense | 8,214 |
| Equipment Maint and Repair | 11,074 |
| Depreciation | 19,505 |
| Other Expenses | 879 |
| Contract Work | 1,200 |
| Cost of Goods Sold | 28,873 |
| Total Operating Expenses | <u>267,561</u> |
| Operating Income (Loss) | 45,501 |
| Nonoperating Revenues (Expenses): | |
| Interest Income | 13,391 |
| Total Nonoperating Revenue (Expenses) | <u>13,391</u> |
| Change in Net Position | 58,892 |
| Net Position at Beginning of Year | 600,959 |
| Net Position at End of Year | <u><u>\$ 659,851</u></u> |

See accompanying notes and accountant's compilation report.

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

Cash Flows From Operating Activities:

| | |
|---|-----------------|
| Cash Received From Customers | \$ 145,209 |
| Cash Received From OCC | 167,853 |
| Cash Payments to Suppliers For Goods and Services | (196,094) |
| Cash Payments to Employees | <u>(51,962)</u> |
| Net Cash Provided (Used) by Operating Activities | 65,006 |

Cash Flows From Capital and Financing Activities:

| | |
|---|-----------------|
| Purchase of capital assets | <u>(67,309)</u> |
| Net Cash Provided (Used) by Financing Activities | (67,309) |

Cash Flows From Investing Activities:

| | |
|--|---------------|
| Interest Income | <u>13,391</u> |
| Net Cash Provided (Used) by Investing Activities | <u>13,391</u> |

| | |
|--|--------------------------|
| Net Increase (Decrease) in Cash and Cash equivalents | 600 |
| Beginning Cash and Cash Equivalents | <u>245,101</u> |
| Ending Cash and Cash Equivalents | <u><u>\$ 245,701</u></u> |

Reconciliation of Income (Loss) to Net Cash

Provided (Used) by Operating Activities:

| | |
|--|-------------------------|
| Operating Income (Loss) | \$ 45,501 |
| Depreciation | <u>19,505</u> |
| Net Cash Provided (Used) by Operating Activities | <u><u>\$ 65,006</u></u> |

CASH FLOW STATEMENT BALANCE INCLUDE:

| | |
|-------|-------------------|
| Cash | <u>\$ 245,701</u> |
| Total | <u>\$ 245,701</u> |

See accompanying notes and accountant's compilation report.

TEXAS 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 Texas County Conservation District (the District) was created under Title 27A, Sections 3-1-101 through 3-3-410, as amended, of the laws of the State of Oklahoma. 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 maintains its records and prepares its financial statements using the modified cash basis of accounting. This basis recognizes assets, liabilities, net position, revenues, and expenditures/expenses when they result from cash transactions with provision for depreciation in the financial statements. The modified cash basis is a basis of accounting other than the basis prescribed by 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 arising from cash transactions are accounted for as capital outlay expenditures.

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 totaled \$0

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 is displayed in two components:

- *Restricted net position* – Consists of net position with constraints places 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.

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: LAND, 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 \$19,505. The following is a summary by category of changes in property and equipment:

| | Balance June 30, 2023 | Additions | Deletions | Balance June 30, 2024 |
|--------------------------------|--------------------------|--------------------|-------------|--------------------------|
| Fixed Assets: | | | | |
| Buildings & Improvements | \$ 653,897 | \$ 67,310 | \$ - | \$ 721,207 |
| Office Equipment | 5,666 | - | - | 5,666 |
| Equipment | 96,821 | - | - | 96,821 |
| Total other fixed assets | 756,384 | 67,310 | - | 823,694 |
| Less accumulated depreciation: | (655,264) | (19,505) | - | (674,769) |
| Totals | <u>\$ (655,264)</u> | <u>\$ (19,505)</u> | <u>\$ -</u> | <u>\$ 148,925</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, such reimbursements are recognized as revenues.

NOTE 6: 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 7: ESTIMATES

The preparation of financial statements in conformity with the modified cash basis requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period (such as estimated useful lives in determining depreciation expense). 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 the 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 26, 2024, which is the date the financial statements were available to be issued.