

OKFUSKEE COUNTY CONSERVATION DISTRICT

Okemah, 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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(918) 696-6298

OKFUSKEE COUNTY CONSERVATION DISTRICT
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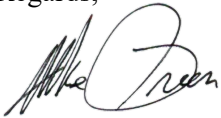
Accountant's Compilation Report

To the Board of Directors
Okfuskee County Conservation District

Management is responsible for the accompanying modified cash basis financial statements of the Okfuskee 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 11, 2024

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

Assets

Current Assets

Cash and Cash Equivalents	\$ 282,017
Total Current Assets	<u>282,017</u>

Property and Equipment

Land	3,500
Buildings	458,497
Machinery and Equipment	17,412
Accumulated Depreciation	<u>(201,948)</u>
Total Property and Equipment	<u>277,461</u>

Total Assets	<u><u>\$ 559,478</u></u>
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Liabilities

Current Liabilities

Capital Lease, Current Portion	\$ 16,876
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Capital Lease, Long-Term Portion	<u>65,447</u>
Total Liabilities	<u>82,323</u>

Net Position

Net Investment in Capital Assets	277,461
Unrestricted	<u>199,694</u>
Total Net Position	<u><u>\$ 477,155</u></u>

See accompanying notes and accountant's compilation report.

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

Operating Revenues:	
OCC Reimbursements and Cost Share	\$ 414,232
Grant Income	225,000
Rental Income	96,995
Other Income	13,810
Total Revenues	<u>750,037</u>
Operating Expenses:	
Payroll	96,516
Repairs, Maintenance, and Supplies	17,848
Office Supplies and Postage	14,828
Mileage, Meetings and Travel	892
Professional Fees	1,450
Insurance	1,900
Education and Soil Stewardship	3,713
Pre-Clam	4,361
Travel	1,027
Utilities and Telephone	9,375
Cost Share Paid	290,663
Dues, Memberships, and Advertisements	2,250
Depreciation	12,657
Other Expenses	7,594
Total Operating Expenses	<u>465,074</u>
Operating Income (Loss)	284,963
Nonoperating Revenues (Expenses):	
Interest Income	1,548
Interest Expense	(6,157)
Total Nonoperating Revenue (Expenses)	<u>(4,609)</u>
Change in Net Position	280,354
Net Position at Beginning of Year	196,801
Net Position at End of Year	<u><u>\$ 477,155</u></u>

See accompanying notes and accountant's compilation report.

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

Cash Flows From Operating Activities:

Cash Received From Customers	\$ 639,232
Other Operating Cash Receipts	110,805
Cash Payments to Suppliers For Goods and Services	(355,901)
Cash Payments to Employees	(96,516)
Net Cash Provided (Used) by Operating Activities	<u>297,620</u>

Cash Flows From Capital and Related Financing Activities:

Purchase of capital assets	(28,000)
Principal paid on capital debt	(58,231)
Interest paid on capital debt	(6,157)
Net Cash Provided (Used) by Financing Activities	<u>(92,388)</u>

Cash Flows From Investing Activities:

Interest on Cash and CDs	<u>1,548</u>
Net Cash Provided (Used) by Investing Activities	<u>1,548</u>

Net Increase (Decrease) in Cash and Cash Equivalents	206,781
Beginning Cash and Cash Equivalents	75,236
Ending Cash and Cash Equivalents	<u><u>\$ 282,017</u></u>

Reconciliation of Income (Loss) From Operations to

Net Cash Provided (Used) by Operating Activities:

Income (Loss) From Operations	\$ 284,963
Depreciation	12,657
Adjustments to Reconcile Income (Loss) From Operations to Net Cash Provided (Used) by Operating Activities:	
Net Cash Provided (Used) by Operating Activities	<u><u>\$ 297,620</u></u>

See accompanying notes and accountant's compilation report.

OKFUSKEE 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 Okfuskee 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" 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, there were no cash accounts with restrictions.

Net Position

Net position presents the difference between assets and liabilities in the statement of net position. 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 \$282,017 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 \$12,657. 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				
Land	\$ 3,500	\$ -	\$ -	\$ 3,500
Building & Improvements	430,497	28,000	-	458,497
Machinery & Equipmnt	17,412	-	-	17,412
Total Fixed Assets	451,409	28,000	-	479,409
Less Accumulated Depreciation:	(189,291)	(12,657)	-	(201,948)
Totals	<u>\$ 262,118</u>	<u>\$ 15,343</u>	<u>\$ -</u>	<u>\$ 277,461</u>

NOTE 5: NOTES PAYABLE

In December 2002, the district entered into a lease purchase agreement with BancFirst, Okemah, OK. The monthly lease payments were \$2,843 with final payment in August 2018. This lease agreement was amended on December 27, 2010, and again on April 28, 2022. The new monthly payments are \$1,866 with the final payment due on May 1, 2032. The total outstanding of the lease as of June 30, 2024, was \$82,323.

Type of Debt	Balance 6/30/2023	Additions	Reductions	Balance 6/30/2024	Amount Due Within One Year
Business-Type Activities:					
BUILDING	\$ 140,553	\$ -	\$ (58,230)	\$ 82,323	\$ 16,876
Total Business-Type Activities	<u>\$ 140,553</u>	<u>\$ -</u>	<u>\$ (58,230)</u>	<u>\$ 82,323</u>	<u>\$ 16,876</u>

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

YEAR ENDING	PRINCIPLE	INTEREST	TOTAL
2025	\$ 16,876	\$ 5,512	\$ 22,388
2026	17,529	4,859	22,388
2027	18,207	4,181	22,388
2028	18,902	3,346	22,388
2029	10,810	2,745	13,555
Total	<u>\$ 82,323</u>	<u>\$ 20,643</u>	<u>\$ 103,106</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 11, 2024, which is the date the financial statements were available to be issued.