

**DEWEY COUNTY CONSERVATION
DISTRICT
Taloga, Oklahoma**

ANNUAL FINANCIAL STATEMENTS

For the Year Ended June 30, 2023

DEWEY COUNTY CONSERVATION DISTRICT
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YEAR ENDED JUNE 30, 2023

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Accountant's Compilation Report

To the Board of Directors
Dewey County Conservation District

Management is responsible for the accompanying modified cash basis financial statements of the Dewey County Conservation District (the District), as of and for the year ended June 30, 2023, 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,



Michael Green, CPA
August 31, 2023

DEWEY COUNTY CONSERVATION DISTRICT
STATEMENT OF ASSETS, LIABILITIES AND NET POSITION -
MODIFIED CASH BASIS
JUNE 30, 2023

Assets

Current Assets

Checking Account	\$	135,802
Certificates of Deposit		80,029
Total Current Assets		215,831

Property and Equipment

Land and Improvements		9,070
Building		216,910
Building Improvements		129,754
Equipment		225,463
Accumulated Depreciation		(361,266)
Total Property and Equipment		219,931

Total Assets	\$	435,762
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Liabilities

Total Liabilities	\$	-
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Net Position

Net Investment in Capital Assets		219,931
Unrestricted		215,831
		435,762

Total Net Position	\$	435,762
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See accompanying notes and accountant's compilation report.

**DEWEY COUNTY CONSERVATION DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN NET POSITION - MODIFIED CASH BASIS
YEAR ENDED JUNE 30, 2023**

Operating Revenues:	
OCC Reimbursements	\$ 408,450
Cost Share Received	72,361
Building Rent	48,501
Equipment Rental	19,971
Seed Sales	26,958
Soil Health	34,200
Other Income	1,567
Total Revenues	612,008
Operating Expenses:	
Payroll	58,484
Payroll Taxes and Benefits	32,271
Office Supplies and Postage	7,936
Repairs and Maintenance	4,970
Cost Share Paid	388,174
Vehicle Expense	3,332
Seed Purchases	20,450
Dues, Meetings, and Travel	20,195
Building Expense	7,827
Advertisement and Promotion	417
Insurance	7,726
Utilities and Telephone	8,956
Janitor	5,914
Education and Programs	4,368
Watershed Maintenance	1,681
Depreciation	13,559
Other Expenses	366
Total Operating Expenses	586,626
Operating Income (loss)	25,382
Nonoperating Revenue (Expense):	
Interest Income	2,084
Total Nonoperating Revenue (Expenses)	2,084
Change in Net Position	27,466
Net Position at Beginning of Year	408,296
Net Position at End of Year	\$ 435,762

See accompanying notes and accountant's compilation report.

**DEWEY COUNTY CONSERVATION DISTRICT
STATEMENT OF CASH FLOWS
MODIFIED CASH BASIS
YEAR ENDED JUNE 30, 2023**

Cash Flows From Operating Activities:

Cash Received From Customers	\$ 131,197
Cash Received From OCC	480,811
Cash Payments to Suppliers For Goods and Services	(482,312)
Cash Payments to Employees	(90,755)
Net Cash Provided (Used) by Operating Activities	38,941

Cash Flows From Investing Activities:

(Increase) Decrease in Fixed Assets	(54,259)
Interest on Cash and CDs	1,496
Net Cash Provided (Used) by Investing Activities	(52,763)

Net Increase (Decrease) in Cash and Cash Equivalents	(13,822)
Beginning Cash and Cash Equivalents	149,624
Ending Cash and Cash Equivalents	\$ 135,802

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

Income (Loss) From Operations	\$ 25,382
Depreciation	13,559
Adjustments to Reconcile Income (Loss) From Operations to Net Cash Provided (Used) by Operating Activities:	
Net Cash Provided (Used) by Operating Activities	\$ 38,941

See accompanying notes and accountant's compilation report.

DEWEY COUNTY CONSERVATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The Dewey 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.

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, 2023, there were no cash accounts with restrictions.

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, 2023 the District’s bank balances of \$215,831 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, 2023, 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, 2023 was \$13,559. The following is a summary of category of changes in property and equipment:

	Balance June 30, 2022	Additions	Deletions	Balance June 30, 2023
Fixed Assets				
Land and Improvements	\$ 9,070	\$ -	\$ -	\$ 9,070
Building	216,910	-	-	216,910
Building Improvements	129,754	-	-	129,754
Equipment	171,204	54,259	-	225,463
Total Fixed Assets	<u>526,938</u>	<u>54,259</u>	<u>-</u>	<u>581,197</u>
Less Accumulated Depreciation	<u>(347,707)</u>	<u>(13,559)</u>	<u>-</u>	<u>(361,266)</u>
Totals	<u>\$ 179,231</u>	<u>\$ 40,700</u>	<u>\$ -</u>	<u>\$ 219,931</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, 2023, 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 August 31, 2023, which is the date the financial statements were available to be issued.