

**LATIMER COUNTY  
CONSERVATION DISTRICT**  
Wilburton, Oklahoma

**FINANCIAL STATEMENTS &  
ACCOUNTANT'S COMPILATION REPORT**

**For the Year Ended June 30, 2023**

LATIMER COUNTY CONSERVATION DISTRICT  
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YEAR ENDED JUNE 30, 2023

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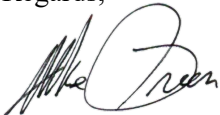
Accountant's Compilation Report

To the Board of Directors  
Latimer County Conservation District

Management is responsible for the accompanying modified cash basis financial statements of the Latimer 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  
April 23, 2024

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

**Assets**

Current Assets

Cash	\$	44,349
Restricted Cash		7,326
Total Current Assets		51,675

Property and Equipment

Building		243,443
Equipment		97,526
Furniture and Fixtures		350
Land		26,840
Accumulated Depreciation		(160,034)
Total Property and Equipment		208,125
Total Assets	\$	259,800

**Liabilities**

Current Liabilities

Current Portion of Capital Lease	\$	11,087
Total Current Liabilities		11,087

Noncurrent Liabilities

Capital Lease		-
Total Noncurrent Liabilities		-
Total Liabilities		11,087.00

**Net Position**

Net Investment in Capital Assets		208,125
Unrestricted		40,588
Total Net Position	\$	248,713

See accompanying notes and accountant's compilation report.

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

Operating Revenues:	
Cost Share Received	\$ 38,855
Custom Work	1,510
OCC Reimbursements	213,488
Rental Income Reimbursement	35,984
Other Income	1,867
Total Revenues	<u>291,704</u>
Operating Expenses:	
Cost Share Paid	205,084
Depreciation	10,562
Director Meeting	750
Dues, Memberships, and Advertisements	809
Office Supplies and Postage	6,064
Payroll	31,092
Repairs, Maintenance, and Supplies	10,373
Utilities and Telephone	6,431
Vehicle and Fuel	5,408
Total Operating Expenses	<u>276,573</u>
Operating Income (Loss)	15,131
Nonoperating Revenues (Expenses):	
Interest Expense	(1,780)
Interest Income	30
Miscellaneous Income	100
Total Nonoperating Revenue (Expenses)	<u>(1,650)</u>
Change in Net Position	13,481
Net Position at Beginning of Year	235,232
Net Position at End of Year	<u>\$ 248,713</u>

See accompanying notes and accountant's compilation report.

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

**Cash Flows From Operating Activities:**

Cash Received From Customers	\$ 39,361
Cash Received From Other Sources	252,343
Cash Payments to Suppliers For Goods and Services	(234,919)
Cash Payments to Employees	(31,737)
Net Cash Provided (Used) by Operating Activities	25,048

**Cash Flows From Non-Capital Financing Activities:**

**Cash Flows From Capital and Related Financing Activities:**

Principal Payments of Note Payable	(21,940)
Interest Expense	(1,780)
Other Income	100
Net Cash Provided (Used) by Financing Activities	(23,620)

**Cash Flows From Investing Activities:**

Interest Income	30
Net Cash Provided (Used) by Investing Activities	30

Net Increase (Decrease) in Cash and Cash Equivalents	1,458
Beginning Cash and Cash Equivalents	50,217
Ending Cash and Cash Equivalents	\$ 51,675

**Reconciliation of Income (Loss) From Operations to**

**Net Cash Provided (Used) by Operating Activities:**

Income (Loss) From Operations	\$ 15,131
Depreciation	10,562
Adjustments to Reconcile Income (Loss) From Operations to Net Cash Provided (Used) by Operating Activities:	(645)
Net Cash Provided (Used) by Operating Activities	\$ 25,048

See accompanying notes and accountant's compilation report.

LATIMER 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 Latimer 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 \$150. 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, 2023, the amount reported as restricted assets was \$7,326.

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 \$51,675 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 or certificates of deposits.

**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 \$10,562. The following is a summary of category of changes in property and equipment:

	Balance June 30, 2022	Additions	Deletions	Balance June 30, 2023
<b>Non Depreciated Assets</b>				
Land	\$ 26,840	\$ -	\$ -	\$ 26,840
Total Non Depreciated Assets	<u>26,840</u>	<u>-</u>	<u>-</u>	<u>26,840</u>
<b>Other Fixed Assets</b>				
Buildings	243,443	-	-	243,443
Equipment	97,526	-	-	97,526
Furniture & Fixtures	350	-	-	350
Total Fixed Assets	<u>341,319</u>	<u>-</u>	<u>-</u>	<u>341,319</u>
Less Accumulated Depreciation:	(149,472)	(10,562)	-	(160,034)
Totals	<u>\$ 218,687</u>	<u>\$ (10,562)</u>	<u>\$ -</u>	<u>\$ 208,125</u>



**NOTE 5: LONG-TERM LIABILITIES**

In 2012 the District entered into a lease purchase agreement with Welch State Bank in the amount of \$212,158 at 5.15% interest for 180 monthly payments. The principal balance owed at June 30, 2023, is \$11,087.

The following is a summary of long-term debt additions and deductions for the year ended June 30, 2023:

Type of Debt	Balance 6/30/2022	Additions	Reductions	Balance 6/30/2023	Amount Due Within One Year
Business-Type Activities:					
BUILDING	\$ 33,027	\$ -	\$ (21,940)	\$ 11,087	\$ 11,087
Total Business-Type Activities	<u>\$ 33,027</u>	<u>\$ -</u>	<u>\$ (21,940)</u>	<u>\$ 11,087</u>	<u>\$ 11,087</u>

A summary of future long term debt maturities for five years and to maturity are as follows:

YEAR ENDING	PRINCIPLE	INTEREST	TOTAL
2024	\$ 11,087	2,634	\$ 13,721
Total	<u>\$ 11,087</u>	<u>2,634</u>	<u>\$ 13,721</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, the reimbursements are recognized as revenues.

**NOTE 7: 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 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 loss can be reasonably estimated. In determining claims, events that might create claims, but for which none have been reported are considered.

The District has an economic dependency of approximately 52%. The district's support was provided through funds appropriated annually by the Oklahoma Conservation Commission which are dependent upon legislative approval.

**NOTE 10: 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 April 23, 2024, which is the date the financial statements were available to be issued.