

**NOBLE COUNTY CONSERVATION  
DISTRICT  
Perry, Oklahoma**

**ANNUAL FINANCIAL STATEMENTS**

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

NOBLE COUNTY CONSERVATION DISTRICT  
TABLE OF CONTENTS  
YEAR ENDED JUNE 30, 2023

ACCOUNTANT'S COMPILATION REPORT	1
BASIC FINANCIAL STATEMENTS:	
Statement of Assets, Liabilities, and Net Position - Modified Cash Basis	2
Statement of Revenues, Expenditures, and Changes in Net Position Modified Cash Basis	3
Statement of Cash Flows - Modified Cash Basis	4
Notes to the Financial Statements	5

**MICHAEL W. GREEN**  
***Certified Public Accountant***  
827 W. Locust Street  
STILWELL, OK. 74960  
(918) 696-6298

Accountant's Compilation Report

To the Board of Directors  
Noble County Conservation District

Management is responsible for the accompanying modified cash basis financial statements of the Noble 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 14, 2023

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

**Assets:**

Current Assets

Operating Cash	\$ 30,208
Total Cash and Cash Equivalents	
Certificates of Deposit	140,208
Total Current Assets	170,416

**Noncurrent Assets:**

Property and Equipment	83,956
Accumulated Depreciation	(40,894)
Total Property and Equipment	43,062
Total Assets	\$ 213,478

**Liabilities:**

Total Liabilities	\$ -
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**Net Position:**

Net investment in capital assets	43,062
Unrestricted	170,416
Total Liabilities and Net Position	\$ 213,478

See accompanying notes and accountant's report

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

Revenues:	
OCC Reimbursements	\$ 92,620
Cost Share Received	270,243
Total Operating Revenues	362,863
Expenses:	
Payroll	56,524
Payroll Taxes and Employee Benefits	23,108
Office Supplies and Postage	98
Cost Share Paid Out	245,721
Watershed Maintenance	1,816
Advertising	57
Professional Fees	1,615
Meetings, Mileage, and Travel	3,806
Dues, Subscriptions, and Licenses	591
Utilities	1,504
Depreciation	1,302
Conservation Education	892
Other Expenses	3,569
Total Operating Expenses	340,603
Operating Income (Loss)	22,260
Nonoperating Revenues (Expenses):	
Interest income	42
Total Nonoperating Revenue (Expenses)	42
Changes in Net Position	22,302
Net Position at Beginning of Year	191,176
Net Position at End of Year	\$ 213,478

See accompanying notes and accountant's report

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

**Cash Flows From Operating Activities**

Other Operating Cash Receipts	\$ 362,863
Cash Payments to Suppliers For Goods and Services	(282,777)
Cash Payments to Employees	(56,524)
Net Cash Provided (Used) by Operating Activities	23,562

**Cash Flows From Investing Activities**

(Increase) Decrease in CDs	(439)
Interest on Cash and Investment	42
Net Cash Provided (Used) by Financing Activities	(397)

Net Increase (Decrease) in Cash and Cash Equivalent:	23,165
Beginning Cash and Cash Equivalent:	7,043
Ending Cash and Cash Equivalents	\$ 30,208

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

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

Income (Loss) From Operations	\$ 22,260
Adjustments to Reconcile Income (Loss) From Operation to Net Cash Provided (Used) by Operating Activities	
Depreciation	1,302
Changes in Assets and Liabilities	-
Net cash provided (used) by operating activities	\$ 23,562

See accompanying notes and accountant's report

NOBLE 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 Noble 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 the 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 is displayed in three components:

- *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 exist 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. At June 30, 2023, all of the District's bank balances of \$170,416 were covered by FDIC insurance.

*Investment Credit Risk* - The District has no investment policy that limits investment 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 \$1,302. The following is a summary by category of changes in property and equipment:

	Balance June 30, 2022	Additions	Deletions	Balance June 30, 2023
Fixed assets not being depreciated:				
Land	\$ 33,507	\$ -	\$ -	\$ 33,507
Total Non Depreciated Assets	<u>33,507</u>	<u>-</u>	<u>-</u>	<u>33,507</u>
Other fixed assets:				
Machinery and equipment	2,458	-	-	2,458
Buildings and improvements	45,961	-	-	45,961
Furniture and office equipment	<u>2,030</u>	<u>-</u>	<u>-</u>	<u>2,030</u>
Total other fixed assets	<u>50,449</u>	<u>-</u>	<u>-</u>	<u>50,449</u>
Accumulated Depreciation	(39,592)	(1,302)	-	(40,894)
Totals	<u>\$ 44,364</u>	<u>\$ (1,302)</u>	<u>\$ -</u>	<u>\$ 43,062</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 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. 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, 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 14, 2023, which is the date the financial statements were available to be issued.