

**PAYNE COUNTY CONSERVATION DISTRICT AND  
PAYNE COUNTY CONSERVATION FOUNDATION, INC.  
Stillwater, Oklahoma**

ANNUAL FINANCIAL STATEMENTS  
AND ACCOMPANYING  
INDEPENDENT AUDITOR'S REPORTS  
For the Year Ended June 30, 2024

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**PAYNE COUNTY CONSERVATION DISTRICT AND  
PAYNE COUNTY CONSERVATION FOUNDATION, INC.  
Stillwater, Oklahoma**

**For the Year Ended June 30, 2024**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Payne County Conservation District and  
Payne County Conservation Foundation, Inc.  
Stillwater, Oklahoma

### Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information for the Payne County Conservation District and the Payne County Conservation Foundation, Inc. as of and for the year ended June 30, 2024, and the related notes to the financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Payne County Conservation District and the Payne County Conservation Foundation, Inc. as of June 30, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Payne County Conservation District and the Payne County Conservation Foundation, Inc. as of June 30, 2024, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Payne County Conservation District and the Payne County Conservation Foundation, Inc.'s ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore it is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Payne County Conservation District and the Payne County Conservation Foundation, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events considered in the aggregate, that raise substantial doubt about the Payne County Conservation District and the Payne County Conservation Foundation, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

#### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the Budget Comparison Schedule- Exhibit 1 on page 23 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We were unable to apply certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, because it was outside the scope of our engagement. We do not express an opinion or any assurance on the information.

Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

#### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District and Foundation's basic financial statements. The Statement of Revenues, Expenditures, and Changes in Net Position- Fiduciary Fund- Expendable Trust Fund and the Schedule of Expenditures of Federal Assistance on pages 24 and 25 are presented for the purpose of additional analysis and are not a required part of the basis financial statements. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

### **Other Reporting Required by Government Auditing Standards**

In accordance with Government Auditing Standards, we have also issued our report dated November 14, 2024, on our consideration of the Payne County Conservation District and the Payne County Conservation Foundation, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal controls over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Payne County Conservation District and the Payne County Conservation Foundation, Inc.'s internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "David Clanin CPA PLLC". The signature is written in a cursive, flowing style.

David Clanin, CPA PLLC

November 14, 2024

**PAYNE COUNTY CONSERVATION DISTRICT AND  
THE PAYNE COUNTY CONSERVATION FOUNDATION, INC.  
STILLWATER, OKLAHOMA**

**STATEMENT OF NET POSITION  
JUNE 30, 2024**

|  | Government<br>Activities | Business-Type<br>Activities | Totals               |
|--|--------------------------|-----------------------------|----------------------|
| <b>Assets</b>  |                          |                             |                      |
| Current assets   |                          |                             |                      |
| Cash and cash equivalents (notes 4, 5 and 6)             | \$ 29,242.04             | \$ 34,033.92                | \$ 63,275.96         |
| Receivables from other governments (note 7)              | 11,397.29                | -                           | 11,397.29            |
| Rental income receivable                                 | -                        | -                           | -                    |
| Prepaid insurance  | -                        | 11,850.00                   | 11,850.00            |
| Prepaid income taxes                                     | -                        | 712.00                      | 712.00               |
| Total current assets                                     | <u>40,639.33</u>         | <u>46,595.92</u>            | <u>87,235.25</u>     |
| Noncurrent assets  |                          |                             |                      |
| Capital assets:  |                          |                             |                      |
| Capital assets net of accumulated depreciation (note 11) | <u>7,364.67</u>          | <u>379,117.81</u>           | <u>386,482.48</u>    |
| Total noncurrent assets                                  | <u>7,364.67</u>          | <u>379,117.81</u>           | <u>386,482.48</u>    |
| Total assets   | <u>48,004.00</u>         | <u>425,713.73</u>           | <u>473,717.73</u>    |
| <b>Liabilities</b>                                       |                          |                             |                      |
| Current liabilities                                      |                          |                             |                      |
| Accounts payable   | 2,212.46                 | -                           | 2,212.46             |
| Other payables   | -                        | 570.36                      | 570.36               |
| Federal and state income tax payable                     | -                        | 638.00                      | 638.00               |
| Current portion of accrued compensated absences          | 22,910.45                | -                           | 22,910.45            |
| Note payable current portion                             | <u>2,337.20</u>          | <u>7,545.50</u>             | <u>9,882.70</u>      |
| Total current liabilities                                | <u>27,460.11</u>         | <u>8,753.86</u>             | <u>36,213.97</u>     |
| Noncurrent liabilities                                   |                          |                             |                      |
| Notes payable  | <u>185.27</u>            | <u>159,000.04</u>           | <u>159,185.31</u>    |
| Total noncurrent liabilities                             | <u>185.27</u>            | <u>159,000.04</u>           | <u>159,185.31</u>    |
| Total liabilities  | <u>27,645.38</u>         | <u>167,753.90</u>           | <u>195,399.28</u>    |
| <b>Deferred inflows of resources</b>                     |                          |                             |                      |
| Deferred inflow of resources: pass through grant         | <u>19,248.00</u>         | <u>-</u>                    | <u>19,248.00</u>     |
| <b>Net positions</b>                                     |                          |                             |                      |
| Net invested in capital assets                           | -                        | 212,572.27                  | 212,572.27           |
| Unrestricted   | <u>1,110.62</u>          | <u>45,387.56</u>            | <u>46,498.18</u>     |
| Sub-total  | <u>1,110.62</u>          | <u>257,959.83</u>           | <u>259,070.45</u>    |
| Total net position                                       | <u>\$ 1,110.62</u>       | <u>\$ 257,959.83</u>        | <u>\$ 259,070.45</u> |

The accompanying notes to the basic financial statements are an integral part of this statement.

**PAYNE COUNTY CONSERVATION DISTRICT AND  
THE PAYNE COUNTY CONSERVATION FOUNDATION, INC.  
STILLWATER, OKLAHOMA**

**STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2024**

| Functions/programs                            | Program Revenues     |                         |                                      |                                    | Net (Expenses) Revenue and<br>Changes in Net Assets |                             |                       |
|---|----------------------|-------------------------|--------------------------------------|------------------------------------|---|-----------------------------|-----------------------|
|   | Expenses             | Charges for<br>Services | Operating<br>Grants and<br>Contracts | Capital<br>Grants and<br>Contracts | Primary Government                                  |                             |                       |
|   |                      |                         |                                      |                                    | Governmental<br>Activities                          | Business-type<br>Activities | Totals                |
| Governmental activities                       |                      |                         |                                      |                                    |   |                             |                       |
| Conservation program                          | \$ 371,754.08        | \$ -                    | \$ 335,916.29                        | \$ -                               | \$ (35,837.79)                                      | \$ -                        | \$ (35,837.79)        |
| Other outlays                                 | 920.00               | -                       | -                                    | -                                  | (920.00)  | -                           | (920.00)              |
| Total government activities                   | <u>372,674.08</u>    | <u>-</u>                | <u>335,916.29</u>                    | <u>-</u>                           | <u>(36,757.79)</u>                                  | <u>-</u>                    | <u>(36,757.79)</u>    |
| Business-type activities                      |                      |                         |                                      |                                    |   |                             |                       |
| Office building rental                        | 174,367.50           | 180,449.06              | -                                    | -                                  | -   | 6,081.56                    | 6,081.56              |
| Other conservation activities                 | -                    | -                       | -                                    | -                                  | -   | -                           | -                     |
| Total business-type activities                | <u>174,367.50</u>    | <u>180,449.06</u>       | <u>-</u>                             | <u>-</u>                           | <u>-</u>  | <u>6,081.56</u>             | <u>6,081.56</u>       |
| Totals  | <u>\$ 547,041.58</u> | <u>\$ 180,449.06</u>    | <u>\$ 335,916.29</u>                 | <u>\$ -</u>                        | <u>\$ (36,757.79)</u>                               | <u>\$ 6,081.56</u>          | <u>\$ (30,676.23)</u> |
| General revenues                              |                      |                         |                                      |                                    |   |                             |                       |
| Miscellaneous                                 |                      |                         |                                      |                                    | 35,596.50   | -                           | 35,596.50             |
| Gain on sale of assets                        |                      |                         |                                      |                                    | -   | 1,147.50                    | 1,147.50              |
| Investment earnings                           |                      |                         |                                      |                                    | 176.48  | 108.07                      | 284.55                |
| Total general revenue                         |                      |                         |                                      |                                    | <u>35,772.98</u>                                    | <u>1,255.57</u>             | <u>37,028.55</u>      |
| Change in net position                        |                      |                         |                                      |                                    | (984.81)  | 7,337.13                    | 6,352.32              |
| Net position: unrestricted, beginning of year |                      |                         |                                      |                                    | 2,095.43  | 250,622.70                  | 252,718.13            |
| Net position: unrestricted, end of year       |                      |                         |                                      |                                    | <u>\$ 1,110.62</u>                                  | <u>\$ 257,959.83</u>        | <u>\$ 259,070.45</u>  |

The accompanying notes to the basic financial statements are an integral part of this statement.

**PAYNE COUNTY CONSERVATION DISTRICT AND  
THE PAYNE COUNTY CONSERVATION FOUNDATION, INC.  
STILLWATER, OKLAHOMA**

**BALANCE SHEET  
GOVERNMENTAL FUNDS- GENERAL FUND  
JUNE 30, 2024**

|   | Total<br>Governmental<br>Funds |
|---|--------------------------------|
|   | <u>General Fund</u>            |
| <b>ASSETS</b>   |                                |
| Cash and cash equivalents (notes 4, 5 and 6)              | \$ 29,242.04                   |
| Receivable from Oklahoma Conservation Commission (note 7) | <u>11,397.29</u>               |
| Total assets  | <u>\$ 40,639.33</u>            |
| <b>LIABILITIES</b>  |                                |
| Accounts payable  | \$ 2,212.46                    |
| Payroll and sales taxes payable                           | -                              |
| Current portion of accrued compensated absences (note 13) | 22,910.45                      |
| Current portion of long-term debt                         | <u>2,337.20</u>                |
| Total liabilities   | <u>27,460.11</u>               |
| <b>FUND BALANCE</b>                                       |                                |
| Unassigned in General fund                                | <u>13,179.22</u>               |
| Total fund balance  | <u>\$ 13,179.22</u>            |

Reconciliation of the changes in fund balance: total governmental fund balance to the net position of governmental activities:

Amounts reported for governmental activities in the Statement of Net Position is different because:

|   |                   |                    |
|---|-------------------|--------------------|
| Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. The cost of the assets are | \$ 9,204.67       |                    |
| The accumulated depreciation is   | <u>(1,840.00)</u> |                    |
| Net effect for reconciliation   |                   | <u>7,364.67</u>    |
| Long-term liabilities that are not payable in the current period and therefore are not reported in the governmental funds.  |                   |                    |
| Note payable Kubota Credit Corporation is   | <u>(185.27)</u>   |                    |
| Net effect for reconciliation   |                   | <u>(185.27)</u>    |
| Deferred outflows and inflows of resources related to pass through grant that are applicable to future periods and therefore not reported in the funds.               |                   |                    |
| Deferred inflows of resources related to pass through grant   |                   | <u>(19,248.00)</u> |
| Net position of governmental activities   |                   | <u>\$ 1,110.62</u> |

The accompanying notes to the basic financial statements are an integral part of this statement.



**PAYNE COUNTY CONSERVATION DISTRICT AND  
THE PAYNE COUNTY CONSERVATION FOUNDATION, INC.  
STILLWATER, OKLAHOMA**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES  
GOVERNMENTAL FUNDS- GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2024**

|   | Governmental<br>Fund Types |
|---|----------------------------|
|   | General<br>Fund            |
| <b>Revenues</b>   |                            |
| Oklahoma Conservation Commission  | \$ 327,916.29              |
| USDA Natural Resources Conservation Service   | 8,000.00                   |
| Interest income   | 176.48                     |
| Proceeds from sale of capital assets  | -                          |
| Miscellaneous reimbursements  | 35,596.50                  |
| Total revenues  | <u>371,689.27</u>          |
| <b>Expenditures</b>   |                            |
| Conservation program  | 371,754.08                 |
| Capital outlay  | 9,204.67                   |
| Debt service principal retirement   | 2,337.20                   |
| Total expenditures  | <u>383,295.95</u>          |
| Excess of revenue over (under) expenditures   | <u>(11,606.68)</u>         |
| Other financing sources (uses)  |                            |
| Note proceeds from new borrowings   | 2,522.47                   |
| Operating transfers in  | -                          |
| Operating transfers out   | <u>-</u>                   |
| Excess of revenues and other sources (uses)<br>over (under) expenditures and other uses | <u>(9,084.21)</u>          |
| Fund balance: unassigned - beginning of year  | <u>2,095.43</u>            |
| Fund balance: unassigned - end of year  | <u>\$ (6,988.78)</u>       |

The accompanying notes to the basic financial statements are an integral part of this statement.

**PAYNE COUNTY CONSERVATION DISTRICT AND  
THE PAYNE COUNTY CONSERVATION FOUNDATION, INC.  
STILLWATER, OKLAHOMA**

**STATEMENT OF NET POSITION  
PROPRIETARY FUND- ENTERPRISE FUND  
JUNE 30, 2024**

|  | Total<br>Proprietary<br>Funds<br>Enterprise<br>Fund |
|--|---|
| <b>ASSETS</b>                                  |   |
| Current assets:                                |   |
| Cash and cash equivalents (notes 4, 5 and 6)   | \$ 34,033.92  |
| Rent receivable                                | -   |
| Prepaid Insurance                              | 11,850.00   |
| Prepaid Federal income tax                     | 712.00  |
| Total current assets                           | <u>46,595.92</u>                                    |
| Noncurrent assets:                             |   |
| Land (note 10)                                 | 80,000.00   |
| Building and improvements (note 11)            | 809,377.32  |
| Accumulated depreciation (note 11)             | (510,259.51)  |
| Total noncurrent assets                        | <u>379,117.81</u>                                   |
| Total assets                                   | <u>\$425,713.73</u>                                 |
| <b>LIABILITIES</b>                             |   |
| Current liabilities:                           |   |
| Accounts payable                               | \$ -  |
| Federal and state income tax payable           | 638.00  |
| Accrued interest payable                       | 570.36  |
| Note payable current portion of long-term debt | 7,545.50  |
| Total current liabilities                      | <u>8,753.86</u>                                     |
| Noncurrent liabilities:                        |   |
| Note payable                                   | 159,000.04  |
| Total noncurrent liabilities                   | <u>159,000.04</u>                                   |
| Total liabilities                              | <u>167,753.90</u>                                   |
| <b>NET POSITION</b>                            |   |
| Net invested in capital assets                 | 212,572.27  |
| Unrestricted                                   | 45,387.56   |
| Total net position                             | <u>257,959.83</u>                                   |
| Total liabilities and net position             | <u>\$425,713.73</u>                                 |

The accompanying notes to the basic financial statements are an integral part of this statement.

**PAYNE COUNTY CONSERVATION DISTRICT AND  
THE PAYNE COUNTY CONSERVATION FOUNDATION, INC.  
STILLWATER, OKLAHOMA**

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
PROPRIETARY FUND- ENTERPRISE FUND  
FOR THE YEAR ENDED JUNE 30, 2024**

|                                       | <u>Proprietary<br/>Fund Type<br/>Enterprise Fund</u> |
|---------------------------------------|--|
| <b>Operating revenue</b>              |  |
| Rental income                         | \$ 180,449.06  |
| Reimbursements                        | -  |
| Total operating revenues              | <u>180,449.06</u>                                    |
| <b>Operating expenses</b>             |  |
| Insurance expense                     | 9,312.00   |
| Repairs and maintenance               | 14,756.30  |
| Mowing expense                        | 2,340.00   |
| Supplies expense                      | 3,659.43   |
| Janitorial expense                    | 12,000.00  |
| Waste disposal expense                | 1,710.25   |
| Utilities expense                     | 10,104.62  |
| Miscellaneous expense                 | 1,818.70   |
| Professional expense                  | 2,300.00   |
| Management fees                       | 70,312.18  |
| Bank fees and charges                 | -  |
| Charitable contribution               | -  |
| Consevation education expense         | 1,100.00   |
| Federal income tax expense            | 3,688.00   |
| State income tax expense              | 638.00   |
| Depreciation expense                  | <u>27,782.00</u>                                     |
| Total operating expense               | <u>161,521.48</u>                                    |
| Net operating income                  | 18,927.58  |
| <b>Nonoperating revenue (expense)</b> |  |
| Gain on sale of assets                | 1,147.50   |
| Investment income                     | 108.07   |
| Interest expense                      | <u>(12,846.02)</u>                                   |
| Total nonoperating revenue (expense)  | <u>(11,590.45)</u>                                   |
| Net income                            | 7,337.13   |
| Net position - beginning of year      | <u>250,622.70</u>                                    |
| Net position - end of year            | <u>\$ 257,959.83</u>                                 |

The accompanying notes to the basic financial statements are an integral part of this statement.

**PAYNE COUNTY CONSERVATION DISTRICT AND  
THE PAYNE COUNTY CONSERVATION FOUNDATION, INC.  
STILLWATER, OKLAHOMA**

**STATEMENT OF CASH FLOWS  
PROPRIETARY FUND- ENTERPRISE FUND  
FOR THE YEAR ENDED JUNE 30, 2024**

|  | <u>Proprietary<br/>Fund Type<br/>Enterprise Fund</u> |
|--|--|
| <b>Cash flows from operating activities:</b>   |  |
| Receipts from renters  | \$ 180,449.06  |
| Receipts from reimbursements   | -  |
| Payments to suppliers for goods or services  | (133,304.48)   |
| Payments for Federal and state taxes   | (8,424.00)   |
| Net cash provided (used) by operating activities   | <u>38,720.58</u>                                     |
| <b>Cash flows from capital and related financing activities:</b>                                     |  |
| Proceeds from sale of assets   | 1,147.50   |
| Purchase of capital assets   | (145,908.06)   |
| Repay loan proceeds from other funds   | -  |
| Borrowed additional funds on note payable  | 106,211.67   |
| Payments on mortgage payable   | 7,545.50   |
| Net cash provided (used) by capital and related financing activities                                 | <u>(31,003.39)</u>                                   |
| <b>Cash flows from investing activities:</b>   |  |
| Interest income received   | 108.07   |
| Interest expense paid  | (12,275.66)  |
| Net cash provided (used) from financing activities   | <u>(12,167.59)</u>                                   |
| Net increase (decrease) in cash and cash equivalents   | (4,450.40)   |
| Cash and cash equivalents at beginning of year   | <u>38,484.32</u>                                     |
| Cash and cash equivalents at end of year   | <u>\$ 34,033.92</u>                                  |
| <b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities</b> |  |
| Cash flows from operating activities:  |  |
| Operating income (loss) from office building rental  | \$ 18,927.58   |
| Adjustments to reconcile operating income to net cash provided (used) by operating activities:       |  |
| Cash flows reported in other categories:   |  |
| Depreciation expense   | 27,782.00  |
| Change in assets and liabilities:  |  |
| Receivables (increase) decrease  | -  |
| Prepaid expenses (increase) decrease   | (4,603.00)   |
| Accounts payable increase (decrease)   | (3,386.00)   |
| Net cash provided (used) by operating activities   | <u>\$ 38,720.58</u>                                  |

The accompanying notes to the basic financial statements are an integral part of this statement.

**PAYNE COUNTY CONSERVATION DISTRICT AND  
THE PAYNE COUNTY CONSERVATION FOUNDATION, INC.  
STILLWATER, OKLAHOMA**

**STATEMENT OF NET POSITION  
FIDUCIARY FUNDS- EXPENDABLE TRUST FUND  
JUNE 30, 2024**

|  | <u>Fiduciary<br/>Fund Type<br/>Trust and<br/>Agency<br/>Expendable<br/>Trust Fund</u> |
|--|---|
| <b>ASSETS</b>                                |   |
| Current assets:                              |   |
| Cash and cash equivalents (notes 4, 5 and 6) | \$     10.00  |
| Total assets                                 | <u>\$     10.00</u>   |
| <br><b>LIABILITIES</b>                       |   |
| Current liabilities:                         |   |
| Accounts payable                             | <u>\$           -</u>   |
| Total liabilities                            | <u>-</u>  |
| <br><b>NET POSITION</b>                      |   |
| Unrestricted                                 | <u>10.00</u>  |
| Total net position                           | <u><u>\$     10.00</u></u>  |

The accompanying notes to the basic financial statements are an integral part of this statement.

**PAYNE COUNTY CONSERVATION DISTRICT AND  
THE PAYNE COUNTY CONSERVATION FOUNDATION, INC.  
STILLWATER, OKLAHOMA**

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUND TYPE- EXPENDABLE TRUST FUND  
JUNE 30, 2024**

|                      | Balance<br>July 1, 2023 | Increases   | Decreases   | Balance<br>June 30, 2024 |
|----------------------|-------------------------|-------------|-------------|--------------------------|
| <b>ASSETS</b>        |                         |             |             |                          |
| Cash                 | \$ 10.00                | \$ -        | \$ -        | \$ 10.00                 |
| Due form other funds | -                       | -           | -           | -                        |
|                      | <u>10.00</u>            | <u>-</u>    | <u>-</u>    | <u>-</u>                 |
| Total assets         | <u>\$ 10.00</u>         | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 10.00</u>          |
| <b>LIABILITIES</b>   |                         |             |             |                          |
| Accounts payable     | \$ -                    | \$ -        | \$ -        | \$ -                     |
|                      | <u>-</u>                | <u>-</u>    | <u>-</u>    | <u>-</u>                 |
| Total liabilities    | <u>-</u>                | <u>-</u>    | <u>-</u>    | <u>-</u>                 |
| <b>NET POSITION</b>  |                         |             |             |                          |
| Unrestricted         | <u>10.00</u>            | <u>-</u>    | <u>-</u>    | <u>10.00</u>             |
|                      | <u>10.00</u>            | <u>-</u>    | <u>-</u>    | <u>10.00</u>             |
| Total net position   | <u>\$ 10.00</u>         | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 10.00</u>          |

The accompanying notes to the basic financial statements are an integral part of this statement.

**PAYNE COUNTY CONSERVATION DISTRICT AND  
PAYNE COUNTY CONSERVATION FOUNDATION, INC.  
Stillwater, Oklahoma**

**NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2024**

**Note 1: GENERAL STATEMENT AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Nature of Reporting Entity**

The Payne County Conservation District was incorporated on May 14, 1941. The District was subsequently legislated and became a political subdivision of the State of Oklahoma, under the enabling legislation Title 82, Oklahoma Statutes, Sections 1501-101 through 1501-808 (1981) under the Conservation District Act. The basic operations of the District are financed through donations and financial assistance provided by the State of Oklahoma through the Oklahoma Conservation Commission. The District also operates an expendable trust fund known as the Payne County Conservation District Foundation, Inc. (Foundation). The District's operations provide training and educational service for conservation measures. The District's Foundation owns and operates an office building and provides grant assistance for conservation education. The governing body of the District is the Board of Directors composed of five elected members.

In evaluating how to define the district, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria established by the Governmental Accounting Standards Board (GASB). The basic—but not the only—criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility included, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operation, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the District and/or its citizens, or whether the activity is conducted within the geographic boundaries of the District and is generally available to its patrons. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the District is able to exercise oversight responsibilities. Based upon the application of these criteria, there are no potential component units included in the District's reporting entity.

**B. Basis of Presentation**

**Government-wide Financial Statements:**

The Statements of Net Position and Statement of Activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

**PAYNE COUNTY CONSERVATION DISTRICT AND  
PAYNE COUNTY CONSERVATION FOUNDATION, INC.  
Stillwater, Oklahoma**

**NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2024**

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Basis of Presentation (continued)**

**Fund Financial Statements:**

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditure/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the Authority or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

**Fund Accounting**

The District uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain district functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

Funds are classified into three categories: governmental, proprietary, and fiduciary. Each category, in turn, is divided into separate “fund types.”

**Governmental Fund Types**

Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of earmarked monies (special revenue funds), the acquisition or construction of general fixed assets (capital projects funds), and the servicing of general long-term debt (debt service funds).

**General Fund** – The General Fund is used to account for all financial transactions except those required to be accounted for in another fund.



**PAYNE COUNTY CONSERVATION DISTRICT AND  
PAYNE COUNTY CONSERVATION FOUNDATION, INC.  
Stillwater, Oklahoma**

**NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2024**

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES(CONTINUED)**

**Basis of Presentation (continued)**

**Proprietary Fund Types**

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities can be provided either to outside parties (enterprise funds) or to other departments or agencies primarily within the District (internal service funds). The District does not maintain an internal service fund.

Enterprise Fund – The Enterprise Fund is used to account for the operations of a commercial rental office building.

**Fiduciary Fund Types (not included in government-wide Statements)**

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the District. When these assets are held under the terms of a formal trust agreement, either a nonexpendable trust fund or an expendable trust fund is used. The terms "nonexpendable" and "expendable" refer to whether or not the District is under an obligation to maintain the trust principal. Agency funds generally are used to account for assets that the District holds on behalf of others as their agent and do not involve measurement of results of operations.

Expendable Trust Fund – The Expendable Trust Fund is the District's Foundation which is used to account for monies collected principally through fund raising efforts of the membership and District-sponsored groups. The District's Board is responsible for collecting, disbursing, and accounting for these Foundation Funds.

**C. Measurement Focus and Basis of Accounting**

**Measurement Focus**

On the government-wide Statement of Net Position and the Statement of Activities, both governmental and business-like activities are presented using the economic resources measurement focus as defined in item b. below.

In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate:

**PAYNE COUNTY CONSERVATION DISTRICT AND  
PAYNE COUNTY CONSERVATION FOUNDATION, INC.  
Stillwater, Oklahoma**

**NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2024**

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Measurement Focus (continued)

- a. All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources at the end of the period.
- b. The proprietary fund utilizes and “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net position.
- c. Agency funds are not involved in the measurement of results of operations; therefore, measurement focus is not applicable to them.

Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, both governmental and business-like activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred, or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds and agency funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when “measurable and available.” Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after year end. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for note principal and interest which are reported when due.

All proprietary funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred, or economic asset used.

The Organization has evaluated Accounts Standards Update (ASU) No. 2014-09 – Revenue from Contracts with Customers (Topic 606), as amended and analysis of various provisions of this standard resulted in no significant changes in the way the Organization recognizes revenue, and therefore no changes to previously audited financial statements were required on a retrospective basis.

**PAYNE COUNTY CONSERVATION DISTRICT AND  
PAYNE COUNTY CONSERVATION FOUNDATION, INC.  
Stillwater, Oklahoma**

**NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2024**

**Note 2: BUDGETS AND BUDGETARY ACCOUNTING**

The board does adopt an annual budget for the general fund each fiscal year.

**Note 3: INCOME TAXES**

The Payne County Conservation District is a political subdivision of the State of Oklahoma and therefore is exempt from federal and state income taxes.

The Payne County Conservation Foundation, Inc. is a public organization qualifying as tax exempt under 501 (c) (3). As a result, the Foundation is exempt from federal and state income taxes. However, income taxes will be paid on any unrelated business income. The Organization files information tax return Form 990 and tax return Form 990T for the unrelated business income on the office building rental activity. The tax years that remain subject to examination by tax jurisdictions are June 30, 2021, 2022, and 2023.

**Note 4: CASH AND CASH EQUIVALENTS**

The District considers all cash on hand, demand deposits and highly liquid investments, with an original maturity of three months or less when purchased, to be cash and cash equivalents.

**Note 5: INVESTMENTS**

The District had no investments as of year end.

**Note 6: CASH AND INVESTMENTS**

Deposits and Investments - The District's cash deposits at June 30, 2024 were completely insured or collateralized by federal deposit insurance.

Custodian Credit Risk – The District's cash deposits and investments at June 30, 2024, were completely insured or collateralized by federal deposit insurance, direct obligations of the U.S. Government, or securities held by the District or by its agent in the District's name. The District's cash deposits and investments at June 30, 2024 are classified in the following categories:

|                         | Average<br>Maturity<br>Months | Credit<br>Rating | Credit<br>Risk | Total<br>Deposits   | Insured<br>by FDIC  | Uninsured by FDIC               |                  |
|-------------------------|-------------------------------|------------------|----------------|---------------------|---------------------|---------------------------------|------------------|
|                         |                               |                  |                |                     |                     | Collateralized<br>by Securities | Uncollateralized |
| Cash & cash equivalents | N/A                           | AAA              | 100%           | \$ 63,275.96        | \$ 63,275.96        | \$ 0.00                         | \$ 0.00          |
| Investments             | N/A                           | N/A              | 0%             | 0.00                | 0.00                | 0.00                            | 0.00             |
| Total                   |                               |                  | 100%           | <u>\$ 63,275.96</u> | <u>\$ 63,275.96</u> | <u>\$ 0.00</u>                  | <u>\$ 0.00</u>   |

**PAYNE COUNTY CONSERVATION DISTRICT AND  
PAYNE COUNTY CONSERVATION FOUNDATION, INC.  
Stillwater, Oklahoma**

**NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2024**

**CASH AND INVESTMENTS (CONTINUED)**

*Investment Interest Rate Risk:* The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

*Investment Credit Risk:* The District has no policy that limits its investment choices other than the limitation of state law as follows:

- Direct obligations of the U.S. Government, its agencies and instrumentalities to which the full faith and credit of the U.S. Government is pledged, or obligations to the payment of which the full faith and credit of the State is pledged.
- Certificates of deposits or savings accounts that are either insured or secured with acceptable collateral with in-state financial institutions, and fully insured certificates of deposit or savings accounts in out-of-state financial institutions.
- With certain limitations, negotiable certificates of deposit, prime banker's acceptances, prime commercial paper and repurchase agreements with certain limitations.
- County, municipal or school district tax supported debt obligations, bond or revenue anticipation notes, money judgments, or bond or revenue anticipation notes of public trusts whose beneficiary is a county, municipality or school district.
- Notes or bonds secured by mortgage or trust deed insured by the Federal Housing Administrator and debentures issued by the Federal Housing Administrator, and in obligations of the National Mortgage Association.
- Money Market funds regulated by the SEC and in which investments consist of the investments mentioned in the previous paragraphs.

*Concentration of Investment Credit Risk:* The District places no limit on the amount it may invest in any one issuer. The District has the following credit risk: 100% in checking and savings accounts.

**Note 7: ACCOUNTS RECEIVABLE**

Accounts receivable represent claims for reimbursements from the Oklahoma Conservation Commission in the amount of \$9,850.00 and the USDA in the amount of \$2,000.00 that have not been received as of June 30, 2024.

**PAYNE COUNTY CONSERVATION DISTRICT AND  
PAYNE COUNTY CONSERVATION FOUNDATION, INC.  
Stillwater, Oklahoma**

**NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2024**

**Note 8: FIXED ASSETS: LAND**

During 1997, the Payne County Conservation Foundation, Inc. received a contribution of five acres of land south of Stillwater, Oklahoma. The land was appraised at \$80,000.00 and was recorded as revenue in the expendable trust fund. During 1998 the land was transferred into the enterprise fund and an office building was constructed on the land.

**Note 9: FIXED ASSETS AND DEPRECIATION**

Governmental Activities:

The Oklahoma Conservation Commission holds title to all assets purchased using state monies. During the year, the General Fund traded a John Deere for a new Kubota mower.

|           | <u>Beginning<br/>Assets</u> | <u>Additions</u> | <u>Deletions</u> | <u>Ending<br/>Assets</u> |
|-----------|-----------------------------|------------------|------------------|--------------------------|
| Equipment | \$ 9,240.67                 | \$ 0.00          | \$ 0.00          | \$ 9,240.67              |

|           | <u>Beginning<br/>Accumulated<br/>Depreciation</u> | <u>Additions</u> | <u>Deletions</u> | <u>Ending<br/>Accumulated<br/>Depreciation</u> |
|-----------|---|------------------|------------------|--|
| Equipment | \$ 920.00   | \$ 920.00        | \$ 0.00          | \$ 1,840.00                                    |

The equipment is being depreciated over a ten-year life utilizing the straight-line method. The current year's depreciation was \$ 920.00.

Business-type activities:

The enterprise fund constructed an office building and placed it in service on August 15, 1997. Real estate and improvements are pledged as collateral on the note to Bancfirst of Stillwater. The enterprise fund (Foundation rental activity) had the following classes of assets:

|                    | <u>Beginning<br/>Assets</u> | <u>Additions</u>     | <u>Deletions</u>     | <u>Ending<br/>Assets</u> |
|--------------------|-----------------------------|----------------------|----------------------|--------------------------|
| Land               | \$ 80,000.00                | \$ 0.00              | \$ 0.00              | \$ 80,000.00             |
| Site improvements  | 33,065.00                   | 0.00                 | 0.00                 | 33,065.00                |
| Office building    | 560,413.64                  | 120,258.06           | 0.00                 | 680,671.70               |
| Storage building   | 19,807.73                   | 0.00                 | 0.00                 | 19,807.73                |
| Fences & equipment | 12,594.75                   | 0.00                 | (3,203.64)           | 9,391.11                 |
| Parking lot        | 40,791.78                   | 25,650.00            | 0.00                 | 66,441.78                |
| Total              | <u>\$ 746,672.90</u>        | <u>\$ 145,908.06</u> | <u>\$ (3,203.64)</u> | <u>\$ 889,377.32</u>     |

**PAYNE COUNTY CONSERVATION DISTRICT AND  
PAYNE COUNTY CONSERVATION FOUNDATION, INC.  
Stillwater, Oklahoma**

**NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2024**

**FIXED ASSETS AND DEPRECIATION (CONTINUED)**

|                    | Beginning<br>Accumulated<br><u>Depreciation</u> | <u>Additions</u>    | <u>Deletions</u>     | Ending<br>Accumulated<br><u>Depreciation</u> |
|--------------------|---|---------------------|----------------------|--|
| Office building    | \$ 415,439.22                                   | \$ 26,231.00        | \$ 0.00              | \$ 441,670.22                                |
| Storage building   | 17,106.00                                       | 660.00              | 0.00                 | 17,766.00                                    |
| Fences & equipment | 12,344.15                                       | 250.00              | (3,203.64)           | 9,390.51                                     |
| Parking lot        | <u>40,791.78</u>                                | <u>641.00</u>       | <u>0.00</u>          | <u>41,432.78</u>                             |
| Total              | <u>\$ 485,681.15</u>                            | <u>\$ 27,782.00</u> | <u>\$ (3,203.64)</u> | <u>\$ 510,259.51</u>                         |

The enterprise fund capitalizes all assets purchased in excess of \$1,000. The depreciation method utilized the straight-line method with lives on the buildings of 30 years, parking lot of 20 years, fences of 7 years, equipment of 5 years, and computers of 5 years. The current year depreciation was \$27,782.00.

**Note 10: MORTGAGE PAYABLE: ENTERPRISE FUND**

Business type activities:

On May 24, 2023, the Payne County Conservation Foundation, Inc. refinanced their real estate loan from a commercial bank. It is secured by the office building. In June 2023 and 2024, principal advances were made for \$52,788.37 and \$113,757.17, respectively on the note for building renovations. The terms of the mortgage are as follows:

|  |                          |
|--|--------------------------|
| Original loan amount authorized, May 24, 2023          | \$ 275,923.00            |
| Loan advance made as of June 30, 2024                  | 166,545.54               |
| Monthly installment                                    | \$ 1,512.40              |
| Interest rate  | 6.5% (prime plus 2.875%) |
| The interest rate is a 5-year adjustable variable rate |                          |
| First payment due                                      | July 5, 2024             |
| Loan is amortized over 15 years                        |                          |

Long-term Debt Summary:

|                  | Balance<br><u>6-30-23</u> | <u>Increase</u>      | <u>Increase</u> | <u>Decrease</u> | Balance<br><u>6-30-24</u> | Current due<br><u>within one year</u> |
|------------------|---------------------------|----------------------|-----------------|-----------------|---------------------------|---------------------------------------|
| Mortgage Payable |                           |                      |                 |                 |                           |                                       |
| Commercial Bank  | <u>\$ 52,788.37</u>       | <u>\$ 113,757.17</u> | <u>\$ 0.00</u>  |                 | <u>\$ 166,545.54</u>      | <u>\$ 7,545.50</u>                    |

**PAYNE COUNTY CONSERVATION DISTRICT AND  
PAYNE COUNTY CONSERVATION FOUNDATION, INC.  
Stillwater, Oklahoma**

**NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2024**

**Note 11: COMPENSATED ABSENCES**

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. There are no amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources. All accumulated vacation leave is considered a current obligation of the District.

**Note 12: FUND BALANCES**

Fund balance represents the funds not encumbered by purchase order and legal contracts.

In the fund financial statements, governmental funds report the hierarchy of fund balances. The hierarchy is based primarily on the degree of spending constraints placed upon use of resources for specific purposes versus availability of appropriation. An important distinction that is made in reporting fund balance is between amounts that are considered *nonspendable* (i.e., fund balance associated with assets that are *not in spendable form*, such as inventories or prepaid items, long-term portions of loans and notes receivable, or items that are legally required to be maintained intact (such as the corpus of a permanent fund) and those that are *spendable* (such as fund balance associated with cash, investments or receivables).

Amounts in the *spendable* fund balance category are further classified as *restricted*, *committed*, *assigned* or *unassigned*, as appropriate.

- **Restricted** fund balance represents amounts that are constrained either externally by creditors (such as debt covenants), grantors, contributors or laws or regulations of other governments; or by law, through constitutional provisions or enabling legislation.
- **Committed** fund balance represents amounts that are usable only for specific purposes by formal action of the government's highest level of decision-making authority. Such amounts are not subject to legal enforceability (like restricted amounts), but cannot be used for any other purpose unless the government removes or changes the limitation by taking action similar to that which imposed the commitment. The District's Board is the highest level of decision-making authority of the District.
- **Assigned** fund balance represents amounts that are *intended* to be used for specific purposes but are neither restricted nor committed. Intent is expressed by the governing body itself, or a subordinated high-level body or official who the governing body has delegated the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining spendable amounts (except negative balances) that are reported in governmental funds *other than the general fund* that are neither restricted nor committed, and amounts in the general fund that are intended to be used for specific purpose in accordance with the provisions of the standard.

**PAYNE COUNTY CONSERVATION DISTRICT AND  
PAYNE COUNTY CONSERVATION FOUNDATION, INC.  
Stillwater, Oklahoma**

**NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2024**

**FUND BALANCES (CONTINUED)**

- **Unassigned** fund balance is the residual classification for the general fund. It represents the amounts that have not been assigned to other funds, and that have not been restricted, committed, or assigned to specific purposes within the general fund.

**Note 13: CONTINGENCIES**

The Enterprise Fund of the Foundation has entered into rental leases with two other governmental entities. These leases cover several years in the length of term at a fixed rate of rent.

**Note 14: USE OF ESTIMATES**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Note 15: PENSION PLAN**

The District participates in the state-administered Oklahoma Public Employees Retirement System (the "System"), which is a cost sharing, multiple-employer public employee retirement system. Under the System, contributions are made by the District, the State of Oklahoma, and the participating employees. Participation is required for all eligible employees. A participant's date of membership is the date the first contribution is made to the System. The System is administered by a Board of Trustees which acts as a fiduciary for investing the funds and governing the administration of the System. The District has no responsibility or authority for the operation and administrations of the System nor has it any liability, except for the current contribution requirements. The Oklahoma Conservation Commission contributes 14.5% of gross wages on reimbursable salaries for all eligible participants.

The Payne County Conservation District's portion of the unfunded liability has not been recorded, as the District is not considered a participating employer.

**Note 16: RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; or natural diseases. The District purchases commercial insurance to cover these risks, including general and auto liability, property damage, and public official's liability. Settled claims resulting from these risks have not exceeded the commercial insurance coverage in any of the past three fiscal years.

**Note 17: SUBSEQUENT EVENTS**

Subsequent events have been evaluated through the date of this report, which is the date the financial statements were available to be issued.



**PAYNE COUNTY CONSERVATION DISTRICT AND  
THE PAYNE COUNTY CONSERVATION FOUNDATION, INC.  
STILLWATER, OKLAHOMA**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE- BUDGET AND ACTUAL GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2024  
UNAUDITED**

|  | General Fund       |                    |                    | Variance                   |
|--|--------------------|--------------------|--------------------|----------------------------|
|  | Original<br>Budget | Final<br>Budget    | Actual             | Favorable<br>(Unfavorable) |
| Revenues   |                    |                    |                    |                            |
| Oklahoma Conservation Commission   | \$ 56,792.83       | \$ 56,792.83       | \$ 327,916.29      | \$ 271,123.46              |
| USDA Natural Resources Conservation Service  | -                  | -                  | 8,000.00           | 8,000.00                   |
| Interest income  | -                  | -                  | 176.48             | 176.48                     |
| Miscellaneous reimbursements   | -                  | -                  | 35,596.50          | 35,596.50                  |
| Total revenues   | <u>56,792.83</u>   | <u>56,792.83</u>   | <u>371,689.27</u>  | <u>314,896.44</u>          |
| Expenditures   |                    |                    |                    |                            |
| Conservation program   | <u>56,792.83</u>   | <u>56,792.83</u>   | <u>372,674.08</u>  | <u>(315,881.25)</u>        |
| Total expenditures   | <u>56,792.83</u>   | <u>56,792.83</u>   | <u>372,674.08</u>  | <u>(315,881.25)</u>        |
| Excess of revenues<br>over (under) expenditures  | <u>-</u>           | <u>-</u>           | <u>(984.81)</u>    | <u>(984.81)</u>            |
| Excess of revenues and other<br>sources (uses) over (under)<br>expenditures and other uses | <u>-</u>           | <u>-</u>           | <u>(984.81)</u>    | <u>(984.81)</u>            |
| Fund balance: unassigned - beginning of year   | <u>2,095.43</u>    | <u>2,095.43</u>    | <u>2,095.43</u>    | <u>-</u>                   |
| Fund balance: unassigned - end of year   | <u>\$ 2,095.43</u> | <u>\$ 2,095.43</u> | <u>\$ 1,110.62</u> | <u>\$ (984.81)</u>         |

Note: The budget to actual General Fund presentation has been prepared using the GAAP basis of accounting.

The accompanying notes to the basic financial statements are an integral part of this statement.

**PAYNE COUNTY CONSERVATION DISTRICT AND  
THE PAYNE COUNTY CONSERVATION FOUNDATION, INC.  
STILLWATER, OKLAHOMA**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN NET POSITION- FIDUCIARY FUND TYPE- EXPENDABLE TRUST FUND  
JUNE 30, 2024**

|  |                      |
|--|----------------------|
| Revenues   |                      |
| Contributions and reimbursements   | \$ -                 |
| Interest income  | -                    |
|  | <hr/>                |
| Total revenues   | -                    |
|  | <hr/>                |
| Expenditures   |                      |
| Conservation education projects  | -                    |
|  | <hr/>                |
| Total expenditures   | -                    |
|  | <hr/>                |
| Excess of revenue over (under) expenditures  | -                    |
| Other financing sources (uses) :   |                      |
| Operating transfers in   | -                    |
| Operating transfers out  | -                    |
|  | <hr/>                |
| Excess of revenue and other sources (uses) over<br>(under) expenditures and other uses | -                    |
| Net Position: unrestricted - beginning of year   | <hr/> 10.00          |
| Net Position: unrestricted - end of year   | <hr/> <hr/> \$ 10.00 |

The accompanying notes to the basic financial statements are an integral part of this statement.

**PAYNE COUNTY CONSERVATION DISTRICT AND  
THE PAYNE COUNTY CONSERVATION FOUNDATION, INC.  
STILLWATER, OKLAHOMA**

**SCHEDULE OF EXPENDITURES OF FEDERAL ASSISTANCE  
JUNE 30, 2024**

| <u>Description</u>   | <u>CFDA #</u> | <u>Grant Award</u> | <u>Grant<br/>Receivable<br/>July 1, 2023</u> | <u>Receipts</u>    | <u>Expenditures</u> | <u>Grant<br/>Receivable<br/>June 30, 2024</u> |
|--|---------------|--------------------|--|--------------------|---------------------|---|
| <b>US Depart of Agriculture Natural Resources Conservation Services</b>  |               |                    |  |                    |                     |   |
| Soil Conservation and Domestic Allotment Act, Public Law 74-76, Stat, 16 USC 590 a-f<br>Federal grant #68-7335-12-36 | 10.902        | \$ -               | \$ 2,000.00                                  | \$ 8,000.00        | \$ 8,000.00         | \$ 2,000.00                                   |
| Total Federal Awards   |               | <u>\$ -</u>        | <u>\$ 2,000.00</u>                           | <u>\$ 8,000.00</u> | <u>\$ 8,000.00</u>  | <u>\$ 2,000.00</u>                            |

Note A: This schedule was prepared on the GAAP basis of accounting consistent with the preparation of the combined financial statements.

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT  
AUDITING STANDARDS***

To the Board of Directors  
Payne County Conservation District and  
Payne County Conservation Foundation, Inc.  
Stillwater, Oklahoma

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Payne County Conservation District and the Payne County Conservation Foundation, Inc., as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Payne County Conservation District and the Payne County Conservation Foundation, Inc.'s basic financial statements, and have issued our report thereon dated November 14, 2024.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Payne County Conservation District and the Payne County Conservation Foundation, Inc.'s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Payne County Conservation District and the Payne County Conservation Foundation, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Payne County Conservation District and the Payne County Conservation Foundation, Inc.'s internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Payne County Conservation District and the Payne County Conservation Foundation, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "David Clanin CPA PLLC". The signature is written in a cursive, flowing style.

David Clanin, CPA PLLC

November 14, 2024