

PONTOTOC COUNTY CONSERVATION DISTRICT TABLE OF CONTENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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CHAIRMAN – LONNIE MANUEL

VICE-CHAIRMAN – BENNIE COPE

SECRETARY/TREASURER – TOM PEAY

MEMBER – BILL CLARK

MEMBER – GENE OVERTURF

Certified Public Accountant



The Board of Directors
Pontotoc County Conservation District

Management is responsible for the accompanying financial statements of the Pontotoc County Conservation District, which comprise the District's basic financial statements as listed in the accompanying table of contents and the determination that the 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 form of 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 cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

Kristi L. Dobbins, CPA September 24, 2021

PONTOTOC COUNTY CONSERVATION DISTRICT STATEMENT OF ASSETS, LIABILITIES AND NET POSITION -

CASH BASIS June 30, 2021

\$41,326

ASSETS

Total Net Position

Current Assets:		
Cash		\$10,220
Investments		31,106
Total Assets		
		41,326
	Net Position	
Net Position: Unrestricted		41,326
Sinconoled		41,020

Operating Revenues: OCC Reimbursements \$33,965 Cost Share Received 32,094 **Total Revenues** 66,059 Operating Expenses: Salaries 46,724 Payroll taxes 3,669 Employee benefits 9,542 Cost share expense 32,094 Repairs and maintenance 7,203 Dues, licenses and fees 700 Mileage 553 Professional expense 2,562 Office expense 919 Miscellaneous 981 **Total Expenditures** 104,947 Operating Income (Loss) (38,888)Nonoperating Revenues (Expenses): Interest Income 243 Net position - beginning of year 79,971 41,326 Net position - end of year

The accompanying report and notes are an integral part of these financial statements.

PONTOTOC COUNTY CONSERVATION DISTRICT NOTES TO FINANCIAL STATEMENTS For the fiscal year ended June 30, 2021

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- A. Financial Reporting Entity
- B. Basis of Presentation
- C. Assets and Liabilities
- D. Revenues and Expenditures

NOTE 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Deposits and Investments Laws and Regulations

NOTE 3. OTHER NOTES

- A. Employee Pension and Other Benefits
- B. Commitments and Contingencies

PONTOTOC COUNTY CONSERVATION DISTRICT NOTES TO FINANCIAL STATEMENTS

For the fiscal year ended June 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Except for the use of the cash basis of accounting as discussed in Note 1.B., the District complies with accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles (GAAP) includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this Note.

1.A. FINANCIAL REPORTING ENTITY

Pontotoc County Conservation District was established pursuant to Title 82 of Oklahoma State Law. The purpose of the District is to provide for the conservation of the renewable natural resources of this state, and for the control and prevention of soil erosion, and for the prevention of floodwater and sediment damages, and for furthering the conservation, development, utilization and disposal of water and thereby to preserve and develop natural resources, control floods, conserve and develop water resources and water quality, prevent impairment of dams and reservoirs, preserve wildlife, preserve natural beauty, promote recreational development, protect the tax base, protect public lands and protect and promote the health, safety and general welfare of the people of this state.

The Oklahoma Conservation Commission provides oversight and management to the Oklahoma Conservation Districts pursuant to Title 27-A of the Oklahoma State Statutes.

The accompanying financial statements include all functions and activities over which the Conservation District exercises financial accountability. The District is considered a primary government as defined by the Governmental Accounting Standards Board (GASB) and has no other component units within its reporting entity.

1.B. BASIS OF PRESENTATION

The District prepares its financial statements using the cash basis of accounting. This basis recognizes assets, liabilities, net assets, revenues, and expenses when they result from cash transactions. This basis is a basis of accounting other than accounting principles generally accepted in the United States of America.

1.C. ASSETS AND LIABILITIES

Cash

For the purpose of the balance sheet, "cash" includes all demand accounts held by the District.

Investments

For the purpose of the balance sheet, "investments" include certificates of deposit with maturities longer than 3 months. At June 30, 2021, the District had one certificate of deposit considered an investment.

Accounts Receivable

As a result of the cash basis of accounting, accounts receivable and other revenue related receivables are not reported in the financial statements.

Capital Assets

The District has a Slide In 225 Spray Unit that it purchased in 2009 at a cost of \$3,650. Due to the cash basis of accounting being utilized, the cost of the property and equipment is not reported as assets in the financial statement.

If the Oklahoma Conservation Commission (OCC) gives the District funds to purchase an asset, even a portion of the funds, the OCC records the purchase as an asset on their books.

PONTOTOC COUNTY CONSERVATION DISTRICT NOTES TO FINANCIAL STATEMENTS

For the fiscal year ended June 30, 2021

1.D. REVENUE AND EXPENDITURES

Reimbursements

The District receives reimbursements from the Oklahoma Conservation Commission (OCC). The funds for operation of the OCC and the conservation districts are appropriated annually by the legislature for the Commission to allocate to each district on a reimbursable basis. The funding is broken down into the following program areas:

* Administration

- * Abandoned Mine Land (AML) Reclamation Program
- * Watershed Planning and Archeology
- * Water Quality Management

* Field Services

* Small Watersheds Flood Control Fund

Other revenues the District receives are listed separately on the financial statements.

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

2.A. DEPOSITS AND INVESTMENTS LAWS AND REGULATIONS

In accordance with O.S. Title 62, Section 516.3, all uninsured deposits of municipal funds and other political subdivisions in financial institutions must be secured with acceptable collateral valued at the lower of market or par. The District's deposits were properly insured by FDIC Insurance carried by depository banks.

NOTE 3 - OTHER NOTES

4.A. EMPLOYEE PENSION AND OTHER BENEFITS

The District participates in one employee pension system as follows: Name of Plan/System

Type of Plan

Oklahoma Public Employees Retirement Plan

Cost Sharing Multiple Employer -Defined Benefit Plan

Oklahoma Public Employees' Pension and Retirement System

The Oklahoma Conservation Commission, as the employer, participates in one statewide cost-sharing multi-employer defined benefit plan on behalf of the employees working at least 1,000 hours per month. The system is funded by contributions from participants, employers, insurance premium taxes, and state appropriations, as necessary.

The following is a summary of eligibility factors, contribution methods, and benefit provisions.

Obtaining separately issued financial

Oklahoma Public Employees Retirement System

statements

6601 N. Broadway, Suite 129 Oklahoma City, OK 73116

Eligibility to participate

All full-time permanent employees of a participating

local government

State Statute

Authority establishing contribution obligations and benefits

State State

Employee's contribution rate (percent

3.5%

of covered payroll)

Commission's Contribution rate

(percent of covered payroll)

16.5%

State obligation

State appropriation to fund the unfunded actuarial

accrued liability

Period required to vest

7 ½ years, of which 6 must be fulltime service

PONTOTOC COUNTY CONSERVATION DISTRICT NOTES TO FINANCIAL STATEMENTS

For the fiscal year ended June 30, 2021

Eligibility and benefits for distribution

(full-time)

2% of the average highest 3 years' annual covered compensation received during the last 10 years of participating service multiplied by the number of

years of credited service.

Deferred retirement option

No

Provisions for:

Cost of living adjustments (normal retirement)

Yes

Death (duty, non-duty, post

Yes

retirement)

Disability (duty, non-duty)

Yes

Cost of living allowances

No

Trend Information

Contributions required by State Statute and paid to the System for fiscal years 2019, 2021 and 2021 were \$3,254, \$9,822, and \$7,709, respectively. These contributions represent 100% of the required contribution in each fiscal year.

Related Party Investments

As of June 30, 2021, the System held no related-party investments of the District.

4.B. COMMITMENTS AND RISK MANAGEMENT

Commitments

Because of the District's use of the cash basis of accounting, accrued amounts related to compensated absences (annual leave) earned but unpaid at year-end are not reflected in the financial statement. The compensated absence commitment on June 30, 2021, including employer related costs, is \$3,144.

Risk Management:

The District is exposed to various risks of loss related to torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The OCC purchases commercial insurance for these and other risks of loss. Settled claims have not exceeded the coverage in past years.