

SEMINOLE COUNTY CONSERVATION DISTRICT

ANNUAL FINANCIAL STATEMENTS AND ACCOMPANYING
ACCOUNTANT'S COMPILATION REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2024



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The Board of Directors
Seminole County Conservation District

Management is responsible for the accompanying financial statements of the Seminole County Conservation District, which comprise the District's basic financial statements as listed in the accompanying table of contents and the determination 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 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 modified 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
July 24, 2024

**SEMINOLE COUNTY CONSERVATION DISTRICT
ANNUAL FINANCIAL REPORT
As of and For the Year Ended June 30, 2024**

BASIC FINANCIAL STATEMENTS-STATEMENTS OF NET POSITION AND ACTIVITIES

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Statement of Net Position (Modified Cash Basis) - June 30, 2024

ASSETS

Cash	\$18,101
Cash, restricted	75,200
Investments, restricted	271,787
Property and Equipment, net of accumulated depreciation	<u>13,984</u>
Total Assets	<u><u>379,072</u></u>

LIABILITIES

Due to employee	<u>889</u>
Total Liabilities	<u><u>889</u></u>

NET POSITION

Net investment in capital assets	13,984
Restricted for projects	346,987
Unrestricted	<u>17,212</u>
Total Net Position	<u><u>\$378,183</u></u>

See accompanying notes to the basic financial statements and Independent Accountant's Report.

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Statement of Activities (Modified Cash Basis) - Year Ended June 30, 2024

Functions/Programs	Expenses	Program Revenues		Net(Expense)
		Charges for	Operating	Revenue and Changes
		Services	Grants and	in Net Position
			Contributions	Primary Government
				Governmental
				Activities
Primary Government:				
Governmental activities:				
General Government	\$275,256	\$20,831		(\$254,425)
General revenues:				
Intergovernmental revenue restricted				
to specific programs				569,541
Rent income				21,735
Easement				
Investment income				6,759
Change in net position				343,610
Net position - beginning				34,573
Net position - ending				\$378,183

See accompanying notes to the basic financial statements and Independent Accountant's Report.

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BASIC FINANCIAL STATEMENTS-GOVERNMENTAL FUND

SEMINOLE COUNTY CONSERVATION DISTRICT
ANNUAL FINANCIAL REPORT
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Government Fund Balance Sheet - General Fund (Modified Cash Basis) - June 30, 2024

ASSETS

Cash	\$18,101
Cash, restricted	75,200
Investments, restricted	271,787
	<hr/>
Total Assets	365,088
	<hr/>

Due to employee	889
	<hr/>
Total Liabilities	889
	<hr/>

FUND BALANCE

Restricted	346,987
Unassigned	17,212
	<hr/>
Total Fund Balance	364,199
	<hr/>

Reconciliation to Statement of Net Position:

Amounts reported for governmental activities in the statement of net position
are different because:

Capital assets used in governmental activities of \$45,219 net of accumulated
depreciation of \$31,236 are not financial resources and therefore, are not
reported in the funds.

13,984

\$378,183

See accompanying notes to the basic financial statements and Independent Auditor's Report.

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Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balance -
General Fund (Modified Cash Basis) - Year Ended June 30, 2024

Operating Revenues:

Reimbursements from Oklahoma Conservation Commission	\$68,601
Reimbursements from Oklahoma Conservation Commission-Special Projects	347,835
Cost share program	<u>153,105</u>
Total Reimbursements from Oklahoma Conservation Commission	569,541
 Rent income	 21,735
Seed and map sales	20,831
Interest	<u>6,759</u>
Total Revenues	<u>618,866</u>

Expenditures:

Cost share expense	150,105
Salaries, payroll taxes and benefits	72,581
Seed and map cost	17,556
Meetings and mileage	9,635
Utilities	6,508
Lawn and office cleaning	4,600
Office supplies and postage	1,657
Watershed expenses	7,495
Insurance	1,497
Professional fees	1,700
Dues and memberships	495
Miscellaneous	<u>61</u>
Total Expenditures	<u>273,890</u>

Excess (deficiency) of revenues over expenditures	344,976
 Fund Balance - beginning of year	 <u>19,223</u>
Fund Balance - end of year	<u>364,199</u>
 Net change in fund balance	 344,976

Amounts reported for governmental activities in the Statement of Activities are different because:	
Depreciation expense	(1,366)
	<u>\$343,610</u>

See accompanying notes to the basic financial statements and Independent Accountant's Report.

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NOTES TO THE FINANCIAL STATEMENT

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SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Except for the use of a modified cash basis of accounting as discussed below, the District complies with accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles (GAAP) include 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.

FINANCIAL REPORTING ENTITY

Seminole County Conservation District was established pursuant to Title 27A, Sections 3-1-101 through 3-3-410, as amended 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 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.

BASIS OF PRESENTATION

Government-Wide Financial Statements

The Statement 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 non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The Seminole County Conservation District has no business-type activities as of June 30, 2024.

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, which constitute its assets, liabilities, fund equity, revenues, and expenditures/expenses. Funds are organized into two major categories: governmental and proprietary. The District presently has no proprietary funds. The District is considered a governmental entity as defined by the Governmental Accounting Standards Board (GASB). There is only one fund, which is the General Fund.

GOVERNMENTAL FUND TYPES

General Fund

The General Fund is the primary operating fund of the District. It is used to account for all activities except those legally or administratively required to be accounted for in other funds.

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement focus is a term used to describe "how" transactions are recorded within each fund type. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

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Measurement Focus

In the government-wide Statement of Net Position and the Statement of Activities, the governmental activities are presented using the economic resources measurement focus as defined in item a. below.

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

- 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 during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities and the fund financial statements, governmental activities are presented using a modified cash basis of accounting. This basis recognizes assets, liabilities, net position/fund equity, revenues, and expenditures/expenses when they result from cash transactions with a provision for depreciation in the government-wide statements. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

If the District utilized the basis of accounting recognized as generally accepted, the governmental fund types would use the modified accrual basis of accounting, while the government wide financial statements would use the full accrual basis of accounting.

Modified Accrual Basis - Revenues would be recognized when “measurable and available”. Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or soon enough hereafter to pay current liabilities.

Expenditures (including capital outlay) would be recognized when the related fund liability is incurred, except for general obligation bond principal and interest which would be reported when due.

ASSETS, LIABILITIES AND EQUITY

Cash and Investments

Cash includes all demand and savings accounts, certificates of deposit or short-term investments with a maturity of three months or less. Investments consist of long-term certificates of deposit.

Capital Assets

Government-Wide Statements

In the government-wide financial statements, capital assets are accounted for as assets in the Statement of Net Position. All capital assets are valued at historical cost or estimated historical cost if actual is unavailable. The District has determined that all assets with a cost of more than \$1,000 will be capitalized. Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The District currently has no capital assets with book value.

Fund Financial Statements

In the fund financial statements, capital assets acquired for use in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

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Net Position and Fund Balance

In the government-wide financial statement, net position represents the difference between assets and liabilities. Net position is reported as restricted when limitations on their use change the nature of normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, laws, or other governments, or are imposed by law through constitutional provisions or enabling legislation. The District currently has restricted net position due to money received for specific projects but not spent by year end.

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 useable 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.

Assigned fund balance represents amounts that are intended to be used 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 includes 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 intended to be used for specific purpose in accordance with the provisions of the standard.

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.

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
- Watershed Planning and Archeology
- Field Services
- Small Watersheds Flood Control Fund
- Abandoned Mine Land (AML) Reclamation Program
- Water Quality Management

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Program Revenues

In the Statement of Activities, revenues that are derived directly from each activity or from parties outside the District's reimbursements are reported as program revenues. The District has the following program revenues in each activity:

General Government: Seed, map sales and rent income.

Expenditures/Expenses

In the government-wide financial statements, expenses are reported on the modified cash basis and are classified by function or activity for governmental activities.

In the fund financial statements, expenditures are classified by category.

USE OF ESTIMATES

The preparation of financial statements in conformity with the other comprehensive basis of accounting used by the District requires management to make estimates and assumptions that affect certain reported amounts and disclosures (such as estimated useful lives in determining depreciation expense); accordingly, actual results could differ from those estimates.

DIFFERENCES FROM GAAP

Basis of Accounting

As discussed below the District reports both the government-wide financial statements and the fund financial statements on the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

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 insured by FDIC Insurance for \$250,000 carried by depository banks and the balance was collateralized by an irrevocable letter of credit from FHL Bank, Topeka.

DETAIL NOTES - TRANSACTION CLASSES/ACCOUNTS

Cash

Custodial Credit Risk

At June 30, 2024, the District held deposits of approximately \$370,826 at financial institutions. The District's cash deposits were covered by the Federal Depository Insurance (FDIC)

Investment Interest Rate Risk

The District does not have a formal investment policy that limits the investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The District has a certificate of deposit as of June 30, 2024

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CAPITAL ASSETS

Capital asset activity resulting from modified cash basis transactions for the fiscal year ended June 30, 2024, was as follows:

	Balance at June 30, 2023	Additions	Deductions	Balance at June 30, 2024
Governmental activities:				
Other capital assets:				
Building and improvements	\$29,781	-	-	\$29,781
Machinery and equipment	15,438	-	-	\$15,438
Total other capital assets at historical cost	45,219	-	-	45,219
Less accumulated depreciation for:				
Building and improvements	27,769	1,366	-	29,135
Machinery and equipment	2,100	-	-	2,100
Total accumulated depreciation	2,100	1,366	-	31,235
Governmental activities capital assets, net	\$43,119	\$1,366	-	\$13,984

OTHER NOTES

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 System	Cost Sharing Multiple Employer - Defined Benefit Plan

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 statements	Oklahoma Public Employees Retirement System 6601 N. Broadway, Suite 129 Oklahoma City, OK 73116
Eligibility to participate	All full-time permanent employees of a participating local government
Authority establishing contribution obligations and benefits	State Statute
Employee's contribution rate (percent of covered payroll)	3.5%
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	7½ years, of which 6 must be fulltime service

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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 retirement)	Yes
Disability (duty, non-duty)	Yes
Cost of living allowances	No

Contributions required by State Statute and paid to the System for the fiscal years 2023 and 2024 were \$9,973 and 10,778 respectively. These contributions represent 100% of the required contribution in the fiscal year and were made by the Oklahoma Conservation Commission.

Related Party Investments

As of June 30, 2024, the System held no related-party investments of the District.

COMMITMENTS AND CONTINGENCIES

Commitments

The District's commitment for accrued compensated absences at June 30, 2024 was \$17,039.

Contingencies:

The District is not involved with any legal proceedings, which normally occur in the course of governmental operations at this time. Therefore, the financial statements do not include accruals or provisions for loss contingencies.

While legal proceedings cannot be foreseen, the District feels that any settlement or judgment not covered by insurance carried by the Commission would not have a material effect on the financial condition of the District.