

GARFIELD COUNTY CONSERVATION DISTRICT

ANNUAL FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2016

GARFIELD COUNTY CONSERVATION DISTRICT
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YEAR ENDED JUNE 30, 2016

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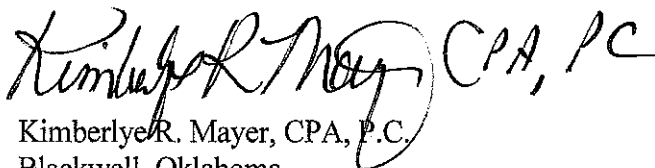
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Accountant's Compilation Report

Board of Directors
Garfield County Conservation District

Management is responsible for the accompanying financial statements of the Garfield County Conservation District which comprise the statement of assets, liabilities and net position as of June 30, 2016 and the related statements of revenues and expenses and changes in net position and of cash flows for the year then ended, and the related notes to the financial statements in accordance with the modified cash basis of accounting. Management is responsible to determine that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. We 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. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy and completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

We 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.

 CPA, P.C.

Kimberlye R. Mayer, CPA, P.C.

Blackwell, Oklahoma

July 6, 2017

GARFIELD COUNTY CONSERVATION DISTRICT
STATEMENT OF ASSETS, LIABILITIES, AND NET POSITION
MODIFIED CASH BASIS
JUNE 30, 2016

ASSETS

Current Assets:	
Cash in operating account	\$ 2,729
Petty Cash	41
No-Till account	43,025
Pipeline seeding account	21,161
Certificate of deposit	<u>100,365</u>
Total Cash and Cash Equivalents	167,321
Certificates of deposit	<u>13,409</u>
Total Current Assets	180,730
Property and equipment (Note 3)	
(Net of accumulated depreciation)	<u>37,490</u>
Total Assets	<u><u>\$ 218,220</u></u>

LIABILITIES AND NET POSITION

Liabilities:	
Current Liabilities:	
Net Position:	
Net investment in capital assets	37,490
Unrestricted	<u>180,730</u>
Total Net Position	<u>\$ 218,220</u>
Total Liabilities and Net Position	<u><u>\$ 218,220</u></u>

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

GARFIELD COUNTY CONSERVATION DISTRICT
STATEMENT OF REVENUES AND EXPENSES AND CHANGES IN NET POSITION
MODIFIED CASH BASIS
YEAR ENDED JUNE 30, 2016

Operating Revenues:	
OCC reimbursements	\$ 38,904
Cost share received	22,500
Equipment rental, sprigging	9,430
Miscellaneous income	1,218
Total Operating Revenues	<u>72,052</u>
Expenses:	
Payroll	34,451
Payroll taxes and employee benefits	4,281
Director fees	1,800
Office supplies and postage	1,390
Repairs, maintenance, fuel and supplies	3,916
Seeds and sprigging expenses	507
Equipment rent	22,000
Mileage, meeting and travel	2,214
Cost share paid	22,500
Professional fees	520
Dues, subscriptions and memberships	1,120
Insurance	3,965
Telephone	863
Utilities	637
Watershed maintenance	480
Advertising and promotion	168
Depreciation	12,601
Miscellaneous expenses	834
Total Operating Expenses	<u>114,247</u>
Income (Loss) From Operations	(42,195)
Non-operating Revenues (Expenses):	
Interest income	474
Gain on sale of equipment	26,527
Total Non-operating Revenues (Expenses)	<u>27,001</u>
Revenues Over (Under) Expenses	(15,194)
Net position, beginning of year	<u>233,414</u>
Net position, end of year	<u><u>\$ 218,220</u></u>

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

GARFIELD COUNTY CONSERVATION DISTRICT
STATEMENT OF CASH FLOWS
MODIFIED CASH BASIS
YEAR ENDED JUNE 30, 2016

Cash flows From Operating Activities:	
Cash received from customers	\$ 10,648
Cash received from OCC	61,404
Cash payments to suppliers for goods and services	(67,195)
Cash payments to employees	(34,451)
Net Cash Provided (Used) By Operating Activities	<u>(29,594)</u>
Cash Flows From Capital And Related Financing Activities:	
New borrowings	
Principle lease payments	
Interest lease payments	
Net Cash Provided (Used) by Financing Activities	<u> </u>
Cash Flows From Investing Activities:	
Purchase of capital assets	
Sale of equipment	31,298
Investment income	474
(Increase) decrease in certificate of deposits	(54)
Net Cash Provided (Used) by Investing Activities	<u>31,718</u>
Net increase (decrease) in cash and cash equivalents	2,124
Beginning cash and cash equivalents	<u>165,197</u>
Ending cash and cash equivalents	<u><u>\$ 167,321</u></u>
Reconciliation of income (loss) from operations to net cash provided (used) by operating activities:	
Income (loss) from operations	\$ (42,195)
Adjustments to reconcile income (loss) to net cash provided (used) by operating activities:	
Depreciation	12,601
Changes in assets and liabilities	
Net cash provided (used) by operating activities	<u><u>\$ (29,594)</u></u>

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

GARFIELD COUNTY CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Organization

The Garfield County Conservation District was created under Title 27A, sections 3-1-101 through 3-3-410, as amended, of the laws of the State of Oklahoma. The purpose of the District is to provide for the conservation of the renewable natural resources in the area for which the District is responsible. The District assists landowners in conservation practices; acquisition of supplies, seed, and planting equipment; and assists producers in procuring state and federal funds.

Basis of Accounting

The District maintains its records and prepares its financial statements on the basis of modified cash accounting. Under the modified cash basis, revenues are recognized when received, rather than when earned, and expenditures are recognized as expenses when paid, rather than when incurred. Fixed assets are recorded at cost when purchased and annual depreciation is calculated on a straight-line basis over the estimated useful lives of the assets.

As a result of the use of this modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

Net Position

Net position presents the difference between assets and liabilities in the statement of net position. Net investments in capital assets are reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net positions are reported as restricted when there are legal limitations imposed on their use by District legislation or external restrictions by creditors, grantors, laws or regulations of other governments.

NOTE 2 - CASH AND CASH EQUIVALENTS:

The District considers all checking and savings accounts and deposits with a maturity of three months or less to be cash equivalents.

GARFIELD COUNTY CONSERVATION DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2016

NOTE 3 – PROPERTY AND EQUIPMENT:

Depreciable assets are recorded at cost when purchased or constructed. Improvements are capitalized; the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are expensed. Depreciation is calculated on a straight-line basis over the estimated useful lives of the depreciable assets. Total depreciation for the year ended June 30, 2016 was \$12,601. The following is a schedule of property and equipment and the related depreciation at June 30, 2016:

	6/30/15	Additions	6/30/16
District sheds	\$ 55,222	\$	\$ 55,222
Office equipment	4,645	(2,728)	1,917
Machinery and equipment	133,746	(50,642)	83,104
	<u>193,613</u>	<u>(53,370)</u>	<u>140,243</u>
Less accumulated depreciation	(138,751)	35,998	(102,753)
Net	<u>\$ 54,862</u>	<u>\$ (17,372)</u>	<u>\$ 37,490</u>

NOTE 4 – OCC REIMBURSEMENTS:

The District is reimbursed by the Oklahoma Conservation Commission for salaries, payroll taxes, mileage, telephone charges, office supplies and certain other office expenses up to their allocated amount. Such reimbursements are recognized as revenue when received.

NOTE 5 – RETIREMENT PLAN:

Oklahoma public employees who work 1,599 hours or more per year were enrolled in the Oklahoma Public Employees Retirement System. On salaries paid from reimbursable funds from the Oklahoma Conservation Commission, the employer's 16½% share of retirement was paid directly by the Commission. The employees' share of the retirement contribution was 3½% of locally earned wages and 3½% of state reimbursable wages.

NOTE 6 - CASH AND DEPOSITS:

The State of Oklahoma allows government entities to invest in the following: direct obligations of the United States Government, its agencies or instrumentalities; collateralized or insured certificates of deposit; insured savings accounts or savings certificates; or county, municipal or school district direct debt.

GARFIELD COUNTY CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

NOTE 7 - ESTIMATES:

The preparation of financial statements in conformity with the modified cash basis of accounting requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

NOTE 8 – FAIR VALUES OF FINANCIAL INSTRUMENTS:

The definition of fair value for financial reporting, establishes a framework for measuring fair value, and requires additional disclosure about the use of fair value measurements in an effort to make the measurement of fair value more consistent and comparable.

Level 1: Quoted prices in active markets for identical securities.

Level 2: Other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment spread and credit risk).

Level 3: Significant unobservable inputs (including the District's own assumptions in determining the fair value of investments).

The District's financial instruments include cash and cash equivalents and certificates of deposit. The District's estimate of the fair value of all financial instruments does not differ materially from the aggregate carrying value of its financial instruments recorded in the accompanying statement of net position. The carrying amount of these financial instruments approximates fair value because of the short maturity of these instruments.

NOTE 9 – RISK MANAGEMENT:

The District is exposed to various risks of losses related to torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. The District and the OCC manages this risk through the purchase of commercial insurance policies.

NOTE 10 – CONTINGENCIES:

As of June 30, 2016 the District did not have any pending litigation or potential non-disclosed liabilities that management believes would have a material effect on the financial statements.

NOTE 11 – EVALUATION OF SUBSEQUENT EVENTS:

The District has evaluated subsequent events through July 6, 2017, the date which the financial statements were available to be issued.