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**GARFIELD COUNTY CONSERVATION DISTRICT**

**ANNUAL FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2013**

GARFIELD COUNTY CONSERVATION DISTRICT  
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YEAR ENDED JUNE 30, 2013

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## Accountant's Compilation Report

Board of Directors  
Garfield County Conservation District

We have compiled the accompanying statements of assets, liabilities and net position – modified cash basis of the Garfield County Conservation District as of June 30, 2013 and the related statements of revenues, expenses and changes in net position – modified cash basis and of cash flows for the year then ended. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance about whether the financial statements are in accordance with 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.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash basis of accounting and for designing, implementing, and maintaining internal control relevant to the preparation and fair representation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

We are not independent with respect to Garfield County Conservation District.



Kimberlye R. Mayer, CPA, P.C.  
Blackwell, Oklahoma  
August 8, 2013

GARFIELD COUNTY CONSERVATION DISTRICT  
STATEMENT OF ASSETS, LIABILITIES, AND NET POSITION  
MODIFIED CASH BASIS  
JUNE 30, 2013

ASSETS

Current Assets:	
Cash in operating account	\$ 21,539
Petty Cash	28
No-Till account	26,552
Pipeline seeding account	<u>77,411</u>
Total Cash and Cash Equivalents	125,530
Certificates of deposit	<u>13,249</u>
Total Current Assets	138,779
Property and equipment (Note 3) (Net of accumulated depreciation)	<u>93,566</u>
Total Assets	<u><u>\$ 232,345</u></u>

LIABILITIES AND NET POSITION

Liabilities:	
Current Liabilities:	\$
Net Position:	
Net investment in capital assets	93,566
Unrestricted	<u>138,779</u>
Total Net Position	<u><u>\$ 232,345</u></u>
Total Liabilities and Net Position	<u><u>\$ 232,345</u></u>

See accountant's compilation report and notes.

GARFIELD COUNTY CONSERVATION DISTRICT  
STATEMENT OF REVENUES AND EXPENSES AND CHANGES IN NET POSITION  
MODIFIED CASH BASIS  
YEAR ENDED JUNE 30, 2013

Operating Revenues:	
OCC reimbursements	\$ 61,856
Pipeline seeding	319,189
Equipment rental	22,654
Sprigging and seed sales	52,092
Watershed reimbursements	1,988
Miscellaneous income	474
Total Operating Revenues	458,253
Expenses:	
Salaries and wages	60,992
Payroll taxes and employee benefits	8,398
Conservation education	393
Director fees	1,125
Office supplies and postage	1,462
Repairs, maintenance, fuel and supplies	10,427
Seeds and sprigging expenses	40,824
Pipeline seeding expenses	185,876
Equipment rent	8,294
Mileage, meeting and travel	2,968
Professional fees	1,050
Dues, subscriptions and memberships	614
Insurance	3,903
Telephone	1,715
Utilities	311
Advertising and promotion	2,145
Depreciation	14,773
Miscellaneous expenses	1,836
Total Operating Expenses	347,106
Income (Loss) From Operations	111,147
Non-operating Revenues (Expenses):	
Interest income	66
Gain on sale of equipment	7,150
Interest expense	(442)
Total Non-operating Revenues (Expenses)	6,774
Revenues Over (Under) Expenses	117,921
Net position, beginning of year	114,424
Net position, end of year	\$ 232,345

See account's compilation report and notes.

GARFIELD COUNTY CONSERVATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2013

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. Such reimbursements are recognized as revenue when received.

NOTE 5 – CAPITAL LEASE:

On November 6, 2008 the District entered into a lease purchase agreement for equipment. The lease purchase price is \$49,140 with lease payments of \$11,214 for five years. The purchase price of the equipment has been capitalized and is being amortized over the life of the lease. The lease was paid in full during the fiscal year ended June 30, 2013.

NOTE 6 – 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 employers 16½% share of retirement was paid directly by the Commission. The employees' share of the retirement contribution was 16½% of locally earned wages and 3½% of state reimbursable wages.

NOTE 7 – 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.

NOTE 8 – 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.

GARFIELD COUNTY CONSERVATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2013

NOTE 9 - FAIR VALUE OF INSTRUMENTS:

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

NOTE 10 – 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 manages this risk through the purchase of commercial insurance policies.

NOTE 11 – CONTINGENCIES:

As of June 30, 2013 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 12 – NET POSITION:

Net position presents the difference between assets and liabilities in the statement of net position. Net investment in capital assets are reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is 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.