

DEWEY COUNTY CONSERVATION DISTRICT

ANNUAL FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2019

DEWEY COUNTY CONSERVATION DISTRICT
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YEAR ENDED JUNE 30, 2019

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Kimberlye R. Mayer, CPA, P.C.

723 West Doolin

Blackwell, OK 74631

(580) 363-1453
Fax (580) 363-0068

Board of Directors
Dewey County Conservation District

Management is responsible for the accompanying financial statements of the Dewey County Conservation District which comprise the statement of assets, liabilities and net position as of June 30, 2019 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.



Kimberlye R. Mayer, CPA, P.C.
Blackwell, Oklahoma
October 31, 2019

DEWEY COUNTY CONSERVATION DISTRICT
STATEMENT OF ASSETS, LIABILITIES, AND NET POSITION
MODIFIED CASH BASIS
JUNE 30, 2019

ASSETS

Current Assets:	
Cash and cash equivalent	\$ 122,980
Certificates of deposit	<u>77,709</u>
Total Current Assets	200,689
Property and equipment (Note 5)	
(net of accumulated depreciation)	<u>184,306</u>
Total Assets	<u><u>\$ 384,995</u></u>

LIABILITIES AND NET POSITION

Liabilities:	\$
Net Position:	
Net investment in capital assets	184,306
Unrestricted	<u>200,689</u>
Total Net Position	<u>384,995</u>
Total Liabilities and Net Position	<u><u>\$ 384,995</u></u>

See the accountant's compilation report and notes.

DEWEY COUNTY CONSERVATION DISTRICT
STATEMENT OF REVENUES AND EXPENSES AND CHANGES IN NET POSITION
MODIFIED CASH BASIS
YEAR ENDED JUNE 30, 2019

Operating Revenues:	
Sponsorships	\$ 500
OCC reimbursements	50,706
OCC program reimbursements	5,552
Cost share received	48,048
Training grant	18,902
Building rent	48,501
Equipment rental	20,380
Seed sales	29,310
Other sales and service	391
Royalties and easement income	56
Grants and awards	1,377
Other income	193
Total Operating Revenues	223,916
Expenses:	
Payroll	54,339
Payroll taxes and benefits	8,814
Office supplies and postage	2,508
Repairs and maintenance	7,159
Cost share paid out	48,048
Vehicle expenses	3,943
Seed purchases	19,399
Dues, meetings and travel	15,579
Building expenses	3,171
Advertisement and promotion	1,045
Professional fees	1,540
Insurance	9,366
Utilities and telephone	8,009
Janitor	6,000
Education and programs	27,291
Watershed maintenance	1,441
Depreciation expense	9,163
Other expense	238
Total Operating Expenses	227,053
Income (Loss) From Operations	(3,137)
Nonoperating Revenue (Expense):	
Interest income	1,109
Total Nonoperating Revenue	1,109
Revenues Over (Under) expenses	(2,028)
Net position, beginning of year	387,023
Net position, end of year	\$ 384,995

See accountant's compilation report and notes.

DEWEY COUNTY CONSERVATION DISTRICT
STATEMENT OF CASH FLOWS
MODIFIED CASH BASIS
YEAR ENDED JUNE 30, 2019

Cash flows From Operating Activities:	
Cash received from customers	\$ 119,610
Cash received from OCC	104,306
Cash payments to suppliers for goods and services	(163,551)
Cash payments to employees	(54,339)
Net Cash Provided (Used) By Operating Activities	<u>6,026</u>
Cash Flows From Capital and Financing Activities:	
Acquisition and construction of capital assets	
Sale of assets	
Net Cash Provided (Used) by Financing Activities	<u> </u>
Cash Flows From Investing Activities:	
(Increase) decrease in CDs	(867)
Interest income	1,109
Net Cash Provided (Used) by Investing Activities	<u>242</u>
Net increase (decrease) in cash and cash equivalents	6,268
Beginning cash and cash equivalents	<u>116,712</u>
Ending cash and cash equivalents	<u><u>\$ 122,980</u></u>
Reconciliation of income (loss) to net cash provided (used) by operating activities:	
Operating income (loss)	\$ (3,137)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation	9,163
Changes in assets and liabilities:	
Net cash provided (used) by operating activities	<u><u>\$ 6,026</u></u>

See accountant's compilation report and notes.

DEWEY COUNTY CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Organization

The Dewey 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.

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 investment in capital assets is 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.

NOTE 2 – CASH AND CERTIFICATES OF DEPOSIT:

Bank balances and certificates of deposit are covered by the Federal Deposit Insurance Corporation. All deposits at June 30, 2019 were fully insured.

NOTE 3 – INVESTMENTS:

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.

DEWEY COUNTY CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

NOTE 4 – CASH AND CASH EQUIVALENTS:

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

NOTE 5 – PROPERTY AND EQUIPMENT:

Depreciable assets are recorded at cost when purchased or constructed. 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, 2019 was \$9,163. The balances for depreciable assets by major category for the year ended June 30, 2019 are as follows:

	6/30/18	Additions	(Deletions)	6/30/19
Land and improvements	\$ 17,095	\$	\$	\$ 17,095
Building	193,247			193,247
Building improvements	129,754			129,754
Equipment	165,468			165,468
	<u>505,564</u>			<u>505,564</u>
Less accumulated depreciation	(312,095)	(9,163)		(321,258)
Net	<u>\$ 193,469</u>	<u>\$ (9,163)</u>	<u>\$</u>	<u>\$ 184,306</u>

NOTE 6 - 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 7 – 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 employee's share of the retirement contribution was 3½% of locally earned wages and 3½% of state reimbursable wages.

NOTE 8 – LEASE AGREEMENT:

The District has entered into a lease agreement with the FSA/NRCS for the lease of office space. The District received \$48,501 during the year ended June 30, 2019.

DEWEY COUNTY CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

NOTE 9 – 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 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 and OCC manage this risk through the purchase of commercial insurance policies. Claims are recognized when it is probable that a loss has occurred and the amount of loss can be reasonable estimated. In determining claims, events that might create claims, but for which none have been reported, are considered.

NOTE 11 – CONTINGENCIES:

As of June 30, 2019 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 – 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.

DEWEY COUNTY CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

NOTE 13 – EVALUATION OF SUBSEQUENT EVENTS:

The District has evaluated subsequent events through October 31, 2019, the date which the financial statements were available to be issued.