

ALFALFA COUNTY CONSERVATION DISTRICT

ANNUAL FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2019

ALFALFA COUNTY CONSERVATION DISTRICT
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YEAR ENDED JUNE 30, 2019

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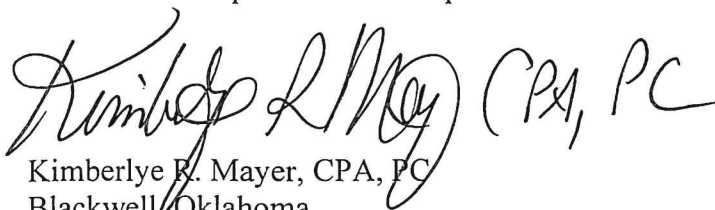
Accountant's Compilation Report

Board of Directors
Alfalfa County Conservation District

Management is responsible for the accompanying financial statements of the Alfalfa 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 cash basis of accounting. Management is responsible to determine that the 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 cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

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



Kimberlye R. Mayer, CPA, PC
Blackwell, Oklahoma
November 17, 2019

FINANCIAL STATEMENTS

AND

NOTES

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

ASSETS

Current Assets:	
Cash and cash equivalents (Note 3)	\$ 38,719
Certificates of deposit	<u>140,295</u>
Total Current Assets	<u>179,014</u>
Total Assets	<u><u>\$ 179,014</u></u>

LIABILITIES AND NET POSITION

Current Liabilities:	\$
Net Position:	
Unrestricted	<u>179,014</u>
Total Net Position	<u>179,014</u>
Total Liabilities and Net position	<u><u>\$ 179,014</u></u>

See accountant's compilation report and notes.

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

Revenues:	
OCC reimbursements	\$ 33,277
Cost share received	18,197
Equipment rental	7,123
Seed sales	1,954
Gopher machine rental and bait	320
Building rent	49,884
Sale of plat books	305
Other income	533
Total Operating Revenues	111,593
Expenses:	
Payroll	41,835
Payroll taxes and employee benefits	5,661
Cost share paid	18,197
Scholarships	3,000
Advertising and promotion	262
Office supplies and postage	2,630
Insurance	3,905
Meetings and travel	3,854
Professional fees	1,103
Seed and gopher bait	1,149
Building maintenance & supplies	3,549
Fuel, supplies, rental and repairs	1,308
Memberships, dues and subscriptions	1,423
Utilities and phone	8,758
Director fees	1,275
Conservation education	2,111
Equipment lease	2,300
Plat books cost	465
Other expense	1,545
Total Operating Expenses	104,330
Operating Income (Loss)	7,263
Nonoperating Revenues (Expenses):	
Interest income	2,229
Oil production income	1,252
Building improvements	(2,250)
Purchase of assets	(22,200)
Total Nonoperating Revenues (Expenses)	(20,969)
Changes in net position	(13,706)
Net position at beginning of year	192,720
Net position at end of year	\$ 179,014

See accountant's compilation report and notes.

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Organization

The Alfalfa 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 prepares its financial statements using the cash basis of accounting. This basis recognizes assets, liabilities, net assets/fund equity, revenues, and expenditures/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.

As result of the use of this 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 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.

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 – CASH AND CASH EQUIVALENTS:

The District considers the operating account and certificates of deposit with a maturity date of less than three months to be cash equivalents.

Cash and cash equivalents at June 30, 2019 included the checking accounts and one certificate of deposit.

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

NOTE 4 –LAND, PROPERTY AND EQUIPMENT:

Land, property and equipment is estimated and is not recorded on the balance sheet. The following is a list by category of the land, property and equipment at June 30, 2019:

Land and easements	\$ 4,000
Buildings & improvements	187,657
Office equipment	1,730
Machinery & equipment	47,827
	<u>\$ 241,214</u>

NOTE 5 – 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. When received, such reimbursements are recognized as revenues.

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 3 ½% of locally earned wages and 3 ½% 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.

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

NOTE 8 – 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 manage this risk through the purchase of commercial insurance policies.

NOTE 9 – 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 10 – FAIR VALUE 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 statements include cash and certificates of deposits. The District's estimates of the fair value of all financial instruments do 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 11 – EVALUATION OF SUBSEQUENT EVENTS:

The District has evaluated subsequent events through November 17, 2019 the date which the financial statements were available to be issued.