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compilation

DEWEY COUNTY CONSERVATION DISTRICT

ANNUAL FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2011

DEWEY COUNTY CONSERVATION DISTRICT
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YEAR ENDED JUNE 30, 2011

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Accountant's Compilation Report

Board of Directors
Dewey County Conservation District

We have compiled the accompanying financial statements of the Dewey County Conservation District as of and for the year ended June 30, 2011. 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.



Kimberlye R. Mayer, CPA, P.C.
Blackwell, Oklahoma
August 8, 2011

FINANCIAL STATEMENTS

AND

NOTES

DEWEY COUNTY CONSERVATION DISTRICT
STATEMENT OF ASSETS, LIABILITIES, AND NET ASSETS
MODIFIED CASH BASIS
JUNE 30, 2011

ASSETS

Current Assets:	
Cash in operating account	\$ 85,687
Certificates of deposit	<u>73,066</u>
Total Current Assets	158,753
Property and equipment (Note 7) (net of accumulated depreciation)	136,240
Investment in Partnership	<u>94,003</u>
Total Assets	<u><u>\$ 388,996</u></u>

LIABILITIES AND NET ASSETS

Liabilities:	\$
Net Assets:	
Invested in capital assets, net of related debt	136,240
Unrestricted	<u>252,756</u>
Total Net Assets	<u>388,996</u>
Total Liabilities and Net Assets	<u><u>\$ 388,996</u></u>

DEWEY COUNTY CONSERVATION DISTRICT
STATEMENT OF REVENUES AND EXPENSES AND CHANGES IN NET ASSETS
MODIFIED CASH BASIS
YEAR ENDED JUNE 30, 2011

Operating Revenues:	
OCC reimbursements	\$ 59,905
Watershed reimbursements	64,401
Building rent	29,442
Equipment rental	10,159
Seed sales	12,883
Gopher bait	651
Other income	1,149
Guzzler sales	45,600
Total Operating Revenues	224,190
Expenses:	
Salaries and wages	55,097
Payroll taxes and benefits	6,032
Office supplies and postage	2,680
Repairs and maintenance	3,364
Vehicle expenses	2,681
Gopher bait	634
Guzzler costs	38,000
Seed purchases	9,675
Meetings expense	7,353
Dues, registrations, memberships	3,541
Advertisement and promotion	1,996
Building expenses	1,781
Professional fees	475
Insurance	3,100
Utilities and telephone	9,796
Janitor	4,200
Education	4,230
Watershed maintenance	66,524
Depreciation expense	7,762
Other expense	50
Total Operating Expenses	228,971
Income (Loss) From Operations	(4,781)
Nonoperating Revenue (Expense):	
Grants	29,000
Interest income	7,599
Total Nonoperating Revenue	36,599
Revenues Over (Under) expenses	31,818
Net assets, beginning of year	357,178
Net assets, end of year	\$ 388,996

See accountant's compilation report

DEWEY COUNTY CONSERVATION DISTRICT
STATEMENT OF CASH FLOWS
MODIFIED CASH BASIS
YEAR ENDED JUNE 30, 2011

Cash flows From Operating Activities:	
Cash received from customers	\$ 99,884
Cash received from OCC	124,306
Cash payments to suppliers for goods and services	(166,112)
Cash payments to employees	<u>(55,097)</u>
Net Cash Provided (Used) By Operating Activities	2,981
Cash Flows From Capital and Financing Activities:	
Acquisition and construction of capital assets	<u>(40,607)</u>
Net Cash Provided (Used) by Financing Activities	(40,607)
Cash Flows From Investing Activities:	
Decrease in partnership investment	35,037
Grant income	29,000
Interest income	7,599
(Increase) decrease in CD's	<u>(1,342)</u>
Net Cash Provided (Used) by Investing Activities	<u>70,294</u>
Net increase (decrease) in cash and cash equivalents	32,668
Beginning cash and cash equivalents	<u>53,019</u>
Ending cash and cash equivalents	<u><u>\$ 85,687</u></u>
Reconciliation of income (loss) to net cash provided (used) by operating activities:	
Operating income (loss)	\$ (4,781)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation	7,762
Changes in assets and liabilities:	
Net cash provided (used) by operating activities	<u><u>\$ 2,981</u></u>

DEWEY COUNTY CONSERVATION DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2011

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.

NOTE 2 – 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, 2011 was \$7,762. The balances for depreciable assets by major category for the year ended June 30, 2011 are as follows:

	6/30/10	Additions	(Deletions)	6/30/11
Land and improvements	\$ 17,095	\$	\$	\$ 17,095
Building	176,466	6,582		183,048
Equipment	119,099	34,025	(3,977)	149,147
	<u>312,660</u>	<u>40,607</u>	<u>(3,977)</u>	<u>349,290</u>
Less accumulated depreciation	(209,265)	(7,762)	3,977	(213,050)
Net	<u>\$ 103,395</u>	<u>\$ 32,845</u>	<u>\$</u>	<u>\$ 136,240</u>

NOTE 3 - 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.

DEWEY COUNTY CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2011

NOTE 4 – RETIREMENT PLAN:

Oklahoma public employees who work 1,000 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 15½% share of retirement was paid directly by the Commission. The employee's share of the retirement contribution was 15½% of locally earned wages and 3½% of state reimbursable wages.

NOTE 5 – 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 6 – 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. 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 7 – CONTINGENCIES:

As of June 30, 2011 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.