

BEAVER COUNTY CONSERVATION DISTRICT
ANNUAL FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

BEAVER COUNTY CONSERVATION DISTRICT
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YEAR ENDED JUNE 30, 2016

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Board of Directors
Beaver County Conservation District

Management is responsible for the accompanying financial statements of the Beaver 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. 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, OK
February 9, 2017

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

ASSETS

Current Assets:	
Cash and checking	\$ 13,603
Burn Association account	20,000
Total Cash and Cash Equivalents	33,603
Certificates of deposit	25,244
Property and equipment (Note 5) (net of accumulated depreciation)	75,095
Total Assets	\$ 133,942

LIABILITIES AND NET POSITION

Liabilities:	\$
Net Position:	
Net investment in capital assets	75,095
Unrestricted	58,847
Total Net Position	133,942
Total Liabilities and Net Position	\$ 133,942

BEAVER 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	\$ 40,210
Cost share received	4,792
Equipment rental	14,349
Sales of seed and trees	35,398
Other sales and services	19,896
Continuous fence sales	45,251
Total Operating Revenues	<u>159,896</u>
Expenses:	
Personnel costs	53,492
Repairs and maintenance	1,358
Telephone and mobile phones	1,081
Office supplies and postage	3,492
Director fees	520
Mileage, meetings and travel	3,753
Professional fees	1,675
Advertising and promotion	307
Dues, subscriptions and licenses	400
Utilities	2,181
Janitor supplies	1,156
Vehicle expenses	6,162
Conservation education	1,053
Cost share paid out	4,792
Unemployment benefits paid	1,008
Fence materials	31,405
Seeds, plants and trees	8,819
Other product costs	8,038
Insurance	2,405
Depreciation	6,384
Other expenses	1,921
Total Operating Expenses	<u>141,402</u>
Income (Loss) From Operations	18,494
Nonoperating Revenue (Expense):	
Interest income	91
Total Nonoperating Revenue	<u>91</u>
Changes in net position	18,585
Net Position, beginning of year	115,357
Net Position, end of year	<u><u>\$ 133,942</u></u>

See accountant's notes and compilation report.

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

Cash flows From Operating Activities:	
Cash received from customers	\$ 114,894
Other operating cash receipts	45,002
Cash payments to suppliers for goods and services	(87,565)
Cash payments to employees	<u>(47,453)</u>
Net Cash Provided (Used) By Operating Activities	24,878
Cash Flows From Capital and Financing Activities:	
Acquisition and construction of capital assets	(22,424)
Gain on sale of equipment	<u> </u>
Net Cash Provided (Used) by Financing Activities	<u>(22,424)</u>
Cash Flows From Investing Activities:	
Interest income	91
(Increase) decrease in certificates of deposit	<u>(85)</u>
Net Cash Provided (Used) by Investing Activities	<u>6</u>
Net increase (decrease) in cash and cash equivalents	2,460
Beginning cash and cash equivalents	<u>31,143</u>
Ending cash and cash equivalents	<u><u>\$ 33,603</u></u>
Reconciliation of income (loss) to net cash provided (used) by operating activities:	
Operating income (loss)	\$ 18,494
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation	6,384
Changes in assets and liabilities:	
Net cash provided (used) by operating activities	<u><u>\$ 24,878</u></u>

See accountant's notes and compilation report.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Organization

The Beaver County Conservation District was created under Title 27A, sections 3-1-101 through 3-3-410, as amended, of the Oklahoma Statutes. 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 modified cash basis of accounting. This basis recognizes assets, liabilities, net position, revenues, and expenditures/expenses when they result from cash transactions with provision for depreciation in the financial statements. This basis is a basis of accounting other than accounting principles generally accepted in the United States of America.

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 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 FDIC insurance. All deposits are fully insured.

NOTE 3 -- INVESTMENTS:

The State of Oklahoma allows governmental entities to invest in the following: direct obligations of the United State 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.

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

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. 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 \$6,384. The following is a summary by category of changes in property and equipment:

<u>Category</u>	<u>6/30/15</u>	<u>Additions</u>	<u>Deletions</u>	<u>6/30/16</u>
	\$	\$	\$	\$
Building improvements	20,920	19,627		40,547
Machinery and equipment	102,359	2,797		105,156
Totals	123,279	22,424		145,703
Accumulated depreciation	(64,224)	(6,384)		(70,608)
Net	<u>\$ 59,055</u>	<u>\$ 16,040</u>	<u>\$</u>	<u>\$ 75,095</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 expenses. Such reimbursements are recognized as revenues 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 employers 16 ½ % 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 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 disclosures 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.

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

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 OCC and the District 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 reasonably estimated. In determining claims, events that might create claims, but for which none have been reported, are considered.

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 – 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 equivalent 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.