OKMULGEE COUNTY CONSERVATION DISTRICT

ANNUAL FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2012

OKMULGEE COUNTY CONSERVATION DISTRICT
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YEAR ENDED JUNE 30, 2012

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Kimberlye R. Mayer, CPA, P.C.

735 West Doolin Blackwell, OK 74631 (580) 363-1453
Fax (580) 363-0068

Accountant's Compilation Report

Board of Directors
Okmulgee County Conservation District

We have compiled the accompanying financial statements of the Okmulgee County Conservation District as of and for the year ended June 30, 2012. 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
May 14, 2013

FINANCIAL STATEMENTS

AND

NOTES

OKMULGEE COUNTY CONSERVATION DISTRICT
STATEMENT OF ASSETS, LIABILITIES, AND NET ASSETS
MODIFIED CASH BASIS
JUNE 30, 2012

ASSETS

Current Assets:	
Cash in operating account	$ 41,471
Building account	36,629
Petty Cash	100
Cash in savings	16,601
Total Cash and Cash Equivalents	94,801
Certificate of deposit	24,017
Total Current Assets	118,818
Property and equipment (Note 3) (net of accumulated depreciation)	246,415
Total Assets	$ 365,233

LIABILITIES AND NET ASSETS

Liabilities:	
Current Liabilities:	$
Net Assets:	
Invested in capital assets, net of related debt	246,415
Unrestricted	118,818
Total Net Assets	365,233
Total Liabilities and Net Assets	$ 365,233

The accompanying report and notes are an integral part of these financial statements.

OKMULGEE COUNTY CONSERVATION DISTRICT
STATEMENT OF REVENUES AND EXPENSES AND CHANGES IN NET ASSETS
MODIFIED CASH BASIS
YEAR ENDED JUNE 30, 2012

Operating Revenues:	
OCC reimbursements	$ 80,899
DEQ project	151,600
Equipment rental and custom work	12,649
Building rent	38,544
Plants, seeds sold	1,465
Platbook and map sales	697
Other income	1,556
Total Operating Revenues	287,410
Expenses:	
Personnel costs	90,463
Office supplies and postage	1,652
Repairs and maintenance	13,156
Supplies	3,442
Dues, subscriptions and licenses	161
Director fees	2,850
Mileage, meetings and travel	3,765
Building expenses	17,780
Project, program expenses	37,866
Conservation education	1,647
Plants, seed purchases	1,054
Professional fees	1,100
Insurance and bond	4,798
Utilities	7,709
Telephone	3,028
Fuel	23,657
Depreciation	25,568
Watershed maintenance	14,002
Other expenses	1,528
Total Operating Expenses	255,226
Income (Loss) From Operations	32,184
Nonoperating Revenue (Expense):	
Interest income	408
Total Nonoperating Revenue	408
Revenues Over (Under) expenses	32,592
Net assets, beginning of year	332,641
Net assets, end of year	$ 365,233

The accompanying report and notes are an integral part of these financial statements.

OKMULGEE COUNTY CONSERVATION DISTRICT
STATEMENT OF CASH FLOWS
MODIFIED CASH BASIS
YEAR ENDED JUNE 30, 2012

Cash flows From Operating Activities:	
Cash received from customers	$ 206,511
Other cash operating receipts	80,899
Cash payments to suppliers for goods and services	(139,195)
Cash payments to employees	(90,463)
Net Cash Provided (Used) By Operating Activities	57,752
Cash Flows From Capital and Financing Activities:	
Acquisition and construction of capital assets	(47,876)
Gain on sale of equipment	
Net Cash Provided (Used) by Financing Activities	(47,876)
Cash Flows From Investing Activities:	
(Increase) decrease in CDs	(311)
Interest income	408
Net Cash Provided (Used) by Investing Activities	97
Net increase (decrease) in cash and cash equivalents	9,973
Beginning cash and cash equivalents	84,828
Ending cash and cash equivalents	$ 94,801

Reconciliation of income (loss) to net cash provided (used) by operating activities:	
Operating income (loss)	$ 32,184
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation	25,568
Changes in assets and liabilities:	
Net cash provided (used) by operating activities	$ 57,752

The accompanying report and notes are an integral part of these financial statements.

OKMULGEE COUNTY CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Organization

The Okmulgee 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.

Net assets present the difference between assets and liabilities in the statement of net assets. Net assets invested in capital assets are reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net assets are 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 CASH EQUIVALENTS:

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

NOTE 3 – 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, 2012 was $25,568. The following is a schedule of property and equipment and the related accumulated depreciation at June 30, 2012:

	6/30/11	Additions	6/30/12
Land	$ 113,298	$	$ 113,298
Building and improvements	186,564	6,826	193,390
Machinery and equipment	211,189	24,350	235,539
Vehicles	28,945	16,700	45,645
	539,996	47,876	587,872
Less accumulated depreciation	(315,889)	(25,568)	(341,457)
Net	$ 224,107	$ 22,308	$ 246,415

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 up to their allocated amount. Such reimbursements are recognized as revenue when received.

NOTE 5 - 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 6 – 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 bonds.

NOTE 7 – 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 8 – RISK MANAGEMENT:

The District is exposed to various risks of loss related to torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District purchases commercial insurance for these and other risks of loss. Settled claims have not exceeded the commercial coverage in past years.

NOTE 9 – CONTINGENCIES:

As of June 30, 2012, 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.