

**OSAGE COUNTY CONSERVATION DISTRICT**  
**ANNUAL FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2012**

OSAGE COUNTY CONSERVATION DISTRICT  
TABLE OF CONTENTS  
YEAR ENDED JUNE 30, 2012

	Page
<b>INTRODUCTORY SECTION:</b>	
Table of Contents	i
<b>FINANCIAL SECTION:</b>	
Accountant's Compilation Report	1
Statement of Assets, Liabilities and Net Assets – Modified Cash Basis	2
Statement of Revenues and Expenses and Changes in Net Assets – Modified Cash Basis	3
Statement of Cash Flows – Modified Cash Basis	4
Notes to Financial Statements	5-6

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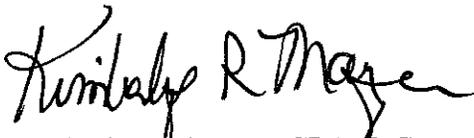
## Accountant's Compilation Report

Board of Directors  
Osage County Conservation District

We have compiled the accompanying financial statements of the Osage 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 provide any 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, OK  
August 22, 2012

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

ASSETS

Current Assets:	
Cash in operating account	\$ 29,082
Petty Cash	51
Cash in savings	<u>152</u>
Total Cash and Cash Equivalents	29,285
Property and equipment (Note 3)	
(net of accumulated depreciation)	<u>15,146</u>
Total Assets	<u><u>\$ 44,431</u></u>

LIABILITIES AND NET ASSETS

Liabilities:	\$
Net Assets:	
Invested in capital assets, net of related debt	15,146
Unrestricted	<u>29,285</u>
Total Net Assets	<u>44,431</u>
Total Liabilities and Net Assets	<u><u>\$ 44,431</u></u>

See accountant's notes and compilation report.

OSAGE 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	\$ 72,643
Watershed maintenance	2,335
Drilling and equipment rental	5,243
Chemical sales	2,046
Custom seeding, roots and seed sales	5,460
Platbook and map sales	7,331
Other income	769
Total Operating Revenues	<u>95,827</u>
Expenses:	
Salaries and wages	64,045
Payroll taxes and benefits	5,970
Office supplies and postage	1,170
Repairs and maintenance	2,293
Watershed maintenance	2,250
Conservation education	794
Director fees	1,200
Meetings and travel	820
Fuel	1,488
Sprigging, seed and roots expenses	2,092
Professional fees	735
Insurance and bond	891
Utilities and telephone	1,610
Depreciation	5,444
Chemicals purchased	570
Platbooks and maps cost	3,878
Other expenses	883
Total Operating Expenses	<u>96,133</u>
Income (Loss) From Operations	(306)
Nonoperating Revenue (Expense):	
Interest income	10
Total Nonoperating Revenue	<u>10</u>
Revenues Over (Under) expenses	(296)
Net assets, beginning of year	<u>44,727</u>
Net assets, end of year	<u>\$ 44,431</u>

See accountant's notes and compilation report.

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

Cash flows From Operating Activities:	
Cash received from customers	\$ 20,849
Cash received from OCC	74,978
Cash payments to suppliers for goods and services	(26,644)
Cash payments to employees	(64,045)
Net Cash Provided (Used) By Operating Activities	<u>5,138</u>
Cash Flows From Capital and Financing Activities:	
Acquisition and construction of capital assets	(1,975)
Gain on sale of equipment	<u>(1,975)</u>
Net Cash Provided (Used) by Financing Activities	<u>(1,975)</u>
Cash Flows From Investing Activities:	
Interest income	10
(Increase) decrease in investments	<u>13,960</u>
Net Cash Provided (Used) by Investing Activities	<u>13,970</u>
Net increase (decrease) in cash and cash equivalents	17,133
Beginning cash and cash equivalents	<u>12,152</u>
Ending cash and cash equivalents	<u><u>\$ 29,285</u></u>
Reconciliation of income (loss) to net cash provided (used) by operating activities:	
Operating income (loss)	\$ (306)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation	5,444
Changes in assets and liabilities:	
Net cash provided (used) by operating activities	<u><u>\$ 5,138</u></u>

See accountant's notes and compilation report.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Organization

The Osage 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 - 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:

Total depreciation for the year ended June 30, 2012 was \$5,444. The following is a schedule of property and equipment and the related accumulated depreciation at June 30, 2012:

	<u>6/30/11</u>	<u>Additions</u>	<u>6/30/12</u>
Land	\$ 525	\$	\$ 525
Office equipment	6,240		6,240
Machinery and equipment	87,736	1,975	89,711
	<u>94,501</u>	<u>1,975</u>	<u>96,476</u>
Less accumulated depreciation	<u>(75,886)</u>	<u>(5,444)</u>	<u>(81,330)</u>
Net	<u>\$ 18,615</u>	<u>\$ (3,469)</u>	<u>\$ 15,146</u>

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.

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

NOTE 5 – 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 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 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 reasonably estimated. In determining claims, events that might create claims, but for which none have been reported, are considered.

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.