

OSAGE COUNTY CONSERVATION DISTRICT
ANNUAL FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2015

Kimberlye R. Mayer, CPA, P.C.

723 West Doolin

Blackwell, OK 74631

(580) 363-1453
Fax (580) 363-0068

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, 2015. 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 19, 2015

OSAGE COUNTY CONSERVATION DISTRICT
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2015

	Page
INTRODUCTORY SECTION:	
Table of Contents	i
FINANCIAL SECTION:	
Accountant's Compilation Report	1
Statement of Assets, Liabilities and Net Position – Modified Cash Basis	2
Statement of Revenues and Expenses and Changes in Net Position – Modified Cash Basis	3
Statement of Cash Flows – Modified Cash Basis	4
Notes to Financial Statements	5-7

OSAGE COUNTY CONSERVATION DISTRICT
STATEMENT OF ASSETS, LIABILITIES, AND NET POSITION
MODIFIED CASH BASIS
JUNE 30, 2015

ASSETS

Current Assets:	
Cash in operating account	\$ 47,809
Petty Cash	24
Cash in savings	<u>156</u>
Total Cash and Cash Equivalents	47,989
Property and equipment (Note 3) (net of accumulated depreciation)	 <u>1,966</u>
Total Assets	 <u><u>\$ 49,955</u></u>

LIABILITIES AND NET POSITION

Liabilities:	\$
Net Position:	
Net investment in capital assets	1,966
Unrestricted	<u>47,989</u>
Total Net Position	<u>49,955</u>
Total Liabilities and Net Position	 <u><u>\$ 49,955</u></u>

OSAGE COUNTY CONSERVATION DISTRICT
STATEMENT OF REVENUES AND EXPENSES AND CHANGES IN NET POSITION
MODIFIED CASH BASIS
YEAR ENDED JUNE 30, 2015

Operating Revenues:	
OCC reimbursements	\$ 76,596
Cost share	11,047
Drilling and equipment rental	3,051
Chemical sales	42,827
Custom seeding, roots and seed sales	22,671
Platbook and map sales	6,537
Grant income	
Donations	
Total Operating Revenues	162,729
Expenses:	
Payroll	64,455
Payroll taxes and benefits	5,643
Office supplies and postage	1,625
Repairs and maintenance	2,933
Watershed maintenance	2,375
Conservation education	110
Director fees	800
Meetings and travel	819
Fuel	877
Sprigging, seed and roots expenses	12,404
Professional fees	915
Insurance and bond	623
Dues, advertising and promotion	706
Utilities and telephone	2,578
Depreciation	2,946
Chemicals purchased	38,700
Platbooks and maps cost	3,733
Cost share	11,047
Other expenses	255
Total Operating Expenses	153,544
Income (Loss) From Operations	9,185
Nonoperating Revenue (Expense):	
Interest income	1
Total Nonoperating Revenue	1
Revenues Over (Under) expenses	9,186
Net Position, beginning of year	40,769
Net Position, end of year	\$ 49,955

See accountant's notes and compilation report.

OSAGE COUNTY CONSERVATION DISTRICT
STATEMENT OF CASH FLOWS
MODIFIED CASH BASIS
YEAR ENDED JUNE 30, 2015

Cash flows From Operating Activities:	
Cash received from customers	\$ 75,086
Other operating cash receipts	87,643
Cash payments to suppliers for goods and services	(86,143)
Cash payments to employees	<u>(64,455)</u>
Net Cash Provided (Used) By Operating Activities	12,131
Cash Flows From Capital and Financing Activities:	
Acquisition and construction of capital assets	
Gain on sale of equipment	
Net Cash Provided (Used) by Financing Activities	<u> </u>
Cash Flows From Investing Activities:	
Interest income	1
(Increase) decrease in investments	
Net Cash Provided (Used) by Investing Activities	<u> 1</u>
Net increase (decrease) in cash and cash equivalents	12,132
Beginning cash and cash equivalents	<u>35,857</u>
Ending cash and cash equivalents	<u><u>\$ 47,989</u></u>
Reconciliation of income (loss) to net cash provided (used) by operating activities:	
Operating income (loss)	\$ 9,185
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation	2,946
Changes in assets and liabilities:	
Net cash provided (used) by operating activities	<u><u>\$ 12,131</u></u>

See accountant's notes and compilation report.

OSAGE COUNTY CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2015

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 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 comprehensive 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.

OSAGE COUNTY CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2015

NOTE 4 – PROPERTY AND EQUIPMENT:

Total depreciation for the year ended June 30, 2015 was \$2,946. The following is a schedule of property and equipment and the related accumulated depreciation at June 30, 2015:

	6/30/14	(Deletions) Additions	6/30/15
Land	\$ 525	\$	\$ 525
Office equipment	3,308	(1,834)	1,474
Machinery and equipment	89,711		89,711
	<u>93,544</u>	<u>(1,834)</u>	<u>91,710</u>
Less accumulated depreciation	<u>(88,632)</u>	<u>(1,112)</u>	<u>(89,744)</u>
Net	<u>\$ 4,912</u>	<u>\$ (2,946)</u>	<u>\$ 1,966</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 up to their allocated amount. Such reimbursements are recognized as revenue when received.

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 employer's 16½% share of retirement was paid directly by the Commission. The employees' share of the retirement contribution was 3½% of locally earned wages and 3½% of state reimbursable wages.

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.

OSAGE COUNTY CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2015

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 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 9 – CONTINGENCIES:

As of June 30, 2015, 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 INSTRUMENTS:

The District's financial instruments include cash and cash equivalents. The District's estimate of the fair value of all financial instruments does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying statement of net assets. The carrying amount of these financial statements approximates fair value because of the short maturity of these instruments.