

OKMULGEE COUNTY CONSERVATION DISTRICT

ANNUAL FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2015

OKMULGEE COUNTY CONSERVATION DISTRICT
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YEAR ENDED JUNE 30, 2015

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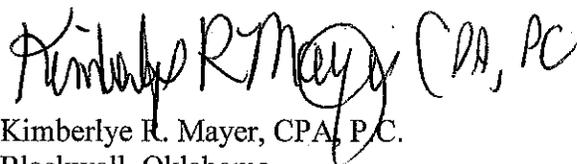
Accountant's Compilation Report

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, 2015. 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
September 4, 2015

FINANCIAL STATEMENTS

AND

NOTES

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

ASSETS

Current Assets:	
Cash in operating account	\$ 14,728
Building account	57,118
Petty Cash	100
Cash in savings	26,803
Total Cash and Cash Equivalents	98,749
Certificate of deposit	54,957
Total Current Assets	153,706
Property and equipment (Note 3) (net of accumulated depreciation)	196,005
Total Assets	\$ 349,711

LIABILITIES AND NET ASSETS

Liabilities:	
Current Liabilities:	\$
Net Assets:	
Invested in capital assets, net of related debt	196,005
Unrestricted	153,706
Total Net Assets	349,711
Total Liabilities and Net Assets	\$ 349,711

See accountant's compilation report and notes.

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

Operating Revenues:	
OCC reimbursements	\$ 85,332
DEQ project	73,516
Equipment rental and custom work	5,125
Building rent	38,544
Platbook and map sales	2,140
Other income	125
Total Operating Revenues	204,782
Expenses:	
Personnel costs	79,774
Office supplies and postage	2,446
Equipment rental	4,674
Repairs, maintenance, supplies	22,322
Professional fees	1,616
Director fees	2,400
Mileage, meetings and travel	3,039
Advertising	358
Building expenses	20,520
Project, program expenses	41,422
Conservation education	897
Professional fees	2,322
Insurance and bond	2,400
Utilities	1,599
Telephone	4,130
Fuel	12,286
Depreciation	20,545
Other expenses	713
Total Operating Expenses	223,463
Income (Loss) From Operations	(18,681)
Nonoperating Revenue (Expense):	
Interest income	499
Sale of equipment	—
Total Nonoperating Revenue	499
Revenues Over (Under) expenses	(18,182)
Net assets, beginning of year	367,893
Net assets, end of year	\$ 349,711

See accountant's compilation report and notes.

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

Cash flows From Operating Activities:	
Cash received from customers	\$ 45,934
Other cash operating receipts	158,848
Cash payments to suppliers for goods and services	(131,711)
Cash payments to employees	(71,207)
Net Cash Provided (Used) By Operating Activities	<u>1,864</u>
Cash Flows From Capital and Financing Activities:	
Acquisition and construction of capital assets	(19,423)
Gain on sale of equipment	—
Net Cash Provided (Used) by Financing Activities	<u>(19,423)</u>
Cash Flows From Investing Activities:	
(Increase) decrease in CDs	(419)
Interest income	499
Net Cash Provided (Used) by Investing Activities	<u>80</u>
Net increase (decrease) in cash and cash equivalents	(17,479)
Beginning cash and cash equivalents	<u>116,228</u>
Ending cash and cash equivalents	<u><u>\$ 98,749</u></u>
Reconciliation of income (loss) to net cash provided (used) by operating activities:	
Operating income (loss)	\$ (18,681)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation	20,545
Changes in assets and liabilities:	
Net cash provided (used) by operating activities	<u><u>\$ 1,864</u></u>

See accountant's compilation report and notes.

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

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 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 the 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 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 – 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.

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

NOTE 4 – 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, 2015 was \$20,545. The following is a schedule of property and equipment and the related accumulated depreciation at June 30, 2015:

	6/30/14	Additions (Deletions)	6/30/14
Land	\$ 113,298	\$	\$ 113,298
Building and improvements	193,390		193,390
Machinery and equipment	208,629	19,423	228,052
Vehicles	16,700		16,700
	<u>532,017</u>	<u>19,423</u>	<u>551,440</u>
Less accumulated depreciation	(334,890)	(20,545)	(355,435)
Net	<u>\$ 197,127</u>	<u>\$ (1,122)</u>	<u>\$ 196,005</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 employers 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.

OKMULGEE 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.