

SOUTH CADDO CONSERVATION DISTRICT

ANNUAL FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2015

SOUTH CADDO CONSERVATION DISTRICT
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2015

	Page
INTRODUCTORY SECTION:	
Table of Contents	i
FINANCIAL SECTION:	
Accountant's Compilation Report	1
Financial Statements:	
Statement of Assets, Liabilities and Net Position – Modified Cash Basis	3
Statement of Revenues, Expenses and Changes in Net Position – Modified Cash Basis	4
Statement of Cash Flows – Modified Cash Basis	5
Notes to Financial Statements	6-8

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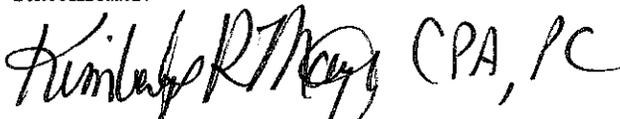
Accountant's Compilation Report

Board of Directors
South Caddo Conservation District

We have compiled the accompanying financial statements of the South Caddo 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
August 29, 2015

FINANCIAL STATEMENTS

AND

NOTES

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

ASSETS

Current Assets:	
Cash in operating account	\$ 29,077
Certificates of deposit	13,040
Equipment deposit	<u>1,500</u>
Total Current Assets	43,617
Property and equipment (Note 5)	
(net of accumulated depreciation)	<u>44,461</u>
Total Assets	<u><u>\$ 88,078</u></u>

LIABILITIES AND NET POSITION

Liabilities:	\$
Net Position:	
Net investment in capital assets	44,461
Unrestricted	<u>43,617</u>
Total Net Position	<u>88,078</u>
Total Liabilities and Net Position	<u><u>\$ 88,078</u></u>

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

Operating Revenues:	
OCC reimbursements	\$ 115,190
Watershed reimbursements	33,535
Cost share	20,718
Storage fees	1,560
Rent income	4,550
Equipment rental	15,485
Seed sales	11,719
Plat books and maps	1,695
Advertising income	975
Soil sampling	1,680
Other income	644
Total Operating Revenues	207,751
Expenses:	
Payroll	64,749
Payroll taxes and benefits	6,523
Office supplies and postage	1,115
Repairs, maintenance and supplies	7,420
Fuel	2,993
Seed and plant purchases	14,055
Soil testing	450
Mileage, meetings and travel	3,759
Dues, registrations, memberships	769
Cost share paid	20,718
Professional fees	1,085
Insurance	2,331
Telephone	851
Director fees	900
Conservation education	100
Watershed maintenance	73,838
Depreciation expense	9,206
Other expense	622
Total Operating Expenses	211,484
Income (Loss) From Operations	(3,733)
Nonoperating Revenue (Expense):	
Interest income	349
Total Nonoperating Revenue	349
Revenues Over (Under) expenses	(3,384)
Net position, beginning of year	91,462
Net position, end of year	\$ 88,078

See accountant's compilation report and notes.

SOUTH CADDO CONSERVATION DISTRICT
STATEMENT OF CASH FLOWS
MODIFIED CASH BASIS
YEAR ENDED JUNE 30, 2015

Cash flows From Operating Activities:	
Cash received from customers	\$ 38,308
Cash received from OCC	169,443
Cash payments to suppliers for goods and services	(139,029)
Cash payments to employees	(64,749)
Net Cash Provided (Used) By Operating Activities	<u>3,973</u>
Cash Flows From Capital and Financing Activities:	
Acquisition and construction of capital assets	(11,710)
Sale of assets	
Net Cash Provided (Used) by Financing Activities	<u>(11,710)</u>
Cash Flows From Investing Activities:	
Interest income	349
(Increase) decrease in CD's	
Net Cash Provided (Used) by Investing Activities	<u>349</u>
Net increase (decrease) in cash and cash equivalents	(7,388)
Beginning cash and cash equivalents	<u>49,505</u>
Ending cash and cash equivalents	<u><u>\$ 42,117</u></u>
Reconciliation of income (loss) to net cash provided (used) by operating activities:	
Operating income (loss)	\$ (3,733)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation	9,206
Changes in assets and liabilities:	
Increase in deposits	(1,500)
Net cash provided (used) by operating activities	<u><u>\$ 3,973</u></u>

See accountant's compilation report and notes.

SOUTH CADDO CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Organization

The South Caddo 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.

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 investment in capital assets is 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 the Federal Deposit Insurance Corporation. All deposits at June 30, 2015 were fully insured.

NOTE 3 – 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 debt.

SOUTH CADDO CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2015

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. 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 \$9,206. The balances for depreciable assets by major category for the year ended June 30, 2015 are as follows:

	6/30/14	Additions	(Deletions)	6/30/15
Outdoor classroom	\$ 11,823	\$	\$	\$ 11,823
Building	22,118			22,118
Equipment	58,614	11,710		70,324
	92,555	11,710		104,265
Less accumulated depreciation	(50,598)	(9,206)		(59,804)
Net	<u>\$ 41,957</u>	<u>\$ 2,504</u>	<u>\$</u>	<u>\$ 44,461</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 office expenses up to their allocated amount. Such reimbursements are recognized as revenue when received.

NOTE 7 – FAIR VALUE OF FINANCIAL INSTRUMENTS:

The District's financial statements include cash and certificates of deposits. The District's estimates of the fair value of all financial instruments do not differ materially from the aggregate carrying value of its financial instruments recorded in the accompanying balance sheet. The carrying amount of these financial instruments approximates fair value because of the short maturity of these instruments.

SOUTH CADDO CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2015

NOTE 8 – 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 employee's share of the retirement contribution was 3½% of locally earned wages and 3½% of state reimbursable wages.

NOTE 9 – 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 10 – 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 11 – 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.