

GARFIELD COUNTY CONSERVATION DISTRICT

ANNUAL FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2014

GARFIELD COUNTY CONSERVATION DISTRICT
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YEAR ENDED JUNE 30, 2014

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Accountant's Compilation Report

Board of Directors
Garfield County Conservation District

We have compiled the accompanying statements of assets, liabilities and net position – modified cash basis of the Garfield County Conservation District as of June 30, 2014 and the related statements of revenues, expenses and changes in net position – modified cash basis and of cash flows for the year then ended. 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 13, 2015

GARFIELD COUNTY CONSERVATION DISTRICT
STATEMENT OF ASSETS, LIABILITIES, AND NET POSITION
MODIFIED CASH BASIS
JUNE 30, 2014

ASSETS

Current Assets:	
Cash in operating account	\$ 15,426
Petty Cash	28
No-Till account	39,037
Pipeline seeding account	<u>132,490</u>
Total Cash and Cash Equivalents	186,981
Certificates of deposit	<u>13,302</u>
Total Current Assets	200,283
Property and equipment (Note 3)	
(Net of accumulated depreciation)	<u>74,437</u>
Total Assets	<u><u>\$ 274,720</u></u>

LIABILITIES AND NET POSITION

Liabilities:	
Current Liabilities:	\$
Net Position:	
Net investment in capital assets	74,437
Unrestricted	<u>200,283</u>
Total Net Position	<u><u>\$ 274,720</u></u>
Total Liabilities and Net Position	<u><u>\$ 274,720</u></u>

See accountant's compilation report and notes.

GARFIELD COUNTY CONSERVATION DISTRICT
STATEMENT OF REVENUES AND EXPENSES AND CHANGES IN NET POSITION
MODIFIED CASH BASIS
YEAR ENDED JUNE 30, 2014

Operating Revenues:	
OCC reimbursements	\$ 64,014
Pipeline seeding	207,981
Equipment rental	16,989
Sprigging and seed sales	11,505
Watershed reimbursements	1,645
Miscellaneous income	384
Total Operating Revenues	302,518
Expenses:	
Payroll	61,392
Payroll taxes and employee benefits	8,959
Conservation education	33
Director fees	1,300
Office supplies and postage	2,349
Repairs, maintenance, fuel and supplies	6,449
Seeds and sprigging expenses	13,927
Pipeline seeding expenses	127,938
Equipment rent	4,715
Mileage, meeting and travel	3,698
Professional fees	505
Dues, subscriptions and memberships	614
Insurance	4,378
Telephone	1,942
Utilities	571
Advertising and promotion	804
Depreciation	19,921
Miscellaneous expenses	712
Total Operating Expenses	260,207
Income (Loss) From Operations	42,311
Non-operating Revenues (Expenses):	
Interest income	64
Total Non-operating Revenues (Expenses)	64
Revenues Over (Under) Expenses	42,375
Net position, beginning of year	232,345
Net position, end of year	\$ 274,720

See account's compilation report and notes.

GARFIELD COUNTY CONSERVATION DISTRICT
STATEMENT OF CASH FLOWS
MODIFIED CASH BASIS
YEAR ENDED JUNE 30, 2014

Cash flows From Operating Activities:	
Cash received from customers	\$ 236,859
Cash received from OCC	65,659
Cash payments to suppliers for goods and services	(178,894)
Cash payments to employees	(61,392)
Net Cash Provided (Used) By Operating Activities	<u>62,232</u>
Cash Flows From Capital And Related Financing Activities:	
New borrowings	
Principle lease payments	
Interest lease payments	
Net Cash Provided (Used) by Financing Activities	<u> </u>
Cash Flows From Investing Activities:	
Purchase of capital assets	(792)
Sale of fixed assets	
Investment income	64
(Increase) decrease in certificate of deposits	(53)
Net Cash Provided (Used) by Investing Activities	<u>(781)</u>
Net increase (decrease) in cash and cash equivalents	61,451
Beginning cash and cash equivalents	<u>125,530</u>
Ending cash and cash equivalents	<u>\$ 186,981</u>
Reconciliation of income (loss) from operations to net cash provided (used) by operating activities:	
Income (loss) from operations	\$ 42,311
Adjustments to reconcile income (loss) to net cash provided (used) by operating activities:	
Depreciation	19,921
Changes in assets and liabilities:	
Net cash provided (used) by operating activities	<u>\$ 62,232</u>

See accountant's compilation report and notes.

GARFIELD COUNTY CONSERVATION DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Nature of Organization

The Garfield 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. The District assists landowners in conservation practices; acquisition of supplies, seeds, and planting equipment; and assists producers in procuring state and federal funds.

Basis of Accounting

The District maintains its records and prepares its financial statements on the modified cash basis of 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. 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, 2014 was \$19,921.

Cash and Cash Equivalents

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

NOTE 2 – CASH AND CERTIFICATES OF DEPOSIT:

Bank balances and certificates of deposit are maintained in financial institutions which provide coverage to depositors through the Federal Deposit Insurance Corporation.

NOTE 3 – PROPERTY AND EQUIPMENT:

Capital asset activity resulting from modified cash transactions for the fiscal year ended June 30, 2014 was as follows:

	<u>6/30/2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>6/30/2014</u>
District sheds	\$ 55,222	\$	\$	\$ 55,222
Office equipment	4,645			4,645
Machinery and equipment	133,734	792	(779)	133,747
Accumulated depreciation	(100,035)	(19,921)	779	(119,177)
Net	<u>\$ 93,566</u>	<u>\$ (19,129)</u>	<u>\$</u>	<u>\$ 74,437</u>

GARFIELD COUNTY CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014

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. 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 3½% of locally earned wages and 3½% of state reimbursable wages.

NOTE 6 – CASH AND DEPOSITS:

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.

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 - 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 position. The carrying amount of these financial statements approximates fair value because of the short maturity of these instruments.

GARFIELD COUNTY CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014

NOTE 9 – 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 and the OCC manages this risk through the purchase of commercial insurance policies.

NOTE 10 – CONTINGENCIES:

As of June 30, 2014 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 11 – 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.