

**HARPER COUNTY CONSERVATION DISTRICT**

**ANNUAL FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2014**

HARPER COUNTY CONSERVATION DISTRICT  
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YEAR ENDED JUNE 30, 2014

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## Accountant's Compilation Report

Board of Directors  
Harper County Conservation District

We have compiled the accompanying financial statements of the Harper County Conservation District as of and for the year ended June 30, 2014. 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  
October 4, 2014

FINANCIAL STATEMENTS

AND

NOTES

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

ASSETS

Current Assets:	
Checking and savings accounts	\$ 55,009
Certificates of deposit	<u>221,712</u>
Total Cash and Cash Equivalents	276,721
Property and equipment	
(Net of accumulated depreciation) (Note 4)	<u>194,511</u>
Total Assets	<u><u>\$ 471,232</u></u>

LIABILITIES AND NET POSITION

Liabilities:	\$
Net Position:	
Net investment in capital assets	194,511
Unrestricted	<u>276,721</u>
Total Net Position	<u>471,232</u>
Total Liabilities and Net Position	<u><u>\$ 471,232</u></u>

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

Revenues:	
OCC reimbursements	\$ 55,799
Product sales	374
Equipment rental	14,686
Seed sales	107,165
Building rent	36,795
Conservation education fees	600
Plat book and map sales	575
Other income	242
Total Operating Revenues	<u>216,236</u>
Expenses:	
Payroll	54,979
Payroll taxes and employee benefits	6,337
Telephone expense	2,234
Office supplies and postage	1,679
Insurance	5,855
Vehicle expenses	1,990
Equipment maintenance and supplies	2,277
Map costs	116
Meetings, mileage and travel	6,340
Dues and membership	1,410
Professional fees	660
Seed costs	20,916
Building maintenance and supplies	2,454
Utilities	6,767
Janitor	6,500
Depreciation	34,546
Director fees	1,750
Conservation education	2,981
Other expenses	20
Total Operating Expenses	<u>159,811</u>
Operating Income (Loss)	56,425
Nonoperating Revenues (Expenses):	
Gain on sale of assets	
Interest income	825
Total Nonoperating Revenue (Expenses)	<u>825</u>
Changes in net position	57,250
Net position at beginning of year	413,982
Net position at end of year	<u>\$ 471,232</u>

See accountant's compilation report and notes.

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

Cash flows From Operating Activities:	
Cash received from customers	\$ 160,437
Other operating cash receipts	55,799
Cash payments to suppliers for goods and services	(70,286)
Cash payments to employees	(54,979)
Net cash provided (used) by operating activities	<u>90,971</u>
Cash flows from non-capital financing activities:	
Cash flows from capital and related financing activities:	
Cash flows from investing activities:	
(Increase) decrease in fixed assets	(51,291)
Gain on sale of assets	
Interest on cash and CD's	825
Net cash provided (used) by investing activities	<u>(50,466)</u>
Net increase (decrease) in cash and cash equivalents	40,505
Beginning cash and cash equivalents	<u>236,216</u>
Ending cash and cash equivalents	<u><u>\$ 276,721</u></u>
Reconciliation of income (loss) from operations to net cash provided (used) by operating activities:	
Income (Loss) from operations	56,425
Depreciation	34,546
Adjustments to reconcile income (loss) from operations to net cash provided (used) by operating activities:	
Net cash provided (used) by operating activities	<u><u>\$ 90,971</u></u>

See accountant's compilation report and notes.

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Organization

The Harper 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 assets/fund equity, revenues, and expenditures/expenses when they result from cash transactions. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

As 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 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.

Cash and Cash Equivalents

The Corporation considers all checking and savings accounts and deposits with a maturity of three months or less to be cash equivalents.

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, 2014 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.

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

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, 2014 was \$34,546. The following is a summary by category of changes in property and equipment:

<u>Category</u>	<u>6/30/13</u>	<u>Additions</u>	<u>Deletions</u>	<u>6/30/14</u>
Building & fixtures	\$ 289,177	\$ 11,644	\$	\$ 300,821
Machinery and equipment	173,609	39,647		213,256
Totals	462,786	51,291		514,077
Accumulated depreciation	(285,020)	(34,546)		(319,566)
Net	<u>\$ 177,766</u>	<u>\$ 16,745</u>	<u>\$</u>	<u>\$ 194,511</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. When received, such reimbursements are recognized as revenues.

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 3 ½% 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 disclosures 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.

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

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 and OCC 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 the 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, 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 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.