

CIMARRON COUNTY CONSERVATION DISTRICT

ANNUAL FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2014

CIMARRON COUNTY CONSERVATION DISTRICT
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YEAR ENDED JUNE 30, 2014

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Accountant's Compilation Report

Board of Directors
Cimarron County Conservation District

We have compiled the accompanying financial statements of the Cimarron 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 provide any assurance about whether the financial statements are in accordance with the modified cash basis of accounting, which is a 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
October 3, 2014

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

ASSETS

Current Assets:	
Cash in operating account	\$ 50,651
Petty Cash	95
Cash in savings	69,481
Total Cash and Cash Equivalents	120,227
Certificate of deposit	31,004
Total Current Assets	151,231
Investment in Partnership	16,106
Property and equipment (Note 3) (net of accumulated depreciation)	216,001
Total Assets	\$ 383,338

LIABILITIES AND NET POSITION

Liabilities:	
Current Liabilities:	
Payroll taxes due	\$
Net Position:	
Net investment in capital assets	216,001
Unrestricted	167,337
Total Net Position	383,338
Total Liabilities and Net Position	\$ 383,338

See accountant's compilation report and notes.

CIMARRON 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	\$ 48,856
Equipment rental	3,372
Building rent	47,387
Seed and poison grain sales	83,614
Tree sales	5,341
Other sales and service	6,547
Platbook sales	390
Other income	31
Total Operating Revenues	195,538
Expenses:	
Payroll	49,939
Payroll taxes and benefits	6,396
Office supplies and postage	3,019
Repairs and maintenance	129
Advertising and promotion	522
Dues, subscriptions and memberships	2,185
Director fees	1,300
Meetings and travel	3,468
Building expenses	3,654
Janitor	5,527
Conservation education	751
Seed and poison grain purchases	52,876
Professional fees	505
Insurance and bond	3,015
Utilities and telephone	12,941
Other product costs	9,403
Depreciation	9,162
Scholarships	1,200
Other expenses	1,420
Total Operating Expenses	167,412
Income (Loss) From Operations	28,126
Nonoperating Revenue (Expense):	
Interest income	2,214
Total Nonoperating Revenue	2,214
Revenues Over (Under) expenses	30,340
Net position, beginning of year	352,998
Net position, end of year	\$ 383,338

See accountant's compilation report and notes.

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

Cash flows From Operating Activities:	
Cash received from customers	\$ 146,682
Other cash operating receipts	48,856
Cash payments to suppliers for goods and services	(108,311)
Cash payments to employees	(49,939)
Net Cash Provided (Used) By Operating Activities	<u>37,288</u>
Cash Flows From Capital and Financing Activities:	
Acquisition and construction of capital assets	
Sale of assets	
Net Cash Provided (Used) by Financing Activities	<u> </u>
Cash Flows From Investing Activities:	
(Increase) decrease in CDs	(171)
Interest income	2,214
(Increase) decrease in investments	13,907
Net Cash Provided (Used) by Investing Activities	<u>15,950</u>
Net increase (decrease) in cash and cash equivalents	53,238
Beginning cash and cash equivalents	<u>66,989</u>
Ending cash and cash equivalents	<u>\$ 120,227</u>
Reconciliation of income (loss) to net cash provided (used) by operating activities:	
Operating income (loss)	\$ 28,126
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation	9,162
Changes in assets and liabilities:	
Net cash provided (used) by operating activities	<u>\$ 37,288</u>

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Organization

The Cimarron 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 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.

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 – 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 \$9,162. The following is a schedule of property and equipment and the related accumulated depreciation at June 30, 2014:

	<u>6/30/13</u>	<u>Additions</u>	<u>6/30/14</u>
Building and land	\$ 414,010	\$	\$ 414,010
Equipment	34,416		34,416
	<u>448,426</u>		<u>448,426</u>
Less accumulated depreciation	<u>(223,263)</u>	<u>(9,162)</u>	<u>(232,425)</u>
Net	<u>\$ 225,163</u>	<u>\$ (9,162)</u>	<u>\$ 216,001</u>

CIMARRON 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 up to their allocated amount. Such reimbursements are recognized as revenue when received.

NOTE 5 – INVESTMENT IN PARTNERSHIP:

The District entered into a limited partnership with the Dewey County Conservation District. The purpose of this partnership was to provide loan funds to enable Kay County Conservation District to acquire land and to construct an office building. The interest rate for the first 60 months of this loan is 5%. The interest rate will be adjusted every 60 months to prime rate plus 1% until the note matures on November 15, 2019. Collateral for this note is the land, buildings, machinery and equipment and the receivables. At June 30, 2014 the District's share of this partnership was \$16,106.

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 – 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 bonds.

NOTE 8 – 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.

CIMARRON 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 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 loss can be reasonably estimated. In determining claims, events that might create claims, but for which none have been reported, are considered.

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 – FAIR VALUE OF INSTRUMENTS:

The District's financial instruments include cash and cash equivalents, investments and payables. 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.