

NOBLE COUNTY CONSERVATION DISTRICT
ANNUAL FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014

NOBLE COUNTY CONSERVATION DISTRICT
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YEAR ENDED JUNE 30, 2014

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Accountant's Compilation Report

Board of Directors
Noble County Conservation District

We have compiled the accompanying financial statements of the Noble 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 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 27, 2014

FINANCIAL STATEMENTS

AND

NOTES

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

ASSETS

Current Assets:	
Operating accounts	\$ 23,442
Certificates of deposit	30,000
Total Cash and Cash Equivalents	<u>53,442</u>
Certificates of deposit	42,886
Total Current Assets	<u>96,328</u>
Noncurrent Assets:	
Property and equipment (net of accumulated depreciation) (Note 5)	<u>79,743</u>
Total Assets	<u><u>\$ 176,071</u></u>

LIABILITIES AND NET ASSETS

Liabilities:	\$
Net Position:	
Net investment in capital assets	79,743
Unrestricted	96,328
Total Net Assets	<u>176,071</u>
Total Liabilities and Net Position	<u><u>\$ 176,071</u></u>

See accountant's notes and compilation report.

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

Operating Revenues:	
OCC reimbursements	\$ 61,655
Equipment rental	3,253
Sprigging income	25,213
Custom work	1,614
Roots sale	380
O & M reimbursements	9,150
Plat books and map sales	1,855
Other income	440
Total Operating Revenues	103,560
Operating Expenses:	
Salaries and wages	73,115
Payroll taxes and employee benefits	8,569
Office supplies and postage	1,090
Repairs and maintenance	1,929
Travel and meetings	2,216
Fuel	6,163
Grass and fertilizer	6,790
Land lease	2,400
Plat books and maps	1,328
Supplies	1,882
Professional fees	880
Director fees	825
Dues and subscriptions	810
Insurance	3,125
Telephone	927
Utilities	2,066
Depreciation	10,181
Prizes, awards and promotion	1,213
Conservation education	227
Other expense	698
Total Operating Expenses	126,434
Operating Income (Loss)	(22,874)
Nonoperating Revenues (Expenses):	
Interest income	572
Gain on sale of equipment	
Total Nonoperating Revenues (Expenses)	572
Changes in net position	(22,302)
Net position, beginning of year	198,373
Net position, end of year	\$ 176,071

See accountant's notes and compilation report.

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

Cash flows From Operating Activities:	
Cash received from customers	\$ 32,315
Other operating cash receipts	71,245
Cash payments to suppliers for goods and services	(43,138)
Cash payments to employees	<u>(73,115)</u>
Net cash provided (used) by operating activities	(12,693)
Cash flows from non-capital financing activities:	
Cash flows from capital and related financing activities:	
Cash flows from investing activities:	
(Increase) decrease in CDs	(29)
Interest on cash and investments	572
(Increase) decrease in fixed assets	<u>(1,353)</u>
Net cash provided (used) by investing activities	<u>(810)</u>
Net increase (decrease) in cash and cash equivalents	(13,503)
Beginning cash and cash equivalents	<u>66,945</u>
Ending cash and cash equivalents	<u>\$ 53,442</u>
Reconciliation of income (loss) from operations to net cash provided (used) by operating activities:	
Income (Loss) from operations	(22,874)
Adjustments to reconcile income (loss) from operations to net cash provided (used) by operating activities:	
Depreciation	10,181
Changes in assets and liabilities:	
Net cash provided (used) by operating activities	<u>\$ (12,693)</u>

See accountant's notes and compilation report.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Organization

The Noble County Conservation District was created under Title 27A, sections 3-1-101 through 3-3-410, as amended, of the Oklahoma Statutes. 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 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 investments 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.

NOTE 2 - CASH AND CERTIFICATES OF DEPOSIT:

Bank balances and certificates of deposit are covered by FDIC insurance. All deposits are fully insured.

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.

NOBLE 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.

NOTE 5 - 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 assets or materially extend the asset's life are not. 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 \$10,181. The following is a summary by category of changes in property and equipment:

Category	06/30/13	Additions	Deletions	06/30/14
Land	\$ 33,507	\$	\$	\$ 33,507
Building and improvements	45,958			45,958
Machinery and equipment	124,053	1,353		125,406
Totals	203,518	1,353		204,871
Accumulated depreciation	(114,947)	(10,181)		(125,128)
Net	<u>\$ 88,571</u>	<u>\$ (8,828)</u>	<u>\$</u>	<u>\$ 79,743</u>

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 - 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 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.

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

NOTE 9 - 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.

NOTE 10 – RISK MANAGEMENT:

The District is exposed to various risks of loss 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 purchase commercial insurance for these and other risks of loss.

NOTE 11 – 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 statement.