

DEWEY COUNTY CONSERVATION DISTRICT

ANNUAL FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2016

DEWEY COUNTY CONSERVATION DISTRICT
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2016

	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

Kimberlye R. Mayer, CPA, P.C.

723 West Doolin

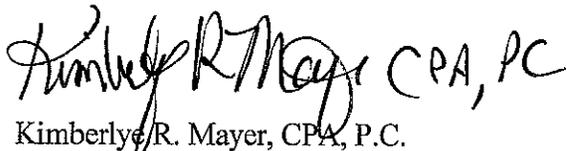
Blackwell, OK 74631

(580) 363-1453
Fax (580) 363-0068

Board of Directors
Dewey County Conservation District

Management is responsible for the accompanying financial statements of the Dewey County Conservation District which comprise the statement of assets, liabilities and net position as of June 30, 2016 and the related statements of revenues and expenses and changes in net position and of cash flows for the year then ended, and the related notes to the financial statements in accordance with the modified cash basis of accounting. Management is responsible to determine that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy and completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared 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.



Kimberlye R. Mayer, CPA, P.C.
Blackwell, Oklahoma
October 18, 2016

FINANCIAL STATEMENTS

AND

NOTES

DEWEY COUNTY CONSERVATION DISTRICT
 STATEMENT OF ASSETS, LIABILITIES, AND NET POSITION
 MODIFIED CASH BASIS
 JUNE 30, 2016

ASSETS

Current Assets:	
Cash and cash equivalent	\$ 87,182
Certificates of deposit	<u>76,015</u>
Total Current Assets	163,197
Property and equipment (Note 5) (net of accumulated depreciation)	<u>202,056</u>
Total Assets	<u><u>\$ 365,253</u></u>

LIABILITIES AND NET POSITION

Liabilities:	\$
Net Position:	
Net investment in capital assets	202,056
Unrestricted	<u>163,197</u>
Total Net Position	<u>365,253</u>
Total Liabilities and Net Position	<u><u>\$ 365,253</u></u>

No assurance is provided on these financial statements.
 See the accountant's compilation report and notes.

DEWEY COUNTY CONSERVATION DISTRICT
STATEMENT OF REVENUES AND EXPENSES AND CHANGES IN NET POSITION
MODIFIED CASH BASIS
YEAR ENDED JUNE 30, 2016

Operating Revenues:	
OCC reimbursements	\$ 45,722
Cost share received	18,330
Watershed reimbursements	10,358
Wetland resource program	1,488
Building rent	48,501
Equipment rental	32,384
Seed sales	41,869
Other sales and service	3,735
Royalties and easement income	5,063
Other income	3,510
Total Operating Revenues	<u>210,960</u>
Expenses:	
Payroll	42,795
Payroll taxes and benefits	8,550
Office supplies and postage	2,544
Repairs and maintenance	8,028
Cost share paid out	18,330
Vehicle expenses	1,568
Seed purchases	39,875
Dues, meetings and travel	17,459
Building expenses	6,110
Advertisement and promotion	3,542
Guzzler costs	2,080
Professional fees	1,240
Insurance	6,063
Utilities and telephone	7,641
Janitor	4,875
Education and programs	7,125
Watershed maintenance	11,807
Depreciation expense	17,791
Other expense	4
Total Operating Expenses	<u>207,427</u>
Income (Loss) From Operations	3,533
Nonoperating Revenue (Expense):	
Sale of equipment	
Interest income	719
Total Nonoperating Revenue	<u>719</u>
Revenues Over (Under) expenses	4,252
Net position, beginning of year	361,001
Net position, end of year	<u>\$ 365,253</u>

No assurance is provided on these financial statements.
See accountant's compilation report and notes.

DEWEY COUNTY CONSERVATION DISTRICT
STATEMENT OF CASH FLOWS
MODIFIED CASH BASIS
YEAR ENDED JUNE 30, 2016

Cash flows From Operating Activities:	
Cash received from customers	\$ 129,999
Cash received from OCC	80,961
Cash payments to suppliers for goods and services	(146,841)
Cash payments to employees	(42,795)
Net Cash Provided (Used) By Operating Activities	21,324
Cash Flows From Capital and Financing Activities:	
Acquisition and construction of capital assets	(88,604)
Sale of assets	-
Net Cash Provided (Used) by Financing Activities	(88,604)
Cash Flows From Investing Activities:	
(Increase) decrease in CDs	(380)
Interest income	719
Net Cash Provided (Used) by Investing Activities	339
Net increase (decrease) in cash and cash equivalents	(66,941)
Beginning cash and cash equivalents	154,123
Ending cash and cash equivalents	\$ 87,182
Reconciliation of income (loss) to net cash provided (used) by operating activities:	
Operating income (loss)	\$ 3,533
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation	17,791
Changes in assets and liabilities:	
Net cash provided (used) by operating activities	\$ 21,324

No assurance is provided on these financial statements.
See accountant's compilation report and notes.

DEWEY COUNTY CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Organization

The Dewey 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.

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, 2016 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.

DEWEY COUNTY CONSERVATION DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2016

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, 2016 was \$17,791. The balances for depreciable assets by major category for the year ended June 30, 2016 are as follows:

	<u>6/30/15</u>	<u>Additions</u>	<u>(Deletions)</u>	<u>6/30/16</u>
Land and improvements	\$ 17,095	\$	\$	\$ 17,095
Building	189,272			189,272
Building improvements		122,997		122,997
Equipment	157,193			157,193
	<u>363,560</u>	<u>122,997</u>		<u>486,557</u>
Less accumulated depreciation	<u>(266,710)</u>	<u>(17,791)</u>		<u>(284,501)</u>
Net	<u>\$ 96,850</u>	<u>\$ 105,206</u>	<u>\$</u>	<u>\$ 202,056</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 – 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 16 ½% share of retirement was paid directly by the Commission. The employee's share of the retirement contributions was 3½% of locally earned wages and 3 ½% of state reimbursable wages.

DEWEY COUNTY CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

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.

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 manage 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 reasonable 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, 2016 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 VALUES OF FINANCIAL INSTRUMENTS:

The definition of fair value for financial reporting, establishes a framework for measuring fair value, and requires additional disclosure about the use of fair value measurements in an effort to make the measurement of fair value more consistent and comparable.

Level 1: Quoted prices in active markets for identical securities.

Level 2: Other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment spread and credit risk).

Level 3: Significant unobservable inputs (including the District's own assumptions in determining the fair value of investments).

The District's financial instruments include cash and cash equivalents, certificates of deposit, inventory, accounts receivable, accounts payable and notes payable. The District's estimate of the fair value of all financial instruments does not differ materially from the aggregate carrying value of its financial instruments recorded in the accompanying statement of net position. The carrying amount of these financial instruments approximates fair value because of the short maturity of these instruments.