

**OKMULGEE COUNTY CONSERVATION DISTRICT**

**ANNUAL FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2016**

OKMULGEE COUNTY CONSERVATION DISTRICT  
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YEAR ENDED JUNE 30, 2016

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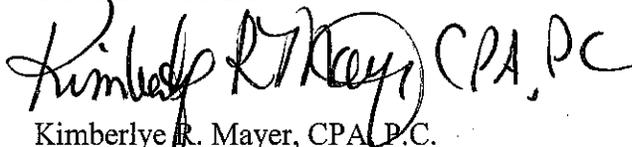
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Board of Directors  
Okmulgee County Conservation District

Management is responsible for the accompanying financial statements of the Okmulgee 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 17, 2016

FINANCIAL STATEMENTS

AND

NOTES

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

ASSETS

Current Assets:	
Cash in operating account	\$ 76,363
Building account	40,705
Petty Cash	100
Cash in savings	26,884
Total Cash and Cash Equivalents	<u>144,052</u>
Certificate of deposit	55,127
Total Current Assets	<u>199,179</u>
Property and equipment (Note 3) (net of accumulated depreciation)	<u>205,312</u>
Total Assets	<u><u>\$ 404,491</u></u>

LIABILITIES AND NET ASSETS

Liabilities:	
Current Liabilities:	\$
Net Assets:	
Invested in capital assets, net of related debt	205,312
Unrestricted	199,179
Total Net Assets	<u>404,491</u>
Total Liabilities and Net Assets	<u><u>\$ 404,491</u></u>

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

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

Operating Revenues:	
OCC reimbursements	\$ 60,882
Cost share received	11,226
DEQ project	146,705
Equipment rental and custom work	13,289
Building rent	38,544
Platbook and map sales	2,315
Total Operating Revenues	272,961
Expenses:	
Personnel costs	77,186
Office supplies and postage	3,659
Cost share paid out	8,726
Repairs, maintenance, rentals, supplies	28,923
Plat books and map costs	1,684
Director fees	1,625
Mileage, meetings and travel	3,182
Dues, subscriptions, advertising	1,237
Building expenses	22,754
Project, program expenses	28,218
Conservation education	1,437
Professional fees	530
Insurance and bond	4,021
Uniforms	2,142
Telephone	4,524
Fuel	9,796
Depreciation	17,963
Other expenses	1,376
Total Operating Expenses	218,983
Income (Loss) From Operations	53,978
Nonoperating Revenue (Expense):	
Interest income	252
Gain on sale of equipment	550
Total Nonoperating Revenue	802
Revenues Over (Under) expenses	54,780
Net assets, beginning of year	349,711
Net assets, end of year	\$ 404,491

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

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

Cash flows From Operating Activities:	
Cash received from customers	\$ 54,148
Other cash operating receipts	218,813
Cash payments to suppliers for goods and services	(133,136)
Cash payments to employees	(67,884)
Net Cash Provided (Used) By Operating Activities	71,941
Cash Flows From Capital and Financing Activities:	
Acquisition and construction of capital assets	(27,270)
Gain on sale of equipment	550
Net Cash Provided (Used) by Financing Activities	(26,720)
Cash Flows From Investing Activities:	
(Increase) decrease in CDs	(170)
Interest income	252
Net Cash Provided (Used) by Investing Activities	82
Net increase (decrease) in cash and cash equivalents	45,303
Beginning cash and cash equivalents	98,749
Ending cash and cash equivalents	\$ 144,052
Reconciliation of income (loss) to net cash provided (used) by operating activities:	
Operating income (loss)	\$ 53,978
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation	17,963
Changes in assets and liabilities:	
Net cash provided (used) by operating activities	\$ 71,941

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Organization

The Okmulgee 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 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 the 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 assets are 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 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 – 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.

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

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, 2016 was \$17,963. The following is a schedule of property and equipment and the related accumulated depreciation at June 30, 2016:

	6/30/15	Additions (Deletions)	6/30/16
Land	\$ 113,298	\$	\$ 113,298
Building and improvements	193,390		193,390
Machinery and equipment	228,052		228,052
Vehicles	16,700	15,520	32,220
	<u>551,440</u>	<u>15,520</u>	<u>566,960</u>
Less accumulated depreciation	(355,435)	(6,213)	(361,648)
Net	<u>\$ 196,005</u>	<u>\$ 9,307</u>	<u>\$ 205,312</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 up to their allocated amount. Such reimbursements are recognized as revenue when received.

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 – 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.

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

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 OCC and the District 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 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, 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 10 – 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 and certificates of deposit. 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.