

**ALFALFA COUNTY CONSERVATION DISTRICT**

**ANNUAL FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2016**

ALFALFA COUNTY CONSERVATION DISTRICT  
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YEAR ENDED JUNE 30, 2016

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Board of Directors  
Alfalfa County Conservation District

Management is responsible for the accompanying financial statements of the Alfalfa 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 cash basis of accounting. Management is responsible to determine that the 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 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, PC  
Blackwell, Oklahoma  
October 26, 2016

FINANCIAL STATEMENTS

AND

NOTES

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

ASSETS

Current Assets:	
Cash and cash equivalents (Note 3)	\$ 155,403
Certificates of deposit	<u>52,670</u>
Total Current Assets	<u>208,073</u>
Total Assets	<u><u>\$ 208,073</u></u>

LIABILITIES AND NET POSITION

Current Liabilities:	\$
Net Position:	
Unrestricted	<u>208,073</u>
Total Net Position	<u>208,073</u>
Total Liabilities and Net position	<u><u>\$ 208,073</u></u>

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

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

Revenues:	
OCC reimbursements	\$ 27,486
Cost share received	12,363
Equipment rental and seed sales	3,627
Building rent	49,884
Oil royalties	2,602
Gopher machine rental and bait	190
Other income	391
Total Operating Revenues	96,543
Expenses:	
Payroll	34,527
Payroll taxes and employee benefits	4,046
Cost share paid	9,855
Office supplies and postage	1,643
Insurance	4,255
Meetings and travel	3,382
Professional fees	1,085
Seed and gopher bait	19
Building maintenance & supplies	1,814
Fuel, supplies and repairs	1,173
Memberships, dues and subscriptions	1,966
Advertising and promotion	1,623
Utilities and phone	9,061
Director fees	1,150
Conservation education	1,165
Other expenses	
Total Operating Expenses	76,764
Operating Income (Loss)	19,779
Nonoperating Revenues (Expenses):	
Interest income	418
Changes in net position	20,197
Net position at beginning of year	187,876
Net position at end of year	\$ 208,073

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

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

NOTE 4 – LAND, PROPERTY AND EQUIPMENT:

Land, property and equipment are not reported on the balance sheet. The following is a list by category of the land, property and equipment at June 30, 2016:

Land and easements	\$ 22,200
Buildings & improvements	212,189
Office equipment	3,263
Machinery & equipment	75,718
	<u>\$ 313,370</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 3 ½% of locally earned wages and 3 ½% of state reimbursable wages.

NOTE 7 – CASH AND DEPOSITS:

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.

ALFALFA 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 District and the OCC manage this risk through the purchase of commercial insurance policies.

**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, 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.