

SOUTH CADDO CONSERVATION DISTRICT

ANNUAL FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2016

SOUTH CADDO 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
South Caddo Conservation District

Management is responsible for the accompanying financial statements of the South Caddo 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 20, 2016

FINANCIAL STATEMENTS

AND

NOTES

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

ASSETS

Current Assets:	
Cash in operating accounts	\$ 30,769
Certificates of deposit	13,169
Equipment deposit	
Total Current Assets	<u>43,938</u>
Property and equipment (Note 5)	
(net of accumulated depreciation)	<u>39,694</u>
Total Assets	<u><u>\$ 83,632</u></u>

LIABILITIES AND NET POSITION

Liabilities:	\$
Net Position:	
Net investment in capital assets	39,694
Unrestricted	43,938
Total Net Position	<u>83,632</u>
Total Liabilities and Net Position	<u><u>\$ 83,632</u></u>

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

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

Operating Revenues:	
OCC reimbursements	\$ 79,914
Watershed reimbursements	2,202
Cost share	14,503
Storage fees	930
Rent income	3,981
Equipment rental	21,320
Seed sales	7,229
Plat books and maps	2,623
Advertising income	4,850
Soil sampling	2,097
Other income	35
Total Operating Revenues	<u>139,684</u>
Expenses:	
Payroll	73,301
Payroll taxes and benefits	6,906
Office supplies and postage	1,520
Repairs, maintenance and supplies	4,674
Fuel	5,434
Seed and plant purchases	13,735
Soil testing	722
Mileage, meetings and travel	2,008
Dues, registrations, memberships	1,198
Cost share paid	14,503
Professional fees	530
Insurance	3,230
Telephone	799
Director fees	815
Conservation education	100
Watershed maintenance	1,591
Plat books and maps	1,929
Depreciation expense	10,762
Other expense	657
Total Operating Expenses	<u>144,414</u>
Income (Loss) From Operations	(4,730)
Nonoperating Revenue (Expense):	
Interest income	284
Total Nonoperating Revenue	<u>284</u>
Revenues Over (Under) expenses	(4,446)
Net position, beginning of year	88,078
Net position, end of year	<u>\$ 83,632</u>

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

SOUTH CADDO CONSERVATION DISTRICT
STATEMENT OF CASH FLOWS
MODIFIED CASH BASIS
YEAR ENDED JUNE 30, 2016

Cash flows From Operating Activities:	
Cash received from customers	\$ 43,065
Cash received from OCC	96,619
Cash payments to suppliers for goods and services	(60,351)
Cash payments to employees	(73,301)
Net Cash Provided (Used) By Operating Activities	<u>6,032</u>
Cash Flows From Capital and Financing Activities:	
Acquisition and construction of capital assets	(4,495)
Sale of assets	
Net Cash Provided (Used) by Financing Activities	<u>(4,495)</u>
Cash Flows From Investing Activities:	
Interest income	284
(Increase) decrease in CD's	
Net Cash Provided (Used) by Investing Activities	<u>284</u>
Net increase (decrease) in cash and cash equivalents	1,821
Beginning cash and cash equivalents	<u>42,117</u>
Ending cash and cash equivalents	<u><u>\$ 43,938</u></u>
Reconciliation of income (loss) to net cash	
provided (used) by operating activities:	
Operating income (loss)	\$ (4,730)
Adjustments to reconcile operating income (loss) to	
net cash provided (used) by operating activities:	
Depreciation	10,762
Changes in assets and liabilities:	
Increase in deposits	
Net cash provided (used) by operating activities	<u><u>\$ 6,032</u></u>

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

SOUTH CADDO CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Organization

The South Caddo 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.

SOUTH CADDO 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 \$10,762. The balances for depreciable assets by major category for the year ended June 30, 2016 are as follows:

	6/30/15	Additions	(Deletions)	6/30/16
Outdoor classroom	\$ 11,823	\$	\$	\$ 11,823
Building	22,118			22,118
Equipment	70,324	5,995		76,319
	104,265	5,995		110,260
Less accumulated depreciation	(59,804)	(10,762)		(70,566)
Net	<u>\$ 44,461</u>	<u>\$ (4,767)</u>	<u>\$</u>	<u>\$ 39,694</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 – ESTIMATES;

The preparation of financials 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.

SOUTH CADDO CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016

NOTE 8 – 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 employee's share of the retirement contribution was 3½% of locally earned wages and 3½% of state reimbursable wages.

NOTE 9 – 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.

NOTE 10 – 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 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 11 – 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.