

NOBLE COUNTY CONSERVATION DISTRICT

ANNUAL FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2017

NOBLE COUNTY CONSERVATION DISTRICT
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YEAR ENDED JUNE 30, 2017

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Kimberlye R. Mayer, CPA, P.C.

723 West Doolin

Blackwell, OK 74631

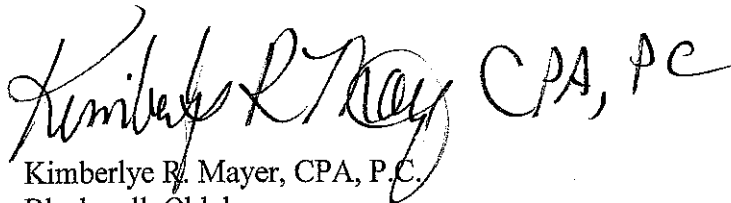
(580) 363-1453
Fax (580) 363-0068

Accountant's Compilation Report

Board of Directors
Noble County Conservation District

Management is responsible for the accompanying financial statements of the Noble County Conservation District which comprise the statement of net position as of June 30, 2017 and the related statements of revenues and expenses and changes in net position 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 22, 2017

FINANCIAL STATEMENTS

AND

NOTES

NOBLE COUNTY CONSERVATION DISTRICT
STATEMENT OF ASSETS, LIABILITIES AND NET ASSETS
MODIFIED CASH BASIS
JUNE 30, 2017

ASSETS

Current Assets:	
Operating accounts	\$ 4,491
Certificates of deposit	<u>30,000</u>
Total Cash and Cash Equivalents	34,491
Certificates of deposit	<u>38,030</u>
Total Current Assets	72,521
Noncurrent Assets:	
Property and equipment (net of accumulated depreciation) (Note 5)	<u>70,135</u>
Total Assets	<u><u>\$ 142,656</u></u>

LIABILITIES AND NET ASSETS

Liabilities:	\$
Net Position:	
Net investment in capital assets	70,135
Unrestricted	<u>72,521</u>
Total Net Assets	<u>142,656</u>
Total Liabilities and Net Position	<u><u>\$ 142,656</u></u>

NOBLE COUNTY CONSERVATION DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
MODIFIED CASH BASIS
YEAR ENDED JUNE 30, 2017

Operating Revenues:	
OCC reimbursements	\$ 68,439
Cost share received	7,103
Equipment rental	715
Sprigging income	7,483
O & M reimbursements	22,388
Plat books and map sales	854
Other income	1,042
Total Operating Revenues	<u>108,024</u>
Operating Expenses:	
Payroll	74,945
Payroll taxes and employee benefits	5,492
Office supplies and postage	1,162
Repairs and maintenance	3,021
Land lease	1,200
Cost share paid out	7,103
Travel and meetings	2,671
Fuel	2,196
Grass, roots and fertilizer	1,137
Plat books and maps	505
Professional fees	885
Director fees	1,605
Dues, subscriptions and licenses	1,584
Insurance	3,780
Telephone	869
Utilities	1,879
Depreciation	8,095
Conservation education	1,181
Other expense	2,816
Total Operating Expenses	<u>122,126</u>
Operating Income (Loss)	(14,102)
Nonoperating Revenues (Expenses):	
Interest income	194
Total Nonoperating Revenues (Expenses)	<u>194</u>
Changes in net position	(13,908)
Net position, beginning of year	156,564
Net position, end of year	<u>\$ 142,656</u>

NOBLE COUNTY CONSERVATION DISTRICT
STATEMENT OF CASH FLOWS
MODIFIED CASH BASIS
YEAR ENDED JUNE 30, 2017

Cash flows From Operating Activities:	
Cash received from customers	\$ 10,094
Other operating cash receipts	97,930
Cash payments to suppliers for goods and services	(39,086)
Cash payments to employees	<u>(74,945)</u>
Net cash provided (used) by operating activities	<u>(6,007)</u>
Cash flows from non-capital financing activities:	
Cash flows from capital and related financing activities:	
Cash flows from investing activities:	
(Increase) decrease in CDs	4,969
Interest on cash and investments	194
(Increase) decrease in fixed assets	<u>5,163</u>
Net cash provided (used) by investing activities	<u>5,163</u>
Net increase (decrease) in cash and cash equivalents	(844)
Beginning cash and cash equivalents	<u>35,335</u>
Ending cash and cash equivalents	<u><u>\$ 34,491</u></u>
Reconciliation of income (loss) from operations to net cash provided (used) by operating activities:	
Income (Loss) from operations	(14,102)
Adjustments to reconcile income (loss) from operations to net cash provided (used) by operating activities:	
Depreciation	8,095
Changes in assets and liabilities:	<u>8,095</u>
Net cash provided (used) by operating activities	<u><u>\$ (6,007)</u></u>

See accountant's notes and compilation report.

NOBLE COUNTY CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

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 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, 2017

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, 2017 was \$8,095. The following is a summary by category of changes in property and equipment:

Category	06/30/16	Additions	Deletions	06/30/17
Land	\$ 33,507	\$	\$	\$ 33,507
Building and improvements	45,958			45,958
Machinery and equipment	89,530			89,530
Totals	168,995			168,995
Accumulated depreciation	(90,765)	(8,095)		(98,860)
Net	<u>\$ 78,230</u>	<u>\$ (8,095)</u>	<u>\$</u>	<u>\$ 70,135</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, 2017

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 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.

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, 2017 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.