

9

**WOODWARD COUNTY CONSERVATION DISTRICT**

**ANNUAL FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2012**

WOODWARD COUNTY CONSERVATION DISTRICT  
TABLE OF CONTENTS  
YEAR ENDED JUNE 30, 2012

	Page
<b>INTRODUCTORY SECTION:</b>	
Table of Contents	i
<b>FINANCIAL SECTION:</b>	
Accountant's Compilation Report	1
Financial Statements:	2
Statement of Assets, Liabilities and Net Assets – Modified Cash Basis	3
Statement of Revenues, Expenses and Changes in Net Assets – Modified Cash Basis	4
Statement of Cash Flows – Modified Cash Basis	5
Notes to Financial Statements	6-8

# Kimberlye R. Mayer, CPA, P.C.

735 West Doolin

Blackwell, OK 74631

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

## Accountant's Compilation Report

Board of Directors  
Woodward County Conservation District

We have compiled the accompanying financial statements of the Woodward County Conservation District as of and for the year ended June 30, 2012. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash basis of accounting and for designing, implementing, and maintaining internal control relevant to the preparation and fair representation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.



Kimberlye R. Mayer, CPA, P.C.  
Blackwell, Oklahoma  
September 18, 2012

FINANCIAL STATEMENTS

AND

NOTES

WOODWARD COUNTY CONSERVATION DISTRICT  
STATEMENT OF ASSETS, LIABILITIES, AND NET ASSETS  
MODIFIED CASH BASIS  
JUNE 30, 2012

ASSETS

Current Assets:	
Cash	\$ 3,981
Certificates of deposit	13,700
Total Cash and Cash Equivalents	17,681
Certificates of deposit	65,300
Land, buildings and equipment (Net of accumulated depreciation) (Note 5)	3,534
Total Assets	\$ 86,515

LIABILITIES AND NET ASSETS

Liabilities:	\$
Net Assets:	
Invested in capital assets, net of related debt	3,534
Unrestricted	82,981
Total Net Assets	86,515
Total Liabilities and Net Assets	\$ 86,515

WOODWARD COUNTY CONSERVATION DISTRICT  
STATEMENT OF REVENUES AND EXPENSES AND CHANGES IN NET ASSETS  
MODIFIED CASH BASIS  
YEAR ENDED JUNE 30, 2012

Revenues:	
OCC reimbursements	\$ 69,381
Equipment rent and sprigging	15,925
Seed sales	35,201
Guzzler sales	53,705
Sponsorships	4,802
Meetings and conference fees	4,307
Carbon award	500
Other income	1,638
Total Operating Revenues	<u>185,459</u>
Expenses:	
Salaries	60,098
Payroll taxes and employee benefits	4,878
Repairs and maintenance	5,767
Telephone and mobile phones	451
Office supplies and postage	869
Equipment lease	495
Mileage, meetings and travel	14,330
Professional fees	885
Seeds and guzzlers	65,751
Dues, memberships and advertisements	858
Utilities	1,435
Director fees	1,075
Fuel	6,568
Newsletters	2,473
Education and soil stewardship	223
Insurance	3,560
Depreciation	972
Other expenses	450
Total Operating Expenses	<u>171,138</u>
Operating Income (Loss)	14,321
Nonoperating Revenues (Expenses):	
Interest income	<u>561</u>
Changes in net assets	14,882
Net assets at beginning of year	71,633
Net assets at end of year	<u>\$ 86,515</u>

See accountant's compilation report and notes.

WOODWARD COUNTY CONSERVATION DISTRICT  
STATEMENT OF CASH FLOWS  
MODIFIED CASH BASIS  
YEAR ENDED JUNE 30, 2012

Cash flows From Operating Activities:	
Cash received from customers	\$ 113,940
Other operating cash receipts	71,519
Cash payments to suppliers for goods and services	(110,068)
Cash payments to employees	<u>(60,098)</u>
Net cash provided (used) by operating activities	15,293
Cash flows from non-capital financing activities:	
Cash flows from capital and related financing activities:	
Cash flows from investing activities:	
Interest on certificates of deposit	561
(Increase) decrease in fixed assets	(400)
(Increase) decrease in CD's	<u>(15,927)</u>
Net cash provided (used) by investing activities	<u>(15,766)</u>
Net increase (decrease) in cash and cash equivalents	(473)
Beginning cash and cash equivalents	<u>18,154</u>
Ending cash and cash equivalents	<u><u>\$ 17,681</u></u>
Reconciliation of income (loss) from operations to net cash provided (used) by operating activities:	
Income (Loss) from operations	14,321
Adjustments to reconcile income (loss) from operations to net cash provided (used) by operating activities:	
Depreciation	972
Changes in assets and liabilities:	
Increase in deposits	<u>          </u>
Net cash provided (used) by operating activities	<u><u>\$ 15,293</u></u>

See accountant's report and notes.

WOODWARD COUNTY CONSERVATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2012

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Organization

The Woodward 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 assets/fund equity, 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 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 Assets

Net assets present the difference between assets and liabilities in the statement of net assets. Net assets invested 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 CERTIFICATES OF DEPOSIT:

Bank balances and certificates of deposit are covered by the Federal Deposit Insurance Corporation. All deposits at June 30, 2012 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.

WOODWARD COUNTY CONSERVATION DISTRICT  
 NOTES TO FINANCIAL STATEMENTS  
 YEAR ENDED JUNE 30, 2012

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 – LAND, 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, 2012 was \$972. The following is a summary by category of changes in property and equipment:

<u>Category</u>	<u>6/30/11</u>	<u>Additions</u>	<u>Deletions</u>	<u>6/30/12</u>
Land & buildings	\$ 17,713	\$	\$	\$ 17,713
Machinery and equipment	198,815	400		199,215
Totals	216,528	400		216,928
Accumulated depreciation	(212,422)	(972)		(213,394)
Net	<u>\$ 4,106</u>	<u>\$ (572)</u>	<u>\$</u>	<u>\$ 3,534</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. When received, such reimbursements are recognized as revenues.

NOTE 7 – RETIREMENT PLAN:

Oklahoma public employees who work 1,000 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 16½% of locally earned wages and 3 ½% of state reimbursable wages.

WOODWARD COUNTY CONSERVATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2012

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 disclosures 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 Corporation 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 the loss can be reasonably 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, 2012, 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.