

OKFUSGEE COUNTY CONSERVATION DISTRICT

ANNUAL FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2015

OKFUSGEE COUNTY CONSERVATION DISTRICT
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YEAR ENDED JUNE 30, 2015

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Accountant's Compilation Report

Board of Directors
Okfuskee County Conservation District

We have compiled the accompanying financial statements of the Okfuskee County Conservation District as of and for the year ended June 30, 2015. 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 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, PC
Blackwell, Oklahoma
October 28, 2015

OKFUSKEE COUNTY CONSERVATION DISTRICT
STATEMENT OF NET POSITION
MODIFIED CASH BASIS
JUNE 30, 2015

ASSETS

Current Assets:	
Cash and cash equivalents	\$ 37,947
Land, property and equipment (Note 4) (net of accumulated depreciation)	<u>243,952</u>
Total Assets	<u><u>\$ 281,899</u></u>

LIABILITIES AND NET POSITION

Liabilities:	
Current Liabilities:	
Capital lease, current portion (Note 5)	\$ 13,731
Capital lease, long-term (Note 5)	<u>156,907</u>
Total Liabilities	170,638
Net Position:	
Net investment in capital assets	73,314
Unrestricted	<u>37,947</u>
Total Net Positon	<u><u>111,261</u></u>
Total Liabilities and Net Positon	<u><u>\$ 281,899</u></u>

See accountant's compilation report and notes.

OKFUSKEE COUNTY CONSERVATION DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
MODIFIED CASH BASIS
YEAR ENDED JUNE 30, 2015

Operating Revenues:	
OCC reimbursements	\$ 74,331
Cost share income	5,323
Building rent	46,284
Plat books and maps	717
Other income	125
Total Operating Revenues	<u>126,780</u>
Operating Expenses:	
Payroll	64,982
Payroll taxes and employee benefits	6,100
Utilities and telephone	6,626
Insurance	2,017
Repairs and maintenance	1,893
Fuel	299
Director expenses	1,000
Cost share paid	5,323
Professional fees	1,099
Janitor fees	3,840
Yardwork	1,033
Building supplies	1,752
Plat books and maps purchased	454
Dues and subscriptions	450
Meetings, mileage and travel	386
Office supplies and postage	923
Conservation education and awards	41
Depreciation	10,094
Miscellaneous expenses	248
Total Operating Expenses	<u>108,560</u>
Operating Income (Loss)	18,220
Nonoperating Revenues (Expenses):	
Interest income	22
Interest expense	(9,175)
Total Nonoperating Revenues (Expenses)	<u>(9,153)</u>
Changes in net position	9,067
Net position, beginning of year	<u>102,194</u>
Net position, end of year	<u>\$ 111,261</u>

See accountant's compilation report and notes.

OFUSKEE COUNTY CONSERVATION DISTRICT
STATEMENT OF CASH FLOWS
MODIFIED CASH BASIS
YEAR ENDED JUNE 30, 2015

Cash flows From Operating Activities:	
Cash received from customers	\$ 47,126
Cash payments from OCC	79,654
Cash payments to suppliers for goods and services	(33,484)
Cash payments to employees	(64,982)
Net cash provided (used) by operating activities	<u>28,314</u>
Cash flows from non-capital financing activities:	
Cash flows from capital and related financing activities:	
Interest paid	(9,175)
Lease payments	(14,010)
Change in fixed assets	
Net cash provided (used) by financing activities	<u>(23,185)</u>
Cash flows from investing activities:	
Interest on cash and investments	<u>22</u>
Net cash provided (used) by investing activities	<u>22</u>
Net increase (decrease) in cash and cash equivalents	5,151
Beginning cash and cash equivalents	<u>32,796</u>
Ending cash and cash equivalents	<u><u>\$ 37,947</u></u>
Reconciliation of income (loss) from operations to net cash provided (used) by operating activities:	
Income (Loss) from operations	\$ 18,220
Adjustments to reconcile income (loss) from operations to net cash provided (used) by operating activities:	
Depreciation	10,094
Changes in assets and liabilities:	
Net cash provided (used) by operating activities	<u><u>\$ 28,314</u></u>

See accountant's compilation report and notes.

OKFUSKEE COUNTY CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Organization

The Okfuskee County Conservation District was created under Title 27A, sections 3-1-101 through 3-3-410, of the Oklahoma Statutes, as amended. 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, revenues, and expenses when they result from cash transactions. 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 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 presents the difference between assets and liabilities in the statement of net position. Net investment 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.

Fair Value on Financial Instruments

The District's financial statements include cash and cash equivalents and capital leases. The District's estimates of the fair value of all financial instruments do 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 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.

OKFUSKEE COUNTY CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2015

NOTE 4 – 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, 2015 was \$10,094. The following is a summary by category of changes in property and equipment:

Category	6/30/14	Additions	Deletions	6/30/15
Land	\$ 3,500	\$	\$	\$ 3,500
Buildings and improvements	329,762			329,762
Machinery and equipment	18,072			18,072
Totals	351,334			351,334
Accumulated depreciation	(97,288)	(10,094)		(107,382)
Net	<u>\$ 254,046</u>	<u>\$ (10,094)</u>	<u>\$</u>	<u>\$ 243,952</u>

NOTE 5 – CAPITAL LEASES:

A lease purchase agreement for the building was entered into on December 27, 2002. The monthly lease payments were \$2,843 with the final payment due in August 2018. This lease agreement was amended on December 27, 2010. The new monthly payments are \$1,932 with the final payment due on November 1, 2025. The following is a detail of the payments due:

Year Ending	Payments
6/30/15	\$ 23,185
6/30/16	23,185
6/30/17	23,185
6/30/18	23,185
6/30/19	23,185
6/30/20 - 6/30/24	106,471
	<u>222,396</u>
Interest	(51,758)
Net	<u>\$ 170,638</u>

OKFUSGEE COUNTY CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2015

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.

NOTE 7 - 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 8 - 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 9 - 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.

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 District and the OCC purchase commercial insurance for these and other risks of loss. Settled claims have not exceeded the commercial coverage in past years.

NOTE 11 - CONTINGENCIES:

As of June 30, 2015, 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.