

**SHAWNEE CONSERVATION DISTRICT**  
**ANNUAL FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2015**

003

SHAWNEE CONSERVATION DISTRICT  
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YEAR ENDED JUNE 30, 2015

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## Accountant's Compilation Report

Board of Directors  
Shawnee Conservation District

We have compiled the accompanying financial statements of the Shawnee 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 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, OK  
October 11, 2015

FINANCIAL STATEMENTS

AND

NOTES

SHAWNEE CONSERVATION DISTRICT  
STATEMENT OF ASSETS, LIABILITIES, AND NET POSITION  
MODIFIED CASH BASIS  
JUNE 30, 2015

ASSETS

Current Assets:	
Cash and cash equivalents	\$ 38,515
County fund accounts	14,757
Total Current Assets	<u>53,272</u>
Land, buildings and equipment (Net of accumulated depreciation) (Note 5)	178,850
Deposits	<u>          </u>
Total Assets	<u><u>\$ 232,122</u></u>

LIABILITIES AND NET POSITION

Liabilities:	
County loan (note 6)	\$ 11,642
Net Position:	
Net investment in capital assets	167,208
Unrestricted	<u>53,272</u>
Total Net Position	<u>220,480</u>
Total Liabilities and Net Position	<u><u>\$ 232,122</u></u>

See accountant's compilation report and notes.

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

Revenues:	
OCC reimbursements	\$ 46,172
Equipment rental	6,311
Sales of roots and grass seed	445
Custom work	10,346
County sales tax	<u>51,708</u>
Total Operating Revenues	<u>114,982</u>
Expenses:	
Payroll	41,598
Payroll taxes and employee benefits	5,410
Repairs and maintenance	11,467
Telephone and mobile phones	5,333
Office supplies and postage	1,655
Mileage, meetings and travel	3,780
Professional fees	1,098
Conservation education	532
Seeds and roots	3,338
Dues, memberships and licenses	1,535
Utilities	5,583
Advertising and promotion	2,896
Fuel	5,340
OERB expense	4,000
Director fees	1,550
Insurance	8,227
Depreciation	14,620
Other expenses	<u>529</u>
Total Operating Expenses	<u>118,491</u>
Operating Income (Loss)	(3,509)
Nonoperating Revenues (Expenses):	
Interest income	<u>13</u>
Total Nonoperating Revenue (Expenses)	<u>13</u>
Changes in net position	(3,496)
Net position at beginning of year	<u>223,976</u>
Net position at end of year	<u>\$ 220,480</u>

See accountant's compilation report and notes.

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

Cash flows from operating activities:	
Cash received from customers	\$ 17,102
Other operating cash receipts	97,880
Cash payments to suppliers for goods and services	(62,273)
Cash payments to employees	(41,598)
Net cash provided (used) by operating activities	<u>11,111</u>
Cash flows from non-capital financing activities:	
Cash flows from capital and related financing activities:	
Acquisition of assets	(40,725)
Principle payments	(5,000)
New borrowings	16,642
Net cash provided (used) by financing activities	<u>(29,083)</u>
Cash flows from investing activities:	
Interest on cash and investments	13
(Increase) decrease in county funds	16,253
Net cash provided (used) by investing activities	<u>16,266</u>
Net increase (decrease) in cash and cash equivalents	(1,706)
Beginning cash and cash equivalents	40,221
Ending cash and cash equivalents	<u>\$ 38,515</u>
Reconciliation of income (loss) from operations to net cash provided (used) by operating activities:	
Income (Loss) from operations	\$ (3,509)
Adjustments to reconcile income (loss) from operations to net cash provided (used) by operating activities:	
Depreciation	14,620
Changes in assets and liabilities:	
Increase in deposits	<u>          </u>
Net cash provided (used) by operating activities	<u>\$ 11,111</u>

See accountant's compilation report and notes.

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Organization

The Shawnee 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 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 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 Position

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.

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, 2015 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.

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

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, 2015 was \$14,620. The following is a summary by category of changes in property and equipment:

<u>Category</u>	<u>6/30/14</u>	<u>Additions</u>	<u>Deletions</u>	<u>6/30/15</u>
Land	\$ 500	\$	\$	\$ 500
Building & improvements	224,072			224,072
Machinery and equipment	107,453	40,725		148,178
Office equipment	6,166			6,166
Totals	<u>338,191</u>	<u>40,725</u>		<u>378,916</u>
Accumulated depreciation	(185,446)	(14,620)		(200,066)
Net	<u>\$ 152,745</u>	<u>\$ 26,105</u>	<u>\$</u>	<u>\$ 178,850</u>

NOTE 6 – NOTES PAYABLE:

The District received a loan of \$16,642 from Pottawatomie County for a vehicle. The interest rate is 0% and the monthly payments are \$500.

NOTE 7 – 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 8 - FAIR VALUE OF INSTRUMENTS:

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 values of its financial instruments recorded in the accompanying statement of net position. The carrying amount of these financial statements approximates fair value because of the short maturity of these instruments.

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

NOTE 9 – 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 employees' share of the retirement contribution was 3½% of locally earned wages and 3½% of state reimbursable wages.

NOTE 10 – 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 11 – 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 OCC and 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 12 – 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.

NOTE 13 – COUNTY SALES TAX:

Pottawatomie County appropriates one percent (1%) of the one-cent sales tax collections for use by the two conservation districts in the county. Shawnee Conservation District receives two-thirds of the collections to be used for maintenance/operations and/or capital outlay. The account is maintained by Pottawatomie County and all purchases requested by Shawnee Conservation District are approved by a budget board. For the fiscal year ended June 30, 2015, Shawnee Conservation District received \$51,708 for supplies, maintenance, operations and loan payments. The balance in the account handled by Pottawatomie County at June 30, 2015 was \$14,757.