

**WOODS COUNTY CONSERVATION DISTRICT**

**ANNUAL FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2016**

WOODS COUNTY CONSERVATION DISTRICT  
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YEAR ENDED JUNE 30, 2016

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

723 West Doolin

Blackwell, OK 74631

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

Board of Directors  
Woods County Conservation District

Management is responsible for the accompanying financial statements of the Woods County 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, PC  
Blackwell, Oklahoma  
November 1, 2016

FINANCIAL STATEMENTS

AND

NOTES

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

ASSETS

Current Assets:	
Cash and cash equivalents	\$ 19,514
Property and equipment (Net of accumulated depreciation) (Note 4)	<u>19,265</u>
Total Assets	<u><u>\$ 38,779</u></u>

LIABILITIES AND NET POSITION

Liabilities:		\$
Net Position:		
Net investment in capital assets		19,265
Unrestricted		<u>19,514</u>
Total Net Position		<u><u>38,779</u></u>
Total Liabilities and Net Position		<u><u>\$ 38,779</u></u>

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

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

Revenues:	
OCC reimbursements	\$ 61,297
Cost share received	6,208
Sales, service & rentals	34,032
Plat books and maps	1,880
Total Operating Revenues	103,417
Expenses:	
Payroll	50,754
Payroll taxes and employee benefits	5,086
Conservation education	279
Scholarships and donations	500
Office supplies and postage	1,978
Insurance and bonds	3,412
Professional fees	1,605
Meetings and travel	3,079
Depreciation expense	3,504
Cost share paid	4,208
Plat book and map costs	1,700
Seed and grass costs	18,569
Equipment repairs, fuel and supplies	2,029
Dues, subscriptions and licenses	445
Utilities and telephone	3,784
Director fees	560
Other expenses	354
Total Operating Expenses	101,846
Operating Income (Loss)	1,571
Nonoperating Revenues (Expenses):	
Interest income	38
Total Nonoperating Revenue (Expenses)	38
Changes in net position	1,609
Net position at beginning of year	37,170
Net position at end of year	\$ 38,779

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

WOODS COUNTY CONSERVATION DISTRICT  
STATEMENT OF CASH FLOWS  
MODIFIED CASH BASIS  
YEAR ENDED JUNE 30, 2016

Cash flows From Operating Activities:	
Cash received from customers	\$ 35,912
Other operating cash receipts	67,505
Cash payments to suppliers for goods and services	(47,588)
Cash payments to employees	(50,754)
Net cash provided (used) by operating activities	5,075
Cash flows from non-capital financing activities:	
Cash flows from capital and related financing activities:	
Purchase of equipment	
Grant income	
Net cash provided (used) by financing activities	_____
Cash flows from investing activities:	
Transfer of funds	
Interest on cash and CD's	38
Net cash provided (used) by investing activities	38
Net increase (decrease) in cash and cash equivalents	5,113
Beginning cash and cash equivalents	14,401
Ending cash and cash equivalents	\$ 19,514
Reconciliation of income (loss) from operations to net cash provided (used) by operating activities:	
Income (Loss) from operations	1,571
Adjustments to reconcile income (loss) from operations to net cash provided (used) by operating activities:	
Depreciation	3,504
Change in assets and liabilities:	
Net cash provided (used) by operating activities	\$ 5,075

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

WOODS COUNTY CONSERVATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Organization

The Woods 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. In February 2015, the East Woods County Conservation District merged with the Woods County Conservation District.

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. 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 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 DEPOSITS:

Bank balances 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.



WOODS COUNTY CONSERVATION DISTRICT  
 NOTES TO FINANCIAL STATEMENTS  
 YEAR ENDED JUNE 30, 2016

NOTE 4 -- 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, 2016 was \$3,504. The following is a summary by category of changes in property and equipment:

<u>Category</u>	<u>6/30/15</u>	<u>Additions</u>	<u>Deletions</u>	<u>6/30/16</u>
Land and buildings	\$ 22,793	\$	\$	\$ 22,793
Machinery and equipment	99,899			99,899
Accumulated depreciation	(99,923)	(3,504)		(103,427)
Net	<u>\$ 22,769</u>	<u>\$ (3,504)</u>	<u>\$</u>	<u>\$ 19,265</u>

NOTE 5 -- 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 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 3 ½% of state reimbursable wages.

NOTE 7 -- 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.

WOODS COUNTY CONSERVATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2016

NOTE 8 – 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 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 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 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, 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.